

## **AMBEV REPORTS 2017 THIRD QUARTER RESULTS UNDER IFRS**

**São Paulo, October 26, 2017** – Ambev S.A. [BOVESPA: ABEV3; NYSE: ABEV] announces today its results for the 2017 third quarter. The following operating and financial information, unless otherwise indicated, is presented in nominal *Reais* and prepared according to International Financial Reporting Standards (IFRS), and should be read together with our quarterly financial information for the nine-month period ended September 30, 2017 filed with the CVM and submitted to the SEC.

### **Operating and Financial Highlights**

**Top line performance:** Top line was up 9.6% in 3Q17, driven by a strong performance in most of our operations - Brazil (+9.7%); Latin America South (LAS) (+21.3%); and Central America and the Caribbean (CAC) (+7.5%) - , partially impacted by Canada (-3.6%). In Brazil, volumes decline of 4.0% was more than offset by a healthy NR/hl growth of 14.2%. In LAS, volumes were up 4.5% and NR/hl rose by 16.1%. In CAC, NR/hl grew by 6.1% and, while organic volumes were flattish, reported volumes increased by 23.8%, as a result of the swap of assets carried out with ABI and our operations in Panama. And, in Canada, volumes were down 2.9%, affected by a weak industry, with NR/hl declining by 0.7%.

**Cost of Goods Sold (COGS):** Our COGS increased by 8.1% in the quarter and, on a per hectoliter basis, by 10.2%. Cash COGS (excluding depreciation and amortization) grew by 6.8% while, on a per hectoliter basis, by 8.8%, mainly due to inflationary pressures, higher commodities prices and unfavorable FX in LAS.

**Selling, General & Administrative (SG&A) expenses:** SG&A and cash SG&A (excluding depreciation and amortization) was up 1.1% and up 1.5%, respectively, below our weighted average inflation (around 5.5%).

**EBITDA, Gross margin and EBITDA margin:** Normalized EBITDA reached R\$ 4,551.9 million (+15.8%) in 3Q17, with gross margin of 60.6% (+60bps) and EBITDA margin of 40.1% (+220bps).

**Normalized Net Profit and EPS:** Normalized Net Profit was R\$ 3,236.6 million in 3Q17, 1.2% higher than in 3Q16, as the EBITDA organic growth and the reduction of net financial expenses were partially impacted by: (i) the negative effect of currency translation, driven by the appreciation of the Brazilian Real, and (ii) a higher tax rate. Normalized EPS in the quarter was R\$ 0.20 (+0.9%).

**Cash Generation and CAPEX:** Cash flow from operating activities in 3Q17 was R\$ 4,563.9 million (+0.4%) while CAPEX reached R\$ 727.6 million (-19.3%). Year to date, cash flow from operating activities totaled R\$ 8,973.1 million *versus* R\$ 4,411.6 million in the same period of 2016, which is an increase of 103.4%. CAPEX year to date is declining by 26.2% to R\$ 2.0 billion.

**Pay-out and Financial discipline:** In 2017, we have paid/announced R\$ 3.6 billion in dividends. As of September, 30<sup>th</sup> 2017 our net cash position was R\$ 5,018.9 million.

| Financial highlights - Ambev consolidated |          |          | % As     |         | % As      |           | % As     |          |
|---|----------|----------|----------|---------|-----------|-----------|----------|----------|
| R\$ million                               | 3Q16     | 3Q17     | Reported | Organic | YTD16     | YTD17     | Reported | Organic  |
| Total volumes                             | 38,838.2 | 38,433.5 | -1.0%    | -2.0%   | 114,463.3 | 115,398.9 | 0.8%     | -0.2%    |
| Net sales                                 | 10,482.8 | 11,362.3 | 8.4%     | 9.6%    | 32,425.1  | 32,872.1  | 1.4%     | 7.5%     |
| Gross profit                              | 6,267.3  | 6,880.2  | 9.8%     | 10.5%   | 20,354.7  | 19,818.6  | -2.6%    | 3.2%     |
| Gross margin                              | 59.8%    | 60.6%    | 80 bps   | 60 bps  | 62.8%     | 60.3%     | -250 bps | -250 bps |
| <b>Normalized EBITDA</b>                  | 3,999.4  | 4,551.9  | 13.8%    | 15.8%   | 13,468.4  | 12,851.4  | -4.6%    | 1.5%     |
| Normalized EBITDA margin                  | 38.2%    | 40.1%    | 190 bps  | 220 bps | 41.5%     | 39.1%     | -240 bps | -240 bps |
| <b>Profit</b>                             | 3,183.2  | 136.5    | -95.7%   |         | 8,249.7   | 4,551.2   | -44.8%   |          |
| <b>Normalized profit</b>                  | 3,198.3  | 3,236.6  | 1.2%     |         | 5,095.0   | 7,694.1   | 51.0%    |          |
| <b>EPS (R\$/shares)</b>                   | 0.19     | 0.00     | -100.0%  |         | 0.50      | 0.27      | -46.5%   |          |
| <b>Normalized EPS</b>                     | 0.20     | 0.20     | 0.9%     |         | 0.50      | 0.27      | -46.1%   |          |

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

*This press release segregates the impact of organic changes from those arising from changes in scope or currency translation. Scope changes represent the impact of acquisitions and divestitures, the start up or termination of activities or the transfer of activities between segments, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business. 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 exceptional items adjustments. Exceptional 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 indicators of the Company's performance. Comparisons, unless otherwise stated, refer to the third quarter of 2016 (3Q16). Values in this release may not add up due to rounding.*

## Management Comments

In 3Q17 we reached an inflection point, driven by a solid performance in most of our markets. Consolidated top line was up 9.6% and EBITDA up 15.8%, with margin expansion of 220bps.

Particularly for Beer Brazil, we left 1H17 with a strengthened market position. As we started 2H17, we have been able to return to our pattern of sustainable growth. Our revenue management initiatives implemented during the quarter contributed to an increase in top line, with NR/hl rising by a robust 15.8% that, along with an improved cost performance, translated into EBITDA growth of 25.7% and margin expansion of 540bps.

Beer Brazil volumes were down 5.4%, impacted by a still declining industry. Along with that, this year we carried out our annual price adjustments during the third quarter, what resulted in a tough comparable base, due to the later timing of our price adjustments last year. For the same reason, this will represent an easy comparable base in 4Q17. Year to date, volumes declined by 1.1%, outperforming the industry, that is falling around 2.0%, according to Nielsen.

During the quarter, we also continued to put efforts in our plan, focusing on our commercial platforms:

- **Elevate the Core**

- The whole Brahma family is revamped and standing out on the shelves. Surveys conducted with consumers demonstrated that Brahma's new Visual Brand Identity increased consumers purchase intention by double digits. The brand's preference is also trending up.
- The core plus segment delivered another quarter of notable performance, growing double digits, led by Brahma Extra, that launched a limited special edition of a Märzen Lager for the Oktoberfest.

- **Premium**

- Premiumization is a trend that can be expected to continue to foster the beer category. Premium volumes ramped up during this quarter, with our global brands portfolio, comprised of Budweiser, Stella Artois and Corona, growing double digits.

- **Near Beer**

- Skol Beats Senses kept on enhancing the equity of its mother brand and bonding with its core target consumers delivering breakthrough experiences, such as the Skol Beats Tower, an unprecedented festival that took place in a building with four floors and eight different parties.

- **In Home**

- An important initiative to shape in home consumption has been the steady evolution of our market programs designed to the off-trade channel. Such initiative has the purpose of elevating the beer category in the off-trade, improving consumers shopping experience.
- We are evolving with the implementation of our 300ml returnable glass bottles strategy. Our "minis" are growing year over year with an increasingly popularity. This is an important step to bring affordability to consumers with a higher profitability.

- **Out Of Home**

- Going out with friends to enjoy beer is part of the Brazilian culture. We are stepping up our service level across the country through different initiatives and the use of new technology is playing an important role. We are using sales algorithms and developing our B2B platform to improve our sales process, strengthen our relationship with our customers and, as a consequence, enhance consumers experience at the bar.

This quarter was also marked by an important event. For the first time, Ambev was the brewery that received the highest number of medals in the World Beer Awards, a competition with the participation of the best breweries in the world. We received in total 27 medals, an important recognition that we have the greatest beers worldwide.

In CSD&NANC Brazil, the CSD industry is even more challenging than the beer industry when hit by pressure on disposable income and discretionary spending, as consumers tend to trade down to powder juices or tap water. In this environment, we delivered slightly positive volumes (+0.5%) in 3Q17 while the CSD industry is still declining. Nonetheless, our results were temporarily affected by increased costs and investments ahead of the curve. We are not pleased with our operational results this quarter, but we are confident that we are taking the right initiatives to deliver a stronger performance going forward. Year to date, CSD&NANC volumes declined by 4.5%, outperforming the industry, that is falling around 8.0%, according to Nielsen.

Regarding our international operations, in CAC, EBITDA increased by more than 30%, with another quarter of robust margin expansion, also benefiting from synergies from the integration of our operation in Panama. In LAS, we continue to have a great volumes momentum, especially in Argentina, as a result of an improved macroeconomic environment, leading to top line and EBITDA growth of more than 20%. And, in Canada, whilst our market share grew in a positive trend, our results were heavily impacted by a poor summer season that led to an industry decline of low single digit.

Finally, it is important to emphasize that our reported results include our operations in Panama and exclude our former operations in Colombia, Peru and Ecuador, which are treated as a scope in our CAC as LAS divisions, respectively.

Looking at our divisional performance highlights:

- **Brazil.** The Brazilian operations delivered an EBITDA of R\$ 2,377.3 million (+17.4%) explained by a top line growth of 9.7% and a 260bps EBITDA margin expansion, reaching 39.4% in the quarter. Year to date, top line increased by 2.0% while EBITDA declined by 10.4%, with margin contraction of 540bps to 39.2%.
  - In **Beer Brazil**, net revenue grew by 9.6% in the quarter. Volumes were down 5.4%, affected by (i) a soft industry that declined around 1.0%, according to Nielsen, as consumers continued to be pressured by the macroeconomic environment, and (ii) phasing, as price adjustments have been carried out in 3Q17 when compared to 4Q16. More than offsetting volumes decline, NR/hl increased by a solid 15.8% and benefited from the early timing of implementation of our price adjustments this year.
  - In **CSD&NANC Brazil**, top line grew by 10.2% in the quarter. Volumes were slightly up (+0.5%), better than CSD industry that fell, according to Nielsen, around 5.5%. NR/hl in CSD&NANC was up 9.6%, driven by our revenue management initiatives implemented in 2Q17 and a positive mix.
  - **Brazil cash COGS** grew by 0.9% and, on a per hectoliter basis, by 5.0%. Beer Brazil cash COGS/hl was slightly up (+0.8%). CSD&NANC Brazil cash COGS/hl grew by 26.3%, mainly impacted by a negative mix and sugar prices, that increased by almost 60% year over year. Sugar represents around 25% of CSD&NANC costs.
  - **Brazil cash SG&A** was up 1.9%, below inflation, as a result of increased administrative expenses, partially offset by lower distribution and sales & marketing expenses, that benefited from cost savings in our non-working money and phasing and efficiency gains in our working money.
- **Central America and the Caribbean (CAC).** In 3Q17, EBITDA in CAC reached R\$ 474.2 million (+31.6%), supported by an increase in the top line (+7.5%) and another quarter of robust EBITDA margin expansion (+840bps) to 40.8%. In US dollars, reported EBITDA grew once again more than 35.0%. Year to date, top line was up 6.6% and EBITDA up 22.7%, with margin expansion of 550bps to 38.3%.
  - 3Q17 was another quarter of remarkable results in the region. Organic volumes were flattish, affected by a severe hurricane season, while reported volumes increased by 23.8%, benefiting from the recent swap of assets carried out with ABI and our operations in Panama.

- The integration with Panama is being executed as planned, with synergies and cost savings of more than USD 10 million captured year to date. Our business in the country is also delivering a great performance, with our portfolio growing at a fast pace, translating into market share gain.
- During 3Q17, we kept benefiting from our solid financial discipline, leveraging both costs and expenses savings, leading to another quarter of EBITDA margin expansion.
- **Latin America South (LAS)**. In 3Q17, net revenue was up 21.3% while EBITDA in the region reached R\$ 1,101.8 million (+22.8%), with an EBITDA margin expansion of 60bps to 45.3%. Year to date, top line grew by 27.7% and EBITDA was up 24.2%, with margin contraction of 120bps to 42.7%.
  - Volumes were up 4.5% in 3Q17, as the softness of the CSD industry in the region was more than offset by a strong performance from (i) beer in Argentina, that grew double digits, supported by the overall improvement of the macroeconomic environment and favorable weather; (ii) Paraguay, due to the success of our 340ml returnable glass bottle strategy, and (iii) our high end portfolio, that continued to deliver a strong performance, led by the global brands, that year to date grew double digits in the region.
  - Our volume performance enabled us to achieve our all-time high volume mark for beer in a third quarter in LAS.
  - Whilst our costs were still impacted by FX in Argentina, we were able to deliver EBITDA margin expansion, benefiting from phasing of sales & marketing and administrative expenses.
- **Canada**. Top line declined by 3.6% in the quarter with an EBITDA of R\$ 598.8 million (-8.3%) and EBITDA margin compression of 180bps to 34.6%. NR/hl was down 0.7%, driven by a negative package mix. Year to date, top line was slightly down (-0.1%) while EBITDA increased by 1.8%, with margin expansion of 70bps to 33.5%.
  - Volumes were down 2.9% in 3Q17, driven by industry contraction due to unfavorable weather and one less selling day in the quarter. Despite the challenging environment, we maintained our great market share momentum, as our main brands performed particularly well, led by (i) Bud Light, that remained as the fastest growing brand in in Canada, coupled with Bud Light Radler, a strong brand extension meant for a non-traditional beer occasion, and (ii) Stella Artois, that is steadily growing.
  - Cash COGS in the quarter was affected by volume absorption as well as FX and commodity impacts, leading to EBITDA margin compression.

## Outlook

The third quarter marked an important turn and the worst is behind us.

Brazil, our largest market, is back on track. Going forward, we expect to continue benefiting from a healthy top line and reduced costs in the country, posting EBITDA growth and margin recovery.

Along with that, we are cautiously optimistic with the beer industry perspective, mainly due to the reduction of unemployment and increase of disposable income, what should also support us to continue delivering strong operational results.

Regarding our CSD&NANC business, in spite of the temporary pressures during this quarter, we will evolve our commercial strategy, pushing ourselves further to improve our performance and resume growth.

In this context, we reiterate our guidance that we expect cash COGS in Brazil to be flattish to low single digit up in the second half of 2017.

Finally, with respect to our international operations, we will keep pursuing top line and EBITDA margin opportunities in CAC, remaining enthusiastic with the development of our business in Panama. In LAS, we are confident in our ability to deliver solid results and excited with the recovery of beer volumes in Argentina. And, in Canada, we remain committed to striving towards sustainable EBITDA growth through our strong portfolio of brands and great market share momentum.

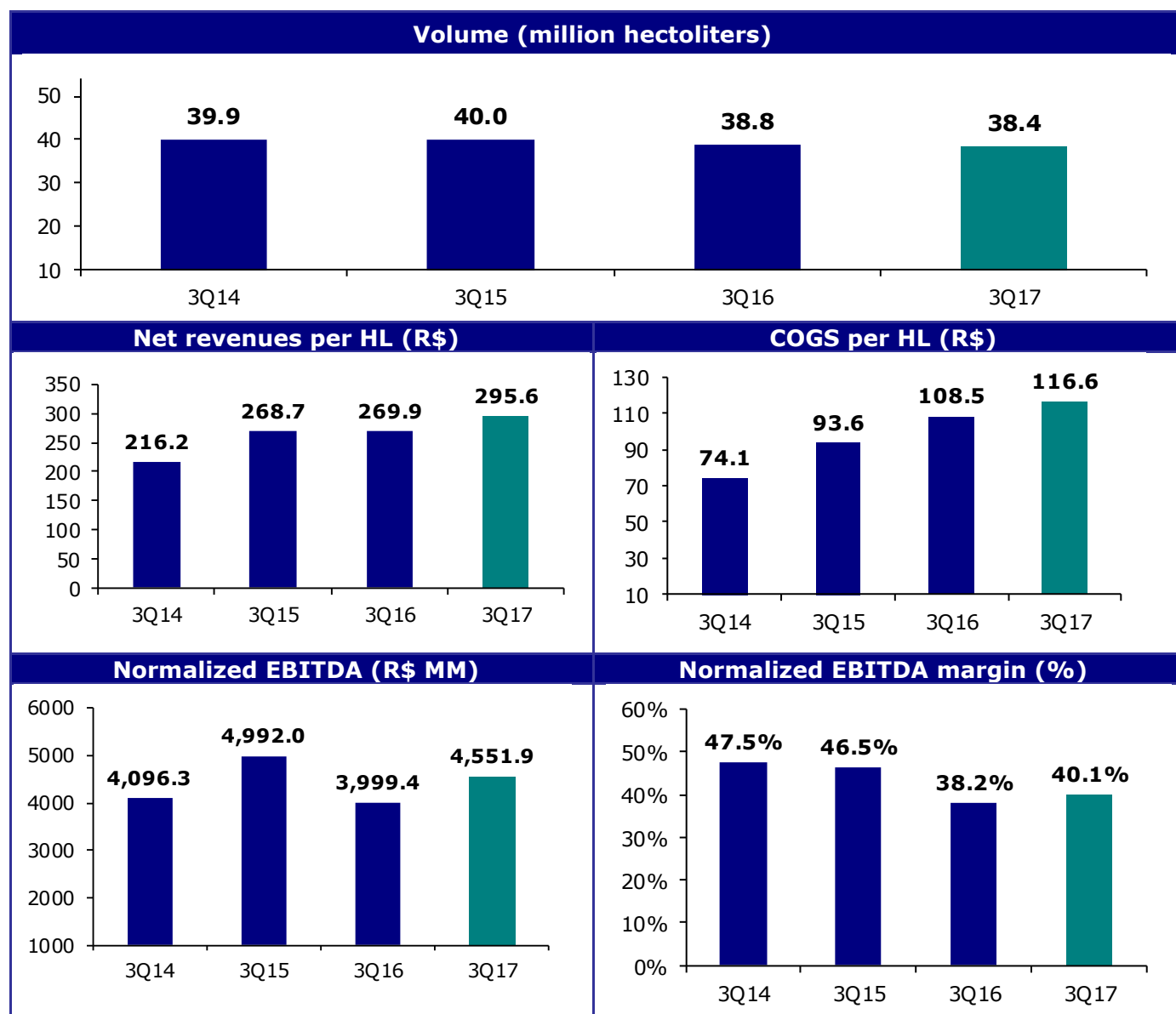
**Ambev Consolidated Income Statement**

| Consolidated income statement                        |                |             |                      |                |                | % As           |              | % |
|--|----------------|-------------|----------------------|----------------|----------------|----------------|--------------|---|
| R\$ million  | 3Q16           | Scope       | Currency Translation | Organic Growth | 3Q17           | Reported       | Organic      |   |
| Net revenue  | 10,482.8       | 91.8        | (214.2)              | 1,001.9        | 11,362.3       | 8.4%           | 9.6%         |   |
| Cost of goods sold (COGS)                            | (4,215.5)      | (13.2)      | 84.6                 | (338.1)        | (4,482.1)      | 6.3%           | 8.1%         |   |
| <b>Gross profit</b>                                  | <b>6,267.3</b> | <b>78.6</b> | <b>(129.6)</b>       | <b>663.9</b>   | <b>6,880.2</b> | <b>9.8%</b>    | <b>10.5%</b> |   |
| Selling, general and administrative (SG&A)           | (3,457.0)      | (35.6)      | 31.9                 | (38.8)         | (3,499.5)      | 1.2%           | 1.1%         |   |
| Other operating income                               | 341.6          | (4.1)       | (7.5)                | (76.5)         | 253.6          | -25.8%         | -22.4%       |   |
| <b>Normalized operating income (normalized EBIT)</b> | <b>3,151.9</b> | <b>39.0</b> | <b>(105.2)</b>       | <b>548.5</b>   | <b>3,634.3</b> | <b>15.3%</b>   | <b>17.3%</b> |   |
| Exceptional items above EBIT                         | (15.1)         | (1.1)       | (0.9)                | (3.4)          | (20.5)         | 35.7%          | 22.6%        |   |
| Net finance results                                  | (722.6)        |             |                      |                | (674.9)        | -6.6%          |              |   |
| Share of results of associates                       | (9.4)          |             |                      |                | (4.5)          | -51.7%         |              |   |
| Income tax expense                                   | 778.3          |             |                      |                | (2,797.8)      | nm             |              |   |
| <b>Profit</b>  | <b>3,183.2</b> |             |                      |                | <b>136.5</b>   | <b>-95.7%</b>  |              |   |
| <b>Attributable to Ambev holders</b>                 | <b>3,061.2</b> |             |                      |                | <b>0.2</b>     | <b>-100.0%</b> |              |   |
| Attributable to non-controlling interests            | 121.9          |             |                      |                | 136.3          | 11.8%          |              |   |
| <b>Normalized profit</b>                             | <b>3,198.3</b> |             |                      |                | <b>3,236.6</b> | <b>1.2%</b>    |              |   |
| <b>Attributable to Ambev holders</b>                 | <b>3,076.3</b> |             |                      |                | <b>3,099.6</b> | <b>0.8%</b>    |              |   |
| <b>Normalized EBITDA</b>                             | <b>3,999.4</b> | <b>45.6</b> | <b>(128.1)</b>       | <b>635.0</b>   | <b>4,551.9</b> | <b>13.8%</b>   | <b>15.8%</b> |   |

| Consolidated income statement                        |                 |              |                      |                |                 | % As          |             | % |
|--|-----------------|--------------|----------------------|----------------|-----------------|---------------|-------------|---|
| R\$ million  | YTD16           | Scope        | Currency Translation | Organic Growth | YTD17           | Reported      | Organic     |   |
| Net revenue  | 32,425.1        | 345.4        | (2,311.2)            | 2,412.8        | 32,872.1        | 1.4%          | 7.5%        |   |
| Cost of goods sold (COGS)                            | (12,070.4)      | (62.8)       | 852.3                | (1,772.6)      | (13,053.5)      | 8.1%          | 14.9%       |   |
| <b>Gross profit</b>                                  | <b>20,354.7</b> | <b>282.6</b> | <b>(1,458.9)</b>     | <b>640.2</b>   | <b>19,818.6</b> | <b>-2.6%</b>  | <b>3.2%</b> |   |
| Selling, general and administrative (SG&A)           | (10,546.6)      | (156.4)      | 639.0                | (287.8)        | (10,351.8)      | -1.8%         | 2.8%        |   |
| Other operating income                               | 1,065.1         | 5.3          | (7.8)                | (295.7)        | 767.0           | -28.0%        | -27.7%      |   |
| <b>Normalized operating income (normalized EBIT)</b> | <b>10,873.2</b> | <b>131.6</b> | <b>(827.7)</b>       | <b>56.7</b>    | <b>10,233.8</b> | <b>-5.9%</b>  | <b>0.5%</b> |   |
| Exceptional items above EBIT                         | (43.6)          | (7.2)        | 9.1                  | (39.6)         | (81.3)          | 86.5%         | 92.0%       |   |
| Net finance results                                  | (2,793.8)       |              |                      |                | (2,246.3)       | -19.6%        |             |   |
| Share of results of associates                       | (1.5)           |              |                      |                | 1.8             | nm            |             |   |
| Income tax expense                                   | 215.4           |              |                      |                | (3,356.8)       | nm            |             |   |
| <b>Profit</b>  | <b>8,249.7</b>  |              |                      |                | <b>4,551.2</b>  | <b>-44.8%</b> |             |   |
| <b>Attributable to Ambev holders</b>                 | <b>7,874.3</b>  |              |                      |                | <b>4,212.5</b>  | <b>-46.5%</b> |             |   |
| Attributable to non-controlling interests            | 375.4           |              |                      |                | 338.6           | -9.8%         |             |   |
| <b>Normalized profit</b>                             | <b>5,095.0</b>  |              |                      |                | <b>7,694.1</b>  | <b>51.0%</b>  |             |   |
| <b>Attributable to Ambev holders</b>                 | <b>7,917.8</b>  |              |                      |                | <b>4,238.7</b>  | <b>-46.5%</b> |             |   |
| <b>Normalized EBITDA</b>                             | <b>13,468.4</b> | <b>156.4</b> | <b>(975.9)</b>       | <b>202.5</b>   | <b>12,851.4</b> | <b>-4.6%</b>  | <b>1.5%</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, comprises our consolidated financial statements. The figures shown below are on an as-reported basis.



**Ambev Consolidated**

We delivered during the quarter R\$ 11,362.3 million of net revenue (+9.6%) and R\$ 4,551.9 million of normalized EBITDA (+15.8%). Year to date, our net revenue totaled R\$ 32,872.1 million (+7.5%) while our EBITDA was of R\$ 12,851.4 million (+1.5%).

| <b>Ambev results</b>         |                |              |                             |                       | <b>% As</b>    |                 | <b>%</b>       |
|------------------------------|----------------|--------------|-----------------------------|-----------------------|----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>3Q16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 38,838.2       | 367.2        |                             | (771.8)               | 38,433.5       | -1.0%           | -2.0%          |
| Net revenue                  | 10,482.8       | 91.8         | (214.2)                     | 1,001.9               | 11,362.3       | 8.4%            | 9.6%           |
| Net revenue/hl               | 269.9          | (0.2)        | (5.6)                       | 315                   | 295.6          | 9.5%            | 11.7%          |
| COGS                         | (4,215.5)      | (13.2)       | 84.6                        | (338.1)               | (4,482.1)      | 6.3%            | 8.1%           |
| COGS/hl                      | (108.5)        | 0.7          | 2.2                         | (110)                 | (116.6)        | 7.4%            | 10.2%          |
| COGS excl. deprec.&amort.    | (3,677.1)      | (10.9)       | 68.5                        | (244.9)               | (3,864.5)      | 5.1%            | 6.8%           |
| COGS/hl excl. deprec. &amort | (94.7)         | 0.6          | 18                          | (8.3)                 | (100.6)        | 6.2%            | 8.8%           |
| <b>Gross profit</b>          | <b>6,267.3</b> | <b>78.6</b>  | <b>(129.6)</b>              | <b>663.9</b>          | <b>6,880.2</b> | <b>9.8%</b>     | <b>10.5%</b>   |
| Gross margin                 | 59.8%          |              |                             |                       | 60.6%          | 80 bps          | 60 bps         |
| SG&A excl. deprec.&amort.    | (3,147.9)      | (31.1)       | 25.2                        | (46.1)                | (3,199.9)      | 1.7%            | 1.5%           |
| SG&A deprec.&amort.          | (309.2)        | (4.5)        | 6.8                         | 7.3                   | (299.6)        | -3.1%           | -2.4%          |
| SG&A total                   | (3,457.0)      | (35.6)       | 31.9                        | (38.8)                | (3,499.5)      | 1.2%            | 1.1%           |
| Other operating income       | 341.6          | (4.1)        | (7.5)                       | (76.5)                | 253.6          | -25.8%          | -22.4%         |
| <b>Normalized EBIT</b>       | <b>3,151.9</b> | <b>39.0</b>  | <b>(105.2)</b>              | <b>548.5</b>          | <b>3,634.3</b> | <b>15.3%</b>    | <b>17.3%</b>   |
| Normalized EBIT margin       | 30.1%          |              |                             |                       | 32.0%          | 190 bps         | 210 bps        |
| <b>Normalized EBITDA</b>     | <b>3,999.4</b> | <b>45.6</b>  | <b>(128.1)</b>              | <b>635.0</b>          | <b>4,551.9</b> | <b>13.8%</b>    | <b>15.8%</b>   |
| Normalized EBITDA margin     | 38.2%          |              |                             |                       | 40.1%          | 190 bps         | 220 bps        |

| <b>Ambev results</b>         |                 |              |                             |                       | <b>% As</b>     |                 | <b>%</b>       |
|------------------------------|-----------------|--------------|-----------------------------|-----------------------|-----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>YTD16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 114,463.3       | 1,127.4      |                             | (191.8)               | 115,398.9       | 0.8%            | -0.2%          |
| Net revenue                  | 32,425.1        | 345.4        | (2,311.2)                   | 2,412.8               | 32,872.1        | 1.4%            | 7.5%           |
| Net revenue/hl               | 283.3           | 0.2          | (20.0)                      | 214                   | 284.9           | 0.6%            | 7.6%           |
| COGS                         | (12,070.4)      | (62.8)       | 852.3                       | (1,772.6)             | (13,053.5)      | 8.1%            | 14.9%          |
| COGS/hl                      | (105.5)         | 0.5          | 7.4                         | (16.5)                | (113.1)         | 7.3%            | 14.9%          |
| COGS excl. deprec.&amort.    | (10,418.1)      | (54.2)       | 757.2                       | (1,607.7)             | (11,322.8)      | 8.7%            | 15.7%          |
| COGS/hl excl. deprec. &amort | (91.0)          | 0.4          | 6.6                         | (14.1)                | (98.1)          | 7.8%            | 15.6%          |
| <b>Gross profit</b>          | <b>20,354.7</b> | <b>282.6</b> | <b>(1,458.9)</b>            | <b>640.2</b>          | <b>19,818.6</b> | <b>-2.6%</b>    | <b>3.2%</b>    |
| Gross margin                 | 62.8%           |              |                             |                       | 60.3%           | -250 bps        | -250 bps       |
| SG&A excl. deprec.&amort.    | (9,603.7)       | (140.2)      | 586.1                       | (307.9)               | (9,465.7)       | -1.4%           | 3.3%           |
| SG&A deprec.&amort.          | (942.9)         | (16.2)       | 52.9                        | 20.1                  | (886.1)         | -6.0%           | -2.2%          |
| SG&A total                   | (10,546.6)      | (156.4)      | 639.0                       | (287.8)               | (10,351.8)      | -1.8%           | 2.8%           |
| Other operating income       | 1,065.1         | 5.3          | (7.8)                       | (295.7)               | 767.0           | -28.0%          | -27.7%         |
| <b>Normalized EBIT</b>       | <b>10,873.2</b> | <b>131.6</b> | <b>(827.7)</b>              | <b>56.7</b>           | <b>10,233.8</b> | <b>-5.9%</b>    | <b>0.5%</b>    |
| Normalized EBIT margin       | 33.5%           |              |                             |                       | 31.1%           | -240 bps        | -220 bps       |
| <b>Normalized EBITDA</b>     | <b>13,468.4</b> | <b>156.4</b> | <b>(975.9)</b>              | <b>202.5</b>          | <b>12,851.4</b> | <b>-4.6%</b>    | <b>1.5%</b>    |
| Normalized EBITDA margin     | 41.5%           |              |                             |                       | 39.1%           | -240 bps        | -240 bps       |



**Latin America North (LAN)**

Our LAN region includes Beer Brazil, CSD&NANC Brazil and Central America and the Caribbean (CAC) operations. LAN EBITDA totaled R\$ 2,851.4 million (+19.5%) in the quarter and R\$ 8,202.5 million (-6.2%) in the first nine months of 2017.

| <b>LAN results</b>           |                |              | <b>Currency</b>    | <b>Organic</b> | <b>% As</b>    |                 | <b>%</b>       |
|------------------------------|----------------|--------------|--------------------|----------------|----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>3Q16</b>    | <b>Scope</b> | <b>Translation</b> | <b>Growth</b>  | <b>3Q17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 28,184.6       | 594.6        |                    | (1,020.6)      | 27,758.7       | -1.5%           | -3.6%          |
| Net revenue                  | 6,440.7        | 187.6        | (34.3)             | 602.4          | 7,196.3        | 11.7%           | 9.4%           |
| Net revenue/hl               | 228.5          | 18           | (12)               | 30.2           | 259.2          | 13.4%           | 13.2%          |
| COGS                         | (2,778.3)      | (78.2)       | 13.6               | (69.0)         | (2,911.9)      | 4.8%            | 2.5%           |
| COGS/hl                      | (98.6)         | (0.7)        | 0.5                | (6.1)          | (104.9)        | 6.4%            | 6.2%           |
| COGS excl. deprec.&amort.    | (2,367.7)      | (70.2)       | 9.6                | (31.0)         | (2,459.4)      | 3.9%            | 1.3%           |
| COGS/hl excl. deprec. &amort | (84.0)         | (0.7)        | 0.3                | (4.2)          | (88.6)         | 5.5%            | 5.0%           |
| <b>Gross profit</b>          | <b>3,662.4</b> | <b>109.4</b> | <b>(20.7)</b>      | <b>533.3</b>   | <b>4,284.4</b> | <b>17.0%</b>    | <b>14.6%</b>   |
| Gross margin                 | 56.9%          |              |                    |                | 59.5%          | 260 bps         | 270 bps        |
| SG&A excl. deprec.&amort.    | (2,034.2)      | (81.1)       | 7.7                | (23.9)         | (2,131.5)      | 4.8%            | 1.2%           |
| SG&A deprec.&amort.          | (226.5)        | (9.8)        | (0.2)              | 23.5           | (212.9)        | -6.0%           | -10.4%         |
| SG&A total                   | (2,260.7)      | (90.9)       | 7.5                | (0.4)          | (2,344.4)      | 3.7%            | 0.0%           |
| Other operating income       | 339.2          | (4.0)        | (6.0)              | (83.7)         | 245.4          | -27.6%          | -24.7%         |
| <b>Normalized EBIT</b>       | <b>1,740.8</b> | <b>14.5</b>  | <b>(19.1)</b>      | <b>449.3</b>   | <b>2,185.5</b> | <b>25.5%</b>    | <b>25.8%</b>   |
| Normalized EBIT margin       | 27.0%          |              |                    |                | 30.4%          | 340 bps         | 410 bps        |
| <b>Normalized EBITDA</b>     | <b>2,377.9</b> | <b>32.2</b>  | <b>(23.0)</b>      | <b>464.3</b>   | <b>2,851.4</b> | <b>19.9%</b>    | <b>19.5%</b>   |
| Normalized EBITDA margin     | 36.9%          |              |                    |                | 39.6%          | 270 bps         | 350 bps        |

| <b>LAN results</b>           |                 |              | <b>Currency</b>    | <b>Organic</b> | <b>% As</b>     |                 | <b>%</b>       |
|------------------------------|-----------------|--------------|--------------------|----------------|-----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>YTD16</b>    | <b>Scope</b> | <b>Translation</b> | <b>Growth</b>  | <b>YTD17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 83,656.7        | 1,744.4      |                    | (1,412.1)      | 83,989.0        | 0.4%            | -1.7%          |
| Net revenue                  | 20,250.1        | 605.0        | (388.2)            | 534.8          | 21,001.7        | 3.7%            | 2.6%           |
| Net revenue/hl               | 242.1           | 2.1          | (4.6)              | 10.5           | 250.1           | 3.3%            | 4.3%           |
| COGS                         | (7,767.6)       | (241.8)      | 168.4              | (830.6)        | (8,671.6)       | 11.6%           | 10.4%          |
| COGS/hl                      | (92.9)          | (0.9)        | 2.0                | (115)          | (103.2)         | 11.2%           | 12.2%          |
| COGS excl. deprec.&amort.    | (6,522.0)       | (213.5)      | 143.7              | (780.0)        | (7,371.8)       | 13.0%           | 11.6%          |
| COGS/hl excl. deprec. &amort | (78.0)          | (0.9)        | 17                 | (106)          | (87.8)          | 12.6%           | 13.5%          |
| <b>Gross profit</b>          | <b>12,482.5</b> | <b>363.2</b> | <b>(219.8)</b>     | <b>(295.8)</b> | <b>12,330.1</b> | <b>-1.2%</b>    | <b>-2.3%</b>   |
| Gross margin                 | 61.6%           |              |                    |                | 58.7%           | -290 bps        | -300 bps       |
| SG&A excl. deprec.&amort.    | (6,037.5)       | (273.2)      | 78.6               | 55.8           | (6,176.3)       | 2.3%            | -0.9%          |
| SG&A deprec.&amort.          | (680.9)         | (31.6)       | 9.7                | 42.7           | (660.1)         | -3.1%           | -6.0%          |
| SG&A total                   | (6,718.4)       | (304.7)      | 88.3               | 98.5           | (6,836.4)       | 1.8%            | -1.4%          |
| Other operating income       | 1,118.2         | 3.9          | (4.8)              | (369.3)        | 748.1           | -33.1%          | -32.9%         |
| <b>Normalized EBIT</b>       | <b>6,882.4</b>  | <b>62.3</b>  | <b>(136.3)</b>     | <b>(566.6)</b> | <b>6,241.8</b>  | <b>-9.3%</b>    | <b>-8.2%</b>   |
| Normalized EBIT margin       | 34.0%           |              |                    |                | 29.7%           | -430 bps        | -360 bps       |
| <b>Normalized EBITDA</b>     | <b>8,808.9</b>  | <b>122.2</b> | <b>(170.9)</b>     | <b>(557.6)</b> | <b>8,202.5</b>  | <b>-6.9%</b>    | <b>-6.2%</b>   |
| Normalized EBITDA margin     | 43.5%           |              |                    |                | 39.1%           | -440 bps        | -380 bps       |

**Ambev Brazil**

We delivered R\$ 2,377.3 million (+17.4%) of Normalized EBITDA in Brazil in the quarter, with an EBITDA margin of 39.4% (+260bps). Net revenue was up 9.7% in the quarter, with a volume decline of 4.0% more than offset by a NR/hl increase of 14.2%. Cash COGS was up 0.9% while, on a per hectoliter basis, up 5.0%. Cash SG&A grew by 1.9% in the quarter.

Year to date, our top line was up 2.0%, cash COGS up 13.6%, cash SG&A up 0.2% and EBITDA down 10.4%, with an EBITDA margin contraction of 540bps.

| <b>Ambev Brazil results</b>  |                |              |                             |                       |                | <b>% As</b>     | <b>%</b>       |
|------------------------------|----------------|--------------|-----------------------------|-----------------------|----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>3Q16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 25,687.9       |              |                             | (1,020.3)             | 24,667.6       | -4.0%           | -4.0%          |
| Net revenue                  | 5,501.5        |              |                             | 531.6                 | 6,033.1        | 9.7%            | 9.7%           |
| Net revenue/hl               | 214.2          |              |                             | 30.4                  | 244.6          | 14.2%           | 14.2%          |
| COGS                         | (2,362.2)      |              |                             | (34.5)                | (2,396.7)      | 1.5%            | 1.5%           |
| COGS/hl                      | (92.0)         |              |                             | (5.2)                 | (97.2)         | 5.7%            | 5.7%           |
| COGS excl. deprec.&amort.    | (2,000.9)      |              |                             | (17.4)                | (2,018.3)      | 0.9%            | 0.9%           |
| COGS/hl excl. deprec. &amort | (77.9)         |              |                             | (3.9)                 | (81.8)         | 5.0%            | 5.0%           |
| <b>Gross profit</b>          | <b>3,139.4</b> |              |                             | <b>497.1</b>          | <b>3,636.4</b> | <b>15.8%</b>    | <b>15.8%</b>   |
| Gross margin                 | 57.1%          |              |                             |                       | 60.3%          | 320 bps         | 320 bps        |
| SG&A excl. deprec.&amort.    | (1,816.0)      |              |                             | (35.1)                | (1,851.2)      | 1.9%            | 1.9%           |
| SG&A deprec.&amort.          | (204.8)        |              |                             | 19.7                  | (185.1)        | -9.6%           | -9.6%          |
| SG&A total                   | (2,020.8)      |              |                             | (15.4)                | (2,036.3)      | 0.8%            | 0.8%           |
| Other operating income       | 340.1          |              |                             | (126.5)               | 213.6          | -37.2%          | -37.2%         |
| <b>Normalized EBIT</b>       | <b>1,458.6</b> |              |                             | <b>355.2</b>          | <b>1,813.8</b> | <b>24.4%</b>    | <b>24.4%</b>   |
| Normalized EBIT margin       | 26.5%          |              |                             |                       | 30.1%          | 360 bps         | 360 bps        |
| <b>Normalized EBITDA</b>     | <b>2,024.7</b> |              |                             | <b>352.6</b>          | <b>2,377.3</b> | <b>17.4%</b>    | <b>17.4%</b>   |
| Normalized EBITDA margin     | 36.8%          |              |                             |                       | 39.4%          | 260 bps         | 260 bps        |

| <b>Ambev Brazil results</b>  |                 |              |                             |                       |                 | <b>% As</b>     | <b>%</b>       |
|------------------------------|-----------------|--------------|-----------------------------|-----------------------|-----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>YTD16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 76,618.0        |              |                             | (1,476.9)             | 75,141.1        | -1.9%           | -1.9%          |
| Net revenue                  | 17,312.2        |              |                             | 340.1                 | 17,652.3        | 2.0%            | 2.0%           |
| Net revenue/hl               | 226.0           |              |                             | 9.0                   | 234.9           | 4.0%            | 4.0%           |
| COGS                         | (6,439.4)       |              |                             | (763.7)               | (7,203.1)       | 11.9%           | 11.9%          |
| COGS/hl                      | (84.0)          |              |                             | (11.8)                | (95.9)          | 14.1%           | 14.1%          |
| COGS excl. deprec.&amort.    | (5,366.4)       |              |                             | (731.3)               | (6,097.7)       | 13.6%           | 13.6%          |
| COGS/hl excl. deprec. &amort | (70.0)          |              |                             | (11.1)                | (81.1)          | 15.9%           | 15.9%          |
| <b>Gross profit</b>          | <b>10,872.9</b> |              |                             | <b>(423.6)</b>        | <b>10,449.2</b> | <b>-3.9%</b>    | <b>-3.9%</b>   |
| Gross margin                 | 62.8%           |              |                             |                       | 59.2%           | -360 bps        | -360 bps       |
| SG&A excl. deprec.&amort.    | (5,336.8)       |              |                             | (13.3)                | (5,350.0)       | 0.2%            | 0.2%           |
| SG&A deprec.&amort.          | (609.8)         |              |                             | 47.5                  | (562.2)         | -7.8%           | -7.8%          |
| SG&A total                   | (5,946.6)       |              |                             | 34.3                  | (5,912.3)       | -0.6%           | -0.6%          |
| Other operating income       | 1,114.3         |              |                             | (399.3)               | 714.9           | -35.8%          | -35.8%         |
| <b>Normalized EBIT</b>       | <b>6,040.6</b>  |              |                             | <b>(788.7)</b>        | <b>5,251.9</b>  | <b>-13.1%</b>   | <b>-13.1%</b>  |
| Normalized EBIT margin       | 34.9%           |              |                             |                       | 29.8%           | -510 bps        | -510 bps       |
| <b>Normalized EBITDA</b>     | <b>7,723.3</b>  |              |                             | <b>(803.8)</b>        | <b>6,919.5</b>  | <b>-10.4%</b>   | <b>-10.4%</b>  |
| Normalized EBITDA margin     | 44.6%           |              |                             |                       | 39.2%           | -540 bps        | -540 bps       |

**Beer Brazil**

In 3Q17, EBITDA for Beer Brazil was R\$ 2,187.4 million (+25.7%) with an EBITDA margin expansion of 540bps to 42.2%.

Top line grew by 9.6% in the quarter. Volumes were down 5.4%, impacted by (i) a soft industry that declined around 1.0%, according to Nielsen, as consumers continued to be pressured by the macroeconomic environment, and (ii) phasing, as price adjustments have been carried out in 3Q17 when compared to 4Q16. More than offsetting volumes decline, NR/hl increased by a solid 15.8% and benefited from the early timing of implementation of our price adjustments this year. Cash COGS/hl was up 0.8% in the quarter, while cash SG&A was down 1.4%.

Year to date, Beer Brazil top line was up 2.4%, cash COGS up 11.8%, cash SG&A down 1.7% and EBITDA down 5.8%, with an EBITDA margin contraction of 370bps.

| <b>Beer Brazil results</b>   |                |              |                             |                       |                | <b>% As</b>     | <b>%</b>       |
|------------------------------|----------------|--------------|-----------------------------|-----------------------|----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>3Q16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>    | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 19,538.0       |              |                             | (1,052.2)             | 18,485.8       | -5.4%           | -5.4%          |
| Net revenue                  | 4,734.5        |              |                             | 453.5                 | 5,188.0        | 9.6%            | 9.6%           |
| Net revenue/hl               | 242.3          |              |                             | 38.3                  | 280.6          | 15.8%           | 15.8%          |
| COGS                         | (1,962.0)      |              |                             | 48.5                  | (1,913.5)      | -2.5%           | -2.5%          |
| COGS/hl                      | (100.4)        |              |                             | (3.1)                 | (103.5)        | 3.1%            | 3.1%           |
| COGS excl. deprec.&amort.    | (1,650.8)      |              |                             | 77.0                  | (1,573.8)      | -4.7%           | -4.7%          |
| COGS/hl excl. deprec. &amort | (84.5)         |              |                             | (0.6)                 | (85.1)         | 0.8%            | 0.8%           |
| <b>Gross profit</b>          | <b>2,772.5</b> |              |                             | <b>502.0</b>          | <b>3,274.5</b> | <b>18.1%</b>    | <b>18.1%</b>   |
| Gross margin                 | 58.6%          |              |                             |                       | 63.1%          | 450 bps         | 450 bps        |
| SG&A excl. deprec.&amort.    | (1,612.2)      |              |                             | 22.8                  | (1,589.5)      | -1.4%           | -1.4%          |
| SG&A deprec.&amort.          | (176.7)        |              |                             | (0.9)                 | (177.6)        | 0.5%            | 0.5%           |
| SG&A total                   | (1,788.9)      |              |                             | 21.9                  | (1,767.1)      | -1.2%           | -1.2%          |
| Other operating income       | 268.7          |              |                             | (106.1)               | 162.6          | -39.5%          | -39.5%         |
| <b>Normalized EBIT</b>       | <b>1,252.3</b> |              |                             | <b>417.8</b>          | <b>1,670.1</b> | <b>33.4%</b>    | <b>33.4%</b>   |
| Normalized EBIT margin       | 26.4%          |              |                             |                       | 32.2%          | 580 bps         | 580 bps        |
| <b>Normalized EBITDA</b>     | <b>1,740.2</b> |              |                             | <b>447.2</b>          | <b>2,187.4</b> | <b>25.7%</b>    | <b>25.7%</b>   |
| Normalized EBITDA margin     | 36.8%          |              |                             |                       | 42.2%          | 540 bps         | 540 bps        |

| <b>Beer Brazil results</b>   |                |              |                             |                       |                | <b>% As</b>     | <b>%</b>       |
|------------------------------|----------------|--------------|-----------------------------|-----------------------|----------------|-----------------|----------------|
| <b>R\$ million</b>           | <b>YTD16</b>   | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>   | <b>Reported</b> | <b>Organic</b> |
| Volume ('000 hl)             | 57,065.2       |              |                             | (600.0)               | 56,465.2       | -1.1%           | -1.1%          |
| Net revenue                  | 14,746.0       |              |                             | 358.9                 | 15,104.8       | 2.4%            | 2.4%           |
| Net revenue/hl               | 258.4          |              |                             | 9.1                   | 267.5          | 3.5%            | 3.5%           |
| COGS                         | (5,195.4)      |              |                             | (553.3)               | (5,748.7)      | 10.6%           | 10.6%          |
| COGS/hl                      | (91.0)         |              |                             | (10.8)                | (101.8)        | 11.8%           | 11.8%          |
| COGS excl. deprec.&amort.    | (4,283.8)      |              |                             | (503.5)               | (4,787.3)      | 11.8%           | 11.8%          |
| COGS/hl excl. deprec. &amort | (75.1)         |              |                             | (9.7)                 | (84.8)         | 12.9%           | 12.9%          |
| <b>Gross profit</b>          | <b>9,550.6</b> |              |                             | <b>(194.4)</b>        | <b>9,356.1</b> | <b>-2.0%</b>    | <b>-2.0%</b>   |
| Gross margin                 | 64.8%          |              |                             |                       | 61.9%          | -290 bps        | -290 bps       |
| SG&A excl. deprec.&amort.    | (4,703.8)      |              |                             | 80.4                  | (4,623.4)      | -1.7%           | -1.7%          |
| SG&A deprec.&amort.          | (515.3)        |              |                             | (0.3)                 | (515.6)        | 0.1%            | 0.1%           |
| SG&A total                   | (5,219.1)      |              |                             | 80.1                  | (5,139.0)      | -1.5%           | -1.5%          |
| Other operating income       | 887.9          |              |                             | (324.2)               | 563.7          | -36.5%          | -36.5%         |
| <b>Normalized EBIT</b>       | <b>5,219.4</b> |              |                             | <b>(438.5)</b>        | <b>4,780.8</b> | <b>-8.4%</b>    | <b>-8.4%</b>   |
| Normalized EBIT margin       | 35.4%          |              |                             |                       | 31.7%          | -370 bps        | -370 bps       |
| <b>Normalized EBITDA</b>     | <b>6,646.3</b> |              |                             | <b>(388.5)</b>        | <b>6,257.9</b> | <b>-5.8%</b>    | <b>-5.8%</b>   |
| Normalized EBITDA margin     | 45.1%          |              |                             |                       | 41.4%          | -370 bps        | -370 bps       |

**CSD & NANC Brazil**

In CSD&NANC Brazil, EBITDA was R\$ 189.9 million (-33.3%) in 3Q16, with an EBITDA margin of 22.5% (-1460bps).

Net revenue was up 10.2% in the quarter. Volumes grew by 0.5%, while the CSD industry declined around 5.5%, according to Nielsen, as consumers continued to be pressured by a low real disposable income trading down to low cost powder juices or even to tap water. NR/hl increased by 9.6% driven by our revenue management initiatives implemented in 2Q17 and a positive mix. Cash COGS/hl increased by 26.3%, mainly explained by higher commodities prices, especially sugar, and negative mix.

Year to date, CSD&NANC Brazil top line was down 0.7%, cash COGS up 21.0%, cash SG&A up 14.8% and EBITDA down 38.6%, with an EBITDA margin contraction of 1600bps.

| <b>CSD&amp;Nanc Brazil results</b> |              |              |                             |                       |              |                      |                  |
|------------------------------------|--------------|--------------|-----------------------------|-----------------------|--------------|----------------------|------------------|
| <b>R\$ million</b>                 | <b>3Q16</b>  | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>  | <b>% As Reported</b> | <b>% Organic</b> |
| Volume ('000 hl)                   | 6,149.9      |              |                             | 31.9                  | 6,181.8      | 0.5%                 | 0.5%             |
| Net revenue                        | 767.0        |              |                             | 78.1                  | 845.1        | 10.2%                | 10.2%            |
| Net revenue/hl                     | 124.7        |              |                             | 12.0                  | 136.7        | 9.6%                 | 9.6%             |
| COGS                               | (400.2)      |              |                             | (83.0)                | (483.2)      | 20.8%                | 20.8%            |
| COGS/hl                            | (65.1)       |              |                             | (13.1)                | (78.2)       | 20.1%                | 20.1%            |
| COGS excl. deprec.&amort.          | (350.1)      |              |                             | (94.4)                | (444.5)      | 27.0%                | 27.0%            |
| COGS/hl excl. deprec. &amort       | (56.9)       |              |                             | (15.0)                | (71.9)       | 26.3%                | 26.3%            |
| <b>Gross profit</b>                | <b>366.8</b> |              |                             | <b>(4.9)</b>          | <b>361.9</b> | <b>-1.3%</b>         | <b>-1.3%</b>     |
| Gross margin                       | 47.8%        |              |                             |                       | 42.8%        | -500 bps             | -500 bps         |
| SG&A excl. deprec.&amort.          | (203.8)      |              |                             | (57.9)                | (261.7)      | 28.4%                | 28.4%            |
| SG&A deprec.&amort.                | (28.1)       |              |                             | 20.6                  | (7.4)        | -73.5%               | -73.5%           |
| SG&A total                         | (231.9)      |              |                             | (37.3)                | (269.2)      | 16.1%                | 16.1%            |
| Other operating income             | 71.4         |              |                             | (20.4)                | 51.0         | -28.6%               | -28.6%           |
| <b>Normalized EBIT</b>             | <b>206.3</b> |              |                             | <b>(62.6)</b>         | <b>143.7</b> | <b>-30.4%</b>        | <b>-30.4%</b>    |
| Normalized EBIT margin             | 26.9%        |              |                             |                       | 17.0%        | -990 bps             | -990 bps         |
| <b>Normalized EBITDA</b>           | <b>284.5</b> |              |                             | <b>(94.6)</b>         | <b>189.9</b> | <b>-33.3%</b>        | <b>-33.3%</b>    |
| Normalized EBITDA margin           | 37.1%        |              |                             |                       | 22.5%        | -1460 bps            | -1460 bps        |

| <b>CSD&amp;Nanc Brazil results</b> |                |              |                             |                       |                |                      |                  |
|------------------------------------|----------------|--------------|-----------------------------|-----------------------|----------------|----------------------|------------------|
| <b>R\$ million</b>                 | <b>YTD16</b>   | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>   | <b>% As Reported</b> | <b>% Organic</b> |
| Volume ('000 hl)                   | 19,552.8       |              |                             | (876.9)               | 18,675.9       | -4.5%                | -4.5%            |
| Net revenue                        | 2,566.2        |              |                             | (18.8)                | 2,547.5        | -0.7%                | -0.7%            |
| Net revenue/hl                     | 131.2          |              |                             | 5.2                   | 136.4          | 3.9%                 | 3.9%             |
| COGS                               | (1,244.0)      |              |                             | (210.4)               | (1,454.4)      | 16.9%                | 16.9%            |
| COGS/hl                            | (63.6)         |              |                             | (14.3)                | (77.9)         | 22.4%                | 22.4%            |
| COGS excl. deprec.&amort.          | (1,082.6)      |              |                             | (227.8)               | (1,310.4)      | 21.0%                | 21.0%            |
| COGS/hl excl. deprec. &amort       | (55.4)         |              |                             | (14.8)                | (70.2)         | 26.7%                | 26.7%            |
| <b>Gross profit</b>                | <b>1,322.3</b> |              |                             | <b>(229.2)</b>        | <b>1,093.1</b> | <b>-17.3%</b>        | <b>-17.3%</b>    |
| Gross margin                       | 51.5%          |              |                             |                       | 42.9%          | -860 bps             | -860 bps         |
| SG&A excl. deprec.&amort.          | (633.0)        |              |                             | (93.7)                | (726.6)        | 14.8%                | 14.8%            |
| SG&A deprec.&amort.                | (94.5)         |              |                             | 47.8                  | (46.6)         | -50.6%               | -50.6%           |
| SG&A total                         | (727.4)        |              |                             | (45.8)                | (773.3)        | 6.3%                 | 6.3%             |
| Other operating income             | 226.3          |              |                             | (75.1)                | 151.2          | -33.2%               | -33.2%           |
| <b>Normalized EBIT</b>             | <b>821.2</b>   |              |                             | <b>(350.1)</b>        | <b>471.1</b>   | <b>-42.6%</b>        | <b>-42.6%</b>    |
| Normalized EBIT margin             | 32.0%          |              |                             |                       | 18.5%          | -1350 bps            | -1350 bps        |
| <b>Normalized EBITDA</b>           | <b>1,077.0</b> |              |                             | <b>(415.3)</b>        | <b>661.7</b>   | <b>-38.6%</b>        | <b>-38.6%</b>    |
| Normalized EBITDA margin           | 42.0%          |              |                             |                       | 26.0%          | -1600 bps            | -1600 bps        |

**Central America and the Caribbean (CAC)**

Our operations in CAC delivered an EBITDA of R\$ 474.2 million (+31.6%) in the quarter, with an EBITDA margin of 40.8% (+840bps).

Top line increased by 7.5% in 3Q17, explained by flattish volumes, driven by a severe hurricane season in the region coupled with a NR/hl increase of 6.1%. On a reported basis, volumes were up 23.8%, benefitting from the recent swap of assets carried out with ABI and our operations in Panama. EBITDA performance was also driven by our solid cost management discipline, with cash SG&A declining by 5.2%, due to costs and expenses savings and a reduction in sales & marketing and administrative expenditures.

Year to date, CAC top line was up 6.6%, cash COGS up 4.2%, cash SG&A down 9.9% and EBITDA up 22.7%, with an EBITDA margin expansion of 550bps.

The scope change in CAC refers to the beginning of our operations in Panama as a result of the swap of assets carried out with ABI on December 31<sup>st</sup>, 2016.

| <b>CAC results</b>              |              |              |                    | <b>Currency</b> | <b>Organic</b> | <b>% As</b>     |                  |
|---------------------------------|--------------|--------------|--------------------|-----------------|----------------|-----------------|------------------|
| <b>R\$ million</b>              | <b>3Q16</b>  | <b>Scope</b> | <b>Translation</b> | <b>Growth</b>   | <b>3Q17</b>    | <b>Reported</b> | <b>% Organic</b> |
| Volume total ('000 hl)          | 2,496.7      | 594.6        |                    | (0.3)           | 3,091.0        | 23.8%           | 0.0%             |
| Net revenue                     | 939.1        | 187.6        | (34.3)             | 70.7            | 1,163.2        | 23.9%           | 7.5%             |
| Net revenue/hl                  | 376.2        | (117)        | (111)              | 22.9            | 376.3          | 0.0%            | 6.1%             |
| COGS                            | (416.1)      | (78.2)       | 13.6               | (34.5)          | (515.2)        | 23.8%           | 8.3%             |
| COGS/hl                         | (166.7)      | 6.8          | 4.4                | (112)           | (166.7)        | 0.0%            | 6.7%             |
| COGS excl. deprec.&amort.       | (366.9)      | (70.2)       | 9.6                | (13.6)          | (441.1)        | 20.2%           | 3.7%             |
| COGS/hl excl. deprec. &amort    | (146.9)      | 5.5          | 3.1                | (4.4)           | (142.7)        | -2.9%           | 3.0%             |
| <b>Gross profit</b>             | <b>523.0</b> | <b>109.4</b> | <b>(20.7)</b>      | <b>36.2</b>     | <b>648.0</b>   | <b>23.9%</b>    | <b>6.9%</b>      |
| Gross margin                    | 55.7%        |              |                    |                 | 55.7%          | bps             | -30 bps          |
| SG&A excl. deprec.&amort.       | (218.1)      | (81.1)       | 7.7                | 11.3            | (280.3)        | 28.5%           | -5.2%            |
| SG&A deprec.&amort.             | (21.7)       | (9.8)        | (0.2)              | 3.8             | (27.9)         | 28.4%           | -17.5%           |
| SG&A total                      | (239.8)      | (90.9)       | 7.5                | 15.1            | (308.1)        | 28.5%           | -6.3%            |
| Other operating income/expenses | (0.9)        | (4.0)        | (6.0)              | 42.8            | 31.8           | nm              | nm               |
| <b>Normalized EBIT</b>          | <b>282.3</b> | <b>14.5</b>  | <b>(19.1)</b>      | <b>94.1</b>     | <b>371.7</b>   | <b>31.7%</b>    | <b>33.3%</b>     |
| Normalized EBIT margin          | 30.1%        |              |                    |                 | 32.0%          | 190 bps         | 720 bps          |
| <b>Normalized EBITDA</b>        | <b>353.3</b> | <b>32.2</b>  | <b>(23.0)</b>      | <b>111.7</b>    | <b>474.2</b>   | <b>34.2%</b>    | <b>31.6%</b>     |
| Normalized EBITDA margin        | 37.6%        |              |                    |                 | 40.8%          | 320 bps         | 840 bps          |

| <b>CAC results</b>              |                |              |                    | <b>Currency</b> | <b>Organic</b> | <b>% As</b>     |                  |
|---------------------------------|----------------|--------------|--------------------|-----------------|----------------|-----------------|------------------|
| <b>R\$ million</b>              | <b>YTD16</b>   | <b>Scope</b> | <b>Translation</b> | <b>Growth</b>   | <b>YTD17</b>   | <b>Reported</b> | <b>% Organic</b> |
| Volume total ('000 hl)          | 7,038.8        | 1,744.4      |                    | 64.7            | 8,847.9        | 25.7%           | 0.9%             |
| Net revenue                     | 2,937.9        | 605.0        | (388.2)            | 194.7           | 3,349.4        | 14.0%           | 6.6%             |
| Net revenue/hl                  | 417.4          | (14.0)       | (43.9)             | 19.1            | 378.6          | -9.3%           | 4.6%             |
| COGS                            | (1,328.3)      | (241.8)      | 168.4              | (66.9)          | (1,468.5)      | 10.6%           | 5.0%             |
| COGS/hl                         | (188.7)        | 9.9          | 19.0               | (6.2)           | (166.0)        | -12.0%          | 3.3%             |
| COGS excl. deprec.&amort.       | (1,155.6)      | (213.5)      | 143.7              | (48.7)          | (1,274.2)      | 10.3%           | 4.2%             |
| COGS/hl excl. deprec. &amort    | (164.2)        | 8.3          | 16.2               | (4.4)           | (144.0)        | -12.3%          | 2.7%             |
| <b>Gross profit</b>             | <b>1,609.7</b> | <b>363.2</b> | <b>(219.8)</b>     | <b>127.8</b>    | <b>1,880.8</b> | <b>16.8%</b>    | <b>7.9%</b>      |
| Gross margin                    | 54.8%          |              |                    |                 | 56.2%          | 140 bps         | 70 bps           |
| SG&A excl. deprec.&amort.       | (700.7)        | (273.2)      | 78.6               | 69.0            | (826.3)        | 17.9%           | -9.9%            |
| SG&A deprec.&amort.             | (71.1)         | (31.6)       | 9.7                | (4.9)           | (97.8)         | 37.5%           | 6.8%             |
| SG&A total                      | (771.8)        | (304.7)      | 88.3               | 64.2            | (924.1)        | 19.7%           | -8.3%            |
| Other operating income/expenses | 4.0            | 3.9          | (4.8)              | 30.1            | 33.2           | nm              | nm               |
| <b>Normalized EBIT</b>          | <b>841.8</b>   | <b>62.3</b>  | <b>(136.3)</b>     | <b>222.1</b>    | <b>989.9</b>   | <b>17.6%</b>    | <b>26.4%</b>     |
| Normalized EBIT margin          | 28.7%          |              |                    |                 | 29.6%          | 90 bps          | 530 bps          |
| <b>Normalized EBITDA</b>        | <b>1,085.6</b> | <b>122.2</b> | <b>(170.9)</b>     | <b>246.1</b>    | <b>1,283.0</b> | <b>18.2%</b>    | <b>22.7%</b>     |
| Normalized EBITDA margin        | 37.0%          |              |                    |                 | 38.3%          | 130 bps         | 550 bps          |

**Latin America South (LAS)**

LAS EBITDA grew 22.8% in 3Q17, reaching R\$ 1,101.8 million, with an EBITDA margin of 45.3% (+60bps).

Volumes grew by 4.5%, as the softness of the CSD industry in the region was more than offset by a strong performance from (i) beer in Argentina, that grew double digits, supported by the overall improvement of the macroeconomic environment and favorable weather; (ii) Paraguay, due to the success of our 340ml returnable glass bottle strategy, and (iii) our high end portfolio, led by the global brands, that year to date grew double digits in the region. Top line was up 21.3% in the quarter and NR/hl rose by 16.1%. Cash COGS/hl grew by 23.4%, mainly driven by inflation and negative currency impact. Cash SG&A increased by 7.4%, below inflation, benefiting from phasing of sales & marketing and administrative expenses.

Year to date, LAS top line was up 27.7%, cash COGS up 39.8%, cash SG&A up 21.7% and EBITDA up 24.2%, with an EBITDA margin contraction of 120bps.

The scope change in LAS refers to the termination of our operations in Colombia, Peru and Ecuador result of the swap of assets carried out with ABI on December 31<sup>st</sup>, 2016.

| <b>LAS results</b>              |                |               |                             |                       |                |                      |                  |
|---------------------------------|----------------|---------------|-----------------------------|-----------------------|----------------|----------------------|------------------|
| <b>R\$ million</b>              | <b>3Q16</b>    | <b>Scope</b>  | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>    | <b>% As Reported</b> | <b>% Organic</b> |
| Volume ('000 hl)                | 7,705.3        | (227.4)       |                             | 332.9                 | 7,810.7        | 1.4%                 | 4.5%             |
| Net revenue                     | 2,272.8        | (95.8)        | (204.8)                     | 462.6                 | 2,434.8        | 7.1%                 | 21.3%            |
| Net revenue/hl                  | 295.0          | (3.8)         | (26.2)                      | 46.8                  | 311.7          | 5.7%                 | 16.1%            |
| COGS                            | (850.9)        | 65.0          | 70.4                        | (244.2)               | (959.7)        | 12.8%                | 31.1%            |
| COGS/hl                         | (110.4)        | 5.3           | 9.0                         | (26.8)                | (122.9)        | 11.3%                | 25.5%            |
| COGS excl. deprec.&amort.       | (756.7)        | 59.3          | 58.4                        | (201.7)               | (840.8)        | 11.1%                | 28.9%            |
| COGS/hl excl. deprec. &amort    | (98.2)         | 4.9           | 7.5                         | (21.8)                | (107.6)        | 9.6%                 | 23.4%            |
| <b>Gross profit</b>             | <b>1,421.8</b> | <b>(30.8)</b> | <b>(134.4)</b>              | <b>218.4</b>          | <b>1,475.1</b> | <b>3.7%</b>          | <b>15.7%</b>     |
| Gross margin                    | 62.6%          |               |                             |                       | 60.6%          | -200 bps             | -290 bps         |
| SG&A excl. deprec.&amort.       | (549.5)        | 50.0          | 37.8                        | (36.9)                | (498.7)        | -9.3%                | 7.4%             |
| SG&A deprec.&amort.             | (64.4)         | 5.3           | 4.4                         | 1.8                   | (52.9)         | -17.8%               | -3.0%            |
| SG&A total                      | (613.9)        | 55.3          | 42.2                        | (35.2)                | (551.6)        | -10.2%               | 6.3%             |
| Other operating income/expenses | 7.1            | (0.0)         | (1.4)                       | 0.7                   | 6.4            | -10.1%               | 10.4%            |
| <b>Normalized EBIT</b>          | <b>815.0</b>   | <b>24.5</b>   | <b>(93.6)</b>               | <b>184.0</b>          | <b>929.9</b>   | <b>14.1%</b>         | <b>21.9%</b>     |
| Normalized EBIT margin          | 35.9%          |               |                             |                       | 38.2%          | 230 bps              | 20 bps           |
| <b>Normalized EBITDA</b>        | <b>973.6</b>   | <b>13.5</b>   | <b>(110.0)</b>              | <b>224.7</b>          | <b>1,101.8</b> | <b>13.2%</b>         | <b>22.8%</b>     |
| Normalized EBITDA margin        | 42.8%          |               |                             |                       | 45.3%          | 250 bps              | 60 bps           |

| <b>LAS results</b>              |                |               |                             |                       |                |                      |                  |
|---------------------------------|----------------|---------------|-----------------------------|-----------------------|----------------|----------------------|------------------|
| <b>R\$ million</b>              | <b>YTD16</b>   | <b>Scope</b>  | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>   | <b>% As Reported</b> | <b>% Organic</b> |
| Volume ('000 hl)                | 22,924.1       | (627.2)       |                             | 1,333.2               | 23,630.1       | 3.1%                 | 6.0%             |
| Net revenue                     | 7,060.0        | (265.3)       | (1,391.1)                   | 1,881.2               | 7,284.8        | 3.2%                 | 27.7%            |
| Net revenue/hl                  | 308.0          | (3.2)         | (58.9)                      | 62.4                  | 308.3          | 0.1%                 | 20.5%            |
| COGS                            | (2,623.3)      | 181.9         | 510.0                       | (949.4)               | (2,880.8)      | 9.8%                 | 38.9%            |
| COGS/hl                         | (114.4)        | 4.9           | 216                         | (34.0)                | (121.9)        | 6.5%                 | 31.1%            |
| COGS excl. deprec.&amort.       | (2,319.2)      | 162.2         | 452.7                       | (859.3)               | (2,563.6)      | 10.5%                | 39.8%            |
| COGS/hl excl. deprec. &amort    | (101.2)        | 4.4           | 19.2                        | (30.9)                | (108.5)        | 7.2%                 | 31.9%            |
| <b>Gross profit</b>             | <b>4,436.8</b> | <b>(83.3)</b> | <b>(881.2)</b>              | <b>931.8</b>          | <b>4,404.0</b> | <b>-0.7%</b>         | <b>21.4%</b>     |
| Gross margin                    | 62.8%          |               |                             |                       | 60.5%          | -230 bps             | -320 bps         |
| SG&A excl. deprec.&amort.       | (1,730.4)      | 136.9         | 314.6                       | (345.3)               | (1,624.1)      | -6.1%                | 21.7%            |
| SG&A deprec.&amort.             | (205.5)        | 15.4          | 37.3                        | (23.1)                | (175.9)        | -14.4%               | 12.2%            |
| SG&A total                      | (1,935.9)      | 152.3         | 351.9                       | (368.4)               | (1,800.0)      | -7.0%                | 20.7%            |
| Other operating income/expenses | (36.3)         | 0.8           | (2.5)                       | 52.7                  | 14.7           | -140.5%              | -148.7%          |
| <b>Normalized EBIT</b>          | <b>2,464.6</b> | <b>69.9</b>   | <b>(531.8)</b>              | <b>616.1</b>          | <b>2,618.7</b> | <b>6.3%</b>          | <b>24.3%</b>     |
| Normalized EBIT margin          | 34.9%          |               |                             |                       | 35.9%          | 100 bps              | -100 bps         |
| <b>Normalized EBITDA</b>        | <b>2,974.2</b> | <b>34.7</b>   | <b>(626.4)</b>              | <b>729.3</b>          | <b>3,111.8</b> | <b>4.6%</b>          | <b>24.2%</b>     |
| Normalized EBITDA margin        | 42.1%          |               |                             |                       | 42.7%          | 60 bps               | -120 bps         |

**Canada**

In Canada, EBITDA was R\$ 598.8 million, with an EBITDA margin compression of 180bps, to 34.6%.

Volumes were down 2.9%, driven by industry contraction due to unfavorable weather and one less selling day in the quarter. Despite the challenging environment, we maintained our great market share momentum in the quarter, as our main brands performed particularly well, led by (i) Bud Light, that remained as the fastest growing brand in Canada, coupled with Bud Light Radler, a strong brand extension meant for a non-traditional beer occasion, and (ii) Stella Artois, that is steadily growing. Top line was down 3.6%, while NR/hl decreased by 0.7%, impacted by a negative package mix.

Cash COGS/hl was up 5.2%, mainly affected by volume absorption as well as FX and commodity impacts, while cash SG&A decreased by 2.6%.

Year to date, Canada top line was flattish (-0.1%), cash COGS down 2.0%, cash SG&A up 1.0% and EBITDA up 1.8%, with an EBITDA margin expansion of 70bps.

| <b>Canada results</b><br><i>R\$ million</i> | <b>3Q16</b>    | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>3Q17</b>    | <b>% As Reported</b> | <b>% Organic</b> |
|---|----------------|--------------|-----------------------------|-----------------------|----------------|----------------------|------------------|
| Volume ('000 hl)                            | 2,948.3        |              |                             | (84.2)                | 2,864.2        | -2.9%                | -2.9%            |
| Net revenue                                 | 1,769.4        |              | 24.8                        | (63.0)                | 1,731.2        | -2.2%                | -3.6%            |
| Net revenue/hl                              | 600.1          |              | 8.7                         | (4.4)                 | 604.4          | 0.7%                 | -0.7%            |
| COGS  | (586.2)        |              | 0.5                         | (24.8)                | (610.5)        | 4.1%                 | 4.2%             |
| COGS/hl                                     | (198.8)        |              | 0.2                         | (14.5)                | (213.2)        | 7.2%                 | 7.3%             |
| COGS excl. deprec.&amort.                   | (552.7)        |              | 0.5                         | (12.2)                | (564.3)        | 2.1%                 | 2.2%             |
| COGS/hl excl. deprec. &amort                | (187.4)        |              | 0.2                         | (9.8)                 | (197.0)        | 5.1%                 | 5.2%             |
| <b>Gross profit</b>                         | <b>1,183.2</b> |              | <b>25.4</b>                 | <b>(87.9)</b>         | <b>1,120.6</b> | <b>-5.3%</b>         | <b>-7.4%</b>     |
| Gross margin                                | 66.9%          |              |                             |                       | 64.7%          | -220 bps             | -270 bps         |
| SG&A excl. deprec.&amort.                   | (564.1)        |              | (20.4)                      | 14.7                  | (569.8)        | 1.0%                 | -2.6%            |
| SG&A deprec.&amort.                         | (18.3)         |              | 2.6                         | (18.0)                | (33.7)         | 84.0%                | 98.3%            |
| SG&A total                                  | (582.5)        |              | (17.8)                      | (3.3)                 | (603.5)        | 3.6%                 | 0.6%             |
| Other operating income/expenses             | (4.6)          |              | (0.1)                       | 6.4                   | 1.8            | -137.9%              | -139.0%          |
| <b>Normalized EBIT</b>                      | <b>596.1</b>   |              | <b>7.5</b>                  | <b>(84.7)</b>         | <b>518.9</b>   | <b>-13.0%</b>        | <b>-14.2%</b>    |
| Normalized EBIT margin                      | 33.7%          |              |                             |                       | 30.0%          | -370 bps             | -370 bps         |
| <b>Normalized EBITDA</b>                    | <b>647.9</b>   |              | <b>4.9</b>                  | <b>(54.1)</b>         | <b>598.8</b>   | <b>-7.6%</b>         | <b>-8.3%</b>     |
| Normalized EBITDA margin                    | 36.6%          |              |                             |                       | 34.6%          | -200 bps             | -180 bps         |

| <b>Canada results</b><br><i>R\$ million</i> | <b>YTD16</b>   | <b>Scope</b> | <b>Currency Translation</b> | <b>Organic Growth</b> | <b>YTD17</b>   | <b>% As Reported</b> | <b>% Organic</b> |
|---|----------------|--------------|-----------------------------|-----------------------|----------------|----------------------|------------------|
| Volume ('000 hl)                            | 7,882.5        | 10.3         |                             | (112.9)               | 7,779.8        | -1.3%                | -1.4%            |
| Net revenue                                 | 5,114.9        | 5.7          | (531.9)                     | (3.2)                 | 4,585.5        | -10.4%               | -0.1%            |
| Net revenue/hl                              | 648.9          | (0.1)        | (68.4)                      | 9.0                   | 589.4          | -9.2%                | 1.4%             |
| COGS  | (1,679.5)      | (2.9)        | 174.0                       | 7.4                   | (1,501.0)      | -10.6%               | -0.4%            |
| COGS/hl                                     | (213.1)        | (0.1)        | 22.4                        | (2.1)                 | (192.9)        | -9.4%                | 1.0%             |
| COGS excl. deprec.&amort.                   | (1,576.9)      | (2.8)        | 160.8                       | 31.6                  | (1,387.3)      | -12.0%               | -2.0%            |
| COGS/hl excl. deprec. &amort                | (200.1)        | (0.1)        | 20.7                        | 12                    | (178.3)        | -10.9%               | -0.6%            |
| <b>Gross profit</b>                         | <b>3,435.4</b> | <b>2.8</b>   | <b>(357.9)</b>              | <b>4.2</b>            | <b>3,084.5</b> | <b>-10.2%</b>        | <b>0.1%</b>      |
| Gross margin                                | 67.2%          |              |                             |                       | 67.3%          | 10 bps               | 10 bps           |
| SG&A excl. deprec.&amort.                   | (1,835.8)      | (3.9)        | 192.9                       | (18.4)                | (1,665.3)      | -9.3%                | 1.0%             |
| SG&A deprec.&amort.                         | (56.5)         | (0.0)        | 5.8                         | 0.6                   | (50.1)         | -11.3%               | -1.0%            |
| SG&A total                                  | (1,892.3)      | (4.0)        | 198.8                       | (17.9)                | (1,715.4)      | -9.3%                | 0.9%             |
| Other operating income/expenses             | (16.8)         | 0.5          | (0.4)                       | 20.9                  | 4.2            | -124.8%              | -124.2%          |
| <b>Normalized EBIT</b>                      | <b>1,526.3</b> | <b>(0.6)</b> | <b>(159.6)</b>              | <b>7.2</b>            | <b>1,373.3</b> | <b>-10.0%</b>        | <b>0.5%</b>      |
| Normalized EBIT margin                      | 29.8%          |              |                             |                       | 29.9%          | 10 bps               | 20 bps           |
| <b>Normalized EBITDA</b>                    | <b>1,685.3</b> | <b>(0.5)</b> | <b>(178.6)</b>              | <b>30.9</b>           | <b>1,537.1</b> | <b>-8.8%</b>         | <b>1.8%</b>      |
| Normalized EBITDA margin                    | 32.9%          |              |                             |                       | 33.5%          | 60 bps               | 70 bps           |

## Other operating income/(expense)

Other operating income totaled R\$ 253.6 million in 3Q17 (-22.4%), mainly driven by government grants related to State VAT long-term tax incentives that were down year over year due to the expiration of VAT Government Grants Agreements in 4Q16.

| Other operating income/(expenses)   | 3Q16         | 3Q17         | YTD16          | YTD17        |
|---|--------------|--------------|----------------|--------------|
| <b>R\$ million</b>  |              |              |                |              |
| Government grants/NPV of long term fiscal incentives                        | 297.2        | 219.3        | 970.4          | 646.8        |
| (Additions to)/reversals of provisions                                      | (18.3)       | (20.2)       | (47.1)         | (47.9)       |
| Net gain on disposal of property, plant and equipment and intangible assets | 11.6         | 44.0         | 39.8           | 46.7         |
| Net other operating income/(expenses)                                       | 51.1         | 10.5         | 102.1          | 121.3        |
|   | <b>341.6</b> | <b>253.6</b> | <b>1,065.1</b> | <b>767.0</b> |

## Exceptional items

During the third quarter we recorded an expense of R\$ 20.5 million in exceptional items (as compared to R\$ 15.1 million in 3Q16).

| Exceptional items        | 3Q16          | 3Q17          | YTD16         | YTD17         |
|--------------------------|---------------|---------------|---------------|---------------|
| <b>R\$ million</b>       |               |               |               |               |
| Restructuring            | (14.3)        | (21.3)        | (34.7)        | (81.0)        |
| Costs of new acquisition | (0.8)         |               | (8.8)         | (1.1)         |
| Other exceptional items  |               | 0.8           |               | 0.8           |
|                          | <b>(15.1)</b> | <b>(20.5)</b> | <b>(43.6)</b> | <b>(81.3)</b> |



## Net finance results

Net finance results totaled an expense of R\$ 674.9 million in 3Q17, including the exceptional financial expense of R\$ 141.0 million paid in connection with the Brazilian Federal Tax Regularization Program (PERT), as detailed in the "Provision for income tax & social contribution" section (page 18).

Excluding such exceptional financial expense, net finance result totaled an expense of R\$ 533.9 million (compared to a R\$ 722.6 million expense in 3Q16), being explained by:

(i) Interest income of R\$ 107.4 million, driven by our cash balance, mainly in Brazilian reais, US dollars and Canadian dollars;

(ii) Interest expenses of R\$ 361.9 million, that include a non-cash accrual of around R\$ 145 million related to the put option associated with our investment in the Dominican Republic;

(iii) R\$ 33.1 million of losses on derivative instruments, mainly related to the carry cost of our FX hedges, primarily linked to our COGS exposure in Brazil and Argentina. Losses on derivative instruments have declined 88.4%, as a consequence of lower carry costs and positive results of equity swaps;

(iv) Losses on non-derivative instruments of R\$ 51.1 million, mainly related to FX translation;

(v) Taxes on financial transactions of R\$ 43.2 million; and

(vi) R\$ 151.9 million of other financial expenses.

| Net finance results                          | 3Q16           | 3Q17           | YTD16            | YTD17            |
|--|----------------|----------------|------------------|------------------|
| <b>R\$ million</b>                           |                |                |                  |                  |
| Interest income                              | 139.1          | 107.4          | 427.9            | 333.8            |
| Interest expenses                            | (408.4)        | (361.9)        | (1,127.3)        | (1,153.8)        |
| Gains/(losses) on derivative instruments     | (287.2)        | (33.1)         | (1,169.7)        | (421.1)          |
| Gains/(losses) on non-derivative instruments | 1.5            | (51.1)         | (282.6)          | (230.8)          |
| Taxes on financial transactions              | (29.0)         | (43.2)         | (119.6)          | (114.8)          |
| Other financial income/(expenses), net       | (138.7)        | (151.9)        | (522.4)          | (518.7)          |
| Exceptional financial expenses               |                | (141.0)        |                  | (141.0)          |
| <b>Net finance results</b>                   | <b>(722.6)</b> | <b>(674.9)</b> | <b>(2,793.8)</b> | <b>(2,246.3)</b> |

As of September 30<sup>th</sup>, 2017 we held a net cash position of R\$ 5,018.9 (up from R\$ 2,763.3 million as of December 31<sup>st</sup>, 2016). Consolidated debt corresponded to R\$ 3,329.6 million whereas cash and cash equivalents less bank overdrafts totaled R\$ 8,340.7 million, up from R\$ 7,876.8 million as of December 31<sup>st</sup>, 2016.

| Debt Breakdown                                 | December 31 <sup>st</sup> 2016 |                |                  | September 30 <sup>th</sup> 2017 |                |                  |
|--|--------------------------------|----------------|------------------|---------------------------------|----------------|------------------|
|  | Current                        | Non-current    | Total            | Current                         | Non-current    | Total            |
| Local Currency                                 | 726.0                          | 1,165.3        | 1,891.2          | 349.5                           | 810.6          | 1,160.1          |
| Foreign Currency                               | 2,904.7                        | 600.5          | 3,505.1          | 1,619.4                         | 550.1          | 2,169.6          |
| <b>Consolidated Debt</b>                       | <b>3,630.6</b>                 | <b>1,765.7</b> | <b>5,396.3</b>   | <b>1,968.9</b>                  | <b>1,360.7</b> | <b>3,329.6</b>   |
| Cash and Cash Equivalents less Bank Overdrafts |                                |                | 7,876.8          |                                 |                | 8,340.7          |
| Current Investment Securities                  |                                |                | 282.8            |                                 |                | 7.8              |
| <b>Net Debt/ (Cash)</b>                        |                                |                | <b>(2,763.3)</b> |                                 |                | <b>(5,018.9)</b> |

## Provision for income tax & social contribution

The weighted nominal tax rate in the quarter was 27.1%, similar to 26.9% of 3Q16.

Effective tax rate was up in the quarter from -32.4% to 95.3%, as we not only faced a tough comparable in 3Q16, but were also impacted by an exceptional tax adjustment of R\$ 2,974.1 million linked to the Brazilian Federal Tax Regularization Program (PERT). As announced on September 29<sup>th</sup>, 2017, the Company adhered to a special tax regularization program, involving tax contingencies that were under dispute, including contingencies related to corporate income tax. The total amount to be paid is approximately R\$ 3.5 billion, of which approximately R\$ 1.0 billion will be paid in 2017 and the remainder will be paid in 145 monthly installments starting from January 2018, plus interests.

Adjusted by this exceptional tax adjustment, the effective tax rate was of -6.0%, driven by higher interest on shareholders' equity benefit.

| Income tax and social contribution<br>R\$ million               | 3Q16           | 3Q17             | YTD16            | YTD17            |
|---|----------------|------------------|------------------|------------------|
| <b>Profit before tax</b>  | <b>2,404.8</b> | <b>2,934.3</b>   | <b>8,034.3</b>   | <b>7,907.9</b>   |
| <b>Adjustment on taxable basis</b>                              |                |                  |                  |                  |
| Non-taxable net financial and other income                      | (50.4)         | (74.6)           | (313.9)          | (242.6)          |
| Government grants (VAT)   | (375.5)        | (417.2)          | (1,099.6)        | (1,266.7)        |
| Share of results of associates                                  | 9.4            | 4.5              | 1.5              | (1.8)            |
| Expenses not deductible   | (93.8)         | 161.8            | 370.7            | 192.3            |
| Foreign profits taxed in Brazil                                 | (156.1)        | 120.4            | 852.0            | (134.5)          |
|   | <b>1,738.4</b> | <b>2,729.2</b>   | <b>7,845.0</b>   | <b>6,454.6</b>   |
| <b>Aggregated weighted nominal tax rate</b>                     | <b>26.9%</b>   | <b>27.1%</b>     | <b>29.6%</b>     | <b>27.8%</b>     |
| <b>Taxes – nominal rate</b>                                     | <b>(468.5)</b> | <b>(739.0)</b>   | <b>(2,320.5)</b> | <b>(1,793.3)</b> |
| <b>Adjustment on tax expense</b>                                |                |                  |                  |                  |
| Tax benefit - interest on shareholders' equity                  | 31.9           | 995.7            | 1,150.6          | 1,649.0          |
| Tax benefit - amortization on tax books                         | 35.4           | 46.3             | 106.5            | 128.9            |
| Exceptional item - Brazilian Federal Tax Regularization Program |                | (2,974.1)        |                  | (2,974.1)        |
| Other tax adjustments   | 1,179.5        | (126.7)          | 1,278.7          | (367.4)          |
| <b>Income tax and social contribution expense</b>               | <b>778.3</b>   | <b>(2,797.8)</b> | <b>215.4</b>     | <b>(3,356.8)</b> |
| <b>Effective tax rate</b>                                       | <b>-32.4%</b>  | <b>95.3%</b>     | <b>-2.7%</b>     | <b>42.4%</b>     |
| <b>Normalized effective tax rate</b>                            | <b>-32.4%</b>  | <b>-6.0%</b>     | <b>-2.7%</b>     | <b>4.8%</b>      |

## Shareholding structure

The table below summarizes Ambev S.A.'s shareholding structure as of September 30<sup>th</sup>, 2017.

| Ambev S.A.'s shareholding structure |                       |               |
|-------------------------------------|-----------------------|---------------|
|                                     | ON                    | %Outs         |
| Anheuser-Busch InBev                | 9,726,265,061         | 61.9%         |
| FAHZ                                | 1,605,713,901         | 10.2%         |
| Market                              | 4,375,838,203         | 27.9%         |
| <b>Outstanding</b>                  | <b>15,707,817,165</b> | <b>100.0%</b> |
| Treasury                            | 9,798,254             |               |
| <b>TOTAL</b>                        | <b>15,717,615,419</b> |               |
| Free float BM&FBovespa              | 3,051,565,709         | 19.4%         |
| Free float NYSE                     | 1,324,272,494         | 8.4%          |

## Reconciliation between normalized EBITDA & 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 - Profit to EBITDA   | 3Q16           | 3Q17           | YTD16           | YTD17           |
|-------------------------------------|----------------|----------------|-----------------|-----------------|
| <b>Profit - Ambev holders</b>       | <b>3,061.2</b> | <b>0.2</b>     | <b>7,874.3</b>  | <b>4,212.5</b>  |
| Non-controlling interest            | 121.9          | 136.3          | 375.4           | 338.6           |
| Income tax expense                  | (778.3)        | 2,797.8        | (215.4)         | 3,356.8         |
| <b>Profit before taxes</b>          | <b>2,404.8</b> | <b>2,934.3</b> | <b>8,034.3</b>  | <b>7,907.9</b>  |
| Share of results of associates      | 9.4            | 4.5            | 1.5             | (1.8)           |
| Net finance results                 | 722.6          | 674.9          | 2,793.8         | 2,246.3         |
| Exceptional items                   | 15.1           | 20.5           | 43.6            | 81.3            |
| <b>Normalized EBIT</b>              | <b>3,151.9</b> | <b>3,634.3</b> | <b>10,873.2</b> | <b>10,233.8</b> |
| Depreciation & amortization - total | 847.5          | 917.7          | 2,595.2         | 2,617.6         |
| <b>Normalized EBITDA</b>            | <b>3,999.4</b> | <b>4,551.9</b> | <b>13,468.4</b> | <b>12,851.4</b> |

## Q3 2017 Earnings Conference Call

Speakers: **Bernardo Paiva**  
*Chief Executive Officer*  
**Ricardo Rittes**  
*Chief Financial and Investor Relations Officer*

Language: English

Date: October 26<sup>th</sup>, 2017 (Thursday)

Time: 13:00 (Brasília time)  
11:00 (EST)

Phone number: US participants + 1 (844) 839-2182  
International participants + 1 (412) 317-2503

Conference ID: 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:

<http://webcast.engage-x.com/Cover.aspx?PlatformId=VdEvtTYe90eaSo7rHPkyw%3D%3D>

*Playback:* The conference call replay through internet will be available one hour after conclusion at Ambev's website at the same link above. For Playback through telephone: participants calling from USA: +1 (877) 344-7529 / participants calling from other countries: +1 (412) 317-0088 / Code: 10112662 - enter "1" to start the playback.

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| Ambev - Segment financial information |               |               |              |                   |              |             |                    |               |              |
|---------------------------------------|---------------|---------------|--------------|-------------------|--------------|-------------|--------------------|---------------|--------------|
| Organic results                       |               |               |              |                   |              |             |                    |               |              |
|                                       | Ambev Brazil  |               |              |                   |              |             |                    |               |              |
|                                       | Beer Brazil   |               |              | CSD & NANC Brazil |              |             | Total Ambev Brazil |               |              |
|                                       | 3Q16          | 3Q17          | %            | 3Q16              | 3Q17         | %           | 3Q16               | 3Q17          | %            |
| <b>Volumes (000 hl)</b>               | <b>19,538</b> | <b>18,486</b> | <b>-5.4%</b> | <b>6,150</b>      | <b>6,182</b> | <b>0.5%</b> | <b>25,688</b>      | <b>24,668</b> | <b>-4.0%</b> |
| <b>R\$ million</b>                    |               |               |              |                   |              |             |                    |               |              |
| Net sales                             | 4,734.5       | 5,188.0       | 9.6%         | 767.0             | 845.1        | 10.2%       | 5,501.5            | 6,033.1       | 9.7%         |
| <b>% of total</b>                     | <b>45.2%</b>  | <b>45.7%</b>  |              | <b>7.3%</b>       | <b>7.4%</b>  |             | <b>52.5%</b>       | <b>53.1%</b>  |              |
| COGS                                  | (1,962.0)     | (1,913.5)     | -2.5%        | (400.2)           | (483.2)      | 20.8%       | (2,362.2)          | (2,396.7)     | 1.5%         |
| <b>% of total</b>                     | <b>46.5%</b>  | <b>42.7%</b>  |              | <b>9.5%</b>       | <b>10.8%</b> |             | <b>56.0%</b>       | <b>53.5%</b>  |              |
| Gross profit                          | 2,772.5       | 3,274.5       | 18.1%        | 366.8             | 361.9        | -1.3%       | 3,139.4            | 3,636.4       | 15.8%        |
| <b>% of total</b>                     | <b>44.2%</b>  | <b>47.6%</b>  |              | <b>5.9%</b>       | <b>5.3%</b>  |             | <b>50.1%</b>       | <b>52.9%</b>  |              |
| SG&A                                  | (1,788.9)     | (1,767.1)     | -1.2%        | (231.9)           | (269.2)      | 16.1%       | (2,020.8)          | (2,036.3)     | 0.8%         |
| <b>% of total</b>                     | <b>51.7%</b>  | <b>50.5%</b>  |              | <b>6.7%</b>       | <b>7.7%</b>  |             | <b>58.5%</b>       | <b>58.2%</b>  |              |
| Other operating income/(expenses)     | 268.7         | 162.6         | -39.5%       | 71.4              | 51.0         | -28.6%      | 340.1              | 213.6         | -37.2%       |
| <b>% of total</b>                     | <b>78.6%</b>  | <b>64.1%</b>  |              | <b>20.9%</b>      | <b>20.1%</b> |             | <b>99.5%</b>       | <b>84.2%</b>  |              |
| Normalized EBIT                       | 1,252.3       | 1,670.1       | 33.4%        | 206.3             | 143.7        | -30.4%      | 1,458.6            | 1,813.8       | 24.4%        |
| <b>% of total</b>                     | <b>39.7%</b>  | <b>46.0%</b>  |              | <b>6.5%</b>       | <b>4.0%</b>  |             | <b>46.3%</b>       | <b>49.9%</b>  |              |
| Normalized EBITDA                     | 1,740.2       | 2,187.4       | 25.7%        | 284.5             | 189.9        | -33.3%      | 2,024.7            | 2,377.3       | 17.4%        |
| <b>% of total</b>                     | <b>43.5%</b>  | <b>48.1%</b>  |              | <b>7.1%</b>       | <b>4.2%</b>  |             | <b>50.6%</b>       | <b>52.2%</b>  |              |
| <b>% of net sales</b>                 |               |               |              |                   |              |             |                    |               |              |
| Net sales                             | 100.0%        | 100.0%        |              | 100.0%            | 100.0%       |             | 100.0%             | 100.0%        |              |
| COGS                                  | -41.4%        | -36.9%        |              | -52.2%            | -57.2%       |             | -42.9%             | -39.7%        |              |
| Gross profit                          | 58.6%         | 63.1%         |              | 47.8%             | 42.8%        |             | 57.1%              | 60.3%         |              |
| SG&A                                  | -37.8%        | -34.1%        |              | -30.2%            | -31.9%       |             | -36.7%             | -33.8%        |              |
| Other operating income/(expenses)     | 5.7%          | 3.1%          |              | 9.3%              | 6.0%         |             | 6.2%               | 3.5%          |              |
| Normalized EBIT                       | 26.4%         | 32.2%         |              | 26.9%             | 17.0%        |             | 26.5%              | 30.1%         |              |
| Normalized EBITDA                     | 36.8%         | 42.2%         |              | 37.1%             | 22.5%        |             | 36.8%              | 39.4%         |              |
| <b>Per hectoliter - (R\$/hl)</b>      |               |               |              |                   |              |             |                    |               |              |
| Net sales                             | 242.3         | 280.6         | 15.8%        | 124.7             | 136.7        | 9.6%        | 214.2              | 244.6         | 14.2%        |
| COGS                                  | (100.4)       | (103.5)       | 3.1%         | (65.1)            | (78.2)       | 20.1%       | (92.0)             | (97.2)        | 5.7%         |
| Gross profit                          | 141.9         | 177.1         | 24.8%        | 59.6              | 58.5         | -1.9%       | 122.2              | 147.4         | 20.6%        |
| SG&A                                  | (91.6)        | (95.6)        | 4.4%         | (37.7)            | (43.5)       | 15.5%       | (78.7)             | (82.5)        | 4.9%         |
| Other operating income/(expenses)     | 13.8          | 8.8           | -36.0%       | 11.6              | 8.2          | -29.0%      | 13.2               | 8.7           | -34.6%       |
| Normalized EBIT                       | 64.1          | 90.3          | 41.0%        | 33.5              | 23.2         | -30.7%      | 56.8               | 73.5          | 29.5%        |
| Normalized EBITDA                     | 89.1          | 118.3         | 32.9%        | 46.3              | 30.7         | -33.6%      | 78.8               | 96.4          | 22.3%        |

| Ambev - Segment financial information |                         |              |              |                |              |              |                   |              |              |                    |               |               |
|---------------------------------------|-------------------------|--------------|--------------|----------------|--------------|--------------|-------------------|--------------|--------------|--------------------|---------------|---------------|
| Organic results                       |                         |              |              |                |              |              |                   |              |              |                    |               |               |
|                                       | LAS Operations          |              |              | CAC Operations |              |              | Canada Operations |              |              | Ambev Consolidated |               |               |
|                                       | 3Q16                    | 3Q17         | %            | 3Q16           | 3Q17         | %            | 3Q16              | 3Q17         | %            | 3Q16               | 3Q17          | %             |
|                                       | <b>Volumes (000 hl)</b> | <b>7,705</b> | <b>7,811</b> | <b>4.5%</b>    | <b>2,497</b> | <b>3,091</b> | <b>0.0%</b>       | <b>2,948</b> | <b>2,864</b> | <b>-2.9%</b>       | <b>38,838</b> | <b>38,434</b> |
| <b>R\$ million</b>                    |                         |              |              |                |              |              |                   |              |              |                    |               |               |
| Net sales                             | 2,272.8                 | 2,434.8      | 21.3%        | 939.1          | 1,163.2      | 7.5%         | 1,769.4           | 1,731.2      | -3.6%        | 10,482.8           | 11,362.3      | 9.6%          |
| <b>% of total</b>                     | <b>21.7%</b>            | <b>21.4%</b> |              | <b>9.0%</b>    | <b>10.2%</b> |              | <b>16.9%</b>      | <b>15.2%</b> |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| COGS                                  | (850.9)                 | (959.7)      | 31.1%        | (416.1)        | (515.2)      | 8.3%         | (586.2)           | (610.5)      | 4.2%         | (4,215.5)          | (4,482.1)     | 8.1%          |
| <b>% of total</b>                     | <b>20.2%</b>            | <b>21.4%</b> |              | <b>9.9%</b>    | <b>11.5%</b> |              | <b>13.9%</b>      | <b>13.6%</b> |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| Gross profit                          | 1,421.8                 | 1,475.1      | 15.7%        | 523.0          | 648.0        | 6.9%         | 1,183.2           | 1,120.6      | -7.4%        | 6,267.3            | 6,880.2       | 10.5%         |
| <b>% of total</b>                     | <b>22.7%</b>            | <b>21.4%</b> |              | <b>8.3%</b>    | <b>9.4%</b>  |              | <b>18.9%</b>      | <b>16.3%</b> |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| SG&A                                  | (613.9)                 | (551.6)      | 6.3%         | (239.8)        | (308.1)      | -6.3%        | (582.5)           | (603.5)      | 0.6%         | (3,457.0)          | (3,499.5)     | 1.1%          |
| <b>% of total</b>                     | <b>17.8%</b>            | <b>15.8%</b> |              | <b>6.9%</b>    | <b>8.8%</b>  |              | <b>16.8%</b>      | <b>17.2%</b> |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| Other operating income/(expenses)     | 7.1                     | 6.4          | 10.4%        | (0.9)          | 31.8         | nm           | (4.6)             | 1.8          | -139.0%      | 341.6              | 253.6         | -22.4%        |
| <b>% of total</b>                     | <b>2.1%</b>             | <b>2.5%</b>  |              | <b>-0.3%</b>   | <b>12.6%</b> |              | <b>-1.4%</b>      | <b>0.7%</b>  |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| Normalized EBIT                       | 815.0                   | 929.9        | 21.9%        | 282.3          | 371.7        | 33.3%        | 596.1             | 518.9        | -14.2%       | 3,151.9            | 3,634.3       | 17.3%         |
| <b>% of total</b>                     | <b>25.9%</b>            | <b>25.6%</b> |              | <b>9.0%</b>    | <b>10.2%</b> |              | <b>18.9%</b>      | <b>14.3%</b> |              | <b>100.0%</b>      | <b>100.0%</b> |               |
| Normalized EBITDA                     | 973.6                   | 1,101.8      | 22.8%        | 353.3          | 474.2        | 31.6%        | 647.9             | 598.8        | -8.3%        | 3,999.4            | 4,551.9       | 15.8%         |
| <b>% of total</b>                     | <b>24.3%</b>            | <b>24.2%</b> |              | <b>8.8%</b>    | <b>10.4%</b> |              | <b>16.2%</b>      | <b>13.2%</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%        |               |
| COGS                                  | -37.4%                  | -39.4%       |              | -44.3%         | -44.3%       |              | -33.1%            | -35.3%       |              | -40.2%             | -39.4%        |               |
| Gross profit                          | 62.6%                   | 60.6%        |              | 55.7%          | 55.7%        |              | 66.9%             | 64.7%        |              | 59.8%              | 60.6%         |               |
| SG&A                                  | -27.0%                  | -22.7%       |              | -25.5%         | -26.5%       |              | -32.9%            | -34.9%       |              | -33.0%             | -30.8%        |               |
| Other operating income/(expenses)     | 0.3%                    | 0.3%         |              | -0.1%          | 2.7%         |              | -0.3%             | 0.1%         |              | 3.3%               | 2.2%          |               |
| Normalized EBIT                       | 35.9%                   | 38.2%        |              | 30.1%          | 32.0%        |              | 33.7%             | 30.0%        |              | 30.1%              | 32.0%         |               |
| Normalized EBITDA                     | 42.8%                   | 45.3%        |              | 37.6%          | 40.8%        |              | 36.6%             | 34.6%        |              | 38.2%              | 40.1%         |               |
| <b>Per hectoliter - (R\$/hl)</b>      |                         |              |              |                |              |              |                   |              |              |                    |               |               |
| Net sales                             | 295.0                   | 311.7        | 16.1%        | 376.2          | 376.3        | 6.1%         | 600.1             | 604.4        | -0.7%        | 269.9              | 295.6         | 11.7%         |
| COGS                                  | (110.4)                 | (122.9)      | 25.5%        | (166.7)        | (166.7)      | 6.7%         | (198.8)           | (213.2)      | 7.3%         | (108.5)            | (116.6)       | 10.2%         |
| Gross profit                          | 184.5                   | 188.9        | 10.8%        | 209.5          | 209.6        | 5.6%         | 401.3             | 391.3        | -4.7%        | 161.4              | 179.0         | 12.7%         |
| SG&A                                  | (79.7)                  | (70.6)       | 1.8%         | (96.1)         | (99.7)       | -5.1%        | (197.6)           | (210.7)      | 3.5%         | (89.0)             | (91.1)        | 3.2%          |
| Other operating income/(expenses)     | 0.9                     | 0.8          | 5.7%         | (0.4)          | 10.3         | nm           | (1.6)             | 0.6          | -140.2%      | 8.8                | 6.6           | -20.6%        |
| Normalized EBIT                       | 105.8                   | 119.1        | 16.7%        | 113.1          | 120.2        | 26.9%        | 202.2             | 181.2        | -11.7%       | 81.2               | 94.6          | 19.3%         |
| Normalized EBITDA                     | 126.4                   | 141.1        | 17.5%        | 141.5          | 153.4        | 25.6%        | 219.8             | 209.1        | -5.7%        | 103.0              | 118.4         | 17.9%         |

| Ambev - Segment financial information |              |              |        |                   |              |        |                    |              |        |
|---------------------------------------|--------------|--------------|--------|-------------------|--------------|--------|--------------------|--------------|--------|
| Organic Results                       |              |              |        |                   |              |        |                    |              |        |
|                                       | Beer Brazil  |              |        | Ambev Brazil      |              |        | Total Ambev Brazil |              |        |
|                                       | YTD16        | YTD17        | %      | CSD & NANC Brazil |              | %      | YTD16              | YTD17        | %      |
| Volumes (000 hl)                      | 57,065       | 56,465       | -1.1%  | 19,553            | 18,676       | -4.5%  | 76,618             | 75,141       | -1.9%  |
| <b>R\$ million</b>                    |              |              |        |                   |              |        |                    |              |        |
| Net sales                             | 14,746.0     | 15,104.8     | 2.4%   | 2,566.2           | 2,547.5      | -0.7%  | 17,312.2           | 17,652.3     | 2.0%   |
| % of total                            | <b>45.5%</b> | <b>46.0%</b> |        | <b>7.9%</b>       | <b>7.7%</b>  |        | <b>53.4%</b>       | <b>53.7%</b> |        |
| COGS                                  | (5,195.4)    | (5,748.7)    | 10.6%  | (1,244.0)         | (1,454.4)    | 16.9%  | (6,439.4)          | (7,203.1)    | 11.9%  |
| % of total                            | <b>43.0%</b> | <b>44.0%</b> |        | <b>10.3%</b>      | <b>11.1%</b> |        | <b>53.3%</b>       | <b>55.2%</b> |        |
| Gross profit                          | 9,550.6      | 9,356.1      | -2.0%  | 1,322.3           | 1,093.1      | -17.3% | 10,872.9           | 10,449.2     | -3.9%  |
| % of total                            | <b>46.9%</b> | <b>47.2%</b> |        | <b>6.5%</b>       | <b>5.5%</b>  |        | <b>53.4%</b>       | <b>52.7%</b> |        |
| SG&A                                  | (5,219.1)    | (5,139.0)    | -1.5%  | (727.4)           | (773.3)      | 6.3%   | (5,946.6)          | (5,912.3)    | -0.6%  |
| % of total                            | <b>49.5%</b> | <b>49.6%</b> |        | <b>6.9%</b>       | <b>7.5%</b>  |        | <b>56.4%</b>       | <b>57.1%</b> |        |
| Other operating income/(expenses)     | 887.9        | 563.7        | -36.5% | 226.3             | 151.2        | -33.2% | 1,114.3            | 714.9        | -35.8% |
| % of total                            | <b>83.4%</b> | <b>73.5%</b> |        | <b>21.3%</b>      | <b>19.7%</b> |        | <b>104.6%</b>      | <b>93.2%</b> |        |
| Normalized EBIT                       | 5,219.4      | 4,780.8      | -8.4%  | 821.2             | 471.1        | -42.6% | 6,040.6            | 5,251.9      | -13.1% |
| % of total                            | <b>48.0%</b> | <b>46.7%</b> |        | <b>7.6%</b>       | <b>4.6%</b>  |        | <b>55.6%</b>       | <b>51.3%</b> |        |
| Normalized EBITDA                     | 6,646.3      | 6,257.9      | -5.8%  | 1,077.0           | 661.7        | -38.6% | 7,723.3            | 6,919.5      | -10.4% |
| % of total                            | <b>49.3%</b> | <b>48.7%</b> |        | <b>8.0%</b>       | <b>5.1%</b>  |        | <b>57.3%</b>       | <b>53.8%</b> |        |
| <b>% of net sales</b>                 |              |              |        |                   |              |        |                    |              |        |
| Net sales                             | 100.0%       | 100.0%       |        | 100.0%            | 100.0%       |        | 100.0%             | 100.0%       |        |
| COGS                                  | -35.2%       | -38.1%       |        | -48.5%            | -57.1%       |        | -37.2%             | -40.8%       |        |
| Gross profit                          | 64.8%        | 61.9%        |        | 51.5%             | 42.9%        |        | 62.8%              | 59.2%        |        |
| SG&A                                  | -35.4%       | -34.0%       |        | -28.3%            | -30.4%       |        | -34.3%             | -33.5%       |        |
| Other operating income/(expenses)     | 6.0%         | 3.7%         |        | 8.8%              | 5.9%         |        | 6.4%               | 4.0%         |        |
| Normalized EBIT                       | 35.4%        | 31.7%        |        | 32.0%             | 18.5%        |        | 34.9%              | 29.8%        |        |
| Normalized EBITDA                     | 45.1%        | 41.4%        |        | 42.0%             | 26.0%        |        | 44.6%              | 39.2%        |        |
| <b>Per hectoliter - (R\$/hl)</b>      |              |              |        |                   |              |        |                    |              |        |
| Net sales                             | 258.4        | 267.5        | 3.5%   | 131.2             | 136.4        | 3.9%   | 226.0              | 234.9        | 4.0%   |
| COGS                                  | (91.0)       | (101.8)      | 11.8%  | (63.6)            | (77.9)       | 22.4%  | (84.0)             | (95.9)       | 14.1%  |
| Gross profit                          | 167.4        | 165.7        | -1.0%  | 67.6              | 58.5         | -13.5% | 141.9              | 139.1        | -2.0%  |
| SG&A                                  | (91.5)       | (91.0)       | -0.5%  | (37.2)            | (41.4)       | 11.3%  | (77.6)             | (78.7)       | 1.4%   |
| Other operating income/(expenses)     | 15.6         | 10.0         | -35.8% | 11.6              | 8.1          | -30.0% | 14.5               | 9.5          | -34.6% |
| Normalized EBIT                       | 91.5         | 84.7         | -7.4%  | 42.0              | 25.2         | -39.9% | 78.8               | 69.9         | -11.3% |
| Normalized EBITDA                     | 116.5        | 110.8        | -4.8%  | 55.1              | 35.4         | -35.7% | 100.8              | 92.1         | -8.6%  |

| Ambev - Segment financial information |                |              |         |                |              |       |                   |              |         |                    |               |        |
|---------------------------------------|----------------|--------------|---------|----------------|--------------|-------|-------------------|--------------|---------|--------------------|---------------|--------|
| Organic Results                       |                |              |         |                |              |       |                   |              |         |                    |               |        |
|                                       | LAS Operations |              |         | CAC Operations |              |       | Canada Operations |              |         | Ambev Consolidated |               |        |
|                                       | YTD16          | YTD17        | %       | YTD16          | YTD17        | %     | YTD16             | YTD17        | %       | YTD16              | YTD17         | %      |
| Volumes (000 hl)                      | 22,924         | 23,630       | 6.0%    | 7,039          | 8,848        | 0.9%  | 7,882             | 7,780        | -1.4%   | 114,463            | 115,399       | -0.2%  |
| <b>R\$ million</b>                    |                |              |         |                |              |       |                   |              |         |                    |               |        |
| Net sales                             | 7,060.0        | 7,284.8      | 27.7%   | 2,937.9        | 3,349.4      | 6.6%  | 5,114.9           | 4,585.5      | -0.1%   | 32,425.1           | 32,872.1      | 7.5%   |
| % of total                            | <b>21.8%</b>   | <b>22.2%</b> |         | <b>9.1%</b>    | <b>10.2%</b> |       | <b>15.8%</b>      | <b>13.9%</b> |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| COGS                                  | (2,623.3)      | (2,880.8)    | 38.9%   | (1,328.3)      | (1,468.5)    | 5.0%  | (1,679.5)         | (1,501.0)    | -0.4%   | (12,070.4)         | (13,053.5)    | 14.9%  |
| % of total                            | <b>21.7%</b>   | <b>22.1%</b> |         | <b>11.0%</b>   | <b>11.3%</b> |       | <b>13.9%</b>      | <b>11.5%</b> |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| Gross profit                          | 4,436.8        | 4,404.0      | 21.4%   | 1,609.7        | 1,880.8      | 7.9%  | 3,435.4           | 3,084.5      | 0.1%    | 20,354.7           | 19,818.6      | 3.2%   |
| % of total                            | <b>21.8%</b>   | <b>22.2%</b> |         | <b>7.9%</b>    | <b>9.5%</b>  |       | <b>16.9%</b>      | <b>15.6%</b> |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| SG&A                                  | (1,935.9)      | (1,800.0)    | 20.7%   | (771.8)        | (924.1)      | -8.3% | (1,892.3)         | (1,715.4)    | 0.9%    | (10,546.6)         | (10,351.8)    | 2.8%   |
| % of total                            | <b>18.4%</b>   | <b>17.4%</b> |         | <b>7.3%</b>    | <b>8.9%</b>  |       | <b>17.9%</b>      | <b>16.6%</b> |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| Other operating income/(expenses)     | (36.3)         | 14.7         | -148.7% | 4.0            | 33.2         | nm    | (16.8)            | 4.2          | -124.2% | 1,065.1            | 767.0         | -27.7% |
| % of total                            | <b>-3.4%</b>   | <b>1.9%</b>  |         | <b>0.4%</b>    | <b>4.3%</b>  |       | <b>-1.6%</b>      | <b>0.5%</b>  |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| Normalized EBIT                       | 2,464.6        | 2,618.7      | 24.3%   | 841.8          | 989.9        | 26.4% | 1,526.3           | 1,373.3      | 0.5%    | 10,873.2           | 10,233.8      | 0.5%   |
| % of total                            | <b>22.7%</b>   | <b>25.6%</b> |         | <b>7.7%</b>    | <b>9.7%</b>  |       | <b>14.0%</b>      | <b>13.4%</b> |         | <b>100.0%</b>      | <b>100.0%</b> |        |
| Normalized EBITDA                     | 2,974.2        | 3,111.8      | 24.2%   | 1,085.6        | 1,283.0      | 22.7% | 1,685.3           | 1,537.1      | 1.8%    | 13,468.4           | 12,851.4      | 1.5%   |
| % of total                            | <b>22.1%</b>   | <b>24.2%</b> |         | <b>8.1%</b>    | <b>10.0%</b> |       | <b>12.5%</b>      | <b>12.0%</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%        |        |
| COGS                                  | -37.2%         | -39.5%       |         | -45.2%         | -43.8%       |       | -32.8%            | -32.7%       |         | -37.2%             | -39.7%        |        |
| Gross profit                          | 62.8%          | 60.5%        |         | 54.8%          | 56.2%        |       | 67.2%             | 67.3%        |         | 62.8%              | 60.3%         |        |
| SG&A                                  | -27.4%         | -24.7%       |         | -26.3%         | -27.6%       |       | -37.0%            | -37.4%       |         | -32.5%             | -31.5%        |        |
| Other operating income/(expenses)     | -0.5%          | 0.2%         |         | 0.1%           | 1.0%         |       | -0.3%             | 0.1%         |         | 3.3%               | 2.3%          |        |
| Normalized EBIT                       | 34.9%          | 35.9%        |         | 28.7%          | 29.6%        |       | 29.8%             | 29.9%        |         | 33.5%              | 31.1%         |        |
| Normalized EBITDA                     | 42.1%          | 42.7%        |         | 37.0%          | 38.3%        |       | 32.9%             | 33.5%        |         | 41.5%              | 39.1%         |        |
| <b>Per hectoliter - (R\$/hl)</b>      |                |              |         |                |              |       |                   |              |         |                    |               |        |
| Net sales                             | 308.0          | 308.3        | 20.5%   | 417.4          | 378.6        | 4.6%  | 648.9             | 589.4        | 1.4%    | 283.3              | 284.9         | 7.6%   |
| COGS                                  | (114.4)        | (121.9)      | 31.1%   | (188.7)        | (166.0)      | 3.3%  | (213.1)           | (192.9)      | 1.0%    | (105.5)            | (113.1)       | 14.9%  |
| Gross profit                          | 193.5          | 186.4        | 14.6%   | 228.7          | 212.6        | 5.6%  | 435.8             | 396.5        | 1.6%    | 177.8              | 171.7         | 3.3%   |
| SG&A                                  | (84.4)         | (76.2)       | 13.8%   | (109.7)        | (104.4)      | -7.4% | (240.1)           | (220.5)      | 2.4%    | (92.1)             | (89.7)        | 2.9%   |
| Other operating income/(expenses)     | (1.6)          | 0.6          | -145.9% | 0.6            | 3.8          | nm    | (2.1)             | 0.5          | -124.4% | 9.3                | 6.6           | -27.2% |
| Normalized EBIT                       | 107.5          | 110.8        | 17.3%   | 119.6          | 111.9        | 20.4% | 193.6             | 176.5        | 1.9%    | 95.0               | 88.7          | 0.7%   |
| Normalized EBITDA                     | 129.7          | 131.7        | 17.2%   | 154.2          | 145.0        | 17.4% | 213.8             | 197.6        | 3.3%    | 117.7              | 111.4         | 1.6%   |

| <b>CONSOLIDATED BALANCE SHEET</b>                      |                                   |                                  |
|--|-----------------------------------|----------------------------------|
| <i>R\$ million</i>                                     | September 30 <sup>th</sup> , 2017 | December 31 <sup>st</sup> , 2016 |
| <b>Assets</b>  |                                   |                                  |
| <b>Current assets</b>                                  |                                   |                                  |
| Cash and cash equivalents                              | 8,340.7                           | 7,876.8                          |
| Investment securities                                  | 7.8                               | 282.8                            |
| Derivative financial instruments                       | 258.6                             | 196.7                            |
| Trade receivables                                      | 3,767.8                           | 4,368.1                          |
| Inventories  | 4,373.4                           | 4,347.1                          |
| Income tax and social contributions receivable         | 3,749.7                           | 4,693.7                          |
| Other taxes receivable                                 | 683.1                             | 729.6                            |
| Other assets   | 1,049.5                           | 1,392.2                          |
|  | <b>22,230.6</b>                   | <b>23,887.0</b>                  |
| <b>Non-current assets</b>                              |                                   |                                  |
| Investment securities                                  | 104.8                             | 104.3                            |
| Derivative financial instruments                       | 37.6                              | 16.3                             |
| Income tax and social contributions receivable         |                                   | 4.5                              |
| Deferred tax assets                                    | 4,090.2                           | 2,268.1                          |
| Other taxes receivable                                 | 290.1                             | 343.1                            |
| Other assets   | 1,962.8                           | 1,973.6                          |
| Employee benefits                                      | 45.4                              | 33.5                             |
| Investments in associates                              | 253.5                             | 300.1                            |
| Property, plant and equipment                          | 18,480.7                          | 19,153.8                         |
| Intangible assets                                      | 4,591.2                           | 5,245.9                          |
| Goodwill   | 30,933.5                          | 30,511.2                         |
|  | <b>60,789.8</b>                   | <b>59,954.4</b>                  |
| <b>Total assets</b>                                    | <b>83,020.4</b>                   | <b>83,841.4</b>                  |
| <b>Equity and liabilities</b>                          |                                   |                                  |
| <b>Current liabilities</b>                             |                                   |                                  |
| Trade payables   | 9,300.4                           | 10,868.8                         |
| Derivative financial instruments                       | 286.0                             | 686.4                            |
| Interest-bearing loans and borrowings                  | 1,968.9                           | 3,630.6                          |
| Payroll and social security payables                   | 858.1                             | 686.6                            |
| Dividends and interest on shareholder's equity payable | 736.4                             | 1,714.4                          |
| Income tax and social contribution payable             | 2,119.9                           | 904.2                            |
| Taxes and contributions payable                        | 2,353.8                           | 3,378.2                          |
| Put option granted on subsidiary and other liabilities | 5,689.5                           | 6,735.8                          |
| Provisions   | 168.7                             | 168.6                            |
|  | <b>23,481.7</b>                   | <b>28,773.6</b>                  |
| <b>Non-current liabilities</b>                         |                                   |                                  |
| Trade payables   | 180.5                             | 237.8                            |
| Derivative financial instruments                       | 2.0                               | 27.0                             |
| Interest-bearing loans and borrowings                  | 1,360.7                           | 1,765.7                          |
| Deferred tax liabilities                               | 2,276.6                           | 2,329.7                          |
| Income tax and social contribution payable             | 2,351.0                           |                                  |
| Taxes and contributions payable                        | 786.8                             | 681.4                            |
| Put option granted on subsidiary and other liabilities | 895.9                             | 471.8                            |
| Provisions   | 523.8                             | 765.4                            |
| Employee benefits                                      | 2,221.7                           | 2,137.7                          |
|  | <b>10,599.0</b>                   | <b>8,416.5</b>                   |
| <b>Total liabilities</b>                               | <b>34,080.7</b>                   | <b>37,190.1</b>                  |
| <b>Equity</b>  |                                   |                                  |
| Issued capital   | 57,614.1                          | 57,614.2                         |
| Reserves   | 64,312.9                          | 64,230.0                         |
| Comprehensive income                                   | (76,460.5)                        | (77,019.1)                       |
| Retained earnings                                      | 1,699.6                           |                                  |
| <b>Equity attributable to equity holders of Ambev</b>  | <b>47,166.1</b>                   | <b>44,825.1</b>                  |
| Non-controlling interests                              | 1,773.6                           | 1,826.2                          |
| <b>Total Equity</b>                                    | <b>48,939.7</b>                   | <b>46,651.3</b>                  |
| <b>Total equity and liabilities</b>                    | <b>83,020.4</b>                   | <b>83,841.4</b>                  |

| <b>CONSOLIDATED STATEMENT OF OPERATIONS</b>    |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| <i>R\$ million</i>                             | <b>3Q17</b>     | <b>3Q16</b>     | <b>YTD17</b>    | <b>YTD16</b>    |
| <b>Net sales</b>                               | <b>11,362.3</b> | <b>10,482.8</b> | <b>32,872.1</b> | <b>32,425.1</b> |
| Cost of sales                                  | (4,482.1)       | (4,215.5)       | (13,053.4)      | (12,070.4)      |
| <b>Gross profit</b>                            | <b>6,880.2</b>  | <b>6,267.3</b>  | <b>19,818.6</b> | <b>20,354.7</b> |
| Sales and marketing expenses                   | (2,971.0)       | (2,952.0)       | (8,746.9)       | (8,954.3)       |
| Administrative expenses                        | (528.5)         | (505.1)         | (1,604.9)       | (1,592.2)       |
| Other operating income/(expenses)              | 253.6           | 341.6           | 767.0           | 1,065.1         |
| <b>Normalized EBIT</b>                         | <b>3,634.3</b>  | <b>3,151.9</b>  | <b>10,233.8</b> | <b>10,873.2</b> |
| Exceptional items                              | (20.5)          | (15.1)          | (81.3)          | (43.6)          |
| <b>Income from operations (EBIT)</b>           | <b>3,613.8</b>  | <b>3,136.8</b>  | <b>10,152.5</b> | <b>10,829.7</b> |
| Net finance results                            | (674.9)         | (722.6)         | (2,246.3)       | (2,793.8)       |
| Share of results of associates                 | (4.5)           | (9.4)           | 1.8             | (1.5)           |
| <b>Profit before income tax</b>                | <b>2,934.3</b>  | <b>2,404.8</b>  | <b>7,907.9</b>  | <b>8,034.3</b>  |
| Income tax expense                             | (2,797.8)       | 778.3           | (3,356.8)       | 215.4           |
| <b>Profit</b>                                  | <b>136.5</b>    | <b>3,183.2</b>  | <b>4,551.2</b>  | <b>8,249.7</b>  |
| <b>Attributable to:</b>                        |                 |                 |                 |                 |
| <b>Equity holders of Ambev</b>                 | <b>0.2</b>      | <b>3,061.2</b>  | <b>4,212.5</b>  | <b>7,874.3</b>  |
| <b>Non-controlling interest</b>                | <b>136.3</b>    | <b>121.9</b>    | <b>338.6</b>    | <b>375.4</b>    |
| Basic earnings per share (common)              | 0.00            | 0.20            | 0.27            | 0.50            |
| Diluted earnings per share (common)            | 0.00            | 0.20            | 0.27            | 0.50            |
| <b>Normalized Profit</b>                       | <b>3,236.6</b>  | <b>3,198.3</b>  | <b>7,694.1</b>  | <b>5,095.0</b>  |
| Normalized basic earnings per share (common)   | 0.20            | 0.20            | 0.27            | 0.50            |
| Normalized diluted earnings per share (common) | 0.20            | 0.19            | 0.27            | 0.50            |
| Nº of basic shares outstanding                 | 15,707.7        | 15,699.0        | 15,704.8        | 15,695.4        |
| Nº of diluted shares outstanding               | 15,834.6        | 15,816.4        | 15,831.7        | 15,812.8        |



| <b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| <i>R\$ million</i>   | <b>3Q17</b>      | <b>3Q16</b>      | <b>YTD17</b>     | <b>YTD16</b>     |
| <b>Cash Flows from Operating Activities</b>  |                  |                  |                  |                  |
| <b>Profit</b>  | <b>136.5</b>     | <b>3,183.1</b>   | <b>4,551.2</b>   | <b>8,249.7</b>   |
| Depreciation, amortization and impairment  | 917.7            | 847.5            | 2,617.6          | 2,595.2          |
| Impairment losses on receivables and inventories   | 50.7             | 93.8             | 121.5            | 165.7            |
| Additions/(reversals) in provisions and employee benefits  | 91.9             | 66.6             | 165.2            | 216.8            |
| Net finance cost   | 674.9            | 722.6            | 2,246.3          | 2,793.8          |
| Loss/(gain) on sale of property, plant and equipment and intangible assets                         | (2.7)            | (11.6)           | (5.4)            | (39.8)           |
| Loss/(gain) on sale of operations in associates  | (41.4)           |                  | (41.4)           |                  |
| Equity-settled share-based payment expense   | 40.8             | 39.3             | 127.2            | 124.9            |
| Income tax expense   | 2,797.8          | (778.3)          | 3,356.8          | (215.4)          |
| Share of result of associates  | 4.5              | 9.4              | (1.8)            | 1.5              |
| Other non-cash items included in the profit  | 82.3             | (60.4)           | 269.4            | (770.0)          |
| <b>Cash flow from operating activities before changes in working capital and use of provisions</b> | <b>4,753.1</b>   | <b>4,112.1</b>   | <b>13,406.7</b>  | <b>13,122.5</b>  |
| Decrease/(increase) in trade and other receivables   | (52.3)           | (215.6)          | 1,008.6          | 422.5            |
| Decrease/(increase) in inventories   | 201.4            | 89.7             | (84.4)           | (321.3)          |
| Increase/(decrease) in trade and other payables  | 339.0            | 1,065.1          | (3,563.7)        | (3,441.4)        |
| <b>Cash generated from operations</b>  | <b>5,241.1</b>   | <b>5,051.3</b>   | <b>10,767.2</b>  | <b>9,782.3</b>   |
| Interest paid  | (156.2)          | (150.9)          | (407.1)          | (615.2)          |
| Interest received  | 78.1             | 73.2             | 214.2            | 481.1            |
| Dividends received   | 1.2              | (12.4)           | 5.2              | 12.7             |
| Income tax paid  | (600.4)          | (416.7)          | (1,606.4)        | (5,249.3)        |
| <b>Cash flow from operating activities</b>   | <b>4,563.9</b>   | <b>4,544.6</b>   | <b>8,973.1</b>   | <b>4,411.6</b>   |
| Proceeds from sale of property, plant, equipment and intangible assets                             | 7.2              | 23.8             | 33.0             | 72.6             |
| Acquisition of property, plant, equipment and intangible assets                                    | (727.6)          | (902.0)          | (2,038.2)        | (2,760.5)        |
| Acquisition of subsidiaries, net of cash acquired  | (0.9)            | 56.6             | (332.3)          | (1,776.2)        |
| Net proceeds/(investment) of debt securities   | (10.3)           | (17.7)           | 280.8            | (57.2)           |
| Net proceeds/(acquisition) of other assets   | 84.3             | 0.1              | 85.8             | 0.2              |
| <b>Cash flow used in investing activities</b>  | <b>(647.4)</b>   | <b>(839.2)</b>   | <b>(1,970.8)</b> | <b>(4,521.2)</b> |
| Proceeds/(repurchase) of shares  | (12.0)           | 1.5              | (44.7)           | (3.1)            |
| Proceeds from borrowings   | 194.4            | 1,511.4          | 2,788.7          | 2,414.6          |
| Repayment of borrowings  | (1,665.9)        | (876.8)          | (4,609.0)        | (1,412.3)        |
| Cash net finance costs other than interests  | 165.7            | (731.1)          | (552.4)          | (2,668.1)        |
| Payment of finance lease liabilities   | (2.3)            | (0.6)            | (6.8)            | (2.2)            |
| Dividends and interest on shareholders' equity paid  | (2,649.8)        | (2,159.8)        | (3,864.8)        | (4,345.8)        |
| <b>Cash flow used in financing activities</b>  | <b>(3,969.9)</b> | <b>(2,255.5)</b> | <b>(6,289.0)</b> | <b>(6,016.9)</b> |
| <b>Net increase/(decrease) in Cash and cash equivalents</b>  | <b>(53.3)</b>    | <b>1,449.9</b>   | <b>713.3</b>     | <b>(6,126.5)</b> |
| <b>Cash and cash equivalents less bank overdrafts at beginning of period</b>                       | <b>8,730.3</b>   | <b>5,552.3</b>   | <b>7,876.8</b>   | <b>13,617.6</b>  |
| <b>Effect of exchange rate fluctuations</b>  | <b>(336.2)</b>   | <b>52.8</b>      | <b>(249.4)</b>   | <b>(436.2)</b>   |
| <b>Cash and cash equivalents less bank overdrafts at end of period</b>                             | <b>8,340.7</b>   | <b>7,055.0</b>   | <b>8,340.7</b>   | <b>7,055.0</b>   |