

ANHEUSER-BUSCH COMPANIES, INC.

Form PRER14A

October 02, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 2  
to  
SCHEDULE 14A**

**Proxy Statement Pursuant To Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed By a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**ANHEUSER-BUSCH COMPANIES, INC.**  
**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the Appropriate Box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - 1) Title of each class of securities to which transaction applies:
  - 2) Aggregate number of securities to which transaction applies:
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  - 4) Proposed maximum aggregate value of transaction:
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- Fee paid previously with preliminary materials.
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- 1) Amount Previously Paid:
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  - 3) Filing Party:
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-

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**Preliminary Proxy Statement Subject to Completion, dated October 2, 2008**

**Anheuser-Busch Companies, Inc.  
One Busch Place  
St. Louis, Missouri 63118**

, 2008

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of stockholders of Anheuser-Busch Companies, Inc. to be held on , 2008 at at local time.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 13, 2008, by and among Anheuser-Busch Companies, Inc., InBev N.V./S.A. and InBev's indirect, wholly-owned subsidiary, Pestalozzi Acquisition Corp. Under the terms of the merger agreement, Pestalozzi Acquisition Corp. will merge with and into Anheuser-Busch, with Anheuser-Busch continuing as the surviving corporation following the merger. If the merger agreement is adopted and the merger is completed, you will be entitled to receive \$70.00 in cash, without interest and less any applicable withholding tax, for each share of Anheuser-Busch common stock that you own as of the effective time of the merger.

After careful consideration, our board of directors has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair to, and in the best interests of, Anheuser-Busch and its stockholders. **Therefore, our board of directors has unanimously approved the merger agreement and unanimously recommends that you vote FOR the adoption of the merger agreement.**

**Your vote is very important, regardless of the number of shares you own.** We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the outstanding shares of our common stock. **The failure of any stockholder to vote on the proposal to adopt the merger agreement will have the same effect as a vote AGAINST the adoption of the merger agreement.**

Our board of directors considered a number of factors in evaluating the transaction and also consulted with its financial advisors and outside legal counsel. The attached proxy statement contains a detailed discussion of the background of, and reasons for, the merger, as well as the terms of the merger agreement. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the entire proxy statement carefully and in its entirety. You may also obtain more information about Anheuser-Busch from documents we have filed with the Securities and Exchange Commission.

Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope, or submit your proxy by telephone or the Internet. If you have Internet access, we encourage you to vote via the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

On behalf of your board of directors, thank you for your continued support.

Sincerely,

Patrick T. Stokes  
*Chairman of the Board*

August A. Busch IV  
*President and Chief Executive Officer*

The proxy statement is dated     , 2008, and is first being mailed to stockholders on or about     , 2008.

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**Preliminary Proxy Statement Subject to Completion, dated October 2, 2008**

**Anheuser-Busch Companies, Inc.  
One Busch Place  
St. Louis, Missouri 63118**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To Be Held On \_\_\_\_\_, 2008**

To the Stockholders of Anheuser-Busch Companies, Inc.:

A special meeting of stockholders of Anheuser-Busch Companies, Inc., a Delaware corporation ( "Anheuser-Busch" ), will be held on \_\_\_\_\_, 2008, at \_\_\_\_\_ at local time, for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of July 13, 2008 (the "Merger Agreement" ), by and among Anheuser-Busch, InBev N.V./S.A., a public company organized under the laws of Belgium ( "InBev" ), and Pestalozzi Acquisition Corp., a Delaware corporation and an indirect wholly owned subsidiary of InBev ( "Merger Sub" ). A copy of the Merger Agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms and subject to the conditions of the Merger Agreement, among other things, (a) Merger Sub will merge with and into Anheuser-Busch, with Anheuser-Busch being the surviving corporation (the "Merger" ), and (b) each outstanding share of Anheuser-Busch's common stock, par value \$1.00 per share (other than shares owned by InBev, Merger Sub or any direct or indirect wholly owned subsidiary of InBev or shares owned by Anheuser-Busch or any direct or indirect wholly owned subsidiary of Anheuser-Busch, in each case not held on behalf of third parties, and shares held by stockholders who have perfected and not withdrawn a demand for statutory appraisal rights, if any), will be converted into the right to receive \$70.00 in cash, without interest and less any applicable withholding tax, as more fully described in the accompanying proxy statement.
2. To consider and vote on any proposal to adjourn the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting.
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Our board of directors has specified October 3, 2008, at the close of business, as the record date for the purpose of determining the stockholders who are entitled to receive notice of, and to vote at, the special meeting. Only stockholders of record at the close of business on the record date are entitled to notice of and to vote at the special meeting.

**The adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Anheuser-Busch's common stock, and the approval of the proposal to adjourn the special meeting requires the affirmative vote of the holders of a majority of the votes cast that are entitled to vote at the special meeting, assuming a quorum is present.** Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares will be represented at the special meeting if you are unable to attend. If you have Internet access, we encourage you to vote via the Internet. If you fail to return your proxy card or do not submit your proxy by phone or the Internet and you fail to attend the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the meeting. The failure of any stockholder to

vote on the proposal to adopt the Merger Agreement will have the same effect as a vote against the adoption of the Merger Agreement but will not affect the outcome of any vote regarding the adjournment proposal. If you are a stockholder of record, voting in person at the special meeting will revoke any proxy previously submitted. If you hold your shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the special meeting.

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Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives) holding admission tickets or other evidence of ownership. The admission ticket is detachable from your proxy card. If your shares are held by a bank or broker, please bring to the special meeting your statement evidencing your beneficial ownership of common stock. All stockholders should also bring photo identification.

**After careful consideration, our board of directors has unanimously determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, are advisable and fair to, and in the best interests of, Anheuser-Busch and Anheuser-Busch's stockholders. Our board of directors has unanimously approved the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE MERGER AGREEMENT AND FOR THE PROPOSAL TO ADJOURN THE SPECIAL MEETING TO A LATER DATE, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IN FAVOR OF THE PROPOSAL TO ADOPT THE MERGER AGREEMENT IF THERE ARE INSUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO ADOPT THE MERGER AGREEMENT.**

**Your vote is important. Properly executed proxy cards with no instructions indicated on the proxy card will be voted FOR the adoption of the Merger Agreement and FOR the proposal to adjourn the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting. Whether or not you plan to attend the special meeting, please complete, sign and date the accompanying proxy card and return it in the enclosed prepaid envelope, or you may submit your proxy by telephone or the Internet by following the instructions printed on your proxy card. If you attend the special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your failure to vote in person at the special meeting or to submit a signed proxy card will have the same effect as a vote AGAINST the adoption of the Merger Agreement. Your prompt cooperation is greatly appreciated.**

Stockholders of Anheuser-Busch who do not vote in favor of the adoption of the Merger Agreement will have the right to seek appraisal of the fair value of their shares if the Merger is completed, but only if they submit a written demand for appraisal to Anheuser-Busch before the vote is taken on the Merger Agreement and they comply with all requirements of Delaware law, which are summarized in the accompanying proxy statement beginning on page 78 and which are set forth as Annex D to the proxy statement.

By Order of the Board of Directors,

JoBeth G. Brown  
*Vice President and Secretary*  
St. Louis, Missouri  
, 2008

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**SUMMARY TERM SHEET**

*The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. See *Where You Can Find More Information* beginning on page 81. References to *Anheuser-Busch, the Company, we, our or us* in this proxy statement refer to Anheuser-Busch Companies, Inc. and its subsidiaries, and references to *the board or the board of directors* refer to the board of directors of Anheuser-Busch Companies, Inc., unless, in each case, otherwise indicated or the context otherwise requires.*

**The Parties to the Merger (Page 16)**

***Anheuser-Busch Companies, Inc.***

Anheuser-Busch Companies, Inc. is a Delaware corporation that was organized in 1979 as the holding company of Anheuser-Busch, Incorporated (ABI), a Missouri corporation whose origins date back to 1875. ABI is the nation's largest brewer of beer and other malt beverages and produces and distributes beer under many brand names, including Budweiser and Bud Light. Anheuser-Busch holds a direct and indirect 50.2% economic interest in Diblo, S.A. de C.V. (the operating subsidiary of Grupo Modelo, S.A.B. de C.V., Mexico's leading brewer of beer, whose brand names include Corona and Negra Modelo). Anheuser-Busch is also the parent corporation of a number of subsidiaries that conduct various other business operations, including one of the largest theme park operators in the United States, a major manufacturer of aluminum cans and the largest recycler of aluminum beverage containers in the United States. Our common stock is listed on the New York Stock Exchange under the symbol **BUD**.

***InBev N.V./S.A.***

InBev N.V./S.A. (InBev) is a public company organized under the laws of Belgium with its principal executive offices located at Brouwerijplein 1, 3000 Leuven, Belgium. InBev manages a segmented portfolio of more than 200 brands. This includes beers with global reach like Stella Artois® and Beck's®, fast growing multicountry brands like Leffe® and Hoegaarden®, and many consumer-loved local champions like San Miguel®/Quilmes®, Sibirskaia Korona®, Chernigivskaia®, Sedrin®, Cass® and Jupiler®. InBev employs close to 89,000 people, running operations in over 30 countries across the Americas, Europe and Asia Pacific. In 2007, InBev realized 14.4 billion euro of revenue.

***Pestalozzi Acquisition Corp.***

Pestalozzi Acquisition Corp., a Delaware corporation (Merger Sub), is an indirect wholly owned subsidiary of InBev. Merger Sub was formed exclusively for the purpose of effecting the transactions described in this proxy statement.

**The Merger (Page 20)**

The Agreement and Plan of Merger, dated as of July 13, 2008 (the Merger Agreement), provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Anheuser-Busch (the Merger). Anheuser-Busch will be the surviving corporation in the Merger and will continue to do business as Anheuser-Busch Companies, Inc. following the Merger. In the Merger, each outstanding share of Anheuser-Busch common stock (other than shares owned by InBev, Merger Sub or any direct or indirect wholly owned subsidiary of InBev or shares owned by Anheuser-Busch or any direct or indirect wholly owned subsidiary of

Anheuser-Busch, in each case not held on behalf of third parties, and shares held by stockholders who have properly demanded statutory appraisal rights, if any ( dissenting shares ) will be converted into the right to receive \$70.00 in cash, without interest and less any applicable withholding tax. We sometimes refer to such amount in this proxy statement as the merger consideration.

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### **Effects of the Merger (Page 58)**

If the Merger is completed, you will be entitled to receive \$70.00 in cash, without interest and less any applicable withholding taxes, for each share of our common stock owned by you, unless you have perfected your statutory dissenter's rights of appraisal under Delaware law with respect to the Merger. As a result of the Merger, Anheuser-Busch will cease to be an independent, publicly traded company and will become an indirect wholly owned subsidiary of InBev. You will not own any shares of the surviving corporation following the Merger.

### **Treatment of Options and Other Awards (Page 59)**

*Restricted Stock.* All outstanding shares of restricted stock and deferred stock units will vest in accordance with their terms upon adoption by stockholders of the Merger Agreement or upon the effective time of the Merger, as applicable. At the effective time of the Merger, all outstanding shares of restricted stock and deferred stock units will be cancelled in exchange for the same merger consideration as the outstanding shares of common stock in the Merger.

*Stock Options.* Upon adoption by stockholders of the Merger Agreement or upon the effective time of the Merger, as applicable, each outstanding option to acquire our common stock under our equity incentive plans, will become fully vested. At the effective time of the Merger, each stock option will be cancelled and converted into the right to receive a cash payment equal to the number of shares of our common stock underlying the option multiplied by the amount by which \$70.00 exceeds the exercise price of such option, without interest and less any applicable withholding taxes.

### **The Special Meeting (Page 17)**

*Date, Time and Place.* The special meeting will be held on \_\_\_\_\_, 2008 at \_\_\_\_\_, at \_\_\_\_\_ local time.

*Purpose.* You will be asked to consider and vote upon (1) the adoption of the Merger Agreement, pursuant to which Merger Sub will merge with and into Anheuser-Busch, (2) the adjournment of the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the meeting and (3) the transaction of such other business as may properly come before the special meeting or any adjournment or postponement thereof.

*Record Date and Quorum.* You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on October 3, 2008, the record date for the special meeting. You will have one vote for each share of our common stock that you owned on the record date. As of the record date, there were \_\_\_\_\_ shares of our common stock issued and outstanding and entitled to vote. A majority of the shares of our common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals.

*Vote Required.* The adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting. Approval of any proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of the holders of a majority of the votes cast that are entitled to vote at the special meeting, assuming a quorum is present.

*Common Stock Ownership of Directors and Executive Officers.* As of August 31, 2008, the directors and executive officers of Anheuser-Busch held in the aggregate approximately 4.22% of the shares of our common stock entitled to vote at the special meeting. Anheuser-Busch expects that its directors and executive officers will vote all of their

shares of common stock FOR the adoption of the Merger Agreement.

*Voting and Proxies.* Any stockholder of record entitled to vote at the special meeting may submit a proxy by telephone, the Internet, by returning the enclosed proxy card by mail, or by voting in person by appearing at the special meeting. If your shares of our common stock are held in street name by your

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broker, you should instruct your broker on how to vote such shares of common stock using the instructions provided by your broker. If you do not provide your broker with instructions, your shares of our common stock will not be voted, which will have the same effect as a vote AGAINST the adoption of the Merger Agreement. The persons named in the accompanying proxy will also have discretionary authority to vote on any adjournments or postponements of the special meeting.

*Revocability of Proxy.* Any stockholder of record who executes and returns a proxy card (or submits a proxy via telephone or the Internet) may revoke the proxy at any time before it is voted at the special meeting in any one of the following ways:

if you hold your shares in your name as a stockholder of record, by written notice to our Vice President and Secretary, at One Busch Place, St. Louis, Missouri 63118;

by attending the special meeting and voting in person (your attendance at the special meeting will not, by itself, revoke your proxy; you must vote in person at the special meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting a second time by telephone or Internet; or

if you have instructed a broker, bank or other nominee to vote your shares of our common stock, by following the directions received from your broker, bank or other nominee to change those instructions.

## **Recommendation of Our Board of Directors (Page 25)**

*Board of Directors.* The board of directors unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are advisable and fair to, and in the best interests of, Anheuser-Busch and its stockholders, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and (iii) resolved to recommend that the stockholders adopt the Merger Agreement, and directed that such matter be submitted for consideration of the stockholders of Anheuser-Busch at the special meeting. The board of directors unanimously recommends that our stockholders vote FOR the adoption of the Merger Agreement and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.

## **Interests of Anheuser-Busch's Directors and Executive Officers in the Merger (Page 44)**

In considering the recommendation of the board of directors, you should be aware that our directors and executive officers may have interests in the Merger that are different from, or in addition to, your interests as a stockholder, and that may present actual or potential conflicts of interest. Such interests include (i) payment of pro-rata bonuses for the current performance period, (ii) payment of integration bonuses and/or enhanced severance payments and benefits upon a qualifying termination of employment and (iii) the accelerated vesting of specified equity awards and the accelerated payment of deferred compensation and/or nonqualified retirement arrangements.

In addition, InBev has agreed in the Merger Agreement (i) to appoint two current or former directors of Anheuser-Busch (one of whom will be August Busch IV) to the InBev board of directors for a three-year term following the Merger and (ii) to provide Anheuser-Busch's directors and officers with certain rights to indemnification and insurance.

InBev has negotiated the terms of a consulting agreement with August Busch IV. InBev may also seek to enter into other arrangements with one or more of Anheuser-Busch's executive officers regarding their ongoing employment



with Anheuser-Busch.

**Opinion of Goldman, Sachs & Co. (Page 30)**

Goldman Sachs delivered its opinion to Anheuser-Busch's board of directors that, as of July 13, 2008 and based upon and subject to the factors and assumptions set forth therein, the merger consideration of \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders (other than InBev and its direct

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and indirectly owned subsidiaries) of shares of Anheuser-Busch common stock pursuant to the Merger Agreement was fair from a financial point of view to such holders.

**The full text of the written opinion of Goldman Sachs, dated July 13, 2008, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement. Goldman Sachs provided its advisory services and its opinion for the information and assistance of our board of directors in connection with its consideration of the transactions contemplated by the Merger Agreement. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of our common stock should vote with respect to the Merger or any other matter. Pursuant to an engagement letter between Anheuser-Busch and Goldman Sachs, Anheuser-Busch has agreed to pay Goldman Sachs fees of approximately \$40 million for its services in connection with the Merger, \$10 million of which was paid after execution of the merger agreement. If the merger agreement had not been signed and InBev had instead withdrawn its proposal to purchase Anheuser-Busch, Anheuser-Busch would have been required to pay Goldman Sachs a fee of as much as \$30 million, depending on the date on which InBev had withdrawn its proposal.**

### **Opinion of Citigroup Global Markets Inc. (Page 37)**

Citigroup Global Markets Inc. ( Citi ) delivered its opinion to our board of directors that, as of July 13, 2008 and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be received by the holders of shares of our common stock pursuant to the Merger Agreement was fair from a financial point of view to such holders.

**The full text of Citi s written opinion, dated July 13, 2008, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this proxy statement as Annex C and is incorporated into this proxy statement by reference. Citi s opinion was provided to Anheuser-Busch s board of directors in connection with its evaluation of the merger consideration from a financial point of view. Citi s opinion does not address any other aspects or implications of the Merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed Merger. Anheuser-Busch has agreed to pay Citi for its financial advisory services in connection with the Merger a quarterly fee of \$500,000, during the term of Citi s engagement, not to exceed \$2 million, and an additional fee of \$30 million, payable upon the consummation of the Merger.**

### **Financing (Page 43)**

InBev and Merger Sub have estimated that the total amount of funds necessary to consummate the Merger and related transactions will be approximately \$54.8 billion, including (i) the financing of the Merger, including payment of related transaction charges, fees and expenses, and (ii) certain fees and expenses and accrued but unpaid interest on Anheuser-Busch s outstanding indebtedness. InBev has said it intends to fund the transaction with new credit facilities and equity financing. Funding of the equity and debt financing is subject to the satisfaction of the conditions set forth in the facilities under which the financing will be provided. Consummation of the Merger is not conditioned on the funding of InBev s financing or on InBev obtaining financing.

In connection with an anticipated transaction with Anheuser-Busch, InBev entered into the following definitive financing arrangements, copies of which have been provided to us:

US\$45,000,000,000 Senior Facilities Agreement, dated as of July 12, 2008, as amended as of July 23, 2008, August 21, 2008 and September 3, 2008, for InBev and InBev Worldwide S.A.R.L., arranged by Banco Santander, S.A., Barclays Capital, BNP Paribas, Deutsche Bank AG, London Branch, Fortis Bank SA/NV,

ING Bank N.V., J.P. Morgan PLC, Mizuho Corporate Bank, LTD., the Bank of Tokyo-Mitsubishi UFJ, LTD. and The Royal Bank of Scotland PLC, as Mandated Lead Arrangers and Bookrunners, and Fortis Bank SA/NV, acting as Agent and Issuing Bank.

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US\$5,600,000,000 Bridge Facility Agreement, dated as of July 12, 2008, as amended and increased to US\$9,800,000,000 as of July 23, 2008, for InBev, and as further amended on September 3, 2008, arranged by Banco Santander, S.A., BNP Paribas, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank N.V., J.P. Morgan PLC and The Royal Bank of Scotland PLC, as Mandated Lead Arrangers and Fortis Bank SA/NV, acting as Agent.

### **Regulatory Approvals (Page 53)**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ), and the rules promulgated thereunder by the Federal Trade Commission ( FTC ), the Merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice ( DOJ ), and the applicable waiting period has expired or been terminated. InBev filed on July 15, 2008, and Anheuser-Busch filed on July 18, 2008, notification and report forms under the HSR Act with the FTC and the Antitrust Division of the DOJ. On August 18, 2008, Anheuser-Busch and InBev received a request for additional information, commonly referred to as a second request, from the Antitrust Division of the DOJ under the HSR Act. The effect of the second request is to extend the waiting period imposed by the HSR Act, and the applicable waiting period has not yet expired or been terminated.

The Merger is also subject to, and the parties' obligations to complete the Merger are conditioned on, approval by governmental authorities in other jurisdictions under the antitrust/competition laws of those jurisdictions. The competition filing required in Brazil was filed by the parties on August 1, 2008 and an unconditional clearance decision was issued by the Brazilian Antitrust Commission on September 17, 2008. The competition filing required in Germany was filed by the parties on August 7, 2008 and an unconditional clearance decision was issued by the Federal Cartel Office on August 20, 2008. The competition filing required in Mexico was filed by the parties on September 17, 2008. On August 12, 2008, InBev and Anheuser-Busch filed requests for waivers of the obligation to file the competition filings in Bosnia and Herzegovina, Montenegro and Serbia, in each case with the applicable antitrust/competition authorities. An unconditional clearance decision was issued by the Serbian authority on September 16, 2008. Anheuser-Busch and InBev are currently preparing the competition filings required by the National Commission for Competition Defense in Argentina, the Ministry of Commerce in China, the Office of Fair Trading in the United Kingdom and the Antitrust Commission in Uruguay, in each case under the applicable antitrust/competition laws of those jurisdictions.

We cannot assure you that an antitrust or other regulatory challenge to the Merger will not be made. If a challenge is made, we cannot predict the result. These filings and approvals are more fully described in The Merger Regulatory Approvals beginning on page 53 of this proxy statement. For a more detailed discussion of the requirements regarding regulatory matters under the Merger Agreement, please see The Merger Agreement Agreements to Take Further Action and to Use Reasonable Best Efforts beginning on page 64 of this proxy statement.

### **Material United States Federal Income Tax Consequences (Page 52)**

The exchange of shares of our common stock for cash pursuant to the Merger Agreement generally will be a taxable transaction to U.S. stockholders for U.S. federal income tax purposes. U.S. stockholders who exchange their shares of our common stock in the Merger will generally recognize gain or loss in an amount equal to the difference, if any, between the cash received in the Merger and their adjusted tax basis in their shares of our common stock. You should consult your tax advisor for a complete analysis of the effect of the Merger on your federal, state and local and/or foreign taxes.

### **Conditions to the Merger (Page 68)**

*Conditions to Each Party's Obligations.* Each party's obligation to complete the Merger is subject to the satisfaction or waiver of the following conditions:

the Merger Agreement must have been adopted by (i) the affirmative vote of the holders of a majority of the outstanding shares of our common stock and (ii) the approval by 75% of the ordinary shares of

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InBev present in person or by proxy at an extraordinary shareholders meeting of InBev (certain of InBev's shareholders have committed to vote in favor of the Merger; see Voting Agreement of Stichting InBev AK on page 7 below). InBev shareholders approved the acquisition of Anheuser-Busch by InBev at InBev's extraordinary shareholders meeting on September 29, 2008.

no governmental entity shall have enacted, issued, promulgated, enforced or entered any law or order that is in effect and restrains, enjoins or otherwise prohibits the Merger or the transactions contemplated by the Merger Agreement; and

the applicable waiting period (and any extension thereof) under the HSR Act shall have expired or been terminated, and approvals and authorizations required from other applicable governmental authorities shall have been obtained without the imposition of detriments exceeding an agreed-upon level.

*Conditions to InBev's and Merger Sub's Obligations.* The obligation of InBev and Merger Sub to complete the Merger is subject to the satisfaction or waiver of the following additional conditions:

our representations and warranties must be true and correct, subject to certain materiality thresholds;

we must have performed in all material respects all obligations required to be performed by us under the Merger Agreement at or prior to the closing date;

since the date of the Merger Agreement, there must not have been any change, event, circumstance or development that has had, or is reasonably likely to have, a Material Adverse Effect (as defined in the Merger Agreement); and

we must deliver to InBev and Merger Sub at closing a certificate with respect to the satisfaction of the foregoing conditions relating to representations, warranties and obligations.

Consummation of the Merger is not conditioned on InBev's obtaining financing.

*Conditions to Anheuser-Busch's Obligations.* Our obligation to complete the Merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties made by InBev and Merger Sub must be true and correct, subject to certain materiality thresholds;

InBev and Merger Sub must have performed in all material respects all obligations required to be performed by them under the Merger Agreement at or prior to the closing date; and

InBev must deliver to us at closing a certificate with respect to the satisfaction of the foregoing conditions relating to representations, warranties and obligations.

**Post-Closing Agreements of InBev (Page 66)**

InBev has agreed that, following the effective time of the Merger:

Anheuser-Busch's current headquarters in St. Louis, Missouri will be the surviving corporation's headquarters, InBev's headquarters for North America (excluding Cuba) and the global home of the flagship Budweiser brand;

InBev's name will be Anheuser-Busch InBev N.V./S.A. ;

InBev, after consultation with Anheuser-Busch's board of directors, will nominate and cause to be elected two current or former directors of Anheuser-Busch (one of whom will be August Busch IV) to the board of directors of InBev, and each such director shall be confirmed for a three-year term at InBev's next annual general meeting of shareholders;

InBev will preserve Anheuser-Busch's heritage and continue to support philanthropic and charitable causes in St. Louis and other communities in which Anheuser-Busch operates, including Grant's Farm and the Clydesdales operations; and

Anheuser-Busch will honor its obligations relating to Busch Stadium.

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InBev has made a good faith commitment that it will not close any of Anheuser-Busch's current 12 breweries located in the United States, provided there are no new or increased federal or state excise taxes or other unforeseen extraordinary events which negatively impact Anheuser-Busch's business.

InBev has also reaffirmed its commitment to the three-tier distribution system in the United States and has agreed to work with Anheuser-Busch's existing wholesaler panel to strengthen the relationship between the surviving corporation and its wholesalers.

### **Voting Agreement of Stichting InBev AK (Page 73)**

The adoption of the Merger Agreement by InBev requires the affirmative vote of the holders of 75% of the ordinary shares of InBev common stock present in person or by proxy at an extraordinary shareholders' meeting of InBev. Stichting InBev AK, InBev's controlling shareholder, has entered into a voting agreement with Anheuser-Busch whereby it has agreed to vote shares held by it, representing approximately 52.2% of InBev's outstanding shares, and to cause other entities bound to act in concert with it, representing approximately 11.2% of InBev's outstanding shares, to vote, in favor of a resolution approving the Merger. InBev shareholders approved the acquisition of Anheuser-Busch by InBev at InBev's extraordinary shareholders' meeting on September 29, 2008.

### **No Solicitation of Other Offers (Page 66)**

Subject to certain exceptions, the Merger Agreement provides that Anheuser-Busch and its subsidiaries and their respective directors and officers shall not, and Anheuser-Busch shall use its reasonable best efforts to instruct and cause its and its subsidiaries' employees, investment bankers, attorneys, accountants and other advisors or representatives not to, directly or indirectly, initiate, solicit or knowingly encourage any inquiries or the making of any proposal that constitutes or could reasonably be expected to lead to, any acquisition proposal (as defined in the Merger Agreement), engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide any non-public information or data to any person relating to, any acquisition proposal, or otherwise knowingly facilitate any effort or attempt to make an acquisition proposal.

### **Restrictions on Recommendation Withdrawal (Page 67)**

The Merger Agreement generally restricts the ability of our board of directors to withhold, withdraw, qualify or modify its recommendation that Anheuser-Busch stockholders adopt the Merger Agreement. However, if Anheuser-Busch's board of directors determines in good faith (after consultation with its outside legal counsel) that the failure to withhold, withdraw, qualify or modify this recommendation would be inconsistent with its fiduciary duties under applicable law, then Anheuser-Busch's board of directors may, subject to certain notice requirements, withhold, withdraw, qualify or modify this recommendation.

### **Termination of the Merger Agreement (Page 69)**

The Merger Agreement may be terminated at any time prior to the consummation of the Merger, whether before or after stockholder approval has been obtained:

by mutual written consent of Anheuser-Busch and InBev;

by either Anheuser-Busch or InBev (provided the party seeking to terminate the Merger Agreement has not breached in any material respect its obligations under the Merger Agreement in any manner that shall have resulted in the failure of a condition to the consummation of the Merger) if:



the Merger is not completed on or before March 19, 2009 (the Termination Date );

our stockholders do not adopt the Merger Agreement at the special meeting or any adjournment or postponement thereof;

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a resolution approving the Merger shall not have been obtained at InBev's extraordinary shareholders meeting (however, InBev shareholders approved the acquisition of Anheuser-Busch by InBev at InBev's extraordinary shareholders meeting on September 29, 2008); or

there is any final and non-appealable action that permanently restrains, enjoins or otherwise prohibits the Merger.

by Anheuser-Busch, if:

prior to obtaining Anheuser-Busch stockholder approval, our board of directors authorizes Anheuser-Busch to enter into an agreement with respect to a superior proposal (as defined in the Merger Agreement), we notify InBev of our intent to enter into such agreement, we wait at least 72 hours after giving such notice to InBev, our board determines that such superior proposal remains a superior proposal (taking into account any revised proposal made by InBev) and we pay a termination fee to InBev concurrently with entering into such other agreement;

InBev or Merger Sub has breached any representation, warranty, covenant or agreement made by them in the Merger Agreement, or any such representation or warranty made by either of them shall have become untrue, such that certain conditions to closing would not be satisfied and such breach or condition is not curable, or if curable, is not cured, within the earlier of 30 days after written notice of such breach or the Termination Date; or

all of the conditions to the obligations of InBev and Merger Sub have been satisfied and InBev and/or Merger Sub fails to consummate the Merger within 30 days after satisfaction of such conditions.

by InBev, if:

our board of directors withholds, withdraws, qualifies or modifies its recommendation that our stockholders adopt the Merger Agreement;

following the receipt of an acquisition proposal, our board of directors fails to reaffirm its approval or recommendation of the Merger Agreement as promptly as practicable after a reasonable written request from InBev;

following the public announcement of a tender offer or exchange offer for outstanding Anheuser-Busch common stock, our board fails to recommend against such tender offer or exchange offer; or

we have breached any representation, warranty, covenant or agreement made by us in the Merger Agreement, or any such representation or warranty made by us shall have become untrue, such that certain conditions to closing would not be satisfied and such breach or condition is not curable, or if curable, is not cured, within the earlier of 30 days after written notice of such breach or the Termination Date.

**Termination Fee (Page 70)**

We have agreed to pay InBev a termination fee of \$1,250,000,000 if:

we terminate the Merger Agreement in order to enter into an agreement with respect to a superior proposal;

InBev exercises its right to terminate the Merger Agreement in certain circumstances involving a withdrawal, qualification or modification of, or failure to reaffirm, our board's recommendation of the Merger, or an uncured breach of the Merger Agreement; or

we or InBev terminate the Merger Agreement because the Merger is not consummated by March 19, 2009, or because our stockholders fail to adopt the Merger Agreement at the special meeting and (x) at the time of such termination, a third party shall have made an acquisition proposal which shall not have been publicly withdrawn within a specified time period prior to such termination and (y) we enter into,

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approve or consummate, a transaction contemplated by any third party acquisition proposal within 12 months of the termination of the Merger Agreement.

If Anheuser-Busch pays a termination fee to InBev, such termination fee shall be InBev's and Merger Subsidiary's sole and exclusive remedy for monetary damages under the Merger Agreement.

### **Specific Performance (Page 71)**

In addition to any other remedy that may be available to a party, each of the parties is specifically authorized to obtain an order of specific performance to enforce performance of any covenant or obligation under the Merger Agreement or injunctive relief to restrain any breach or threatened breach, including, in the case of Anheuser-Busch, to cause InBev to seek to enforce the terms of its financing with its lenders and to cause InBev to consummate the Merger.

### **Appraisal Rights (Page 78)**

Under Delaware law, holders of our common stock who follow certain specified procedures and who do not vote in favor of adopting the Merger Agreement will have the right to seek appraisal of the fair value of their shares of our common stock as determined by the Delaware Court of Chancery if the Merger is completed, but only if they comply with all requirements of Delaware law (including Section 262 of the DGCL, the text of which can be found in Annex D of this proxy statement), which are summarized in this proxy statement. This appraisal amount could be more than, the same as or less than the merger consideration. Any holder of our common stock intending to exercise appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption of the Merger Agreement and must not vote or otherwise submit a proxy in favor of adoption of the Merger Agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your ability to seek and obtain appraisal rights.

### **Market Price of Common Stock (Page 75)**

The closing sale price of our common stock on the New York Stock Exchange (the "NYSE") on May 22, 2008, the last trading day before the initial market rumors surrounding a potential proposal by InBev to purchase Anheuser-Busch was \$52.58. The closing sale price of our common stock on the NYSE on June 10, 2008, the last trading day before the announcement by InBev of its proposal to purchase Anheuser-Busch was \$57.15. The closing sale price of our common stock on the NYSE on July 11, 2008, the last trading day prior to the announcement of the Merger, was \$66.50. On \_\_\_\_\_, 2008, the last trading day before the date of this proxy statement, our common stock closed at \$ \_\_\_\_\_ per share.

### **Fees and Expenses (Page 73)**

Whether or not the Merger is consummated, all costs and expenses incurred in connection with the Merger Agreement and the Merger and the other transactions contemplated by the Merger Agreement will be paid by the party incurring such expense, except that (i) InBev will reimburse Anheuser-Busch for charges and expenses incurred by Anheuser-Busch in connection with its cooperation with InBev in InBev's efforts to obtain financing, and (ii) the party paying a termination fee under the terms of the Merger Agreement will reimburse the other party for charges and expenses incurred in connection with any suit brought to enforce payment of the termination fee.

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER**

*The following questions and answers are intended to address briefly some commonly asked questions regarding the Merger, the Merger Agreement and the special meeting. These questions and answers may not address all questions that may be important to you as an Anheuser-Busch stockholder. Please refer to the Summary Term Sheet and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. See Where You Can Find More Information beginning on page 81.*

**Q. What am I being asked to vote on?**

A. You are being asked to adopt a Merger Agreement that provides for the acquisition of Anheuser-Busch by InBev. Once the Merger Agreement has been adopted by our stockholders and other closing conditions under the Merger Agreement have been satisfied or waived, Merger Sub, an indirect wholly-owned subsidiary of InBev, will merge with and into Anheuser-Busch. Anheuser-Busch will be the surviving corporation in the Merger and will become an indirect wholly-owned subsidiary of InBev. You are also being asked to vote to adjourn the special meeting to a later date if necessary or appropriate to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting. This proxy statement contains important information about the proposed acquisition and the special meeting of stockholders and you should read this proxy statement carefully and in its entirety.

**Q. What will I receive in the Merger?**

A. Upon completion of the Merger, you will be entitled to receive \$70.00 in cash, without interest and less any applicable withholding tax, for each share of our common stock that you own at the effective time of the Merger, unless you have perfected your appraisal rights with respect to the Merger. For example, if you own 100 shares of our common stock at the effective time of the Merger, you will receive \$7,000 in cash in exchange for your shares of our common stock, less any applicable withholding tax. You will not own any shares in Anheuser-Busch or the surviving corporation following the Merger.

**Q. When and where is the special meeting?**

A. The special meeting of stockholders of Anheuser-Busch will be held on \_\_\_\_\_, 2008, at \_\_\_\_\_, at \_\_\_\_\_ local time.

**Q. Who is entitled to vote at the special meeting?**

A. Only stockholders of Anheuser-Busch as of the close of business on October 3, 2008, the record date for the special meeting of stockholders, are entitled to receive notice of the special meeting and to vote the shares of Anheuser-Busch common stock that they held at that time at the special meeting, or at any adjournment or postponement of the special meeting.

**Q. Who is entitled to attend the special meeting?**

A. Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives) holding admission tickets or other evidence of ownership. The admission ticket is detachable from your proxy card. If your shares are held by a bank or broker, please bring to the special meeting your statement evidencing your beneficial ownership of common stock. All stockholders

should also bring photo identification.

**Q. What vote is required for Anheuser-Busch s stockholders to adopt the Merger Agreement?**

- A. An affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to adopt the Merger Agreement. As of the close of business on October 3, 2008, the record date for the special meeting, there were            shares of Anheuser-Busch common stock issued and outstanding.

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**Q. What vote of our stockholders is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies?**

A. The proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of the holders of a majority of the votes cast that are entitled to vote at the special meeting, assuming a quorum is present.

**Q. How does Anheuser-Busch's board of directors recommend that I vote?**

A. **The board of directors, after careful consideration of a variety of factors described in this proxy statement, unanimously recommends that you vote FOR the proposal to adopt the Merger Agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting.** You should read "The Merger - Reasons for the Merger; Recommendation of our Board of Directors" beginning on page 25 of this proxy statement for a discussion of the factors that the board of directors considered in deciding to recommend the adoption of the Merger Agreement.

**Q. How will InBev finance the Merger?**

A. InBev has entered into binding senior debt and bridge financing facilities with its lender group prior to the time it entered into the Merger Agreement. The proceeds of such facilities, together with other commitments of InBev and cash on hand of InBev and Anheuser-Busch, will be sufficient for InBev to make all payments contemplated to be paid in connection with the consummation of the Merger and the other transactions contemplated by the Merger Agreement, and to pay all related fees and expenses. The Merger is not conditioned upon the funding by InBev's lenders of the senior debt and bridge financing facilities or otherwise upon InBev's ability to obtain financing.

**Q. What happens if the Merger is not consummated?**

A. If the Merger Agreement is not adopted by our stockholders, or if the Merger is not consummated for any other reason, stockholders will not receive any payment for their shares in connection with the Merger. Instead, Anheuser-Busch will remain an independent public company and our common stock will continue to be listed and traded on the NYSE. Under specified circumstances, Anheuser-Busch may be required to pay InBev the termination fee described under the caption "The Merger Agreement - Termination Fees" beginning on page 70 of this proxy statement.

**Q. What do I need to do now?**

A. We urge you to carefully read this proxy statement, including its annexes, and to consider how the Merger affects you. Even if you plan to attend the special meeting, if you hold your shares in your own name as the stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card; using the telephone number printed on your proxy card; or using the Internet voting instructions printed on your proxy card. If you have Internet access, we encourage you to vote via the Internet. You can also attend the special meeting and vote in person. If you hold your shares in street name, follow the procedures provided by your broker, bank or other nominee.

**PLEASE DO NOT SEND YOUR STOCK CERTIFICATES WITH YOUR PROXY CARD. YOU WILL RECEIVE DETAILED INSTRUCTIONS CONCERNING EXCHANGE OF YOUR STOCK CERTIFICATES**

**IF THE MERGER IS CONSUMMATED.**

**Q. How do I vote?**

A. You may vote by:

signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope;

using the telephone number printed on your proxy card;

using the Internet voting instructions printed on your proxy card; or



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if you hold your shares in street name, follow the procedures provided by your broker, bank or other nominee.

If you return your signed and dated proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the proposal to adopt the Merger Agreement and FOR the adjournment proposal. If you do not return your signed and dated proxy card, your shares will not be voted and the effect will be the same as a vote

AGAINST the adoption of the Merger Agreement, but will not have an effect on the proposal to adjourn the special meeting.

**Q. How can I change or revoke my vote?**

A. You have the right to change or revoke your proxy at any time before the vote is taken at the special meeting:

if you hold your shares in your name as a stockholder of record, by written notice to our Vice President and Secretary, at One Busch Place, St. Louis, Missouri 63118;

by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting again by telephone or Internet; or

if you have instructed a broker, bank or other nominee to vote your shares, by following the directions received from your broker, bank or other nominee to change those instructions.

**Q. If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?**

A. Your broker, bank or other nominee will only be permitted to vote your shares if you instruct your broker, bank or other nominee how to vote. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not instruct your broker, bank or other nominee to vote your shares, your shares will not be voted and the effect will be the same as a vote AGAINST the adoption of the Merger Agreement, but will not have an effect on the proposal to adjourn the special meeting.

**Q. What do I do if I receive more than one proxy or set of voting instructions?**

A. If you also hold shares directly as a record holder, in street name, or otherwise through a nominee, you may receive more than one proxy and/or set of voting instructions relating to the special meeting.

These should each be voted and/or returned separately as described elsewhere in this proxy statement in order to ensure that all of your shares are voted.

**Q. How does a participant in any of Anheuser-Busch's 401(k) plans vote his or her shares of common stock held in such plans?**

A. The trustee of each of Anheuser-Busch's 401(k) plans (collectively, the 401(k) Plans) will vote a participant's shares of common stock according to the participant's instructions (subject to the trustee's fiduciary responsibilities under Section 404 of the Employee Retirement Income Security Act of 1974, as amended, or ERISA). To instruct

the trustee on how to vote his or her shares, a participant must follow the written instructions accompanying this proxy statement that provide information on how to vote the participant's shares of common stock in the 401(k) Plans. If a participant fails to instruct the trustee on how to vote his or her shares of common stock, the applicable 401(k) Plan's investment committee will provide instructions as to how those shares should be voted.

**Q. What is a quorum?**

- A. A quorum of the holders of the outstanding shares of our common stock must be present for the special meeting to be held. A quorum is present if the holders of a majority of the outstanding shares of our

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common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

**Q. What happens if I sell my shares before the special meeting?**

- A. The record date of the special meeting is earlier than the special meeting and the date that the Merger is expected to be completed. If you transfer your shares of common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but will have transferred the right to receive \$70.00 per share in cash to be received by our stockholders in the Merger. In order to receive the \$70.00 per share, you must hold your shares through completion of the Merger.

**Q. Am I entitled to exercise appraisal rights instead of receiving the merger consideration for my shares?**

- A. Yes. As a holder of our common stock, you are entitled to appraisal rights under Delaware law in connection with the Merger if you meet certain conditions. In order to perfect appraisal rights, you must follow exactly the procedures specified under Delaware law. See *Dissenters Rights of Appraisal* beginning on page 78 and Annex D to this proxy statement.

**Q. Will the Merger be taxable to me?**

- A. The receipt of cash in exchange for your shares of common stock pursuant to the Merger will be a taxable transaction to U.S. stockholders for U.S. federal income tax purposes, and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally, for U.S. federal income tax purposes, a U.S. stockholder will recognize gain or loss equal to the difference between the amount of cash received by that stockholder in the Merger and that stockholder's adjusted tax basis in the shares of common stock exchanged for cash in the Merger. Because individual circumstances may differ, we recommend that you consult your own tax advisor to determine the particular tax effects to you. See *The Merger Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders* beginning on page 52.

**Q. When is the Merger expected to be completed?**

- A. We are working toward completing the Merger as quickly as possible, and we anticipate that it will be completed by the end of 2008, subject to the satisfaction or waiver of all closing conditions. However, the exact timing of the completion of the Merger cannot be predicted. In order to complete the Merger, we must obtain stockholder approval and the other closing conditions under the Merger Agreement must be satisfied or waived. See *The Merger Agreement Effective Time* and *The Merger Agreement Conditions to the Merger* beginning on pages 58 and 68 of this proxy statement, respectively.

**Q. Will a proxy solicitor be used?**

- A. Yes. Anheuser-Busch has engaged Morrow & Co., LLC to assist in the solicitation of proxies for the special meeting and Anheuser-Busch estimates it will pay Morrow & Co., LLC a fee of approximately \$35,000. Anheuser-Busch has also agreed to reimburse Morrow & Co., LLC for reasonable out-of-pocket expenses incurred in connection with the proxy solicitation and to indemnify Morrow & Co., LLC against certain losses, costs and expenses.

**Q. Who can help answer any other questions that I have?**

- A. If you have additional questions about the Merger, need assistance in submitting your proxy or voting your shares of our common stock, or need additional copies of the proxy statement or the enclosed proxy card, please call Morrow & Co., LLC, our proxy solicitor, toll-free at (800) 449-0910.

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION**

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements (as that term is defined under Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995) based on estimates and assumptions. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings Summary Term Sheet, Questions and Answers about the Special Meeting and the Merger, The Merger, Reasons for the Merger; Recommendation of Our Board of Directors, Opinion of Goldman, Sachs & Co., Opinion of Citigroup Global Markets Inc., Projected Financial Information, Regulatory Approvals, and Litigation Related to the Merger, and in statements containing words such as believes, estimates, anticipates, continues, contemplates, expects, may, will, could, other similar words or phrases. These statements, which are based on information currently available to us, are not guarantees of future performance and may involve risks and uncertainties that could cause our actual growth, results of operations, performance and business prospects, and opportunities to materially differ from those expressed in, or implied by, these statements. These forward-looking statements speak only as of the date on which the statements were made and we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statement included in this proxy statement or elsewhere, except as required by applicable securities laws. In addition to other factors and matters contained or incorporated in this document, these statements are subject to risks, uncertainties, and other factors, including, among others:

the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;

the effect of the announcement of the Merger on our business relationships (including with employees and distributors), operating results and business generally;

the outcome of any legal proceedings that have been or may be instituted against Anheuser-Busch and others relating to the Merger Agreement;

the failure of shareholders of InBev or stockholders of Anheuser-Busch to approve the Merger;

the timing (including possible delays) and receipt of regulatory approvals from various governmental authorities (including any conditions, limitations or restrictions placed on these approvals) and the risk that one or more governmental authorities may deny approvals of the Merger;

the failure of InBev to obtain the necessary debt financing in connection with the Merger;

the failure of the Merger to close for any other reason;

the outcome of pending or future litigation and governmental proceedings;

the amount of the costs, fees, expenses and charges related to the Merger;

adverse developments in general business, economic and political conditions or any outbreak or escalation of hostilities on a national, regional or international basis;

our failure to comply with regulations and any changes in regulations;

the loss of any of our senior management;

increased competitive pressures that may reduce revenues or increase costs;

changes in consumer tastes and preferences that could reduce demand for the Anheuser-Busch products;

increases in raw material and commodity prices could increase operating costs;

an inability to reduce costs could affect profitability;

an increase in beer excise taxes or other taxes;

the consolidation of retailers;

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the loss of an important supplier;

natural disasters, such as hurricanes, which may result in shortages of raw materials and commodities and reduction in tourism and attendance at the Anheuser-Busch theme parks; and

unusual weather conditions which could affect domestic beer consumption, attendance at the Anheuser-Busch theme parks, raw material availability, or natural gas prices.

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**THE PARTIES TO THE MERGER**

**Anheuser-Busch**

*Anheuser-Busch Companies, Inc.*

One Busch Place

St. Louis, Missouri 63118

(800) 342-5283

Anheuser-Busch Companies, Inc. is a Delaware corporation that was organized in 1979 as the holding company of Anheuser-Busch, Incorporated (ABI), a Missouri corporation whose origins date back to 1875. ABI is the nation's largest brewer of beer and other malt beverages and produces and distributes beer under many brand names, including Budweiser and Bud Light. Anheuser-Busch holds a direct and indirect 50.2% interest in Diblo S.A. de C.V. (the operating subsidiary of Grupo Modelo, S.A.B. de C.V., Mexico's leading brewer of beer, whose brand names include Corona and Negra Modelo). Anheuser-Busch is also the parent corporation of a number of subsidiaries that conduct various other business operations, including one of the largest theme park operators in the United States, a major manufacturer of aluminum cans and the largest recycler of aluminum beverage containers in the United States. Our common stock is listed on the New York Stock Exchange under the symbol BUD.

**InBev**

InBev N.V./S.A.

Brouwerijplein, 1

3000 Leuven

Belgium

+32 16 27 61 11

InBev N.V./S.A. (InBev) is a public company organized under the laws of Belgium with its principal executive offices located at Brouwerijplein 1, 3000 Leuven, Belgium. InBev manages a segmented portfolio of more than 200 brands. This includes beers with global reach like Stella Artois® and Beck's®, fast growing multicountry brands like Leffe® and Hoegaarden®, and many consumer-loved local champions like Skol®, Quilmes®, Sibirskaia Korona®, Chernigivskaia®, Sedrin®, Cass® and Jupiler®. InBev employs close to 89,000 people, running operations in over 30 countries across the Americas, Europe and Asia Pacific. In 2007, InBev realized 14.4 billion euro of revenue.

**Merger Sub**

*Pestalozzi Acquisition Corp.*

Brouwerijplein, 1

3000 Leuven

Belgium

+32 16 27 61 11

Pestalozzi Acquisition Corp., a Delaware corporation, is an indirect wholly owned subsidiary of InBev. Merger Sub was formed exclusively for the purpose of effecting the Merger.



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## THE SPECIAL MEETING

### Date, Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on \_\_\_\_\_, 2008, starting at \_\_\_\_\_ local time, at \_\_\_\_\_ or at any postponement or adjournment thereof. The purpose of the special meeting is for our stockholders to consider and vote upon adoption of the Merger Agreement (and to approve the adjournment of the special meeting, if necessary or appropriate to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting). Our stockholders must adopt the Merger Agreement in order for the Merger to occur. If our stockholders fail to adopt the Merger Agreement, the Merger will not occur. A copy of the Merger Agreement is attached to this proxy statement as Annex A. This proxy statement and the enclosed form of proxy are first being mailed to our stockholders on or about \_\_\_\_\_, 2008.

### Record Date and Quorum

We have fixed the close of business on October 3, 2008 as the record date for the special meeting, and only holders of record of our common stock on the record date are entitled to vote at the special meeting. On the record date, there were \_\_\_\_\_ shares of our common stock outstanding and entitled to vote. Each share of our common stock entitles its holder to one vote on all matters properly coming before the special meeting.

A quorum of the holders of the outstanding shares of our common stock must be present for the special meeting to be held. A quorum is present if the holders of a majority of the outstanding shares of our common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to solicit additional proxies.

### Vote Required for Approval

Adoption of the Merger Agreement requires the affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote as of the record date. For the proposal to adopt the Merger Agreement, you may vote FOR, AGAINST or ABSTAIN. **Abstentions are counted as present for the purpose of determining whether a quorum is present, but will have the same effect as a vote AGAINST the adoption of the Merger Agreement.**

Approval of any proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the Merger Agreement at the time of the special meeting requires the affirmative vote of the votes cast that are entitled to vote at the special meeting, assuming a quorum is present.

Under the rules of the NYSE, brokers who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, brokers are precluded from exercising their voting discretion with respect to approving non-routine matters such as the adoption of the Merger Agreement and, as a result, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote those shares, referred to generally as broker non-votes. **These broker non-votes, if any, will be counted for purposes of determining a quorum, but will have the same effect as a vote AGAINST the adoption of the Merger Agreement.**

As of August 31, 2008, the directors and executive officers of Anheuser-Busch held and are entitled to vote, in the aggregate, 31,552,284 shares of our common stock, representing approximately 4.22% of the outstanding common stock. Anheuser-Busch expects that its directors and executive officers will vote all of their shares of common stock FOR the adoption of the Merger Agreement.

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### **Proxies and Revocation**

If you submit a proxy by telephone or the Internet or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate. If you sign your proxy card without indicating your vote, your shares will be voted **FOR** the adoption of the Merger Agreement and **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, and in accordance with the best judgment of the individuals named in the enclosed proxy card on any other matters properly brought before the special meeting for a vote.

If your shares of common stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. If you do not instruct your broker to vote your shares, it has the same effect as a vote against adoption of the Merger Agreement.

The trustee of each of the 401(k) Plans will vote a participant's shares of common stock according to the participant's instructions (subject to the trustee's fiduciary responsibilities under Section 404 of the Employee Retirement Income Security Act of 1974, as amended, or ERISA). To instruct the trustee on how to vote his or her shares, a participant must follow the written instructions accompanying this proxy statement that provide information on how to vote the participant's shares of common stock in the 401(k) Plans. If a participant fails to instruct the trustee on how to vote his or her shares of common stock, the applicable 401(k) Plan's investment committee will provide instructions as to how those shares should be voted.

Proxies received at any time before the special meeting, and not revoked or superseded before being voted, will be voted at the special meeting. You have the right to change or revoke your proxy at any time before the vote taken at the special meeting:

if you hold your shares in your name as a stockholder of record, by written notice to our Vice President and Secretary, at One Busch Place, St. Louis, Missouri 63118;

by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting again by telephone or Internet; or

if you have instructed a broker, bank or other nominee to vote your shares, by following the directions received from your broker, bank or other nominee to change those instructions.

### **Adjournments and Postponements**

Although it is not currently expected, the special meeting may be adjourned or postponed to a later date or time, if necessary or appropriate, to solicit additional proxies in the event there are insufficient votes to adopt the Merger Agreement at the time of such adjournment. Our amended and restated bylaws provide that any adjournment may be made without prior notice if announced at the meeting at which the adjournment is taken and if the adjournment is to a date that is not greater than 30 days after the original date fixed for the special meeting and no new record date is fixed for the adjourned meeting. Any signed proxies received by us prior to \_\_\_\_\_, local time, on the date of the special meeting in which no voting instructions are provided on such matter will be voted **FOR** an adjournment of the special meeting to a later date or time, if necessary or appropriate, to solicit additional proxies in the event there are

insufficient votes to adopt the Merger Agreement at the time of such adjournment. Whether or not a quorum exists, holders of a majority of our shares of common stock present in person or represented by proxy and entitled to vote at the special meeting may adjourn the special meeting. Because a majority of the votes represented at the special meeting, whether or not a quorum exists, is required to approve the proposal to adjourn the meeting, abstentions will have the same effect on such proposal as a vote AGAINST the proposal. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow our stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

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**Rights of Stockholders Who Object to the Merger**

Stockholders are entitled to statutory appraisal rights under Delaware law in connection with the Merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the Merger Agreement.

To exercise your appraisal rights, you must submit a written demand for appraisal to Anheuser-Busch before the vote is taken on the Merger Agreement and you must not vote in favor of the adoption of the Merger Agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. See Dissenters Rights of Appraisal beginning on page 78 of this proxy statement and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex D.

**Solicitation of Proxies**

This proxy solicitation is being made and paid for by Anheuser-Busch on behalf of its board of directors. In addition, we have retained Morrow & Co., LLC to assist in the solicitation. We will pay Morrow & Co., LLC approximately \$35,000 plus a fee per phone call and reasonable out-of-pocket expenses for its assistance. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone, facsimile or other means of communication. These persons will not be paid additional remuneration for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of our common stock that the brokers and fiduciaries hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses. In addition, we will indemnify Morrow & Co., LLC against any losses arising out of that firm's proxy soliciting services on our behalf.

**Questions and Additional Information**

If you have more questions about the Merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call Morrow & Co., LLC, our proxy solicitor, toll-free at (800) 449-0910.

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**THE MERGER**

**Background of the Merger**

In pursuing its objective of enhancing stockholder value, the Anheuser-Busch board of directors has from time to time considered opportunities for a variety of transactions, including potential business combinations and other strategic alliances.

In November 2006, Anheuser-Busch and InBev entered into an agreement pursuant to which Anheuser-Busch became the exclusive U.S. importer of a number of InBev's European import brands.

From time to time in 2007 and early 2008, there was market speculation regarding a potential transaction between InBev and Anheuser-Busch. During this time, no acquisition proposals were made by InBev.

On May 23, 2008, a story appeared on the *Financial Times* Alphaville website stating that InBev was planning to make a proposal to acquire Anheuser-Busch for \$65.00 per share in cash. Anheuser-Busch first learned of rumors that InBev planned to make a proposal as a result of this story.

In May 2008, Goldman Sachs began working with Anheuser-Busch as financial advisor in connection with the rumored InBev proposal.

On May 29, 2008, a meeting of the Anheuser-Busch board of directors was convened to discuss the market rumors regarding a potential proposal by InBev to acquire Anheuser-Busch. At this meeting, representatives of Goldman Sachs discussed with the board Goldman Sachs' preliminary observations on InBev's ability to finance a possible acquisition of Anheuser-Busch and the financial aspects of InBev's rumored proposal, and representatives of Skadden, Arps, Slate, Meagher & Flom LLP ( Skadden, Arps ), legal counsel to Anheuser-Busch, made a presentation to the board regarding the directors' fiduciary duties in reviewing a possible proposal by InBev. During the meeting, Anheuser-Busch's management reported to the board that it was in the process of undertaking its annual update of Anheuser-Busch's five-year strategic plan, including cost reduction projections, and indicated that this process was proceeding on a time frame consistent with the prior year's update schedule. The board discussed, among other things, the possibility of a meeting between representatives of Anheuser-Busch and InBev and recent discussions with a party (referred to in the Background of the Merger as the third party) in which Anheuser-Busch had a long-time strategic interest regarding a possible transaction between Anheuser-Busch and the third party.

On June 2, 2008, following an earlier inquiry by representatives of Anheuser-Busch to representatives of InBev regarding the market rumors about InBev making a proposal to acquire Anheuser-Busch, representatives of Anheuser-Busch and InBev met in Tampa, Florida. At this meeting, representatives of InBev indicated to representatives of Anheuser-Busch that InBev was interested in exploring a transaction with Anheuser-Busch, but did not make any proposal to Anheuser-Busch.

In June 2008, Citi began working with Anheuser-Busch as financial advisor in connection with the rumored InBev proposal.

On June 11, 2008, the board received a letter from InBev which set forth the terms of InBev's non-binding proposal to acquire Anheuser-Busch for \$65.00 per share in cash. The letter stated that InBev's proposal was conditioned on InBev's completion of due diligence and the negotiation of definitive transaction agreements. No financing commitments were provided with the letter. Following receipt of InBev's proposal, Anheuser-Busch issued a press

release acknowledging receipt of InBev's proposal and informing Anheuser-Busch's stockholders of its intent to review carefully the proposal in the context of all relevant factors, including its long-term strategic plan, and to make a determination in due course. InBev also issued a press release setting forth the terms of its proposal.

Beginning on June 12, 2008, representatives of Anheuser-Busch conducted discussions with the third party regarding a potential strategic transaction. These discussions continued between Anheuser-Busch, the third party and their respective representatives through July 13, 2008, the date of the announcement of the Merger.

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On June 13, 2008, a meeting of the board was convened in order to update the board on InBev's proposal. Representatives of Skadden, Arps reviewed with the directors their fiduciary duties in analyzing InBev's proposal and other strategic alternatives that Anheuser-Busch might have, including a potential strategic transaction with the third party.

On June 15, 2008, InBev sent a letter to the Anheuser-Busch board with the stated purpose of clarifying InBev's proposal set forth in InBev's June 11th letter. The letter indicated that InBev's proposal was based on the current assets, business and capital structure of Anheuser-Busch and stated that Anheuser-Busch should consider what InBev described to be the potential adverse consequences that any alternative to InBev's proposal could have on the ability of Anheuser-Busch's stockholders to receive the consideration contemplated by InBev's proposal.

On June 16, 2008, Anheuser-Busch issued a press release and sent a response to InBev stating that the board: (i) was evaluating InBev's proposal carefully and in the context of all relevant factors, including Anheuser-Busch's long-term strategic plan; (ii) would pursue the course of action that was in the best interests of Anheuser-Busch's stockholders; and (iii) expected to make its determination in due course.

On June 19, 2008, Mr. Carlos Fernandez, a director of Anheuser-Busch and the chairman and chief executive officer of Grupo Modelo, resigned from the Anheuser-Busch board of directors. Mr. Fernandez's resignation did not impact the board's consideration of strategic alternatives, including its consideration of InBev's proposal and a possible strategic transaction with the third party.

On June 20, 2008, Anheuser-Busch's board met to consider and discuss InBev's proposal and Anheuser-Busch's strategic alternatives. At this meeting, Anheuser-Busch's management made a presentation to the board regarding Anheuser-Busch's updated five-year strategic plan, which included anticipated pricing increases and plans to accelerate Anheuser-Busch's Blue Ocean cost savings program, which management estimated would achieve cumulative annual cost savings of approximately \$1 billion by 2010. Anheuser-Busch's management also discussed with the board the potential benefits and risks associated with the new plan as well as Anheuser-Busch's strategic alternatives. Additionally, representatives of each of Anheuser-Busch's principal financial advisors, Goldman Sachs and Citi, reviewed with the board financial considerations relating to InBev's proposal (including InBev's ability to obtain financing) and Anheuser-Busch's strategic alternatives, including Anheuser-Busch's standalone plan and a potential strategic transaction with the third party. Representatives of Skadden, Arps reviewed with the directors their fiduciary duties. At this meeting, Anheuser-Busch's non-management directors and outside directors also engaged in further discussions in executive session, without the other directors or management present, regarding the matters that had been discussed by the entire board.

On June 25, 2008, InBev sent a letter to Anheuser-Busch's board and issued a press release stating that InBev had obtained financing commitments for the transaction contemplated by InBev's proposal and that it had paid \$50 million in commitment fees to its lenders in respect of such commitments. No financing commitments were provided with the letter. The letter stated that InBev's proposal was a firm proposal subject to negotiation of definitive documentation and InBev's completion of due diligence.

Also on June 25, 2008, Anheuser-Busch's board met to continue its consideration of InBev's proposal. At this meeting, Anheuser-Busch's management made presentations to the board regarding InBev's proposal and Anheuser-Busch's strategic alternatives, including Anheuser-Busch's standalone plan and its ongoing discussions with the third party. Additionally, representatives of Goldman Sachs and Citi discussed with the board the financial aspects of InBev's \$65.00 per share proposal, including as to inadequacy, from a financial point of view, of the \$65.00 per share proposal, were such proposal to become a definitive offer containing all material terms and conditions. Representatives of Skadden, Arps reviewed the terms of InBev's proposal with the board and made a presentation to the directors describing their fiduciary duties in considering InBev's proposal and other possible Anheuser-Busch



strategic alternatives. At the end of this meeting, Anheuser-Busch's non-management directors and outside directors each engaged in further discussions in executive session, without the other directors or management present, regarding the matters that had been discussed by the entire board. At this meeting, the board also considered an amendment to Anheuser-Busch's bylaws regarding the determination of a record date for any stockholder action by written consent. Following the

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board meeting on June 25, 2008, the outside directors of the board engaged Simpson Thacher & Bartlett LLP ( Simpson Thacher ) as legal counsel to the outside directors.

On June 26, 2008, InBev filed suit in the Delaware Court of Chancery seeking a declaratory judgment that the removal of all Anheuser-Busch directors without cause by written consent is valid pursuant to Anheuser-Busch's Restated Certificate of Incorporation and Delaware law.

Also on June 26, 2008, Anheuser-Busch's board met to further consider InBev's \$65.00 per share proposal and to discuss the status of Anheuser-Busch's ongoing discussions with the third party. At this meeting, representatives of Goldman Sachs and Citi again reviewed with the board the financial aspects of InBev's \$65.00 per share proposal, including as to inadequacy, from a financial point of view, of the \$65.00 per share proposal, were such proposal to become a definitive offer containing all material terms and conditions. The board also received a report from Mr. Warner regarding the views of the independent members of the board, including that the independent members of the board had determined to recommend that the board (i) reject InBev's proposal as inadequate and not in the best interests of Anheuser-Busch's stockholders and (ii) adopt the proposed amendment to Anheuser-Busch's bylaws that had been discussed by the board on June 25th. Representatives of Skadden, Arps reviewed their presentation to the directors regarding their fiduciary duties made at the previous day's board meeting. The representatives of Skadden, Arps also reviewed with the directors the litigation filed by InBev. Following these presentations and discussions, the board unanimously concluded that InBev's proposal was inadequate and not in the best interests of Anheuser-Busch's stockholders. The board also approved a bylaw amendment that clarified the procedure for setting a record date for consent solicitations.

On June 26, 2008, Anheuser-Busch issued a press release and sent a letter to InBev setting forth the board's determination and stating, among other things, that Anheuser-Busch would continue to consider any strategic alternative that would be in the best interests of Anheuser-Busch stockholders. The letter to InBev also indicated that the board would be open to considering any proposal that would provide full and certain value to Anheuser-Busch's stockholders.

On June 27, 2008, Anheuser-Busch held an investor teleconference during which it described its anticipated product price increases and revised Blue Ocean plan.

On July 1, 2008, InBev issued a press release stating its belief that its \$65.00 per share proposal reflected the full and fair value of Anheuser-Busch and was backed by fully committed financing. The press release also stated InBev's belief that its proposal provided immediate certainty to Anheuser-Busch's stockholders.

Also on July 1, 2008, the board met to further consider Anheuser-Busch's strategic alternatives, including its ongoing discussions with the third party. At this meeting, Anheuser-Busch management made a presentation to the board regarding its ongoing discussions with the third party. Representatives of Goldman Sachs and Citi discussed, on a preliminary basis, certain financial considerations regarding a potential strategic transaction with the third party, as well as the potential financial impact of a potential strategic transaction on InBev's proposal. Representatives of Skadden, Arps also made a presentation to the directors regarding their fiduciary duties in considering a potential strategic transaction with the third party and InBev's proposal. Following discussions among the entire board, Anheuser-Busch's non-management directors and outside directors each engaged in further discussions in executive session, without the other directors or management present, and with representatives of Skadden, Arps and Simpson Thacher. The representatives of Skadden, Arps and Simpson Thacher responded to questions from the outside directors regarding the matters that had been discussed by the full board during its meeting.

On July 7, 2008, InBev filed a preliminary consent solicitation statement with the SEC in connection with a solicitation of Anheuser-Busch stockholder consent seeking to (1) repeal any provision of Anheuser-Busch's bylaws in

effect at the time the consent solicitation becomes effective that were not included in the amended and restated bylaws filed with the SEC on June 26, 2008, (2) remove each member of the Anheuser-Busch board at the time the consent solicitation becomes effective and (3) elect certain individuals to serve as directors of Anheuser-Busch.

Also on July 7, 2008, the board met to discuss further Anheuser-Busch's strategic alternatives, including its ongoing discussions with the third party. At the meeting, Anheuser-Busch's management made a presentation with respect to a potential transaction with the third party and the strategic and financial implications of such a

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transaction. Representatives of Skadden, Arps also made presentations to the board regarding the status of Anheuser-Busch's ongoing negotiations with the third party, the terms of a potential strategic transaction and related legal issues. Representatives of Skadden, Arps also discussed with the directors the preliminary consent solicitation statement filed by InBev. Following these presentations and discussions, representatives of Goldman Sachs and Citi reviewed with the board their observations concerning the financial aspects of a potential strategic transaction with the third party, including regarding the financial aspects of a potential strategic transaction on any transaction with InBev. Representatives of Skadden, Arps and Simpson Thacher then made presentations to the directors regarding, and discussed with the directors, the directors' fiduciary duties under Delaware law in connection with a potential strategic transaction with the third party and a potential transaction with InBev. Following discussions among the entire board, Anheuser-Busch's non-management directors and outside directors each engaged in further discussions in executive session, without the other directors or management. These discussions included the risks and benefits of a potential transaction with the third party as compared to a sale of Anheuser-Busch to InBev. The board also recognized that the passage of time could jeopardize the negotiations relating to the potential strategic transaction with the third party. After the entire board reconvened, the board authorized Mr. Busch IV, and two outside directors, Messrs. Warner and Whitacre, to advise InBev that the board was close to making a decision regarding other strategic alternatives and that InBev should at that time make its best proposal to acquire Anheuser-Busch. The board also authorized Goldman Sachs to contact InBev's financial advisors to discuss such a proposal.

On July 8, 2008, Messrs. Busch IV, Warner and Whitacre contacted representatives of InBev and reported to InBev that, as previously indicated, Anheuser-Busch's board remained open to considering any proposal that offered full and certain value to Anheuser-Busch's stockholders. The Anheuser-Busch representatives advised InBev that the board was close to making a decision regarding other strategic alternatives and that if InBev was interested in pursuing a transaction with Anheuser-Busch, InBev should, prior to the board's scheduled meeting on July 9, 2008, submit its best proposal for an acquisition of Anheuser-Busch. Following this discussion, representatives of Goldman Sachs and representatives of Lazard Freres and J.P. Morgan Securities Inc., InBev's financial advisors, met to further discuss a possible transaction. At this meeting, representatives of Goldman Sachs stated that InBev's revised proposal should be its best and final proposal. Each of Messrs. Busch IV, Warner and Whitacre and the representatives of Goldman Sachs stressed that any proposal made by InBev would need to provide Anheuser-Busch with a high degree of certainty as to closing.

Also on July 8, 2008, InBev sent (1) a letter to Anheuser-Busch requesting that the board set a record date for InBev's consent solicitation pursuant to the terms of Anheuser-Busch's bylaws and (2) a letter to Anheuser-Busch seeking a list of Anheuser-Busch's stockholders and other materials.

On July 9, 2008, Anheuser-Busch filed a preliminary consent revocation statement in response to InBev's consent solicitation statement.

Also on July 9, 2008, representatives of InBev reported to Messrs. Busch IV and Warner and representatives from Goldman Sachs that InBev was prepared to propose an acquisition of Anheuser-Busch at a price of \$70.00 in cash for each share of Anheuser-Busch common stock, that such a proposal would be subject to limited conditions to consummating a transaction (and would not include a financing condition), and that such price represented, as requested by the Anheuser-Busch representatives, InBev's best and final proposal. InBev's representatives also indicated that InBev could complete its confirmatory due diligence very quickly, and that it was close to finalizing definitive loan agreements with its lenders.

Later on July 9, 2008, the Anheuser-Busch board met to be updated on the discussions between Messrs. Busch IV, Warner and Whitacre and representatives of Goldman Sachs, on the one hand, and various representatives of InBev, on the other hand. At the meeting, Messrs. Warner and Busch IV reported to the board that InBev had proposed a price of \$70.00 in cash per share of Anheuser-Busch common stock, with limited conditions to closing and that the

InBev representatives had described the proposed price as its best and final proposal. Representatives of Goldman Sachs and Citi reviewed the financial aspects of the \$70.00 cash per share proposal. Representatives of Skadden, Arps discussed with the board significant issues that would need to be negotiated with InBev. Following discussion regarding InBev's revised proposal, including the proposed price and other terms, the board authorized Anheuser-Busch's management, Goldman Sachs and Skadden, Arps to continue to explore whether a mutually acceptable transaction could be reached on the terms

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proposed by InBev. The board discussed the possibility of making a counter-proposal to InBev, but determined that doing so at that time could jeopardize the potential basis on which to move forward on discussions with InBev. The board noted that any potential negotiated transaction would need to have a high degree of certainty of closing and provide that its consummation was not conditioned on InBev's financing.

On July 10, 2008, Anheuser-Busch and InBev entered into a confidentiality agreement and thereafter, until July 13, 2008, InBev's representatives conducted a confirmatory due diligence review of Anheuser-Busch's business. Additionally, during an initial meeting between representatives of Anheuser-Busch and InBev on July 10, 2008, InBev's representatives reported that InBev intended to enter into definitive loan agreements to borrow \$51.6 billion in the near future, and prior to entering into a merger agreement with Anheuser-Busch.

Also on July 10, 2008, Sullivan & Cromwell LLP, legal counsel to InBev (Sullivan & Cromwell), delivered a draft merger agreement and financing commitment letters to Skadden, Arps. The draft merger agreement contained a proposed termination fee equal to 3.5% of the transaction value plus the reimbursement of up to \$50 million of InBev's out-of-pocket expenses and full reimbursement of InBev's financing expenses. Representatives of Skadden, Arps also requested on behalf of Anheuser-Busch that InBev seek to obtain a voting agreement from InBev's controlling shareholder, Stichting InBev AK (which holds voting power, or has the right to direct the voting of certain affiliated parties acting in concert, of approximately 63.47% of InBev's outstanding common stock) to vote at an extraordinary shareholders' meeting of InBev in favor of, among other things, InBev's acquisition of Anheuser-Busch.

On July 11, 2008, Skadden, Arps delivered a revised draft merger agreement to Sullivan & Cromwell and InBev delivered a draft voting agreement that had been proposed by counsel to Stichting InBev AK. The revised draft merger agreement proposed that the termination fee be equal to 1% of transaction equity value, with no separate reimbursement of expenses. Thereafter, on July 11, 12 and 13, 2008, Anheuser-Busch, InBev and their respective representatives engaged in negotiations of the terms of the Merger Agreement and voting agreement. During these negotiations, representatives of InBev indicated that InBev was prepared to commence a tender offer to acquire Anheuser-Busch at a price of less than \$70.00 per share if the parties could not reach an agreement. Throughout these negotiations, Anheuser-Busch continued to emphasize the primary importance of certainty of closing if an agreement were reached. Anheuser-Busch was also able to negotiate an increase in its quarterly cash dividend from \$0.33 to \$0.37 per share payable prior to the closing of the Merger. The parties also engaged in further negotiations regarding the termination fee, and following a counterproposal by InBev that the termination fee be equal to 3% of transaction equity value, the parties agreed to a termination fee of \$1.25 billion, with no separate reimbursement of expenses. In addition, InBev and Anheuser-Busch also discussed and agreed on various employee retention and community focused issues that both InBev and Anheuser-Busch considered to be important to a successful transition of ownership of Anheuser-Busch to InBev. During this period, Mr. Busch IV and InBev began discussions regarding a potential consulting agreement between Mr. Busch IV and InBev to be effective in the event that an acquisition of Anheuser-Busch by InBev were consummated.

On July 12, 2008, InBev executed definitive loan agreements with respect to debt and bridge financing to fund the transactions being negotiated.

On the afternoon of July 13, 2008, the board of directors of Anheuser-Busch met and reviewed the terms and conditions of the proposed Merger. At the meeting, representatives from Skadden, Arps reviewed with the board of directors the proposed terms of the Merger Agreement and voting agreement, and the fiduciary duties of the board. Representatives of Goldman Sachs and Citi made presentations with respect to the financial aspects of the \$70.00 per share price proposal by InBev. Anheuser-Busch management discussed with the directors its plans to implement Anheuser-Busch's Blue Ocean plan, its pricing initiatives and the financial community's reaction to the updated strategic plan. The directors discussed with Anheuser-Busch's management, financial advisors and outside legal counsel the InBev proposal, potential execution risks associated with the potential strategic transaction with the third

party, the effects of the economy on Anheuser-Busch, the effects of Anheuser-Busch's pricing initiatives on its projected volume growth and other potential risks associated with the updated strategic plan. Following further discussions among the entire board, Anheuser-Busch's non-management directors and outside directors each engaged in further discussions in executive session, without the other directors or management present, and directed

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questions to representatives of Skadden, Arps and Simpson Thacher, as well as to Anheuser-Busch's financial advisors, Goldman Sachs and Citi.

During these discussions, representatives of Goldman Sachs and Citi rendered to the entire Anheuser-Busch board their respective oral opinions, which were subsequently confirmed by delivery of written opinions, each dated July 13, 2008, to the effect that, as of that date, and based on and subject to the various assumptions made, matters considered and limitations described in each of the opinions, the merger consideration to be paid to holders (in the case of Goldman Sachs' opinion, other than InBev and its direct and indirect wholly owned subsidiaries) of Anheuser-Busch common stock in the Merger was fair, from a financial point of view, to such holders. Such opinions are attached to this proxy statement as Annex B and Annex C, respectively.

The board again discussed the possibility of making a counter-proposal to InBev, but determined that the \$70.00 per share was likely the best price available in light of (i) Anheuser-Busch's previous request for InBev's best and final proposal, (ii) statements from senior representatives of InBev, including representatives of InBev's controlling shareholders, that the \$70.00 per share was InBev's best and final proposal and (iii) the board's view that \$70.00 per share was a fair price for Anheuser-Busch. The board also considered that requesting a higher offer from InBev could jeopardize progress that had been made in the negotiations and Anheuser-Busch's negotiating position if the request was rejected, result in the withdrawal of InBev's proposal at a price of \$70.00 per share and/or result in adverse changes to other terms of the proposed transaction, including an increase in the conditionality of, and reduction in the likelihood of consummating, the contemplated transaction with InBev.

Following careful consideration of the proposed Merger Agreement and the Merger, and including the facts and circumstances regarding the alternatives available to Anheuser-Busch, the board of directors unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are advisable and fair to, and in the best interests of, Anheuser-Busch and its stockholders, approved the Merger Agreement and the Merger and resolved to recommend that Anheuser-Busch stockholders vote in favor of the adoption of the Merger Agreement.

Also on July 13, 2008, the InBev board of directors approved the Merger Agreement and the transactions contemplated thereby, including the Merger.

Over the course of the afternoon and evening of July 13, 2008, representatives of Skadden, Arps and Sullivan & Cromwell finalized the Merger Agreement and other related documents, including the voting agreement with Stichting InBev AK.

The parties executed the Merger Agreement and voting agreement on July 13, 2008 and issued a joint press release announcing the transaction.

## **Reasons for the Merger; Recommendation of Our Board of Directors**

Our board of directors, acting with the advice and assistance of its financial advisors and outside legal counsel and Anheuser-Busch's management, carefully evaluated the Merger Agreement and the transactions contemplated thereby. Our board of directors determined that the Merger Agreement and the transactions contemplated thereby, including the proposed Merger, are advisable and fair to, and in the best interests of Anheuser-Busch and its stockholders. At a meeting of our board of directors held on July 13, 2008, our board of directors unanimously resolved to approve the Merger Agreement and the transactions contemplated thereby, including the proposed Merger, and to recommend to the stockholders of Anheuser-Busch that they vote for the adoption of the Merger Agreement.

In the course of reaching its recommendation, our board of directors consulted with Anheuser-Busch's management and its financial advisors and outside legal counsel and considered a number of substantive factors, both positive and



negative, and potential benefits and detriments of the Merger. Our board of directors believed that, taken as a whole, the following factors supported its decision to approve the proposed Merger:

*Consideration; Historical Market Prices.* Our board of directors considered the historical market prices of Anheuser-Busch's common stock and noted that the proposed Merger consideration of \$70.00 per share of common stock exceeded, by approximately 27%, the previous all time high closing price

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of Anheuser-Busch's common stock of \$54.97 on October 21, 2002. Our board of directors also noted the fact that the Merger consideration was all cash, which provides certainty of value to Anheuser-Busch's stockholders, and represented a premium of (i) approximately 33% over the closing price of Anheuser-Busch's common stock on May 22, 2008 (the date prior to widespread market speculation about InBev's initial \$65.00 per share proposal), (ii) approximately 39% over the one-month average closing price of Anheuser-Busch's common stock prior to May 22, 2008 and (iii) approximately 29% over the 52-week high price prior to May 22, 2008. Our board of directors also noted that the \$70.00 per share merger consideration represented an increase of 7.7% over InBev's June 11, 2008 proposal of \$65.00 per share. Our board of directors also recognized that in view of the recent declines in the prices of equity securities in the stock markets, including broad market indices, the \$70.00 price proposed by InBev might represent an even greater premium to a current unaffected share price for Anheuser-Busch.

*Financial Advisors' Opinions.* Our board of directors considered the financial presentations of Goldman Sachs and Citi and their oral opinions delivered to our board of directors (which opinions were subsequently confirmed in writing) to the effect that, as of the date of the opinions and based upon and subject to the various assumptions made, matters considered and limitations described in each of the opinions, the merger consideration of \$70.00 per share of common stock in cash was fair, from a financial point of view, to Anheuser-Busch's common stockholders (in the case of Goldman Sachs' opinion, other than InBev and its direct and indirectly owned subsidiaries), as more fully described under Opinion of Goldman, Sachs & Co. beginning on page 30 and Opinion of Citigroup Global Markets Inc. beginning on page 37. The full text of each written opinion, dated July 13, 2008, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion by Goldman Sachs and Citi, respectively, is attached as Annex B and C, respectively, to this proxy statement and each is incorporated herein by reference. You are urged to, and should, read each of the fairness opinions carefully.

*Strategic Alternatives and Uncertainty of Future Common Stock Market Price.* Our board of directors considered their familiarity with Anheuser-Busch's business, financial condition, results of operations, intellectual property, marketing prowess, management and competitive position and prospects of Anheuser-Busch, as well as current industry, economic and stock and credit market conditions. Our board of directors also considered certain strategic alternatives to the Merger, as well as the possibility of remaining as a standalone public company. In that regard, our board of directors considered Anheuser-Busch's updated strategic plan and initiatives, including the enhanced Blue Ocean plan and the potential execution risks associated with such plan, the effects of the economy on Anheuser-Busch and the effects of Anheuser-Busch's pricing initiatives on its projected volume growth. Our board of directors also considered the benefits and potential risks, including execution risks, of pursuing possible strategic alternatives, including a potential strategic transaction with a third party. In connection with these considerations, our board of directors considered the attendant risk that, if Anheuser-Busch did not enter into the Merger Agreement with InBev, the price that might be received by Anheuser-Busch's stockholders selling shares of Anheuser-Busch common stock in the open market could be less than the \$70.00 per share cash price proposed to be paid in the Merger, especially in light of recent negative trends in the stock market.

*Ability to Consider Alternative Transactions and to Terminate the Merger Agreement.* Our board of directors noted that, although the Merger Agreement contains customary provisions prohibiting Anheuser-Busch from soliciting an alternate takeover proposal from a third party or entering into negotiations or discussions regarding an acquisition proposal, if our board of directors determines in good faith (after consultation with its financial advisors and outside legal counsel) that such acquisition proposal would involve a transaction more favorable for Anheuser-Busch's stockholders from a financial point of view, our board of directors is entitled to cause payment of the termination fee discussed below, terminate the Merger Agreement and accept the superior acquisition proposal.

*Ability to Change Recommendation to Stockholders.* Our board of directors noted that the Merger Agreement retains our board's ability to change, qualify, withhold, withdraw or modify its recommendation to Anheuser-Busch's stockholders if, upon the advice of Anheuser-Busch's financial advisors and

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outside legal counsel, it determines that a failure to do so would be inconsistent with our board's fiduciary duties to Anheuser-Busch's stockholders. Our board also noted that the exercise of this right would give InBev the right to terminate the Merger Agreement and require Anheuser-Busch to pay a termination fee to InBev.

*Absence of Competing Offers; Fiduciary Out.* Our board of directors considered the fact that Anheuser-Busch engaged in negotiations with InBev without seeking offers from other potential strategic or financial purchasers prior to entering into the Merger Agreement. In that regard, our board noted that the speculation concerning InBev's initial \$65.00 per share proposal had been public since May 23, 2008 and the delivery of its \$65.00 per share proposal had been public since June 11, 2008, that no third party had made any inquiry about acquiring Anheuser-Busch since those dates, and that, in the board's judgment, it was unlikely that any strategic purchaser would make a higher offer for Anheuser-Busch. In addition, our board of directors noted that in view of the difficult credit environment and the size of the transaction, it was unlikely that a non-strategic buyer would be in a position to propose a transaction with more attractive terms (both in terms of value and certainty of closing) than the proposed Merger. Our board of directors noted that, in the event that any third party were to seek to make such a proposal, our board retained the ability to consider unsolicited proposals after the execution of the Merger Agreement and to enter into an agreement with respect to an acquisition proposal under certain circumstances (concurrently with terminating the Merger Agreement and paying a termination fee to InBev).

*Negotiations Regarding the Merger Consideration.* Our board of directors noted that the substantive price negotiations with InBev were led by two of Anheuser-Busch's outside directors, Messrs. Warner and Whitacre, along with Anheuser-Busch's President and Chief Executive Officer, Mr. Busch IV. The board authorized Mr. Warner and Mr. Whitacre to participate in negotiations with InBev in light of their positions as outside directors and their experience negotiating similar transactions. The board determined that, given Mr. Busch IV's in-depth understanding of Anheuser-Busch and prior contact with the InBev representatives, and his leadership position as CEO of Anheuser-Busch, it would be advantageous for him to participate in the negotiations.

*Termination Fee.* Our board of directors considered the \$1.25 billion termination fee, which represents approximately 2.4% of the aggregate merger consideration, to be paid to InBev if the Merger Agreement is terminated under certain circumstances specified in the Merger Agreement. Our board of directors was apprised by its financial advisors and outside legal counsel of the customary nature of the existence and size of a termination fee in transactions similar to the Merger. Accordingly, our board of directors believed that a termination fee of this size for the transactions contemplated by the Merger Agreement should not unduly deter a third party from making, or inhibit our board of directors in evaluating, negotiating, and, if appropriate, terminating the Merger Agreement to enter into a transaction that is, a superior proposal.

*Terms of the Merger Agreement.* Our board of directors considered the terms and conditions of the Merger Agreement, including the fact that the completion of the proposed Merger is not subject to any financing condition and that there are relatively few closing conditions to the Merger. Our board of directors noted that, to the extent required or requested to do so in order to obtain clearance of the Merger from a governmental entity, InBev will be required, under the terms of the Merger Agreement, to divest or hold separate or agree to restrictions on certain of its assets or businesses, provided such divestitures or other arrangements would not, individually or in the aggregate, result in a net reduction of assets, categories of assets, businesses or investments that generated in the aggregate more than 5% of the sum of the 2007 gross sales and investment income of InBev and Anheuser-Busch, including their respective subsidiaries, on a combined basis. Additionally, our board of directors considered that the Merger Agreement permitted Anheuser-Busch to pay its stockholders quarterly dividends during the period between signing and closing at an increased rate of up to \$0.37 per share (compared to the prior quarterly rate of \$0.33 per share).



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*Likelihood of Consummation.* Our board of directors considered the likelihood that the Merger will be completed, including its belief that there would not be significant antitrust or other regulatory impediments to the transaction. Our board of directors noted that the receipt of third party consents (including any consent or approval of Grupo Modelo S.A.B. de C.V. under any of our (or our subsidiaries) agreements with Grupo Modelo S.A.B. de C.V. or its subsidiaries ( Grupo Modelo )) was not a condition to the completion of the Merger. Our board of directors also considered the fact that InBev needed to obtain shareholder approval for the transaction and that the controlling shareholder of InBev (holding voting power of, or having the right to direct the voting by certain affiliated parties or parties acting in concert of, in the aggregate, voting power of approximately 63.47% of InBev's outstanding common stock) was providing Anheuser-Busch with a voting agreement pursuant to which such stockholder has agreed, among other things, to vote at an extraordinary shareholders' meeting of InBev in favor of, among other things, InBev's acquisition of Anheuser-Busch and that, given such voting agreement and InBev's historical voting patterns, such approval was highly likely to be obtained. In addition, InBev agreed to pay Anheuser-Busch a \$1.25 billion termination fee if a favorable vote of its shareholders was not obtained.

*Financing by InBev.* Our board of directors also noted that InBev had entered into definitive financing agreements from a syndicate of banks and that the Merger Agreement provided that the failure of InBev to have sufficient financing would be a breach of the Merger Agreement by InBev. Our board of directors also noted that the Merger Agreement provided that in the event of a breach by InBev Anheuser-Busch would be entitled to specific performance of the Merger Agreement or monetary damages, including damages on behalf of Anheuser-Busch's stockholders for their economic loss.

*Consent Solicitation.* Our board of directors was aware of the consent solicitation process which was being undertaken by InBev to seek to remove all of the existing members of Anheuser-Busch's board of directors and replace them with a slate of nominees selected by InBev. Our board of directors noted that if InBev's slate of directors were elected to our board of directors, such nominees might not take action to create or maximize value for Anheuser-Busch's stockholders, including conducting vigorous negotiations with InBev or diligently pursuing other attractive strategic alternatives. Our board of directors also noted the status of the pending litigation between InBev and Anheuser-Busch relating to InBev's ability to remove without cause all of Anheuser-Busch's directors. Our board of directors also considered the possible detrimental effects on Anheuser-Busch and its relationships with various constituencies in the event of a protracted, contentious and highly public consent solicitation. Our board of directors also was aware that, following the market speculation about an acquisition proposal by InBev in late May 2008, a relatively large percentage of Anheuser-Busch shares had been traded in the market and that Anheuser-Busch's proxy solicitor believed that arbitrageurs and other short-term or event-driven investors now owned a meaningful percentage of Anheuser-Busch's shares.

*Possible Unsolicited Tender Offer.* Our board of directors also noted the possibility that InBev, upon entering into definitive financing agreements, could commence within a short period of time an unsolicited tender offer without a financing condition, and that it was possible that such tender offer would be at a price of less than \$70.00 per share.

*Stockholder Vote.* Our board of directors considered the fact that the consummation of the proposed Merger would require the affirmative vote of the holders of a majority of the outstanding shares of Anheuser-Busch's common stock entitled to vote. Our board of directors noted that shares owned by members of the Busch family and other members of management represented a relatively small percentage of the outstanding shares and that, accordingly, the Merger Agreement would, in effect, need to be approved by a majority of the shares held by Anheuser-Busch's public stockholders.

*Identity of the Buyer.* Our board of directors considered the fact that InBev is a well known, large international brewing company with experience in acquiring and running companies in the beer industry. In addition, Anheuser-Busch is familiar with InBev as the two companies have had an ongoing commercial relationship based on several successful arrangements in the U.S., Canada and South Korea.

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*Availability of Dissenters' Rights.* Our board of directors considered the fact that dissenters' rights of appraisal would be available to Anheuser-Busch's stockholders under Delaware law and that there was no condition in the Merger Agreement relating to the number of shares of common stock that could dissent from the Merger.

Our board of directors also considered potential risks or negative factors relating to the Merger, including the following:

*Future Growth.* Our board of directors considered the fact that if the proposed Merger is approved and adopted, Anheuser-Busch will no longer exist as an independent public company, and Anheuser-Busch's stockholders will no longer participate in the future growth of Anheuser-Busch. Our board of directors concluded that providing Anheuser-Busch's stockholders the opportunity to receive the proposed \$70.00 per share merger consideration would be more favorable to Anheuser-Busch's stockholders than remaining as stockholders in an independent public company with the potential for future gain, since these gains would be subject to risks related to Anheuser-Busch's future performance, including potential execution risk associated with Anheuser-Busch's Blue Ocean plan, the effects of the economy on Anheuser-Busch, the effects of Anheuser-Busch's pricing initiatives on its projected volume growth and other potential risks associated with the updated strategic plans and initiatives, including a potential strategic transaction with a third party that had been carefully considered by the board.

*Risk of Non-Completion.* Our board of directors considered the risk that the proposed Merger might not be completed and the effect of the resulting public announcement of termination of the Merger Agreement on:

*The market price of Anheuser-Busch's common stock.* In that regard, the market price could be affected by many factors, including (1) the reason or reasons for which the Merger Agreement was terminated and whether such termination resulted from factors adversely affecting Anheuser-Busch; (2) the possibility that, as a result of the termination of the Merger Agreement, the marketplace would consider Anheuser-Busch to be an unattractive acquisition candidate; (3) the possible sale of shares of Anheuser-Busch's common stock by short-term investors following an announcement of termination of the Merger Agreement; and (4) the ability of Anheuser-Busch to execute on its Blue Ocean plan, its pricing initiatives and its other strategic plans and initiatives; and

Anheuser-Busch's ability to attract and retain key personnel.

*Possible Disruption of the Business.* Our board of directors considered the possible disruption to Anheuser-Busch's business that may result from the announcement of the transaction and the resulting distraction of the attention of Anheuser-Busch's management and employees and the impact of the transaction on Anheuser-Busch's wholesalers, distributors, joint venture partners and other constituencies. Our board of directors also considered the fact that the Merger Agreement contains certain limitations regarding the operation of Anheuser-Busch during the period between the signing of the Merger Agreement and the completion of the proposed Merger. See "The Merger Agreement—Covenants; Conduct of the Business Prior to Closing" beginning on page 62. Our board of directors believed such limitations were customary for merger transactions involving public companies, and appropriately tailored to the specific requirements of the operation of Anheuser-Busch's business.

*Merger Consideration Taxable.* Our board of directors considered that the cash consideration to be received by Anheuser-Busch's stockholders would be taxable to the stockholders. In that regard, our board of directors also noted that capital gains rates are at recent historical low levels and such rates could be raised in the future.



Our board of directors concluded that the potentially negative factors associated with the proposed Merger were outweighed by the opportunity for Anheuser-Busch's stockholders to realize a significant premium on the value of their common stock and monetize their investment in Anheuser-Busch for the \$70.00 per share cash merger consideration. Our board of directors believed that the proposed Merger would maximize the immediate value of the stockholders' shares and eliminate the unavoidable risks and uncertainty affecting the

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future prospects of Anheuser-Busch, including the potential execution risks associated with Anheuser-Busch's Blue Ocean plan, its pricing initiatives and its other strategic plans and initiatives, including a potential strategic transaction between Anheuser-Busch and a third party that had been carefully considered by the board. Accordingly, our board of directors concluded that the proposed Merger was in the best interest of stockholders.

In addition, our board of directors was aware of and considered the interests that our directors and executive officers may have with respect to the Merger that differ from, or are in addition to, their interests as stockholders of Anheuser-Busch generally, as described in The Merger Interests of Anheuser-Busch's Directors and Executive Officers in the Merger beginning on page 44 of this proxy statement, which our board of directors considered as being neutral in its evaluation of the Merger.

The foregoing discussion summarizes the material information and factors considered by our board of directors in its consideration of the proposed Merger. Our board of directors collectively reached the unanimous decision to approve the Merger Agreement and related transactions in light of the factors described above and other factors that each member of our board of directors felt were appropriate. In view of the variety of factors and the quality and amount of information considered, our board of directors did not find it practicable to, and did not make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of our board of directors may have given different weight to different factors.

**Our board of directors recommends that you vote FOR the adoption of the Merger Agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes to adopt the Merger Agreement at the time of the special meeting.**

**Opinion of Goldman, Sachs & Co.**

Goldman Sachs rendered its opinion to Anheuser-Busch's board of directors that, as of July 13, 2008 and based upon and subject to the factors and assumptions set forth therein, the merger consideration of \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders (other than InBev and its direct and indirectly owned subsidiaries) of shares of our common stock pursuant to the Merger Agreement was fair from a financial point of view to such holders.

**The full text of the written opinion of Goldman Sachs, dated July 13, 2008, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement and is incorporated herein by reference. Goldman Sachs provided its advisory services and its opinion for the information and assistance of Anheuser-Busch's board of directors in connection with its consideration of the Merger. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of Anheuser-Busch common stock should vote with respect to the Merger or any other matter.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the Merger Agreement;

annual reports to stockholders and Annual Reports on Form 10-K of Anheuser-Busch for the three fiscal years ended December 31, 2007;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Anheuser-Busch;

certain other communications from Anheuser-Busch and InBev to the stockholders of Anheuser-Busch;

certain publicly available research analyst reports for Anheuser-Busch; and

certain internal financial analyses and forecasts for Anheuser-Busch prepared by its management and approved for Goldman Sachs use by Anheuser-Busch (described in this section as the Forecasts ).

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Goldman Sachs also held discussions with senior management and the board of directors of Anheuser-Busch regarding their assessment of the past and current business operations, financial condition and future prospects of Anheuser-Busch, including their views on the risks and uncertainties associated with achieving the Forecasts. In addition, Goldman Sachs reviewed the reported price and trading activity for the shares of Anheuser-Busch common stock, compared certain financial and stock market information for Anheuser-Busch with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the beverage industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of rendering the opinion described above, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Anheuser-Busch or any of its subsidiaries, nor was Goldman Sachs furnished with any such evaluation or appraisal. Goldman Sachs' opinion does not address any legal, regulatory, tax or accounting matters nor does it address the underlying business decision of Anheuser-Busch to engage in the Merger, or the relative merits of the Merger as compared to any strategic alternatives that may be available to Anheuser-Busch. Goldman Sachs' opinion addresses only the fairness from a financial point of view, as of the date of the opinion, of the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders (other than InBev and its direct and indirectly owned subsidiaries) of shares of Anheuser-Busch common stock pursuant to the Merger Agreement. Goldman Sachs did not express any view on, and its opinion does not address, any other term or aspect of the Merger Agreement or the Merger, including, without limitation, the fairness of the Merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Anheuser-Busch or InBev; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Anheuser-Busch or InBev, or class of such persons in connection with the Merger, whether relative to the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders (other than InBev and its direct and indirectly owned subsidiaries) of shares of Anheuser-Busch common stock pursuant to the Merger Agreement or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions, as in effect on, and the information made available to it as of, the date of the opinion. Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Board of Directors of Anheuser-Busch in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before the date of its opinion and is not necessarily indicative of current market conditions.

***Historical Stock Trading Analysis.***

Goldman Sachs reviewed the historical trading prices and volumes for the shares of Anheuser-Busch common stock for the fourteen-month period ended July 11, 2008. In addition, Goldman Sachs calculated the premium represented by the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders of Anheuser-Busch

common stock pursuant to the Merger Agreement in relation to: (a) the average closing prices of the shares of Anheuser-Busch common stock on the New York Stock Exchange for (i) the 52 week period preceding the date of the written proposal made by InBev on June 11, 2008 to acquire

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Anheuser-Busch (which we call the Proposal Date ) and (ii) the 30 day period preceding the Proposal Date; and (b) the closing prices of the shares of Anheuser-Busch common stock on the New York Stock Exchange (i) on May 14, 2008, four weeks preceding the Proposal Date; (ii) on May 22, 2008, the day prior to the first published report of a rumor that InBev intended to acquire Anheuser-Busch (which we call the Rumor Date ) and (iii) on the day preceding the Proposal Date. The results of these calculations are summarized as follows:

<b>Implied Premium to:</b>	<b>Price per share of Anheuser-Busch common stock</b>	<b>Implied Premium of \$70.00 per share of Anheuser-Busch common stock to be received by Anheuser-Busch's stockholders</b>
52 Week Period Preceding the Proposal Date	\$ 50.32	39.1%
30 day Period Preceding the Proposal Date	\$ 54.70	28.0%
May 14, 2008 (4 Weeks Preceding the Proposal Date)	\$ 51.43	36.1%
May 22, 2008 (Day Prior to the Rumor Date)	\$ 52.58	33.1%
June 10, 2008 (Day Prior to the Proposal Date)	\$ 57.15	22.5%

***Selected Transactions Analysis.***

Goldman Sachs compared the premium to be paid for the shares of Anheuser-Busch common stock (based on the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders compared to the closing price of the shares of Anheuser-Busch common stock on the New York Stock Exchange on May 22, 2008, the day prior to the Rumor Date, of \$52.58 per share of Anheuser-Busch common stock) with the premia paid for all global cash acquisitions above \$5 billion since 2004 (based on the price per share payable pursuant to the relevant transaction compared to the closing share price four weeks prior to the announcement of the relevant transaction). The yearly average premia for all such global cash acquisitions ranged from 28% to 38%, with a median of 32.4%, compared to a 33.1% premium to be paid for the shares of Anheuser-Busch common stock.

Goldman Sachs also analyzed certain information relating to the following announced transactions above \$5 billion in the beer industry since May 2002:

Acquisition of Scottish & Newcastle plc by The Carlsberg Group and Heineken International (January 2008).

Acquisition of Bavaria S.A. by SABMiller plc (July 2005).

Acquisition of Companhia De Bebidas Das Americas by Interbrew (March 2004).

Acquisition of Miller Brewing Company by South African Breweries (May 2002).

While none of the acquired companies that participated in the selected transactions are directly comparable to Anheuser-Busch, the acquired companies that participated in the selected transactions are companies with operations that, for the purposes of analysis, may be considered similar to certain of Anheuser-Busch's results, market size and

product profile. For each of the selected transactions, Goldman Sachs calculated the total enterprise value of the acquired company (which is defined as the fully-diluted equity capitalization of the acquired company, based on the consideration received by its shareholders, plus debt less cash and adjusted for minorities and equity interests as appropriate) as a multiple of the acquired company's publicly reported earnings before interest, taxes, depreciation and amortization, adjusted for minorities and equity interests as appropriate (which is referred to in this section as

EBITDA), for the last reported twelve months prior to the announcement of the respective transactions (which is referred to in this section as LTM EBITDA). The results of these computations resulted in enterprise value multiples of LTM EBITDA for the acquired companies ranging from 10.1x to 13.9x.

Goldman Sachs calculated the Anheuser-Busch enterprise value/EBITDA multiples on two bases intended to take into account the significant implications of Anheuser-Busch's meaningful equity investments in Modelo

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and Tsingtao and other enterprises, which are not accounted for in Anheuser-Busch's reported operating income, as described below.

In the first alternative, Goldman Sachs subtracted from Anheuser-Busch's enterprise value (based on the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders of shares of Anheuser-Busch common stock pursuant to the Merger Agreement) Anheuser-Busch's implied economic ownership percentage of the fully diluted market capitalizations of Modelo and Tsingtao and the book value of Anheuser-Busch's other equity investments, resulting in an adjusted enterprise value of \$49,203 million. Goldman Sachs then calculated adjusted enterprise value/EBITDA multiples based on the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders of Anheuser-Busch common stock pursuant to the Merger Agreement.

<b>EBITDA</b>	<b>Enterprise Value Multiple of EBITDA</b>
March 31, 2008 LTM EBITDA (\$3,916 million)	12.6x
2007A EBITDA (\$3,864 million)	12.7x
2008E EBITDA (A-B Plan, which includes addback from restructuring related costs) (\$4,156 million)	11.8x
2009E EBITDA (A-B Plan) (\$4,810 million)	10.2x

In the second alternative, Goldman Sachs adjusted Anheuser-Busch's enterprise value by adding a proportionate amount (representing Anheuser-Busch's implied economic ownership percentage) of the debt and subtracting a proportionate amount (representing Anheuser-Busch's implied economic ownership percentage) of the cash of Modelo and Tsingtao and by subtracting the book value of Anheuser-Busch's other equity investments, resulting in an adjusted enterprise value of \$59,980 million. It also adjusted Anheuser-Busch's EBITDA by adding to it Anheuser-Busch's proportionate share of Modelo's and Tsingtao's EBITDA for the period in question.

<b>EBITDA</b>	<b>Enterprise Value Multiple of EBITDA</b>
March 31, 2008 LTM EBITDA (\$4,911 million)	12.2x
2007A EBITDA (\$4,866 million)	12.3x
2008E EBITDA (A-B Plan and IBES estimates, which includes addback from restructuring related costs) (\$5,216 million)	11.5x
2009E EBITDA (A-B Plan and IBES estimates) (\$5,990 million)	10.0x

Performing the enterprise value and EBITDA calculations using the two methods described above resulted in enterprise value multiples of LTM EBITDA for Anheuser-Busch of 12.2x or 12.6x, compared to enterprise value multiples of LTM EBITDA ranging from 10.1x to 13.9x for the selected announced transactions above \$5 billion in the beer industry since May 2002.

For illustrative purposes only, Goldman Sachs also calculated the \$60,723 million enterprise value of Anheuser-Busch (based on the \$70.00 per share of Anheuser-Busch common stock in cash to be received by the holders of shares of Anheuser-Busch common stock pursuant to the Merger Agreement) as a multiple of Anheuser-Busch's EBITDA, which resulted in the enterprise value/EBITDA multiples set forth below:



<b>EBITDA</b>	<b>Enterprise Value Multiple of EBITDA</b>
March 31, 2008 LTM EBITDA (\$3,916 million)	15.5x
2007A EBITDA (\$3,864 million)	15.7x
2008E EBITDA (A-B Plan, which includes addback from restructuring related costs) (\$4,156 million)	14.6x
2009E EBITDA (A-B Plan) (\$4,810 million)	12.6x

These calculations were used to illustrate the enterprise value/EBITDA multiple when Anheuser-Busch's economic interest in its non-consolidated equity investments is not taken into account.

**Table of Contents*****Trading Range Analysis***

Goldman Sachs looked at the trading performance of SABMiller plc, The Carlsberg Group, Molson Coors Brewing Company and Heineken International (which companies are referred to herein as the *Brewers*) over various periods of time. Although none of the *Brewers* is directly comparable to Anheuser-Busch, they were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Anheuser-Busch.

Among other things, Goldman Sachs observed that, between May 22, 2008, the day prior to the Rumor Date and July 11, 2008, the S&P 500 Index declined 11% (the *S&P Decline*) and the median share price change of the *Brewers* was a decline of 16% (the *Median Brewer Share Price Decline*). For illustrative purposes, Goldman Sachs calculated how much the price of the shares of Anheuser-Busch common stock would have declined over the same period from the closing price of \$52.58 on May 22, 2008 if the price of the shares of Anheuser-Busch common stock had matched the *S&P Decline* and the *Median Brewer Share Price Decline*. The results of these computations are summarized as follows:

	<b>S&amp;P 500 Index</b>	<b>Median Brewer Share Price Change</b>
<b>Hypothetical Share Price Decline from \$52.58 as of May 22, 2008</b>	\$ 47	\$ 44

***Present Value of Future Share Price Analysis***

Goldman Sachs performed an illustrative analysis of the implied present value of the future price per share of Anheuser-Busch's common stock, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future earnings per share multiple (referred to herein as a *P/E multiple*). For this analysis, Goldman Sachs calculated the implied present value of the future price per share of Anheuser-Busch common stock (including estimated dividends) over the four year period of 2009-2012, based on (a) Anheuser-Busch's projected earnings per share of Anheuser-Busch common stock set forth in Anheuser-Busch's updated five-year strategic plan as reviewed by the board during its meetings in June 2008 (which included anticipated pricing increases and plans to accelerate Anheuser-Busch's *Blue Ocean* cost savings program) as more fully described under *Background of the Merger* beginning on page 20 and *Projected Financial Information* beginning on page 42 (which we call the *A-B Plan*), and a *P/E multiple* of 18.0x implied by historical averages, (b) projected earnings per share of Anheuser-Busch common stock derived from Wall Street Research and a *P/E multiple* of 18.0x implied by historical averages, (c) historical compound average stock price growth since 2002 of 1.8% applied to a base price of \$52.58 (the market price per share of Anheuser-Busch common stock the day prior to the Rumor Date), and (d) adjusted projected earnings per share of Anheuser-Busch common stock, assuming that Anheuser-Busch was able to achieve only 50% of the additional estimated cost savings projected in the accelerated *Blue Ocean* cost savings program included in the *A-B Plan* and lower price increases than projected in the *A-B Plan* (which is referred to herein as the *Business Sensitivity Case*), and a 18.0x *P/E multiple* implied by historical averages. The resulting illustrative future prices per share of Anheuser-Busch common stock and dividends were discounted at 8%, the illustrative cost of equity for Anheuser-Busch. The illustrative cost of equity (the component of weighted average cost of capital applicable to common stock and dividends) was derived by utilizing a cost of equity analysis based on Goldman Sachs' professional judgment and on certain financial metrics, including betas, for Anheuser-Busch and selected companies which exhibited similar business characteristics to Anheuser-Busch. The results of these computations resulted in a range of implied present values of \$48 to \$77 per share of Anheuser-Busch common stock. Calculating implied present value

using only the projected earnings set forth in the A-B Plan and derived from Wall Street Research, in each case with a P/E multiple of 18.0x, resulted in a narrower range of \$66 to \$77 per share of Anheuser-Busch common stock.

***Illustrative Discounted Cash Flow Analysis.***

Goldman Sachs performed an illustrative discounted cash flow analysis on Anheuser-Busch (a) using Anheuser-Busch's management projections in the A-B Plan and valuing Anheuser-Busch's stakes in Modelo

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and Tsingtao at implied market values of such stakes as of the date of analysis of \$11 billion and \$780 million, respectively, (b) using the Business Sensitivity Case and valuing Anheuser-Busch's stakes in Modelo and Tsingtao at implied market values of such stakes as of the date of analysis of \$11 billion and \$780 million, respectively, and (c) using Anheuser-Busch's management projections in the A-B Plan, as adjusted by including a percentage of the implied discounted free cash flow value of Modelo equal to Anheuser-Busch's percentage equity stake (despite that Anheuser-Busch only receives dividends from Modelo), and valuing Tsingtao at the implied market value of Anheuser-Busch's stake as of the date of analysis of \$780 million. Goldman Sachs calculated indications of net present value of free cash flows for Anheuser-Busch for the years 2008 through 2012, discounted to the end of June 2008, on each of the three bases described above using discount rates ranging from 6.5% to 7.5% (referred to herein as the Anheuser-Busch illustrative discount rates). The Anheuser-Busch illustrative discount rates were derived by utilizing a weighted average cost of capital analysis based on Goldman Sachs' professional judgment and on certain financial metrics, including betas, for Anheuser-Busch and selected companies which exhibited similar business characteristics to Anheuser-Busch. Goldman Sachs calculated implied prices per share of Anheuser-Busch common stock on each of the three bases described above using illustrative terminal values in the year 2012 based on perpetuity growth rates ranging from 1.25% to 2.25%. These illustrative terminal values were then discounted using the Anheuser-Busch illustrative discount rates and added to the net present value of the free cash flows for Anheuser-Busch for the years 2008 through 2012 to calculate implied indications of present values (except in the case of (c) above, to which the net present value of a percentage of the implied discounted free cash flow value of Modelo equal to Anheuser-Busch's percentage equity stake was also added). The implied discounted free cash flow value of Modelo was calculated using the methodologies used to calculate Anheuser-Busch's indications of net present value of free cash flows, implied prices per share and implied indications of present values, each as described above, except that Goldman Sachs based its terminal value indications in the year 2012 on exit multiples ranging from 10.0x EBITDA to 12.0x EBITDA and utilized discount rates ranging from 7.5% to 9.5% (referred to herein as the Modelo illustrative discount rates). The Modelo illustrative discount rates were derived by utilizing a weighted average cost of capital analysis of Modelo based on Goldman Sachs' professional judgment and on certain financial metrics, including betas, for Modelo and selected companies which exhibited similar business characteristics to Modelo. These rates differed from the Anheuser-Busch illustrative discount rates because of the different financial metrics and characteristics of Modelo and Anheuser-Busch. The following table presents the results of this analysis:

	<b>Illustrative Per Share Value Indications</b>	
Anheuser-Busch Plan (with Modelo & Tsingtao at Market)	\$	64-\$88
Business Sensitivity Case (with Modelo & Tsingtao at Market)	\$	57-\$78
Anheuser-Busch Plan (with Tsingtao at Market and including Modelo discounted free cash flow)	\$	69-\$97

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Anheuser-Busch or the contemplated Merger.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to Anheuser-Busch's board of directors as to the fairness, from a financial point of view, to the holders (other than InBev and its direct and

indirectly owned subsidiaries) of shares of Anheuser-Busch common stock of the \$70.00 per share of Anheuser-Busch common stock in cash to be received by such holders pursuant to the Merger Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous

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factors or events beyond the control of the parties or their respective advisors, none of Anheuser-Busch, InBev, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arms -length negotiations between Anheuser-Busch and InBev and was approved by Anheuser-Busch's board of directors. Goldman Sachs provided advice to Anheuser-Busch during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Anheuser-Busch or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the Merger.

As described above, Goldman Sachs' opinion to Anheuser-Busch's board of directors was one of many factors taken into consideration by the Anheuser-Busch board of directors in making its determination to approve the Merger Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B.

Goldman Sachs and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of Anheuser-Busch, InBev and any of their respective affiliates or any currency or commodity that may be involved in the Merger for their own account and for the accounts of their customers. Goldman Sachs acted as financial advisor to Anheuser-Busch in connection with, and participated in certain of the negotiations leading to, the Merger and acted as financial advisor to Anheuser-Busch with regard to possible strategic alternatives to the Merger. In addition, Goldman Sachs has provided certain investment banking and other financial services to Anheuser-Busch and its affiliates from time to time, including having acted as co-manager with respect to a public offering of Anheuser-Busch's \$300,000,000 5.60% Notes due 2017 in February 2007; as co-manager with respect to a public offering of Anheuser-Busch's \$500,000,000 6.450% Debentures due 2037 in August 2007; and as joint bookrunning manager with respect to \$500,000,000 5.50% Notes due 2018 in November 2007. During the past two years, Goldman Sachs has received aggregate fees from Anheuser-Busch for investment banking and other financial advisory services unrelated to the Merger of approximately \$3.4 million. Goldman Sachs also has provided certain investment banking and other financial services to InBev and its affiliates from time to time, including having acted as an arranger in the lending syndicate in connection with InBev's 2,500,000,000 bank loan in December 2005; and as one of the counterparties to a currency swap and an interest rate swap entered into by InBev in 2007 and 2008, respectively. Goldman Sachs also may provide investment banking and other financial services to Anheuser-Busch, InBev and their respective affiliates in the future. In connection with the above-described services Goldman Sachs has received, and may receive in the future, compensation.

In early September 2008, InBev offered an affiliate of Goldman Sachs the opportunity to participate in the debt financing to be provided in connection with the transaction for customary fees. Such affiliate has not made any determination whether it intends to participate.

The board of directors of Anheuser-Busch selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the Merger. Pursuant to a letter agreement dated May 27, 2008, Anheuser-Busch engaged Goldman Sachs to act as its financial advisor in connection with, among other things, its analysis and consideration of unsolicited proposals with respect to the possible purchase of all or a significant portion of the stock or assets of Anheuser-Busch. Pursuant to a

second letter agreement dated July 7, 2008, Goldman Sachs engagement was made specific to the InBev proposal as well as to a sale of Anheuser-Busch to any third party. Pursuant to the terms of these engagement letters, Anheuser-Busch agreed to pay to Goldman Sachs \$40,000,000 if the Merger is consummated, \$10,000,000 of which was paid after the execution of the Merger Agreement. If the merger

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agreement had not been signed and InBev had instead withdrawn its proposal to purchase Anheuser-Busch, Anheuser-Busch would have been required to pay to Goldman Sachs a fee of as much as \$30,000,000, depending on the date on which InBev had withdrawn its proposal. In addition, Anheuser-Busch has agreed to reimburse Goldman Sachs for its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

### **Opinion of Citigroup Global Markets Inc.**

We entered into an engagement letter with Citi dated June 12, 2008, pursuant to which Citi agreed to act as financial advisor to Anheuser-Busch in connection with, among other things, preparing for any unsolicited proposal for a change of control of Anheuser-Busch, any potential proxy contest or shareholder consent solicitation, or a sale of all or a majority of Anheuser-Busch's business, assets or securities, or a merger or similar combination of Anheuser-Busch with another entity. In connection with this engagement, we requested that Citi evaluate the fairness, from a financial point of view, of the consideration to be received in the Merger by holders of our common stock. On July 13, 2008, at a meeting of our board of directors held to evaluate the Merger, Citi rendered to our board of directors an oral opinion, which was confirmed by delivery of a written opinion dated July 13, 2008, to the effect that, as of that date and based on and subject to the matters described in its opinion, the \$70.00 cash per share merger consideration was fair, from a financial point of view, to the holders of our common stock.

**The full text of Citi's written opinion, dated July 13, 2008, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this proxy statement as Annex C and is incorporated into this proxy statement by reference. Citi's opinion was provided to Anheuser-Busch's board of directors in connection with its evaluation of the merger consideration from a financial point of view. Citi's opinion does not address any other aspects or implications of the Merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed Merger.**

In arriving at its opinion, Citi:

reviewed the proposed Merger Agreement;

held discussions with certain of Anheuser-Busch's senior officers, directors and other representatives and advisors concerning Anheuser-Busch's business, operations and prospects;

examined certain publicly available business and financial information relating to Anheuser-Busch;

examined certain financial forecasts and other information and data relating to Anheuser-Busch which were provided to or otherwise discussed with Citi by Anheuser-Busch's management;

reviewed the financial terms of the Merger as set forth in the proposed Merger Agreement in relation to, among other things, current and historical market prices and trading volumes of Anheuser-Busch's common stock, Anheuser-Busch's historical and projected earnings and other operating data and Anheuser-Busch's capitalization and financial condition;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the Merger;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Anheuser-Busch; and



conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of Anheuser-Busch's management that it was not aware of any relevant information that was omitted or remained undisclosed to Citi. With respect to financial forecasts and other information and data relating to Anheuser-Busch provided to or otherwise reviewed by or

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discussed with Citi, Citi was advised by Anheuser-Busch's management that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of Anheuser-Busch's management as to Anheuser-Busch's future financial performance. Citi assumed, with Anheuser-Busch's consent, that the Merger would be consummated in accordance with the terms of the Merger Agreement, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Merger, no delay, limitation, restriction or condition would be imposed that would have a material adverse effect on the Merger, or the parties' ability to effect the Merger.

Citi did not make, and it was not provided with, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Anheuser-Busch, and Citi did not make any physical inspection of the properties or assets of Anheuser-Busch. Citi's opinion does not address Anheuser-Busch's underlying business decision to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for Anheuser-Busch or the effect of any other transaction in which Anheuser-Busch might engage. Citi expressed no view as to, and its opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Merger, or any class of such persons, relative to the merger consideration. Citi's opinion was necessarily based on information available to Citi, and financial, stock market and other conditions and circumstances existing, as of the date of its opinion.

In preparing its opinion, Citi performed a variety of financial and comparative analyses, including those described below. The summary of these analyses is not a complete description of the analyses underlying Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular or summary/graphical format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Anheuser-Busch. No company, business or transaction used in those analyses as a comparison is identical or directly comparable to Anheuser-Busch or the Merger, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed.

The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the Merger was determined through negotiations between Anheuser-Busch and InBev and the decision to enter into the Merger was solely that of Anheuser-Busch's board of directors. Citi's opinion was only one of many factors considered by Anheuser-Busch's board of directors in its

evaluation of the Merger and should not be viewed as determinative of the views of Anheuser-Busch's board of directors or management with respect to the Merger or the merger consideration.

**The following is a summary of the material financial analyses presented to Anheuser-Busch's board of directors in connection with Citi's opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables**

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must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses.

***Stock Trading History and Implied Premiums***

Citi considered the merger consideration of \$70.00 per share offered to holders of Anheuser-Busch's common stock in the Merger and calculated the implied premiums represented relative to the closing price of Anheuser-Busch's common stock on or during (i) the one-month period ended on May 22, 2008, the last day of trading prior to rumors regarding a potential proposal from InBev, (ii) July 10, 2008, the last trading day prior to rumors regarding InBev's \$70.00 per share proposal to acquire Anheuser-Busch, (iii) the 52-week high ended on May 22, 2008 and (iv) the all time high on October 21, 2002. The results of this analysis are set forth below:

<b>Date</b>	<b>Implied Premium at \$70 Offer (%)</b>
One-Month Average ended on May 22, 2008	39
July 10, 2008	14
52 Week High ended on May 22, 2008	29
All time high (October 21, 2002)	27

Citi also calculated the implied premiums paid in all-cash transactions valued above \$10 billion since January 1, 2003, based on the target company's closing share price one day prior to the announcement of the transaction (or, in the event that there were public reports prior to announcement of the transaction, the unaffected share price). This analysis resulted in a range of implied premiums of 25% to 35%, as compared to the premium to Anheuser-Busch's closing share price on May 22, 2008 of 33% implied by the Merger consideration of \$70.00 per share.

***Selected Precedent Transactions Analysis***

Using publicly available information, Citi reviewed transaction values in the following seven transactions:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
January 2008	Heineken N.V.- Carlsberg A/S(*)	Scottish & Newcastle plc.
January 2008	Carlsberg A/S(*)	Scottish & Newcastle plc.
January 2008	Heineken N.V.(*)	Scottish & Newcastle plc.
July 2005	SABMiller plc	Bavaria S.A.
March 2004	Companhia de Bedidas das Americas	AmBev