

ANHEUSER BUSCH COMPANIES INC

Form 424B2

November 05, 2001

Prospectus Supplement

(To Prospectus dated July 23, 2001)

\$250,000,000
6% Debentures Due November 1, 2041

Interest payable May 1 and November 1

Issue price: 99.013%

Interest on the Debentures is payable on May 1 and November 1 of each year, beginning May 1, 2002. The Debentures will mature on November 1, 2041. Interest will accrue from November 6, 2001.

We may redeem the Debentures in whole or in part at any time at the make whole redemption price described in this prospectus. We may also shorten the maturity of the Debentures in the event of certain changes involving United States federal income taxation.

The Debentures will be unsecured and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Debentures or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts	Proceeds, before expenses, to us
Per Debenture	99.013%	0.875%	98.138%
Total	\$247,532,500	\$2,187,500	\$245,345,000

The Debentures will not be listed on any securities exchange. Currently, there is no public market for the Debentures.

The underwriters expect to deliver the Debentures to purchasers on or about November 6, 2001 through The Depository Trust Company.

JPMorgan

Banc One Capital Markets, Inc.

Banc of America Securities LLC

Salomon Smith

Barney

UBS Warburg

Mizuho International plc

November 1, 2001

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No dealer, salesperson or other person has been authorized to give any information or to make any representation in connection with the offer made hereby except as contained or incorporated by reference in this prospectus supplement or the accompanying prospectus, and if given or made, no such information or representation should be relied upon as having been authorized by us or the underwriters. Neither the delivery of this prospectus supplement or the accompanying prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information set forth herein or in our affairs since the date hereof. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy the Debentures by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

TABLE OF CONTENTS

Prospectus Supplement

Description of the Debentures	<u>Page</u> S-3
Underwriting	S-5

Prospectus

Table of Contents	2
Where You Can Find More Information	3
Information about Anheuser-Busch	3
Use of Proceeds	4
Description of the Debt Securities	4
Book-Entry Debt Securities	10
Plan of Distribution	11
Legal Opinion	12
Experts	12

S-2

DESCRIPTION OF THE DEBENTURES

We will issue the Debentures under an Indenture dated as of July 1, 2001 (the "Indenture") between us and The Chase Manhattan Bank, as Trustee. Information about the Indenture is in the accompanying prospectus under "Description of the Debt Securities".

The interest rate on the Debentures will be 6% per annum, accruing from November 6, 2001. We will pay interest on May 1 and November 1, starting May 1, 2002. We will pay interest to the persons in whose names the Debentures are registered at the close of business on the April 15 or October 15 preceding the payment date.

We will issue the Debentures in book entry form, as a single global Debenture registered in the name of the nominee of The Depository Trust Company, which will act as Depository, or in the name of the Depository. Beneficial interests in book entry Debentures will be shown on, and transfers thereof will be made only through, records maintained by the Depository and its participants. Except as described in the prospectus under "Book Entry Debt Securities", owners of beneficial interests in a global Debenture will not be entitled to receive physical delivery of certificates for the Debentures.

Optional Redemption

We may redeem the Debentures, in whole or in part, at our option at any time at a redemption price equal to the greater of (i) 100% of the principal amount of such Debentures and (ii) as determined by a Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of

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redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined below) plus 25 basis points plus, in each case, accrued interest thereon to the date of redemption.

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date; *provided* that, if the Quotation Agent shall determine that there is no such Comparable Treasury Issue, such rate per annum shall be equal to the estimated semi-annual equivalent yield to maturity that a United States Treasury security having a maturity comparable to the remaining term of the Debentures would bear, if such security were available, such estimate to be made by the Quotation Agent on the basis of interpolation, extrapolation and other accepted financial practices, taking into account (i) the yields to maturity of United States Treasury securities of other maturities, (ii) yields to maturity of other U.S. dollar denominated debt securities having a maturity comparable to the remaining term of the Debentures to be redeemed and (iii) applicable interest rate spreads between United States Treasury securities and such other debt securities, all as of 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the Debentures to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Debentures.

Comparable Treasury Price means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations.

Quotation Agent means the Reference Treasury Dealer appointed by us.

S-3

Reference Treasury Dealer means (i) J.P. Morgan Securities Inc., Banc One Capital Markets, Inc., Banc of America Securities LLC, Salomon Smith Barney Inc. and UBS Warburg LLC and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), we shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer we select.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the Debentures to be redeemed. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Debentures or portions thereof called for redemption.

The Debentures will not be subject to any sinking fund.

Conditional Right to Shorten Maturity upon Tax Event

We intend to deduct interest paid on the Debentures for United States federal income tax purposes. However, there have been proposed tax law changes over the past several years that, among other things, would have prohibited an issuer from deducting interest payments on debt instruments with a maturity of more than 40 years. While none of these proposals has become law, there can be no assurance that similar legislation affecting our ability to deduct interest paid on the Debentures will not be enacted in the future or that any such legislation would not have a retroactive effective date. As a result, there can be no assurance that a tax event, as defined below, will not occur.

If such a tax event occurs, we will have the right to shorten the maturity of the Debentures by the minimum period required, in the opinion of Bryan Cave LLP or other nationally recognized tax counsel, to allow us to deduct interest paid on the Debentures for United States federal income tax purposes. If such tax counsel advises us that it is unable to render a definite opinion as to the minimum period required, we will have the right to shorten the maturity of the Debentures by such minimum period as we shall determine to be advisable based on an opinion of such tax counsel regarding the applicable legal standards. We can give no assurance that we will not exercise our right to shorten the maturity of the

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Debentures if a tax event occurs. Likewise, we can give no assurance as to the period by which such maturity would be shortened.

If we elect to shorten the maturity of the Debentures upon the occurrence of a tax event, we will mail a notice of the shortened maturity to each registered holder of record of the Debentures stating the new maturity date of the Debentures. We will mail such notice by first-class mail not more than 60 days after the occurrence of such tax event. Such notice will be effective immediately upon mailing.

We believe that the Debentures should constitute indebtedness for United States federal income tax purposes under current law and, in that case, the shortening of the maturity of the Debentures would not be a taxable event to you for such purposes. You should be aware, however, that the shortening of the maturity of the Debentures will be a taxable event to you if, prior to such shortening, the Debentures are treated as equity for United States federal income tax purposes.

Tax event means the receipt by us of an opinion of tax counsel to the effect that, as a result of the occurrence of any of the following events on or after November 6, 2001, there is more than an insubstantial increase in the risk that interest paid by us on the Debentures is not, or will not be, deductible, in whole or in part, by us for federal income tax purposes:

S-4

- any amendment to, clarification of, or change, including any announced prospective amendment, clarification or change, in any law, or any regulation of the United States,
- any judicial decision, official administrative pronouncement, ruling, regulation, regulatory procedure, notice or announcement, including any notice or announcement of intent to adopt or promulgate any ruling, regulatory procedure or regulation, and including the issuance of proposed regulations, or
- any amendment to, clarification of, or change in any official position with respect to, or any official interpretation of, an administrative or judicial action or law or regulation of the United States that differs from the position or interpretation that was previously generally accepted.

Same-Day Settlement and Payment

The Debentures will trade in the Depository's same-day funds settlement system until maturity or until we issue the Debentures in definitive form. The Depository will therefore require secondary market trading activity in the Debentures to settle in immediately available funds.

Governing Law

The Debentures will be governed by and construed in accordance with the laws of the State of New York.

Additional Debentures

We may elect to issue additional Debentures under the Indenture which would be considered part of the same issue as the Debentures. If we do so, those securities would have the same interest rate as the Debentures, the same maturity date and the same payment terms as the Debentures.

UNDERWRITING

We are selling the Debentures to the underwriters named below under an Underwriting Agreement dated November 1, 2001. The underwriters, and the amount of the Debentures each of them has severally agreed to purchase from us, are as follows:

<u>Name</u>	<u>Principal Amount of Debentures</u>
J.P. Morgan Securities Inc.	\$ 81,250,000
Banc One Capital Markets, Inc.	81,250,000
Banc of America Securities LLC	25,000,000
Salomon Smith Barney Inc.	25,000,000
UBS Warburg LLC	25,000,000
Mizuho International plc	12,500,000
Total	<u>\$ 250,000,000</u>

UNDERWRITING

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The Underwriting Agreement provides that, if the underwriters take any of the Debentures, then they are obligated to take and pay for all of the Debentures.

The Debentures are a new issue of securities with no established trading market. We do not intend to apply for listing of the Debentures on any national securities exchange. The underwriters have advised us that they intend to make a market for the Debentures, but they have no obligation to do so. They also may discontinue market making at any time without providing any notice. We cannot give any assurance as to the liquidity of any trading market for the Debentures.

S-5

The underwriters initially propose to offer part of the Debentures directly to the public at the public offering price set forth on the cover page and part to certain dealers at a price that represents a concession not in excess of 0.50% of the principal amount of the Debentures. Any underwriter may allow, and any such dealer may reallow, a concession not in excess of 0.25% of the principal amount of the Debentures to certain other dealers. After the initial offering of the Debentures, the underwriters may, from time to time, vary the offering price and other selling terms.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

We estimate that we will spend approximately \$150,000 for printing, rating agency fees, registration fees, Trustee's fees, legal fees and other expenses of the offering.

We entered into an interest rate derivative transaction with an affiliate of J.P. Morgan Securities Inc. relating to a government security which served as the reference interest rate for the Debentures.

In connection with the offering of the Debentures, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the prices of the Debentures. Specifically, the underwriters may over allot in connection with the offering of the Debentures, creating a syndicate short position. In addition, the underwriters may bid for, and purchase, the Debentures in the open market to cover short positions or to stabilize the price of the Debentures. Finally, the underwriters may reclaim selling concessions allowed for distributing the Debentures in the offering, if the underwriters repurchase previously distributed Debentures in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market prices of the Debentures above independent market levels. The underwriters are not required to engage in any of these activities and may end any of these activities at any time.

The underwriters have agreed to make a payment to us in lieu of expense reimbursement.

Mr. Douglas A. Warner III, one of our directors, is the Chairman of the Board of Directors of J.P. Morgan Chase & Co., an international commercial and investment banking firm and the parent company of J.P. Morgan Securities Inc. and the Trustee. In addition, in the ordinary course of their respective businesses, certain of the underwriters and/or their affiliates have engaged, and expect in the future to engage, in investment banking, commercial banking and/or general financing and banking transactions with us.

S-6

PROSPECTUS

\$1,000,000,000

\$1,000,000,000

5

Debt Securities

This Prospectus describes Debt Securities which Anheuser-Busch Companies, Inc. may issue and sell at various times. More detailed information is under "Description of Securities."

- The Debt Securities may be debentures, notes or other unsecured evidences of indebtedness.
- We may issue them in one or several series.
- The total principal amount of the Debt Securities to be issued under this Prospectus will not exceed \$1,000,000,000 (or the equivalent amount in other currencies).
- We will determine the terms of each series of Debt Securities (interest rates, maturity, redemption provisions and other terms) at the time of sale, and we will specify the terms in a Prospectus Supplement which we will deliver together with this Prospectus at the time of the sale.

We may sell Debt Securities directly to investors or through underwriters, dealers or agents. More information about the way we will distribute the Debt Securities is under the heading "Plan of Distribution." Information about the underwriters or agents who will participate in any particular sale of Debt Securities will be in the Prospectus Supplement relating to that series of Debt Securities.

Our principal office is at One Busch Place, St. Louis, Missouri 63118, and our telephone number is (314) 577-2000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is July 23, 2001.

We have not authorized anyone to give any information or to make any representations concerning the offering of the Debt Securities except those which are in this Prospectus or in the Prospectus Supplement which is delivered with this Prospectus, or which is referred to under "Where You Can Find More Information." If anyone gives any other information or representation, you should not rely on it. This Prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the Debt Securities which are referred to in the Prospectus Supplement. This Prospectus is not an offer to sell or a solicitation of an offer to buy Debt Securities in any circumstances in which the offer or solicitation is unlawful. You should not interpret the delivery of this Prospectus, or any sale of Debt Securities, as an indication that there has been no change in our affairs since the date of this Prospectus. You should also be aware that information in this Prospectus may change after this date.

TABLE OF CONTENTS

Table of Contents	2	Modification or Amendment of the Indenture	8
Where You Can Find More Information.	3	Defeasance	8
Information about Anheuser-Busch	3	Events of Default, Notice and Waiver	9
Debt Securities			6

Use of Proceeds	4	Regarding the Trustee	10
Description of the Debt Securities	4	Book-Entry Debt Securities	10
General	4	Plan of Distribution	11
Payments On Debt Securities; Transfers	5	Legal Opinion	12
Form and Denominations	6	Experts	12
Certain Restrictions	6		

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any of these documents at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's Internet website at <http://www.sec.gov>. The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents.

The information incorporated by reference is considered to be part of this Prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until we sell all of the Debt Securities.

- Our Annual Report on Form 10-K for the year ended December 31, 2000.
- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.

You may receive a copy of any of these filings, at no cost, by writing or telephoning the Corporate Secretary, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Missouri 63118, telephone 314-577-2000.

We have filed with the SEC a Registration Statement to register the Debt Securities under the Securities Act of 1933. This Prospectus omits certain information contained in the Registration Statement, as permitted by SEC rules. You may obtain copies of the Registration Statement, including exhibits, as noted in the first paragraph above.

INFORMATION ABOUT ANHEUSER-BUSCH

Anheuser-Busch Companies, Inc. ("Anheuser-Busch") is a Delaware corporation that was organized in 1979 as the holding company parent of Anheuser-Busch, Incorporated ("ABI"), a Missouri corporation whose origins date back to 1875. In addition to ABI, which is the world's largest brewer of beer, we are also the parent corporation to a number of subsidiaries that conduct various other business operations, including those related to the production and acquisition of brewing raw materials, the manufacture and recycling of aluminum beverage containers and the operation of theme parks.

These are our most important subsidiaries:

- ABI produces and distributes beer in a variety of containers primarily under the brand names Budweiser, Bud Light, Bud Dry, Bud Ice, Bud Ice Light, Michelob, Michelob Light, Michelob Golden Draft, Michelob Golden Draft Light, Michelob Black & Tan Lager, Michelob Amber Bock, Michelob Honey Lager, Michelob Hefe-Weizen, Busch, Busch Light, Busch Ice, Natural Light, Natural Ice, King Cobra, Red Wolf Lager,

ZiegenBock Amber, Hurricane Malt Liquor, Hurricane Ice, Pacific Ridge Ale, Tequiza, "Doc" Otis Lemon, "Doc" Otis Apple, Killarney's and Michelob Marzen. ABI's products also include three non-alcohol malt beverages, O'Doul's, Busch NA and O'Doul's Amber.

- Anheuser-Busch International, Inc. brews and distributes ABI's products in twenty-nine European countries and sells under import distribution agreements in more than 80 countries and U.S. territories and to the U.S. military and diplomatic corps outside the continental United States. Through subsidiaries, it owns breweries in the United Kingdom and China. Our products are also brewed under license or contract brewing arrangements in Argentina, Canada, Ireland, Italy, Japan, Korea, the Philippines and Spain. We have equity investments or joint ventures with brewers in Argentina, Chile and Mexico.

3

- Metal Container Corporation manufactures beverage cans at eight plants and beverage can lids at three plants for sale to ABI and to soft drink and export customers. Anheuser-Busch Recycling Corporation recycles aluminum cans. Precision Printing and Packaging, Inc. manufactures metalized and paper labels.
- Busch Entertainment Corporation ("BEC") owns, directly and through subsidiaries, theme parks and entertainment facilities. BEC operates Busch Gardens theme parks in Tampa, Florida and Williamsburg, Virginia, Sea World theme parks in Orlando, Florida, San Antonio, Texas, and San Diego, California and its newest park, Discovery Cove, in Orlando, Florida. BEC also operates water park attractions in Tampa, Florida (Adventure Island) and Williamsburg, Virginia (Water Country, U.S.A.) and an educational play park for children near Philadelphia, Pennsylvania (Sesame Place).

USE OF PROCEEDS

Unless we indicate otherwise in the Prospectus Supplement which accompanies this Prospectus, we intend to add the net proceeds from the sale of the Debt Securities to our general funds. We expect to use the proceeds for general corporate purposes, including working capital, capital expenditures and repayment of borrowings. Before we use the proceeds for these purposes, we may invest them in short-term investments.

DESCRIPTION OF THE DEBT SECURITIES

This section describes some of the general terms of the Debt Securities. The Prospectus Supplement describes the particular terms of the Debt Securities we are offering. The Prospectus Supplement also indicates the extent, if any, to which these general provisions may not apply to the Debt Securities being offered. If you would like more information on these provisions, you may review the Indenture which is filed as an exhibit to the Registration Statement which is filed with the SEC. See "Where You Can Find More Information."

We will issue the Debt Securities either under the Indenture dated as of July 1, 2001 between us and The Chase Manhattan Bank, as trustee, or under a separate, substantially identical indenture to be entered into between us and a new trustee. We are summarizing certain important provisions of the Debt Securities and the Indenture. This is not a complete description of the important terms. You should refer to the specific terms of the Indenture for a complete statement of the terms of the Indenture and the Debt Securities. When we use capitalized terms which we do not define here, those terms have the meanings given in the Indenture. When we use references to Sections, we mean Sections in the Indenture.

General

The Debt Securities will be senior unsecured obligations of Anheuser-Busch.

The Indenture does not limit the amount of Debt Securities that we may issue under the Indenture, nor does it limit other debt that we may issue. We may issue the Debt Securities at various times in different series and issues, each of which may have different terms. The word "issue" means, for any series of Debt Securities, that the securities have the same original issue date or date from which interest starts to accrue, the same maturity date and the same interest rate and other payment terms or that the Company has otherwise designated securities as part of the same issue. Unless we indicate otherwise in the Prospectus Supplement for any series or issue, we may treat a subsequent offering of Debt Securities as a part of the same issue as that series or issue.

4

The Prospectus Supplement relating to the particular series of Debt Securities we are offering includes the following information concerning those Debt Securities:

- The title of the Debt Securities.
- The total principal amount of the series or issue of Debt Securities.
- The date on which the principal and interest will be paid, the rights we or the holders may have to extend the maturity of the Debt Securities and any rights the holders may have to require payment of the Debt Securities at any time.
- The interest rate on the Debt Securities. We may specify a fixed rate or a variable rate, or a rate to be determined under procedures we will describe in the Prospectus Supplement, and the interest rate may be subject to adjustment.
- The dates on which we will pay interest on the Debt Securities and the regular record dates for determining the holders who are entitled to receive the interest payments.
- Where payments on the Debt Securities will be made, if it is other than the office mentioned under "Payments on Debt Securities" below.
- If applicable, the prices at which we may redeem all or a part of the Debt Securities and the time periods during which we may make the redemptions. The redemptions may be made under a sinking fund or otherwise.
- Any obligation we may have to redeem, purchase or repay any of the Debt Securities under a sinking fund or otherwise or at the option of the holder, and the prices, time periods and other terms which would apply.
- Any additional Events of Default or covenants that will apply to the Debt Securities.
- The amounts we would be required to pay if the maturity of the Debt Securities is accelerated, if it is less than the principal amount.
- If we will make payments on the Debt Securities in any currency other than U.S. dollars, the currencies in which we will make the payments.

- If applicable, the terms under which we or a holder may elect that payments on the Debt Securities be made in a currency other than U.S. dollars.
- If amounts payable on the Debt Securities may be determined by a currency index, information on how the payments will be determined.
- Any other special terms that may apply to the Debt Securities.

Payments on Debt Securities; Transfers

We will make payments on the Debt Securities to the persons in whose names the securities are registered at the close of business on the record date for the interest payments. As explained under "Book-Entry Securities" below, The Depository Trust Company or its nominee will be the initial registered holder unless the Prospectus Supplement provides otherwise.

Unless we indicate otherwise in the Prospectus Supplement, we will make payments on the Debt Securities at the trustee's office. For The Chase Manhattan Bank, the office is now its Corporate Trust Office, 450 West 33rd Street, New York, New York 10001. In the case of any other trustee, we will specify the office and address in the Prospectus Supplement or in an attachment thereto. Transfers of Debt Securities can be made at the same offices. (Sections 202, 301, 306 and 1002)

Form and Denominations

Unless we otherwise indicate in the Prospectus Supplement:

- We will only issue the Debt Securities of each series or issue in registered form without coupons in denominations of \$1,000 and any integral multiple thereof.
- We will not charge any fee to register any transfer or exchange of the Debt Securities, except for taxes or other governmental charges, if any. (Section 306)

Certain Restrictions

Creation of Secured Indebtedness

Under the Indenture, we and our Restricted Subsidiaries (defined below) may not create, assume, guarantee or permit to exist any indebtedness for borrowed money which is secured by a pledge of, or a mortgage or lien on, any of our Principal Plants (defined below) or on any of our Restricted Subsidiaries' capital stock, unless we also provide equal and ratable security for the Debt Securities. A "Restricted Subsidiary" is a Subsidiary which owns or operates a Principal Plant, unless it is incorporated or has its principal place of business outside the United States, and any other subsidiary which we elect to treat as a Restricted Subsidiary. A "Principal Plant" is a brewery, or a manufacturing, processing or packaging plant located in the United States, but does not include a plant which we determine is not of material importance to the total business conducted by us and our Subsidiaries, any plant which we determine is used primarily for transportation, marketing or warehousing or at our option any plant that does not constitute part of the brewing operations of the Company and has a net book value of not more than \$100,000,000.

This restriction does not apply to:

- purchase money liens,
- liens existing on property when we acquire it or securing indebtedness which we use to pay the cost of acquisition or construction or to reimburse us for that cost,
- liens on property of a Restricted Subsidiary at the time it becomes a Restricted Subsidiary,
- liens to secure the cost of development or construction of property, or improvements of property, and which are released or satisfied within 120 days after completion of the development or construction,
- liens in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities,
- liens securing indebtedness owing to us or to a Restricted Subsidiary by a Restricted Subsidiary,
- liens existing at July 1, 2001 (the date of the Indenture),
- liens required in connection with state or local governmental programs which provide financial or tax benefits, as long as substantially all of the obligations secured are in lieu of or reduce an obligation that would have been secured by a lien permitted under the Indenture,
- extensions, renewals or replacements of the liens referred to above, or
- in connection with sale-leaseback transactions permitted under the Indenture. (Section 1006(a))

There is an additional exception as described below under "10% Basket Amount."

If we become obligated to provide security for the Debt Securities as described above, we would also be required to provide comparable security for most of our other outstanding indebtedness.

Sale-Leaseback Financings

Under the Indenture, neither we nor any Restricted Subsidiary may enter into any sale and leaseback transaction involving a Principal Plant, except a sale by a Restricted Subsidiary to us or another Restricted Subsidiary or a lease not exceeding three years, by the end of which we intend to discontinue use of the property, and except for any transaction with a local or state authority that provides financial or tax benefits, unless:

- the net proceeds of the sale are at least equal to the fair market value of the property, and
- within 120 days of the transfer we repay Funded Debt (defined below) and/or make expenditures for the expansion, construction or acquisition of a Principal Plant at least equal to the net proceeds of the sale. (Section 1007)

There is an additional exception as described below under "10% Basket Amount."

Limitation on Funded Debt of Restricted Subsidiaries

We may not permit any Restricted Subsidiary to create, assume or permit to exist any Funded Debt other than:

- Funded Debt secured by a mortgage, pledge or lien which is permitted under the provisions described above under "Creation of Secured Indebtedness,"
- Funded Debt owed to us or any Restricted Subsidiary,
- Funded Debt of a corporation existing at the time it becomes a Restricted Subsidiary,
- Funded Debt created in connection with, or with a view to, compliance with the requirements of any program, law, statute or regulation of any federal, state or local governmental authority and applicable to the Restricted Subsidiary and providing financial or tax benefits to the Restricted Subsidiary, and
- guarantees existing at July 1, 2001 (the date of the Indenture). (Section 1008(a))

There is an additional exception as described below under "10% Basket Amount."

"Funded Debt" means all of our indebtedness for money borrowed, including purchase money indebtedness, having a maturity of more than twelve months from the date of determination or having a maturity of less than twelve months but by its terms being renewable or extendible beyond twelve months at our option, subject only to conditions which we are then capable of fulfilling, and direct guarantees of similar indebtedness for money borrowed of others and any other indebtedness we classify as long-term indebtedness in our financial statements, except that Funded Debt does not include:

- Any indebtedness of a person held in treasury by that person; or
- Any indebtedness with respect to which sufficient money has been deposited or set aside to pay the indebtedness; or
- Any amount representing capitalized lease obligations; or
- Any indirect guarantees or other contingent obligations in respect of indebtedness of other persons; or
- Any guarantees with respect to lease or other similar periodic payments to be made by other persons.

10% Basket Amount

In addition to the exceptions described above under "Creation of Secured Indebtedness," "Sale-Leaseback Financings" and "Limitation on Funded Debt of Restricted Subsidiaries," the Indenture allows additional secured indebtedness, additional sale-leaseback financings and additional Funded Debt of Restricted Subsidiaries as long as the total of the additional indebtedness and Funded Debt and the fair market value of the property transferred in the

additional sale-leaseback financings does not exceed 10% of our Net Tangible Assets. "Net Tangible Assets" means our total assets including those of our subsidiaries after deducting current liabilities (except for those which are Funded Debt) and goodwill, trade names, trademarks, patents, unamortized debt discount and expense, organization and developmental expenses and other like segregated intangibles. Deferred income taxes, deferred investment tax credit or other similar items will not be considered as a liability or as a deduction from or adjustment to total assets. (Sections 1006(d), 1007(c) and 1008(b))

Merger

We may consolidate with or merge into any other corporation or transfer or lease our properties and assets substantially as an entirety as long as we meet certain conditions, including the assumption of the securities by any successor corporation. (Section 801) The Company is not restricted from transferring its aluminum can manufacturing business and related operations.

Modification or Amendment of the Indenture

We may modify and amend the Indenture if the holders of a majority in principal amount of the outstanding Debt Securities affected by the modification or amendment consent, except that no supplemental indenture may reduce the principal amount of or interest or premium payable on any Debt Security, change the maturity date or dates of principal payments, the interest payment dates or other terms of payment, or reduce the percentage of holders necessary to approve a modification or amendment of the Indenture, without the consent of each holder of outstanding Debt Securities affected by the supplemental indenture. (Section 902)

We and the trustee may amend the Indenture without the holders' consent for certain specified purposes, including any change which, in our counsel's opinion, does not materially adversely affect the holders' interests. (Section 901)

Defeasance

The Indenture includes provisions allowing defeasance of the Debt Securities of any series. In order to defease Debt Securities, we would deposit with the Trustee or another trustee money or U.S. Government Obligations sufficient to make all payments on those Debt Securities. If we make a defeasance deposit with respect to your Debt Securities, we may elect either:

- to be discharged from all of our obligations on your Debt Securities, except for our obligations to register transfers and exchanges, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of the Debt Securities and to hold moneys for payment in trust; or
- to be released from our restrictions described above relating to liens, sale-leaseback transactions and Funded Debt of Restricted Subsidiaries.

To establish the trust, we must deliver to the Trustee an opinion of our counsel that the holders of the Debt Securities will not recognize gain or loss for Federal income tax purposes as a result of the defeasance and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would have been the case if the defeasance had not occurred. (Article Thirteen)

Events of Default, Notice and Waiver

An Event of Default in respect of any issue of Debt Securities means:

- default for 30 days in any payment of interest;
- default in payment of principal or premium at maturity, or default in payment of any required redemption or sinking fund amount which continues for 30 days;
- default in performance of or breach of any covenant in the Indenture which applies to the issue which continues for 90 days after notice to us by the Trustee or by the holders of 25% in principal amount of the outstanding Debt Securities of the affected issues; and
- certain events of our bankruptcy, insolvency and reorganization. (Section 501)

If an Event of Default occurs and is continuing in respect of one or more issues, either the Trustee or the holders of 25% in principal amount of the outstanding Debt Securities of those issues may declare the principal of and accrued interest, if any, on all securities of those issues to be due and payable. If other specified Events of Default occur and are continuing, either the Trustee or the holders of 25% in principal amount of the outstanding Debt Securities of all issues may declare the principal of and accrued interest, if any, on all the outstanding Debt Securities to be due and payable. (Section 502)

Within 90 days after a default in respect of any issue of Debt Securities, the Trustee must give to the holders of the Debt Securities of that series notice of all uncured and unwaived defaults by us known to it. However, except in the case of default in payment, the Trustee may withhold the notice if it in good faith determines that it is in the interest of the holders. The term "default" means, for this purpose, the occurrence of any event that is or, upon notice or lapse of time would be, an Event of Default. (Section 602)

Before the Trustee is required to exercise rights under the Indenture at the request of holders, it is entitled to be indemnified by the holders, subject to its duty, during an Event of Default, to act with the required standard of care. (Sections 601 through 612)

A holder of a Debt Security will not be entitled to pursue any remedy under the Indenture except under the following circumstances:

- the holder has notified the Trustee in writing of an Event of Default;
- holders of at least 25% of the outstanding principal amount of the Debt Securities in respect of which the Event of Default has occurred have delivered a written request to the Trustee to pursue the remedy;
- the holder or holders have offered to the Trustee a reasonable indemnity against the costs to be incurred by the Trustee in pursuing the remedy;
- the Trustee does not pursue the remedy for a period of 60 days; and
- the holders of a majority of the outstanding principal amount of the Debt Securities in respect of which the Event of Default has occurred have not delivered written directions to the Trustee inconsistent with the initial written request from the holders described above. (Section 507)

The holders of a majority in principal amount of the outstanding securities of any series (voting as a single class) may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or

exercising any trust or power conferred upon the Trustee in respect of the securities of that series. (Section 512)

9

The holders of a majority in principal amount of the outstanding securities of all series affected by a default (voting as a single class) may, on behalf of the holders of all that securities, waive the default except a default in payment of the principal or premium, if any, or interest on any security. (Section 513) The holders of a majority in principal amount of outstanding securities of all series entitled to the benefits thereof (voting as a single class) may waive compliance with certain covenants under the Indenture. (Section 1010)

We will furnish to the trustee, annually, a statement as to the fulfillment by us of our obligations under the Indenture. (Section 1004)

Regarding the Trustee

The Chase Manhattan Bank is the Trustee under the Indenture. The Indenture is dated as of July 1, 2001. The Chase Manhattan Bank also acts as trustee (or successor trustee) under other Indentures with us under which an aggregate of approximately \$4.2 billion in principal amount of indebtedness is issued and outstanding. The Chase Manhattan Bank also is a party to our credit agreement, under which it has committed to lend us up to \$425 million, and provides other commercial and investment banking services to us. An affiliate of The Chase Manhattan Bank has engaged, and may in the future engage, in investment banking and/or general financing and banking transactions with us.

We can remove the Trustee of any series as long as there is no Event of Default and no event that, upon notice or lapse of time or both, would become an Event of Default. The holders of a majority of the principal amount of the series may also remove the Trustee at any time. The Indenture prescribes procedures by which the Trustee will be replaced, in the event of its removal. (Section 610)

BOOK-ENTRY DEBT SECURITIES

The Prospectus Supplement will indicate whether we are issuing the related Debt Securities as book-entry securities. Book-entry securities of a series will be issued in the form of one or more global notes that will be deposited with The Depository Trust Company, New York, New York, and will evidence all of the Debt Securities of that series. This means that we will not issue certificates to each holder. We will issue one or more global securities to DTC, which will keep a computerized record of its participants (for example, your broker) whose clients have purchased the Debt Securities. The participant will then keep a record of its clients who own the Debt Securities. Unless it is exchanged in whole or in part for a security evidenced by individual certificates, a global security may not be transferred, except that DTC, its nominees and their successors may transfer a global security as a whole to one another. Beneficial interests in global securities will be shown on, and transfers of beneficial interests in global notes will be made only through, records maintained by DTC and its participants. Each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant, on the procedures of the participant through which the person owns its interest to exercise any rights of a holder of Debt Securities under the Indenture.

The laws of some jurisdictions require that certain purchasers of securities such as Debt Securities take physical delivery of the securities in definitive form. These limits and laws may impair your ability to acquire or transfer beneficial interests in the global security.

We will make payments on each series of book-entry Debt Securities to DTC or its nominee, as the sole registered owner and holder of the global security. Neither Anheuser-Busch, the Trustee nor any of their agents will be responsible or liable for any aspect of DTC's records relating to or payments made on account of beneficial ownership interests in a global security or for maintaining, supervising or reviewing any of DTC's records relating to the beneficial ownership interests.

DTC has advised us that, when it receives any payment on a global security, it will immediately, on its book-entry registration and transfer system, credit the accounts of participants with payments in amounts proportionate to their beneficial interests in the global security as shown on DTC's records. Payments by participants to you, as an owner of a beneficial interest in the global security, will be governed by standing instructions and customary practices (as is now the case with securities held for customer accounts registered in "street name") and will be the sole responsibility of the participants.

10

A global security representing a series will be exchanged for certificated Debt Securities of that series if (a) DTC notifies us that it is unwilling or unable to continue as Depository or if DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934 and we do not appoint a successor within 90 days or (b) we decide that the global security shall be exchangeable. If that occurs, we will issue Debt Securities of that series in certificated form in exchange for the global security. An owner of a beneficial interest in the global security then will be entitled to physical delivery of a certificate for Debt Securities of the series equal in principal amount to that beneficial interest and to have those Debt Securities registered in its name. We would issue the certificates for the Debt Securities in denominations of \$1,000 or any larger amount that is an integral multiple thereof, and we would issue them in registered form only, without coupons.

DTC has informed us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the Securities Exchange Act of 1934. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to DTC's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC. No fees or costs of DTC will be charged to you.

PLAN OF DISTRIBUTION

We may sell Debt Securities to or through one or more underwriters or dealers, and also may sell Debt Securities directly to other purchasers or through agents. These firms may also act as our agents in the sale of Debt Securities. Only underwriters named in the Prospectus Supplement will be considered as underwriters of the Debt Securities offered by the Prospectus Supplement.

We may distribute Debt Securities at different times in one or more transactions. We may sell Debt Securities at fixed prices, which may change, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

In connection with the sale of Debt Securities, underwriters may receive compensation from us or from purchasers of Debt Securities in the form of discounts, concessions or commissions. Underwriters, dealers and agents that participate in the distribution of Debt Securities may be deemed to be underwriters. Discounts or commissions they receive and any profit on their resale of Debt Securities may be considered underwriting discounts and commissions under the Securities Act of 1933. We will identify any underwriter or agent, and we will describe any compensation, in the Prospectus Supplement.

We may agree to indemnify underwriters, dealers and agents who participate in the distribution of Debt Securities against certain liabilities, including liabilities under the Securities Act of 1933.

We may authorize dealers or other persons who act as our agents to solicit offers by certain institutions to purchase Debt Securities from us under contracts which provide for payment and delivery on a future date. We may enter into these contracts with commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others. If we enter into these agreements concerning any series of Debt Securities, we will indicate that in the Prospectus Supplement.

In connection with an offering of Debt Securities, underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Debt Securities. Specifically, underwriters may over-allot in connection with the offering, creating a syndicate short position in the Debt Securities for their own account. In addition, underwriters may bid for, and purchase, Debt Securities in the open market to cover short positions or to stabilize the price of the Debt Securities. Finally, underwriters may reclaim selling concessions allowed for distributing the Debt Securities in the offering if the underwriters repurchase previously distributed Debt Securities in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Debt Securities above independent market levels. Underwriters are not required to engage in any of these activities and may end any of these activities at any time.

Unless otherwise indicated in the Prospectus Supplement, each series of Debt Securities offered will be a new issue of securities and will have no established trading market. The Debt Securities may or may not be listed on a national securities exchange. No assurance can be given as to the liquidity of or the existence of trading markets for any Debt Securities.

LEGAL OPINION

Bryan Cave LLP, St. Louis, Missouri, as our counsel, has issued an opinion as to the legality of the Debt Securities.

EXPERTS

The financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2000 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

[GRAPHIC OMITTED]