

## **AMBEV REPORTS 2010 SECOND QUARTER RESULTS UNDER IFRS**

**São Paulo, August 12, 2010**– Companhia de Bebidas das Américas – Ambev [BOVESPA: AMBV4, AMBV3; and NYSE: ABV, ABVc] announces today its results for the 2010 second quarter (Q2 2010). The following financial and operating information, unless otherwise indicated, is presented in nominal *Reais* and prepared in accordance with International Financial and Reporting Standards (IFRS), and should be read in conjunction with our quarterly financial information for the three and six months period ended June 30, 2010 filed with the CVM and submitted to the SEC.

*This press release segregates the impact of organic changes from those arising from changes in scope or currency translation. "Scopes" represent the impact of acquisitions and divestitures, monetary restatement for hyperinflationary economies, and the start-up or termination of activities. Unless stated, percentage changes in this press release are both organic and normalized in nature. Whenever used in this document, the term "normalized" refers to performance measures (EBITDA, EBIT, Profit, EPS) before special items. Special items are either income or expenses which do not occur regularly as part of the normal activities of the Company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the Company due to their size or nature. Normalized measures are additional measures used by management, and should not replace the measures determined in accordance with IFRS as an indicator of the Company's performance. Comparisons, unless otherwise stated, refer to the second quarter of 2009 (Q2 2009). Values in this release may not add up due to rounding.*

### **OPERATING AND FINANCIAL HIGHLIGHTS**

**Top line performance:** Net sales grew 11.5% driven by volume growth as well as price increases across our regions, with Net Revenue/hl growing 3.0% in the period. Organic volume growth of 8.3% in the period was driven by a 12.6% volume growth in Brazil, 1.5% volume growth in HILA-Ex and 2.2% volume growth in Latin America South, which was partly offset by volume contraction of -5.5% in Canada.

**Cost of Goods Sold (COGS) and Selling, General & Administrative (SG&A) expenses:** COGS/hl increased by 11.2% due to higher currency and sugar hedges as well as packaging costs, which were partly offset in the quarter by gains in aluminum and barley hedges, lower corn prices and productivity initiatives. SG&A (excl. depreciation & amortization) increased organically by 11.4% driven by volume growth, inflation, higher logistic costs and investments in the market to support our brands in advance to the World Cup.

**EBITDA, Operating Cash generation and Profit:** Our Normalized EBITDA reached R\$2,422.9 million in Q2 2010, an organic growth of +4.7%, while margin contracted 270bps in the period to 42.7%. Cash generated from operations was R\$2,552.9 million in Q2 2010, an increase of 8.9% as compared to 2009. Our Normalized Profit was R\$1,525.5 million (+9.6%) in Q2 2010 while our Normalized Earnings per share (EPS) grew 9.1%.

**Payout and Financial discipline:** In Q2 2010 there was no announcement regarding dividends or IOC payment and the company did not buyback any shares. We filed a request for an approximately R\$ 50 MM public share offer estimated to be concluded by September and, as announced, following the conclusion of this Offer a Board Meeting will deliberate with respect to the payment of dividends and interest on own capital of approximately R\$ 2 billion.

Financial Highlights - AmBev Consolidated		% As		% As		% As		% As	
R\$ million	2Q09	2Q10	Reported	Organic	YTD 09	YTD 10	Reported	Organic	Organic
Total volumes	34,076.5	36,896.0	8.3%	8.3%	71,344.7	77,822.6	9.1%	8.7%	
Beer	24,499.0	26,783.1	9.3%	9.3%	50,813.8	56,182.4	10.6%	10.5%	
CSD and NANC	9,577.5	10,112.9	5.6%	5.6%	20,530.8	21,640.2	5.4%	4.0%	
Net sales	5,348.1	5,678.4	6.2%	11.5%	11,003.8	11,799.8	7.2%	14.0%	
Gross profit	3,623.7	3,739.4	3.2%	7.3%	7,382.3	7,861.8	6.5%	12.3%	
Gross margin	67.8%	65.9%	-190 bps	-260 bps	67.1%	66.6%	-50 bps	-100 bps	
<b>EBITDA</b>	2,367.3	2,408.4	1.7%	4.7%	5,167.7	5,182.3	0.3%	4.7%	
EBITDA margin	44.3%	42.4%	-190 bps	-270 bps	47.0%	43.9%	-300 bps	-380 bps	
<b>Normalized EBITDA</b>	2,383.1	2,422.9	1.7%	4.7%	4,966.0	5,229.4	5.3%	10.0%	
Normalized EBITDA margin	44.6%	42.7%	-190 bps	-270 bps	45.1%	44.3%	-80 bps	-160 bps	
<b>Profit - AmBev holders</b>	1,375.6	1,510.2	9.8%		2,964.2	3,160.4	6.6%		
<b>Normalized Profit - AmBev holders</b>	1,391.4	1,525.5	9.6%		2,762.6	3,242.1	17.4%		
No. of share outstanding (millions)	616.0	619.1			616.0	619.1			
<b>EPS (R\$/shares)</b>	2.23	2.44	9.2%		4.81	5.10	6.1%		
<b>Normalized EPS</b>	2.26	2.46	9.1%		4.48	5.24	16.8%		

Note: Earnings per share calculation is based on outstanding shares (total existing shares excluding shares held in treasury).

## SUMMARY

During the second quarter our normalized consolidated EBITDA totaled R\$2,422.9 million, a 4.7% organic increase, while our EBITDA for the first half of 2010, reached R\$5,229.4 million, representing an organic increase of 10.0% versus the first half of 2009. Consolidated volumes increased by 8.3% in Q2 2010 and by 8.7% for the HY10, mainly due to strong volume growth in Brazil.

In Brazil, positive macroeconomic fundamentals continued supporting industry growth. Further, our successful innovations and market share gains in comparison to 2009 continued to drive beer volume growth, which increased 13.7% in the quarter. Our CSD & Nanc business also performed well and delivered a 9.3% volume growth for the Q2 2010.

Our Normalized EBITDA in Brazil increased by 11.7% in the quarter, with margins contracting 270bps. As we previously indicated our COGS suffered a negative impact mainly from higher currency hedges, which are particularly unfavorable this quarter and will have a neutral impact during H2 versus previous year, as well as from imported cans. We were also expecting a tougher quarter due to marketing investments in advance to the World Cup.

"We were able to take advantage of a combination of our focus on innovation, higher disposable income and the World Cup to deliver again solid revenue for Beer and CSD this quarter", says João Castro Neves, Chief Executive Officer (CEO) for Ambev.

HILA-ex reported a volume increase of 1.5% and EBITDA organic decrease R\$28.9 million in the quarter. João Castro Neves comments: "We had a tough second quarter, particularly in Venezuela, after improvements verified in previous four quarters. We will continue working hard to go back to the earlier positive trend by focusing on our long-term objectives for the region".

Latin America South contributed with Normalized EBITDA of R\$300.2 million in the period reflecting higher volumes in the beer business as a result of industry growth in the region, as well as market shares either stable or growing in every country. "We reached a 7.3% EBITDA growth in the quarter with beer volumes back in the growth path. We supported our mainstream and premium brands through strong investments, focused market execution and continued attention to our innovation pipeline", says Bernardo Paiva, CEO for Quinsa.

In Canada, Labatt delivered Normalized EBITDA of R\$463.0 million in the quarter, registering an organic decline of 11.1% and a 230 bps margin contraction. "Second quarter results are in line with our previous statement that the first half of the year would be tough as a result of the phasing of commercial investments and the expectation of a lower market share versus the prior year. We are implementing a series of actions aiming at reverting this trend and remain committed to deliver our market share and profitability goals in a balanced way", says Bary Benun, Labatt's President.

"Overall we had a softer organic EBITDA growth with margins declining in Q2 mainly due to anticipated cost pressures and marketing investments in Brazil, as well as issues in some other markets. For the remainder of the year we are working towards a performance improvement in important countries like Argentina and Canada, which will face easier comparisons, while in Brazil we expect to continue benefitting from both macroeconomic conditions and our own performance. In addition, despite some pressure still to come due to sugar prices, our COGS per hectoliter performance should improve as this year unfavorable currency hedges are behind us and, as a result, our consolidated year-over-year organic EBITDA growth should be higher than the one delivered in H1 2010." says João Castro Neves, Chief Executive Officer (CEO) for Ambev.

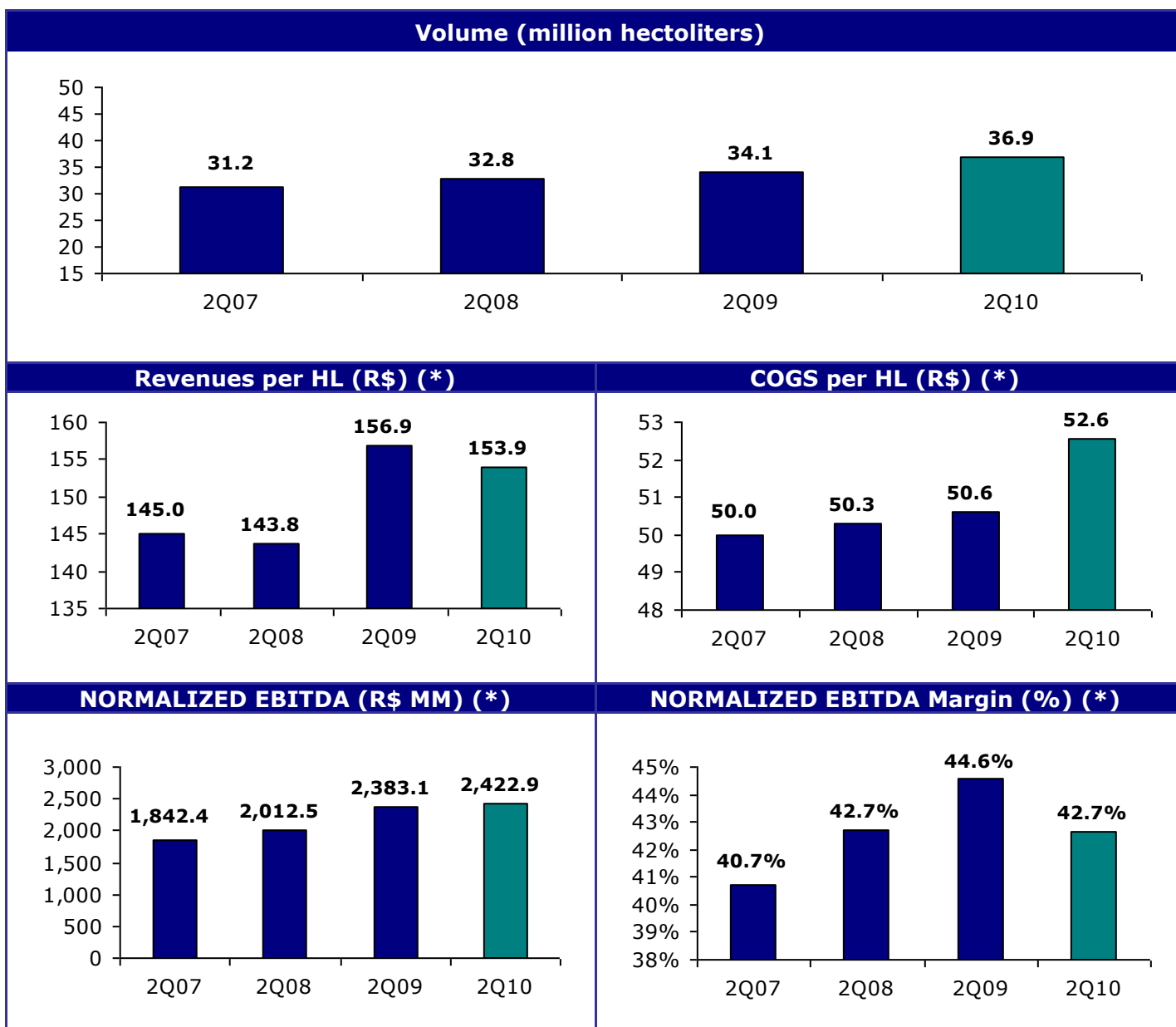
**Ambev Consolidated Income Statement**

Consolidated Income Statement							
<i>R\$ million</i>	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Net Revenue	5,348.1	(0.2)	(286.9)	617.3	5,678.4	6.2%	11.5%
Cost of Goods Sold (COGS)	(1,724.4)	0.1	137.9	(352.6)	(1,939.0)	12.4%	20.4%
<b>Gross Profit</b>	<b>3,623.7</b>	<b>(0.1)</b>	<b>(149.0)</b>	<b>264.7</b>	<b>3,739.4</b>	<b>3.2%</b>	<b>7.3%</b>
Selling, General and Administrative (SG&A)	(1,701.8)	0.0	109.9	(179.5)	(1,771.3)	4.1%	10.5%
Other operating income	118.8	0.0	(3.1)	1.5	117.1	-1.4%	1.2%
<b>Normalized Operating Income (normalized EBIT)</b>	<b>2,040.8</b>	<b>(0.1)</b>	<b>(42.2)</b>	<b>86.6</b>	<b>2,085.2</b>	<b>2.2%</b>	<b>4.2%</b>
Special items above EBIT	(15.8)		0.5	0.1	(15.2)	-3.6%	-0.5%
Net Finance Results	(249.4)				(105.5)	-57.7%	
Share of results of associates	0.2				(0.1)	-128.4%	
Income Tax expense	(383.9)				(436.5)	13.7%	
<b>Profit</b>	<b>1,391.9</b>				<b>1,527.9</b>	<b>9.8%</b>	
<b>Attributable to AmBev holders</b>	<b>1,375.6</b>				<b>1,510.2</b>	<b>9.8%</b>	
Attributable to non-controlling interests	16.4				17.7	7.8%	
<b>Normalized Profit</b>	<b>1,407.7</b>				<b>1,543.1</b>	<b>9.6%</b>	
<b>Attributable to AmBev holders</b>	<b>1,391.4</b>				<b>1,525.5</b>	<b>9.6%</b>	
<b>Normalized EBITDA</b>	<b>2,383.1</b>	<b>(0.1)</b>	<b>(72.4)</b>	<b>112.2</b>	<b>2,422.9</b>	<b>1.7%</b>	<b>4.7%</b>

Consolidated Income Statement							
<i>R\$ million</i>	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Net Revenue	11,003.8	21.8	(769.2)	1,543.4	11,799.8	7.2%	14.0%
Cost of Goods Sold (COGS)	(3,621.5)	(13.0)	332.5	(636.0)	(3,938.0)	8.7%	17.6%
<b>Gross Profit</b>	<b>7,382.3</b>	<b>8.8</b>	<b>(436.7)</b>	<b>907.3</b>	<b>7,861.8</b>	<b>6.5%</b>	<b>12.3%</b>
Selling, General and Administrative (SG&A)	(3,319.0)	(4.4)	256.5	(455.2)	(3,522.1)	6.1%	13.7%
Other operating income	203.7	(0.1)	1.5	6.0	211.1	3.6%	3.0%
<b>Normalized Operating Income (normalized EBIT)</b>	<b>4,267.0</b>	<b>4.3</b>	<b>(178.7)</b>	<b>458.2</b>	<b>4,550.7</b>	<b>6.6%</b>	<b>10.7%</b>
Special items above EBIT	201.6		7.5	(290.8)	(81.6)	nm	nm
Net Finance Results	(574.2)				(292.1)	-49.1%	
Share of results of associates	0.3				(0.0)	-118.4%	
Income Tax expense	(890.1)				(998.1)	12.1%	
<b>Profit</b>	<b>3,004.6</b>				<b>3,178.8</b>	<b>5.8%</b>	
<b>Attributable to AmBev holders</b>	<b>2,964.2</b>				<b>3,160.4</b>	<b>6.6%</b>	
Attributable to non-controlling interests	40.3				18.3	-54.5%	
<b>Normalized Profit</b>	<b>2,802.9</b>				<b>3,260.4</b>	<b>16.3%</b>	
<b>Attributable to AmBev holders</b>	<b>2,762.6</b>				<b>3,242.1</b>	<b>17.4%</b>	
<b>Normalized EBITDA</b>	<b>4,966.0</b>	<b>4.6</b>	<b>(238.9)</b>	<b>497.6</b>	<b>5,229.4</b>	<b>5.3%</b>	<b>10.0%</b>

## AMBEV – CONSOLIDATED RESULTS

The combination of Ambev's operations in Latin America North (LAN), Latin America South (LAS) and Canada's business units, eliminating intercompany transactions, comprise our consolidated financial statements. The figures shown below are on an as-reported basis.



(\*) Q2 2007 data derive from BR GAAP figures and are presented just for reference purposes.

**Ambev Consolidated**

The following table sets forth the consolidated results of Ambev for Q2 2010 and H2 2010 (YTD10).

Ambev delivered Normalized EBITDA of R\$2,422.9 million in the quarter as a result of double-digit top line growth supported by strong volume and price increases across the regions. However, investments to support World Cup execution, currency and sugar hedges and higher cans and logistic costs versus last year adversely impacted our operational leverage in the period resulting in a margin contraction of 270 bps

Our year to date Normalized EBITDA totaled R\$5,229.4 million representing a growth of 10.0% and a margin contraction of 160bps to 44.3%.

<b>AmBev Results</b> <i>R\$ million</i>	<b>2Q09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>2Q10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	34,076.5	-		2,819.5	36,896.0	8.3%	8.3%
Net Revenue	5,348.1	(0.2)	(286.9)	617.3	5,678.4	6.2%	11.5%
Net Revenue/hl	156.9	(0.0)	(7.8)	4.7	153.9	-1.9%	3.0%
COGS	(1,724.4)	0.1	137.9	(352.6)	(1,939.0)	12.4%	20.4%
COGS/hl	(50.6)	0.0	3.7	(5.7)	(52.6)	3.9%	11.2%
<b>Gross Profit</b>	<b>3,623.7</b>	<b>(0.1)</b>	<b>(149.0)</b>	<b>264.7</b>	<b>3,739.4</b>	<b>3.2%</b>	<b>7.3%</b>
Gross Margin	67.8%				65.9%	-190 bps	-260 bps
SG&A excl. deprec.&amort.	(1,548.9)	0.0	99.2	(176.2)	(1,625.8)	5.0%	11.4%
SG&A deprec.&amort.	(152.9)	-	10.7	(3.3)	(145.6)	-4.8%	2.2%
SG&A Total	(1,701.8)	0.0	109.9	(179.5)	(1,771.3)	4.1%	10.5%
Other operating income	118.8	0.0	(3.1)	1.5	117.1	-1.4%	1.2%
<b>Normalized EBIT</b>	<b>2,040.8</b>	<b>(0.1)</b>	<b>(42.2)</b>	<b>86.6</b>	<b>2,085.2</b>	<b>2.2%</b>	<b>4.2%</b>
Normalized EBIT Margin	38.2%				36.7%	-140 bps	-250 bps
<b>Normalized EBITDA</b>	<b>2,383.1</b>	<b>(0.1)</b>	<b>(72.4)</b>	<b>112.2</b>	<b>2,422.9</b>	<b>1.7%</b>	<b>4.7%</b>
Normalized EBITDA Margin	44.6%				42.7%	-190 bps	-270 bps

<b>AmBev Results</b> <i>R\$ million</i>	<b>YTD09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>YTD10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	71,344.7	305.8		6,172.1	77,822.6	9.1%	8.7%
Net Revenue	11,003.8	21.8	(769.2)	1,543.4	11,799.8	7.2%	14.0%
Net Revenue/hl	154.2	(0.4)	(9.9)	7.6	151.6	-1.7%	4.9%
COGS	(3,621.5)	(13.0)	332.5	(636.0)	(3,938.0)	8.7%	17.6%
COGS/hl	(50.8)	0.0	4.3	(4.1)	(50.6)	-0.3%	8.2%
<b>Gross Profit</b>	<b>7,382.3</b>	<b>8.8</b>	<b>(436.7)</b>	<b>907.3</b>	<b>7,861.8</b>	<b>6.5%</b>	<b>12.3%</b>
Gross Margin	67.1%				66.6%	-50 bps	-100 bps
SG&A excl. deprec.&amort.	(3,004.1)	(4.2)	233.1	(453.3)	(3,228.6)	7.5%	15.1%
SG&A deprec.&amort.	(314.9)	(0.1)	23.4	(1.9)	(293.5)	-6.8%	0.6%
SG&A Total	(3,319.0)	(4.4)	256.5	(455.2)	(3,522.1)	6.1%	13.7%
Other operating income	203.7	(0.1)	1.5	6.0	211.1	3.6%	3.0%
<b>Normalized EBIT</b>	<b>4,267.0</b>	<b>4.3</b>	<b>(178.7)</b>	<b>458.2</b>	<b>4,550.7</b>	<b>6.6%</b>	<b>10.7%</b>
Normalized EBIT Margin	38.8%				38.6%	-20 bps	-110 bps
<b>Normalized EBITDA</b>	<b>4,966.0</b>	<b>4.6</b>	<b>(238.9)</b>	<b>497.6</b>	<b>5,229.4</b>	<b>5.3%</b>	<b>10.0%</b>
Normalized EBITDA Margin	45.1%				44.3%	-80 bps	-160 bps

**Latin America North (LAN)**

Our LAN region is comprised of our Brazil Beer and Brazil CSD & Nanc business as well as our businesses in the Hila-Ex countries.

LAN delivered Normalized EBITDA of R\$1,659.6 million in the quarter representing an organic growth of 9.9% with margin contraction of 310 bps. Our year to date Normalized EBITDA totaled R\$3,735.0 million representing a growth of 14.3% and a margin contraction of 190 bps to 45.6%.

<b>LAN Results</b> <i>R\$ million</i>	<b>2Q09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>2Q10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	24,078.8			2,859.1	26,937.9	11.9%	11.9%
Net Revenue	3,344.9		(83.3)	603.9	3,865.4	15.6%	18.1%
Net Revenue/hl	138.9		(3.1)	7.7	143.5	3.3%	5.5%
COGS	(1,005.2)		54.2	(341.5)	(1,292.5)	28.6%	34.0%
COGS/hl	(41.7)		2.0	(8.2)	(48.0)	14.9%	19.8%
<b>Gross Profit</b>	<b>2,339.7</b>		<b>(29.1)</b>	<b>262.4</b>	<b>2,572.9</b>	<b>10.0%</b>	<b>11.2%</b>
Gross Margin	69.9%				66.6%	-340 bps	-410 bps
SG&A excl. deprec.&amort.	(1,043.2)		50.1	(145.0)	(1,138.1)	9.1%	13.9%
SG&A deprec.&amort.	(120.5)		5.5	5.2	(109.8)	-8.9%	-4.3%
SG&A Total	(1,163.8)		55.7	(139.9)	(1,248.0)	7.2%	12.0%
Other operating income	107.5		(0.8)	5.3	112.1	4.2%	4.9%
<b>Normalized EBIT</b>	<b>1,283.5</b>		<b>25.8</b>	<b>127.8</b>	<b>1,437.0</b>	<b>12.0%</b>	<b>10.0%</b>
Normalized EBIT Margin	38.4%				37.2%	-120 bps	-260 bps
<b>Normalized EBITDA</b>	<b>1,496.4</b>		<b>15.3</b>	<b>148.0</b>	<b>1,659.6</b>	<b>10.9%</b>	<b>9.9%</b>
Normalized EBITDA Margin	44.7%				42.9%	-180 bps	-310 bps

<b>LAN Results</b> <i>R\$ million</i>	<b>YTD09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>YTD10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	49,960.1			6,404.8	56,364.9	12.8%	12.8%
Net Revenue	6,999.5		(151.3)	1,351.1	8,199.3	17.1%	19.3%
Net Revenue/hl	140.1		(2.7)	8.1	145.5	3.8%	5.7%
COGS	(2,159.4)		96.3	(585.8)	(2,648.9)	22.7%	27.1%
COGS/hl	(43.2)		1.7	(5.5)	(47.0)	8.7%	12.7%
<b>Gross Profit</b>	<b>4,840.1</b>		<b>(55.0)</b>	<b>765.3</b>	<b>5,550.4</b>	<b>14.7%</b>	<b>15.8%</b>
Gross Margin	69.1%				67.7%	-150 bps	-200 bps
SG&A excl. deprec.&amort.	(1,991.5)		92.5	(354.9)	(2,253.9)	13.2%	17.8%
SG&A deprec.&amort.	(248.8)		10.5	11.3	(227.0)	-8.8%	-4.5%
SG&A Total	(2,240.2)		103.0	(343.7)	(2,480.9)	10.7%	15.3%
Other operating income	201.7		(0.8)	13.7	214.585	6.4%	6.8%
<b>Normalized EBIT</b>	<b>2,801.5</b>		<b>47.1</b>	<b>435.4</b>	<b>3,284.1</b>	<b>17.2%</b>	<b>15.5%</b>
Normalized EBIT Margin	40.0%				40.1%	bps	-130 bps
<b>Normalized EBITDA</b>	<b>3,238.7</b>		<b>31.7</b>	<b>464.6</b>	<b>3,735.0</b>	<b>15.3%</b>	<b>14.3%</b>
Normalized EBITDA Margin	46.3%				45.6%	-70 bps	-190 bps

**Ambev Brazil**

Our Brazil business unit delivered Normalized EBITDA of R\$1,683.1 million in the quarter, representing an organic growth of +11.7% and a margin contraction of 270 bps to 45.1%. Year to date our Normalized EBITDA totaled R\$3,781.2 million, increasing 15.0% versus last year.

Our performance in Brazil for the second quarter 2010 as well as for the first half of the year was significantly impacted by SG&A growth driven by investment to support our brands and higher logistic costs. On COGS side, higher currency and sugar hedges combined with more expensive imported cans contributed to a margin contraction.

<b>AmBev Brazil Results</b>							
<b>R\$ million</b>	<b>2Q09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>2Q10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	22,536.8			2,835.8	25,372.6	12.6%	12.6%
Net Revenue	3,150.2			580.1	3,730.4	18.4%	18.4%
Net Revenue/hl	139.8			7.2	147.0	5.2%	5.2%
COGS	(889.5)			(312.3)	(1,201.9)	35.1%	35.1%
COGS/hl	(39.5)			(7.9)	(47.4)	20.0%	20.0%
<b>Gross Profit</b>	<b>2,260.7</b>			<b>267.8</b>	<b>2,528.5</b>	<b>11.8%</b>	<b>11.8%</b>
Gross Margin	71.8%				67.8%	-400 bps	-400 bps
SG&A excl. deprec.&amort.	(945.7)			(116.6)	(1,062.3)	12.3%	12.3%
SG&A deprec.&amort.	(106.6)			6.4	(100.3)	-6.0%	-6.0%
SG&A Total	(1,052.4)			(110.2)	(1,162.6)	10.5%	10.5%
Other operating income	106.6			4.6	111.2	4.3%	4.3%
<b>Normalized EBIT</b>	<b>1,314.9</b>			<b>162.2</b>	<b>1,477.1</b>	<b>12.3%</b>	<b>12.3%</b>
Normalized EBIT Margin	41.7%				39.6%	-210 bps	-210 bps
<b>Normalized EBITDA</b>	<b>1,506.2</b>			<b>176.8</b>	<b>1,683.1</b>	<b>11.7%</b>	<b>11.7%</b>
Normalized EBITDA Margin	47.8%				45.1%	-270 bps	-270 bps

<b>AmBev Brazil Results</b>							
<b>R\$ million</b>	<b>YTD09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>YTD10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	46,933.7			6,271.6	53,205.3	13.4%	13.4%
Net Revenue	6,631.2			1,275.0	7,906.1	19.2%	19.2%
Net Revenue/hl	141.3			7.3	148.6	5.2%	5.2%
COGS	(1,930.1)			(529.1)	(2,459.2)	27.4%	27.4%
COGS/hl	(41.1)			(5.1)	(46.2)	12.4%	12.4%
<b>Gross Profit</b>	<b>4,701.0</b>			<b>745.9</b>	<b>5,447.0</b>	<b>15.9%</b>	<b>15.9%</b>
Gross Margin	70.9%				68.9%	-200 bps	-200 bps
SG&A excl. deprec.&amort.	(1,784.9)			(304.1)	(2,088.9)	17.0%	17.0%
SG&A deprec.&amort.	(220.6)			14.7	(205.9)	-6.7%	-6.7%
SG&A Total	(2,005.5)			(289.4)	(2,294.9)	14.4%	14.4%
Other operating income	201.0			12.7	213.7	6.3%	6.3%
<b>Normalized EBIT</b>	<b>2,896.5</b>			<b>469.3</b>	<b>3,365.8</b>	<b>16.2%</b>	<b>16.2%</b>
Normalized EBIT Margin	43.7%				42.6%	-110 bps	-110 bps
<b>Normalized EBITDA</b>	<b>3,287.4</b>			<b>493.8</b>	<b>3,781.2</b>	<b>15.0%</b>	<b>15.0%</b>
Normalized EBITDA Margin	49.6%				47.8%	-170 bps	-170 bps

**Beer Brazil**

<b>Beer Brazil Results</b>							
<b>R\$ million</b>	<b>2Q09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>2Q10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	16,633.2			2,286.9	18,920.1	13.7%	13.7%
Net Revenue	2,587.1			510.0	3,097.0	19.7%	19.7%
Net Revenue/hl	155.5			8.2	163.7	5.2%	5.2%
COGS	(692.7)			(215.0)	(907.8)	31.0%	31.0%
COGS/hl	(41.6)			(6.3)	(48.0)	15.2%	15.2%
<b>Gross Profit</b>	<b>1,894.3</b>			<b>294.9</b>	<b>2,189.2</b>	<b>15.6%</b>	<b>15.6%</b>
Gross Margin	73.2%				70.7%	-250 bps	-250 bps
SG&A excl. deprec.&amort.	(827.6)			(122.9)	(950.5)	14.8%	14.8%
SG&A deprec.&amort.	(80.4)			3.8	(76.6)	-4.7%	-4.7%
SG&A Total	(908.0)			(119.1)	(1,027.1)	13.1%	13.1%
Other operating income	76.3			11.3	87.5	14.8%	14.8%
<b>Normalized EBIT</b>	<b>1,062.5</b>			<b>187.1</b>	<b>1,249.7</b>	<b>17.6%</b>	<b>17.6%</b>
Normalized EBIT Margin	41.1%				40.4%	-70 bps	-70 bps
<b>Normalized EBITDA</b>	<b>1,209.7</b>			<b>199.3</b>	<b>1,409.1</b>	<b>16.5%</b>	<b>16.5%</b>
Normalized EBITDA Margin	46.8%				45.5%	-130 bps	-130 bps

<b>Beer Brazil Results</b>							
<b>R\$ million</b>	<b>YTD09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>YTD10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	34,508.9			5,133.4	39,642.3	14.9%	14.9%
Net Revenue	5,453.1			1,125.7	6,578.8	20.6%	20.6%
Net Revenue/hl	158.0			7.9	166.0	5.0%	5.0%
COGS	(1,479.5)			(383.1)	(1,862.6)	25.9%	25.9%
COGS/hl	(42.9)			(4.1)	(47.0)	9.6%	9.6%
<b>Gross Profit</b>	<b>3,973.6</b>			<b>742.6</b>	<b>4,716.3</b>	<b>18.7%</b>	<b>18.7%</b>
Gross Margin	72.9%				71.7%	-120 bps	-120 bps
SG&A excl. deprec.&amort.	(1,550.3)			(294.6)	(1,844.9)	19.0%	19.0%
SG&A deprec.&amort.	(167.5)			10.2	(157.4)	-6.1%	-6.1%
SG&A Total	(1,717.8)			(284.5)	(2,002.3)	16.6%	16.6%
Other operating income	149.2			22.7	171.9	15.2%	15.2%
<b>Normalized EBIT</b>	<b>2,405.0</b>			<b>480.9</b>	<b>2,885.9</b>	<b>20.0%</b>	<b>20.0%</b>
Normalized EBIT Margin	44.1%				43.9%	-20 bps	-20 bps
<b>Normalized EBITDA</b>	<b>2,707.1</b>			<b>499.7</b>	<b>3,206.8</b>	<b>18.5%</b>	<b>18.5%</b>
Normalized EBITDA Margin	49.6%				48.7%	-90 bps	-90 bps

Our beer volumes in Brazil grew 13.7% during Q2 2010 driven by industry growth supported by consumer disposable income growth and the World Cup, combined with a higher average market share in the quarter (+220 bps according to Nielsen) mainly as a result of the solid performance of our innovations.

Net Revenue/hl increased 5.2% in Q2 2010 mainly due to our price increases in line with inflation.

COGS/hl increased by 15.2% in the quarter due to higher can mix and packaging costs mainly as a result of higher currency hedges and imported cans, partially offset by gains in aluminum hedges.

SG&A, excluding depreciation and amortization increased by 14.8% in the period due to volume growth, general inflation, incremental investments behind our brands for the World Cup and higher logistic costs mainly as a result of change in sales mix towards the North and Northeast of the country, partially compensated by lower bonus accrual year over year.

Beer Brazil Normalized EBITDA increased by 16.5% reaching R\$1,409.1 million in the quarter with year to date organic growth reaching 18.5%.

### CSD & NANC Brazil

CSD&Nanc Brazil Results							
R\$ million	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Volume ('000 hl)	5,903.5			549.0	6,452.5	9.3%	9.3%
Net Revenue	563.2			70.1	633.3	12.5%	12.5%
Net Revenue/hl	95.4			2.8	98.2	2.9%	2.9%
COGS	(196.8)			(97.3)	(294.1)	49.4%	49.4%
COGS/hl	(33.3)			(12.2)	(45.6)	36.7%	36.7%
<b>Gross Profit</b>	<b>366.4</b>			<b>(27.2)</b>	<b>339.3</b>	<b>-7.4%</b>	<b>-7.4%</b>
Gross Margin	65.1%				53.6%	-1150 bps	-1150 bps
SG&A excl. deprec.&amort.	(118.1)			6.3	(111.8)	-5.3%	-5.3%
SG&A deprec.&amort.	(26.3)			2.6	(23.7)	-9.8%	-9.8%
SG&A Total	(144.4)			8.9	(135.5)	-6.1%	-6.1%
Other operating income	30.3			(6.7)	23.7	-22.0%	-22.0%
<b>Normalized EBIT</b>	<b>252.4</b>			<b>(24.9)</b>	<b>227.4</b>	<b>-9.9%</b>	<b>-9.9%</b>
Normalized EBIT Margin	44.8%				35.9%	-890 bps	-890 bps
<b>Normalized EBITDA</b>	<b>296.5</b>			<b>(22.5)</b>	<b>274.0</b>	<b>-7.6%</b>	<b>-7.6%</b>
Normalized EBITDA Margin	52.6%				43.3%	-940 bps	-940 bps

CSD&Nanc Brazil Results							
R\$ million	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Volume ('000 hl)	12,424.8			1,138.2	13,563.0	9.2%	9.2%
Net Revenue	1,178.0			149.3	1,327.3	12.7%	12.7%
Net Revenue/hl	94.8			3.1	97.9	3.2%	3.2%
COGS	(450.6)			(146.0)	(596.6)	32.4%	32.4%
COGS/hl	(36.3)			(7.7)	(44.0)	21.3%	21.3%
<b>Gross Profit</b>	<b>727.4</b>			<b>3.3</b>	<b>730.7</b>	<b>0.5%</b>	<b>0.5%</b>
Gross Margin	61.7%				55.1%	-670 bps	-670 bps
SG&A excl. deprec.&amort.	(234.6)			(9.4)	(244.0)	4.0%	4.0%
SG&A deprec.&amort.	(53.1)			4.5	(48.5)	-8.5%	-8.5%
SG&A Total	(287.7)			(4.9)	(292.6)	1.7%	1.7%
Other operating income	51.8			(10.0)	41.8	-19.3%	-19.3%
<b>Normalized EBIT</b>	<b>491.5</b>			<b>(11.6)</b>	<b>479.9</b>	<b>-2.4%</b>	<b>-2.4%</b>
Normalized EBIT Margin	41.7%				36.2%	-560 bps	-560 bps
<b>Normalized EBITDA</b>	<b>580.3</b>			<b>(5.9)</b>	<b>574.4</b>	<b>-1.0%</b>	<b>-1.0%</b>
Normalized EBITDA Margin	49.3%				43.3%	-600 bps	-600 bps

Our CSD&Nanc Brazil business posted organic volume growth of 9.3% as a result of better industry conditions.

Net Revenues/hl grew 2.9% organically in the period driven by price increases last quarter partially offset by adverse product mix.

COGS/hl increased by 36.7% due to higher packaging costs as a result of higher currency, PET resin and sugar prices.

SG&A, excluding depreciation and amortization, decreased 5.3% as a result of marketing investments phasing between first and second quarters and lower bonus accrual partially offset by general inflation and higher logistic costs while in the first half 2010 SG&A increased by 4.0%.

CSD & Nanc Brazil Normalized EBITDA decreased by 7.6 % and reached R\$274.0 million in the quarter with year-to-date organic growth reaching -1.0%.

**HILA-ex Consolidated**

HILA-Ex Results R\$ million	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Volume ('000 hl) - Total	1,542.0			23.3	1,565.2	1.5%	1.5%
Beer Volume ('000 hl)	655.0			(24.8)	630.2	-3.8%	-3.8%
CSD Volume ('000 hl)	887.0			48.1	935.1	5.4%	5.4%
Net Revenue	194.7		(83.3)	23.8	135.1	-30.6%	12.2%
Net Revenue/hl	126.2		(53.2)	13.3	86.3	-31.6%	10.5%
COGS	(115.7)		54.2	(29.2)	(90.7)	-21.6%	25.2%
COGS/hl	(75.0)		34.6	(17.5)	(57.9)	-22.8%	23.4%
<b>Gross Profit</b>	<b>79.0</b>		<b>(29.1)</b>	<b>(5.4)</b>	<b>44.4</b>	<b>-43.8%</b>	<b>-6.9%</b>
Gross Margin	40.6%				32.9%	nm	nm
SG&A excl. deprec.&amort.	(97.5)		50.1	(28.5)	(75.8)	-22.2%	29.2%
SG&A deprec.&amort.	(13.9)		5.5	(1.2)	(9.6)	-31.1%	8.8%
SG&A Total	(111.4)		55.7	(29.7)	(85.4)	-23.3%	26.6%
Other operating income/expenses	1.0		(0.8)	0.7	0.9	-8.0%	70.5%
<b>Normalized EBIT</b>	<b>(31.4)</b>		<b>25.8</b>	<b>(34.4)</b>	<b>(40.1)</b>	<b>nm</b>	<b>nm</b>
Normalized EBIT Margin	-16.1%				-29.7%	nm	nm
<b>Normalized EBITDA</b>	<b>(9.9)</b>		<b>15.3</b>	<b>(28.9)</b>	<b>(23.4)</b>	<b>nm</b>	<b>nm</b>
Normalized EBITDA Margin	-5.1%				-17.4%	nm	nm

HILA-Ex Results R\$ million	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Volume ('000 hl) - Total	3,026.5			133.2	3,159.7	4.4%	4.4%
Beer Volume ('000 hl)	1,202.7			11.6	1,214.3	1.0%	1.0%
CSD Volume ('000 hl)	1,823.8			121.7	1,945.4	6.7%	6.7%
Net Revenue	368.3		(151.3)	76.2	293.2	-20.4%	20.7%
Net Revenue/hl	121.7		(47.9)	19.0	92.8	-23.8%	15.6%
COGS	(229.3)		96.3	(56.7)	(189.8)	-17.3%	24.7%
COGS/hl	(75.8)		30.5	(14.8)	(60.1)	-20.7%	19.5%
<b>Gross Profit</b>	<b>139.0</b>		<b>(55.0)</b>	<b>19.4</b>	<b>103.4</b>	<b>-25.6%</b>	<b>14.0%</b>
Gross Margin	37.7%				35.3%	nm	nm
SG&A excl. deprec.&amort.	(206.6)		92.5	(50.9)	(165.0)	-20.1%	24.6%
SG&A deprec.&amort.	(28.2)		10.5	(3.4)	(21.0)	-25.3%	12.1%
SG&A Total	(234.7)		103.0	(54.3)	(186.0)	-20.7%	23.1%
Other operating income/expenses	0.7		(0.8)	1.0	0.9	24.3%	137.0%
<b>Normalized EBIT</b>	<b>(95.0)</b>		<b>47.1</b>	<b>(33.9)</b>	<b>(81.7)</b>	<b>nm</b>	<b>nm</b>
Normalized EBIT Margin	-25.8%				-27.9%	nm	nm
<b>Normalized EBITDA</b>	<b>(48.8)</b>		<b>31.7</b>	<b>(29.2)</b>	<b>(46.3)</b>	<b>nm</b>	<b>nm</b>
Normalized EBITDA Margin	-13.2%				-15.8%	nm	nm

HILA-ex volumes increased by 1.5% in Q2 2010 as a result of better market conditions in most countries in which we operate, partially offset by Venezuela beer volumes.

Net Revenue per hectoliter was up 10.5% due to pricing in line with inflation in the period.

COGS/hl increased by 23.4% in the quarter mainly as a result of currency devaluation pressure in Venezuela and sugar costs.

SG&A expenses, excluding depreciation and amortization, increased by 29.2% in the quarter, as a result of inflationary pressures in Venezuela and higher marketing investments in Dominican Republic.

HILA's EBITDA decreased by R\$28.9 million in the quarter mainly due to Venezuela results.

**Latin America South (LAS) - Quinsa**

Our LAS operation improved its beer volume performance as a result of industry growth in the region with market shares stable or growing in all countries. Our soft-drinks unit faced a tough scenario, with volume declines and cost pressures. We achieved an organic EBITDA growth of 7.3% and a consolidated EBITDA of R\$300.2 million in the quarter, with a margin contraction of 150 bps, reaching 41.5%.

<b>LAS Results</b>							
<b>R\$ million</b>	<b>2Q09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>2Q10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	6,626.6	-		144.9	6,771.5	2.2%	2.2%
Net Revenue	794.6	(0.2)	(159.8)	89.2	723.9	-8.9%	11.2%
Net Revenue/hl	119.9	(0.0)	(23.6)	10.6	106.9	-10.9%	8.9%
COGS	(333.0)	0.1	71.5	(53.5)	(315.0)	-5.4%	16.1%
COGS/hl	(50.3)	0.0	10.6	(6.8)	(46.5)	-7.5%	13.6%
<b>Gross Profit</b>	<b>461.6</b>	<b>(0.1)</b>	<b>(88.3)</b>	<b>35.7</b>	<b>408.9</b>	<b>-11.4%</b>	<b>7.7%</b>
Gross Margin	58.1%				56.5%	-160 bps	-180 bps
SG&A excl. deprec.&amort.	(188.2)	0.0	39.0	(15.5)	(164.6)	-12.5%	8.2%
SG&A deprec.&amort.	(19.0)	-	4.5	(2.8)	(17.2)	-9.2%	14.6%
SG&A Total	(207.1)	0.0	43.5	(18.3)	(181.9)	-12.2%	8.8%
Other operating income/expenses	10.6	0.0	(2.3)	(5.0)	3.2	-69.9%	-47.7%
<b>Normalized EBIT</b>	<b>265.0</b>	<b>(0.1)</b>	<b>(47.1)</b>	<b>12.4</b>	<b>230.3</b>	<b>-13.1%</b>	<b>4.7%</b>
Normalized EBIT Margin	33.4%				31.8%	-150 bps	-200 bps
<b>Normalized EBITDA</b>	<b>341.1</b>	<b>(0.1)</b>	<b>(65.7)</b>	<b>24.9</b>	<b>300.2</b>	<b>-12.0%</b>	<b>7.3%</b>
Normalized EBITDA Margin	42.9%				41.5%	-140 bps	-150 bps

<b>LAS Results</b>							
<b>R\$ million</b>	<b>YTD09</b>	<b>Scope</b>	<b>Currency Translation</b>	<b>Organic Growth</b>	<b>YTD10</b>	<b>% As Reported</b>	<b>% Organic</b>
Volume ('000 hl)	15,841.2	305.8		(182.1)	15,964.9	0.8%	-1.1%
Net Revenue	1,986.2	21.8	(498.3)	258.2	1,768.0	-11.0%	13.0%
Net Revenue/hl	125.4	(1.0)	(31.2)	17.6	110.7	-11.7%	14.0%
COGS	(788.7)	(13.0)	197.5	(92.2)	(696.4)	-11.7%	11.7%
COGS/hl	(49.8)	0.1	12.4	(6.3)	(43.6)	-12.4%	12.7%
<b>Gross Profit</b>	<b>1,197.6</b>	<b>8.8</b>	<b>(300.8)</b>	<b>166.0</b>	<b>1,071.6</b>	<b>-10.5%</b>	<b>13.9%</b>
Gross Margin	60.3%				60.6%	30 bps	50 bps
SG&A excl. deprec.&amort.	(388.2)	(4.2)	100.7	(71.5)	(363.3)	-6.4%	18.4%
SG&A deprec.&amort.	(39.5)	(0.1)	10.8	(6.0)	(34.8)	-11.9%	15.2%
SG&A Total	(427.7)	(4.4)	111.5	(77.5)	(398.0)	-6.9%	18.1%
Other operating income/expenses	(1.5)	(0.1)	2.3	(5.4)	(4.6)	210.7%	360.9%
<b>Normalized EBIT</b>	<b>768.4</b>	<b>4.3</b>	<b>(186.9)</b>	<b>83.1</b>	<b>668.9</b>	<b>-12.9%</b>	<b>10.8%</b>
Normalized EBIT Margin	38.7%				37.8%	-80 bps	-70 bps
<b>Normalized EBITDA</b>	<b>926.2</b>	<b>4.6</b>	<b>(225.7)</b>	<b>101.8</b>	<b>806.9</b>	<b>-12.9%</b>	<b>11.0%</b>
Normalized EBITDA Margin	46.6%				45.6%	-100 bps	-80 bps

**LAS Beer**

LAS Beer R\$ million	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Volume ('000 hl)	3,839.6	-		206.5	4,046.1	5.4%	5.4%
Net Revenue	564.2	(0.1)	(108.9)	69.2	524.5	-7.0%	12.3%
Net Revenue/hl	146.9	(0.0)	(26.9)	9.6	129.6	-11.8%	6.5%
COGS	(194.5)	0.1	38.4	(28.4)	(184.5)	-5.2%	14.6%
COGS/hl	(50.7)	0.0	9.5	(4.4)	(45.6)	-10.0%	8.7%
<b>Gross Profit</b>	<b>369.7</b>	<b>(0.0)</b>	<b>(70.5)</b>	<b>40.9</b>	<b>340.0</b>	<b>-8.0%</b>	<b>11.0%</b>
Gross Margin	65.5%				64.8%	-70 bps	-70 bps
SG&A excl. deprec.&amort.	(145.5)	0.0	28.2	(0.8)	(118.2)	-18.8%	0.6%
SG&A deprec.&amort.	(9.6)		2.4	(2.8)	(10.0)	4.1%	29.0%
SG&A Total	(155.1)	0.0	30.5	(3.6)	(128.2)	-17.4%	2.3%
Other operating income/expenses	8.3		(1.3)	(6.2)	0.8	-90.6%	-75.1%
<b>Normalized EBIT</b>	<b>222.9</b>	<b>(0.0)</b>	<b>(41.3)</b>	<b>31.0</b>	<b>212.6</b>	<b>-4.6%</b>	<b>13.9%</b>
Normalized EBIT Margin	39.5%				40.5%	100 bps	60 bps
<b>Normalized EBITDA</b>	<b>280.6</b>	<b>(0.0)</b>	<b>(55.8)</b>	<b>43.0</b>	<b>267.7</b>	<b>-4.6%</b>	<b>15.3%</b>
Normalized EBITDA Margin	49.7%				51.0%	130 bps	140 bps

LAS Beer R\$ million	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Volume ('000 hl)	9,559.0	20.4		253.8	9,833.1	2.9%	2.7%
Net Revenue	1,435.6	6.4	(350.3)	207.4	1,299.0	-9.5%	14.4%
Net Revenue/hl	150.2	0.3	(35.6)	17.2	132.1	-12.0%	11.5%
COGS	(454.9)	(3.7)	105.2	(52.9)	(406.3)	-10.7%	11.6%
COGS/hl	(47.6)	(0.3)	10.7	(4.1)	(41.3)	-13.2%	8.7%
<b>Gross Profit</b>	<b>980.7</b>	<b>2.7</b>	<b>(245.1)</b>	<b>154.4</b>	<b>892.7</b>	<b>-9.0%</b>	<b>15.7%</b>
Gross Margin	68.3%				68.7%	40 bps	80 bps
SG&A excl. deprec.&amort.	(287.8)	(0.8)	69.7	(40.6)	(259.4)	-9.9%	14.1%
SG&A deprec.&amort.	(20.1)		5.6	(5.0)	(19.5)	-3.0%	25.0%
SG&A Total	(307.8)	(0.8)	75.4	(45.6)	(278.9)	-9.4%	14.8%
Other operating income/expenses	(1.0)		2.4	(6.5)	(5.0)	422.0%	671.1%
<b>Normalized EBIT</b>	<b>671.9</b>	<b>1.9</b>	<b>(167.4)</b>	<b>102.4</b>	<b>608.8</b>	<b>-9.4%</b>	<b>15.2%</b>
Normalized EBIT Margin	46.8%				46.9%	10 bps	30 bps
<b>Normalized EBITDA</b>	<b>791.6</b>	<b>1.9</b>	<b>(195.8)</b>	<b>118.3</b>	<b>716.1</b>	<b>-9.5%</b>	<b>14.9%</b>
Normalized EBITDA Margin	55.1%				55.1%	bps	20 bps

Beer volumes grew organically 5.4% in the quarter, reflecting a better performance in most of our markets and despite a still difficult environment in Argentina. We were able to either maintain or grow our market shares within the region with strong communication and support to our mainstream and premium brands.

Net Revenue/hl grew 6.5% in the quarter driven by price increases and revenue management initiatives, partly offset by higher trade spend. In addition, Stella Artois and our local premium brands continued to show a solid performance, contributing to our average sales price growth.

COGS/hl increased 8.7% in the period despite higher productivity in our plants and effective currency and aluminum hedges due to higher costs of malt, energy and the continuous pressure of increasing labor costs.

SG&A excluding depreciation and amortization increased 0.6% in the quarter driven by general inflation, higher personnel-related expenses and a strong marketing support to our brands, compensated by lower bonus accrual.

Quinsa Beer EBITDA increased 15.3% in the quarter totaling R\$267.7 million, with margins increasing by 140 bps.

**LAS CSD & NANC**

LAS CSD&Nanc R\$ million	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Volume ('000 hl)	2,787.0	-		(61.6)	2,725.4	-2.2%	-2.2%
Net Revenue	230.4	(0.1)	(50.8)	19.9	199.4	-13.4%	8.7%
Net Revenue/hl	82.7	(0.0)	(18.6)	9.2	73.2	-11.5%	11.1%
COGS	(138.5)	0.1	33.2	(25.2)	(130.5)	-5.8%	18.2%
COGS/hl	(49.7)	0.0	12.2	(10.4)	(47.9)	-3.7%	20.9%
<b>Gross Profit</b>	<b>91.9</b>	<b>(0.0)</b>	<b>(17.7)</b>	<b>(5.3)</b>	<b>68.9</b>	<b>-25.0%</b>	<b>-5.7%</b>
Gross Margin	39.9%				34.6%	-530 bps	-530 bps
SG&A excl. deprec.&amort.	(42.6)	0.0	10.7	(14.5)	(46.4)	9.0%	34.1%
SG&A deprec.&amort.	(9.4)	-	2.1	0.0	(7.3)	-22.6%	0.0%
SG&A Total	(52.0)	0.0	12.8	(14.5)	(53.7)	3.3%	27.9%
Other operating income/expenses	2.3	0.0	(1.0)	1.2	2.4	6.2%	52.4%
<b>Normalized EBIT</b>	<b>42.1</b>	<b>(0.0)</b>	<b>(5.9)</b>	<b>(18.6)</b>	<b>17.6</b>	<b>-58.2%</b>	<b>-44.1%</b>
Normalized EBIT Margin	18.3%				8.8%	-940 bps	-890 bps
<b>Normalized EBITDA</b>	<b>60.4</b>	<b>(0.0)</b>	<b>(9.8)</b>	<b>(18.2)</b>	<b>32.5</b>	<b>-46.3%</b>	<b>-30.0%</b>
Normalized EBITDA Margin	26.2%				16.3%	-990 bps	-930 bps

LAS CSD&Nanc R\$ million	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Volume ('000 hl)	6,282.3	285.4		(435.9)	6,131.8	-2.4%	-6.9%
Net Revenue	550.6	15.4	(148.0)	50.9	468.9	-14.8%	9.2%
Net Revenue/hl	87.6	(1.5)	(24.1)	14.4	76.5	-12.7%	16.5%
COGS	(333.7)	(9.3)	92.4	(39.3)	(290.0)	-13.1%	11.8%
COGS/hl	(53.1)	0.9	15.1	(10.1)	(47.3)	-11.0%	19.1%
<b>Gross Profit</b>	<b>216.9</b>	<b>6.1</b>	<b>(55.6)</b>	<b>11.5</b>	<b>178.9</b>	<b>-17.5%</b>	<b>5.3%</b>
Gross Margin	39.4%				38.1%	-120 bps	-140 bps
SG&A excl. deprec.&amort.	(100.4)	(3.4)	31.0	(30.9)	(103.9)	3.4%	30.8%
SG&A deprec.&amort.	(19.4)	(0.1)	5.2	(1.0)	(15.3)	-21.1%	5.1%
SG&A Total	(119.8)	(3.6)	36.2	(31.9)	(119.2)	-0.6%	26.6%
Other operating income/expenses	(0.5)	(0.1)	(0.1)	1.1	0.4	-177.8%	-209.4%
<b>Normalized EBIT</b>	<b>96.5</b>	<b>2.4</b>	<b>(19.5)</b>	<b>(19.3)</b>	<b>60.1</b>	<b>-37.7%</b>	<b>-20.0%</b>
Normalized EBIT Margin	17.5%				12.8%	-470 bps	-470 bps
<b>Normalized EBITDA</b>	<b>134.6</b>	<b>2.7</b>	<b>(29.9)</b>	<b>(16.6)</b>	<b>90.8</b>	<b>-32.5%</b>	<b>-12.3%</b>
Normalized EBITDA Margin	24.4%				19.4%	-510 bps	-480 bps

CSD & NANC volumes in Quinsa declined by 2.2% in the period driven by an industry contraction and a slight decline in market share in Argentina.

Net Revenues/hl registered an organic growth of 11.1% in the quarter, as a result of price increases and revenue management initiatives.

COGS/hl increased by 20.9% in the quarter as a result of higher sugar, pet and labor costs, partly compensated by lower costs of aluminum.

SG&A expenses, excluding depreciation and amortization, increased 34.1%, as a result mostly of personnel and transportation costs, general inflation and investments behind our brands.

Quinsa CSD & Nanc Normalized EBITDA decreased organically 30.0% in the quarter.

**Canada – Labatt**

Canada Results R\$ million	2Q09	Scope	Currency Translation	Organic Growth	2Q10	% As Reported	% Organic
Volume ('000 hl)	3,371.1			(184.4)	3,186.7	-5.5%	-5.5%
Net Revenue	1,208.6		(43.8)	(75.8)	1,089.0	-9.9%	-6.3%
Net Revenue/hl	358.5		(13.7)	(3.0)	341.7	-4.7%	-0.8%
COGS	(386.1)		12.2	42.4	(331.5)	-14.1%	-11.0%
COGS/hl	(114.5)		3.8	6.7	(104.0)	-9.2%	-5.8%
<b>Gross Profit</b>	<b>822.4</b>		<b>(31.6)</b>	<b>(33.4)</b>	<b>757.5</b>	<b>-7.9%</b>	<b>-4.1%</b>
Gross Margin	68.0%				69.6%	150 bps	160 bps
SG&A excl. deprec.&amort.	(317.5)		10.1	(15.7)	(323.0)	1.7%	4.9%
SG&A deprec.&amort.	(13.4)		0.6	(5.7)	(18.5)	37.8%	42.6%
SG&A Total	(330.9)		10.8	(21.4)	(341.5)	3.2%	6.5%
Other operating income/expenses	0.7		(0.0)	1.2	1.9	157.1%	162.8%
<b>Normalized EBIT</b>	<b>492.3</b>		<b>(20.9)</b>	<b>(53.6)</b>	<b>417.9</b>	<b>-15.1%</b>	<b>-10.9%</b>
Normalized EBIT Margin	40.7%				38.4%	-240 bps	-200 bps
<b>Normalized EBITDA</b>	<b>545.7</b>		<b>(22.0)</b>	<b>(60.7)</b>	<b>463.0</b>	<b>-15.1%</b>	<b>-11.1%</b>
Normalized EBITDA Margin	45.2%				42.5%	-260 bps	-230 bps

Canada Results R\$ million	YTD09	Scope	Currency Translation	Organic Growth	YTD10	% As Reported	% Organic
Volume ('000 hl)	5,543.3			(50.5)	5,492.8	-0.9%	-0.9%
Net Revenue	2,018.1		(119.6)	(66.0)	1,832.5	-9.2%	-3.3%
Net Revenue/hl	364.1		(21.8)	(8.7)	333.6	-8.4%	-2.4%
COGS	(673.4)		38.7	42.0	(592.7)	-12.0%	-6.2%
COGS/hl	(121.5)		7.0	6.5	(107.9)	-11.2%	-5.4%
<b>Gross Profit</b>	<b>1,344.6</b>		<b>(80.9)</b>	<b>(24.0)</b>	<b>1,239.8</b>	<b>-7.8%</b>	<b>-1.8%</b>
Gross Margin	66.6%				67.7%	100 bps	100 bps
SG&A excl. deprec.&amort.	(624.4)		39.9	(26.8)	(611.4)	-2.1%	4.3%
SG&A deprec.&amort.	(26.7)		2.1	(7.2)	(31.8)	19.3%	27.1%
SG&A Total	(651.1)		42.0	(34.1)	(643.2)	-1.2%	5.2%
Other operating income/expenses	3.5		(0.1)	(2.3)	1.1	-67.5%	-65.3%
<b>Normalized EBIT</b>	<b>697.0</b>		<b>(39.0)</b>	<b>(60.3)</b>	<b>597.7</b>	<b>-14.3%</b>	<b>-8.7%</b>
Normalized EBIT Margin	34.5%				32.6%	-190 bps	-190 bps
<b>Normalized EBITDA</b>	<b>801.1</b>		<b>(44.9)</b>	<b>(68.7)</b>	<b>687.6</b>	<b>-14.2%</b>	<b>-8.6%</b>
Normalized EBITDA Margin	39.7%				37.5%	-220 bps	-220 bps

Second quarter volumes decreased by 5.5%, as the Canada beer industry contracted 2.1% and Labatt lost 180 bps of domestic market share versus 2Q09.

Net Revenue/hl decreased by 0.8% in the quarter, as marginal increases in domestic prices were more than offset by a 15% appreciation in the Canadian dollar, which directly affects export revenues.

COGS/hl decreased by 5.8% in Q2 2010, as a result of reductions in production overhead and depreciation expenses, combined with lower hedge costs on our major raw materials (mainly aluminum, corn and rice) and improved production efficiencies throughout our breweries.

SG&A expenses, excluding depreciation and amortization, increased by 4.9% in Q2 2010. This increase was entirely due to incremental marketing investment compared to Q2 2009, with distribution plus administrative expenses actually declining vs prior year.

Normalized EBITDA declined by 11.1% in the quarter resulting in an EBITDA margin decline of 230 bps. Year-to-date organic growth was -8.6%.

## Other Operating Income/(Expenses)

Other operating income decreased R\$1.7MM in the quarter basically as a result of an increase in government grants mostly offset by lower tax credits in 2010.

Other operating income/(expenses)	2Q10	2Q09	YTD10	YTD09
<b>R\$ million</b>				
Government grants	88.6	56.0	171.7	111.1
Tax recoverable	2.7	35.0	9.1	63.4
(Additions to)/Reversals of provisions	(1.1)	(2.8)	(9.1)	(6.9)
Net gain on disposal of property, plant and equipment and intangible assets	5.1	(0.4)	3.5	4.5
Other operating income/(expenses)	21.9	31.0	35.9	31.6
	<b>117.1</b>	<b>118.8</b>	<b>211.1</b>	<b>203.7</b>

## Special items

Special items totaled R\$15.2 million net losses in Q2 2010 compared to R\$15.8 million losses in Q2 2009, while the year to date results were affected by losses related to Labatt Hamilton brewery closure expenses compared to gains from Labatt brands indemnity in 2009.

Special items	2Q10	2Q09	YTD10	YTD09
<b>R\$ million</b>				
Restructuring	(14.3)	(18.0)	(31.8)	(37.8)
Labatt brands indemnity	-	2.2	-	239.4
Labatt Hamilton Brewery closure expenses	(1.0)	-	(47.1)	-
Other	0.1	-	(2.7)	-
	<b>(15.2)</b>	<b>(15.8)</b>	<b>(81.6)</b>	<b>201.6</b>

## Net Finance Results

Ambev's net finance result improved by R\$143.9 million in Q2 2010 mainly because of: (i) lower net interest expenses, (ii) losses with respect to derivative instruments, which relate to the results of our ongoing hedging policy, and (iii) gains on non-derivative instruments related to currency effects over trade payables mainly in Venezuela and Labatt.

<b>Net Finance Results</b>	<b>2Q10</b>	<b>2Q09</b>	<b>YTD 10</b>	<b>YTD 09</b>
R\$ million				
Interest income	91.4	37.6	171.8	70.8
Interest expenses	(171.8)	(206.9)	(316.3)	(488.0)
Gains/(losses) on derivative instruments	(11.6)	25.6	(54.3)	(80.3)
Gains/(losses) on non-derivative instruments	24.1	(65.4)	(23.2)	(2.2)
Taxes on financial transactions	(9.5)	(9.4)	(20.3)	(24.4)
Other financial costs, net	(28.0)	(30.9)	(49.8)	(50.0)
<b>Net Finance Results</b>	<b>(105.5)</b>	<b>(249.4)</b>	<b>(292.1)</b>	<b>(574.2)</b>

<b>Debt Breakdown</b>	<b>June 2010</b>			<b>December 2009</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Local Currency	1,083.4	2,535.2	3,618.6	359.9	4,009.6	4,369.5
Foreign Currency	440.4	2,749.0	3,189.4	441.2	2,450.6	2,891.8
<b>Consolidated Debt</b>	<b>1,523.8</b>	<b>5,284.2</b>	<b>6,807.9</b>	<b>801.1</b>	<b>6,460.2</b>	<b>7,261.2</b>
Cash and Equivalents			5,950.6			4,042.9
Short-Term Investments			-			-
<b>Net Debt</b>			<b>857.3</b>			<b>3,218.3</b>

The Company's total debt decreased from R\$7,261.2 million in December 2009 to R\$6,807.9 million in June 2010.

## Provision for Income Tax & Social Contribution

Our weighted nominal tax rate was 32.5% in the period compared to 32.7% in Q2 2009. The effective tax rate in Q2 2010 was 22.2% compared to Q2 2009 rate of 21.6%. The difference between both quarters are due mainly to a higher EBT, which is taxable at a full nominal rate.

The table below shows the reconciliation for income tax and social contribution provision.

<b>Income Tax and Social Contribution R\$ million</b>	<b>2Q10</b>	<b>2Q09</b>	<b>YTD 10</b>	<b>YTD 09</b>
<b>Profit before tax</b>	<b>1,964.4</b>	<b>1,775.8</b>	<b>4,176.9</b>	<b>3,894.7</b>
<b>Adjustment on taxable basis</b>				
Non-taxable net financial and other income	(155.7)	(125.0)	(243.1)	(451.5)
Non-taxable intercompany dividends	-	(0.3)	-	(0.6)
Government grants related to sales taxes	(88.6)	(56.0)	(171.7)	(111.1)
Hedge Results	(3.2)	113.9	5.0	273.2
Expenses not deductible for tax purposes	66.2	13.4	93.1	90.7
	<b>1,783.0</b>	<b>1,721.8</b>	<b>3,860.2</b>	<b>3,695.4</b>
<b>Aggregated weighted nominal tax rate</b>	<b>32.5%</b>	<b>32.7%</b>	<b>32.9%</b>	<b>32.4%</b>
<b>Taxes – nominal rate</b>	<b>(579.9)</b>	<b>(562.4)</b>	<b>(1,268.8)</b>	<b>(1,198.8)</b>
<b>Adjustment on tax expense</b>				
Government grant on income tax	48.0	78.8	91.0	110.7
Deductible interest attributed to shareholders	94.4	85.9	204.1	173.2
Tax saving from goodwill amortization on tax books	32.1	38.1	64.2	76.1
Dividends withholding tax	(31.6)	14.5	(57.6)	(17.3)
Losses recognized in operations abroad, not deductible	2.2	(2.9)	(14.6)	(22.3)
Other tax adjustments	(1.7)	(35.8)	(16.5)	(11.7)
<b>Income tax and social contribution expense</b>	<b>(436.5)</b>	<b>(383.9)</b>	<b>(998.1)</b>	<b>(890.1)</b>
<b>Effective tax rate</b>	<b>22.2%</b>	<b>21.6%</b>	<b>23.9%</b>	<b>22.9%</b>

## Non-controlling Interest

Non-controlling interest in subsidiaries corresponded to a total expense of R\$ 17.7 million in Q2 2010 compared to an expense of R\$ 16.4 million in Q2 2009.

## Profit

Ambev posted a profit of R\$1,510.2 million in the period compared to R\$1,375.6 million during the same period last year, an increase of 9.8%. Excluding special items (mainly restructuring costs), our net income increased by 9.6% to R\$1,525.5 million.

## Reconciliation between Normalized EBITDA and Profit

Both Normalized EBITDA and EBIT are measures used by Ambev's management to measure the Company's performance.

Normalized EBITDA is calculated excluding from Profit the following effects: (i) Non-controlling interest, (ii) Income Tax expense, (iii) Share of results of associates, (iv) Net Finance Results, (v) Special items, and (vi) Depreciation & Amortization.

Normalized EBITDA and EBIT are not accounting measures under accounting practices in Brazil, IFRS or the United States of America (US GAAP) and should not be considered as an alternative to Profit as a measure of operational performance or an alternative to Cash Flow as a measure of liquidity. Normalized EBITDA and EBIT do not have a standard calculation method and Ambev's definition of Normalized EBITDA and EBIT may not be comparable to that of other companies.

Reconciliation - Net Income to EBITDA	2Q10	2Q09	YTD 10	YTD 09
<b>Profit - AmBev holders</b>	<b>1,510.2</b>	<b>1,375.6</b>	<b>3,160.4</b>	<b>2,964.2</b>
Non-controlling interest	17.7	16.4	18.3	40.3
Income tax expense	436.5	383.9	998.1	890.1
<b>Profit Before Taxes</b>	<b>1,964.4</b>	<b>1,775.8</b>	<b>4,176.9</b>	<b>3,894.7</b>
Share of results of associates	0.1	(0.2)	0.0	(0.3)
Net Finance Results	105.5	249.4	292.1	574.2
Special items	15.2	15.8	81.6	(201.6)
<b>Normalized EBIT</b>	<b>2,085.2</b>	<b>2,040.8</b>	<b>4,550.7</b>	<b>4,267.0</b>
Depreciation & Amortization - total	338.4	342.3	713.2	699.1
Depreciation & Amortization - special items	0.7	-	34.6	-
<b>Normalized EBITDA</b>	<b>2,422.9</b>	<b>2,383.1</b>	<b>5,229.4</b>	<b>4,966.0</b>

## Shareholding Structure

The table below shows Ambev's shareholding structure as of June 30, 2010.

AmBev Shareholding Structure						
	ON	%Outs	PN	%Outs	Total	%Outs
Anheuser-Busch InBev	258,073,843	74.1%	125,723,064	46.4%	383,796,907	62.0%
FAHZ	58,906,751	16.9%	0	0.0%	58,906,751	9.5%
Market	31,116,958	8.9%	145,279,694	53.6%	176,396,652	28.5%
<b>Outstanding</b>	<b>348,097,552</b>	<b>100.0%</b>	<b>271,002,758</b>	<b>100.0%</b>	<b>619,100,310</b>	<b>100.0%</b>
Treasury	112,986		159,233		272,219	
<b>TOTAL</b>	<b>348,210,538</b>		<b>271,161,991</b>		<b>619,372,529</b>	
Free float BM&FBovespa	30,253,643	8.7%	96,945,938	35.8%	127,199,581	20.5%
Free float NYSE	863,315	0.2%	48,333,756	17.8%	49,197,071	7.9%

## Q2 2010 EARNINGS CONFERENCE CALL

Speakers: **João Castro Neves**  
Chief Executive Officer for Ambev  
**Nelson Jamel**  
CFO and Investor Relations Officer

Language: English

Date: August 12<sup>th</sup>, 2010 (Thursday)

Time: 12:00 (Brasília time)  
11:00 (EDT)

Phone number: US participants + 1(800) 860-2442  
International participants + 1(412) 858-4600

Code: Ambev

Please call 15 minutes prior to the beginning of the conference call.

*Webcast:* The conference call will also be transmitted live through the Internet, available on Ambev's website: [www.Ambev.com.br/Investidores/2Q10Webcast.html](http://www.Ambev.com.br/Investidores/2Q10Webcast.html)

*Playback:* The conference call replay through internet will be available one hour after conclusion at Ambev's website: [www.Ambev.com.br/Investidores/2Q10Webcast.html](http://www.Ambev.com.br/Investidores/2Q10Webcast.html). For Playback through telephone: Participants calling from USA: +1(877) 344-7529 / Participants calling from other countries: +1(412) 317-0088 / Code: 442790# (pound key) - enter "1" to start the playback.

**For additional information, please contact the Investor Relations Department:**

**Eduardo Salles**  
(5511) 2122-1415  
[ir@Ambev.com.br](mailto:ir@Ambev.com.br)

**Rafael Ávila**  
(5511) 2122-1414  
[acrmba@Ambev.com.br](mailto:acrmba@Ambev.com.br)

**[www.Ambev.com.br/investidores/](http://www.Ambev.com.br/investidores/)**

*Statements contained in this press release may contain information that is forward-looking and reflects management's current view and estimates of future economic circumstances, industry conditions, company performance, and finance results. Any statements, expectations, capabilities, plans and assumptions contained in this press release that do not describe historical facts, such as statements regarding the declaration or payment of dividends, the direction of future operations, the implementation of principal operating and financing strategies and capital expenditure plans, the factors or trends affecting financial condition, liquidity or results of operations, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. There is no guarantee that these results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.*

AmBev - Segment Financial Information																					
Organic Results																					
	Beer Brazil			AmBev Brazil			Total AmBev Brazil			Hila Operations			Canada Operations			AmBev Consolidated					
	2010	2009	%	2010	2009	%	2010	2009	%	2010	2009	%	2010	2009	%	2010	2009	%			
Volumes (000 hl)	18,920	16,633	13.7%	6,453	5,904	9.3%	25,373	22,537	12.6%	6,772	6,627	2.2%	1,565	1,542	1.5%	3,187	3,371	-5.5%	36,896	34,076	8.3%
<b>R\$ million</b>																					
Net Sales	3,097.0	2,587.1	19.7%	633.3	563.2	12.5%	3,730.4	3,150.2	18.4%	723.9	794.6	11.2%	135.1	194.7	12.2%	1,089.0	1,208.6	-6.3%	5,678.4	5,348.1	11.5%
<b>% of Total</b>	<b>54.5%</b>	<b>48.4%</b>		<b>11.2%</b>	<b>10.5%</b>		<b>65.7%</b>	<b>58.9%</b>		<b>12.7%</b>	<b>14.9%</b>		<b>2.4%</b>	<b>3.6%</b>		<b>19.2%</b>	<b>22.6%</b>		<b>100.0%</b>	<b>100.0%</b>	
COGS	(907.8)	(692.7)	31.0%	(294.1)	(196.8)	49.4%	(1,201.9)	(889.5)	35.1%	(315.0)	(333.0)	16.1%	(90.7)	(115.7)	25.2%	(331.5)	(386.1)	-11.0%	(1,939.0)	(1,724.4)	20.4%
<b>% of Total</b>	<b>46.8%</b>	<b>40.2%</b>		<b>15.2%</b>	<b>11.4%</b>		<b>62.0%</b>	<b>51.6%</b>		<b>16.2%</b>	<b>19.3%</b>		<b>4.7%</b>	<b>6.7%</b>		<b>17.1%</b>	<b>22.4%</b>		<b>100.0%</b>	<b>100.0%</b>	
Gross Profit	2,189.2	1,894.3	15.6%	339.3	366.4	-7.4%	2,528.5	2,260.7	11.8%	408.9	461.6	7.7%	44.4	79.0	-6.9%	757.5	822.4	-4.1%	3,739.4	3,623.7	7.3%
<b>% of Total</b>	<b>58.5%</b>	<b>52.3%</b>		<b>9.1%</b>	<b>10.1%</b>		<b>67.6%</b>	<b>62.4%</b>		<b>10.9%</b>	<b>12.7%</b>		<b>1.2%</b>	<b>2.2%</b>		<b>20.3%</b>	<b>22.7%</b>		<b>100.0%</b>	<b>100.0%</b>	
SG&A	(1,027.1)	(908.0)	13.1%	(135.5)	(144.4)	-6.1%	(1,162.6)	(1,052.4)	10.5%	(181.9)	(207.1)	8.8%	(85.4)	(111.4)	26.6%	(341.5)	(330.9)	6.5%	(1,771.3)	(1,701.8)	10.5%
<b>% of Total</b>	<b>58.0%</b>	<b>53.4%</b>		<b>7.7%</b>	<b>8.5%</b>		<b>65.6%</b>	<b>61.8%</b>		<b>10.3%</b>	<b>12.2%</b>		<b>4.8%</b>	<b>6.5%</b>		<b>19.3%</b>	<b>19.4%</b>		<b>100.0%</b>	<b>100.0%</b>	
Other operating income/(expenses)	87.5	76.3	14.8%	23.7	30.3	-22.0%	111.2	106.6	4.3%	3.2	10.6	-47.7%	0.9	1.0	70.5%	1.9	0.7	162.8%	117.1	118.8	1.2%
<b>% of Total</b>	<b>74.7%</b>	<b>64.2%</b>		<b>20.2%</b>	<b>25.5%</b>		<b>94.9%</b>	<b>89.7%</b>		<b>2.7%</b>	<b>8.9%</b>		<b>0.8%</b>	<b>0.8%</b>		<b>1.6%</b>	<b>0.6%</b>		<b>100.0%</b>	<b>100.0%</b>	
Normalized EBIT	1,249.7	1,062.5	17.6%	227.4	252.4	-9.9%	1,477.1	1,314.9	12.3%	230.3	265.0	4.7%	(40.1)	(31.4)	nm	417.9	492.3	-10.9%	2,085.2	2,040.8	4.2%
<b>% of Total</b>	<b>59.9%</b>	<b>52.1%</b>		<b>10.9%</b>	<b>12.4%</b>		<b>70.8%</b>	<b>64.4%</b>		<b>11.0%</b>	<b>13.0%</b>		<b>-1.9%</b>	<b>-1.5%</b>		<b>20.0%</b>	<b>24.1%</b>		<b>100.0%</b>	<b>100.0%</b>	
Normalized EBITDA	1,409.1	1,209.7	16.5%	274.0	296.5	-7.6%	1,683.1	1,506.2	11.7%	300.2	341.1	7.3%	(23.4)	(9.9)	nm	463.0	545.7	-11.1%	2,422.9	2,383.1	4.7%
<b>% of Total</b>	<b>58.2%</b>	<b>50.8%</b>		<b>11.3%</b>	<b>12.4%</b>		<b>69.5%</b>	<b>63.2%</b>		<b>12.4%</b>	<b>14.3%</b>		<b>-1.0%</b>	<b>-0.4%</b>		<b>19.1%</b>	<b>22.9%</b>		<b>100.0%</b>	<b>100.0%</b>	
<b>% of Net Sales</b>																					
Net Sales	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
COGS	-29.3%	-26.8%		-46.4%	-34.9%		-32.2%	-28.2%		-43.5%	-41.9%		-67.1%	-59.4%		-30.4%	-32.0%		-34.1%	-32.2%	
Gross Profit	70.7%	73.2%		53.6%	65.1%		67.8%	71.8%		56.5%	58.1%		32.9%	40.6%		69.6%	68.0%		65.9%	67.8%	
SG&A	-33.2%	-35.1%		-21.4%	-25.6%		-31.2%	-33.4%		-25.1%	-26.1%		-63.2%	-57.2%		-31.4%	-27.4%		-31.2%	-31.8%	
Other operating income/(expenses)	2.8%	2.9%		3.7%	5.4%		3.0%	3.4%		0.4%	1.3%		0.7%	0.5%		0.2%	0.1%		2.1%	2.2%	
Normalized EBIT	40.4%	41.1%		35.9%	44.8%		39.6%	41.7%		31.8%	33.4%		-29.7%	-16.1%		38.4%	40.7%		36.7%	38.2%	
Normalized EBITDA	45.5%	46.8%		43.3%	52.6%		45.1%	47.8%		41.5%	42.9%		-17.4%	-5.1%		42.5%	45.2%		42.7%	44.6%	
<b>Per Hectoliter - (R\$/hl)</b>																					
Net Sales	163.7	155.5	5.2%	98.2	95.4	2.9%	147.0	139.8	5.2%	106.9	119.9	8.9%	86.3	126.2	10.5%	341.7	358.5	-0.8%	153.9	156.9	3.0%
COGS	(48.0)	(41.6)	15.2%	(45.6)	(33.3)	36.7%	(47.4)	(39.5)	20.0%	(46.5)	(50.3)	13.6%	(57.9)	(75.0)	23.4%	(104.0)	(114.5)	-5.8%	(52.6)	(50.6)	11.2%
Gross Profit	115.7	113.9	1.6%	52.6	62.1	-15.3%	99.7	100.3	-0.7%	60.4	69.7	5.4%	28.4	51.2	-8.3%	237.7	244.0	1.5%	101.3	106.3	-0.9%
SG&A	(54.3)	(54.6)	-0.6%	(21.0)	(24.5)	-14.1%	(45.8)	(46.7)	-1.9%	(26.9)	(31.3)	6.5%	(54.5)	(72.2)	24.8%	(107.2)	(98.1)	12.6%	(48.0)	(49.9)	2.1%
Other operating income/(expenses)	4.6	4.6	0.9%	3.7	5.1	-28.6%	4.4	4.7	-7.3%	0.5	1.6	-48.9%	0.6	0.6	68.0%	0.6	0.2	178.1%	3.2	3.5	-6.5%
Normalized EBIT	66.1	63.9	3.4%	35.2	42.7	-17.6%	58.2	58.3	-0.2%	34.0	40.0	2.4%	(25.6)	(20.4)	106.4%	131.1	146.0	-5.7%	56.5	59.9	-3.7%
Normalized EBITDA	74.5	72.7	2.4%	42.5	50.2	-15.5%	66.3	66.8	-0.8%	44.3	51.5	5.0%	(15.0)	(6.4)	286.1%	145.3	161.9	-6.0%	65.7	69.9	-3.3%



**SUPPLEMENTAL FINANCIAL INFORMATION**  
**Second Quarter 2010 Results**  
**August 12, 2010**  
**Pág. 21**

AmBev - Segment Financial Information																					
Organic Results																					
	AmBev Brazil									Hila Operations						Canada Operations			AmBev Consolidated		
	Beer Brazil			CSD & NANC Brazil			Total AmBev Brazil			Quinsa		Hila-ex									
	YTD 10	YTD 09	%	YTD 10	YTD 09	%	YTD 10	YTD 09	%	YTD 10	YTD 09	%	YTD 10	YTD 09	%	YTD 10	YTD 09	%	YTD 10	YTD 09	%
Volumes (000 hl)	39,642	34,509	13.7%	13,563	12,425	9.2%	53,205	46,934	13.4%	15,965	15,841	-1.1%	3,160	3,026	4.4%	5,493	5,543	-0.9%	77,823	71,345	8.7%
<b>R\$ million</b>																					
Net Sales	6,578.8	5,453.1	20.6%	1,327.3	1,178.0	12.7%	7,906.1	6,631.2	19.2%	1,768.0	1,986.2	13.0%	293.2	368.3	20.7%	1,832.5	2,018.1	-3.3%	11,799.8	11,003.8	14.0%
% of Total	<b>55.8%</b>	<b>49.6%</b>		<b>11.2%</b>	<b>10.7%</b>		<b>67.0%</b>	<b>60.3%</b>		<b>15.0%</b>	<b>18.1%</b>		<b>2.5%</b>	<b>3.3%</b>		<b>15.5%</b>	<b>18.3%</b>		<b>100.0%</b>	<b>100.0%</b>	
COGS	(1,862.6)	(1,479.5)	25.9%	(596.6)	(450.6)	32.4%	(2,459.2)	(1,930.1)	27.4%	(696.4)	(788.7)	11.7%	(189.8)	(229.3)	24.7%	(592.7)	(673.4)	-6.2%	(3,938.0)	(3,621.5)	17.6%
% of Total	<b>47.3%</b>	<b>40.9%</b>		<b>15.2%</b>	<b>12.4%</b>		<b>62.4%</b>	<b>53.3%</b>		<b>17.7%</b>	<b>21.8%</b>		<b>4.8%</b>	<b>6.3%</b>		<b>15.1%</b>	<b>18.6%</b>		<b>100.0%</b>	<b>100.0%</b>	
Gross Profit	4,716.3	3,973.6	18.7%	730.7	727.4	0.5%	5,447.0	4,701.0	15.9%	1,071.6	1,197.6	13.9%	103.4	139.0	14.0%	1,239.8	1,344.6	-1.8%	7,861.8	7,382.3	12.3%
% of Total	<b>60.0%</b>	<b>53.8%</b>		<b>9.3%</b>	<b>9.9%</b>		<b>69.3%</b>	<b>63.7%</b>		<b>13.6%</b>	<b>16.2%</b>		<b>1.3%</b>	<b>1.9%</b>		<b>15.8%</b>	<b>18.2%</b>		<b>100.0%</b>	<b>100.0%</b>	
SG&A	(2,002.3)	(1,717.8)	16.6%	(292.6)	(287.7)	1.7%	(2,294.9)	(2,005.5)	14.4%	(398.0)	(427.7)	18.1%	(186.0)	(234.7)	23.1%	(643.2)	(651.1)	5.2%	(3,522.1)	(3,319.0)	13.7%
% of Total	<b>56.8%</b>	<b>51.8%</b>		<b>8.3%</b>	<b>8.7%</b>		<b>65.2%</b>	<b>60.4%</b>		<b>11.3%</b>	<b>12.9%</b>		<b>5.3%</b>	<b>7.1%</b>		<b>18.3%</b>	<b>19.6%</b>		<b>100.0%</b>	<b>100.0%</b>	
Other operating income/(expenses)	171.9	149.2	15.2%	41.8	51.8	-19.3%	213.7	201.0	6.3%	(4.6)	(1.5)	360.9%	0.9	0.7	137.0%	1.1	3.5	-65.3%	211.1	203.7	3.0%
% of Total	<b>81.4%</b>	<b>73.2%</b>		<b>19.8%</b>	<b>25.4%</b>		<b>101.2%</b>	<b>98.7%</b>		<b>-2.2%</b>	<b>-0.7%</b>		<b>0.4%</b>	<b>0.4%</b>		<b>0.5%</b>	<b>1.7%</b>		<b>100.0%</b>	<b>100.0%</b>	
Normalized EBIT	2,885.9	2,405.0	20.0%	479.9	491.5	-2.4%	3,365.8	2,896.5	16.2%	668.9	768.4	10.8%	(81.7)	(95.0)	nm	597.7	697.0	-8.7%	4,550.7	4,267.0	10.7%
% of Total	<b>63.4%</b>	<b>56.4%</b>		<b>10.5%</b>	<b>11.5%</b>		<b>74.0%</b>	<b>67.9%</b>		<b>14.7%</b>	<b>18.0%</b>		<b>-1.8%</b>	<b>-2.2%</b>		<b>13.1%</b>	<b>16.3%</b>		<b>100.0%</b>	<b>100.0%</b>	
Normalized EBITDA	3,206.8	2,707.1	18.5%	574.4	580.3	-1.0%	3,781.2	3,287.4	15.0%	806.9	926.2	11.0%	(46.3)	(48.8)	nm	687.6	801.1	-8.6%	5,229.4	4,966.0	10.0%
% of Total	<b>61.3%</b>	<b>54.5%</b>		<b>11.0%</b>	<b>11.7%</b>		<b>72.3%</b>	<b>66.2%</b>		<b>15.4%</b>	<b>18.7%</b>		<b>-0.9%</b>	<b>-1.0%</b>		<b>13.1%</b>	<b>16.1%</b>		<b>100.0%</b>	<b>100.0%</b>	
<b>% of Net Sales</b>																					
Net Sales	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
COGS	-28.3%	-27.1%		-44.9%	-38.3%		-31.1%	-29.1%		-39.4%	-39.7%		-64.7%	-62.3%		-32.3%	-33.4%		-33.4%	-32.9%	
Gross Profit	71.7%	72.9%		55.1%	61.7%		68.9%	70.9%		60.6%	60.3%		35.3%	37.7%		67.7%	66.6%		66.6%	67.1%	
SG&A	-30.4%	-31.5%		-22.0%	-24.4%		-29.0%	-30.2%		-22.5%	-21.5%		-63.5%	-63.7%		-35.1%	-32.3%		-29.8%	-30.2%	
Other operating income/(expenses)	2.6%	2.7%		3.1%	4.4%		2.7%	3.0%		-0.3%	-0.1%		0.3%	0.2%		0.1%	0.2%		1.8%	1.9%	
Normalized EBIT	43.9%	44.1%		36.2%	41.7%		42.6%	43.7%		37.8%	38.7%		-27.9%	-25.8%		32.6%	34.5%		38.6%	38.8%	
Normalized EBITDA	48.7%	49.6%		43.3%	49.3%		47.8%	49.6%		45.6%	46.6%		-15.8%	-13.2%		37.5%	39.7%		44.3%	45.1%	
<b>Per Hectoliter - (R\$/hl)</b>																					
Net Sales	166.0	158.0	5.0%	97.9	94.8	3.2%	148.6	141.3	5.2%	110.7	125.4	14.0%	92.8	121.7	15.6%	333.6	364.1	-2.4%	151.6	154.2	4.9%
COGS	(47.0)	(42.9)	9.6%	(44.0)	(36.3)	21.3%	(46.2)	(41.1)	12.4%	(43.6)	(49.8)	12.7%	(60.1)	(75.8)	19.5%	(107.9)	(121.5)	-5.4%	(50.6)	(50.8)	8.2%
Gross Profit	119.0	115.1	3.3%	53.9	58.5	-8.0%	102.4	100.2	2.2%	67.1	75.6	14.9%	32.7	45.9	9.2%	225.7	242.6	-0.9%	101.0	103.5	3.4%
SG&A	(50.5)	(49.8)	1.5%	(21.6)	(23.2)	-6.8%	(43.1)	(42.7)	0.9%	(24.9)	(27.0)	19.1%	(58.9)	(77.6)	17.9%	(117.1)	(117.5)	6.2%	(45.3)	(46.5)	4.7%
Other operating income/(expenses)	4.3	4.3	0.3%	3.1	4.2	-26.1%	4.0	4.3	-6.2%	(0.3)	(0.1)	nm	0.3	0.2	nm	0.2	0.6	nm	2.7	2.9	-5.2%
Normalized EBIT	72.8	69.7	4.5%	35.4	39.6	-10.6%	63.3	61.7	2.5%	41.9	48.5	11.9%	(25.9)	(31.4)	nm	108.8	125.7	-7.8%	58.5	59.8	1.9%
Normalized EBITDA	80.9	78.4	3.1%	42.4	46.7	-9.3%	71.1	70.0	1.5%	50.5	58.5	12.0%	(14.6)	(16.1)	nm	125.2	144.5	-7.7%	67.2	69.6	1.3%

<b>CONSOLIDATED BALANCE SHEET</b>		
<b>R\$ million</b>	<b>June 2010</b>	<b>December 2009</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	6,604.2	6,595.1
Goodwill	17,548.7	17,527.5
Intangible assets	1,916.0	1,932.6
Investments in associates	20.9	24.3
Investment securities	269.6	246.9
Deferred tax assets	1,356.7	1,368.5
Employee benefits	13.7	13.7
Trade and other receivables	1,930.6	2,089.3
	<b>29,660.3</b>	<b>29,797.8</b>
<b>Current assets</b>		
Investment securities	21.5	73.3
Inventories	1,699.2	1,488.1
Income tax receivable	336.3	986.2
Trade and other receivables	3,335.3	3,652.5
Cash and cash equivalents	5,950.6	4,042.9
Assets held for sale	60.2	60.2
	<b>11,403.1</b>	<b>10,303.2</b>
<b>Total Assets</b>	<b>41,063.4</b>	<b>40,101.0</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Issued capital	7,367.4	6,832.1
Reserves	(1,363.4)	(1,365.6)
Retained earnings	17,922.0	16,550.9
<b>Equity attributable to equity holders of AmBev</b>	<b>23,926.1</b>	<b>22,017.4</b>
Non-controlling interests	235.4	278.7
<b>Non-Current Liabilities</b>		
Interest-bearing loans and borrowings	5,284.2	6,460.2
Employee benefits	771.7	767.9
Deferred tax liabilities	562.0	502.2
Trade and other payables	641.0	663.6
Provisions	949.8	919.4
	<b>8,208.6</b>	<b>9,313.2</b>
<b>Current Liabilities</b>		
Bank overdrafts	36.4	18.6
Interest-bearing loans and borrowings	1,523.8	801.1
Income tax and social contribution payable	813.0	1,296.0
Trade and other payables	6,213.4	6,279.9
Provisions	106.8	96.2
	<b>8,693.3</b>	<b>8,491.7</b>
<b>Total Liabilities</b>	<b>16,901.9</b>	<b>17,804.9</b>
<b>Total equity and liabilities</b>	<b>41,063.4</b>	<b>40,101.0</b>

<b>CONSOLIDATED STATEMENT OF OPERATIONS</b>				
<b>R\$ million</b>	<b>2Q10</b>	<b>2Q09</b>	<b>YTD 10</b>	<b>YTD 09</b>
<b>Net sales</b>	<b>5,678.4</b>	<b>5,348.1</b>	<b>11,799.8</b>	<b>11,003.8</b>
Cost of sales	(1,939.0)	(1,724.4)	(3,938.0)	(3,621.5)
<b>Gross profit</b>	<b>3,739.4</b>	<b>3,623.7</b>	<b>7,861.8</b>	<b>7,382.3</b>
Sales and marketing expenses	(1,462.0)	(1,307.2)	(2,885.6)	(2,611.4)
Administrative expenses	(309.3)	(394.6)	(636.6)	(707.7)
Other operating income/(expenses)	117.1	118.8	211.1	203.7
<b>Normalized EBIT</b>	<b>2,085.2</b>	<b>2,040.8</b>	<b>4,550.7</b>	<b>4,267.0</b>
Special items	(15.2)	(15.8)	(81.6)	201.6
<b>Profit from operations (EBIT)</b>	<b>2,070.0</b>	<b>2,025.0</b>	<b>4,469.1</b>	<b>4,468.6</b>
Net Finance Cost	(105.5)	(249.4)	(292.1)	(574.2)
Share of results of associates	(0.1)	0.2	(0.0)	0.3
<b>Profit before tax</b>	<b>1,964.4</b>	<b>1,775.8</b>	<b>4,176.9</b>	<b>3,894.7</b>
Income tax expense	(436.5)	(383.9)	(998.1)	(890.1)
<b>Profit</b>	<b>1,527.9</b>	<b>1,391.9</b>	<b>3,178.8</b>	<b>3,004.6</b>
Attributable to:				
<b>Equity holders of AmBev</b>	<b>1,510.2</b>	<b>1,375.6</b>	<b>3,160.4</b>	<b>2,964.2</b>
Non-controlling interest	17.7	16.4	18.3	40.3
Nº of basic shares outstanding (millions)	620.0	615.4	617.8	614.7
Nº of diluted shares outstanding (millions)	621.7	616.3	619.5	615.4
Basic earnings per share – preferred	2.57	2.36	5.39	5.08
Basic earnings per share – common	2.34	2.14	4.90	4.62
Diluted earnings per share– preferred	2.57	2.35	5.38	5.08
Diluted earnings per share– common	2.33	2.14	4.89	4.61

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>				
<b>R\$ million</b>	<b>2Q10</b>	<b>2Q09</b>	<b>YTD 10</b>	<b>YTD 09</b>
<b>Cash Flows from Operating Activities</b>				
<b>Profit</b>	<b>1,527.9</b>	<b>1,391.9</b>	<b>3,178.8</b>	<b>3,004.6</b>
Depreciation, amortization and impairment	337.6	341.6	713.2	702.5
Impairment losses on receivables and inventories	25.2	23.6	52.9	39.7
Additions/(reversals) in provisions and employee benefits	58.5	11.3	120.4	49.7
Net finance cost	105.5	249.4	292.1	574.2
Other non-cash items included in the profit	41.1	16.8	58.0	75.7
Loss/(gain) on sale of property, plant and equipment and intangible assets	(5.1)	(0.3)	(3.5)	(4.7)
Loss/(gain) on assets held for sale	-	0.7	-	0.2
Equity-settled share-based payment expense	28.9	37.0	53.4	57.1
Income tax expense	436.5	383.9	998.1	890.1
Share of result of associates	0.1	(0.2)	0.0	(0.3)
<b>Cash flow from operating activities before changes in working capital and use of provisions</b>	<b>2,556.1</b>	<b>2,455.9</b>	<b>5,463.5</b>	<b>5,388.7</b>
Decrease/(increase) in trade and other receivables	(516.2)	(224.7)	(91.7)	8.3
Decrease/(increase) in inventories	(156.1)	150.3	(248.0)	9.5
Increase/(decrease) in trade and other payables	669.1	(36.1)	(155.2)	(1,145.0)
<b>Cash generated from operations</b>	<b>2,552.9</b>	<b>2,345.2</b>	<b>4,968.5</b>	<b>4,261.4</b>
Interest paid	(106.6)	(387.4)	(229.4)	(569.7)
Interest received	82.8	43.9	116.8	61.4
Income tax paid	(162.7)	(10.6)	(605.4)	(193.1)
<b>Cash flow from operating activities</b>	<b>2,366.4</b>	<b>1,991.1</b>	<b>4,250.5</b>	<b>3,560.0</b>
Proceeds from sale of property, plant and equipment	11.4	13.7	21.2	26.1
Proceeds from sale of intangible assets	-	0.3	-	1.1
Repayments of loans granted	0.5	0.4	0.8	0.6
Acquisition of subsidiaries, net of cash acquired	-	(62.3)	-	(62.3)
Purchase of non-controlling interest	2.6	(3.9)	-	(4.6)
Acquisition of property, plant and equipment	(494.3)	(320.8)	(713.0)	(474.8)
Acquisition of intangible assets	(33.5)	(65.6)	(33.9)	(65.7)
Net proceeds/(acquisition) of debt securities	57.2	61.2	41.6	(2.3)
Net proceeds/(acquisition) of other assets	-	3.4	-	4.5
<b>Cash flow from investing activities</b>	<b>(456.1)</b>	<b>(373.7)</b>	<b>(683.4)</b>	<b>(577.5)</b>
Capital increase	-	65.9	-	65.9
Capital increase of non-controlling interests	-	-	41.8	-
Proceeds from borrowings	46.3	716.5	157.5	1,141.9
Proceeds/repurchase of treasury shares	14.4	11.4	15.0	22.4
Repayment of borrowings	(603.1)	(1,927.1)	(833.9)	(2,521.4)
Cash net finance costs other than interests	(26.8)	119.4	(60.2)	139.4
Payment of finance lease liabilities	(2.7)	(3.9)	(3.3)	(4.5)
Dividends paid	(992.7)	(241.7)	(1,023.8)	(471.3)
<b>Cash flow from financing activities</b>	<b>(1,564.7)</b>	<b>(1,259.5)</b>	<b>(1,706.8)</b>	<b>(1,627.6)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>345.6</b>	<b>358.0</b>	<b>1,860.3</b>	<b>1,355.0</b>
<b>Cash and cash equivalents less bank overdrafts at beginning of period</b>	<b>5,547.7</b>	<b>4,255.4</b>	<b>4,024.3</b>	<b>3,280.0</b>
<b>Effect of exchange rate fluctuations</b>	<b>21.0</b>	<b>(367.9)</b>	<b>29.7</b>	<b>(389.4)</b>
<b>Cash and cash equivalents less bank overdrafts at end of period</b>	<b>5,914.3</b>	<b>4,245.6</b>	<b>5,914.3</b>	<b>4,245.6</b>