

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549  
FORM 10-K

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003  
OR  
/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 1-7823

ANHEUSER-BUSCH COMPANIES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

DELAWARE 43-1162835  
(STATE OR OTHER JURISDICTION OF (I. R. S. EMPLOYER  
INCORPORATION OR ORGANIZATION) IDENTIFICATION NO.)

ONE BUSCH PLACE, ST. LOUIS, MISSOURI 63118  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 314-577-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK--\$1 PAR VALUE	NEW YORK STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE
6 1/2% DEBENTURES DUE JANUARY 1, 2028	NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:  
NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No \_\_\_

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2.) Yes X No \_\_\_

As of June 30, 2003, the aggregate market value of the voting stock held by non-affiliates of the registrant was \$41,874,456,576.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

\$1 PAR VALUE COMMON STOCK 810,685,090 SHARES AS OF MARCH 1, 2004

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Annual Report to Shareholders for the Year Ended December 31, 2003.....	PART I, PART II, and PART IV
Portions of Definitive Proxy Statement for Annual Meeting of Stockholders on April 28, 2004.....	PART III

PART I

ITEM 1. BUSINESS

Anheuser-Busch Companies, Inc. (the "Company") 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, the Company is also the parent corporation to a number of subsidiaries that conduct various other business operations. The Company's operations are comprised of the following principal business segments: domestic beer, international beer, packaging, entertainment, and other. In 2003, domestic beer contributed 77.6% and 93.1%, international beer contributed 4.5% and 19.3%, packaging contributed 8.7% and 4.6%, and entertainment contributed 6.5% and 4.9% to consolidated net sales and consolidated net income, respectively. The individual percentages above do not add to 100% due to the impact of unallocated corporate sales and expenses, as detailed in the Company's business segments disclosure. Approximately 95.5% of the Company's consolidated net sales and 96.8% of the Company's consolidated income before income taxes is generated in the United States. Financial information with respect to the Company's business segments appears in Note 15, "Business Segments," on pages 55-56 of the 2003 Annual Report to Shareholders, which Note hereby is incorporated by reference.

Domestic beer volume was 102.6 million barrels in 2003 as compared with 101.8 million barrels in 2002. Domestic volume represents Anheuser-Busch brands produced and shipped within the United States including Puerto Rico and the Caribbean. Worldwide sales of the Company's beer brands aggregated 111.0 million barrels in 2003 as compared with 109.8 million barrels in 2002. Worldwide beer volume is comprised of domestic and international volume. International volume represents Anheuser-Busch brands produced overseas by Company-owned breweries and under license and contract brewing agreements, plus exports from the Company's U.S. breweries to markets around the world. Total volume includes worldwide Anheuser-Busch brand volume combined with the Company's ownership percentage share of the volume of its international equity partners. Total beer volume was 129.8 million barrels and 127.9 million barrels in 2003 and 2002, respectively.

DOMESTIC BEER

The Company's principal product is beer, produced and distributed by its subsidiary, ABI, in a variety of containers primarily under the brand names Budweiser, Bud Light, Bud Dry, Bud Ice, Bud Ice Light, Michelob, Michelob Light, Michelob ULTRA, Michelob Golden Draft, Michelob Golden Draft Light, Michelob Amber Bock, Michelob Honey Lager, Michelob Marzen, Busch, Busch Light, Busch Ice, Natural Light, Natural Ice, King Cobra, ZiegenBock Amber, Hurricane Malt Liquor, Hurricane Ice, "Doc's" Hard Lemon, Tequila, and Bacardi Silver. ABI's products also include three non-alcohol beverages, O'Doul's, Busch NA, and O'Doul's Amber. During 2003, ABI introduced Bacardi Silver O3, Bacardi Silver Raz, Anheuser World Select, Bare Knuckle Stout, and ZiegenBock Light and discontinued Michelob Hefeweizen, Michelob Black & Tan, Killarney's, and Pacific Ridge Ale. The Company brews Kirin Light, Kirin Lager, and Kirin-Ichiban through a joint venture agreement with Kirin Brewing Company, Ltd. of Japan for sale in the United States. ABI owns a 29.9% equity interest in Seattle-based Redhook Ale Brewery, Inc. Through this alliance, Redhook products are distributed by many ABI wholesalers and exclusively by ABI wholesalers in all new U.S. markets entered by Redhook since 1994. ABI also owns a 36% interest in Portland-based Widmer Brothers Brewing Company. Widmer products are distributed by many ABI wholesalers and exclusively by ABI wholesalers in all new U.S. markets entered by Widmer since 1997.

Budweiser, Bud Light, Bud Ice, Bud Ice Light, Michelob, Michelob Light, Michelob ULTRA, Michelob Golden Draft, Michelob Golden Draft Light, Michelob Amber Bock, Busch, Busch Light, Natural Light, Natural Ice, ZiegenBock Amber, "Doc's" Hard Lemon, Bacardi Silver, Bacardi Silver O3, Bacardi Silver Raz, Kirin-Ichiban, O'Doul's, O'Doul's Amber, Anheuser World Select, and ZiegenBock Light are sold in both draught and packaged form. Bud Dry, Busch Ice, King Cobra, Michelob Marzen, Michelob Honey Lager, Hurricane Malt Liquor, Hurricane Ice, Tequila, Kirin Lager, Kirin Light, and Busch NA are sold only in packaged form. Bare Knuckle Stout is sold only in draught form.

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Budweiser, Bud Light, Bud Ice, Michelob, Michelob Light, Michelob ULTRA, Michelob Amber Bock, Busch, Busch Light, Natural Light, Natural Ice, Tequila, "Doc's" Hard Lemon, O'Doul's, O'Doul's Amber, Bacardi Silver, Bacardi Silver 03, and Bacardi Silver Raz are distributed and sold on a nationwide basis. Michelob Honey Lager, Bud Ice Light, Anheuser World Select, and Redhook Ales are sold in 48 states; Bud Dry and King Cobra in 46 states, Busch NA in 45 states, Kirin Lager in 43 states, Kirin-Ichiban in 42 states, Hurricane Malt Liquor and Widmer beer products in 36 states, Kirin Light in 32 states, Busch Ice in 19 states, Bare Knuckle Stout in 12 states, Michelob Golden Draft and Michelob Golden Light in 7 states, Hurricane Ice in 2 states, and ZiegenBock Amber and ZiegenBock Light in one state.

ABI has developed a system of twelve breweries, strategically located across the country, to economically serve its distribution system. (See Item 2 of Part I--Properties.) Ongoing modernization programs at the Company's breweries are part of ABI's overall strategic initiatives.

During 2003, approximately 93% of the beer sold by ABI, measured in barrels, reached retail channels through more than 600 independent wholesalers. The Company has a formal, written distribution agreement (the Equity Agreement) with each of its wholesalers. Each Equity Agreement generally specifies the territory in which the wholesaler is permitted to sell the Company's products, the brands that the wholesaler is permitted to sell, performance standards applicable to the wholesaler, procedures to be followed by the wholesaler in connection with the sale of the distribution rights, and circumstances upon which the distribution rights may be terminated. By wholesaler use of controlled environment warehouses and stringent inventory monitoring policies, the quality and freshness of the product are protected, thus providing ABI a significant competitive advantage. ABI utilizes its regional vice-presidents, sales directors, key account and market managers, as well as certain other sales personnel, to provide strategic sales planning and merchandising assistance to its wholesalers. In addition, ABI provides national and local media advertising, point-of-sale advertising, and sales promotion programs to promote its brands. The remainder of ABI's domestic beer sales in 2003 were made through 14 branches that perform similar sales, merchandising, and delivery services as wholesalers in their respective areas; these branches are owned and operated by the Company or direct or indirect subsidiaries of the Company. ABI's peak selling periods are the second and third quarters.

There are more than 100 companies engaged in the highly competitive brewing industry in the United States. ABI's domestic beers are distributed and sold in competition with other nationally distributed beers, with locally and regionally distributed beers, and with imported beers. Although the methods of competition in the industry vary widely, in part due to differences in applicable state laws, the principal methods of competition are product quality, taste and freshness, packaging, price, advertising (including television, radio, sponsorships, billboards, stadium signs, and print media), point-of-sale materials, and service to retail customers. ABI's beers compete in different price categories. Although all brands compete against the total market, Budweiser, Bud Light, Bud Dry, Bud Ice, Bud Ice Light, Michelob Golden Draft, and Michelob Golden Draft Light compete primarily with premium priced beers. Busch, Busch Light, Busch Ice, Natural Light, and Natural Ice compete with the sub-premium or popular priced beers. King Cobra, Hurricane Malt Liquor, and Hurricane Ice compete against other brands in the malt liquor segment. Michelob, Michelob Light, Michelob Amber Bock, Kirin Lager, Kirin Light, Kirin-Ichiban, Michelob Honey Lager, Tequila, ZiegenBock Amber, ZiegenBock Light, "Doc's" Hard Lemon, Michelob Marzen, Bacardi Silver, Michelob ULTRA, Bacardi Silver 03, Bacardi Silver Raz, Anheuser World Select, Bare Knuckle Stout, the Redhook products, and Widmer beer products compete primarily in the above premium priced beer segment of the malt beverage market. O'Doul's and O'Doul's Amber (premium priced) and Busch NA (sub-premium priced) compete in the non-alcohol malt beverage category. Since 1957, ABI has led the United States brewing industry in total sales volume. In 2003, its sales exceeded those of its nearest competitor by more than 65 million barrels. ABI's domestic market share (excluding exports) for 2003 was approximately 50%. Major competitors in the United States brewing industry during 2003 included SABMiller, Adolph Coors Co., Pabst Brewery Co., Grupo Modelo, S.A. de C.V., and Heineken.

The Company has an energy drink, "180," in the alternative beverage segment. "180" is distributed and sold on a nationwide basis and is available in single eight-ounce slim-line cans. The Company also has an enhanced water beverage drink, "180 Sport," in the alternative beverage segment. "180 Sport" is distributed and sold in two flavors in test markets in four states and is available in 24 packs of 15.5 ounce cans.

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The Company's wholly-owned subsidiary, Busch Agricultural Resources, Inc. ("BARI"), operates rice milling facilities in Arkansas and California; twelve grain elevators in the western and midwestern United States; barley seed processing plants in Fairfield, Montana, Idaho Falls, Idaho, and Powell, Wyoming; a barley research facility in Ft. Collins, Colorado; and a rice research facility in California. BARI also owns and operates malt plants in Manitowoc, Wisconsin, Moorhead, Minnesota, and Idaho Falls, Idaho. Through wholly-owned subsidiaries, BARI operates land application farms in Jacksonville, Florida and Fort Collins, Colorado; hop farms in Bonners Ferry, Idaho and Huell, Germany; and a barley office in Winnipeg, Canada.

Another wholly-owned subsidiary, Wholesaler Equity Development Corporation, shares equity positions with qualified partners in independent beer wholesalerships and is currently invested in 3 wholesalerships.

#### INTERNATIONAL BEER

International beer volume was nearly 8.4 million barrels in 2003, compared with 8.0 million barrels in 2002. Anheuser-Busch International, Inc. ("ABII"), a wholly-owned subsidiary of the Company, oversees the marketing and sale of Budweiser and other ABI brands outside the U.S., operates breweries in the United Kingdom (U.K.) and China, negotiates and administers license and contract brewing agreements on behalf of ABI with various foreign brewers, and negotiates and manages equity investments in foreign brewing partners.

Through Anheuser-Busch Europe Limited ("ABEL"), an indirect, wholly-owned subsidiary of the Company, certain ABI beer brands are marketed, distributed, and sold in more than thirty countries. In the U.K., ABEL sells Budweiser, Bud Ice, Michelob, and Michelob ULTRA brands to selected on-premise accounts, brewers, wholesalers, and directly to off-premise accounts. Budweiser, Bud Ice, Michelob, and Michelob ULTRA are brewed and packaged at the Stag Brewery near London, England which is managed and operated by ABEL. Anheuser World Select is imported into the U.K. by ABEL.

In Canada, Budweiser, Bud Light, Busch and Busch Light are brewed and sold through a license agreement with Labatt Brewing Co. O'Doul's is imported into Canada. In Japan, Budweiser is brewed and sold through a license agreement with Kirin Brewery Company, Limited. Budweiser is also brewed under license and sold by brewers in Korea (Oriental Brewery Co., Ltd.), the Republic of Ireland and Northern Ireland (Guinness Ireland Limited), Italy (Heineken Italia S.A.), and Spain (Sociedad Anonima Damm). The Company has an agreement with Brasseries Kronenbourg for sale and distribution of Bud in France.

In 1995, the Company formed an alliance with Compania Cervecerias Unidas S.A. ("CCU"), the leading Chilean brewer. Under the terms of the alliance, a subsidiary of CCU in Argentina ("CCU-Argentina") brews and distributes Budweiser under license in Argentina and Uruguay, and under contract for sale in Chile. CCU also distributes Budweiser in Chile. The Company has a direct and indirect ownership interest of approximately 29% of CCU-Argentina and approximately 20% of CCU.

In 1995, the Company purchased an initial 80% equity interest in a joint venture, renamed the Budweiser Wuhan International Brewing Company, Ltd., that owns and operates a brewery in Wuhan, the fifth-largest city in China. This ownership interest has subsequently increased to 97%. The Company has an agreement with Tsingtao Brewing Company, Ltd., the largest brewer in China, and producer of the Tsingtao brand, whereby the Company has committed to invest \$182 million in Tsingtao convertible bonds that if fully converted over the next several years, will increase its economic ownership interest to 27% of Tsingtao. In April 2003, the Company invested \$116 million in two convertible bonds of Tsingtao and invested an additional \$33 million in a third convertible bond in October 2003. The Company plans to make a final investment of \$33 million in the first half of 2004. In July 2003, the Company converted the first bond, which increased its equity interest in Tsingtao from 4.5% to 9.9%.

In 1993, Anheuser-Busch purchased a 17.7% direct and indirect equity interest in Grupo Modelo's operating subsidiary, Diblo, for \$477 million. As noted in Note 2, "International Equity Investments," on page 47 of the 2003 Annual Report, which Note is hereby incorporated by reference, Diblo is the operating subsidiary of Grupo Modelo, Mexico's largest brewer. Accordingly, Diblo operates in Mexico and is a brewer. In May 1997, the Company increased its direct and indirect equity ownership in Diblo to 37% for an additional \$605 million. In September 1998, the Company completed the purchase of an additional 13.25% of Diblo for

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\$556.5 million, bringing the Company's total investment to \$1.6 billion. The Company now owns a 50.2% direct and indirect interest in Diblo. However, the Company does not have voting or other effective control of either Grupo Modelo or Diblo.

Competition for International Beer operations differs significantly depending upon the specific country involved. For 2003, no single foreign country or region accounted for more than 2.4% of consolidated revenues or 1.7% of consolidated income before income taxes. The Company's primary foreign markets for beer sales are China, the United Kingdom, Canada and Ireland. In each international market, the Company competes against a mix of national, regional, local, and imported beer brands. In China, competition is primarily from numerous national and regional brands. There is no dominant competitor in China. In the United Kingdom, the top four competitors--Scottish & Newcastle, Coors Brewers, Interbrew, and Carlsberg-Tetley--have combined market share of nearly 77%, with Scottish & Newcastle having a share of approximately 25%. The Company's share is 3%. In Ireland, the market leader is the Company's license brewing partner, Guinness Ireland, with a market share of 71% including a share of 15% related to the Company's products. In Canada, the top two competitors, of similar size, are Molson and the Company's license brewing partner, Labatt Brewing. Their combined market share is more than 86% including a share of 13% related to the Company's products.

Results for the International Beer Segment also include the Company's ownership percentage of the net income of Grupo Modelo, the largest seller of beer in Mexico. Modelo's principal competitor in Mexico is Femsa, with the two companies having respective market shares of 57% and 43%. Although Anheuser-Busch does not compete directly in the Mexican beer market, a significant change in Modelo's business could have a material effect on the Company's reported net income and earnings per share.

Financial information with respect to the Company's business segments appears in Note 15, "Business Segments," on pages 55-56 of the 2003 Annual Report, which Note is hereby incorporated by reference.

#### PACKAGING

The Company's packaging operations are handled through the following wholly-owned subsidiaries of the Company: Metal Container Corporation, which manufactures beverage cans at eight plants and beverage can lids at three plants for sale to ABI, U.S. soft drink customers, and Grupo Modelo (See Item 2 of Part 1--Properties); Anheuser-Busch Recycling Corporation, which buys and sells used beverage containers from its corporate office in Sunset Hills, Missouri and recycles aluminum cans at its plant in Hayward, California; Precision Printing and Packaging, Inc., which manufactures metalized and paper labels at its plant in Clarksville, Tennessee; and Eagle Packaging, Inc., which manufactures crown and closure liner materials for ABI at its plant in Bridgeton, Missouri.

Through a wholly-owned limited partnership known as Longhorn Glass Manufacturing, L.P., the Company owns and operates a glass manufacturing plant in Jacinto City, Texas, which manufactures glass bottles for the Company's nearby Houston brewery.

#### FAMILY ENTERTAINMENT

The Company is active in the family entertainment field, primarily through its wholly-owned subsidiary, Busch Entertainment Corporation ("BEC"), which currently owns, directly and through subsidiaries, nine theme parks.

BEC operates Busch Gardens theme parks in Tampa, Florida and Williamsburg, Virginia, and SeaWorld theme parks in Orlando, Florida, San Antonio, Texas, and San Diego, California. BEC operates water park attractions in Tampa, Florida (Adventure Island) and Williamsburg, Virginia (Water Country, U.S.A.), and Langhorne, Pennsylvania (Sesame Place), as well as Discovery Cove in Orlando, Florida, a reservations-only attraction offering interaction with marine animals. Due to the seasonality of the theme park business, BEC experiences higher revenues in the second and third quarters than in the first and fourth quarters.

Through a Spanish affiliate, the Company also owns a 13.6% equity interest in Port Aventura, S.A., which is a theme park near Barcelona, Spain.

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The Company is the third largest theme park operator in the United States. It faces competition in the family entertainment field from other theme and amusement parks, public zoos, public parks, and other family entertainment events and attractions. Major competitors in the theme park industry during 2003 include Walt Disney Co. and Six Flags Parks. No reliable national market share information is available for the theme park industry.

#### OTHER

Through its wholly-owned subsidiary, Busch Properties, Inc. ("BPI"), the Company is engaged in the business of real estate development. BPI also owns and operates The Kingsmill Resort and Conference Center in Williamsburg, Virginia.

Through a wholly-owned subsidiary, the Company owns and operates a transportation service business (Manufacturers Railway Co.).

#### SOURCES AND AVAILABILITY OF RAW MATERIALS

The products manufactured by the Company require a large volume of various agricultural products, including hops, malt (barley), rice, and corn grits for beer; and rice and barley for the rice milling and malting operations of Busch Agricultural Resources, Inc. The Company fulfills its commodities requirements through purchases from various sources, including purchases from its subsidiaries, through contractual arrangements, and through purchases on the open market. The Company believes that adequate supplies of the aforementioned agricultural products are available at the present time, but cannot predict future availability or prices of such products and materials. The above referenced commodities have experienced and will continue to experience price fluctuations. The price and supply of raw materials will be determined by, among other factors, the level of crop production both in the U.S. and around the world, weather conditions, export demand, and government regulations and legislation affecting agriculture and trade.

The Company uses water in brewing its beer. The Company generally satisfies its requirements for water from municipal water systems and privately owned wells.

The Company also requires aluminum cansheet for the manufacture of cans and lids. The cansheet market experiences price volatility due to the supply and demand balance for both aluminum ingot and sheet fabrication. The Company manages its aluminum supply and cost using various methods including long-term purchase contracts and hedging techniques.

#### ENERGY MATTERS

The Company uses natural gas, fuel oil, and coal as its primary fuel materials. The Company believes that adequate supplies of fuel and electricity are available at the present time, but cannot predict future availability or market prices. Where economically feasible, the Company has alternate fuel capability and limited electric generation which helps ensure continued operation of essential processes.

The energy commodity markets have experienced and will continue to experience significant price volatility due to perceived volatility of both supply and demand. The Company manages its energy costs using various methods including supply contracts, hedging techniques, and fuel switching.

#### BRAND NAMES AND TRADEMARKS

Some of the Company's major brand names used in its principal business segments are mentioned in the discussion above. The Company regards consumer recognition of and loyalty to all of its brand names and trademarks as extremely important to the long-term success of its principal business segments. The Company owns rights to its principal brand names and trademarks in perpetuity.

#### RESEARCH AND DEVELOPMENT

The Company is involved in a number of research activities relating to the development of new products or services or the improvement of existing products or services. The dollar amounts expended by the Company

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during the past three years on such research activities and the number of employees engaged full time therein during such period, however, are not considered to be material in relation to the total business of the Company.

#### ENVIRONMENTAL PROTECTION

All of the Company's facilities are subject to federal, state, and local environmental protection laws and regulations, and the Company is operating within existing laws and regulations or is taking action aimed at assuring compliance therewith. Various proactive strategies are utilized to help assure this compliance. Compliance with such laws and regulations is not expected to materially affect the Company's capital expenditures, earnings, or competitive position. The Company has devoted considerable effort to research, development, and engineering of cost effective innovative systems to minimize effects on the environment from its operating facilities.

These projects, coupled with the Company's Environmental Management System and an overall Company emphasis on pollution prevention and resource conservation initiatives, are improving efficiencies and creating saleable by-products from residuals. They have generally facilitated lower cost operating systems while reducing the impact to air, water, and land.

#### ENVIRONMENTAL PACKAGING LAWS AND REGULATIONS

The states of California, Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont have adopted certain restrictive packaging laws and regulations for beverages that require deposits on packages. The state of Hawaii has passed a deposit law that is scheduled to go into effect in 2005. ABI continues to do business in these states. While such laws have not had a significant effect on ABI's market share, they have resulted in significantly higher beer prices over and above the cost of the deposit in those states that have adopted container deposit laws as well as had an adverse impact on beer industry growth in those states. The Company considers deposit laws to be inflationary, costly, and inefficient for recycling packaging materials. Congress and a number of additional states continue to consider similar legislation, the adoption of which might require the Company to incur significant capital expenditures to comply as some proposed container deposit laws would require the use of returnable, reusable bottles. As a result, the Company would be required to acquire equipment to receive, sort, inspect and clean bottles.

#### NUMBER OF EMPLOYEES

As of December 31, 2003, the Company had 23,316 full-time employees.

As of December 31, 2003, approximately 8,642 employees were represented by the International Brotherhood of Teamsters. Eighteen other unions represented approximately 1,140 employees. In December 2003, employees represented by the Brewery and Soft Drink Conference of the International Brotherhood of Teamsters ("Teamsters") approved a new five-year labor contract. The new labor agreement between ABI and the Teamsters, which represents the majority of brewery workers, expires February 28, 2009.

The Company considers its employee relations to be good.

#### AVAILABLE INFORMATION

The Company maintains a website on the World Wide Web at [www.anheuserbusch.com](http://www.anheuserbusch.com). The Company makes available, free of charge, on its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. The Company's reports filed with, or furnished to, the SEC are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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## ITEM 2. PROPERTIES

ABI has twelve breweries in operation at the present time, located in St. Louis, Missouri; Newark, New Jersey; Los Angeles and Fairfield, California; Jacksonville, Florida; Houston, Texas; Columbus, Ohio; Merrimack, New Hampshire; Williamsburg, Virginia; Baldwinsville, New York; Fort Collins, Colorado; and Cartersville, Georgia. Title to the Baldwinsville, New York brewery is held by the Onondaga County Industrial Development Agency ("OCIDA") pursuant to a Sale and Agency Agreement with ABI, which enabled OCIDA to issue tax exempt pollution control and industrial development revenue notes and bonds to finance a portion of the cost of the purchase and modification of the brewery. The brewery is not pledged or mortgaged to secure any of the notes or bonds, and the Sale and Agency Agreement with OCIDA gives ABI the unconditional right to require at any time that title to the brewery be transferred to ABI. ABI's breweries operated at approximately 95% of capacity in 2003; during the peak selling periods (second and third quarters), they operated at maximum capacity. The Company also owns a 97% equity interest in a joint venture that owns and operates a brewery in Wuhan, China. The Company also leases and operates the Stag Brewery near London, England.

The Company, through wholly-owned subsidiaries, operates malt plants in Manitowoc, Wisconsin, Moorhead, Minnesota, and Idaho Falls, Idaho; rice mills in Jonesboro, Arkansas and Woodland, California; hop farms in Bonners Ferry, Idaho and Huell, Germany; can manufacturing plants in Jacksonville, Florida, Columbus, Ohio, Arnold, Missouri, Windsor, Colorado, Newburgh, New York, Ft. Atkinson, Wisconsin, Rome, Georgia, and Mira Loma, California; can lid manufacturing plants in Gainesville, Florida, Oklahoma City, Oklahoma, and Riverside, California; a label plant in Clarksville, Tennessee; a crown and closure liner material plant in Bridgeton, Missouri; and an aluminum can recycling plant in Hayward, California. The Company operates a glass manufacturing plant in Jacinto City, Texas through a wholly-owned limited partnership.

BEC operates its principal family entertainment facilities in Tampa, Florida; Williamsburg, Virginia; San Diego, California; Orlando, Florida; and San Antonio, Texas. The Tampa facility is 336 acres, the Williamsburg facility is 323 acres, the San Diego facility is 166 acres, the Orlando facility is 247 acres, and the San Antonio facility is 316 acres.

Except for the Baldwinsville brewery, the can manufacturing plants in Newburgh, New York and Rome, Georgia, the SeaWorld park in San Diego, California, the Stag Brewery, and the brewery in Wuhan, China, all of the Company's principal properties are owned in fee. The lease for the land used by the SeaWorld park in San Diego, California expires in 2048. The Company leases the Stag Brewery from Scottish & Newcastle. In 1995, the joint venture that operates the brewery in Wuhan was granted the right to use the property for a period of 50 years from the appropriate governmental authorities. The Company also leases a bottling line at its brewery in Cartersville, Georgia. The Company considers its buildings, improvements, and equipment to be well maintained and in good condition, irrespective of dates of initial construction, and adequate to meet the operating demands placed upon them. The production capacity of each of the manufacturing facilities is adequate for current needs and, except as described above, substantially all of each facility's capacity is utilized.

## ITEM 3. LEGAL PROCEEDINGS

The Company is a party to a lawsuit with the Maris Distributing Company. Information regarding this lawsuit is contained in Note 12, "Commitments and Contingencies," on pages 54-55 of the 2003 Annual Report to Shareholders, which note hereby is incorporated by reference.

On February 6, 2004, the Company was served with a complaint brought by two individuals seeking to bring a class action on behalf of all California residents who, while they were under 21 years of age, purchased alcohol beverages manufactured by the Company and another defendant during the last four years. Among other matters, the plaintiffs allege violations of California's statutory unfair competition law. Plaintiffs seek the disgorgement of unspecified profits earned by the Company in the past and other unspecified damages and equitable relief. This action is in its preliminary stage and the Company strongly denies plaintiffs' allegations. The Company believes it has meritorious defenses and intends to defend itself vigorously in this action.



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The Company is not a party to any other pending or threatened litigation, the outcome of which would be expected to have a material adverse effect upon its financial condition or its results of operations.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter ended December 31, 2003.

#### EXECUTIVE OFFICERS OF THE REGISTRANT

PATRICK T. STOKES (age 61) is presently President and Chief Executive Officer and a Director of the Company and has served in such capacities since 2002, 2002, and 2000, respectively. He previously served as Senior Executive Vice President (2000-2002), and Vice President and Group Executive (1981-2000) of the Company. He is also presently Chairman and Chief Executive Officer of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacities since 2002 and 2000, respectively, and Chairman of the Board of the Company's subsidiary, Anheuser-Busch International, Inc., and has served in such capacity since 1999. He previously served as President of Anheuser-Busch, Incorporated (1990-2002).

AUGUST A. BUSCH III (age 66) is presently Chairman of the Board and a Director of the Company and has served in such capacities since 1977 and 1963, respectively. He previously served as President of the Company (1974-2002). He also serves as Executive Vice President of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 2002, and had previously served as its Chairman of the Board (1979-2002) and also as its Chief Executive Officer (1979-2000).

W. RANDOLPH BAKER (age 57) is presently Vice President and Chief Financial Officer of the Company and has served in such capacity since 1996.

STEPHEN K. LAMBRIGHT (age 61) is presently Group Vice President and Chief Legal Officer of the Company and has served in such capacity since January 2004. He previously served as Group Vice President and General Counsel (1997-2003).

DONALD W. KLOTH (age 62) is presently Vice President and Group Executive of the Company and has served in such capacity since 1994. He is also Chairman of the Board and Chief Executive Officer of the Company's subsidiary, Busch Agricultural Resources, Inc., and has served in such capacity since 1994.

JOHN E. JACOB (age 69) is presently Executive Vice President-Global Communications and a Director of the Company and has served in such capacities since 2002 and 1990, respectively. He previously served as the Company's Executive Vice President and Chief Communications Officer (1994-2002). He also serves as Executive Vice President of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 2002.

THOMAS W. SANTEL (age 45) is presently Vice President-Corporate Development of the Company and has served in such capacity since 1996.

STEPHEN J. BURROWS (age 52) is presently Vice President-International Operations of the Company and has served in such capacity since 1999. He is also presently Chief Executive Officer and President of the Company's subsidiary, Anheuser-Busch International, Inc., and has served as Chief Executive Officer since 1999 and as President since 1994.

AUGUST A. BUSCH IV (age 39) is presently Vice President and Group Executive of the Company and has served in such capacity since 2000. He is also presently President of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 2002 and had previously served as its Group Vice President-Marketing and Wholesale Operations (2000-2002) and its Vice President-Marketing (1996-2000).

MARK T. BOBAK (age 44) is presently Vice President-Corporate Human Resources of the Company and has served in such capacity since 2000. He had previously served as Vice President and Deputy General Counsel of the Company (1998-2000).

<PAGE>

JOSEPH P. SELLINGER (age 58) is presently Vice President and Group Executive of the Company and has served in such capacity since 2000. He is also presently Chairman, Chief Executive Officer and President of the Company's direct subsidiaries, Anheuser-Busch Packaging Group, Inc., Anheuser-Busch Recycling Corporation, Metal Container Corporation, Eagle Packaging, Inc., and Precision Printing and Packaging, Inc., and has served in all such capacities since 2000. He is also Chairman, Chief Executive Officer and President of the Company's direct subsidiary, Glass Container Corporation (doing business as Longhorn Glass Corporation), and has served in such capacities since 2001. He had previously served as Vice President-Operations of the Company's subsidiary, Anheuser-Busch, Incorporated (1992-2000).

DOUGLAS J. MUHLEMAN (age 50) is presently Group Vice President-Brewing Operations and Technology of the Company's subsidiary, Anheuser-Busch, Incorporated, and has served in such capacity since 2001 and had previously served as its Vice President-Brewing (1996-2001).

FRANCINE I. KATZ (age 46) is presently Vice President-Corporate Communications of the Company and has served in such capacity since July 2002. She previously served as its Vice President-Consumer Affairs (1999-June 2002).

KEITH M. KASEN (age 60) is presently Chairman of the Board and President of the Company's subsidiary, Busch Entertainment Corporation, and has served in such capacities since February 2003. During the past five years, he also served as Executive Vice President and General Manager of the SeaWorld theme parks in Orlando, Florida (2000-February 2003) and in San Antonio, Texas (1997-2000).

## PART II

The information required by Items 5, 6, 7, and 8 of this Part II are hereby incorporated by reference from pages 26 through 61 of the Company's 2003 Annual Report to Shareholders.

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

ITEM 6. SELECTED FINANCIAL DATA

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES.

It is the responsibility of the chief executive officer and chief financial officer to ensure the Company maintains disclosure controls and procedures designed to provide reasonable assurance that material information, both financial and non-financial, and other information required under the securities laws to be disclosed is identified and communicated to senior management on a timely basis. The Company's disclosure controls and procedures include mandatory communication of material subsidiary events, automated accounting processing and reporting, management review of monthly and quarterly results, periodic subsidiary business reviews, an established system of internal controls and rotating internal control reviews by the Company's internal auditors.

The chief executive officer and chief financial officer evaluated the Company's disclosure controls and procedures as of the end of the quarter ended December 31, 2003 and have concluded that they are effective as of December 31, 2003 in providing reasonable assurance that such information is identified and communicated on a timely basis. Additionally, there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

<PAGE>

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

A portion of the information required by this Item with respect to Directors is hereby incorporated by reference from pages 7 through 9 and pages 22 and 23 of the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2004. The information required by this Item with respect to Executive Officers is presented on pages 8 and 9 of this Form 10-K.

The Company makes available, free of charge, on its website, the charters of all of the standing committees of its Board of Directors including those of the Audit, Corporate Governance, and Compensation committees, the Code of Business Conduct and Ethics for its directors, officers and employees, and its Corporate Governance Guidelines, and will furnish copies of these documents to any shareholder upon written request sent to the Vice President and Corporate Secretary's Office, One Busch Place, St. Louis, MO 63118.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is hereby incorporated by reference from pages 11 and 12 and pages 14 through 21 of the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2004.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

A portion of the information required by this Item pursuant to Item 403 of Regulation S-K is hereby incorporated by reference from pages 10 and 11 of the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2004.

The following table sets forth the information required pursuant to Item 201(d) of Regulation S-K, for the Company's equity compensation plans, the number of outstanding option grants under such plans, the weighted average exercise price of outstanding options, and the number of shares remaining available for issuance under such plans, all as of December 31, 2003.

<TABLE>  
<CAPTION>

PLAN CATEGORY	NUMBER OF SHARES OF COMMON STOCK TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF SHARES OF COMMON STOCK REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS)
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders(1).....	83,278,069	41.66	15,950,332
Equity compensation plans not approved by security holders(2).....	110,596	46.98	849,112
Total.....	83,388,665	41.67	16,799,444

<FN>  
-----

(1) The 1989 Incentive Stock Plan, the 1998 Incentive Stock Plan, and the Stock Plan for Non-Employee Directors.

<PAGE>

- (2) The Anheuser-Busch Global Employee Stock Plan which authorizes the Company to issue up to 1,000,000 shares of common stock to permanent employees of the Company and its subsidiaries located outside of the United States who elect to participate. This plan is designed to encourage savings and ownership of Company shares, and was begun in 1999. Under the Global Plan, participants elect to have a portion of their cash compensation withheld in special savings accounts each payroll period. Each year, generally on March 1, each participant is offered up to 100 shares at the market price on the offer date. If the market price later rises above the fixed offer price, the offer may be accepted for up to three years from the offer date. If accepted, payment for the shares purchased must come from the participant's special savings account and no other source. A participant may sell purchased shares on designated sale dates. If a participant retains purchased shares in his or her account for at least two years, the Company awards additional shares based on the number of retained shares; the amount of additional shares ranges from 10% to 50%, depending on the Company's business performance. Participants generally may elect to reinvest dividends on purchased shares, but reinvestment shares are not entitled to additional awards.

</TABLE>

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is hereby incorporated by reference from pages 21 and 22 of the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2004.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is hereby incorporated by reference from page 14 and Appendix C of the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2004.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

(a) THE FOLLOWING DOCUMENTS ARE FILED AS PART OF THIS REPORT:

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1. FINANCIAL STATEMENTS:	
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Consolidated Balance Sheet at December 31, 2003 and 2002	40*
Consolidated Statement of Income for the three years ended December 31, 2003	41*
Consolidated Statement of Changes in Shareholders Equity for the three years ended December 31, 2003	42*
Consolidated Statement of Cash Flows for the three years ended December 31, 2003	43*
Notes to Consolidated Financial Statements and Supplementary Information	44-56 and 58-61*
Report of Independent Auditors	57*

<FN>

\*Incorporated herein by reference from the indicated pages of the 2003 Annual Report to Shareholders.

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2. FINANCIAL STATEMENT SCHEDULE:	
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Schedule II--Valuation and Qualifying Accounts and Reserves	F-2

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3. EXHIBITS:	
<S> <C>	
Exhibit 3.1 -- Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to Form 10-K for the fiscal year ended December 31, 1999).	
Exhibit 3.2 -- By-Laws of the Company (As amended and restated September 24, 2003).	
Exhibit 4.1 -- Form of Rights Agreement, dated as of October 26, 1994 between Anheuser-Busch Companies, Inc. and Boatmen's Trust Company (Incorporated by reference to Exhibit 4.1 to Form 10-K for the fiscal year ended December 31, 1999).	
Exhibit 4.2 -- Letter Agreement dated March 19, 1998 between Anheuser-Busch Companies, Inc., Boatmen's Trust Company, and ChaseMellon Shareholder Services, L.L.C. amending the Form of Rights Agreement filed as Exhibit 4.1 of this report.	
Exhibit 4.3 -- Indenture dated as of August 1, 1995 between the Company and The Chase Manhattan Bank, as Trustee (Incorporated by reference to Exhibit 4.1 in the Form S-3 of the Company, Registration Statement No. 33-60885).	
Exhibit 4.4 -- Indenture dated as of July 1, 2001 between the Company and The Chase Manhattan Bank, as Trustee (Incorporated by reference to Exhibit 4.4 to the Form 10-K for the fiscal year ended December 31, 2002).	
Other indentures are not required to be filed, but the Company agrees to furnish copies of such instruments to the Securities and Exchange Commission upon request.	

- Exhibit 4.5 -- Credit Agreement dated as of August 4, 2003 among the Company and JP Morgan Chase Bank, as Administrative Agent.
- Exhibit 10.1 -- Anheuser-Busch Companies, Inc. Deferred Compensation Plan for Non-Employee Directors amended and restated as of March 1, 2000 (Incorporated by reference to Exhibit 10.1 to Form 10-K for the fiscal year ended December 31, 1999).\*
- Exhibit 10.2 -- Anheuser-Busch Companies, Inc. Non-Employee Director Elective Stock Acquisition Plan amended and restated as of March 1, 2000 (Incorporated by reference to Exhibit 10.2 to Form 10-K for the fiscal year ended December 31, 1999).\*
- Exhibit 10.3 -- Anheuser-Busch Companies, Inc. Stock Plan for Non-Employee Directors as amended and restated (Incorporated by reference to Appendix B to the Definitive Proxy Statement for Annual Meeting of Stockholders on April 23, 2003).\*
- Exhibit 10.4 -- Anheuser-Busch Companies, Inc. 1989 Incentive Stock Plan (As amended December 20, 1989, December 19, 1990, December 15, 1993, December 20, 1995, and November 26, 1997) (Incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 10.5 -- Anheuser-Busch Companies, Inc. 1998 Incentive Stock Plan as restated (Incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 10.6 -- Anheuser-Busch Companies, Inc. Excess Benefit Plan amended and restated as of March 1, 2000 (Incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 1999).\*
- Exhibit 10.7 -- Anheuser-Busch Global Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.7 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 10.8 -- Anheuser-Busch Companies, Inc. Supplemental Executive Retirement Plan amended and restated as of March 1, 2003 (Incorporated by reference to Exhibit 10.8 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 10.9 -- Anheuser-Busch Executive Deferred Compensation Plan amended and restated as of January 1, 2002 (Incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 10.10-- Anheuser-Busch 401(k) Restoration Plan amended and restated as of March 1, 2000 (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 1999).\*
- Exhibit 10.11-- Form of Indemnification Agreement with Directors and Executive Officers (Incorporated by reference to Exhibit 10.13 to Form 10-K for the fiscal year ended December 31, 1999).\*
- Exhibit 10.12-- Anheuser-Busch Officer Bonus Plan as amended and restated on November 24, 1999 (Incorporated by reference to Exhibit A to the Definitive Proxy Statement for Annual Meeting of Shareholders on April 26, 2000).\*
- Exhibit 10.13-- Investment Agreement By and Among Anheuser-Busch Companies, Inc., Anheuser-Busch International, Inc. and Anheuser-Busch International Holdings, Inc. and Grupo Modelo, S.A. de C.V., Diblo, S.A. de C.V. and certain shareholders thereof, dated as of June 16, 1993 (Incorporated by reference to Exhibit 10.15 to Form 10-K for the fiscal year ended December 31, 1999).

<PAGE>

- Exhibit 10.14-- Letter agreement between Anheuser-Busch Companies, Inc. and the Controlling Shareholders regarding Section 5.5 of the Investment Agreement filed as Exhibit 10.12 of this report (Incorporated by reference to Exhibit 10.15 to Form 10-K for the fiscal year ended December 31, 1999).
- Exhibit 10.15-- Form of Indemnification Agreement between Anheuser-Busch, Incorporated and certain Executive Officers of the Company (Incorporated by reference to Exhibit 10.16 to Form 10-K for the fiscal year ended December 31, 2002).\*
- Exhibit 12 -- Ratio of Earnings to Fixed Charges.
- Exhibit 13 -- Pages 26 through 61 of the Anheuser-Busch Companies, Inc. 2003 Annual Report to Shareholders, a copy of which is furnished for the information of the Securities and Exchange Commission. Portions of the Annual Report not incorporated herein by reference are not deemed "filed" with the Commission.
- Exhibit 14 -- Code of Business Ethics and Conduct
- Exhibit 21 -- Subsidiaries of the Company
- Exhibit 23 -- Consent of Independent Accountants
- Exhibit 24 -- Power of Attorney
- Exhibit 31.1 -- Certification of Chief Executive Officer required by Rule 13a-14(e) and 15d-15(e) under the Exchange Act
- Exhibit 31.2 -- Certification of Chief Financial Officer required by Rule 13a-14(e) and 15d-15(e) under the Exchange Act
- Exhibit 32.1 -- Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- Exhibit 32.2 -- Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

<FN>

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\*A management contract or compensatory plan or arrangement required to be filed by Item 15(c) of this report.

</TABLE>

(b) Reports on Form 8-K

The following Form 8-Ks were filed or furnished during the fourth quarter of 2003:

	ITEM REPORTED -----	DATE OF REPORT -----
Item 12	Results of Operations and Financial Condition	October 22, 2003
Item 5 and Item 7	Other Information and Financial Statements and Exhibits	November 5, 2003

<PAGE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

-----  
ANHEUSER-BUSCH COMPANIES, INC.  
-----

(Registrant)

By /s/ W. RANDOLPH BAKER  
-----

W. Randolph Baker  
Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Principal Executive Officer:  
Patrick T. Stokes\*  
President and Chief Executive Officer

Principal Financial Officer:  
W. Randolph Baker  
Vice President and Chief Financial Officer

Principal Accounting Officer:  
John F. Kelly\*  
Vice President and Controller

/s/ W. RANDOLPH BAKER  
-----

(W. Randolph Baker, as attorney-in-fact and on his own behalf as Principal Financial Officer)

March 11, 2004

Directors:  
-----

Patrick T. Stokes*	Vilma S. Martinez*
August A. Busch III*	William Porter Payne*
Carlos Fernandez G.*	Joyce M. Roche*
James J. Forese*	Henry Hugh Shelton*
John E. Jacob*	Andrew C. Taylor*
James R. Jones*	Douglas A. Warner III*
Charles F. Knight*	Edward E. Whitacre, Jr.*
Vernon R. Loucks, Jr.*	

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<FN>  
\* by power of attorney



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ANHEUSER-BUSCH COMPANIES, INC.

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Valuation and Qualifying Accounts and Reserves (Schedule II)....	F-2

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All other Financial Statement Schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements and Notes.

Separate financial statements of subsidiaries not consolidated have been omitted because, in the aggregate, the Company's proportionate share of investees' profit before income taxes is less than 20% of Anheuser-Busch's consolidated pretax income, and Anheuser-Busch's investments in such companies are less than 20% of consolidated total assets.

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[PricewaterhouseCoopers logo]

PricewaterhouseCoopers LLP  
One Bank of America Plaza  
800 Market Street  
St. Louis MO 63101-2695  
Telephone (314) 206 8500

REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors  
of Anheuser-Busch Companies, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 2, 2004 appearing in the 2003 Annual Report to Shareholders of Anheuser-Busch Companies, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

800 Market Street  
St. Louis, MO 63101  
February 2, 2004

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<TABLE>

ANHEUSER-BUSCH COMPANIES, INC.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES  
(IN MILLIONS)

<CAPTION>

	2003	2002	2001
	----	----	----
<S>	<C>	<C>	<C>
Reserve for doubtful accounts (deducted from related assets):			
Balance at beginning of period.....	\$ 5.6	\$ 7.7	\$ 8.2
Additions charged to costs and expenses.....	1.6	(1.3)	.9
Additions (recoveries of uncollectible accounts previously written off).....	.2	.2	.1
Deductions (uncollectible accounts written off).....	(.8)	(1.0)	(1.5)
	-----	-----	-----
Balance at end of period.....	\$ 6.6	\$ 5.6	\$ 7.7
	=====	=====	=====
Deferred income tax asset valuation allowance under FAS 109:			
Balance at beginning of period.....	\$ 10.9	\$ 12.0	\$ 14.7
Additions to valuation allowance (charged to costs and expenses).....	14.6	7.7	3.6
Deductions from valuation allowance (utilizations and expirations).....	(5.6)	(8.8)	(6.3)
	-----	-----	-----
Balance at end of period.....	\$ 19.9	\$ 10.9	\$ 12.0
	=====	=====	=====

</TABLE>

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Exhibit 3.2

BY-LAWS

OF

ANHEUSER-BUSCH COMPANIES, INC.

(AS AMENDED AND RESTATED SEPTEMBER 24, 2003)

INCORPORATED UNDER THE LAWS OF DELAWARE

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ANHEUSER-BUSCH COMPANIES, INC.

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BY-LAWS  
OF  
ANHEUSER-BUSCH COMPANIES, INC.  
(AS AMENDED AND RESTATED SEPTEMBER 24, 2003)

ARTICLE I: LOCATION AND OFFICES

PRINCIPAL OFFICE.

SECTION 1:1. The principal office of the corporation shall be at such place as the Board of Directors may from time to time determine, but until a change is effected such principal office shall be at One Busch Place, in the City of St. Louis, Missouri.

OTHER OFFICES.

SECTION 1:2. The corporation may also have other offices, in such places (within or without the State of Delaware) as the Board of Directors may from time to time determine.

ARTICLE II: STOCKHOLDERS

ANNUAL MEETING.

SECTION 2:1. An annual meeting of the stockholders of the corporation shall be held at 10:00 o'clock a.m. on the fourth Wednesday in April of each year if not a legal holiday, and if a legal holiday then on the next succeeding day not a legal holiday. The purpose of the meeting shall be to elect directors and to transact such other business as properly may be brought before the meeting. If the corporation shall fail to hold said meeting for the election of directors on the date aforesaid, the Board of Directors shall cause the election to be held by the stockholders as soon thereafter as convenient.

BUSINESS TO BE CONDUCTED AT ANNUAL MEETING.

SECTION 2:2.1 At an annual meeting of stockholders, only such business shall be conducted as shall have been brought before the meeting (i) pursuant to the corporation's notice of the meeting, (ii) by or at the direction of the Board of Directors (or any duly organized committee thereof), or (iii) by any stockholder of the corporation who is a stockholder of record on the date of giving of the notice provided for in this By-Law and on the record date for the determination of stockholders entitled to vote at such meeting and who has complied with the notice procedures set forth in this By-Law.

SECTION 2:2.2 In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice in proper written form to the Secretary which notice is not withdrawn by such stockholder at or prior to such annual meeting.

SECTION 2:2.3 To be timely, a stockholder's notice to the Secretary must be delivered or mailed to and received by the Secretary at the principal executive offices of the corporation, not less than ninety days nor more than one hundred twenty days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the meeting is changed by more than thirty days from such anniversary date, notice by the stockholder must be received not later than the close of business on the tenth day following the earlier of the day on which notice of the date of the annual meeting was mailed or public disclosure was made.

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SECTION 2:2.4 To be in proper written form, such stockholder's notice must set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business to be brought before the annual meeting and the reasons for conducting such business at such meeting; (ii) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made; (iii) the class and the number of shares of the corporation's stock which are beneficially owned by the stockholder, and the beneficial owner, if any, on whose behalf the proposal is made; (iv) any material interest of the stockholder, and of the beneficial owner, if any, on whose behalf the proposal is made, in such business; and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

SECTION 2:2.5 Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this By-Law. The chairman of the meeting may, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with the provisions of this By-Law; and if the chairman should so determine, the chairman shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder with respect to the matters set forth in this By-Law.

#### SPECIAL MEETINGS.

SECTION 2:3. At any time the Chief Executive Officer may, and either the Chief Executive Officer or the Secretary at the written request of any five members of the Board of Directors shall, issue a call for a special meeting of the stockholders. Such request shall state the purpose or purposes of the proposed meeting, and at such special meeting only such matters as may be specified in the call therefor shall be considered.

#### PLACE OF MEETINGS.

SECTION 2:4. All meetings of the stockholders shall be held at the principal office of the corporation, or at such other place, within or without the State of Delaware, as may be determined by the Board of Directors and stated in the notice of the meeting.

#### NOTICE OF MEETINGS.

SECTION 2:5. Written notice of each meeting of the stockholders stating the place, date, and hour of the meeting, and, in case of a special meeting or where otherwise required by statute, the purpose or purposes for which the meeting is called, shall be delivered by mail not less than ten nor more than sixty days before the date of the meeting, by or at the direction of the person calling the meeting, to each stockholder entitled to vote at such meeting. The notice of a stockholders' meeting shall be deemed to be delivered when deposited in the United States mail with postage prepaid, addressed to each stockholder at such stockholder's address as it appears on the records of the corporation.



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QUORUM AND VOTING.

SECTION 2:6.1 The holders of a majority of the outstanding shares (exclusive of treasury stock) entitled to vote at any meeting of the stockholders, when present in person or by proxy, shall constitute a quorum for the transaction of business, except as otherwise provided by statute, the Certificate of Incorporation, or these By-Laws; but in the absence of such a quorum the holders of a majority of the shares represented at the meeting shall have the right successively to adjourn the meeting to a specified date. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 2:6.2 The absence from any meeting of the number of shares required by statute, the Certificate of Incorporation or these By-Laws for action upon one matter shall not prevent action at such meeting upon any other matter or matters which may properly come before the meeting, if the number of shares required in respect of such other matters shall be present.

SECTION 2:6.3 When a quorum is present at any meeting of the stockholders, the vote of the holders (present in person or represented by proxy) of a majority of the shares of stock which are actually voted (and have the power to vote) on any proposition or question properly brought to a vote at such meeting shall decide any such proposition or question, unless the proposition or question is one upon which by express provision of statute or of the Certificate of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and establish the number of votes required to determine such proposition or question.

VOTING; PROXY.

SECTION 2:7.1 Whenever the law requires or the chairman orders that a vote be taken by ballot, each stockholder entitled to vote on a particular question at a meeting of stockholders, pursuant to law or the Certificate of Incorporation, shall be entitled to one vote for each share of voting stock held by such stockholder. The date for determining the stockholders entitled to vote at a meeting of the stockholders shall be determined pursuant to Section 6:9.

SECTION 2:7.2 Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent in writing without a meeting may authorize another person or persons to act for such stockholder by proxy; but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

VOTING BY FIDUCIARIES, PLEDGEE AND PLEDGORS.

SECTION 2:8. Persons holding stock in a fiduciary capacity shall be entitled to vote the shares so held. Persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the corporation the pledgor has expressly empowered the pledgee to vote thereon, in which case only the pledgee or the pledgee's proxy may represent such stock and vote thereon.

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If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

- (a) If only one votes, that person's act binds all;
- (b) If more than one vote, the act of the majority so voting binds all;
- (c) If more than one vote, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or any person voting the shares, or a beneficiary, if any, may apply to the Court of Chancery or such other court as may have jurisdiction to appoint an additional person to act with the persons so voting the shares, which shall then be voted as determined by a majority of such persons and the person appointed by the Court. If the instrument so filed shows that any such tenancy is held in unequal interest, a majority or even-split for the purpose of this subsection shall be a majority or even-split in interest.

#### NOMINATION OF DIRECTORS.

SECTION 2:9.1 Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation, except as may be otherwise provided in the Certificate of Incorporation of the corporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the corporation who is a stockholder of record on the date of the giving of the notice provided for in this By-Law and on the record date for the determination of stockholders entitled to vote at such meeting and who complies with the notice procedures set forth in this By-Law.

SECTION 2:9.2 In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

SECTION 2:9.3 To be timely, a stockholder's notice to the Secretary must be delivered or mailed to and received by the Secretary at the principal executive offices of the corporation (i) in the case of an annual meeting, not less than ninety days nor more than one hundred twenty days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever occurs first, and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever occurs first.

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SECTION 2:9.4 To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and the number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice or the beneficial owner on whose behalf the nomination is made, (A) the name and address of such stockholder as they appear on the corporation's books, (B) the class or series and the number of shares of capital stock of the corporation beneficially owned by such stockholder or beneficial owner, (C) a description of all arrangements or understandings between such stockholder or beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder or beneficial owner, (D) a representation that such stockholder or beneficial owner intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder or beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

SECTION 2:9.5 No person shall be eligible for election as a director of the corporation, at any annual meeting of stockholders or at any special meeting of stockholders called for the purpose of electing directors, unless nominated in accordance with the procedures set forth in this By-Law. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

#### LIST OF STOCKHOLDERS.

SECTION 2:10. The Secretary shall prepare and make, or cause to be made, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the election, either at a place within the city where the election is to be held and which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of election during the whole time thereof and subject to the inspection of any stockholder who may be present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this By-Law or the books of the corporation, or to vote in person or by proxy at any meeting of the stockholders.

#### APPOINTMENT OF INSPECTORS OF ELECTION AND RESOLUTION OF QUESTIONS CONCERNING RIGHT TO VOTE.

SECTION 2:11. The Board of Directors, in advance of the meeting of stockholders or, if it does not act, the chairman of the meeting, shall appoint not less than two persons who are not directors to serve as inspectors of election. It shall be their duty to receive and canvass the votes for election of directors and on any proposal voted on by ballot and to certify the results to the chairman. In all cases where the right to vote upon any share of the corporation shall be questioned, it shall be the duty of the inspectors to examine the stock ledger of the corporation as evidence of the shares held, and all shares that appear

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standing thereon in the name of any person or persons may be voted upon by such person or persons. Each inspector of election before entering upon the duties of such office shall take and subscribe the following oath before an officer authorized by law to administer oaths: "I do solemnly swear that I will execute the duties of an inspector of the election now to be held with strict impartiality and according to the best of my ability."

#### ARTICLE III: DIRECTORS

##### GENERAL POWERS.

SECTION 3:1. The Board of Directors shall control and manage the business and property of the corporation. The Board may exercise all such powers of the corporation and do all lawful acts and things as are not by law, the Certificate of Incorporation, or these By-Laws directed or required to be exercised or done by the stockholders or some particular officer of the corporation.

##### NUMBER AND QUALIFICATIONS.

SECTION 3:2. The number of directors shall be determined from time to time by resolution of the Board of Directors in accordance with the terms of Article FIFTH of the Certificate of Incorporation. From and after the first public distribution of the Common Stock of the corporation, each director shall be a stockholder of the corporation, except in such specific case or cases as shall be otherwise authorized by the Board of Directors upon a showing of reasonable cause therefor.

##### ELECTION.

SECTION 3:3. The directors who are to be elected at the annual meeting of the stockholders shall be elected by ballot by the holders of shares entitled to vote.

##### PLACE OF MEETINGS.

SECTION 3:4. The place where meetings of the Board of Directors are shall be as follows:

(a) The annual meeting shall be held in the city of the principal office of the corporation in Missouri, provided that in the event the annual meeting of shareholders is held in a metropolitan area other than St. Louis, Missouri, the annual meeting of the Board of Directors shall be held in the metropolitan area where the annual meeting of stockholders is held.

(b) Regular meetings shall be held at such place within the City or County of St. Louis, Missouri as may be prescribed in the call, provided that any regular meeting may be held elsewhere, either within or without the State of Delaware, pursuant to resolution of the Board of Directors or pursuant to the call of the Chief Executive Officer acting with the consent of a majority of the directors.

(c) Special meetings shall be held at such place as may be prescribed in the notice, provided that if a special meeting is held on less than three days' notice, it shall be held at the principal office of the corporation unless all directors agree upon a different location.

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(d) Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participating in the meeting in this manner shall constitute presence in person at such meeting.

REGULAR MEETINGS.

SECTION 3:5. Regular meetings shall be held at such place or places, on such date or dates, and at such times as shall be established by the Board of Directors. A notice of each regular meeting shall not be required, except any meeting at which an amendment to or repeal of these By-Laws is to be considered.

SPECIAL MEETINGS.

SECTION 3:6. Special meetings of the Board of Directors may be held at the call of the Chief Executive Officer or five members of the Board at such time as may be prescribed in the call of the meeting. The purpose of the special meeting need not be stated in the notice of the meeting. Notice of a special meeting may be given by any one or more of the following methods and the method used need not be the same for each director being notified:

- (a) Written notice sent by mail at least three days prior to the meeting;
- (b) Personal service at least twenty-four (24) hours prior to the date of the meeting;
- (c) Telegraphic notice at least twenty-four (24) hours prior to the date of the meeting, said notice to be sent as a straight full-rate telegram;
- (d) Telephonic notice at least twenty-four (24) hours prior to the date of the meeting.
- (e) Facsimile transmission at least twenty-four (24) hours prior to the date of the meeting.

QUORUM.

SECTION 3:7. A majority of the persons serving as directors of the corporation at the time of a meeting of the Board of Directors shall constitute a quorum for the transaction of any business by the Board at such meeting. At any meeting of the Board, no action shall be taken (except adjournment, in the manner provided below) until after a quorum has been established.

The act of a majority of directors who are present at a meeting at which a quorum previously has been established (or at any adjournment of such meeting, provided that a quorum previously shall have been established at such adjourned meeting) shall be the act of the Board of Directors, regardless of whether or not a quorum is present at the time such action is taken. In determining the number of directors who are present at the time any such action is taken (for the purpose of establishing the number of votes required to take action on any proposition or question submitted to the Board), any director who is in attendance at such meeting but who, for just cause, is disqualified to vote on such proposition or question, shall not be considered as being present at the time of such action.

In the event a quorum cannot be established at the beginning of a meeting, a majority of the directors present at the meeting, or the director, if there be only one person, or the Secretary of the corporation, if there be no director present, may adjourn the meeting from time to time until a quorum be present. Only such notice of such adjournment need be given as the Board may from time to time prescribe.

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WAIVER OF NOTICE.

SECTION 3:8. Any notice which is required by law or by the Certificate of Incorporation or by these By-Laws to be given to any director may be waived in writing, signed by such director, whether before or after the time stated therein. Attendance of a director at any meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

CONSENT.

SECTION 3:9. Any action required or permitted to be taken at any meeting of the Board of Directors (or of any committee thereof) may be taken without a meeting if all members of the Board (or committee) consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board (or committee).

NOTICE TO MEMBERS OF THE BOARD OF DIRECTORS.

SECTION 3:10. Each member of the Board of Directors shall file with the Secretary of the corporation an address to which mail or telegraphic notices shall be sent and a telephone number to which a telephonic or facsimile notice may be transmitted. A notice mailed, telegraphed, telephoned or transmitted by facsimile in accordance with the instructions provided by the director shall be deemed sufficient notice. Such address or telephone number may be changed at any time and from time to time by a director by giving written notice of such change to the Secretary. Failure on the part of any director to keep an address and telephone number on file with the Secretary shall automatically constitute a waiver of notice of any regular or special meeting of the Board which might be held during the period of time that such address and telephone number are not on file with the Secretary. A notice shall be deemed to be mailed when deposited in the United States mail, postage prepaid. A notice shall be deemed to be telegraphed when the notice is delivered to the transmitter of the telegram and either payment or provision for payment is made by the corporation. Notice shall be deemed to be given by telephone if the notice is transmitted over the telephone to some person (whether or not such person is the director) answering the telephone at the number which the director has placed on file with the Secretary. Notice shall be deemed to be given by facsimile transmission when sent to the telephone number which the director has placed on file with the Secretary.

PRESIDING OFFICER.

SECTION 3:11. The Chairman of the Board shall preside at all meetings of the Board of Directors at which the Chairman is present. In the Chairman's absence, the Vice Chairman (if any) shall preside. In the absence of the Chairman and the Vice Chairman, the Board shall select a chairman of the meeting from among the directors present.

ARTICLE IV: COMMITTEES

EXECUTIVE COMMITTEE--APPOINTMENT AND TENURE.

SECTION 4:1. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate three or more directors, including the Chief Executive Officer, to constitute an Executive Committee, provided that a majority of said committee shall at all times be made up of members of the Board who are neither officers nor employees of the corporation and who shall serve at the pleasure of the Board. In the case of the death, resignation or removal of any member of the Executive Committee or

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in case any such member shall cease to be a member of the Board, the vacancy shall be filled by the Board. The Board shall designate the chairman of the Executive Committee.

EXECUTIVE COMMITTEE--POWERS.

SECTION 4:2. The Executive Committee, to the extent provided in the resolution of the Board of Directors appointing such committee or in any subsequent resolution, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but shall not have the power or authority with respect to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, or recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; nor shall the Executive Committee have the power or authority to declare a dividend or to authorize the issuance of stock; but the designation of such Executive Committee and the delegation of authority thereto shall not operate to relieve the Board, or any member thereof, of any responsibility imposed upon it or them by the provisions of the Delaware General Corporation Law, as amended.

EXECUTIVE COMMITTEE--NOTICE OF MEETINGS.

SECTION 4:3. A meeting of the Executive Committee may be held on call by the Chief Executive Officer or on the call of any three of the other members of the Committee. Meetings of the Executive Committee may be held, upon notice as short as twenty-four (24) hours, at such place or places as shall be determined by resolution of the Committee, or in the absence of a resolution of the Executive Committee with respect thereto, at such place or places as may be determined by the Chief Executive Officer. If notice is given at least three days prior to the meeting of the Committee, notice may be given in any of the ways set forth in Section 3:6, dealing with special meetings of the Board of Directors. If less than three days' notice is given, notice shall not be given by mail but shall be given by one of the other methods described in Section 3:6. With respect to any such notice, all the provisions of Section 3:10 shall be equally applicable in the case of notice of an Executive Committee meeting as they are in the case of a notice of a meeting of the Board of Directors. Meetings of the Executive Committee shall be held at such place either within or without the States of Missouri or Delaware as may be designated by a resolution of the Board; or in the absence of such resolution, at such place within the metropolitan St. Louis, Missouri area as may be designated in the notice. Any such notice may be waived in the same manner provided in Section 3:8 with respect to waiver of notice of a directors' meeting.

EXECUTIVE COMMITTEE--QUORUM AND POWERS OF MAJORITY.

SECTION 4:4. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Executive Committee. Unless otherwise provided by the Board of Directors, a majority of the members of the Executive Committee shall constitute a quorum, and the acts of a majority of the members present at a meeting at which a quorum is present shall be the acts of the Executive Committee.

EXECUTIVE COMMITTEE--REPORTING.

SECTION 4:5. At each regular meeting of the Board of Directors all actions taken by the Executive Committee since the last prior meeting of the Board shall be reported, and the Board shall take such action to approve or rescind such action of the Executive Committee as the Board may deem appropriate, but no rescission of such action shall affect any rights which have attached pursuant to such Executive Committee action.

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If no regular meeting of the Board is scheduled within seven days after the date of a meeting of the Executive Committee, then no later than five days after such meeting of the Executive Committee, the minutes thereof (even though they may not as yet have been approved by the Executive Committee) shall be deposited in the mail by the Secretary addressed to each member of the Board at the address on file with the Secretary pursuant to the provisions of Section 3:10, provided that if any member of the Board shall have failed to place an address on file with the Secretary, such member shall be deemed to have waived the right to receive a copy of the minutes of the Executive Committee meeting.

#### OTHER COMMITTEES.

SECTION 4:6. Other Committees may be established, and their members appointed, from time to time by the Board of Directors. Such other committees shall have such purpose(s) and such power(s) as the Board by resolution may confer. Unless otherwise provided by the Board, a majority of the members of such other Committee shall constitute a quorum, and the acts of a majority of the members present at a meeting at which a quorum is present shall be the act of such other Committee.

#### ARTICLE V: OFFICERS

##### APPOINTMENT.

SECTION 5:1. The Board of Directors shall appoint from its membership a Chairman of the Board and a President. The Board shall appoint such number of Vice Presidents as the Board may from time to time determine, a Controller, a Secretary, a Treasurer, one or more Assistant Controllers, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers, as the Board may from time to time deem necessary or appropriate. The Board of Directors may appoint a Vice Chairman of the Board, but the person holding that position shall not be considered an officer of the corporation.

##### TENURE.

SECTION 5:2. Officers appointed by the Board of Directors shall hold their respective offices for the term of one year and until their respective successors shall have been duly appointed and qualified; provided, however, that any officer appointed by the Board may be removed by the Board with or without a hearing and with or without cause whenever in its judgment the best interests of the corporation will be served thereby.

##### CHIEF EXECUTIVE OFFICER.

SECTION 5:3. So long as the offices of Chairman of the Board and President are held by the same person, that person shall be the Chief Executive Officer of the corporation. Otherwise, the Chief Executive Officer shall be the Chairman of the Board or the President, as designated by the Board of Directors. The Chief Executive Officer shall have general supervision and control over all the business and property of the corporation and shall be responsible at all times to the Board of Directors and the Executive Committee. The Chief Executive Officer shall also preside at all meetings of the stockholders. In the event the Chief Executive Officer shall fail or for any reason be unable to serve as such, the Board of Directors shall promptly act to fill such vacancy.



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CHAIRMAN OF THE BOARD.

SECTION 5:4. The Chairman of the Board shall preside as chairman of all meetings of the Board of Directors at which the Chairman shall be present and shall have such other powers, responsibilities and duties as shall be assigned by the Board.

PRESIDENT.

SECTION 5:5. The President shall have such powers, responsibilities and duties as shall be assigned by the Board of Directors.

OTHER OFFICERS.

SECTION 5:6. Subject to the ultimate authority of the Board of Directors, all other officers of the corporation shall have such powers, responsibilities and duties as shall be assigned to them from time to time by the Chief Executive Officer.

ARTICLE VI: CAPITAL STOCK AND DIVIDENDS

CERTIFICATES FOR SHARES.

SECTION 6:1. Certificates for shares of the capital stock of the Company shall be in such form, not inconsistent with the Certificate of Incorporation, as shall be approved by the Board of Directors, and shall be signed by the Chairman or Vice Chairman of the Board of Directors or by the President or a Vice-President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, provided that the signatures of any such officers thereon may be facsimiles. The seal of the corporation shall be impressed, by original or by facsimile, printed or engraved, on all such certificates. The certificate shall also be signed by the transfer agent and a registrar and the signature of either the transfer agent or the registrar may also be facsimile, engraved or printed. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon any such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may nevertheless be issued by the corporation with the same effect as if such officer, transfer agent, or registrar had not ceased to be such officer, transfer agent, or registrar at the date of its issue.

STOCK RECORDS.

SECTION 6:2. The corporation shall keep at its principal office stock books in which shall be recorded the number of shares issued, the names of the owners of the shares, the number owned by them respectively, and the transfer of such shares with the date of transfer.

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TRANSFERS.

SECTION 6:3. Certificates representing shares of stock of the corporation shall be transferable only on the books of the corporation by the person or persons named in the certificate or by the attorney lawfully constituted in writing representing such person or persons and upon surrender of the certificate or certificates being transferred which certificate shall be properly endorsed for transfer or accompanied by a duly executed stock power. Whenever a certificate is endorsed by or accompanied by a stock power executed by someone other than the person or persons named in the certificate, evidence of authority to transfer shall also be submitted with the certificate. All certificates surrendered to the corporation for transfer shall be cancelled.

REGULATIONS GOVERNING ISSUANCE AND TRANSFERS OF SHARES.

SECTION 6:4. The Board of Directors shall have the power and authority to make all such rules and regulations as it shall deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the corporation.

TRANSFER AGENTS AND REGISTRARS.

SECTION 6:5. Transfer agents and registrars for the corporation's stock shall be banks, trust companies or other financial institutions located within or without the State of Delaware as shall be appointed by the Board of Directors. The Board shall also define the authority of such transfer agents and registrars.

LOST OR DESTROYED CERTIFICATES.

SECTION 6:6. Where a certificate for shares of the corporation has been lost or destroyed, the Board of Directors may authorize the issuance of a new certificate in lieu thereof upon satisfactory proof of such loss or destruction, and upon the giving of an open penalty bond with surety satisfactory to the corporation's General Counsel and Treasurer, to protect the corporation or any person injured by the issuance of the new certificate from any liability or expense which it or they may incur by reason of the original certificate's remaining outstanding, and upon payment of the corporation's reasonable costs incident thereto.

FRACTIONS OF SHARES.

SECTION 6:7. The corporation shall not issue fractions of a share. It shall, however, (1) arrange for the disposition of fractional interests by those entitled thereto, and (2) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (3) issue scrip or warrants in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or warrants aggregating a full share. Scrip or warrants shall not, unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, or to participate in any of the assets of the corporation in the event of liquidation. The Board of Directors may cause scrip or warrants to be issued subject to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions which the Board may impose.

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DETERMINATION OF STOCKHOLDERS.

SECTION 6:8. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

RECORD DATE.

SECTION 6:9. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment or any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed:

(1) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(2) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII: MISCELLANEOUS

VOTING SHARES IN OTHER CORPORATIONS.

SECTION 7:1. The corporation may vote any and all shares of stock and other securities having voting rights which may at any time and from time to time be held by it in any other corporation or corporations and such vote may be cast either in person or by proxy by such officer of the corporation as the Board of Directors may appoint or, in default of such appointment, the Chief Executive Officer, the President or a Vice President.

EXECUTION OF OTHER PAPERS AND DOCUMENTS.

SECTION 7:2. All checks, bills, notes, drafts, vouchers, warehouse receipts, bonds, mortgages, contracts, registration certificates and all other papers and documents of the corporation shall be signed or endorsed for the corporation by such of its officers, other employees and agents as the Board of Directors may from time to time determine, or in the absence of such determination, by the Chief Executive Officer, the President or a Vice President, provided that instruments requiring execution with the formality of deeds shall be signed by the Chief Executive Officer, the President or a Vice President and impressed with the Seal of the corporation, duly attested by the Secretary or an Assistant Secretary.

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CORPORATE SEAL.

SECTION 7:3. The Board of Directors shall provide a suitable seal, containing the name of the corporation, which seal shall be in the custody of the Secretary of the corporation, and may provide for one or more duplicates thereof to be kept in the custody of such other officer of the corporation as the Board may prescribe.

AMENDMENTS.

SECTION 7:4. These By-Laws may be amended or repealed, or new By-Laws may be adopted (a) by the affirmative vote of a majority of the shares issued and outstanding and entitled to vote at any annual or special meeting of stockholders, or (b) by the affirmative vote of the majority of the Board of Directors at any regular or special meeting; provided that the notice of such meeting of stockholders or directors, whether regular or special, shall specify as one of the purposes thereof the making of such amendment or repeal, and provided further that any amendment of the By-Laws made by the Board may be further amended or repealed by the stockholders.

BOOKS AND RECORDS.

SECTION 7:5. Except as the Board of Directors may from time to time direct or as may be required by law, the corporation shall keep its books and records at its principal office.

March 19, 1998

Boatmen's Trust Company, as Rights Agent  
510 Locust Street  
St. Louis, Missouri 63101

ChaseMellon Shareholder Services, L.L.C. as Successor Rights Agent,  
200 North Broadway, Suite 1722  
St. Louis, Missouri 63102

Re: Successor Rights Agent

Ladies and Gentlemen:

Pursuant to Section 21 of the Rights Agreement by and between Anheuser-Busch Companies, Inc. and Boatmen's Trust Company dated October 26, 1994 (the "Agreement") by execution and delivery of this letter agreement, Boatmen's Trust Company hereby resigns as Rights Agent under the Agreement, ChaseMellon Shareholder Services, L.L.C. (the "Successor Agent") is hereby appointed successor rights agent under the Agreement and the Successor Agent hereby accepts such appointment.

Furthermore, the Agreement is amended as follows:

- (a) Section 2 hereby modified and amended by deleting: "as agent for the Company and the holders of the Rights (who, in accordance with Section 3 hereof, shall prior to the Distribution Date also be the holders of the Common Stock)" and replacing it with: "as rights agent hereunder."
- (b) The second sentence in Section 3(b) is hereby modified and amended by deleting: "and shall bear the following legend" and replacing it with: "and shall bear a legend substantially to the following effect."
- (c) Section 21 of the Rights Agreement is hereby modified and amended by deleting the fifth sentence in its entirety and replacing it with: "Any successor Rights Agent, whether appointed by the Company or by such a court, shall be either (a) a corporation organized and doing business under the laws of the United States or of any state of the United States, in good standing, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$100,000,000 or (b) an Affiliate of such a corporation."
- (d) All provisions of the Agreement not amended hereby shall remain in full force and effect.
- (e) This letter agreement shall be deemed to be a contract made

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under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

- (f) This letter agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

In executing this letter agreement, the Successor Agent shall be entitled to all the privileges and immunities afforded to the Rights Agent and assumes all obligations of the Rights Agent under the terms and conditions of the Agreement.

ANHEUSER-BUSCH COMPANIES, INC.

By: /s/ Stephen K. Lambright

-----  
Title: Group Vice President and General  
Counsel

BOATMEN'S TRUST COMPANY,  
as Rights Agent

By: /s/ Jerry L. Rector

-----  
Title: Vice President

CHASEMELLON SHAREHOLDER SERVICES, L.L.C.,  
as Successor Rights Agent

By: /s/ H. Eugene Bradford

-----  
Title: Vice President

=====

EXECUTION COPY

\$2,000,000,000

CREDIT AGREEMENT

Dated as of August 4, 2003

among

ANHEUSER-BUSCH COMPANIES, INC.

The Banks Listed Herein

and

JPMORGAN CHASE BANK,

as Administrative Agent

-----

J.P. MORGAN SECURITIES INC.,

BANC ONE CAPITAL MARKETS, INC.

as Lead Arrangers and Joint Bookrunners

BANK ONE, NA,

as Syndication Agent

BANK OF AMERICA, N.A., CITIBANK N.A. AND UBS AG

as Documentation Agents

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CREDIT AGREEMENT dated as of August 4, 2003, among ANHEUSER-BUSCH COMPANIES, INC., a Delaware corporation, the BANKS listed on the signature pages hereof and JPMORGAN CHASE BANK as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms, as used

herein, have the following meanings:

"ABI" means Anheuser-Busch, Incorporated, a Missouri corporation, and its successors and permitted assigns.

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.04.

"Additional Margin" means 0.075%.

"Adjusted CD Rate" has the meaning set forth in Section 2.10(b).

"Adjusted LIBO Rate" has the meaning set forth in Section 2.10(c).

"Administrative Agent" means JPMorgan Chase Bank in its capacity as agent for the Banks hereunder and its successors in such capacity.

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Company) duly completed by such Bank.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person.

"Assessment Rate" has the meaning set forth in Section 2.10(b).

"Bank" means a financial institution listed on the signature pages hereof as having a Commitment or a financial institution added pursuant to Section 8.05, and its successors and permitted assigns; and "Banks" means all of such institutions. Unless the context otherwise requires, the term "Banks" includes the Swingline Banks.

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"Bank Affiliate" means, with respect to any Bank, (i) an  
-----  
Affiliate of such Bank or (ii) any entity (whether a corporation,  
partnership, trust or otherwise) that is engaged in making, purchasing,  
holding or otherwise investing in bank loans and similar extensions of  
credit in the ordinary course of its business and is administered or managed  
by a Bank or an Affiliate of such Bank.

"Bank One" means Bank One, NA.  
-----

"Base Rate" means, for any day, a rate per annum equal to  
-----  
the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1%  
plus the Federal Funds Rate for such day.  
-----

"Base Rate Loan" means a Syndicated Loan to be made as a  
-----  
Base Rate Loan pursuant to Section 2.03 and in accordance with the  
applicable Notice of Borrowing, or a Loan to be made as a Base Rate Loan  
pursuant to the final proviso of clause (1) or clause (2) of the definition  
of Interest Period or pursuant to Article VIII.

"Benefit Arrangement" means an employee benefit plan  
-----  
within the meaning of Section 3(3) of ERISA which is not a Plan or a  
Multiemployer Plan and which is maintained or otherwise contributed to by  
any member of the ERISA Group.

"Board of Directors" means either the board of directors  
-----  
of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified  
-----  
by the Secretary or an Assistant Secretary of the Company to have been duly  
adopted by the Board of Directors and to be in full force and effect on the  
date of such certification, and delivered to the Administrative Agent.

"Borrower" means the Company or an Eligible Subsidiary, as  
-----  
the context may require, and their respective successors and permitted  
assigns.

"Borrowing" means a borrowing hereunder consisting of  
-----  
Loans made to a Borrower at the same time and for the same Interest Period  
by one or more of the Banks severally. A Borrowing is a "Domestic Borrowing"  
-----  
if such Loans are Domestic Loans or a "Euro-Dollar Borrowing" if such Loans  
-----  
are Euro-Dollar Loans. A Domestic Borrowing is a "CD Borrowing" if such  
-----  
Domestic Loans are CD Loans or a "Base Rate Borrowing" if such Domestic  
-----  
Loans are Base Rate Loans. A Borrowing is a "Syndicated Borrowing" if such  
-----  
Loans are Syndicated Loans. A Borrowing is a "Money Market Borrowing" if  
-----  
such Loans are Money Market Loans. A Borrowing is a "Negotiated Rate  
-----  
Borrowing" if such Loans are Negotiated Rate Loans. A Borrowing is a  
-----  
"Swingline Borrowing" if such Loans are Swingline Loans.  
-----

"CD Base Rate" has the meaning set forth in Section  
-----  
2.10(b).

"CD Loan" means a Syndicated Loan to be made as a CD Loan  
-----  
pursuant to Section 2.03 and the applicable Notice of Borrowing.

"CD Margin" has the meaning set forth in Section 2.10(b).  
-----

<PAGE>

"CD Reserve Percentage" has the meaning set forth in  
-----  
Section 2.10(b).

"Code" means the Internal Revenue Code of 1986, as  
----  
amended.

"Commitment" means, with respect to each Bank, the amount  
-----  
set forth opposite the name of such Bank on Schedule I hereto, as such  
amount may from time to time be reduced pursuant to Section 2.12 or  
increased or reduced pursuant to assignments under Section 10.06.

"Commitment Utilization Day" means any day on which the  
-----  
sum of the aggregate outstanding principal amount of all Loans plus the  
-----  
aggregate LC Exposure exceeds 50% of the Total Commitment.

"Company" means Anheuser-Busch Companies, Inc., a Delaware  
-----  
corporation, and its successors and permitted assigns.

"Company's 2002 Form 10-K" means the Company's annual  
-----  
report on Form 10-K for 2002, as filed with the Securities and Exchange  
Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Consolidated Subsidiary" means, with respect to any  
-----  
Person at any date, any Subsidiary or other entity the accounts of which are  
consolidated with those of such Person in its consolidated financial  
statements as of such date.

"Continuing Directors" means, at any date, the Persons who  
-----  
served as directors of the Company 15 months prior to such date and any new  
director of the Company whose appointment or election by the Board of  
Directors or nomination for election by the Company's stockholders was  
approved or recommended by the affirmative vote of a majority of the  
Continuing Directors serving at the time of such appointment, election or  
nomination.

"Debt" of any Person means at any date, without  
----  
duplication, to the extent obligations of such type are required to be set  
forth as liabilities in such Person's financial statements according to  
generally accepted accounting principles (except in the case of clause (v)  
of this definition), (i) all obligations of such Person for borrowed money,  
(ii) all obligations of such Person evidenced by bonds, debentures, notes or  
other similar instruments, (iii) all obligations of such Person to pay the  
deferred purchase price of property or services, except trade accounts  
payable arising in the ordinary course of business, (iv) the capitalized  
value of all obligations of such Person as lessee under leases capitalized  
in accordance with generally accepted accounting principles, (v) all Debt of  
others secured by a Lien on any asset of such Person, whether or not such  
Debt is assumed by such Person (provided that, for purposes of this clause  
-----  
(v), the amount of any such Debt, unless assumed by such Person, shall be  
deemed not to exceed the higher of the market value or the net book value of  
such asset), and (vi) the amounts of all Debt of other Persons Guaranteed by  
such Person.

"Default" means any condition or event which constitutes  
-----  
an Event of Default or which with the giving of notice or passing of time or  
both would, unless cured or waived, become an Event of Default.

<PAGE>

"Domestic Business Day" means any day, except a Saturday,  
-----  
Sunday or other day on which commercial banks in New York City are  
authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its  
-----  
office or branch (or affiliate) located at its address set forth in its  
Administrative Questionnaire (or identified in its Administrative  
Questionnaire as its Domestic Lending Office) or such other office as such  
Bank may hereafter designate as its Domestic Lending Office by notice to the  
Company and the Administrative Agent; provided that any Bank may from time  
-----  
to time by notice to the Company and the Administrative Agent designate  
separate Domestic Lending Offices for its Base Rate Loans, on the one hand,  
and its CD Loans, on the other hand, in which case all references herein to  
the Domestic Lending Office of such Bank shall be deemed to refer to either  
or both of such offices, as the context may require.

"Domestic Loan" means a CD Loan or a Base Rate Loan, and  
-----  
"Domestic Loans" means CD Loans or Base Rate Loans or both.  
-----

"Domestic Subsidiary" means a Subsidiary whose principal  
-----  
place of business is located within the United States.

"Effective Date" means the date (which shall not be later  
-----  
than 5 Domestic Business Days after the date of this Agreement) on which  
this Agreement shall become effective in accordance with Sections 3.02 and  
10.09.

"Election to Participate" means an election to participate  
-----  
substantially in the form of Exhibit I hereto.

"Election to Terminate" means an election to terminate  
-----  
substantially in the form of Exhibit J hereto.

"Eligible Subsidiary" means any Subsidiary of the Company  
-----  
that is a wholly-owned Consolidated Subsidiary of the Company and as to  
which an Election to Participate shall have been delivered to the  
Administrative Agent and as to which an Election to Terminate shall not have  
been delivered to the Administrative Agent.

"Environmental Laws" means any and all federal, state,  
-----  
local and foreign statutes, laws, regulations, ordinances, rules, judgments,  
orders, decrees, permits, concessions, grants, franchises, licenses,  
agreements or other governmental restrictions relating to the environment or  
to emissions, discharges or releases of pollutants, contaminants, petroleum  
or petroleum products, chemicals or industrial, toxic or hazardous  
substances or wastes into the environment including, without limitation,  
ambient air, surface water, ground water, or land, or otherwise relating to  
the manufacture, processing, distribution, use, treatment, storage,  
disposal, transport or handling of pollutants, contaminants, petroleum or  
petroleum products, chemicals or industrial, toxic or hazardous substances  
or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act  
-----  
of 1974, as amended, or any successor statute.

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"ERISA Group" means the Company and all members of a  
-----  
controlled group of corporations and all trades or businesses (whether or  
not incorporated) under common control which, together with the Company, are  
treated as a single employer under Section 414(b) or (c) of the Code.

"Euro-Dollar Business Day" means any Domestic Business Day  
-----  
on which commercial banks are open for international business (including  
dealings in U.S. Dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its  
-----  
office or branch (or affiliate) located at its address set forth in its  
Administrative Questionnaire (or identified in its Administrative  
Questionnaire as its Euro-Dollar Lending Office) or such other office or  
branch (or affiliate) of such Bank as it may hereafter designate as its  
Euro-Dollar Lending Office by notice to the Company and the Administrative  
Agent.

"Euro-Dollar Loan" means a Syndicated Loan to be made as a  
-----  
Euro-Dollar Loan pursuant to Section 2.03 and the applicable Notice of  
Borrowing.

"Euro-Dollar Margin" has the meaning set forth in Section  
-----  
2.10(c).

"Event of Default" has the meaning set forth in Section  
-----  
6.01.

"Executive Officer" means the Chief Executive Officer, the  
-----  
President, the Chief Financial Officer or the Treasurer of the Company.

"Federal Funds Rate" means, for any day, the rate per  
-----  
annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to  
the weighted average of the rates on overnight Federal funds transactions  
with members of the Federal Reserve System arranged by Federal funds brokers  
on such day, as published by the Federal Reserve Bank of New York on the  
Domestic Business Day next succeeding such day, provided that (i) if such  
-----  
day is not a Domestic Business Day, the Federal Funds Rate for such day  
shall be such rate on such transactions on the next preceding Domestic  
Business Day as so published on the next succeeding Domestic Business Day,  
and (ii) if no such rate is so published on such next succeeding Domestic  
Business Day, the Federal Funds Rate for such day shall be the average rate  
quoted to the Person serving as the Administrative Agent on such day on such  
transactions as determined by the Administrative Agent.

"Finance Committee" means the Finance Committee  
-----  
established by the Board of Directors.

"Fixed Rate Borrowing" means a Borrowing consisting of  
-----  
Fixed Rate Loans.

"Fixed Rate Loans" means CD Loans, Euro-Dollar Loans,  
-----  
Money Market Loans (excluding Money Market LIBOR Loans bearing interest at  
the Base Rate pursuant to Section 8.01(a)) or Negotiated Rate Loans or any  
combination of the foregoing.



<PAGE>

"Funded Debt" means, as of any date, without duplication,  
-----  
all Indebtedness, and all Debt, whether or not for money borrowed, evidenced by a bond, debenture, note or similar instrument or by an agreement, which Indebtedness or Debt (i) has a maturity of more than twelve months from the date as of which the amount thereof is to be determined, (ii) has a maturity of twelve months or less, but by its terms is renewable or extendible beyond twelve months from such date at the option of the borrower or issuer without the consent of the lender or holder and subject only to conditions which the borrower or issuer is then capable of fulfilling or (iii) is classified as "long-term debt" in the Company's financial statements delivered to the Banks pursuant to Section 5.01(a).

"Guarantee" of any Person means any obligation, contingent  
-----  
or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person or in any manner providing for the payment of any Debt of any other Person or otherwise protecting the holder of any such Debt against loss (whether by agreement to keep well, to maintain minimum net worth, to purchase assets, goods, securities or services, to take or pay or otherwise); provided that the term Guarantee shall not include endorsements  
-----

for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a correlative meaning.  
-----

"Indebtedness" of any Person means any indebtedness of  
-----  
such Person representing money borrowed.

"Index Debt" means senior, unsecured, long-term  
-----  
Indebtedness of the Company that is not supported by any letter of credit, guarantee or other credit enhancement.

"Interest Period" means:  
-----

(1) with respect to each CD Loan, the period commencing on the date of such Loan and ending 30, 60, 90 or 180 days thereafter, as the Company may elect in the applicable Notice of Borrowing; provided that:  
-----

(a) any Interest Period which would otherwise end on a day which is not a Domestic Business Day shall be extended to the next succeeding Domestic Business Day; and

(b) no Interest Period may end after the Termination Date;

provided further, however, that if any such Interest Period would be less  
-----  
than 30 days, the Loan for such Interest Period shall be a Base Rate Loan;

(2) with respect to each Euro-Dollar Loan, the period commencing on the date of such Loan and ending seven days, fourteen days or one, two, three, six or, with the consent of each Bank, twelve months thereafter, as the Company may elect in the applicable Notice of Borrowing; provided that:  
-----

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such succeeding Euro-Dollar Business Day falls in another calendar month, in

<PAGE>

which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period (other than an Interest Period having a duration of seven or fourteen days) which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) of this definition, end on the last Euro-Dollar Business Day of a calendar month; and

(c) no Interest Period may end after the Termination Date;

provided further, however, that if any such Interest Period would be less  
-----  
than seven days, the Loan for such Interest Period shall be a Base Rate Loan;

(3) with respect to each Base Rate Loan, the period commencing on the date of such Loan and ending not less than one day thereafter, as the Company may elect in the applicable Notice of Borrowing; provided that:  
-----

(a) any Interest Period which would otherwise end on a day which is not a Domestic Business Day shall be extended to the next succeeding Domestic Business Day; and

(b) no Interest Period may end after the Termination Date;

(4) with respect to each Money Market Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than seven days), as the Company may elect in accordance with Section 2.04; provided that:  
-----

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless, in the case of a Money Market LIBOR Borrowing, such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date;

(5) With respect to each Negotiated Rate Loan, such Interest Period (ending on a Euro-Dollar Business Day not falling after the Termination Date) as may be agreed between the Company and the Bank making such Loan; and

<PAGE>

(6) with respect to each Swingline Loan, the period commencing on the date of such Loan and ending not less than one day and not more than 5 Domestic Business Days thereafter, as the Company may elect in the applicable Notice of Borrowing; provided that:  
-----

(a) any Interest Period which would otherwise end on a day which is not a Domestic Business Day shall be extended to the next succeeding Domestic Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Invitation" has the meaning set forth in Section 2.04(c).  
-----

"Issuing Bank" means each of JPMorgan Chase and Bank One, in its capacity as an issuer of Letters of Credit hereunder, and any additional Bank that becomes an Issuing Bank pursuant to Section 2.06(j), but excluding any Bank that has ceased to be an Issuing Bank pursuant to Section 2.06(j).

"JPMorgan Chase" means JPMorgan Chase Bank.  
-----

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.  
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"LC Exposure" means, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The LC Exposure of any Bank at any time shall be its Pro Rata Percentage of the total LC Exposure at such time.

"Lending Office" means, as to any Bank, its Domestic Lending Office, its Euro-Dollar Lending Office or its Money Market Lending Office, as the context may require.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement in a form satisfactory to the Administrative Agent in its reasonable judgment.

"Letter of Credit Documents" means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (i) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (ii) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.

"Level I Pricing Period" has the meaning set forth in Section 2.18.  
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"Level II Pricing Period" has the meaning set forth in Section 2.18.  
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"LIBO Rate" has the meaning set forth in Section 2.10(c).  
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"LIBOR Auction" means a solicitation of Money Market

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Quotes setting forth Money Market Margins based on the LIBO Rate pursuant to Section 2.04.

"Lien" means, with respect to any asset, any mortgage,

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lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Company or any of its Subsidiaries shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Domestic Loan, a Euro-Dollar Loan, a

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Negotiated Rate Loan, a Money Market Loan or a Swingline Loan, and "Loans" means Domestic Loans, Euro-Dollar Loans, Negotiated Rate Loans, Money Market Loans, Swingline Loans or any of the foregoing.

"Material Plan" means a Plan having aggregate Unfunded

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Liabilities in excess of \$200,000,000.

"Maturity Date" in respect of each Loan, has the meaning

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set forth in Section 2.09.

"Money Market Absolute Rate" has the meaning set forth in

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Section 2.04(d).

"Money Market Absolute Rate Loan" means a Loan made

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pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its

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Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Company and the Administrative Agent; provided that any Bank may from time to time by notice to the Company and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a Loan made pursuant to a

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LIBOR Auction (including such a Loan bearing interest at the Base Rate pursuant to Section 8.01(a)).

"Money Market Loan" means a Money Market Absolute Rate

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Loan or a Money Market LIBOR Loan.

"Money Market Margin" has the meaning set forth in Section

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2.04(d).

"Money Market Quote" means an offer by a Bank to make a

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Money Market Loan in accordance with Section 2.04.

"Moody's" means Moody's Investors Service and its

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successors.

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"Multiemployer Plan" means an employee pension benefit

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plan subject to Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any entity which ceased to be a member of the ERISA Group during such five year period.

"Negotiated Rate Loan" means a Loan made by a Bank to a

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Borrower which is identified (by notice from the Bank or the Company to the Administrative Agent) as a Loan made pursuant to Section 2.07.

"Net Tangible Assets" means total assets of the Company

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and its Restricted Subsidiaries, including net investment in Unrestricted Subsidiaries, after deducting therefrom (a) all current liabilities of the Company and its Restricted Subsidiaries (excluding any thereof constituting Funded Debt), (b) all goodwill, trade names, trademarks, patents, copyrights, franchises, unamortized debt discount and expense, organization and developmental expenses and other intangibles of the Company and its Restricted Subsidiaries, and (c) all increases in the book values of any assets above the book values thereof as of March 31, 2003 as a result of the revaluation of such assets, all determined on a basis consistent with that on which such amounts were determined in preparing the most recent balance sheet of the Company and its Consolidated Subsidiaries delivered to the Banks pursuant to Section 5.01(a)(i) or (ii); provided that any items

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constituting deferred income taxes, deferred investment tax credits or other similar items shall not be taken into account as a liability or as a deduction from or adjustment to total assets.

"Non-excluded Taxes" has the meaning set forth in Section

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2.17.

"Note" means a promissory note of a Borrower,

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substantially in the form of Exhibit A hereto, evidencing the obligation of such Borrower to repay its Loans, and "Notes" means all such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Syndicated

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Borrowing as defined in Section 2.03(a), a Notice of Money Market Borrowing as defined in Section 2.04(f) or a Notice of Swingline Borrowing as defined in Section 2.05(b).

"Packaging Business" means the assets identified as the

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"Packaging Segment" in the most recent financial statements delivered pursuant to Section 5.01(a) and any assets substantially related to such assets that are acquired after the date of such financial statements.

"Packaging Business Divestiture" means (i) the

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distribution (in the form of a dividend) to stockholders of the Company of the capital stock of a Subsidiary or Subsidiaries substantially all of the assets of which consist(s) of all or any portion of the Packaging Business and (ii) the transfer of the capital stock of a Subsidiary or Subsidiaries substantially all of the assets of which consist(s) of all or any portion of the Packaging Business, or the transfer of all or any portion of the Packaging Business, the consideration for such transfer (including the liabilities assumed related thereto) being not less than the fair market value (as reasonably determined by the Company) of such stock or assets; provided that in each such case at the time of and immediately after such

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distribution or transfer the Index Debt shall be rated A- or better by S&P and A3 or better by Moody's.

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"PBGC" means the Pension Benefit Guaranty Corporation or  
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any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, sole proprietorship,  
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corporation, partnership, joint venture, trust, unincorporated organization,  
mutual company, joint stock company, estate, union, employee organization, a  
government or any agency or political subdivision thereof.

"Plan" means an employee pension benefit plan (other than  
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a Multiemployer Plan) which is covered by Title IV of ERISA or subject to  
the minimum funding standards of Section 412 of the Code and either (i) is  
maintained, or contributed to, by any member of the ERISA Group for  
employees of any member of the ERISA Group or (ii) has at any time within  
the preceding five years been maintained, or contributed to, by any member  
of the ERISA Group for employees of any member of the ERISA Group, as  
determined from time to time within such period.

"Pricing Period" has the meaning set forth in Section  
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2.18.

"Prime Rate" means the rate of interest per annum publicly  
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announced from time to time by the Person serving as the Administrative  
Agent as its prime rate in effect at its principal office in New York City.  
Each change in the Prime Rate shall be effective from and including the date  
such change is publicly announced as being effective. The Base Rate shall be  
adjusted automatically on and as of the effective date of each change in the  
Prime Rate.

"Principal Plant" shall mean (a) any brewery or  
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manufacturing, processing or packaging plant owned by the Company or any of  
its Subsidiaries on the date hereof or hereafter constructed or acquired by  
the Company or any of its Subsidiaries and located within the United States  
(but shall not include (i) any brewery or plant which the Finance Committee  
has determined is not of material importance to the total business conducted  
by the Company and its Subsidiaries, (ii) any plant which the Company shall  
have determined is used primarily for transportation, marketing or  
warehousing or (iii) at the option of the Company, any plant that (A) does  
not constitute a part of the brewing operations of the Company and its  
Subsidiaries and (B) has a net book value, as reflected on the then most  
recent balance sheet delivered by the Company to the Banks under Section  
5.01(a), of not more than \$100,000,000, provided that any such

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determination, designation or election pursuant to clauses (i) through (iii)  
of this definition shall be evidenced by a certificate of an Executive  
Officer delivered to the Administrative Agent) and (b) any other facility  
owned by the Company or any of its Subsidiaries which the Company shall  
designate as a Principal Plant. Following any determination, designation or  
election referred to herein that a brewery or plant shall not be included as  
a Principal Plant, the Company may, at its option (to be evidenced by a  
certificate of an Executive Officer delivered to the Administrative Agent),  
elect that such facility subsequently be included as a Principal Plant.

"Pro Rata Percentage" means, in respect of any Bank, the  
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percentage obtained by dividing the Commitment of such Bank by the Total  
Commitment or, if the Commitments shall have been terminated, by dividing  
the sum of the aggregate unpaid principal amount of such Bank's Loans plus  
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such Bank's LC Exposure by the aggregate unpaid principal amount of the  
Loans plus the total LC Exposure.  
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"Reference Banks" means JPMorgan Chase, Bank One and such  
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other banks as may be appointed pursuant to Section 10.06(d).

"Refunding Borrowing" means a Borrowing which, after  
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application of the proceeds thereof, results in no net increase in the  
outstanding principal amount of the Loans made by any Bank.

"Related Parties" means, with respect to any specified  
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Person, such Person's Affiliates and the respective directors, officers,  
employees, agents and advisors of such Person and such Person's Affiliates.

"Required Banks" means at any time Banks holding more than  
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50% of the Total Commitment or, if the Commitments shall have been  
terminated, holding more than 50% of the sum of the aggregate unpaid  
principal amount of the Loans plus the total LC Exposure.  
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"Restricted Subsidiary" means (i) any Subsidiary of the  
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Company which owns or operates a Principal Plant, except any Subsidiary  
incorporated or organized, or the principal place of business of which is  
located, outside the present fifty states of the United States and the  
District of Columbia, (ii) any Subsidiary that owns, directly or indirectly,  
any stock of any Restricted Subsidiary, and (iii) any other Subsidiary of  
the Company incorporated or organized within the present fifty states of the  
United States and the District of Columbia which the Finance Committee shall  
elect to be treated as a Restricted Subsidiary, until such time as the  
Finance Committee may elect that such other Subsidiary shall no longer be a  
Restricted Subsidiary, successive such elections being permitted without  
restriction, provided that any such election pursuant to clause (iii) of  
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this definition shall be evidenced by a certificate of an Executive Officer  
delivered to the Administrative Agent and shall be effective as of the date  
specified in the applicable certification.

"Revolving Credit Period" means the period from and  
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including the Effective Date to and including the Termination Date or, if  
earlier, the date on which the Total Commitment is terminated.

"S&P" means Standard & Poor's Ratings Group and its  
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successors.

"Subsidiary" means, with respect to any Person, any  
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corporation, limited liability company, partnership, association or other  
entity of which more than 50% of the issued and outstanding Voting Interests  
or, in the case of a partnership, more than 50% of the general partnership  
interests, is at the time directly or indirectly owned by such Person or one  
or more of such Person's Subsidiaries or by such Person and one or more of  
such Person's Subsidiaries.

"Swingline Bank" means each of JPMorgan Chase and Bank  
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One, in its capacity as lender of Swingline Loans hereunder.

"Swingline Exposure" means, at any time, the aggregate  
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principal amount of all Swingline Loans outstanding at such time. The  
Swingline Exposure of any Bank at any time shall be its Pro Rata Percentage  
of the total Swingline Exposure at such time.

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"Swingline Loan" means a Loan made pursuant to Section  
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2.05.

"Syndicated Loan" means a Base Rate Loan, a CD Loan or a  
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Euro-Dollar Loan, as the case may be, but excluding a Swingline Loan.

"Tax" means any federal, state, county, municipal or  
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foreign tax, assessment or other governmental charge or levy upon a Person  
or upon its assets, revenues, income or profits.

"Termination Date" means August 4, 2008.  
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"Total Commitment" means, at any date, the aggregate  
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Commitments of all the Banks as of such date.

"Unfunded Liabilities" means the amount (if any) of  
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unfunded current liabilities determined under Section 412(1)(1)(8)(A) of the  
Code without regard to Section 412(1)(1)(8)(E) thereof, determined as of the  
most recent valuation date for such Plan, but only if the Company knows or  
should have known of such excess and to the extent that such excess  
represents a potential liability of a member of the ERISA Group.

"United States" means the United States of America.  
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"Unrestricted Subsidiary" means any Subsidiary of the  
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Company which is not a Restricted Subsidiary.

"U.S. Dollars" means dollars in lawful currency of the  
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United States.

"Voting Interest" means equity interests in any entity of  
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any class or classes (however designated) having ordinary voting power for  
the election of a majority of the governing body of such entity (other than  
equity interests having such power only by reason of the happening of a  
contingency).

Section 1.02. Accounting Terms and Determinations. Unless  
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otherwise specified herein, all accounting terms used herein shall be  
interpreted, all accounting determinations hereunder shall be made, and all  
financial statements required to be delivered hereunder shall be prepared,  
in accordance with accounting principles generally accepted in the United  
States as in effect from time to time, applied on a basis consistent (except  
for changes approved by the Company's independent public accountants) with  
the most recent audited consolidated financial statements of the Company and  
its Consolidated Subsidiaries delivered to the Banks; provided that, if the  
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Company notifies the Administrative Agent that the Company wishes to amend  
any provision of this Agreement to eliminate the effect of any change in  
generally accepted accounting principles on the operation of such provision  
(or if the Administrative Agent notifies the Company that the Required Banks  
wish to amend any such provision for such purpose), then compliance with  
such provision shall be determined on the basis of generally accepted  
accounting principles in effect immediately before the relevant change in  
generally accepted accounting principles became effective, until either such  
notice is withdrawn or such amendment becomes effective in accordance with  
this Agreement.



Section 1.03. Terms Generally. The definitions of terms

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herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II

THE CREDITS

Section 2.01. The Commitments. Upon the terms and subject

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to the conditions of, and in reliance on the representations and warranties made under, this Agreement, the Banks severally agree to make Syndicated Loans to the Company or to one or more Eligible Subsidiaries from time to time on or prior to the Termination Date.

Section 2.02. The Syndicated Loans. During the Revolving

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Credit Period, each Bank severally agrees, on the terms and subject to the conditions set forth in this Agreement, to lend to the Company or to one or more Eligible Subsidiaries from time to time Syndicated Loans; provided that

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the aggregate principal amount of Syndicated Loans by such Bank at any one time outstanding shall not exceed the amount of its Commitment at such time less the sum of (a) such Bank's LC Exposure at such time plus (b) such

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Bank's Swingline Exposure at such time plus (c) such Bank's Pro Rata

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Percentage of the sum of the aggregate principal amount of Negotiated Rate Loans outstanding at such time and Money Market Loans outstanding at such time (in each case, regardless of the amount, if any, of Money Market Loans or Negotiated Rate Loans actually made by such Bank and outstanding at such time). Within the foregoing limits, the Borrowers may borrow under this Section, repay, and, to the extent permitted under Section 2.13, prepay and reborrow under this Section at any time during the Revolving Credit Period. The failure of any Bank to make any Syndicated Loan required under this Agreement shall not release any other Bank from its obligation to make Syndicated Loans as provided herein.

Section 2.03. Syndicated Borrowings. (a) The Company shall

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give notice (a "Notice of Syndicated Borrowing") to the Administrative Agent

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not later than (1) 1:00 P.M. (New York City time) on the proposed date of each Base Rate Borrowing, (2) 12:00 Noon (New York City time) on the Domestic Business Day before each CD Borrowing and (3) 12:00 Noon

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(New York City time) on the third Euro-Dollar Business Day before each Euro-Dollar Borrowing; provided, however, that, if the Company shall not

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have given to the Administrative Agent a Notice of Syndicated Borrowing for a Refunding Borrowing in respect of a Syndicated Loan or Syndicated Loans, or part thereof, by the close of business on the third Domestic Business Day prior to the Maturity Date thereof, then such Syndicated Loan or Syndicated Loans or part thereof shall come due on such Maturity Date. Each Notice of Syndicated Borrowing shall specify:

(i) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(ii) the aggregate amount of such Borrowing, which shall be an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount of the unused Total Commitment),

(iii) whether the Loans comprising such Borrowing are to be CD Loans, Base Rate Loans or Euro-Dollar Loans,

(iv) the duration of the initial Interest Period applicable to such Borrowing, subject to the provisions of the definition of Interest Period, and

(v) if the Borrower of such Borrowing is not the Company, the name of the Eligible Subsidiary that will be the Borrower of such Borrowing.

A Notice of Syndicated Borrowing shall not be required in connection with a Base Rate Borrowing pursuant to Section 8.01. A Notice of Syndicated Borrowing, once given, shall not be revocable by the Company or the applicable Borrower.

(b) Upon receipt of a Notice of Syndicated Borrowing given to it, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such Borrowing.

(c) Each Syndicated Borrowing shall be made from the several Banks ratably in proportion to their respective Commitments.

(d) Not later than 2:00 P.M. (New York City time) on the date of such Borrowing, in the case of a Base Rate Borrowing, or 12:00 Noon (New York City time) on the date of such Borrowing, in the case of each CD Borrowing or Euro-Dollar Borrowing, each Bank shall (except as provided in Section 2.14) make available its ratable share of such Borrowing, in U.S. Dollars immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 10.01. Unless the Administrative Agent determines that any applicable condition specified in Article III has not been satisfied, the Administrative Agent will make the funds so received from the Banks available to the Company (for the account of the applicable Borrower) immediately thereafter at the Administrative Agent's aforesaid address.

(e) If any Bank makes a new Syndicated Loan hereunder on a day on which any Borrower is required to or has elected to repay all or any part of an outstanding Syndicated Loan from such Bank (regardless of whether such Syndicated Loans are to the same Borrower), such Bank shall apply the proceeds of its new Syndicated Loan to make such repayment, and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in the preceding subsection (d) or be remitted by the applicable Borrower to the Administrative Agent as provided in Section 2.14, as the case may be, and if such Syndicated Loans are to different Borrowers the Company shall cause appropriate payments to be made between such Borrowers to reflect the foregoing.

(f) Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Syndicated Borrowing that such Bank will not make available to the Administrative Agent such Bank's share of such Borrowing, the Administrative Agent may assume that such Bank has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsections (d) and (e) of this Section and the Administrative Agent may, in reliance upon such assumption, make available to the Company (for the account of the applicable Borrower) on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Administrative Agent, such Bank and the Company (for the account of the applicable Borrower) severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Company until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Company, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.10 and (ii) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

Section 2.04. Money Market Borrowings. (a) The Money

Market Option. The Company may, during the Revolving Credit Period, as set

forth in this Section, request the Banks to make offers to make Money Market Loans to the Company or one or more Eligible Subsidiaries from time to time prior to the Termination Date. The Banks may, but shall have no obligation to, make such offers, and the Company may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Company wishes to

request offers to make Money Market Loans under this Section, it shall transmit to the Administrative Agent by telecopier a Money Market Quote Request substantially in the form of Exhibit B hereto so as to be received by the Administrative Agent not later than 10:00 A.M. (New York City time) on (x) the Domestic Business Day next preceding the date of the Borrowing proposed therein, in the case of an Absolute Rate Auction, or (y) the fourth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction (or, in either case, such other time or date as the Company and the Administrative Agent shall have mutually agreed to and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), specifying:

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(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be \$10,000,000 or a larger multiple of \$1,000,000,

(iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period,

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate, and

(v) if the Borrower of such Borrowing is not the Company, the name of the Eligible Subsidiary that will be the Borrower of such Borrowing.

The Company may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within four Euro-Dollar Business Days (or such other number of days as the Company and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon

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receipt of a Money Market Quote Request, the Administrative Agent shall send to the Banks by telecopier an invitation (an "Invitation") for Money Market

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Quotes, substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Company (on behalf of the applicable Borrower) to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i)

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Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by telecopier at its offices specified in or pursuant to Section 10.01 not later than (x) 10:00 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction, or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Company and the Administrative Agent shall have mutually agreed to and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided

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that Money Market Quotes submitted by the Administrative Agent (or any Affiliate of the Administrative Agent) in its capacity as a Bank may only be submitted if the Administrative Agent or such Affiliate notifies the Company of the terms of the offer or offers contained therein not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Auction, or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Rate Auction. Subject to Articles III and VI, any Money Market Quote so made shall be irrevocable, except (A) as provided in Section 2.04(e) or (B) with the written consent of the Administrative Agent given on the instructions of the Company.

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(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of each Money Market Loan for which an offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be \$10,000,000 or a larger multiple of \$1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable LIBO Rate (the "Money Market Margin") offered  
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for such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market  
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Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in the form of Exhibit D hereto or does not specify all of the information required by subsection (d)(ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to Company. The Administrative Agent shall  
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promptly notify the Company of the terms (i) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (ii) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such previous Money Market Quote. The Administrative Agent's notice to the Company shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in

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the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, any limitation on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Company. Not later than (x)

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10:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction, or (y) 11:00 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction (or such other time and date as the Company and the Administrative Agent shall have mutually agreed to and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Company (on behalf of the applicable Borrower) shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). Failure of the Company to notify the Administrative Agent of its acceptance or non-acceptance of offers by such applicable time shall constitute non-acceptance of such offers by the Company. In the case of acceptance, such notice (a "Notice of Money Market Borrowing"), which shall be in the form of Exhibit E hereto, shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Company (on behalf of the applicable Borrower) may accept any Money Market Quote in whole or in part; provided that:

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(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request and may not be in an amount that would result in the aggregate principal amount of the outstanding Loans exceeding the Total Commitment (after giving effect to all borrowings and repayments of Loans then being made),

(ii) the aggregate principal amount of each Money Market Borrowing must be \$10,000,000 or a larger multiple of \$1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Absolute Rates or Money Market Margins, as the case may be, and

(iv) the Company may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made

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by two or more Banks with the same Money Market Margin or Money Market Absolute Rate, as the case may be, and for a greater aggregate principal amount than the principal amount (after deducting the principal amount of the lower priced offers accepted by the Company) in respect of which offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as nearly as possible (in multiples of such amount not less than \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Administrative Agent of the amounts of Money Market Loans to be made by each Bank shall be conclusive in the absence of manifest error.

(h) Notice to Banks; Funding of Money Market Loans. (i)

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Upon receipt of a Notice of Money Market Borrowing by the Administrative Agent, such Notice of Money Market Borrowing shall not thereafter be revocable by the Company or the applicable Borrower. The Administrative Agent shall promptly notify each Bank of the contents of each Notice of Money Market Borrowing and of such Bank's share (if any) of such Borrowing.

(ii) Not later than 12:00 Noon (New York City time) on the date of each Money Market Borrowing, each Bank participating therein shall (except as provided in clause (iii) of this subsection (h)) make available its share of such Money Market Borrowing, in U.S. Dollars immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 10.01. Unless the Administrative Agent determines that any applicable condition specified in Article III has not been satisfied, the Administrative Agent will make the funds so received from the Banks available to the Company (for the account of the applicable Borrower) at the Administrative Agent's aforesaid address.

(iii) If any Bank makes a new Money Market Loan hereunder on a day on which any Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Money Market Loan to make such repayment, and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in clause (ii) of this subsection (h) or remitted by the applicable Borrower to the Administrative Agent as provided in Section 2.14, as the case may be, and if such Loans are to different Borrowers the Company shall cause appropriate payments to be made between such Borrowers to reflect the foregoing.

(iv) Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Money Market Borrowing that such Bank will not make available to the Administrative Agent such Bank's share of such Borrowing, the Administrative Agent may assume that such Bank has made such share available to the Administrative Agent on the date of such Borrowing in accordance with the preceding clauses (ii) and (iii) of this subsection (h) and the Administrative Agent may, in reliance upon such assumption, make available to the Company (for the account of the applicable Borrower) on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Administrative Agent, such Bank and the Company (for the account of the applicable Borrower) severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Company until the date such amount is repaid to the Administrative Agent, at (A) in the case of the Company, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.10 and (B) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

Section 2.05. Swingline Borrowings. (a) During the

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Revolving Credit Period, each Swingline Bank severally agrees, on the terms and subject to the conditions set forth in this Agreement, to lend to the Company or to one or more Eligible Subsidiaries from time to time Swingline Loans in U.S. Dollars; provided that (i) the aggregate principal amount of

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such Swingline Loans at any one time outstanding shall not exceed the lesser of (x) \$300,000,000 and (y) the Total Commitment at such time less the sum of the aggregate principal amount of Loans outstanding at such time plus the

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total LC Exposure at such time; provided that no Swingline Bank shall be

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required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits, the Borrowers may borrow under this Section, repay, and, to the extent permitted under Section 2.13, prepay and reborrow under this Section at any time during the Revolving Credit Period.

(b) The Company shall give notice (a "Notice of Swingline  
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Borrowing") to the Administrative Agent not later than 2:00 P.M. (New York  
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City time) on the proposed date of each proposed Swingline Borrowing. Each Notice of Swingline Borrowing shall specify:

(i) the date of such Borrowing, which shall be a Domestic Business Day,

(ii) the aggregate amount of such Borrowing, which shall be an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount of the unused Total Commitment),

(iii) the duration of the Interest Period applicable to such Borrowing, subject to the provisions of the definition of Interest Period, and

(iv) if the Borrower of such Borrowing is not the Company, the name of the Eligible Subsidiary that will be the Borrower of such Borrowing.

(c) Participations by Banks in Swingline Loans. Each

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Swingline Bank may by written notice given to the Administrative Agent not later than 10:00 A.M. (New York City time), on any Domestic Business Day require the Banks to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice to the Administrative Agent shall specify the aggregate amount of Swingline Loans in which the Banks will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Bank, specifying in such notice such Bank's Pro Rata Percentage of such Swingline Loan or Loans. Each Bank hereby absolutely and unconditionally agrees, upon receipt of notice as provided above in this paragraph, to pay to the Administrative Agent, for account of such Swingline Bank, such Bank's Pro Rata Percentage of such Swingline Loan or Loans. Each Bank acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Bank shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.03(d) with respect to Syndicated Loans made by such Bank (and Section 2.03(d) shall apply, mutatis mutandis, to the

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payment obligations of the



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Banks), and the Administrative Agent shall promptly pay to such Swingline Bank the amounts so received by it from the Banks. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to such Swingline Bank. Any amounts received by such Swingline Bank from the applicable Borrower (or other party on behalf of the applicable Borrower) in respect of a Swingline Loan after receipt by such Swingline Bank of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Banks that shall have made their payments pursuant to this paragraph and to such Swingline Bank, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

Section 2.06. Letters of Credit.  
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(a) General. Subject to the terms and conditions set forth  
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herein, in addition to the Loans provided for in Section 2.01, the Company may request any Issuing Bank to issue, at any time and from time to time during the Revolving Credit Period, Letters of Credit denominated in U.S. Dollars for its own account or the account of one or more Eligible Subsidiaries in such form as is acceptable to such Issuing Bank in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Total Commitment.

(b) Notice of Issuance, Amendment, Renewal or Extension.  
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To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Company shall hand deliver or teletype (or transmit by electronic communication, if arrangements for doing so have been approved by the respective Issuing Bank) to an Issuing Bank selected by it and to the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice (which, if not delivered electronically, shall be executed by the Treasurer or an Assistant Treasurer of the Company) requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (d) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof, if such Letter of Credit is not being issued for the account of the Company, the name of the Eligible Subsidiary for whose account such Letter of Credit is being issued and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the respective Issuing Bank, the Company and/or the applicable Eligible Subsidiary also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company and/or the applicable Eligible Subsidiary to, or entered into by the Company and/or the applicable Eligible Subsidiary with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Limitations on Amounts. A Letter of Credit shall be  
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issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension the aggregate LC Exposures of the Issuing Banks (determined for these purposes without giving effect to the participations therein of the Banks pursuant to subsection (e) of this Section) shall not exceed the lesser of (i) \$200,000,000 and (ii) the Total Commitment at such time less the sum of the aggregate principal amount of Loans outstanding at such time.

(d) Expiration Date. Each Letter of Credit shall expire at  
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the date specified by the Company but not later than the close of business on the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, twelve months after the then-current expiration date of such Letter of Credit, so long as such renewal or extension occurs within three months of such then-current expiration date and does not extend beyond the date in clause (ii) hereof) and (ii) the date that is five Business Days prior to the Termination Date.

(e) Participations. By the issuance of a Letter of Credit  
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(or an amendment to a Letter of Credit increasing the amount thereof) by any Issuing Bank, and without any further action on the part of such Issuing Bank or the Banks, such Issuing Bank hereby grants to each Bank, and each Bank hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Bank's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Bank acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

In consideration and in furtherance of the foregoing, each Bank hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of the respective Issuing Bank, such Bank's Pro Rata Percentage of each LC Disbursement made by an Issuing Bank promptly upon the request of such Issuing Bank at any time from the time such LC Disbursement was required to be reimbursed by the applicable Borrower pursuant to Section 2.06(f) until such LC Disbursement is reimbursed by the applicable Borrower or at any time after any reimbursement payment is required to be refunded to the applicable Borrower for any reason. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.03(d) with respect to Loans made by such Bank (and Section 2.03(d) shall apply, mutatis mutandis, to the payment

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obligations of the Banks), and the Administrative Agent shall promptly pay to the respective Issuing Bank the amounts so received by it from the Banks. Promptly following receipt by the Administrative Agent of any payment from the applicable Borrower pursuant to the next following paragraph, the Administrative Agent shall distribute such payment to the respective Issuing Bank or, to the extent that the Banks have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Banks and such Issuing Bank as their interests may appear. Any payment made by a Bank pursuant to this paragraph to

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reimburse an Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement.

(f) Reimbursement. If an Issuing Bank shall make any LC

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Disbursement in respect of a Letter of Credit issued for the account of any Borrower, such Borrower shall reimburse such Issuing Bank in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 Noon (New York City time), on (i) the Business Day that the Borrower (on behalf of such Borrower) receives notice of such LC Disbursement, if such notice is received prior to 10:00 A.M. (New York City time), or (ii) the Business Day immediately following the day that the Company (on behalf of such Borrower) receives such notice, if such notice is not received prior to such time, provided that, if such LC

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Disbursement is not less than \$10,000,000, the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with a Base Rate Borrowing or a Swingline Borrowing in an equivalent amount and, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting Base Rate Loan or Swingline Loan.

If the applicable Borrower fails to make such payment when due, the Administrative Agent shall notify each Bank of the applicable LC Disbursement, the payment then due from such Borrower in respect thereof and such Bank's Pro Rata Percentage thereof.

(g) Obligations Absolute. The obligation of each Borrower

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to reimburse LC Disbursements in respect of Letters of Credit issued for its account as provided in subsection (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the respective Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, (iv) any counterclaim or setoff the respective Issuing Bank has against the beneficiary of such Letter of Credit, (v) whether or not an Event of Default has occurred, (vi) whether or not there has been an adverse change in the business of such Borrower and (vii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of such Borrower's obligations hereunder.

Neither the Administrative Agent, the Banks nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the respective Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the respective Issuing Bank; provided that the

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foregoing shall not be construed to excuse an Issuing Bank from

liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit issued for the account of such Borrower comply with the terms thereof. The parties hereto expressly agree that:

(i) an Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) an Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) when determining whether drafts or other documents comply with the terms of a Letter of Credit, an Issuing Bank shall act in accordance with its standard banking practices with respect to letters of credit, and this sentence shall establish the standard of care to be exercised by an Issuing Bank when making such a determination (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(h) Disbursement Procedures. The Issuing Bank for any

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Letter of Credit shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank shall promptly after such examination notify the Administrative Agent and the Company (on behalf of the applicable Borrower) by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in

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giving such notice shall not relieve such Borrower of its obligation to reimburse such Issuing Bank and the Banks with respect to any such LC Disbursement.

(i) Interim Interest. If the Issuing Bank for any Letter

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of Credit shall make any LC Disbursement, then, unless the Borrower for whose account such Letter of Credit was issued shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; provided that, if such Borrower fails to reimburse such LC

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Disbursement when due pursuant to subsection (f) of this Section, then such overdue amounts shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate otherwise

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applicable for such day. Interest accrued pursuant to this paragraph shall be for account of such Issuing Bank, except that interest accrued on and after the date of payment by any Bank pursuant to Subsection (e) of this Section to reimburse such Issuing Bank shall be for account of such Bank to the extent of such payment.

(j) Addition and Termination of Issuing Banks. Any Bank

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may be added as an Issuing Bank at any time pursuant to a written agreement among the Company, the Administrative Agent and such Bank and to be in form and substance reasonably satisfactory to such Bank and the Administrative Agent. The Administrative Agent shall notify the Bank of each additional Issuing Bank. From and after the effective date of any such addition, (i) the additional Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such additional Issuing Bank.

In addition, any Issuing Bank, with the consent of the Company, may cease being an Issuing Bank at any time pursuant to a written agreement among the Company, the Administrative Agent and such Issuing Bank and to be in form and substance reasonably satisfactory to such terminating Issuing Bank, the Administrative Agent and the Company. The Administrative Agent shall notify the Banks of each terminating Issuing Bank. At the time such termination is effective, the Company shall pay all unpaid fees accrued for account of the respective terminating Issuing Bank. After the termination of an Issuing Bank, such Issuing Bank shall remain a party hereto as an Issuing Bank and shall continue to have all the rights and obligations of an Issuing Bank with respect to the Letters of Credit issued by it prior to such termination, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If an Event of Default shall

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occur and be continuing and the Company (on behalf of the applicable Borrowers) receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall immediately deposit into a collateral account specified by the Administrative Agent (the "Collateral Account") an amount in cash equal to

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the LC Exposure as of such date plus any accrued and unpaid interest on the

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amount of unreimbursed LC Disbursements; provided that the obligation to

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deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in 6.01(f) or (g). Such deposit shall be held by the Administrative Agent in the Collateral Account as collateral for the LC Exposure, and for these purposes each Borrower hereby grants a security interest to the Administrative Agent for the benefit of the Banks in the Collateral Account and in any financial assets (as defined in the Uniform Commercial Code) or other property held therein. In the event that such deposit at any time exceeds such aggregate LC Exposure at such time plus such accrued and unpaid

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interest on the amount of unreimbursed LC Disbursements, the Administrative Agent shall promptly pay to the Company the amount of such excess. To the extent permitted by law, such deposit shall be promptly used to pay unreimbursed LC Disbursements plus any accrued and unpaid interest thereon.

Section 2.07. Negotiated Rate Loans. During the Revolving

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Credit Period, the Company may make arrangements with one or more of the Banks for Negotiated Rate Loans to be made by such Bank or Banks, to such Borrowers, at such interest rates, in such currency or currencies and on such other terms and conditions as may be agreed upon between the Company and such Bank or Banks; provided, however, that the Company shall not borrow

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or permit any

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Eligible Subsidiary to borrow any Negotiated Rate Loan in an amount that would result in the sum of the aggregate principal amount of the outstanding Loans plus the total LC Exposure exceeding the Total Commitment (after

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giving effect to all borrowings and repayments of Loans then being made). The Company shall promptly notify the Administrative Agent of the making of any such Negotiated Rate Loan, the aggregate principal amount thereof, the Interest Period applicable thereto, the currency or currencies in which such loan is denominated (if other than U.S. Dollars) and of any prepayment or repayment thereof. In addition, any Bank that makes a Negotiated Rate Loan to any Borrower in a currency other than U.S. Dollars shall promptly notify the Administrative Agent of the U.S. Dollar equivalent of such Negotiated Rate Loan (as determined by such Bank based upon its spot buying rate), and the U.S. Dollar equivalent amount so determined and notified to the Administrative Agent shall thereafter be utilized for purposes of determining the amount of unused Commitments. Each such Negotiated Rate Loan shall be in the principal amount of \$1,000,000 (or its equivalent in another currency) or a larger multiple thereof (or its equivalent in another currency).

Section 2.08. Evidence of Debt. (a) Each Bank shall

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maintain in accordance with its usual practice records evidencing the indebtedness of each Borrower to such Bank resulting from each Loan made by such Bank, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder.

(b) The Administrative Agent shall maintain records in which it shall record (i) the amount of each Loan made hereunder and each Interest Period therefor, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Bank hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for account of the Banks and each Bank's share thereof.

(c) The entries made in the records maintained pursuant to subsection (a) or (b) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the

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failure of any Bank or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Bank may request that the Loans of such Bank to any Borrower be evidenced by a single Note payable by such Borrower to the order of such Bank for the account of its applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans. In such event, such Borrower shall prepare, execute and deliver to such Bank a Note payable to such Bank (or, if requested by such Bank, to such Bank and its registered assigns). Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.06) be represented by one or more Notes in such form payable to the payee named therein (or, if such Note is a registered note, to such payee and its registered assigns).

Section 2.09. Maturity of Loans. Each Loan included in any

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Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing (such last day being referred to in this Agreement as the "Maturity Date" of  
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each such Loan).

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Section 2.10. Interest Rates. (a) Each Base Rate Loan

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shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof and, in the case of any prepayment, as specified in Section 2.13. Any overdue principal of and overdue interest on any Base Rate Loan and all other amounts hereunder not paid when due (other than principal and interest on Loans subject to subsections (b), (c), (d), (e) and (f) of this Section) shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate otherwise

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applicable to Base Rate Loans for such day.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the sum of the CD Margin plus the Adjusted CD Rate

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in respect of such Interest Period plus, for any Commitment Utilization Day,

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the Additional Margin. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof and, in the case of any prepayment, as specified in Section 2.13. Any overdue principal of or overdue interest on any CD Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate applicable to Base Rate Loans for such day.  
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"CD Margin" applicable to any CD Loan outstanding on any

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day means (i) if such day falls within a Level I Pricing Period, 0.240% and (ii) if such day falls within a Level II Pricing Period, 0.375%. The CD Margin shall be adjusted automatically on and as of the effective date of any change between Pricing Periods, as provided in Section 2.18.

The "Adjusted CD Rate" applicable to any Interest Period

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means a rate per annum determined pursuant to the following formula:

$$ACDR = \left[ \frac{CDBR}{1.00 - CDRP} \right] * \left[ \frac{AR}{1.00 - CDRP} \right] + AR$$

ACDR = Adjusted CD Rate for such Interest Period  
CDBR = CD Base Rate for such Interest Period  
CDRP = CD Reserve Percentage  
AR = Assessment Rate

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\* The amount in brackets being rounded upward, if necessary, to the next higher 1/100 of 1%.

The "CD Base Rate" means for any Interest Period the

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average per annum rate of interest (rounded upward, if necessary, to the next higher 1/100 of 1%) bid at 10:00 A.M. (New York City time) (or as soon thereafter as it may be practicable to determine) on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized

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standing (as reported by each Reference Bank to the Administrative Agent) for the purchase at face value from each Reference Bank of its certificates of deposit in an amount comparable to the principal amount of the CD Loan of such Reference Bank to which such Interest Period applies and with a maturity comparable to such Interest Period.

"CD Reserve Percentage" means for any day that percentage

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(expressed as a decimal) which is in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion U.S. Dollars in respect of new non-personal time deposits in U.S. Dollars in New York City having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of each change in the CD Reserve Percentage.

"Assessment Rate" means for any Interest Period the net

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annual assessment rate (rounded upward, if necessary, to the next higher 1/100 of 1%) actually incurred by the Person serving as the Administrative Agent to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at the offices of the Person serving as the Administrative Agent in the United States during the most recent period for which such rate has been determined prior to the commencement of such Interest Period.

(c) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin plus

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the Adjusted LIBO Rate in respect of such Interest Period plus, for any

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Commitment Utilization Day, the Additional Margin. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof and, in the case of any prepayment, as specified in Section 2.13.

The "Euro-Dollar Margin" applicable to any Euro-Dollar

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Loan outstanding on any day means (i) if such day falls within a Level I Pricing Period, 0.115% and (ii) if such day falls within a Level II Pricing Period, 0.250%. The Euro-Dollar Margin shall be adjusted automatically on and as of the effective date of any change between Pricing Periods, as provided in Section 2.18.

The "Adjusted LIBO Rate" applicable to any Interest Period

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means a rate per annum equal to the quotient (rounded upwards, if necessary, to the next higher 1/100 of 1%) obtained by dividing (i) the LIBO Rate in respect of such Interest Period by (ii) 1.00 minus the Euro-Dollar Reserve

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Percentage.

The "LIBO Rate" means, for the Interest Period for any

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Euro-Dollar Borrowing, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates



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applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 A.M., London time, two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for the offering of U.S. Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the LIBO Rate for such Interest Period shall be the rate at which U.S. Dollar deposits of \$10,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Person serving as the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 A.M., London time, two Euro-Dollar Business Days prior to the commencement of such Interest Period.

The "Euro-Dollar Reserve Percentage" means for any day

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that percentage (expressed as a decimal) which is in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion U.S. Dollars in respect of "Eurocurrency liabilities" (as such liabilities are referred to in Regulation D of the Board of Governors of the Federal Reserve System) (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of such a bank to United States residents). The Adjusted LIBO Rate shall be adjusted automatically on and as of the effective date of each change in the Euro-Dollar Reserve Percentage.

(d) Any overdue principal of or overdue interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day until paid, at a rate per annum equal to (i) the sum of 1% plus the rate otherwise

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applicable to such Euro-Dollar Loan or (ii) if the circumstances described in subsection (a) or (b) of Section 8.01 shall exist, the sum of 1% plus the

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rate applicable to Base Rate Loans for such day.

(e) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the LIBO Rate for such Interest Period (determined in accordance with Section 2.10(c) as if the related Money Market LIBOR Borrowing were a Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the

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Bank making such Loan in accordance with Section 2.04. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.04. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof and, in the case of any prepayment, as specified in Section 2.13. Any overdue principal of or overdue interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate applicable to Base Rate Loans for

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such day.

(f) Each Swingline Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable for each Interest Period on

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the last day thereof and, in the case of any prepayment, as specified in Section 2.13. Any overdue principal of and overdue interest on any Swingline Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate otherwise applicable to

Base Rate Loans for such day.

(g) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder (other than interest rates applicable to Negotiated Rate Loans). The Administrative Agent shall give prompt notice to the Company and the participating Banks by telecopier of each interest rate so determined, and its determination thereof shall be conclusive in the absence of manifest error. If the Company is not the Borrower of the applicable Loan for which such interest rate is so determined, the Company will be responsible for notifying the applicable Borrower of such interest rate.

(h) Each Reference Bank agrees to use its best efforts to furnish quotations to the Administrative Agent as contemplated hereby. If any Reference Bank does not furnish a timely quotation, the Administrative Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or Reference Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

Section 2.11. Fees. (a) Facility Fees. The Company shall pay to the Administrative Agent, for the account of each Bank, facility fees for each day during the Revolving Credit Period, at a rate equal to (a) if such day falls within a Level I Pricing Period, 0.060% per annum or (b) if such day falls within a Level II Pricing Period, 0.125% per annum, in each case of such Bank's Commitment (whether used or unused) for such day. Such facility fees shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 and on the Termination Date.

(b) Letter of Credit Fee. The Company shall pay to the Administrative Agent, for the account of each Bank, a letter of credit fee for each day during the Revolving Credit Period, at a rate equal to (a) if such day falls within a Level I Pricing Period, 0.190% per annum or (b) if such day falls within a Level II Pricing Period, 0.325% per annum, in each case of such Bank's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) for such day. Such letter of credit fees shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 and on the Termination Date.

Section 2.12. Termination and Reduction of Commitments. (a) The Company may, upon at least three Domestic Business Days' notice to the Administrative Agent, terminate entirely at any time, or reduce from time to time by an aggregate amount of \$25,000,000 or any larger multiple of \$5,000,000, the Total Commitment in excess of the sum of the outstanding aggregate principal amount of the Loans plus the total LC Exposure. Each reduction of the Total Commitment shall reduce the unused Commitments of the Banks in proportion to their respective Commitments and shall be permanent. If the Total Commitment is terminated in its entirety, all accrued facility fees shall be payable on the effective date of such termination.

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(b) The Total Commitment (unless already terminated pursuant to subsection (a) of this Section) shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

Section 2.13. Optional Prepayments. (a) Any Borrower may,  
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upon notice by the Company (on behalf of such Borrower) to the Administrative Agent received by the Administrative Agent not later than 10:00 A.M. (New York City time) on the Domestic Business Day prior to the date of prepayment, prepay, without penalty or premium, any Base Rate Borrowing or Swingline Borrowing (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)) in whole at any time, or from time to time in part in principal amounts aggregating \$10,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest on such prepaid amounts to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(b) Subject to Section 2.15, any Borrower may upon at least three Euro-Dollar Business Days' notice by the Company (on behalf of such Borrower) to the Administrative Agent, prepay any CD Borrowing or Euro-Dollar Borrowing in whole at any time, or from time to time in part in principal amounts aggregating \$10,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest on such prepaid amounts to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(c) Each such notice of prepayment shall specify which outstanding Borrowing (or portion thereof) is to be prepaid in connection therewith. Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such prepayment, and such notice shall not thereafter be revocable by the Company or the applicable Borrower.

(d) Money Market Loans (except such as bear interest at the Base Rate pursuant to Section 8.01(a)) and Negotiated Rate Loans of any Bank may not be prepaid without the consent of such Bank.

Section 2.14. General Provisions as to Payments. (a) Each  
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Borrower shall make each payment of principal of, and interest on, its Syndicated Loans, Swingline Loans and Money Market Loans and the Company shall make each payment of facility and letter of credit fees and all other amounts payable hereunder (other than payments of principal of and interest on Negotiated Rate Loans and reimbursement of LC Disbursements), not later than 11:00 A.M. (New York City time) on the date when due, in U.S. Dollars immediately available in New York City, to the Administrative Agent at its address referred to in Section 10.01. The Administrative Agent will promptly distribute to each Bank its ratable share of each such payment received by the Administrative Agent for the account of the Banks. Each Borrower shall make each payment of principal of, and interest on, its Negotiated Rate Loans, not later than 11:00 A.M. (local time at the relevant Domestic Lending Office) on the date when due, to the Bank which made such Loan at its Domestic Lending Office, in U.S. Dollars immediately available in the city in which such Bank's Domestic Lending Office is located; provided that  
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all payments of principal of and

interest on any Negotiated Rate Loan that is denominated in a currency other than U.S. Dollars shall be payable in the currency in which such Negotiated Rate Loan is denominated and at such location as agreed between the Company and such Bank. Each Borrower shall make each reimbursement of an LC Disbursement in respect of Letters of Credit issued for its account as provided in Section 2.06(f). Whenever any payment of principal of, or interest on, or the Domestic Loans or any payment of facility and letter of credit fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless as a result thereof it would fall in the next calendar month, in which case such date for payment shall be advanced to the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or this Section or otherwise, interest thereon shall be payable for such extended time at the rate in effect on the initial date for payment. All payments hereunder shall be made without any deduction whatsoever (other than for any Tax subject to the provisions of Section 2.17), including, but not limited to, any deduction for any set-off, recoupment or counterclaim.

(b) Unless the Administrative Agent shall have received notice from the Company prior to the date on which any payment is due to the Banks or the Issuing Banks hereunder that the Company or the applicable Borrower, as the case may be, will not make such payment in full, the Administrative Agent may assume that the Company or such Borrower, as applicable, has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Bank or each Issuing Bank on such due date an amount equal to the amount then due such Bank or such Issuing Bank. If and to the extent that the Company or such Borrower, as applicable shall not have so made such payment, each Bank and each Issuing Bank shall repay to the Administrative Agent forthwith on demand such amount distributed to such Bank or such Issuing Bank together with interest thereon, for each day from the date such amount is distributed to such Bank or such Issuing Bank until the date such Bank or such Issuing Bank repays such amount to the Administrative Agent, at the Federal Funds Rate.

Section 2.15. Funding Losses. If any Borrower makes any  
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payment of principal with respect to any Fixed Rate Loan (pursuant to Section 2.13, 2.17, Article VI, Article VIII or otherwise) on any day other than the last day of an Interest Period applicable thereto, or if any Borrower fails to borrow any Fixed Rate Loan after a Notice of Borrowing has been given to the Administrative Agent in accordance with Section 2.03 or 2.04, such Borrower shall reimburse each Bank on demand for any resulting loss or expense incurred by it, including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment; provided  
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that such Bank shall have delivered to the Company (as the agent for such Borrower) a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error. Upon the request of the Company (on behalf of any Borrower), a Bank claiming reimbursement for any such loss or expense under this Section shall provide to the Company

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additional information with respect to the determination of such loss or expense. In determining any such loss or expense, such Bank may use any reasonable averaging and attribution methods.

Section 2.16. Computation of Interest and Fees. Interest

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on Negotiated Rate Loans (unless the Company and the Bank making such Loan shall specifically agree otherwise), interest based on the Prime Rate hereunder and all facility fees hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all letter of credit fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.17. Taxes. (a) All payments in respect of

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principal, interest, fees, LC Disbursements and other amounts due hereunder shall be made to each Bank and each Issuing Bank free and clear of, and without deduction for, any and all present and future taxes, levies, imposts, deductions, charges, withholdings, and all liabilities with respect thereto, excluding liabilities of such Bank or such Issuing Bank to pay directly income and franchise taxes of (i) the United States and the jurisdiction under the laws of which such Bank or such Issuing Bank is organized, (ii) the jurisdiction of such Bank's or Issuing Bank's Lending Office and (iii) any political subdivision or taxing authority thereof or therein (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Non-excluded

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Taxes"). If the Company or any Borrower shall be required by this Agreement

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to deduct any Non-excluded Taxes from or in respect of any sum payable hereunder to a Bank, an Issuing Bank or the Administrative Agent, the sum payable shall be increased so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), such Bank, such Issuing Bank or the Administrative Agent, as the case may be, shall receive an amount equal to the sum it would have received had no such deductions been made.

(b) In addition, the Company and each Borrower will deduct and pay Non-excluded Taxes and taxes of all jurisdictions with respect to any amounts paid under this subsection (b). If any Non-excluded Taxes or any taxes mentioned in this subsection (b) are paid by any Bank, any Issuing Bank or the Administrative Agent, the Company or the applicable Borrower, as the case may be, will, upon demand of such Bank or such Issuing Bank (with a copy of such demand to the Administrative Agent) or the Administrative Agent and whether or not such Non-excluded Taxes or taxes shall be correctly or legally asserted, indemnify such Bank, such Issuing Bank or the Administrative Agent (as the case may be) for such payments, together with any interest, penalties and expenses in connection therewith; provided that

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no payment of such Non-excluded Taxes or other taxes shall be made by any Bank, any Issuing Bank or the Administrative Agent without prior notice to the Company.

(c) Each Bank and each Issuing Bank acknowledges that on the date hereof there is no applicable requirement that any withholding, deduction or payment be made in respect of Non-excluded Taxes from payments of interest on the Loans or on unreimbursed LC Disbursements, or other amounts payable under this Agreement. In the event any such Bank or any Issuing Bank shall become aware that any withholding, deduction or payment is required with respect to such Non-excluded Taxes, such Bank or such Issuing Bank shall notify the

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Company as soon as reasonably practicable but in any event within 45 days of the date it shall have become aware of such required withholding, deduction or payment and provide the Company with reasonable detail concerning such required withholding, deduction or payment. Each Bank and each Issuing Bank agrees that, if necessary in order to avoid such deduction from time to time, it will avail itself, to the extent it may lawfully do so without incurring additional expense, of any double tax conventions with the United States under which such amounts would be receivable by such Bank or such Issuing Bank without such deduction. In addition, each Bank agrees that, if any Non-excluded Tax or tax in respect of which the Company or a Borrower is or would be liable under this Section shall be imposed or increased in respect of any Syndicated Loan (other than a Base Rate Loan) by such Bank by virtue of any change in law or otherwise subsequent to the making of such Loan, the applicable Borrower shall be entitled to prepay such Loan, together with accrued interest thereon to the date of payment, upon at least three Euro-Dollar Business Days' notice to such Bank (with a copy of such notice to the Administrative Agent); in such event, such Bank shall make a Base Rate Loan to such Borrower in an amount equal to the amount of such prepayment on the date of such prepayment.

(d) Each Bank and each Issuing Bank agrees that it will file with the appropriate authorities in the United States such letters, notices and documents as may reasonably be required to enable the Borrowers to pay interest hereunder without deduction in respect of United States Federal withholding taxes.

(e) In the event that either the Company or a Borrower or the Administrative Agent, any Bank or any Issuing Bank pays any Non-excluded Tax or tax of the character described in Section 2.17(b), such Person shall, promptly after the making of such payment, notify the Person for the account of which such payment was made hereunder and shall forward to such Person the receipt (or a certified copy thereof) in respect of such payment promptly after receiving it. In the event the Company or a Borrower pays, or reimburses the Administrative Agent, any Bank or any Issuing Bank for paying, any Non-excluded Tax or tax of the character described in Section 2.17(b), and a refund of any such payment (or portion thereof) is received by the Administrative Agent, any Bank or any Issuing Bank, such Person shall remit the refund to the Company for the account of the applicable Borrower.

(f) Neither the Company nor any Borrower shall be required to make any additional payment pursuant to this Section in respect of any Non-excluded Taxes or other taxes which could be avoided by any Bank, any Issuing Bank or the Administrative Agent in the exercise of reasonable diligence (consistent with legal and regulatory restrictions), including a change in the Euro-Dollar Lending Office or Money Market Lending Office of such Bank, such Issuing Bank or the Administrative Agent if not otherwise disadvantageous to such Bank, such Issuing Bank or the Administrative Agent.

(g) Each Bank shall promptly notify the Company of any change in its Euro-Dollar Lending Office or Money Market Lending Office. In the event any Bank so changes its Lending Office, such Bank shall not be entitled to receive any payment in respect of Non-excluded Taxes or other taxes under this Section to the extent the amount of such payment on the date of such change in its Lending Office exceeds the amount such Bank would have been

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entitled to receive on such date under this Section had no such change in Lending Office been made, unless such change in Lending Office was made at the request of the Company.

Section 2.18. Pricing Periods. (a) Subject to subsection

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(b) of this Section, "Level I Pricing Period" means any period during which  
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Index Debt shall be rated BBB+ or better by S&P or Baal or better by  
Moody's, and "Level II Pricing Period" means any period that is not a Level  
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I Pricing Period. "Pricing Period" means a Level I Pricing Period or a Level  
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II Pricing Period.

(b) For purposes of the foregoing definitions, if any rating for Index Debt established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective, for purposes of the preceding subsection (a), as of the date on which it is first announced by the applicable rating agency. If the rating system of Moody's or S&P shall change, (i) the Company and the Banks shall negotiate in good faith to amend the reference to the affected rating in the preceding subsection (a) to reflect such changed rating system and (ii) until the effectiveness of such amendment, the applicable Pricing Period shall be determined solely by reference to the unaffected rating (if any) of Index Debt.

Section 2.19. Eligible Subsidiaries. The Company may from

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time to time cause any wholly-owned Consolidated Subsidiary to become an Eligible Subsidiary eligible to borrow Loans and to have Letters of Credit issued for its account hereunder by delivering to the Administrative Agent an Election to Participate, substantially in the form of Exhibit I hereto, with respect to such Subsidiary. The eligibility of any such Subsidiary as an Eligible Subsidiary shall terminate when the Administrative Agent receives a Notice of Termination, substantially in the form of Exhibit J hereto, with respect to such Subsidiary. Each Election to Participate delivered to the Administrative Agent shall be duly executed on behalf of the relevant Subsidiary and the Company, and each Election to Terminate delivered to the Administrative Agent shall be duly executed on behalf of the Company, in such number of copies as the Administrative Agent may request. The delivery of an Election to Terminate shall not affect any obligation of the relevant Subsidiary theretofore incurred but on and after the effective date of such Election to Terminate such Subsidiary shall have no liability hereunder other than with respect to Loans made to such Subsidiary and Letters of Credit issued for the account of such Subsidiary prior to such date. The Administrative Agent shall promptly give notice to the Banks and the Issuing Banks of its receipt of any Election to Participate or Election to Terminate.

ARTICLE III

CONDITIONS TO BORROWINGS

The effectiveness of this Agreement and the obligation of each Bank to make a Loan on the occasion of each Borrowing pursuant to Article II and the obligation of each Issuing Bank to issue, amend, renew or extend a Letter of Credit is subject to the satisfaction of the following conditions, an applicable:

Section 3.01. (a) Syndicated Borrowings. In the case of  
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each Syndicated Borrowing hereunder:

(i) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.03;

(ii) the fact that, immediately prior to such Borrowing, no Default (or, in the case of a Refunding Borrowing, no Default which has resulted in the Loans being declared due and payable) shall have occurred and be continuing;

(iii) the fact that, immediately after such Borrowing and after giving effect to the amount of such Borrowing and the use of the proceeds thereof, no Default resulting from such Borrowing or such use of proceeds would occur and the sum of the aggregate outstanding principal amount of the Loans plus the total LC  
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Exposure will not exceed the Total Commitment; and

(iv) the fact that the representations and warranties contained in this Agreement (except the representations and warranties contained in Sections 4.01(d)(iii), 4.01(e), 4.01(f), 4.01(g) and 4.01(l)) shall be true on and as of the date of such Borrowing with the same force and effect as if made on and as of such date, except to the extent that any such representation or warranty in Section 4.01(d)(i) or (ii) or Section 4.01(k) is made in respect of a specified date or a specified period of time in which case such representation or warranty shall continue to be true in respect of the specified date or the specified period of time.

(b) Money Market Borrowings. In the case of each Money  
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Market Borrowing hereunder:

(i) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.04;

(ii) the fact that, immediately prior to such Borrowing, no Default shall have occurred and be continuing;

(iii) the fact that, immediately after such Borrowing and after giving effect to the amount of such Borrowing and the use of proceeds thereof, no Default resulting from such Borrowing or such use of proceeds would occur and the sum of the aggregate



outstanding principal amount of the Loans plus the total LC

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Exposure would not exceed the Total Commitment; and

(iv) the fact that the representations and warranties contained in this Agreement (except the representations and warranties contained in Sections 4.01(d)(iii), 4.01(e), 4.01(f), 4.01(g) and 4.01(l)) shall be true on and as of the date of such Borrowing with the same force and effect as if made on and as of such date, except to the extent that any such representation or warranty in Section 4.01(d)(i) or (ii) or Section 4.01(k) is made in respect of a specified date or a specified period of time in which case such representation or warranty shall continue to be true in respect of the specified date or the specified period of time.

(c) Swingline Borrowings. In the case of each Swingline

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Borrowing hereunder:

(i) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.05;

(ii) the fact that, immediately prior to such Borrowing, no Default shall have occurred and be continuing;

(iii) the fact that, immediately after such Borrowing and after giving effect to the amount of such Borrowing and the use of proceeds thereof, no Default resulting from such Borrowing or such use of proceeds would occur, the outstanding aggregate principal amount of the Swingline Loans would not exceed \$300,000,000 and the sum of the aggregate outstanding principal amount of the Loans plus

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the total LC Exposure would not exceed the Total Commitment; and

(iv) the fact that the representations and warranties contained in this Agreement (except the representations and warranties contained in Sections 4.01(d)(iii), 4.01(e), 4.01(f), 4.01(g) and 4.01(l)) shall be true on and as of the date of such Borrowing with the same force and effect as if made on and as of such date, except to the extent that any such representation or warranty in Section 4.01(d)(i) or (ii) or Section 4.01(k) is made in respect of a specified date or a specified period of time in which case such representation or warranty shall continue to be true in respect of the specified date or the specified period of time.

(d) Letter of Credit Issuance, Amendment, Renewal or

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Extension. In the case of each issuance, amendment, renewal or extension of

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a Letter of Credit hereunder:

(i) receipt by the Administrative Agent of a notice requesting the issuance, amendment, renewal or extension of a letter of credit as required by Section 2.06;

(ii) the fact that, immediately prior to such issuance, amendment, renewal or extension, no Default (or, in the case of a renewal, no Default which has resulted in the Loans being declared due and payable) shall have occurred and be continuing;

(iii) the fact that, immediately after such issuance, amendment, renewal or extension, no Default resulting from such issuance, amendment, renewal or extension would occur, the aggregate LC Exposures would not exceed \$200,000,000 and the sum of the aggregate outstanding principal amount of the Loans plus the

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total LC Exposure would not exceed the Total Commitment; and

(iv) the fact that the representations and warranties contained in this Agreement (except the representations and warranties contained in Sections 4.01(d)(iii), 4.01(e), 4.01(f), 4.01(g) and 4.01(l)) shall be true on and as of the date of such Borrowing with the same force and effect as if made on and as of such date, except to the extent that any such representation or warranty in Section 4.01(d)(i) or (ii) or Section 4.01(k) is made in respect of a specified date or a specified period of time in which case such representation or warranty shall continue to be true in respect of the specified date or the specified period of time.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit hereunder shall be deemed to be a representation and warranty by the Company on the date of such Borrowing as to the facts specified in clauses (ii), (iii) and (iv) of subsection (a), (b), (c) or (d), as applicable, of this Section.

Section 3.02. Effectiveness. In the case of the  
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effectiveness of this Agreement:

(a) receipt by the Administrative Agent of an opinion of Thomas Larson, Esq., Associate General Counsel of the Company, substantially in the form of Exhibit F hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks shall have reasonably requested;

(b) receipt by the Administrative Agent of an opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to JPMorgan Chase, substantially in the form of Exhibit G hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks shall have reasonably requested;

(c) receipt by the Administrative Agent of a certificate, signed by any two of the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller and a Vice President of the Company, to the effect that no Default has occurred and is continuing (or would result from any Loans being made or Letters of Credit being issued on the Effective Date) and that the representations and warranties contained in this Agreement are true on and as of the Effective Date with the same effect as though made on the Effective Date;

(d) receipt by the Administrative Agent of all documents it may reasonably request relating to the existence and good corporate standing of the Company, the corporate authority for, the due authorization and execution of and the validity of this Agreement and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent;

(e) the Company shall have terminated all lending commitments under, and shall have paid in full any outstanding loans (together with accrued interest thereon), accrued fees and other amounts payable under, the Credit Agreement dated as of June 30, 2000, among the

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Company, ABI, the banks party thereto and the agent named therein, as such Credit Agreement has been amended, supplemented or otherwise is in effect immediately prior to the effectiveness of this Agreement;

(f) receipt by the Administrative Agent, for its account and the account of the Banks or the Lead Arrangers specified on the cover page of this Agreement, as the case may be, of all fees required to be paid, and all expenses required to be paid or reimbursed for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date; and

(g) receipt by the Administrative Agent of all such other documents and opinions as the Required Banks or the Administrative Agent shall request, in each case, in form and substance satisfactory to the Required Banks or the Administrative Agent, as the case may be.

The opinions referred to in subsections (a) and (b) of this Section and the certificate referred to in subsection (c) of this Section shall be dated the Effective Date. The Administrative Agent shall promptly notify the Company, the Banks and the Issuing Banks of the Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.03. Negotiated Rate Borrowings. Each Borrowing

of a Negotiated Rate Loan shall be subject to such conditions as the Company (on behalf of the applicable Borrower) and the Bank making such Negotiated Rate Loan may agree and, unless the Company and such Bank shall specifically agree otherwise, to the conditions set forth in clauses (ii), (iii) and (iv) of Section 3.01(b).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the

Company. The Company represents and warrants to the Banks and the Administrative Agent that:

(a) Corporate Existence and Power. The Company is a

corporation duly incorporated, validly existing and in good standing under the law of the State of Delaware and has all corporate powers and authority and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

(b) Corporate and Governmental Authorization;

Contravention. The execution, delivery and performance by the Company of

this Agreement are within the corporate powers of the Company, have been duly authorized by all necessary corporate action on the part of the Company, require no action by or in respect of, or filing with, any governmental body, agency or official, do not contravene, or constitute a default under, any provision of any applicable law or regulation or of the Certificate of Incorporation or By-Laws of the Company or of any agreement, judgment, injunction, order, decree or other instrument binding on the Company, and will not result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries.

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(c) Binding Effect. This Agreement constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms.

(d) Financial Information. (i) The consolidated balance sheet of the Company and its Consolidated Subsidiaries as of December 31, 2002, and the related consolidated statements of income, changes in shareholders equity and cash flows for the fiscal year then ended, reported on by PricewaterhouseCoopers LLP and set forth in the Company's 2002 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(ii) The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of March 31, 2003, and the related unaudited consolidated statements of income and cash flows for the three months then ended, set forth in the Company's quarterly report for the fiscal quarter ended March 31, 2003, as filed with Securities and Exchange Commission on Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in the preceding clause (i) of this subsection (d), the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and the consolidated results of operations and cash flows for such three-month period (subject to normal year-end adjustments).

(iii) Since March 31, 2003, there has been no material adverse change in the business, financial position or results of operations of the Company and its Consolidated Subsidiaries, considered as a whole, on a cumulative basis.

(e) Litigation. There is no action, suit, arbitration or other proceeding pending against, or to the knowledge of the Company threatened against or affecting, the Company, any of its Subsidiaries or any of their respective property before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision and which would, if adversely determined, materially and adversely affect the ability of the Company to perform its obligations hereunder.

(f) ERISA. As of the date of this Agreement, (i) each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance with the currently applicable provisions of ERISA and the Code with respect to each Plan and (ii) no member of the ERISA Group has (A) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (B) is in default respecting any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or has made any amendment to any Plan or Benefit Arrangement, which has resulted or could reasonably be expected to result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code; or (C) has any outstanding liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA, other than any failure to fulfill such obligations or comply with

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such provisions (in the case of clause (i) of this subsection (f)) or any waiver, default or liability (in the case of clause (ii) of this subsection (f)) that, when taken together with such other failures, waivers, defaults or liabilities for which liability is reasonably expected to occur, could reasonably be expected to result in a material adverse effect on the business, operations or financial condition of the Company and its Subsidiaries taken as a whole.

(g) Tax Returns and Payment. The Company and its Domestic  
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Subsidiaries have filed all income tax returns and all other material tax returns which are required to be filed and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company or any of its Subsidiaries, except for the filing of such returns, if any, in respect of which an extension of time for filing is in effect, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with generally accepted accounting principles and except to the extent that such failure to file or pay does not materially and adversely affect the ability of the Company to perform its obligations hereunder. The charges, accruals and reserves on the books of the Company and each of its Subsidiaries in respect of any taxes or other governmental charges are, in the opinion of the Company, adequate.

(h) Ownership of ABI Voting Interests. The Company owns,  
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and will continue to own, directly or indirectly, all of the outstanding shares of the capital stock of ABI, free and clear of all Liens, claims and rights of other Persons.

(i) Not an Investment Company. The Company is not, and,  
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after the use of the proceeds of any Borrowing, will not be, an "investment company" or a company "controlled" by an "investment company organized or otherwise created under the laws of the United States or of a State" within the meaning of the Investment Company Act of 1940, as amended.

(j) Regulations U and X. The execution, delivery and  
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performance of this Agreement in accordance with its terms and the making or borrowing of the Loans will not violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System. If requested by any Bank, the Company will furnish to such Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form FR U-1 or FR G-3 referred to in said Regulation U.

(k) Unrestricted Subsidiaries. The Subsidiaries listed on  
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Schedule 4.01(k) hereto constitute all of the Unrestricted Subsidiaries as of the date hereof, except for Subsidiaries the assets and earnings of which, in the aggregate, do not constitute a material portion of the assets and net earnings of the Company and its Consolidated Subsidiaries.

(l) Environmental Matters. In the ordinary course of its  
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business, the Company conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Company and its Domestic Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any

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related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Company has reasonably concluded that Environmental Laws are unlikely to have a material adverse effect on the ability of the Company to perform its obligations hereunder.

Section 4.02. Representations and Warranties of the

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Eligible Subsidiaries. The Company and each Eligible Subsidiary shall, by

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signing and delivering an Election to Participate, be deemed to represent and warrant to the Banks and the Administrative Agent that, as of the date of such Election to Participate:

(a) Corporate Existence and Power. Such Eligible

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Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and is, and upon each Borrowing by it hereunder will be, a wholly-owned Consolidated Subsidiary of the Company.

(b) Corporate and Governmental Authorization;

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Contravention. The execution and delivery by such Eligible Subsidiary of its

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Election to Participate, and the performance by it of this Agreement, are within its corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of any applicable law or regulation or of its Certificate of Incorporation or By-Laws (or comparable organizational documents) or of any agreement, judgment, injunction, order, decree or other instrument binding on the Company or such Eligible Subsidiary, and will not result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries. The guarantees by the Company of the obligations of such Eligible Subsidiary have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of any applicable law or regulation or of its Certificate of Incorporation or By-Laws (or comparable organizational documents) or of any agreement, judgment, injunction, order, decree or other instrument binding on the Company or such Eligible Subsidiary, and will not result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries.

(c) Binding Effect. This Agreement constitutes a valid and

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binding agreement of such Eligible Subsidiary, enforceable in accordance with its terms.

(d) Not an Investment Company. Such Eligible Subsidiary is

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not, nor, after the use of the proceeds of any Borrowing, will it be, an "investment company" or a company "controlled" by an "investment company organized or otherwise created under the laws of the United States or of a State" within the meaning of the Investment Company Act of 1940, as amended.

(e) Regulations U and X. The execution and delivery by

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such Eligible Subsidiary of its Election to Participate, the performance by it of this Agreement in accordance with its

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terms and the making or borrowing of its Loans will not violate the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System. If requested by any Bank, such Eligible Subsidiary will furnish to such Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form FR U-1 or FR G-3 referred to in said Regulation U.

ARTICLE V

COVENANTS

Section 5.01. Covenants of the Company. The Company agrees

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that, so long as any Bank has any Commitment hereunder or any Loan or any other amount owing hereunder remains unpaid or any Letters of Credit remains outstanding:

(a) Information. The Company will deliver to each of the  
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Banks:

(i) as soon as available and in any event within 120 days after the end of each fiscal year of the Company, the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, changes in shareholders equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of nationally recognized standing and in compliance with the applicable rules and regulations of the Securities and Exchange commission;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of income and cash flows for such quarter and for the portion of the Company's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, preparation in accordance with generally accepted accounting principles and consistency by a financial officer or the chief accounting officer of the Company;

(iii) not later than the date on which the delivery of each set of financial statements referred to in clauses (i) and (ii) of this subsection (a) is required, a certificate of a financial officer or the chief accounting officer of the Company stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(iv) forthwith upon the occurrence of any Default, a certificate of an officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

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(v) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed; and

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent or for an offering of debt or equity securities the proceeds of which will not exceed \$5,000,000) and of all annual, quarterly, monthly or special reports which the Company shall file with the Securities and Exchange Commission;

provided that (A) the Company shall be deemed to have delivered the

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information specified in clauses (i), (ii), (v) and (vi) of this subsection (a) on the date such information is posted at the Company's website on the Internet at "www.anheuser-busch.com", at "www.sec.gov" or at such other website identified by the Company in a notice to the Administrative Agent and the Banks that is accessible by the Banks without charge, (B) the Company shall be deemed to have delivered the information specified in clauses (iii) and (iv) of this subsection (a) on the date such information is delivered to the Administrative Agent and the Administrative Agent shall promptly thereafter post such information to the Intralinks website or another secure website that is accessible by the Banks without charge or shall otherwise deliver such information to the Banks and (C) the Company shall deliver paper copies of any such information to any Bank upon request of such Bank through the Administrative Agent.

(b) Limitations on Liens. The Company will not create,

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assume, incur, guarantee or suffer to exist, and will not cause, suffer or permit any Restricted Subsidiary to create, assume, incur, guarantee or suffer to exist, any Debt secured by any Lien on any of its Principal Plants or on the stock or other securities of any Restricted Subsidiary, other than:

(i) any such Liens existing on the date hereof and listed on Schedule 5.01(b) hereto; provided that such Liens shall secure

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only those obligations which they secure on the date hereof or extensions, renewals or replacements thereof referred to in clause (vii) of this subsection (b);

(ii) purchase money Liens on assets acquired after the date hereof, or Liens on assets acquired after the date hereof which secure Debt, the proceeds of which are used to reimburse the Company or any Restricted Subsidiary for the cost of the acquisition or construction of such assets;

(iii) Liens on any asset acquired by the Company or any Subsidiary (other than from the Company or any Subsidiary) after the date hereof existing at the time of acquisition of such asset;

(iv) Liens on an asset to secure all or any part of the cost of development or construction of such asset or improvements thereon and which shall be released or satisfied within 120 days after completion of such development or construction;

(v) Liens on an asset created in connection with the acquisition, construction or development of additions, extensions or improvements to such asset which shall be financed by obligations described in Sections 142, 144(a) or 144(c) of the Code, as



amended, or by obligations entitled to substantially similar tax benefits under other legislation or regulations in effect from time to time;

(vi) Liens securing indebtedness owing to the Company or any of its Restricted Subsidiaries by a Restricted Subsidiary of the Company;

(vii) extensions, renewals or replacements of Liens referred to in clauses (i) to (vi), inclusive, or (x) of this subsection (b), that, in the case of a Lien referred to in clause (iv), (v), (vi) or (x), shall continue to satisfy all of the requirements of the applicable clause; provided that the Debt

secured by such extension, renewal or replacement Lien is not increased and that such Lien does not attach to any other assets;

(viii) as permitted under Section 5.01(f);

(ix) Liens incurred in connection with sale and leaseback transactions permitted under Section 5.01(g); and

(x) Liens on an asset required in connection with any program, law, statute or regulation of any state or local authority which provides financial or tax benefits not available without such Lien, provided that substantially all of the obligations secured by

such Lien are obligations that are in lieu of, or reduce, a property tax or other payment obligation that itself would have been secured by a Lien permitted hereunder.

(c) Consolidation, Merger or Disposition of Assets. The

Company will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer (or permit any of its Restricted Subsidiaries to engage in any such transaction), directly or indirectly (in a single transaction or a series of related transactions), assets constituting all or substantially all the assets of the Company and its Restricted Subsidiaries, taken as a whole, to any other Person other than to the Company or any Restricted Subsidiary that is a wholly-owned Subsidiary of the Company; provided that nothing in this Agreement shall prohibit (A)

the Packaging Business Divestiture or (B) any consolidation or merger transaction in which the Company is a party so long as (i) the Company is the surviving entity and (ii) no Default shall have occurred and be continuing at the time of or after giving effect to any such consolidation or merger transaction.

(d) Change in Nature of Business. The Company will not

change, or permit to be changed, the nature of the business conducted by it and its Subsidiaries as a whole.

(e) Disposition of Assets. The Company will not, and will

not permit any of its Restricted Subsidiaries to, dispose of (in a single transaction or a series of related transactions) any Principal Plants or any stock of any Restricted Subsidiaries if the net book value of such Principal Plants and/or the assets of such Restricted Subsidiaries (or, in the case of the disposition of only a part of the stock of any Restricted Subsidiary, that percentage of the assets of each such Restricted Subsidiary which is equal to the percentage of the stock of such Restricted Subsidiary that has been or is to be disposed of) exceeds, in the aggregate, 10% of Net Tangible Assets, as reflected on the balance sheet most recently delivered prior to such transaction (or series of related transactions) by the Company to the Banks pursuant to

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Section 5.01(a); provided, however, that the foregoing shall not prohibit

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(A) the Packaging Business Divestiture or (B) such transaction (or transactions) (x) if the disposition is made solely to a Restricted Subsidiary that is a wholly-owned Subsidiary of the Company or (y) if an amount equal to the proceeds therefrom in excess of such 10% of Net Tangible Assets shall be applied, not later than 120 days (or, if the Company holds such excess proceeds in cash or cash equivalents, two years) after such transaction (or after the transaction in such series which causes such amount to be exceeded), either to the repayment or prepayment of Funded Debt of the Company or to pay (or to repay or prepay Debt incurred in order to pay) the cost of expanding, constructing or acquiring any Principal Plants.

(f) Additional Permitted Secured Indebtedness.  
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Notwithstanding the provisions of Sections 5.01(b) and (g), the Company and any one or more Restricted Subsidiaries may (i) create, assume, guarantee or suffer to exist any Debt secured by a Lien which would otherwise be subject to the restrictions of Section 5.01(b), and (ii) transfer any Principal Plant in a sale-leaseback transaction which would otherwise be subject to the restrictions of Section 5.01(g), if, after giving effect to the incurrence of such Debt or the transfer of such Principal Plant, the aggregate principal amount of all such Debt outstanding at such time, when added to the fair market value of all such Principal Plants transferred after the date hereof and not reacquired at such time (computed without duplication of amounts constituting Debt referred to in clause (i) of this subsection (f)), would not at the time exceed 10% of Net Tangible Assets (determined before giving effect to the incurrence of such Debt or the transfer of such Principal Plant).

(g) Sale and Leaseback. Except (x) as permitted under  
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Section 5.01(f), (y) for any transaction involving a lease for a temporary period not to exceed three years, by the end of which it is intended that the use of the leased Principal Plant by the Company or any Subsidiary will be discontinued and (z) for any transaction with a state or local authority that is required in connection with any program, law statute or regulation that provides financial or tax benefits not available without such transaction, neither the Company nor any Restricted Subsidiary shall sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of the Company or any Subsidiary taking back a lease of such Principal Plant or portion, unless:

(i) the fair market value of the net proceeds of such sale are at least equal to the fair market value (as determined by an officer of the Company) of such Principal Plant or portion; and

(ii) the Company shall within 120 days (or, if the Company holds the net proceeds described below in cash or cash equivalents, two years) after the transfer of title to such Principal Plant or portion, (A) prepay Funded Debt of the Company in amount equal to such net proceeds, (B) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a facility which will then constitute a Principal Plant or (C) effect a combination of the transactions referred to in clauses (A) and (B) above in an amount equal to such net proceeds.

(h) Ownership of Voting Interests of ABI. The Company will  
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at all times continue to own, directly or indirectly, 100% of the outstanding Voting Interests of ABI.

(i) Consultation. Solely for the purpose of permitting the

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Banks to determine compliance by the Company with this Agreement, the Company will permit, and will cause its Restricted and Eligible Subsidiaries to permit, any Bank (and any person appointed by any Bank to whom the Company does not reasonably object) to discuss the affairs, finances and accounts of the Company and its Restricted and Eligible Subsidiaries with the officers of the Company or any of its Subsidiaries, all at such reasonable times and as often as may reasonably be requested.

(j) Payment of Taxes; Corporate Existence; Maintenance of

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Properties; Insurance. The Company will, and will cause each Restricted  
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Subsidiary to,

(i) pay and discharge promptly all taxes, assessments and other governmental charges imposed upon it (whether directly or through the ownership of Subsidiaries) or any of its property; provided, however, that the Company and each Restricted Subsidiary

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of the Company shall not be required to pay any such tax, assessment or other governmental charge the payment of which is being contested in good faith and by appropriate proceedings and as to which adequate reserves have been provided in accordance with generally accepted accounting principles, except that the Company will pay or cause to be paid all such taxes, assessments and governmental charges forthwith upon the commencement of proceedings to foreclose any Lien which has attached as security therefor, unless such foreclosure is stayed by the filing of an appropriate bond;

(ii) do all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises; provided, however, that nothing in this subsection (ii) shall

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prevent any consolidation, merger or other transaction among any of the Company's Subsidiaries or any abandonment or termination of the corporate existence of any Restricted Subsidiary or any abandonment or termination of any rights or franchises of any Restricted Subsidiary or any abandonment or termination of any rights or franchises of the Company so long as such abandonment or termination does not change the overall nature of the business conducted by the Company and its Subsidiaries and so long as it is not disadvantageous in any material respect to the Banks and is, in the opinion of the Company, in the best interests of the Company;

(iii) maintain and keep its properties as a whole in good repair, working order and condition; provided, however, that

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nothing in this subsection (iii) shall prevent any abandonment of any of its properties that is not disadvantageous in any material respect to the Banks and that is, in the opinion of the Company, in the best interests of the Company; and

(iv) insure or self-insure its assets and business in such manner and to such extent as is customary with business enterprises of comparable size and subject to comparable hazards.

(k) Pari Passu Obligations. Except for secured Debt

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permitted under Section 5.01(b) or 5.01(f), the Company shall cause the obligations of the Company in respect of the Loans at all times to rank not less than pari passu in right of payment with all other senior indebtedness of the Company.

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(l) ERISA. As soon as possible and in any event within 30  
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days after the Company or any member of the ERISA Group:

(i) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan;

(ii) applies for a waiver of the minimum funding standard under Section 412 of the Code;

(iii) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA; or

(iv) receives notice from a Multiemployer Plan of intent to impose liability under Title IV of ERISA;

and such events in the aggregate could subject, or have subjected, the Company and all members of the ERISA Group to any Taxes, Debts, penalties or liabilities in excess of \$80,000,000 at any one time (it being understood that any such Taxes, Debts, penalties or liabilities that have been satisfied or paid by the Company shall not be included in determining the foregoing amount), the Company will deliver, or cause to be delivered, to the Administrative Agent a certificate of an Executive Officer setting forth the details of such of the events described in (i) through (iv) as are applicable and the action which the Company and all relevant members of the ERISA Group propose to take or have taken with respect thereto, together with copies of all notices or filings received from the PBGC, the Internal Revenue Service or any other agency of the United States government or required by the PBGC, the Internal Revenue Service or any other agency of the United States government with respect such of the events described in (i) through (iv) as are applicable.

(m) Compliance with Laws. The Company will comply, and  
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cause each of its Subsidiaries to comply, in all material respects with all laws, rules and regulations applicable to it or its property except where the necessity of compliance therewith is contested in good faith by appropriate proceedings, and except where failure to so comply would not materially and adversely affect the ability of the Company to perform its obligations hereunder.

Section 5.02. Use of Proceeds. The Company and each  
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Borrower agree that the proceeds of Loans made under this Agreement will be used for the general corporate purposes of the applicable Borrower and that none of such proceeds will be used in violation of any applicable law or regulation.

#### ARTICLE VI

##### DEFAULTS

Section 6.01. Events of Default. If one or more of the  
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following events (each an "Event of Default") shall occur and be continuing,  
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such event shall constitute an Event of Default under this Agreement, whatever the reason for such event and whether it shall occur by operation

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of law or pursuant to any order, rule or regulation of any court or government authority or otherwise:

(a) any Borrower shall fail to pay, within two days after the due date thereof, any principal of any of its Loans or any reimbursement obligation in respect of any LC Disbursement in respect of any Letter of Credit issued for its account, or the Company or any Borrower shall fail to pay, within five days after the due date thereof, any interest on any of its Loans or other amount payable by it under this Agreement;

(b) the Company shall violate or fail to perform any of its covenants or agreements contained in Section 5.01(b), (c), (d), (e), (g) or (h);

(c) the Company or any Eligible Subsidiary shall fail to perform any term, covenant or agreement herein contained (other than those referred to in clause (a) or (b) of this Section) for 30 days after written notice of such failure is given to the Company by the Administrative Agent at the request of any Bank;

(d) the Company or any Eligible Subsidiary shall have made any representation, warranty or statement in or pursuant to this Agreement, or in any certificate or other document delivered by or on behalf of the Company pursuant hereto, which shall prove to have been false in any material respect when made;

(e) the Company or any Restricted Subsidiary shall fail (and such failure shall not have been cured or waived) to perform or observe any provision, term or condition of, or any default shall occur under, any agreement or instrument relating to any of its Indebtedness (other than the Indebtedness hereunder), the principal amount of which equals or exceeds \$200,000,000 in the aggregate (or its equivalent in another currency) which results in the acceleration of maturity of such Indebtedness;

(f) the Company or any Restricted Subsidiary shall have entered against it by a court having jurisdiction in the premises a decree or order for relief in respect of it in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of it or for all or any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

(g) the Company or any Restricted Subsidiary shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) for it or for all or any substantial part of its property, or make any general assignment for the benefit of any of the foregoing or for the benefit of its creditors;

(h) any one or more of the events or conditions referred to in clauses (i) through (iii) of this subsection (h) shall occur:

(i) failure of any member of the ERISA Group sponsoring a Material Plan to pay within 30 days after it becomes due an amount or amounts aggregating in excess of \$200,000,000 (other than for premiums under Section 4007 of ERISA) which it shall have become liable to pay under Section 412 of the Code or Section 302 or Title IV of ERISA with respect to such Material Plan;

(ii) termination, imposition of liability (other than for premiums under Section 4007 of ERISA), or appointment of a trustee by the PBGC under Title IV of ERISA in respect of any Plan, where the amount of unfunded benefit liabilities within the meaning of Section 4001(a)(18) of ERISA in respect of such Plan and any other Plans similarly affected could reasonably be expected to exceed \$200,000,000 in the aggregate; or

(iii) a complete or partial withdrawal from, or a default within the meaning of Section 4219(c)(5) of ERISA with respect to one or more Multiemployer Plans which could reasonably be expected to cause one or more members of the ERISA Group to incur in the aggregate any Taxes, Debts, penalties or liabilities in excess of \$200,000,000 and such Taxes, Debts, penalties or liabilities remain unsatisfied for a period of 30 days;

(i) a judgment or order for the payment of money in excess of \$200,000,000 shall be rendered against the Company or any Restricted Subsidiary and such judgments or order shall continue unsatisfied and unstayed for a period of 30 days;

(j) any Person, either alone or together with others acting in concert with such Person, shall own 50% or more of the Voting Interests of the Company, or the Continuing Directors shall not constitute a majority of the Board of Directors; or

(k) any guarantee by the Company pursuant to Article IX shall cease to be, or shall be asserted by the Company not to be, in full force and effect.

Section 6.02. Remedies Upon Default. Upon the occurrence

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and continuation of an Event of Default set forth in Section 6.01, (a) the Administrative Agent shall, if requested in writing by Banks having more than 51% or more of the Total Commitment, by notice in writing to the Company (on behalf of the Borrowers) terminate the Total Commitment, and the Total Commitment shall thereupon terminate, and (b) the Administrative Agent shall, if requested in writing by the holders of more than 51% or more in aggregate principal amount of the Loans then outstanding, by notice in writing to the Company declare the principal of and interest on the Loans and all other amounts payable hereunder (together with accrued interest thereon) to be, and they shall thereupon forthwith be and become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; provided,

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however, that in the case of the occurrence of any Event of Default

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described in Section 6.01(f) or (g), without any notice to the Company or any other Borrower or any other act by the Administrative Agent or the Banks, the Total Commitment shall thereupon terminate

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and the Loans and all other amounts payable hereunder (together with accrued interest thereon) shall thereupon be and become immediately due and payable upon such occurrence, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company and each other Borrower. Simultaneously with the giving of any such notice to the Company, the Administrative Agent shall notify all of the Banks and the Issuing Banks thereof.

Section 6.03. Notice of Default. The Administrative Agent

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shall give notice to the Company under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks and the Issuing Banks thereof.

ARTICLE VII

THE ADMINISTRATIVE AGENT

Section 7.01. Appointment and Authorization. Each Bank and

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each Issuing Bank irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

Section 7.02. Administrative Agent and Affiliates. The

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Person serving as the Administrative Agent shall have the same rights and powers under this Agreement as any other Bank or Issuing Bank and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Company or any Affiliate or Subsidiary of the Company as if it were not the Administrative Agent hereunder.

Section 7.03. Action by Administrative Agent. The

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obligations of the Administrative Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article VI.

Section 7.04. Consultation with Experts. The

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Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice or opinion of such counsel, accountants or experts.

Section 7.05. Liability of Administrative Agent. Neither

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the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or not taken by it, him or her in connection herewith (a) with the consent or at the request of the Required Banks or (b) in the absence of its, his or her own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Company or any Eligible Subsidiary; (iii) the satisfaction of any condition specified in

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Article III, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, telecopy or similar writing) believed by it to be genuine or to be signed or sent by the proper party or parties. The Administrative Agent shall be entitled to assume that no Default has occurred and is continuing, unless the Administrative Agent has actual knowledge, or has been notified by the Company, of such Default, or has been notified by a Bank or an Issuing Bank that such Bank or such Issuing Bank considers that such Default (specifying in detail the nature thereof) has occurred and is continuing.

Section 7.06. Indemnification. Each Bank shall, ratably in

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accordance with its Commitment, indemnify the Administrative Agent, each Issuing Bank and each Swingline Bank (in each case to the extent not reimbursed by the Company) against any cost, expense (including counsel fees and disbursements and the costs of investigation, discovery and deposition), claim, demand, action, loss or liability (except such as result from gross negligence or willful misconduct of the Administrative Agent, such Issuing Bank or such Swingline Bank, as the case may be) that the Administrative Agent, such Issuing Bank or such Swingline Bank, as the case may be, may suffer or incur in connection with this Agreement or any action taken or omitted hereunder by the Administrative Agent, such Issuing Bank or such Swingline Bank, as the case may be.

Section 7.07. Credit Decision. Each Bank represents and

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acknowledges that it has, independently and without reliance on the Administrative Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also represents and acknowledges that it will, independently and without reliance on the Administrative Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. Resignation of Administrative Agent. The

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Administrative Agent may resign at any time by giving written notice thereof to the Banks, the Issuing Banks and the Company. Upon any such resignation, the Company, with the consent of the Required Banks, shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Company, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Banks and the Issuing Banks, appoint a successor Administrative Agent, which shall be (a) a commercial bank organized under the laws of the United States or of any State thereof and having a combined capital and surplus of at least \$500,000,000 or (b) a Bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall thereupon be discharged from its duties and obligations as Administrative Agent under this Agreement. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this



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Article VII shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

Section 7.09. Lead Arrangers, Bookrunners, Syndication

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Agent and Documentation Agents. Notwithstanding anything herein to the

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contrary, none of the Lead Arrangers, Bookrunners, Syndication Agent and Documentation Agents listed on the cover page of this Agreement shall have any duties or responsibilities hereunder in their respective capacity as such, except in their respective capacity, if any, as a Bank or an Issuing Bank.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

Section 8.01. Basis for Determining Interest Rate

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Inadequate or Unfair. If with respect to any Interest Period:

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(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate (in the case of a Syndicated Loan) or the LIBO Rate (in the case of a Money Market LIBOR Loan) for such Interest Period, or

(b) in the case of a Syndicated Borrowing, Banks having 50% or more of the Total Commitment notify the Administrative Agent that the Adjusted CD Rate or the Adjusted LIBO Rate, as the case may be, as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Banks of maintaining or funding their CD Loans or Euro-Dollar Loans, as the case may be, for such Interest Period,

the Administrative Agent shall forthwith give notice thereof to the Company (on behalf of the applicable Borrower) and the Banks, and until the Administrative Agent notifies the Company that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make CD Loans or Euro-Dollar Loans, as the case may be, shall be suspended; provided

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that if the circumstances giving rise to such notice do not affect all the Banks, then requests by the Company (on behalf of the applicable Borrower) for Syndicated Borrowings may be made to the Banks that are not affected thereby. Each Bank which notifies the Administrative Agent pursuant to subsection (b) of this Section agrees that, in the event that after such notice the Adjusted CD Rate or Adjusted LIBO Rate, as the case may be, shall thereafter adequately and fairly reflect the cost to such Bank of maintaining or funding its CD Loans or Euro-Dollar Loans, as the case may be, for any Interest Period, it shall notify the Administrative Agent of such fact. In the event that the Administrative Agent shall receive notice from such Banks pursuant to the preceding sentence that the conditions set forth in subsection (b) of this Section no longer exist, the Administrative Agent shall notify the Company thereof. Unless the Company notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects on behalf of the applicable Borrower not to borrow on such date, (i) if such Fixed Rate Borrowing is a Syndicated Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market

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LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

Section 8.02. Illegality. If, after the date hereof, the

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adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such governmental authority, central bank or comparable agency, shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Banks and the Company, and until such Bank notifies the Company and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans shall be suspended. Each Bank which gives any notice pursuant to this Section agrees that, in the event that the circumstances giving rise to such suspension no longer exist, such Bank shall notify the Administrative Agent of such fact. In the event that the Administrative Agent shall receive notice from a Bank pursuant to the preceding sentence of this Section, the Administrative Agent shall notify the Company thereof. Before giving any notice to the Administrative Agent pursuant to the first sentence of this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the applicable Borrower or Borrowers shall immediately prepay in full the then outstanding principal amount of each such Euro-Dollar Loan, together with interest accrued thereon to the date of such prepayment. Concurrently with prepaying each such Euro-Dollar Loan, each applicable Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

Section 8.03. Increased Cost. (a) If, on or after (x) the

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date hereof, in the case of any Syndicated Loan or Letter of Credit or any obligation to make Syndicated Loans or issue, amend, renew or extend Letters of Credit, or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, or (z) the date that the applicable Bank agrees to make a Negotiated Rate Loan, in the case of any Negotiated Rate Loan, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Lending Office) or any Issuing Bank with any request or directive (whether or not having the force of law) of any such governmental authority, central bank or comparable agency:

(i) shall subject any Bank (or its Lending Office) to any tax, duty or other charge with respect to its Fixed Rate Loans or its obligation to make Fixed Rate Loans, or shall change the basis of taxation of payments to any Bank (or its Lending Office) of the

principal of or interest on its Fixed Rate Loans or any other amounts due under this Agreement in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans (except for changes in the rate of tax on the overall net income of such Bank or its Lending Office imposed by the jurisdiction in which such Bank's principal executive office or Lending Office, as the case may be, is located);

(ii) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance assessment (excluding with respect to any CD Loan any such assessment included in an applicable Assessment Rate) or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan, any such requirement included in an applicable CD Reserve Percentage, and (B) with respect to any Euro-Dollar Loan, any such requirement included in an applicable Euro-Dollar Reserve Percentage, and (C) any requirement for which such Bank is entitled to compensation under subsection (b) of this Section) against assets of, deposits with or for the account of, or credit extended by, any Bank or its Lending Office or shall impose on any Bank (or its Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its Fixed Rate Loans or its obligation to make Fixed Rate Loans; or

(iii) shall impose, modify or deem applicable any tax, reserve, special deposit, deposit insurance assessment or similar requirement against or with respect to or measured by reference to Letters of Credit issued or to be issued hereunder;

and the result of any of the foregoing is to increase the cost to such Bank (or its Lending Office) of making or maintaining any Fixed Rate Loan, or to increase the cost to such Bank or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit, or to reduce the amount of any sum received or receivable by such Bank (or its Lending Office) or such Issuing Bank under this Agreement with respect thereto, by an amount deemed by such Bank or such Issuing Bank to be material, then, within 15 days after demand by such Bank or such Issuing Bank to the Company (with a copy to the Administrative Agent), the applicable Borrower or Borrowers shall pay for the account of such Bank or such Issuing Bank, as additional interest, such additional amount or amounts as will compensate such Bank or such Issuing Bank for such increased cost or reduction; provided that if such Bank or

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such Issuing Bank fails to notify the Company that it intends to claim or may claim compensation for such increased cost or reduction within 45 days after such Bank or such Issuing Bank has knowledge of such increased cost or reduction, the applicable Borrower shall not be obligated to compensate such Bank or such Issuing Bank for such increased cost or reduction accruing prior to the date on which such Bank or such Issuing Bank first notifies the Company that it intends to claim such compensation. In determining such additional amount or amounts, such Bank or such Issuing Bank may use any reasonable averaging and attribution methods.

(b) If, after the date hereof, the Administrative Agent, any Bank or any Issuing Bank shall have determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the

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interpretation or administration thereof (including a change resulting from a determination of a court or regulatory authority), or compliance by the Administrative Agent, any Bank or any Issuing Bank (or its Lending Office or holding company) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Administrative Agent's, such Bank's or such Issuing Bank's capital (or the capital of its holding company) as a consequence of its obligations hereunder to a level below that which the Administrative Agent, such Bank or such Issuing Bank or its holding company could have achieved but for such adoption, change or compliance (taking into consideration the Administrative Agent's, such Bank's or such Issuing Bank's, as the case may be, policies with respect to capital adequacy) by an amount deemed by the Administrative Agent, such Bank or such Issuing Bank to be material, then from time to time, within 15 days after demand by the Administrative Agent or such Bank or such Issuing Bank (with a copy to the Administrative Agent), the Company shall pay to the Administrative Agent, such Bank or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate the Administrative Agent, such Bank or such Issuing Bank or its holding company for such reduction. In determining any additional amount or amounts payable under this subsection (b), the Administrative Agent, such Bank or such Issuing Bank may use any reasonable averaging and attribution methods; provided that if after the date hereof,

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pursuant to any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, the credit quality of a bank's loans, investments or commitments is required or permitted to be taken into account in determining capital adequacy, then such averaging and attribution methods shall include a consideration of the credit quality of the Loans and Letters of Credit relative to the credit quality of such Bank's or such Issuing Bank's other loans, investments or commitments, as the case may be.

(c) The Administrative Agent, each relevant Bank or each relevant Issuing Bank, as the case may be, will promptly notify the Company and the Administrative Agent of any event of which it has knowledge occurring after the date hereof which will entitle the Administrative Agent, such Bank or such Issuing Bank to compensation pursuant to this Section and will designate a different Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of the Administrative Agent or such Bank or Issuing Bank, as the case may be, be otherwise disadvantageous to the Administrative Agent, such Bank or such Issuing Bank. A certificate of the Administrative Agent, any Bank or any Issuing Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error.

(d) Each Bank and each Issuing Bank agrees that if, after such Bank or such Issuing Bank has made a demand for compensation pursuant to this Section, the circumstances giving rise to such demand no longer exist, such Bank or such Issuing Bank shall notify the Administrative Agent of such fact. In the event that the Administrative Agent shall receive notice from a Bank or an Issuing Bank pursuant to the preceding sentence of this Section, the Administrative Agent shall notify the Company thereof.

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Section 8.04. Base Rate Loans Substituted for Affected

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Fixed Rate Loans. If (a) the obligation of any Bank to make Euro-Dollar

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Loans has been suspended pursuant to Section 8.02 or (b) any Bank has demanded compensation under Section 2.17 or 8.03, and the Company shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Administrative Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Company and the Administrative Agent that the circumstances giving rise to such suspension or demand for compensation no longer apply, all Loans which would otherwise be made by such Bank as CD Loans or Euro-Dollar Loans, as the case may be, shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Banks).

Section 8.05. Substitution of Bank. If notice has been

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given by any Bank pursuant to Section 8.02 or 8.03 requiring or permitting Fixed Rate Loans of such Bank to be prepaid, or requesting compensation under Section 2.17 or 8.03(b), then the Company shall have the right, in consultation with the Administrative Agent, to seek one or more satisfactory substitute financial institutions (which may be one or more of the Banks) to purchase the Loans and assume the Commitment of such Bank.

ARTICLE IX

GUARANTEE

Section 9.01. The Guarantee. (a) The Company hereby

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unconditionally guarantees the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan to any Eligible Subsidiary, and the full and punctual payment of all other amounts payable by any Eligible Subsidiary under this Agreement. The Company agrees that upon failure by any Eligible Subsidiary to pay punctually any such amount, the Company shall forthwith on demand pay the amount not so paid at the place and in the manner specified in this Agreement.

(b) The obligations of the Company hereunder shall be a guarantee of payment when due and not of collection.

Section 9.02. Guarantee Unconditional. The obligation of

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the Company hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of any Eligible Subsidiary under this Agreement or any Note, by operation of law or otherwise;

(ii) any modification or amendment of or supplement to this Agreement or any Note;

(iii) any release, non-perfection or invalidity of any direct or indirect security, or of any Guarantee or other liability of any third party, for any obligation of any Eligible Subsidiary under this Agreement or any Note;

(iv) any change in the corporate existence, structure or ownership of the Company or any Eligible Subsidiary, or any insolvency, bankruptcy, reorganization or other similar proceeding in respect of or affecting the Company or any Eligible Subsidiary or its assets or any release or discharge of any obligation contained in this Agreement or any Note;

(v) the existence of any claim, set-off or other rights which the Company may have at any time against any Eligible Subsidiary, the Administrative Agent, any Bank or any other Person, whether in connection herewith or any unrelated transactions, provided that nothing herein shall prevent the assertion of any  
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such claim by separate suit or compulsory counterclaim;

(vi) any invalidity or unenforceability relating to or against any Eligible Subsidiary for any reason of this Agreement or any Note, or any provision of any applicable law or regulation purporting to prohibit the payment by any Eligible Subsidiary of the principal of or interest on any Loan or any other amount payable by any Eligible Subsidiary under this Agreement; or

(vii) any failure of any Bank or the Administrative Agent to assert any claim or demand or to enforce any right or remedy against the any Eligible Subsidiary or any other guarantor or any other act or omission to act or delay of any kind by the Company, any Eligible Subsidiary, the Administrative Agent, any Bank or any other Person, or any other circumstance whatsoever which might, but for the provisions of this clause (vii), constitute a legal or equitable discharge of the obligations of the Company hereunder.

Section 9.03. Discharge Only Upon Payment in Full  
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Reinstatement in Certain Circumstances. The obligation of the Company

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hereunder shall remain in full force and effect until the principal of and interest on the Loans and all other amounts payable under this Agreement shall have been paid in full. If at any time any payment of the principal of or interest on any Loan or any other amount payable by any Eligible Subsidiary under this Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Company or any other Borrower or otherwise, the obligations of the Company hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 9.04. Waiver by the Company. The Company  
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irrevocably waives (a) acceptance hereof, (b) presentment, demand, protest and any notice not provided for herein, and (c) any requirement that at any time any action be taken by any Person against any Eligible Subsidiary or any other Person.

Section 9.05. Subrogation. Upon making any payment under  
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its guarantee hereunder, the Company shall be subrogated to the rights of the payee against the applicable Eligible Subsidiary with respect to such payment; provided that the Company shall not enforce any right to payment by  
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reason of subrogation in respect of any Eligible Subsidiary until all

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amounts of principal of and interest on the Loans and all other amounts payable by such Eligible Subsidiary under this Agreement have been paid in full and either (a) the Total Commitment has been terminated or (b) such Subsidiary has ceased to be an Eligible Subsidiary hereunder.

Section 9.06. Stay of Acceleration. If acceleration of the  
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time for payment of any amount payable by any Eligible Subsidiary under this Agreement is stayed upon the insolvency, bankruptcy or reorganization of any Eligible Subsidiary, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Company hereunder forthwith on demand by the Administrative Agent made at the request of the requisite proportion of the Banks specified in Article VI.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. All notices, requests and other  
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communications to any party hereunder shall be in writing (including bank wire, telecopier or similar writing) and shall be given to such party: (a) in the case of the Company or the Administrative Agent, at its address or telecopier number set forth on the signature pages hereof, (b) in the case of any other Bank, at its address or telecopier number set forth in its Administrative Questionnaire or (c) in the case of any party, such other address or telecopier number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Company. Each such notice, request or other communication shall be effective (i) if given by mail, five days after such communication is deposited in the mails with appropriate first class, certified or registered postage prepaid, addressed as aforesaid, or (ii) if given by any other means, when delivered at the telecopier number or address specified in this Section; provided that  
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notices to the Administrative Agent under Section 2.03, 2.04, 2.05, 2.06, 2.07 or 2.12 or Article VI or VIII shall not be effective until received. All notices, requests and other communications to or from any Eligible Subsidiary hereunder shall be valid and effective if given to or from the Company as agent for such Eligible Subsidiary.

Section 10.02. No Waivers. No failure or delay by the  
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Administrative Agent, any Bank or any Issuing Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 10.03. Expenses; Documentary Taxes; Indemnity. (a)  
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The Company agrees to pay (i) all reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of special counsel for the Administrative Agent, in connection with the preparation, execution and delivery of this Agreement, any waiver or consent hereunder or any amendment hereof, (ii) all out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) if an Event of Default occurs, all out-of-pocket

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expenses incurred by the Administrative Agent, any Bank or any Issuing Bank, including reasonable fees, disbursements and other charges of either internal or external counsel (as the Administrative Agent, such Bank or such Issuing Bank chooses), in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Company shall indemnify each Bank and each Issuing Bank against any transfer taxes, documentary taxes or similar assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement.

(b) The Company agrees to indemnify each Bank, each Issuing Bank, the Administrative Agent and each of their respective, officers, directors, employees and agents (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all

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liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto), which may be incurred by any Indemnitee, relating to or arising out of this Agreement, any Loan or Letter of Credit or the actual or proposed use of the proceeds thereof (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit); provided that no Indemnitee shall have the

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right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

Section 10.04. Sharing of Setoffs. Each Bank agrees that

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if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Loan or participations in any LC Disbursement or Swingline Loan held by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Loan or participations in any LC Disbursement or Swingline Loan held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Loans and participations in LC Disbursements and Swingline Loans held by the other Banks (to which purchase the Company and each other applicable Borrower hereby consents), and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans and participations in LC Disbursements and Swingline Loans held by the Banks shall be shared by the Banks pro rata; provided that nothing in this Section shall impair the right of any Bank to

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exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Company or any other Borrower other than its indebtedness hereunder. The Company and each other Borrower agree, to the fullest extent they may effectively do so under applicable law, that any holder of a participation in a Loan, or in a participation in an LC Disbursement or Swingline Loan, granted in accordance with this Agreement or any holder of a participation in a Loan, or in a participation in an LC Disbursement or Swingline Loan, acquired pursuant to the arrangements described in this Section may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the applicable Borrower or the Company, as the case may be, in the amount of such participation.



Section 10.05. Amendments and Waivers. (a) The Company and

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the Administrative Agent may amend or supplement this Agreement without notice to or the consent of any Bank, any Issuing Bank or any Eligible Subsidiary (i) to cure any ambiguity, defect or inconsistency, (ii) to provide for the substitution of one or more financial institutions for a Bank pursuant to Section 8.05, or (iii) to make any other change that does not adversely affect the rights of any Bank or any Issuing Bank.

(b) Except as provided in subsection (a) of this Section, any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Company and the Required Banks (and, to the extent required by the next succeeding paragraph, the Administrative Agent, the Issuing Banks and the Swingline Banks); provided that no such amendment or waiver shall, unless signed by

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all the Banks affected by such amendment or waiver, (i) increase the Commitment of any Bank or subject any Bank to any additional obligation, (ii) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied as among the Banks (iii) reduce the principal of or rate of interest on any Loan or any fees hereunder, (iv) postpone the date fixed for any payment of principal of or interest on any Loan, any LC Disbursement or any fees hereunder, (v) extend the Termination Date, or (vi) alter the absolute and unconditional character of, or release or terminate, the guarantee of the Company contained in Article IX, and no such amendment or waiver shall, unless signed by all the Banks, change the percentage of the Total Commitment or of the aggregate unpaid principal amount of the Loans or LC Disbursements, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement. Each Eligible Subsidiary, by its execution of an Election to Participate, grants to the Company an irrevocable power of attorney to enter into amendments or waivers of this Agreement on behalf of such Eligible Subsidiary, and agrees that it shall be bound by any such amendment or waiver executed by the Company, whether or not such amendment or waiver is executed by the Company in the name of such Eligible Subsidiary.

If any amendment or waiver of this Agreement shall affect the rights or duties of the Administrative Agent, the approval of the Administrative Agent shall be required therefor. If any amendment or waiver of this Agreement shall affect the procedures or requirements for Swingline Borrowings or payments in respect thereof, the approval of each Swingline Bank shall be required therefor. If any amendment or waiver of this Agreement shall affect the procedures or requirements for issuances of Letters of Credit or payments in respect thereof, the approval of each Issuing Bank shall be required therefor. Neither (i) amendments to the covenants set forth in Article V or the provisions herein defining the Events of Defaults or the remedies therefor nor (ii) waivers of any such covenants or Events of Default shall require the approval of the Administrative Agent, the Swingline Banks or the Issuing Banks.

Section 10.06. Successors and Assigns. (a) The provisions

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of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Company may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks and (ii) no Bank or Issuing Bank may assign or otherwise transfer its Commitment in whole or in part, or sell, assign or otherwise transfer its Loans or Letters of Credit or grant participations in its Loans, Letters of Credit or rights under this Agreement in whole or in part, other than as the result of the

<PAGE>

designation of a different Lending Office in accordance with this Agreement or as permitted under Sections 2.05, 2.06, 8.05 and 10.04 and the following provisions of this Section.

(b) Any Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its

-----  
Commitment or any or all of its Loans, LC Exposure or Swingline Exposure; provided that such Bank shall, except in the case of such a grant (i)

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pursuant to Section 10.04, (ii) in respect of Money Market Loans or (iii) to a Bank Affiliate, obtain the Company's prior consent to such grant. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Company and the Administrative Agent, such Bank or such Issuing Bank shall remain responsible for the performance of its obligations hereunder, and the Company, each other Borrower and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Company and each other Borrower hereunder including, without limitation, the right to approve amendments, modifications or waivers of the provisions of this Agreement as set forth in this Section; provided that such participation agreement may provide that such Bank will

-----  
not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii) or (iii) of Section 10.05(b) without the consent of the Participant. The Company agrees that each Participant shall, to the extent provided in its participation agreement and subject to subsection (e) of this Section, be entitled to the benefits of Article VIII with respect to its participating interest.

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of

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all, of its rights and obligations under this Agreement, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Acceptance in substantially the form of Exhibit H hereto executed by such Assignee and such transferor Bank, with (and subject to) the consent of the Company and the Administrative Agent (which consents shall not be required in the case of an assignment (A) by a Bank to any other Bank so long as such assignment does not (x) cause the aggregate amount of the Commitments of any Bank and its Bank Affiliates to exceed \$300,000,000 or (y) increase the amount of the Commitments of any Bank and its Bank Affiliates if the aggregate amount of the Commitments of such Bank and its Bank Affiliates exceeds \$300,000,000 immediately prior to such assignment or (B) by a Bank to its Bank Affiliate so long as (v) if such transferor Bank is a "depository institution" (within the meaning of Regulation A of the Board of Governors of the Federal Reserve System), such Bank Affiliate shall also be a depository institution and (w) at the time of such assignment S&P or Moody's shall rate the senior, unsecured, long-term debt of such transferor Bank and the rating or ratings for senior, unsecured, long-term debt of such Bank Affiliate by S&P and/or Moody's, as applicable, shall not be lower than such rating(s) of such transferor Bank); provided that (i) such assignment

-----  
may, but need not, include rights of the transferor Bank in respect of outstanding Money Market Loans; (ii) except in the case of an assignment to a Bank or a Bank Affiliate or an assignment of the entire remaining amount of the transferor Bank's Commitment and outstanding Loans, LC Exposure and Swingline Exposure, the amount of such assignment shall not be less than \$5,000,000 unless otherwise agreed by the Borrower and the Administrative Agent and (iii) the Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon execution and

<PAGE>

delivery of such instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. In connection with any such assignment, the transferor Bank or such Assignee shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500. If the Assignee is not incorporated under the laws of the United States or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Company and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.15.

Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Bank") may grant to a special purpose vehicle (an

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"SPV") of such Granting Bank, identified as such in writing from time to

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time by the Granting Bank to the Administrative Agent and the Company, the option to provide to any Borrower all or any part of any Loan or to make a payment to any Issuing Bank or Swingline Bank in respect of its LC Exposure or Swingline Exposure, as the case may be, that such Granting Bank would otherwise be obligated to make hereunder to such Borrower, such Issuing Bank or such Swingline Bank, provided that (i) nothing herein shall constitute a

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commitment by any SPV to make any Loan or to make any payment in respect of any LC Exposure or Swingline Exposure, (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan or such payment in respect of LC Exposure or Swingline Exposure, the Granting Bank shall be obligated to make such Loan or such payment pursuant to the terms hereof and (iii) any Borrower, any Issuing Bank or any Swingline Bank may bring any proceeding against the Granting Bank in order to enforce any rights of such Borrower, such Issuing Bank or such Swingline Bank, as the case may be, hereunder. The making of a Loan or any payment in respect of LC Exposure or Swingline Exposure by an SPV hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan or such payment were made by the Granting Bank. Each party hereto hereby agrees that no SPV shall be liable for any payment under this Agreement for which a Bank would otherwise be liable, for so long as, and to the extent that, the related Granting Bank makes such payment. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof in respect of any claim arising under this Agreement. In addition, notwithstanding anything to the contrary contained in this Section, any SPV may, with the prior written consent of the Company and the Administrative Agent (to the extent such consent is required under the immediately preceding paragraph of this subsection (c)) but without paying any processing fee therefor, assign all or a portion of its interests in any Loans and repayment rights in respect of LC Exposure and Swingline Exposure to the Granting Bank or to any financial institutions providing liquidity and/or credit to or for the account of such SPV to fund the Loans made by such SPV or to support the securities (if any) issued by such SPV and such SPV may disclose, on

<PAGE>

a confidential basis, confidential information with respect to the Company and its Subsidiaries to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit liquidity enhancement to such SPV. This paragraph may not be amended without the consent of any SPV at the time holding Loans under this Agreement.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement to secure obligations of such Bank, including, without limitation, to a Federal Reserve Bank, provided that any

foreclosure or similar action taken with respect to such assignment to any Person other than a Federal Reserve Bank shall be subject to the provisions of this Section concerning assignments. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights assigned or otherwise transferred, unless such assignment or transfer is made (i) with the prior consent of the Company, (ii) by reason of the provisions of Section 8.02 or 8.03 requiring such Bank to designate a different Lending Office under certain circumstances or (iii) at a time when the circumstances giving rise to such greater payment did not exist.

(f) If the Fixed Rate Loans of any Reference Bank are repaid pursuant to Article VIII, the Administrative Agent shall, with the consent of the Company and the Required Banks, appoint another Bank to act as a Reference Bank hereunder.

(g) The Administrative Agent, acting solely for this purpose as an agent of the Company, shall maintain at one of its offices in New York City a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amount of the Loans and LC Disbursements owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the

Company, the Administrative Agent, the Banks and the Issuing Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, any other Borrower, any Bank and any Issuing Bank, at any reasonable time and from time to time upon reasonable prior notice.

Section 10.07. Collateral. Each of the Banks and each of

the Issuing Banks represents and warrants to the Administrative Agent, the other Banks and the other Issuing Banks that it in good faith is not relying on any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) as collateral in the extension or maintenance of the credit provided for in this Agreement.

Section 10.08. New York Law; Submission to Jurisdiction.

This Agreement and any other document delivered hereunder shall be construed in accordance with and governed by the law of the State of New York. Each of the Company and the Eligible Subsidiaries hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern

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District of New York and of any New York State court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Company and the Eligible Subsidiaries irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

Section 10.09. Counterparts; Effectiveness. This Agreement

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may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when the Administrative Agent shall have received counterparts hereof signed by each of the parties hereto (or, in the case of any Bank or any Issuing Bank as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of telecopy or other written confirmation from such Bank or such Issuing Bank of execution of a counterpart hereof by such Bank or such Issuing Bank) and when the conditions specified in Section 3.02 shall have been satisfied or waived.

Section 10.10. Independence of Covenants. All covenants

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hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the effectiveness of the first covenant.

Section 10.11. WAIVER OF JURY TRIAL. EACH OF THE COMPANY,

-----  
THE ELIGIBLE SUBSIDIARIES, THE ADMINISTRATIVE AGENT, THE BANKS AND THE ISSUING BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.12. Waiver Under Pre-Existing Credit

-----  
Agreements. By its execution hereof, each undersigned Bank that also is a party to the credit agreement referred to in clause (f) of Section 3.02 hereby waives the provisions of such credit agreement that would require advance notice for the termination of commitments thereunder or the prepayment of loans thereunder; provided that (a) the foregoing waiver shall apply only to the termination of all commitments under such credit agreement and repayment of all loans outstanding thereunder in connection with the effectiveness of this Agreement and (b) the Company shall, in lieu of advance notice of any such termination or prepayment, give notice thereof to the Agent (as defined in such credit agreement) on the date of such termination or prepayment.

Section 10.13. Action by the Company on Behalf of the

-----  
Borrowers. Any payment obligation or other obligation of any Borrower hereunder may be performed by the Company on behalf of such Borrower, and such performance by the Company shall be deemed to satisfy the corresponding obligation of such Borrower hereunder.

Section 10.14. Survival. All covenants, agreements,

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representations and warranties made by the Company or any other Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to

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have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.17, 8.03, 9.03 and 10.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 10.15. Permitted Disclosure of Certain Tax Related

Matters. Notwithstanding anything herein to the contrary, each Borrower,

each Bank and the Administrative Agent (and each employee, representative, or other agent of each of the foregoing parties) may disclose to any and all Persons without limitation of any kind, the U.S. federal income tax treatment and U.S. federal income tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to any of the foregoing parties relating to such tax treatment and tax structure. However, no disclosure of any information relating to such tax treatment or tax structure may be made to the extent nondisclosure is reasonably necessary in order to comply with applicable securities laws.

<PAGE>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ANHEUSER-BUSCH COMPANIES, INC.

By: /s/ William J. Kimmins, Jr.

-----  
Name: William J. Kimmins, Jr.  
Title: Vice President and Treasurer

Address for Notices:

One Busch Place  
St. Louis, Missouri 63118  
Telecopy: (314) 765-9005  
Telephone: (314) 577-2329  
Attention: Vice President and Treasurer

<PAGE>

JPMORGAN CHASE BANK, as  
Administrative Agent

By: /s/ B. B. Wuthrich  
-----  
Name: B. B. WUTHRICH  
Title: VICE PRESIDENT

Address for Notices:

270 Park Avenue  
New York, New York 10017  
Attention:  
Telecopy:  
Telephone:



<PAGE>

BANKS  
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JPMORGAN CHASE BANK

By: /s/ B. B. Wuthrich  
-----  
Name: B. B. WUTHRICH  
Title: VICE PRESIDENT

<PAGE>

BANK ONE, NA

By: /s/ Joseph Pinzone

-----  
Name: Joseph Pinzone  
Title: Director

<PAGE>

BANK OF AMERICA, N.A.

By: /s/ David L. Catherall  
-----  
Name: David L. Catherall  
Title: Vice President

<PAGE>

CITIBANK, N.A.

By: /s/ Carolyn A. Kee  
-----  
Name: Carolyn A. Kee  
Title: Vice President

<PAGE>

UBS AG

By: /s/ Patricia O'Kicki

-----  
Name: Patricia O'Kicki  
Title: Director

By: /s/ Wilfred V. Saint

-----  
Name: Wilfred V. Saint  
Title: Associate Director  
Banking Products  
Services, US

<PAGE>

MERRILL LYNCH BANK USA

By: /s/ Louis Alder

-----  
Name: Louis Alder  
Title: Vice President

<PAGE>

MORGAN STANLEY BANK

By: /s/ Jaap L. Tonckens

-----  
Name: Jaap L. Tonckens  
Title: Vice President  
Morgan Stanley Bank

<PAGE>

SUN TRUST BANK

By: /s/ Susan M. Hall

-----  
Name: SUSAN M. HALL

Title: MANAGING DIRECTOR



<PAGE>

MELLON BANK, N.A.

By: /s/ Mark F. Johnston  
-----  
Name: Mark F. Johnston  
Title: Vice President

<PAGE>

STATE STREET BANK AND TRUST  
COMPANY

By: /s/ Fred Epstein

-----  
Name: Fred Epstein  
Title: Vice President

<PAGE>

BARCLAYS BANK PLC

By: /s/ Douglas Bernegger  
-----  
Name: DOUGLAS BERNEGGER  
Title: DIRECTOR

<PAGE>

BNP PARIBAS

By: /s/ Peter Labrie

-----  
Name: Peter Labrie  
Title: Central Region Manager

By: /s/ Rosalie Hawley

-----  
Name: Rosalie Hawley  
Title: Director

<PAGE>

MIZUHO CORPORATE BANK, LTD

By: /s/ Robert P. Gallagher, Jr.

-----  
Name: Robert P. Gallagher, Jr.

Title: Vice President & Team Leader,

U.S. Corp Finance Dept.

[as per Alex Zarzhevsky, Officer, 212-282-3988.]

<PAGE>

SUMITOMO MITSUI BANKING  
CORPORATION

By: /s/ Leo Pagarigan  
-----  
Name: Leo E. Pagarigan  
Title: Senior Vice President

<PAGE>

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Gregory D. Knudsen

-----  
Name: GREGORY D. KNUDSEN

Title: SENIOR VICE PRESIDENT

<PAGE>

WELLS FARGO BANK, N.A.

By: /s/ Steven M. Buehler

-----  
Name: Steven M. Buehler  
Title: Vice President

By: /s/ Melissa F. Nachman

-----  
Name: Melissa F. Nachman  
Title: Vice President



NOTE

New York, New York  
[\_\_\_\_\_], 2003

For value received, [ANHEUSER-BUSCH COMPANIES, INC.][NAME OF ELIGIBLE SUBSIDIARY], a [\_\_\_\_\_] [Delaware corporation] (the "Borrower"), promises to pay to the order of \_\_\_\_\_ (the "Bank"),

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for the account of its Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017; provided that all payments of principal of and

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interest on any Negotiated Rate Loan advanced by the Bank in a currency other than U.S. Dollars shall be made in the currency in which such Negotiated Rate Loan is denominated at such location as agreed with the Bank.

All Loans made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation

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or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Credit Agreement dated as of August 4, 2003 (as amended from time to time, the "Credit Agreement"), among [the Borrower][Anheuser-Busch Companies, Inc.

-----  
(the "Company")], the Banks party thereto and JPMorgan Chase Bank, as

-----  
Administrative Agent. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment, the acceleration of the maturity and the limitations on the transferability of this Note.

[ANHEUSER-BUSCH COMPANIES, INC.]  
[NAME OF ELIGIBLE SUBSIDIARY]

By \_\_\_\_\_  
Name:  
Title:

Form of Note

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<PAGE>

Note (cont'd)

<TABLE>

LOANS AND PAYMENTS OF PRINCIPAL

<CAPTION>

<S>	Date	Amount of Loan <C>	Type of Loan <C>	Currency* <C>	Amount of Principal Repaid <C>	Maturity Date <C>	Notation Made By <C>
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<FN>

\* Only applicable to Negotiated Rate Loans made in a currency other than U.S. dollars.

</TABLE>

Form of Note

Form of Money Market Quote Request

[Date]

To: JP Morgan Chase Bank (the "Administrative Agent")

From: Anheuser-Busch Companies, Inc.

Re: Credit Agreement dated as of August 4, 2003 among Anheuser-Busch Companies, Inc., the Banks party thereto and the Administrative Agent (as amended from time to time, the "Credit Agreement")

We hereby give notice pursuant to Section 2.04 of the Credit Agreement that we request Money Market Quotes for the following proposed Money Market Borrowing(s):

Date of Borrowing: \_\_\_\_\_

Principal Amount: (1) \_\_\_\_\_

Interest Period: (2) \_\_\_\_\_

[Borrower: \_\_\_\_\_]

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the LIBO Rate.]

Terms used herein have the meanings assigned to them in the Credit Agreement.

ANHEUSER-BUSCH COMPANIES, INC.

By \_\_\_\_\_

Name:

Title:

<FN>

- (1) Amount must be \$10,000,000 or a larger multiple of \$1,000,000.
- (2) Not less than 7 days, subject to the provisions of the definition of Interest Period.

Form of Money Market Quote Report

Form of Invitation for Money Market Quotes

To: [Name of Bank]
Re: Invitation for Money Market Quotes to Anheuser-Busch Companies, Inc.
(the "Company")

Pursuant to Section 2.04 of the Credit Agreement dated as of August 4, 2003, among the Company, the Banks party thereto and the undersigned, as Administrative Agent, we are pleased on behalf of the Company to invite you to submit Money Market Quotes to the Company for the following proposed Money Market Borrowing(s):

Date of Borrowing:
Principal Amount:
Interest Period:
[Borrower: ]

Such Money Market Quotes should offer a Money Market [Margin][Absolute Rate]. [The applicable base rate is the LIBO Rate.]

Please respond to this invitation by no later than [9:30 a.m.] [10:00 a.m.] (New York City time) on [date].

JP MORGAN CHASE BANK

By
Name:
Title:

Form of Invitation for Money Market Quote

Form of Money Market Quote  
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JP MORGAN CHASE BANK,  
as Administrative Agent  
270 Park Avenue  
New York, New York 10017

Attention:

Re: Money Market Quote to Anheuser-Busch Companies, Inc.  
(the "Company")  
-----

In response to your invitation on behalf of the Company  
dated \_\_\_\_\_, we hereby make the following Money Market Quote on the  
following terms:

1. Quoting Bank: \_\_\_\_\_
2. Person to contact at Quoting Bank: \_\_\_\_\_
3. Date of Borrowing: \_\_\_\_\_(3)

4. We hereby offer to make Money Market Loan(s) in the following  
principal amounts, for the following Interest Periods and at the following  
rates:

<FN>  
-----

(3) As specified in the related Invitation.

Form of Money Market Quote  
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<PAGE>

<TABLE>  
<CAPTION>

	Principal Amount(4) -----	Interest Period(5) -----	[Money Market Margin(6)] -----	[Absolute Rate(7)] -----
<S>		<C>	<C>	<C>
\$				
\$				

</TABLE>

[Provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed \$\_\_\_\_\_.]

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Credit Agreement dated as of August 4, 2003, among the Company, the Banks party thereto and yourselves, as Administrative Agent, irrevocably obligate us to make the Money Market Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,

[NAME OF BANK]

Dated: \_\_\_\_\_

By \_\_\_\_\_

Name:  
Title:

<FN>

- 
- (4) Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the amount the Bank is willing to lend. Bids must be made for \$10,000,000 or a larger multiple of \$1,000,000.
  - (5) Not less than 7 days, as specified in the related Invitation. No more than five bids are permitted for each Interest Period.
  - (6) Margin over or under the LIBO Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/10,000th of 1%) and specify whether "PLUS" or "MINUS".
  - (7) Specify rate of interest per annum (expressed to 1/10,000th of 1%).

Notice of Money Market Borrowing

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Notice of Money Market Borrowing  
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JP MORGAN CHASE BANK,  
as Administrative Agent  
270 Park Avenue  
New York, New York 10017

Attention:

Re: Money Market Quotes to  
Anheuser-Busch Companies, Inc.

Pursuant to Section 2.04 of the Credit Agreement dated as  
of August 4, 2003 (as amended from time to time, the "Credit Agreement"),

-----  
among the undersigned, the Banks party thereto and JPMorgan Chase Bank, as  
Administrative Agent, and in response to the Money Market Quotes dated  
\_\_\_\_\_ and obtained by you on our behalf, we hereby accept the  
following Money Market Quote(s) on the following terms:

- 1. Quoting Bank: \_\_\_\_\_
- 2. Person to contact at Quoting Bank: \_\_\_\_\_
- 3. Date of Borrowing: \_\_\_\_\_

4. We hereby accept Money Market Loan(s) in the following principal  
amounts, for the following Interest Periods, and at the following rates: (8)

<FN>

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(8) Acceptance may only be made on the basis of ascending Money Market  
Absolute Rates or Money Market Margins, as the case may be.

Notice of Money Market Borrowing  
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<TABLE>  
<CAPTION>

Principal Amount(9) -----	Interest Period(10) -----	[Money Market Margin(11)] -----	[Absolute Rate(12)] -----
<S> \$ \$ </TABLE>	<C>	<C>	<C>

Terms used herein have the meanings assigned to them in the Credit Agreement.

ANHEUSER-BUSCH COMPANIES, INC.

By \_\_\_\_\_  
Name:  
Title:

<FN>  
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- (9) Principal amount accepted for each Interest Period may not exceed principal amount requested. Acceptances must be in the amount of \$10,000,000 or a larger multiple of \$1,000,000.
- (10) As specified in the related Money Market Quote.
- (11) Margin above or below (as specified) the applicable LIBO Rate, expressed as a percentage to be added to or subtracted from such base rate.
- (12) Rate of interest per annum, as specified in the related Money Market Quote.

Notice of Money Market Borrowing  
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<PAGE>

EXHIBIT F

Opinion of Associate General Counsel of the Company

314/577-3298  
FAX 314/577-0776  
thomas.larson@anheuser-busch.com

August 4, 2003

TO THE BANKS AND THE ADMINISTRATIVE AGENT

Referred to below  
c/o JPMorgan Chase Bank  
270 Park Avenue  
New York, New York 10017

Re: Credit Agreement dated as of August 4, 2003 among  
Anheuser-Busch Companies, Inc., the Banks listed therein  
and JPMorgan Chase Bank, as Administrative Agent ("Credit  
Agreement")

Ladies and Gentlemen:

I am an Associate General Counsel of Anheuser-Busch Companies, Inc., a Delaware corporation ("ABC"), and have represented ABC in connection with its execution and delivery of the Credit Agreement. Unless otherwise indicated, terms used herein shall have the meanings assigned to them in the Credit Agreement. This opinion letter is limited to the laws of the State of New York, the corporate law of the State of Delaware and the federal law of the United States.

I have examined such documents, records and matters of law and have made such inquiries as I have deemed necessary for purposes of this opinion letter, and based thereupon I am of the opinion that:

(1) ABC is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware with the requisite corporate power and authority to conduct its businesses as now being conducted and to execute, deliver and perform its obligations under the Credit Agreement.

(2) ABC has duly authorized, executed and delivered the Credit Agreement, and the Credit Agreement constitutes a valid and binding obligation of ABC, enforceable against ABC in accordance with its terms, except as such enforceability may be limited by bankruptcy and other similar laws affecting creditors' rights generally as in effect from time to time and general principles of equity (whether considered in a proceeding in equity or at law).

Opinion of Associate General Counsel of the Company  
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(3) The execution and delivery by ABC, and the performance of its obligations under, the Credit Agreement do not conflict with its charter, bylaws, or any applicable law (including without limitation the provisions of Regulation U or X of the Board of Governors of the Federal Reserve System) or any judgment, order, decree or injunction known to me of any governmental body and will not constitute a default or create any Lien on any asset of the Company or its Subsidiaries under any indenture, mortgage or other agreement or instrument known to me to which ABC or any of its property is bound.

(4) ABC is not required to obtain any consent or approval from, or make any filing with, any governmental agency in connection with its execution and delivery of, or the performance of its obligations under, the Credit Agreement.

(5) There is no litigation, governmental proceeding, action, suit or arbitration pending or, to my knowledge, threatened against ABC or any of its Subsidiaries that would reasonably be expected to have a material adverse effect on the validity or enforceability of the Credit Agreement, the ability of ABC to perform its obligations thereunder or upon the consolidated financial position of ABC.

(6) ABC is not an "investment company" or a company "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

This opinion letter is furnished by me, as counsel for ABC, in connection with the execution and delivery of the Credit Agreement, upon the understanding that I am not otherwise assuming any professional responsibility.

Very truly yours,

Thomas Larson  
Associate General Counsel

Opinion of Associate General Counsel of the Company  
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EXHIBIT G

[Opinion of Special New York Counsel to JPMorgan Chase Bank]

August 4, 2003

To the Banks that are parties to the

Credit Agreement referred to below and  
JPMorgan Chase Bank, as Administrative  
Agent for such Banks (the "Administrative  
Agent")

Ladies and Gentlemen:

We have acted as special New York counsel to JPMorgan Chase Bank ("JPMorgan Chase") in connection with the Credit Agreement dated as of August 4, 2003 (the "Credit Agreement") among Anheuser-Busch Companies, Inc. (the "Company"), the financial institutions referred to as "Banks" in the Credit Agreement (the "Banks") and JPMorgan Chase Bank, as Administrative Agent. Terms defined in the Credit Agreement have the same respective defined meanings when used herein.

In rendering the opinions expressed below, we have examined an executed counterpart of the Credit Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of the Credit Agreement and the conformity with the authentic Credit Agreement of any copies thereof. When relevant facts were not independently established, we have relied upon representations made in or pursuant to the Credit Agreement. We have also assumed that the Credit Agreement has been duly authorized, executed and delivered by, and (except to the extent set forth below, as to the Company) constitutes a legal, valid, binding and enforceable obligation of, all of the parties thereto, that all signatories thereto have been duly authorized and that all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the same.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that the Credit Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, and except as the enforceability of the Credit Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

Opinion of Special New York Counsel to JPMorgan Chase Bank

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The foregoing opinions are also subject to the following comments and qualifications:

(A) The enforceability of provisions in the Credit Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(B) The enforceability of Section 10.03(b) of the Credit Agreement may be limited by laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct.

(C) Section 9.02 of the Credit Agreement may not be enforceable to the extent that the obligations of any Eligible Subsidiary under the Credit Agreement are materially modified.

(D) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Bank is located (other than New York) that limits the interest, fees or other charges it may impose for the loan or use of money or other credit, (ii) the last sentence of Section 10.04 of the Credit Agreement, (iii) the second sentence of Section 10.08 of the Credit Agreement insofar as such sentence relates to the subject-matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement, and (iv) the waiver of inconvenient forum set forth in the last sentence of Section 10.08 of the Credit Agreement with respect to proceedings in any Federal Court.

(E) We point out with reference to obligations stated to be payable in a currency other than U.S. Dollars that (i) a New York statute provides that a judgment rendered by a court of the State of New York in respect of an obligation denominated in any such other currency would be rendered in such other currency and would be converted into U.S. Dollars at the rate of exchange prevailing on the date of entry of such judgment and (ii) a judgment rendered by a Federal court sitting in the State of New York in respect of an obligation denominated in any such other currency may be expressed in U.S. Dollars, but we express no opinion as to the rate of exchange such Federal court would apply.

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the law of any other jurisdiction.

Opinion of Special New York Counsel to JPMorgan Chase Bank  
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This opinion letter is provided to you by us as special New York counsel to JPMorgan Chase Bank pursuant to Section 3.02(b) of the Credit Agreement and may not be relied upon by any other person or for any purpose other than in connection with the transactions contemplated by the Credit Agreement without our prior written consent in each instance.

Very truly yours,

MJB/WJM

Opinion of Special New York Counsel to JPMorgan Chase Bank  
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[Form of Assignment and Acceptance]

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit Agreement dated as of August 4, 2003 (as amended from time to time, the "Credit Agreement"), among Anheuser-Busch Companies, Inc., the Banks named therein and JPMorgan Chase Bank, as Administrative Agent for said Banks. Terms defined in the Credit Agreement are used herein with the same meanings.

The Assignor named below hereby sells and assigns, without recourse, to the Assignee named below, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Assignment Date set forth below, the interests set forth below (the "Assigned Interest") in the Assignor's rights and obligations under the Credit

Agreement, including the interests set forth below in the Commitment of the Assignor on the Assignment Date and the Loans owing to the Assignor which are outstanding on the Assignment Date, together with unpaid interest accrued on the assigned Loans to the Assignment Date, the participations in Letters of Credit, LC Disbursements and Swingline Loans held by the Assignor on the Assignment Date, and the amount, if any, set forth below of the fees accrued to the Assignment Date for account of the Assignor. The Assignee hereby acknowledges receipt of a copy of the Credit Agreement. From and after the Assignment Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Bank thereunder and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

This Assignment and Acceptance is being delivered to the Administrative Agent together with, if the Assignee is not already a Bank under the Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The [Assignee/Assignor] shall pay the fee payable to the Administrative Agent pursuant to Section 10.06(c) of the Credit Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the law of the State of New York.

Form of Assignment and Acceptance  
-----

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of Assignment:

("Assignment Date"):

-----

Principal Amount  
Assigned (and identifying  
information as to individual  
Negotiated Rate Loans and Money  
Market Loans)  
-----

Commitment Assigned:

\$

Syndicated Loans:

Negotiated Rate Loans:

Money Market Loans:

Fees Assigned (if any):

Form of Assignment and Acceptance

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The terms set forth above and below are hereby agreed to:

[NAME OF ASSIGNOR] \_\_\_\_\_, as Assignor  
-----

By: \_\_\_\_\_  
Name:  
Title:

[NAME OF ASSIGNEE] \_\_\_\_\_, as Assignee  
-----

By: \_\_\_\_\_  
Name:  
Title:

The undersigned hereby consent to the within assignment: (13)  
ANHEUSER-BUSCH COMPANIES, INC.

By: \_\_\_\_\_  
Name:  
Title:

JPMORGAN CHASE BANK,  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

<FN>  
-----

(13) Consents to be included to the extent required by Section 10.06(c) of  
the Credit Agreement.

Form of Assignment and Acceptance  
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[NAME OF ISSUING BANK],  
as Issuing Bank

By: \_\_\_\_\_  
Name:  
Title:

[NAME OF SWINGLINE BANK],  
as Swingline Bank

By: \_\_\_\_\_  
Name:  
Title:

Form of Assignment and Acceptance  
-----

FORM OF ELECTION TO PARTICIPATE

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[Date]

JPMORGAN CHASE BANK,  
as Administrative Agent  
for the Banks named in the Credit Agreement  
dated as of August 4, 2003 (as amended from  
time to time, the "Credit Agreement") among

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Anheuser-Busch Companies, Inc., such Banks  
and such Administrative Agent

Dear Sirs:

Reference is made to the Credit Agreement described above.  
Terms not defined herein which are defined in the Credit Agreement have for  
the purposes hereof the meanings provided therein.

The undersigned, [name of Eligible Subsidiary], a  
[jurisdiction of incorporation] corporation, elects to be an Eligible  
Subsidiary for purposes of the Credit Agreement, effective from the date  
hereof until an Election to Terminate shall have been delivered on behalf of  
the undersigned in accordance with the Credit Agreement. The undersigned  
confirms that the representations and warranties set forth in Section 4.02  
of the Credit Agreement are true and correct as to the undersigned as of the  
date hereof, and the undersigned agrees to perform all the obligations of an  
Eligible Subsidiary under, and to be bound in all respects by the terms of,  
the Credit Agreement, as if the undersigned were a signatory party thereto.  
The undersigned further acknowledges and agrees that the Company will act as  
exclusive agent of and attorney-in-fact for the undersigned for all purposes  
of the Credit Agreement, and in such capacity as agent the Company will have  
the exclusive authority to provide notices under the Credit Agreement with  
respect to any loans to be made to the undersigned. The undersigned shall be  
bound by all agreements and actions entered into or taken by the Company  
under or pursuant to the Credit Agreement. The appointment by the  
undersigned of the Company to act as its agent and attorney-in-fact is  
irrevocable, and the undersigned agrees to assume all risk of keeping itself  
informed of the actions of the Company under the Credit Agreement, with the  
understanding that the Administrative Agent and the Banks will be relying on  
the foregoing in advancing Loans under the Credit Agreement.

Form of Election to Participate

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This instrument shall be construed in accordance with and governed by the law of the State of New York.

Very truly yours,

[NAME OF ELIGIBLE SUBSIDIARY]

By \_\_\_\_\_

Name:  
Title:

The undersigned confirms that [name of Eligible Subsidiary] is an Eligible Subsidiary for purposes of the Credit Agreement described above.

ANHEUSER-BUSCH COMPANIES, INC.

By \_\_\_\_\_

Name:  
Title:

Receipt of the above Election to Participate is acknowledged on and as of the date set forth above.

JPMORGAN CHASE BANK,  
as Administrative Agent

By \_\_\_\_\_

Name:  
Title:

Form of Election to Participate

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FORM OF ELECTION TO TERMINATE

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[Date]

JPMORGAN CHASE BANK,  
as Administrative Agent  
for the Banks named in the Credit Agreement  
dated as of August 4, 2003 (as amended from  
time to time, the "Credit Agreement") among

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Anheuser-Busch Companies, Inc., such Banks  
and such Administrative Agent

Dear Sirs:

Reference is made to the Credit Agreement described above.  
Terms not defined herein which are defined in the Credit Agreement have for  
the purposes hereof the meanings provided therein.

The undersigned, Anheuser-Busch Companies, Inc., a  
Delaware corporation, elects to terminate the status of [name of Eligible  
Subsidiary], a [jurisdiction of incorporation] corporation (the "Designated  
Subsidiary"), as an Eligible Subsidiary for purposes of the Credit

-----

Agreement, effective as of the date hereof. The undersigned represents and  
warrants that all principal and interest on the Loans to the Designated  
Subsidiary and all other amounts payable by such Designated Subsidiary  
pursuant to the Credit Agreement have been paid in full on or prior to the  
date hereof. Notwithstanding the foregoing, this Election to Terminate shall  
not affect any obligation of the Designated Subsidiary under the Credit  
Agreement heretofore incurred.

This instrument shall be construed in accordance with and  
governed by the law of the State of New York.

Very truly yours,

ANHEUSER-BUSCH COMPANIES, INC.

By

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Name:

Title:

Form of Election to Terminate

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Receipt of the above Election to Terminate is hereby  
acknowledged on and as of the date set forth above.

JPMORGAN CHASE BANK,  
as Administrative Agent

By -----  
Name:  
Title:

Form of Election to Terminate  
-----

SCHEDULE I

COMMITMENTS

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BANK	COMMITMENT
----	-----
JPMorgan Chase Bank	\$250,000,000
Bank One, NA	250,000,000
Bank of America, N.A.	175,000,000
Citibank, N.A.	175,000,000
USB AG	175,000,000
Merrill Lynch Bank USA	175,000,000
Morgan Stanley Bank	175,000,000
Sun Trust Bank	175,000,000
Mellon Bank, N.A.	75,000,000
State Street Bank and Trust Company	75,000,000
Barclays Bank PLC	50,000,000
BNP Paribas	50,000,000
Mizuho Corporate Bank, LTD	50,000,000
Sumitomo Mitsui Banking Corporation	50,000,000
U.S. Bank National Association	50,000,000
Wells Fargo Bank, N.A.	50,000,000
TOTAL	2,000,000,000

Commitments

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UNRESTRICTED SUBSIDIARIES

Anheuser-Busch Asia, Inc.  
Anheuser-Busch Australia Limited  
Anheuser-Busch Brasil Holdings, Ltd.  
Anheuser-Busch Canada, Inc.  
Anheuser-Busch Distributors of New York, Inc.  
Anheuser-Busch Entertainment Limited  
Anheuser-Busch Europe, Inc.  
Anheuser-Busch Europe Limited  
Anheuser-Busch Florida Investment Capital Corporation  
Anheuser-Busch Import Investment, Inc.  
Anheuser-Busch Impact Investments, Inc.  
Anheuser-Busch International Holdings, Inc.  
Anheuser-Busch International Holdings, Inc. Chile I Limitada  
Anheuser-Busch International Holdings, Inc. Chile II Limitada  
Anheuser-Busch International, Inc.  
Anheuser-Busch Investments, S.L.  
Anheuser-Busch Latin American Development Corporation  
Anheuser-Busch Mexico, Inc.  
Anheuser-Busch Oversea Holdings, L.L.C.  
Anheuser-Busch Packaging Group, Inc.  
Anheuser-Busch River North Investment Capital Corporation  
Anheuser-Busch Sales of Hawaii, Inc.  
Anheuser-Busch Sales of South Bay, Inc.  
Anheuser-Busch San Diego Wholesaler Development Corp.

Unrestricted Subsidiaries  
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Anheuser-Busch Spanish Holdings, Inc.  
Anheuser-Busch Wholesaler Development Corporation  
Anheuser-Busch Wholesaler Development Corporation III  
Anheuser-Busch Wholesaler Development Corporation IV  
Anheuser-Busch Wisconsin Investment Capital Corporation  
Anheuser-Busch World Trade, Ltd.  
August A. Busch & Co. of Massachusetts, Inc.  
Baci Holdings, Inc.  
Baci of Delaware, Inc.  
Baci, Inc.  
Bannon Corporation  
BARI-Canada, Inc.  
Bevo Music, Inc.  
Boardwalk and Baseball, Inc.  
Bow Tie Music, Inc.  
Budweiser Brazil Ltda.  
Budweiser Philippines, Inc.  
Budweiser Wuhan International Brewing Company Limited  
Busch Agricultural Resources International, Inc.  
Busch Entertainment Corporation  
Busch International Sales Corp.  
Busch Investment Corporation  
Busch Mechanical Services, Inc.  
Busch Media Group, Inc.  
Busch Properties of Florida, Inc.  
Busch Properties, Inc.

Unrestricted Subsidiaries

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Civic Center Corporation  
Coleridge Corporation  
Consolidated Farms, Inc.  
Eagle Snacks, Inc.  
Fairfield Transport, Inc.  
Garrard Holding Co.  
Garrard Leasing Company  
Glass Container Corporation  
HSH of Orlando, Inc.  
ILH Company  
Innoven IV Corporation  
Kingsmill Realty, Inc.  
Langhorne Food Services Inc.  
Litchfield Development Corporation  
Manufacturers Cartage Company  
Manufacturers Railway Company  
MRS Redevelopment Corporation  
MRS Transport Company  
Nutri Turf, Inc.  
PBP, Inc.  
Pestalozzi Street Insurance Company, Ltd.  
Promociones y Desarrollos Mexico de Mexicali  
PSB, Inc.  
Puget Sound Beverages, Inc.  
SeaWorld of Florida, Inc.  
SeaWorld of Texas, Inc.

Unrestricted Subsidiaries

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SeaWorld, Inc.

SFKBPP, Inc.

Somerset Distributors, LLC

Stag Brewing Company Limited

St. Louis Refrigerator Car Company

Tune Out Music, Inc.

Wholesaler Equity Development Corporation

Williamsburg Transport, Inc.

Unrestricted Subsidiaries

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SCHEDULE 5.01(b)

Permitted Liens  
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NONE

Permitted Liens  
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## ANHEUSER-BUSCH COMPANIES, INC.

## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges, on a consolidated basis for the periods indicated (\$ in millions).

<TABLE>  
<CAPTION>

	2003	2002	2001	2000	1999
<S> Earnings -----	<C>	<C>	<C>	<C>	<C>
Consolidated pretax income	\$2,824.3	\$2,623.6	\$2,377.6	\$2,179.9	\$2,007.6
Dividends received from equity investees	169.2	46.7	25.8	23.9	2.9
Net interest capitalized	3.3	10.8	1.0	(5.6)	9.8
Fixed charges	442.6	406.8	402.8	385.1	343.8
Adjusted earnings	\$3,439.4	\$3,087.9	\$2,807.2	\$2,583.3	\$2,364.1
	-----	-----	-----	-----	-----
Fixed Charges -----					
Interest expense	\$401.5	\$368.7	\$361.2	\$348.2	\$307.8
Interest portion of rent expense (1)	36.3	34.1	37.9	33.2	32.2
Amortization of deferred debt issuance costs	4.8	4.0	3.7	3.7	3.8
Total fixed charges	\$442.6	\$406.8	\$402.8	\$385.1	\$343.8
	-----	-----	-----	-----	-----
Ratio of Earnings to Fixed Charges	7.8	7.6	7.0 (2)	6.7	6.9
	=====	=====	=====	=====	=====

<FN>

(1) The interest portion of rent expense is calculated as one-third of total rents paid.

(2) The ratio for 2001 includes the gain from the sale of SeaWorld Cleveland, which increased consolidated pretax income by \$17.8 million. Excluding this one-time gain, the ratio would have been 6.9.

</TABLE>

MANAGEMENT'S DISCUSSION AND  
ANALYSIS OF OPERATIONS AND  
FINANCIAL CONDITION  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

INTRODUCTION

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of Anheuser-Busch Companies, Inc. for the three-year period ended December 31, 2003. This discussion should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements included in this annual report.

This discussion contains forward-looking statements regarding the company's expectations concerning its future operations, earnings and prospects. On the date the forward-looking statements are made, the statements represent the company's expectations, but the company's expectations concerning its future operations, earnings and prospects may change. The company's expectations involve risks and uncertainties (both favorable and unfavorable) and are based on many assumptions that the company believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Accordingly, there can be no assurances that the company's expectations and the forward-looking statements will be correct. Important factors that could cause actual results to differ (favorably or unfavorably) from the expectations stated in this discussion include, among others, changes in the pricing environment for the company's products; changes in U.S. demand for malt beverage products; changes in consumer preference for the company's malt beverage products; regulatory or legislative changes, including changes in beer excise taxes at either the federal or state level; changes in the litigation to which the company is a party; changes in raw materials prices; changes in packaging materials costs; changes in interest rates; changes in foreign currency exchange rates; unusual weather conditions that could impact beer consumption in the U.S.; changes in attendance and consumer spending patterns for the company's theme park operations; changes in demand for aluminum beverage containers; changes in the company's international beer business or in the beer business of the company's international equity partners; changes in the company's credit rating resulting from future acquisitions or divestitures; and the effect of stock market conditions on the company's share repurchase program. Anheuser-Busch disclaims any obligation to update any of these forward-looking statements.

OBJECTIVES

Anheuser-Busch remains focused on its three core objectives designed to enhance shareholder value:

- o Increasing domestic beer segment volume and per barrel profitability that, when combined with continued market share growth, will provide the base for long-term double-digit earnings per share growth and improvement in return on capital employed.
- o Increasing international beer segment profit growth. The company has made significant marketing investments to build recognition of the Budweiser brands outside the United States and owns and operates breweries in China and the United Kingdom. The company also has a 50% equity position in Grupo Modelo, Mexico's largest brewer and producer of the Corona brand; a 20% equity position in Compania Cervecerias Unidas (CCU), the largest brewer in Chile; and a 9.9% equity position in Tsingtao, the largest brewer in China and producer of the Tsingtao brand, with an agreement to eventually acquire a 27% economic interest.
- o Continued growth in profit and free cash flow in the packaging and entertainment segments. Packaging operations provide significant efficiencies, cost savings and quality assurance for domestic beer operations. Entertainment operations enhance the company's corporate image by showcasing Anheuser-Busch's heritage, values and commitment to quality and social responsibility to approximately 20 million visitors annually.

OPERATING RESULTS

Led by continued growth in both domestic and international beer operations, Anheuser-Busch had another excellent year in 2003, selling 111 million barrels of its beer brands worldwide and achieving its 21st consecutive quarter of solid double-digit earnings per share growth in the fourth quarter. The company's proven ability to leverage its substantial competitive strengths has led to these consistently strong results. The beer pricing environment remains favorable and the combination of revenue per barrel growth and volume increases has driven continued increases in profit margins and return on capital employed. For the full year 2003, gross margin increased 20 basis points to 40.3%, while operating margin increased 60 basis points to 22.6%. Return on capital employed improved to 18.4%, an increase of 90 basis points over the past 12 months.

Anheuser-Busch looks forward to 2004 with outstanding brands, solid sales execution, a favorable industry pricing environment and a strong financial position. The company remains confident in its ability to consistently achieve its minimum double-digit earnings per share growth objective over the long-term, and reiterates its previously stated 12% earnings per share growth target for 2004.

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Effective in the first quarter 2002, the company ceased amortizing goodwill in accordance with FAS No. 142, "Goodwill and Other Intangible Assets." The impact of goodwill amortization on 2001 net income and diluted earnings per share was \$35.8 million and \$.04, respectively. Had goodwill amortization ceased on January 1, 2001, net income for 2001 would have been \$1.74 billion and diluted earnings per share would have been \$1.93.

Comparisons of key operating results for the last three years are summarized in the following tables. As noted above, due to the adoption of FAS 142, operating results for 2003 and 2002 do not reflect any goodwill amortization expense. Per the requirements of FAS 142, Anheuser-Busch did not restate the results of operations for 2001 or 2000 to exclude goodwill amortization, so results for those years include the impact of goodwill expense. The absence or presence of goodwill amortization expense in the operating results for the years shown makes direct comparison between operating results more difficult.

Therefore, for the clearest understanding of the company's operations, the analysis of operating results for 2002 vs. 2001 is based on 2001 results provided on a comparable basis, which exclude the impact of goodwill amortization. Discussions of operating results for 2001 vs. 2000 are already on a similar basis, as the results for both years include goodwill amortization expense.

#### Comparison of Operating Results

Year Ended December 31 (in millions, except per share)

<TABLE>

<CAPTION>

	2003	2002	2003 vs. 2002	
<S>	<C>	<C>	<C>	<C>
Gross sales	\$16,320	\$15,687	up \$633	up 4.0%
Net sales	\$14,147	\$13,566	up \$581	up 4.3%
Income before income taxes	\$ 2,824	\$ 2,624	up \$200	up 7.7%
Equity income, net of tax	\$ 345	\$ 352	down \$ 7	down 1.9%
Net income	\$ 2,076	\$ 1,934	up \$142	up 7.4%
Diluted earnings per share	\$ 2.48	\$ 2.20	up \$.28	up 12.7%

<CAPTION>

	2002 vs. 2001			
	2002	2001	Reported Basis	Comparable Basis*
<S>	<C>	<C>	<C>	<C>
Gross sales	\$15,687	\$14,973	up 4.8%	up 4.8%
Net sales	\$13,566	\$12,912	up 5.1%	up 5.1%
Income before income taxes	\$ 2,624	\$ 2,378	up 10.3%	up 9.6%
Equity income, net of tax	\$ 352	\$ 254	up 38.3%	up 28.2%
Net income	\$ 1,934	\$ 1,705	up 13.4%	up 11.1%
Diluted earnings per share	\$ 2.20	\$ 1.89	up 16.4%	up 14.0%

<FN>

\* Excludes goodwill amortization in 2001.

<CAPTION>

	2001 vs. 2000			
	2001	2000	2001 vs. 2000	
<S>	<C>	<C>	<C>	<C>
Gross sales	\$14,973	\$14,534	up \$439	up 3.0%
Net sales	\$12,912	\$12,499	up \$413	up 3.3%
Income before income taxes	\$ 2,378	\$ 2,180	up \$198	up 9.1%
Equity income, net of tax	\$ 254	\$ 246	up \$ 8	up 3.4%
Net income	\$ 1,705	\$ 1,552	up \$153	up 9.9%
Diluted earnings per share	\$ 1.89	\$ 1.69	up \$.20	up 11.8%

</TABLE>

Provided in the table below for informational purposes are certain 2001 operating measures presented on both an as-reported basis, which includes goodwill amortization, and on the comparable basis used in the analysis of 2002 vs. 2001 performance throughout Management's Discussion and Analysis, which excludes goodwill amortization.

<TABLE>

<CAPTION>

	% Change 2002 vs. 2001			
	2001 Reported Basis	2001 Comparable Basis	Reported Basis	Comparable Basis
<S>	<C>	<C>	<C>	<C>
Cost of sales	\$7,950.4	\$7,938.9	up 2.3%	up 2.4%
Gross profit	\$4,961.1	\$4,972.6	up 9.6%	up 9.3%
Gross profit margin	38.4%	38.5%	up 1.7 pts.	up 1.6 pts.
Marketing, distribution & administrative expenses	\$2,255.9	\$2,254.2	up 8.8%	up 8.9%
Operating income	\$2,723.0	\$2,736.2	up 9.4%	up 8.9%
Operating profit margin	21.1%	21.2%	up 0.9 pts.	up 0.8 pts.

Operating profit margin excluding gain on sale of SeaWorld Cleveland	--	21.1%	--	up 0.9 pts.
Income before income taxes	\$2,377.6	\$2,393.5	up 10.3%	up 9.6%
Domestic beer segment income before income taxes	\$2,667.1	\$2,671.7	up 9.5%	up 9.3%
International beer segment income before income taxes	\$ 54.4	\$ 55.6	up 39.9%	up 36.9%
Packaging segment income before income taxes	\$ 107.5	\$ 108.3	up 43.3%	up 42.2%
Entertainment segment income before income taxes	\$ 147.4	\$ 141.6	up 3.8%	up 8.0%
Equity income	\$ 254.4	\$ 274.3	up 38.3%	up 28.2%
Net income	\$1,704.5	\$1,740.3	up 13.4%	up 11.1%
Effective tax rate	39.0%	38.7%	up 0.7 pts.	up 1.0 pts.
Basic earnings per share	\$ 1.91	\$ 1.95	up 16.8%	up 14.4%
Diluted earnings per share	\$ 1.89	\$ 1.93	up 16.4%	up 14.0%

</TABLE>

#### SALES

Revenue per barrel reflects the net average sales price the company obtains from wholesaler customers for its products. The higher the net revenue per barrel, the greater the company's gross profit dollars and gross profit margin, with revenue per barrel increases having nearly twice the impact on profits as comparable percentage increases in beer volume. Revenue per barrel is calculated as net sales generated by the company's domestic beer operations on barrels of beer sold, determined on a U.S. GAAP basis, divided by the volume of beer shipped from the company's breweries.

Anheuser-Busch strives to obtain price increases that approximate, or are slightly less than, increases in the U.S. Consumer Price Index (CPI) over time. On a constant dollar basis, beer is more affordable today than it was 10 years ago, and the company believes its pricing strategy allows for continuing future moderate price increases. The company also believes that significant federal excise tax increases (which are not expected) could disrupt the current favorable industry-pricing environment because it could trigger retail beer price increases in excess of the CPI. The cost of these increases would be borne directly by consumers.

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Anheuser-Busch's reported domestic sales volume is based on beer sales to the company's network of independent wholesalers. Higher beer sales-to-wholesalers volume will increase gross profit dollars and potentially increase gross profit margin. Wholesaler sales-to-retailers volume is a leading indicator of demand for the company's products at the retail level. Higher wholesaler sales-to-retailers require increased beer sales-to-wholesalers to meet ongoing demand.

In the fourth quarter of 2001, the company changed its presentation of pass-through finished product delivery costs reimbursed by customers. The company presents these items separately as sales and cost of sales. These items were previously offset for zero impact within cost of sales. This change in presentation had a minor impact on revenue and profit margins growth, and had no impact on cash flows, operating income, net income and earnings per share.

Worldwide Anheuser-Busch beer brands volume is composed of domestic volume and international volume. Domestic volume represents Anheuser-Busch brands produced and shipped within the United States. International volume represents exports from the company's U.S. breweries, plus Anheuser-Busch brands produced overseas by company-owned breweries in China and the United Kingdom and under various license and contract-brewing agreements. Total brands sales volume combines worldwide Anheuser-Busch brand volume with the company's ownership percentage share of volume in its international equity partners ... Grupo Modelo and CCU.

Worldwide Beer Volume

Total worldwide beer volume results for the three years ended December 31 are summarized in the following table (millions of barrels):

<TABLE>  
<CAPTION>

	2003	2002	Change
<S>	<C>	<C>	<C>
Domestic	102.6	101.8	up 0.8%
International	8.4	8.0	up 5.0%
Worldwide A-B brands	111.0	109.8	up 1.1%
International equity partner brands	18.8	18.1	up 4.0%
Total brands	129.8	127.9	up 1.5%

<CAPTION>

	2002	2001	Change
<S>	<C>	<C>	<C>
Domestic	101.8	99.7	up 2.1%
International	8.0	7.5	up 5.4%
Worldwide A-B brands	109.8	107.2	up 2.3%
International equity partner brands	18.1	17.2	up 5.3%
Total brands	127.9	124.4	up 2.8%

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	2001	2000	Change
<S>	<C>	<C>	<C>
Domestic	99.7	98.5	up 1.2%
International	7.5	7.1	up 5.6%
Worldwide A-B brands	107.2	105.6	up 1.5%
International equity partner brands	17.2	15.7	up 9.7%(1)
Total brands	124.4	121.3	up 2.6%(1)

<FN>

(1) Normalized to exclude incremental volume contributed by the 2001 acquisition of CCU, equity partner brands volume increased 4.9%, and total brands volume increased 2.0%, for 2001 vs. 2000.

</TABLE>

Sales\*  
(IN BILLIONS)

[graph]

	Gross Sales	Net Sales
2003	\$16.3	\$14.1
2002	\$15.7	\$13.6
2001	\$15.0	\$12.9
2000	\$14.5	\$12.5
1999	\$13.9	\$11.9

<FN>

\*The difference between gross and net sales represents beer excise taxes.



Sales -- 2003 vs. 2002

Anheuser-Busch reported record gross sales of \$16.3 billion and record net sales of \$14.1 billion in 2003, representing increases of 4%, or \$633 million, and 4.3%, or \$581 million, respectively, compared to 2002. The increases in both gross and net sales were principally due to a \$410 million, or 3.9% increase in domestic beer segment net sales resulting from 3.1% higher domestic revenue per barrel and a 0.8% increase in beer sales volume. The increase in revenue per barrel generated \$324 million in net sales improvement and beer volume gains contributed \$86 million of the increase.

In addition to domestic beer sales increases, international beer net sales increased \$55 million, primarily due to volume growth in China and Canada, packaging segment sales increased \$30 million due to higher can pricing, and entertainment sales increased \$65 million on increased ticket prices, higher in-park spending and slightly higher attendance in 2003. The difference between gross and net sales represents beer excise taxes of \$2.2 billion.

Reflecting the continuing strong pricing environment, domestic revenue per barrel grew 3.1% for 2003 and enhanced gross and operating profit margins. For the full year 2003, gross margin increased 20 basis points to 40.3%, while operating margin increased 60 basis points to 22.6%. Return on capital employed improved to 18.4%, an increase of 90 basis points over the past 12 months. Consumers trading up to the super premium Michelob family enhanced the company's revenue per barrel results.

Consistent with the company's practice of implementing moderate annual price increases in two phases, Anheuser-Busch completed the first stage of its pricing plan for 2004 in October 2003, in markets representing approximately 40% of the company's domestic volume. These pricing actions were again very successful, as reflected in the company's strong fourth quarter revenue per barrel performance. As planned, the company began implementing the second stage of 2004 pricing initiatives earlier this year on just over 25% of domestic volume. As in the past, these revenue enhancement initiatives are being tailored to specific markets, brands and packages.

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Domestic beer sales-to-wholesalers volume increased 0.8%, to 102.6 million barrels for 2003. These results are due to the outstanding success of the new Michelob ULTRA low-carbohydrate brand and increased Bud Light sales volume. Bud Light also continued to grow its share of the premium light beer category in 2003. Wholesaler sales-to-retailers volume accelerated through the second half of 2003, increasing 1.7% in the fourth quarter, and was up 0.9% for the year.

Worldwide Anheuser-Busch beer sales volume increased 1.1% for the year to 111.0 million barrels and total volume increased 1.5%, to 129.8 million barrels. International Anheuser-Busch brand beer volume for the year was up 5% vs. 2002, to 8.4 million barrels, principally due to increased beer volume in China.

The company's domestic market share (excluding exports) for the full year 2003 was approximately 50%, compared to 49% for the same period in 2002. Domestic market share is based on estimated beer industry sales using information provided by the Beer Institute and the U.S. Department of Commerce. The company has led the U.S. brewing industry in sales volume and market share since 1957.

#### Sales -- 2002 vs. 2001

Anheuser-Busch achieved gross sales of \$15.7 billion and net sales of \$13.6 billion in 2002, representing increases of 4.8%, or \$714 million, and 5.1%, or \$655 million, respectively, compared to 2001. The increases in gross and net sales were principally due to a \$570 million, or 5.7% increase in domestic beer segment net sales resulting from higher domestic revenue per barrel and higher domestic beer sales volume. Revenue per barrel generated \$354 million in net sales improvement, while higher beer volume contributed \$216 million of the increase.

International beer net sales increased \$43 million, primarily due to volume growth in China. Packaging segment net sales were up \$24 million due to higher soft drink can prices and increased volume. Entertainment segment net sales increased \$11 million due to higher ticket prices and increased in-park spending, partially offset by slightly lower attendance. The difference between gross and net sales represents beer excise taxes of \$2.12 billion.

Domestic beer revenue per barrel grew 3.5% for 2002, reflecting a favorable domestic pricing environment, and the introductions of Michelob ULTRA and Bacardi Silver. Excluding favorable mix, domestic revenue per barrel increased 2.8% for the year. The increases in revenue per barrel enhanced both gross and operating profit margins, which improved 160 basis points and 80 basis points, respectively, in 2002 vs. the prior year.

Domestic beer sales-to-wholesalers volume increased 2.1% vs. 2001, to 101.8 million barrels. This increase was led by Bud family sales, as well as the successful introductions of Bacardi Silver and Michelob ULTRA. Wholesaler inventories at December 31, 2002 were essentially the same as inventory levels at the end of 2001. Wholesaler sales-to-retailers volume was up 1.6% for the year. The company's domestic market share for 2002 (excluding exports) was 49.2% vs. 2001 market share of 48.7%.

Worldwide Anheuser-Busch beer sales volume increased 2.3% in 2002, to 109.8 million barrels. Total beer sales volume was 127.9 million barrels in 2002, up 2.8% vs. 2001. International Anheuser-Busch brand beer volume for 2002 was 8.0 million barrels, an increase of 5.4% vs. 2001. During 2002, the company's three largest markets outside the U.S. -- Canada, China and the United Kingdom -- all experienced volume growth.

#### Sales -- 2001 vs. 2000

Anheuser-Busch reported gross sales of \$15.0 billion and net sales of \$12.9 billion in 2001, representing increases of 3.0%, or \$439 million, and 3.3%, or \$413 million, respectively, compared to 2000. The increases in gross and net sales were principally due to a \$429 million, or 4.5% increase in domestic beer segment net sales resulting from higher domestic revenue per barrel and a 1.2% increase in domestic beer sales volume. Revenue per barrel generated \$298 million in net sales improvement, while higher beer volume contributed \$131 million of the increase. Gross and net sales also benefited from sales increases from the international beer and entertainment segments. The difference between gross and net sales represents beer excise taxes of \$2.06 billion.

Domestic revenue per barrel grew 3.0% for 2001, reflecting a favorable pricing environment. Gross and operating profit margins increased 100 and 110 basis points for the year, respectively, compared to 2000.

Domestic beer sales-to-wholesalers volume increased 1.2% for 2001, to 99.7 million barrels, compared to prior year. Wholesaler sales-to-retailers grew 1.8% for the full year 2001. The Bud family, especially Bud Light, led the increases in sales to both wholesalers and to retailers. The company's domestic market share (excluding exports) for 2001 was 48.7%, compared to market share of 48.5% in 2000.

Worldwide Anheuser-Busch brand sales volume for 2001 grew 1.5%, to 107.2 million barrels, compared to full year 2000. Total brands sales volume was 124.4 million barrels for the year, up 2.6%. International beer volume, excluding Modelo and CCU, grew 5.6% for the full year, to 7.5 million barrels, due primarily to solid volume growth in Canada and China.

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#### COST OF SALES

The company continuously strives to reduce costs throughout its system. Brewery modernizations have yielded long-term savings through reduced beer packaging and shipping costs and reduced maintenance costs. The company's focused production methods and wholesaler support distribution centers concentrate small-volume brand and package production at three breweries to create production efficiencies, reduce costs and enhance responsiveness to changing consumer brand and package preferences. The company also works to reduce distribution costs through better systemwide coordination with its network of independent wholesalers.

Cost of sales was \$8.4 billion in 2003, an increase of \$318 million, or 3.9%, compared to 2002. The increase is due to higher costs in the domestic beer segment, attributable to costs associated with higher beer sales volume, higher production costs primarily resulting from increased brewing and packaging materials and utilities costs. Brewing and packaging materials costs and utilities were higher in the second half of the year than experienced in the first half of the year. Cost of sales for international beer operations also increased due to costs associated with increased beer volume, while theme park and packaging operations and the company's commodity recycling business all experienced increased cost of sales. Gross profit as a percentage of net sales was 40.3% for the year, an increase of 20 basis points versus 2002.

Cost of sales was \$8.13 billion in 2002, an increase of \$192 million, or 2.4% vs. 2001. The increase in 2002 was due primarily to higher domestic beer segment costs, driven by costs associated with higher beer volume of \$78 million, partially offset by lower brewing materials, aluminum and energy costs. Cost of sales also increased in the international beer segment, due to costs associated with increased beer volume, and in the packaging and entertainment businesses. Gross profit as a percentage of sales was 40.1%, an increase of 160 basis points vs. 2001, reflecting higher domestic beer margins generated by improved pricing and favorable costs.

Cost of sales for 2001 was \$7.95 billion, an increase of 1.5%, or \$121 million compared to 2000. The increase is principally due to increased costs for the domestic beer segment, including costs of \$44 million associated with higher domestic beer volume, higher energy costs and increased packaging material costs that reflect the impact of start-up costs related to the company's bottle manufacturing operation in Houston, Texas. Gross profit as a percentage of net sales was 38.4% for 2001, an increase of 100 basis points compared to 2000 and principally reflected higher domestic beer margins.

#### MARKETING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

Advertising and promotional activities for its beer brands and theme park operations are important elements of Anheuser-Busch's strategy, and represent significant annual expenditures. The company employs a variety of national, regional and local media outlets in its promotional efforts, including television, radio, print and outdoor advertising and event sponsorships.

Marketing, distribution and administrative expenses for 2003 were \$2.50 billion, an increase of \$43 million, or 1.7% compared with 2002. This increase is principally due to marketing costs related to Michelob ULTRA, increased company-owned wholesale beer distribution costs, higher international beer marketing costs in Europe and China, and increased theme park advertising costs. Partially offsetting these increases were lower domestic beer segment legal costs and reduced administrative expenses for the entertainment segment.

Marketing, distribution and administrative expenses of \$2.46 billion in 2002 represent an increase of \$201 million vs. 2001 expenses, or 8.9%. The increase is due to higher domestic beer marketing costs for the Bud and Michelob families, introductory costs and ongoing support for Michelob ULTRA and Bacardi Silver, increased distribution costs due to the acquisition of a beer wholesaler in California, higher litigation costs and a \$20 million contribution to the company's charitable foundation.

Marketing, distribution and administrative expenses for 2001 were \$2.26 billion, an increase of 3.7%, or \$81 million vs. 2000. The increase in these expenses in 2001 was principally due to higher domestic beer marketing costs, higher distribution costs related to the acquisition of a wholesaler in California and higher administrative costs.

#### OPERATING INCOME

Operating income represents the measure of the company's financial performance before net interest cost, other nonoperating items and equity income.

Operating income increased \$219 million, or 7.4% in 2003, to \$3.2 billion. Operating margin for the year was 22.6%, an increase of 60 basis points vs. 2002.

Operating income was \$2.98 billion in 2002, an increase of \$244 million, or 8.9%, vs. 2001. In 2001, the company had operating income of \$2.72 billion, representing a 9.2%, or \$228 million, increase over 2000 operating income of \$2.49 billion. Operating margin for 2002 was 22.0%, an increase of 80 basis points vs. 2001. Operating margin in 2001 was 21.1%, a 110 basis point increase over the 2000 margin of 20.0%. Excluding the impact of the \$17.8 million gain on the sale of SeaWorld Cleveland recorded in the first quarter 2001, operating margin for 2002 and 2001 increased 90 and 100 basis points, respectively.

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Increases in operating income and margins for 2003, 2002 and 2001 are due to higher domestic beer revenue per barrel, increased beer volume and improved operating results from all business segments.

#### INTEREST EXPENSE LESS INTEREST INCOME

Interest expense less interest income was \$399.8 million for 2003, \$367.4 million for 2002 and \$360.1 million for 2001, representing increases of 8.8%, 2.0% and 3.7%, respectively, compared to prior years. These increases primarily result from higher average outstanding debt balances compared to prior years, partially offset by lower interest rates for all three years. See the Liquidity and Financial Condition section of this discussion for additional information regarding the company's leverage philosophy and specific changes in the company's debt portfolio.

#### INTEREST CAPITALIZED

Interest capitalized was \$24.4 million in 2003, \$17.7 million in 2002 and \$26.9 million in 2001. The amount of interest capitalized fluctuates depending on construction-in-progress balances, which are impacted by the amount and timing of capital spending, the timing of project completion dates and by market interest rates. Compared to prior years, capital spending increased in 2003, declined in 2002 and was essentially flat in 2001. The increase in 2003 and the decrease in 2002 are primarily due to the deferral of 2002 spending into 2003. As noted in the interest expense discussion above, interest rates have generally declined for the last three years.

#### OTHER INCOME/EXPENSE, NET

Other income/expense, net includes earnings from the company's limited partnership equity investments in beer wholesalers, in addition to other items of a nonoperating nature that do not have a material impact on the company's consolidated results of operations, either individually or in total. The company had net other income of \$400,000 in 2003, and net other expense of \$6.4 million in 2002 and \$12.2 million in 2001. In 2003, the company recognized a \$6 million gain from the sale of a company-owned beer wholesaler in Washington state, and also incurred offsetting amounts related to expenses associated with the early call of higher interest rate debt and a gain from the receipt of proceeds from an insurance company.

#### Income Before Income Taxes (IN MILLIONS)

[graph]

2003	\$2,824.3
2002	\$2,623.6
2001	\$2,377.6
2000	\$2,179.9
1999	\$2,007.6

#### INCOME BEFORE INCOME TAXES

Income before income taxes was \$2.8 billion in 2003, an increase of \$200 million, or 7.7%, vs. 2002. Income before income taxes was \$2.62 billion in 2002 and \$2.38 billion in 2001, representing increases of \$230 million, or 9.6%, and \$198 million, or 9.1%, respectively, vs. prior years. Excluding the impact of the gain on the SeaWorld Cleveland sale in 2001, which better reflects ongoing operations, pretax income increased 10.4% in 2002 and 8.3% in 2001.

#### 2003 vs. 2002

The increase in pretax income for 2003 is primarily due to increased domestic beer segment pretax results, along with improved profit contribution from all of the company's remaining business segments. Domestic beer segment pretax income was up 6.8%, reflecting higher revenue per barrel and increased beer volume. International beer segment pretax income increased 19%, primarily due to volume and profit growth in China. Packaging segment pretax profits were up 1% in 2003, primarily due to improved profits in the company's can, bottle and label manufacturing operations. Entertainment segment operating profits increased 6.4% compared to 2002, primarily due to higher admissions pricing and increased in-park spending.

#### 2002 vs. 2001

Domestic beer pretax income for the year was up 9.3%, to \$2.92 billion, reflecting higher revenue per barrel and increased beer volume. International beer segment pretax income increased 37% for 2002, primarily due to volume and profit growth in China. Packaging segment pretax profits were up 42%, primarily due to higher soft drink can prices and volume, along with a profit contribution from the company's bottle manufacturing operation in 2002 compared to a loss in the 2001 start-up year. Entertainment segment pretax profits for the year were up 8% compared to 2001, excluding the \$17.8 million gain on the sale of the company's SeaWorld Cleveland theme park in 2001.

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2001 vs. 2000

Domestic beer income before income taxes for 2001 was \$2.67 billion, an increase of \$185 million, or 7.5% vs. 2000. This increase is due to higher revenue per barrel and increased beer sales volume. Pretax profit for international beer increased 86% for 2001 due to volume gains in China and Canada, along with contributions from the United Kingdom and Ireland. Income before income taxes for the packaging segment was up 6% for the year, reflecting reduced manufacturing costs partially offset by lower soft drink can pricing and the impact of start-up costs related to the company's bottle manufacturing operation. To indicate underlying operating results only, this comparison excludes an unfavorable adjustment related to the company's label manufacturing business in 2000. Reported-basis pretax results for the packaging segment increased 22% in 2001. Entertainment segment pretax profits for 2001 increased 14% vs. the prior year primarily due to increased attendance, increased in-park spending and a full year of Discovery Cove operations in 2001 vs. a partial year in 2000. To indicate underlying operating results only, these results exclude the impact of SeaWorld Cleveland operating results and related gain on the sale of the park. Including SeaWorld Cleveland, income before income taxes for the segment increased 29%.

#### EQUITY INCOME, NET OF TAX

Equity income of \$344.9 million in 2003 decreased \$7 million vs. 2002, primarily due to the \$17 million one-time deferred income tax benefit included in 2002 Modelo equity income, partially offset by a \$6.5 million charge in 2002 related to a brewery operation restructuring. The deferred tax benefit, which resulted from lower Mexican statutory income tax rates enacted in the first quarter of 2002, was largely offset by higher U.S. deferred income taxes included in the 2002 consolidated income tax provision. Equity income growth from Modelo for 2003 was also dampened by lower export volume growth, Modelo not raising prices in 2003 and a weaker peso. Anheuser-Busch's equity share of CCU earnings for the full year benefited by a \$5.5 million after tax gain from the sale of a brewery in Croatia.

Equity income increased 28.2%, to \$351.7 million for 2002 vs. 2001. Equity income of \$254.4 million in 2001 represents a 3.4% increase compared to 2000 equity income of \$246.0 million. The increases in equity income in 2002 and 2001 are primarily due to Modelo's underlying volume and earnings growth. Excluding the impact of the Modelo tax rate benefit and brewery restructuring charge, equity income on a comparable basis increased 24% in 2002.

#### INCOME TAXES

The company's effective tax rate of 38.7% in 2003 decreased 100 basis points vs. the 39.7% rate in 2002, and was level with the comparable basis rate of 38.7% in 2001. The decrease stems from an unusually high effective tax rate in 2002 due to the U.S. deferred income tax expense offset to the Mexican income tax rate benefit that was included in equity income and a more favorable foreign tax credit position in 2003.

The effective tax rate in 2002 was 100 basis points higher than 2001 on a comparable basis, due to the Modelo deferred tax impact discussed previously and higher foreign taxes, partially offset by the write-off in 2001 of goodwill associated with the sale of SeaWorld Cleveland.

The reported effective tax rates in 2001 and 2000 were 39.0% and 40.1%, respectively. The decrease in 2001 was primarily due to lower foreign taxes partially offset by the write-off of SeaWorld Cleveland goodwill.

In the first quarter 2002, the company began presenting U.S. income taxes relating to foreign equity investment dividends in the consolidated income tax provision. The company previously presented these taxes in equity income. This change in presentation has no impact on net income, earnings per share or cash flows. For comparability, 2001 information was recast to conform to the 2002 presentation.

In 2003, the Internal Revenue Service completed its review of the company's federal tax returns for the years 1999 - 2001. The results of the IRS review did not have a material impact on Anheuser-Busch's results of operations, financial position or cash flows.

#### NET INCOME

Anheuser-Busch net income for 2003 was \$2.1 billion, an increase vs. 2002 of \$142 million, or 7.4%. The company earned net income of \$1.93 billion in 2002, an increase of \$193 million, or 11.1% over 2001. Net income was \$1.70 billion in 2001, an increase of 9.9%, vs. 2000 net income of \$1.55 billion.

Diluted Earnings Per Share\*

[graph]

2003	\$2.48
2002	\$2.20
2001	\$1.89
2000	\$1.69
1999	\$1.47

<FN>

\*On a comparable basis, which excludes goodwill amortization, diluted earnings per share for 2001, 2000 and 1999 would have been \$1.93, \$1.72 and \$1.50, respectively.



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#### DILUTED EARNINGS PER SHARE

Diluted earnings per share were \$2.48 in 2003, an increase of 12.7%, or \$.28 compared to 2002 results. Diluted earnings per share were \$2.20 for 2002, an increase of \$.27 per share, or 14%, vs. 2001. Diluted earnings per share of \$1.89 for 2001 represent an increase of 11.8% over 2000 earnings per share. Diluted earnings per share benefit from the company's ongoing share repurchase program. The company repurchased 39.4 million common shares in 2003, 40.7 million shares in 2002 and 28.2 million shares in 2001. Diluted earnings per share for 2002 include a two-thirds cent negative impact from Modelo's brewery restructuring, while the amount reported for 2001 includes a one-half cent benefit from the sale of SeaWorld Cleveland.

#### EMPLOYEE-RELATED COSTS

Employee-related costs were \$2.19 billion in 2003, an increase of 6.0% vs. 2002 costs. Employee-related costs totaled \$2.07 billion in 2002, an increase of 4.2% vs. 2001 costs of \$1.98 billion, which had increased 3.6% vs. 2000. The changes in employee-related costs primarily reflect normal increases in salaries, wages and benefit levels. Salaries and wages comprise the majority of employee-related costs and totaled \$1.68 billion in 2003, \$1.63 billion in 2002 and \$1.61 billion in 2001, representing increases vs. prior year of 2.8%, 1.7% and 1.8%, respectively. The remainder of employee-related costs consists of pension benefits, life insurance, health care benefits and payroll taxes.

The company had 23,316 full-time employees at December 31, 2003. Full-time employees numbered 23,176 and 23,432 at the end of 2002 and 2001, respectively.

#### Employee-Related Costs (IN MILLIONS)

[graph]

2003	\$2,189.0
2002	\$2,065.8
2001	\$1,983.5
2000	\$1,915.3
1999	\$1,877.0

#### OTHER TAXES

In addition to income taxes, the company is significantly impacted by other federal, state and local taxes, most notably beer excise taxes. Taxes related to 2003 operations, not including the many indirect taxes included in materials and services purchased, totaled \$3.52 billion, an increase of 3.4% vs. total taxes paid in 2002 of \$3.41 billion. These amounts highlight the burden of taxation on the company and the brewing industry in general. Taxes paid in 2002 increased 5.8% compared to total taxes in 2001 of \$3.22 billion.

Proposals to increase excise taxes on beer are addressed by the company and the brewing industry every year, and there has been added pressure recently to increase taxes to help offset state budget deficits. Anheuser-Busch understands spending cuts or temporary tax increases may be necessary for states to address budget concerns; however, the company believes states should accomplish this objective in the most efficient and least harmful way possible. The company does not believe excise taxes, which are regressive and primarily burden working men and women, are the solution. To ensure its views on this important matter are known, company and industry representatives meet proactively on an ongoing basis with legislators and administration officials from various states to present arguments against increases in beer excise taxes.

#### RETURN ON CAPITAL EMPLOYED

Value for shareholders is created when companies earn rates of return in excess of their cost of capital. Anheuser-Busch views the rate of return on capital employed to be a key performance measure because it gauges how efficiently the company is deploying its capital assets. Also, increases in the rate are often considered by the investment community to be a strong driver of stock price, especially in conjunction with earnings per share growth.

Return on capital employed for 2003 was 18.4%, an increase of 90 basis points over the 2002 rate of 17.5%. Return on capital employed is computed as net income for the year plus after-tax net interest (interest expense less interest capitalized), divided by average net investment. Net investment is defined as total assets less non-debt current liabilities. For 2003, after-tax net interest expense was \$234 million, calculated as pretax net interest expense of \$377 million less income taxes applied using a 38% tax rate. For 2002, after-tax net interest expense was \$218 million, calculated as pretax net interest expense of \$351 million less income taxes applied at 38%. The return on capital employed ratio measures after-tax performance, therefore the company must tax-effect net interest cost in the computation for consistency.

LIQUIDITY AND FINANCIAL CONDITION

Anheuser-Busch's strong financial position allows it to pursue its growth strategies while providing substantial direct returns to shareholders. Accordingly, the company has established well-defined priorities for its available cash:

- o Reinvest in core businesses to achieve profitable growth. To enhance shareholder value, the company will continue to make investments to improve efficiency and add capacity as needed in its existing operations, and intends to make selected equity investments in leading international brewers in higher-growth beer markets.
- o Make substantial cash payments directly to shareholders through consistent dividend growth and the repurchase of common shares. The company has paid cash dividends in each of the last 70 years, and has repurchased approximately 3% of outstanding shares annually for over 10 years. In July 2003, Anheuser-Busch announced a change in the company's dividend policy in reaction to the reduction in the federal tax rate on corporate dividends enacted earlier in the year. It is the company's intent to increase dividends per share in line with the company's earnings per share growth, vs. a prior policy of increasing dividends per share somewhat less than the growth in earnings per share.

The company considers its ratio of cash flow to total debt to be the most important measure of ongoing liquidity, and currently targets a ratio toward the upper end of the 30% to 40% range, in order to maintain its strong credit ratings of A1 and A+, from Moody's and Standard & Poor's, respectively. Based on its specific financial position and risk tolerance, Anheuser-Busch believes a strong Single A rating strikes the best balance between a low cost-of-capital and maintaining adequate financial flexibility. The company's ratio of cash flow to total debt was 40.3% in 2003, 39.7% in 2002 and 38.8% in 2001.

Ratio of Cash Flow To Total Debt

[graph]

2003	40.3%
2002	39.7%
2001	38.8%
2000	41.6%
1999	41.8%

Sources and Uses of Cash

The company's primary source of liquidity is cash provided by operations. Principal uses of cash are capital expenditures, share repurchases, dividends and business investments. Information on the company's consolidated cash flows for the years 2003, 2002 and 2001 is presented in the consolidated statement of cash flows (categorized by operating activities, financing activities and investing activities) and in the business segments information in Note 15.

Cash generated by each of the company's business segments is projected to exceed funding requirements for that segment's anticipated capital expenditures. However, corporate spending on dividend payments and share repurchases, plus possible additional investments in international brewers, will require external financing while the company maintains its target cash flow to total debt ratio. The nature, extent and timing of external financing will vary depending on the company's evaluation of existing market conditions and other economic factors. The company uses its share repurchase program to manage its leverage position, and typically operates at a working capital deficit as it manages its cash flows. The company had working capital deficits of \$227 million, \$283 million and \$186 million at December 31, 2003, 2002 and 2001, respectively.

The company made accelerated contributions to its pension plans totaling \$75 million and \$201 million, respectively, in the fourth quarters of 2003 and 2002. Projections indicated Anheuser-Busch would have been required to contribute these amounts between 2003 and 2005, but chose instead to make the contributions early in order to enhance the funded status of the plans.

Operating Cash Flow Before Change In Working Capital  
(IN MILLIONS)

[graph]

2003	\$2,938.3
2002	\$2,624.3
2001	\$2,316.0
2000	\$2,230.0
1999	\$2,141.6

Off-Balance-Sheet Obligations, Commitments and Contingencies  
Anheuser-Busch has a long history of paying dividends and expects to



continue paying dividends each year. The company also has an active common share repurchase program and anticipates continued share repurchase in the future. However, Anheuser-Busch has no commitments or obligations related to dividends, or for the repurchase or pledging of common shares. The company has no off-balance-sheet obligations or guarantees and does not use special purpose entities for any transactions.

The 9% debentures due 2009 and the ESOP debt guarantee that expires in March 2004 (both of which are included in debt on the consolidated balance sheet) permit holders to require repayment of the debt prior to its maturity after a decline in the company's credit rating below investment grade. In the case of the 9% debentures, the credit downgrade must be preceded by a change in control. The total outstanding balance for this debt at December 31, 2003 is \$396 million.

The 5.35% notes due 2023 permit beneficiaries of deceased note owners to require repayment of the debt at any time prior to maturity, subject to an annual limit of \$25,000 per decedent and a cap on aggregate redemptions of \$3.6 million per year. The company redeemed \$130,000 of these notes in 2003.

The company has occasionally provided short-term, small-scale loan guarantees for beer wholesalers to assist them in obtaining long-term bank financing. The duration of these guarantees varies. At December 31, 2003 and 2002, there were no guarantees outstanding and no guarantees were provided during either year.

The company's fixed charge coverage ratio was 7.8X, 7.6X and 7.0X for the years ended December 31, 2003, 2002 and 2001, respectively. See Note 12 for details of the company's future cash commitments.

Capital Expenditures

During the next five years, the company will continue capital expenditure programs designed to take advantage of growth and productivity improvement opportunities for its beer, packaging and entertainment operations. The company has a formal and intensive review procedure for the authorization of capital expenditures. The most important financial measure of acceptability for a discretionary capital project is whether its projected discounted cash flow return on investment exceeds the company's cost of capital.

Total capital expenditures amounted to \$993 million in 2003, \$835 million in 2002 and \$1.0 billion in 2001. The increase in 2003 and the decline in 2002 are both primarily attributable to the deferral of spending in 2002. Capital expenditures over the past five years totaled \$4.8 billion. The company expects capital expenditures in 2004 of approximately \$900 million to \$1 billion and is projecting capital spending during the five-year period 2004 - 2008 of approximately \$4.6 billion.

Capital Expenditures/Depreciation & Amortization  
(IN MILLIONS)

[graph]

	Capital Expenditures	Depreciation & Amortization
2003	\$993.0	\$877.2
2002	\$834.7	\$847.3
2001	\$1,022.0	\$834.5
2000	\$1,074.5	\$803.5
1999	\$865.3	\$777.0

Share Repurchase

The company spent \$1.96 billion, \$2.0 billion and \$1.2 billion to repurchase common shares in 2003, 2002 and 2001, respectively. From an economic perspective, the company's share repurchase program represents an effective cash flow and opportunity cost offset to stock option grants, because the market value increase of repurchased shares directly offsets the increase in the in-the-money value of outstanding options. Anheuser-Busch has historically repurchased significantly more shares each year than it has issued under stock option plans, with average net repurchases of 2% to 3% of outstanding shares each year. Additionally, assuming the company borrows each year to repurchase shares, the cash flow benefit the company receives related to the tax treatment of exercised stock options has historically exceeded the related interest cost. See Note 7 for details of common stock activity.

Dividends

Cash dividends paid to shareholders were \$685.4 million in 2003, \$649.5 million in 2002 and \$614.1 million in 2001. Dividends are paid in the months of March, June, September and December of each year. In the third quarter 2003, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 12.8%, from \$.195 to \$.22 per share. This increased annual dividends per share to \$.83 in 2003, a 10.7% increase compared with \$.75 per share in 2002. Dividends were \$.18 per share for the first two quarters and \$.195 per share for the last two quarters of 2002, representing an annual increase vs. 2001 of 8.7%. In 2001, dividends were \$.165 per share for the first two quarters and \$.18 per share for the last two quarters.

Net Income/Dividends  
(IN MILLIONS)

[graph]

	Net Income	Dividends
2003	\$2,075.9	\$685.4
2002	\$1,933.8	\$649.5
2001	\$1,704.5	\$614.1

2000	\$1,551.6	\$571.0
1999	\$1,402.2	\$544.7

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#### Financing Activities

The company utilizes SEC shelf registration statements to provide flexibility and efficiency when obtaining long-term financing. At December 31, 2003, a total of \$1.1 billion of debt was available for issuance under an existing registration.

The company's debt balance increased a total of \$682.2 million in 2003, compared to a total increase of \$619.3 million in 2002. Debt issuances of \$1.39 billion and \$1.17 billion in 2003 and 2002, respectively, are detailed below.

<TABLE>  
<CAPTION>

Year	Description	Amount (millions)	Interest Rate (fixed unless noted)
<C>	<C>	<C>	<C>
2003	U.S. Dollar Notes	\$1,273.7	\$397.7 at 5.05%; \$299.2 at 4.95%; \$198.0 at 4.5%; \$198.9 at 4.625%; \$179.9 at 5.35%
	Commercial Paper	\$ 113.5	1.08% weighted average floating
	Industrial Revenue Bonds	\$ 0.7	6.25%
	Other, net	\$ 4.0	Various
2002	U.S. Dollar Debentures	\$ 843.9	\$297.9 at 5.95%; \$546.0 at 6.5%
	U.S. Dollar Notes	\$ 299.1	4.375%
	Industrial Revenue Bonds	\$ 8.8	6.11% weighted average
	Other, net	\$ 15.3	Various

</TABLE>

Debt reductions totaled \$709.7 million and \$547.8 million, respectively, during 2003 and 2002, as shown below.

<TABLE>  
<CAPTION>

Year	Description	Amount (millions)	Interest Rate (fixed unless noted)
<C>	<C>	<C>	<C>
2003	U.S. Dollar Notes	\$450.0	6.75%
	U.S. Dollar Debentures	\$200.0	7.375%
	ESOP Note	\$ 44.0	8.25%
	Other, net	\$ 15.7	Various
2002	U.S. Dollar Notes	\$300.0	\$200.0 at 6.75%; \$100.0 at 7.0%
	Commercial Paper	\$187.3	1.98% weighted average floating
	ESOP Note	\$ 41.9	8.25%
	Other, net	\$ 18.6	Various

</TABLE>

In addition to long-term debt, Anheuser-Busch issues commercial paper as a source of shorter-term financing. Commercial paper borrowings generally fluctuate in conjunction with the seasonality of operations and the timing of long-term financing issuance, with the company experiencing its strongest cash flows in the second and third quarters of the year, and relatively lower cash flows in the first and fourth quarters. Peak levels of commercial paper borrowing occurred in April in both 2003 and 2002, at \$694 million and \$726 million, respectively. During portions of June 2003 and October, November and December of 2002, the company had zero commercial paper borrowing. Average outstanding commercial paper balances were \$373 million during 2003 and \$336 million during 2002.

The company has additional access to the short-term credit markets through its committed \$2 billion syndicated revolving bank credit agreement that expires in 2008. The credit agreement provides the company with an immediate and continuing source of liquidity.

See Note 4 for additional information.

#### Common Stock

At December 31, 2003, registered common stock shareholders numbered 56,094 compared with 57,259 at the end of 2002. The company's common stock is listed on the New York Stock Exchange under the symbol BUD. The closing price of the company's common stock at December 31, 2003 and 2002 was \$52.68 and \$48.40, respectively. Comparative 2003 and 2002 high and low quarterly closing prices for BUD are provided in the following table.

#### Price Range of Anheuser-Busch Common Stock (BUD)

Quarter	2003		2002	
	High	Low	High	Low
First	50.27	45.92	52.73	45.24
Second	53.69	46.45	53.95	49.10
Third	52.29	49.34	54.08	44.00
Fourth	52.90	48.69	54.97	47.70

The SEC has defined a critical accounting policy as a policy for which there is a choice among alternatives available under U.S. generally accepted accounting principles (GAAP), and for which choosing a legitimate alternative would yield materially different results. Outlined below are accounting policies Anheuser-Busch believes are key to a full understanding of the company's operations and financial results. All the company's accounting policies are in compliance with U.S. GAAP.

#### Revenue Recognition

The company's revenue recognition policies are simple, straightforward and comply with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements." The company recognizes revenue only when title transfers or services have been rendered to unaffiliated customers, based on negotiated arrangements and normal industry practices. As such, alternative recognition and accounting methods are not available to the company.

#### Equity Method Accounting

Anheuser-Busch applies the equity method of accounting whenever it can exert significant influence on an investee company, typically 20% to 50% owned investments. Equity accounting involves recognizing the company's pro rata share of the net earnings of investee companies in the income statement.

Cash is received and recognized only when distributed by the investee company. As an equity investor, Anheuser-Busch does not control the amount or timing of cash distributions by investees. In 2003, Anheuser-Busch recognized equity income of \$344.9 million and received cash distributions from investees of \$169.2 million. Consolidation of the company's equity investees would not be appropriate because Anheuser-Busch does not have effective control of these entities. Therefore, alternative accounting methods are not available.

Derivatives

The company's use of derivative financial instruments is limited to hedges of either firm commitments or anticipated transactions that expose Anheuser-Busch to cash flow or fair value fluctuations in the ordinary course of business. Company policy expressly prohibits active trading or speculating with derivatives. Accordingly, all the company's derivative holdings are designated as hedges and qualify for hedge accounting under FAS 133, "Accounting for Derivatives and Related Hedging Activity." The only accounting alternative available would be to forego hedge accounting, which would ignore the highly effective nature of the company's hedging programs and needlessly introduce volatility into the company's reported earnings.

Advertising and Promotional Costs

Advertising and promotional activities are a key element of the company's strategy and represent significant annual costs incurred by the company. Advertising production costs are accumulated and expensed the first time the advertisement is shown, while advertising media costs are expensed as incurred. Both of these approaches are acceptable under GAAP and the company applies each consistently, based on the nature of the spending. Applying either method exclusively would not materially alter the timing of expense recognition.

Sales promotion costs are recognized as a reduction of net sales when incurred, as required by GAAP. There are no alternative accounting methods available.

Pension Costs

Anheuser-Busch provides pension plans covering substantially all of its regular employees. The accounting for the majority of these plans under FAS 87, "Employer's Accounting for Pensions," requires that the company use three key assumptions when computing estimated annual pension expense. These assumptions are the long-term rate of return on plan assets, the discount rate applied to the projected pension benefit obligation and the long-term growth rate for salaries.

Of the three key assumptions, only the discount rate is determined by observable market pricing, with the Standard & Poor's or Moody's long-term average corporate bond yield indices being the common benchmarks. The discount rate used to value the company's pension obligation at any year-end is used for expense calculations the next year -- e.g., the December 31, 2003 rate is being used for 2004 expense calculations.

For the rates of return on plan assets and salary growth, the company uses estimates based on experience as well as future expectations. Due to the long-term nature of pension liabilities, Anheuser-Busch attempts to choose rates for these assumptions that will have long-term applicability. Following is a summary of the three key assumptions that will be used in determining 2004 annual pension expense, along with the impact on pension expense of a 1% change in each assumed rate (\$ in millions). Brackets indicate annual pension expense would be reduced. Modification of these assumptions does not impact the company's pension funding requirements.

Assumption	2004 Rate	Impact of 1% Increase	Impact of 1% Decrease
Long-term asset return	8.5%	\$(22)	\$ 22
Discount rate	6.25%	\$(27)	\$ 37
Salary growth rate	4.25%	\$ 19	\$(16)

Retiree Medical Costs

Anheuser-Busch provides health care coverage for most of its retirees after achieving certain age and years of service requirements. Under FAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions," the company is required to estimate the future health care cost inflation rate in order to recognize annual retiree health care expense and value the related health care liability on the balance sheet. The company uses health care inflation rates recommended by its actuarial consultants each year. See Note 8 for information on the impact of a 1% change in the assumed health care cost rate on annual retiree medical expense and the company's accrued health care liability.

RISK MANAGEMENT

Through its operations, Anheuser-Busch is exposed to foreign currency exchange, interest rate and commodity price risks. These exposures primarily relate to beer sales to foreign customers, purchases from foreign suppliers, royalty receipts from foreign license and contract brewers, acquisition of raw materials from both domestic and foreign suppliers, and changes in interest rates. The company uses derivative financial instruments, including forward exchange contracts, futures contracts, swaps and purchased options and collars to manage certain of these exposures. The company has experienced higher derivatives use the last few years as raw material inputs have increased in conjunction with increases in domestic beer volume. Changes in underlying market conditions during 2003, including changes in interest rates, U.S. dollar foreign currency exchange rates and certain commodity prices, have not had a material impact on Anheuser-Busch's risk profile. There have been no significant changes in the types or duration of

derivative instruments used to hedge the company's exposures.

Anheuser-Busch has well-established policies and procedures governing the use of derivatives. The company hedges only firm commitments or anticipated transactions in the ordinary course of business and corporate policy prohibits the use of derivatives for speculation, including the sale of freestanding instruments. The company neither holds nor issues financial instruments for trading purposes. Specific hedging strategies used depend on several factors, including the magnitude and volatility of the exposure, cost and availability of appropriate hedging instruments, the anticipated time horizon, commodity basis exposure, opportunity cost and the nature of the underlying hedged item. The company's overall risk management goal is to strike a balance between managing its exposures to market volatility while obtaining the most favorable transaction costs possible. The company monitors the effectiveness of its hedging structures, based either on cash offset between changes in the value of the underlying hedged exposure and changes in the fair value of the derivative, or by ongoing correlation between the price of the underlying hedged exposure and the pricing upon which the derivative is based. The fair value of derivatives is the amount the company would pay or receive when terminating any contracts.

Derivatives are either exchange-traded instruments that are highly liquid, or over-the-counter instruments transacted with highly rated financial institutions. In the event the rating of any of the company's financial institution counterparties declines after a hedge transaction has been executed, bilateral collateral posting arrangements are in place with all over-the-counter derivatives counterparties. For counterparties rated at least A2 or A by Moody's and Standard and Poor's, respectively, collateral is required to be deposited with the company (position favorable to Anheuser-Busch) or posted by the company (position unfavorable to Anheuser-Busch) on any fair value amounts in excess of \$30 million. For derivatives transactions with counterparties rated A3 and A-, collateral is required to be posted for any fair value amounts in excess of \$15 million. For transactions with counterparties rated below A3 or A-, full collateralization is required for all outstanding balances. All collateral is cash, U.S. Treasury securities or letters of credit. At December 31, 2003, the company held \$2.8 million in collateral from an Aa3/A+ rated counterparty and had none outstanding. Given the company's derivatives portfolio, current market prices for derivatives held and the company's credit rating, material funding needs arising from the company's collateral arrangements are not expected.

Following is a sensitivity analysis indicating potential unfavorable changes in the fair value of the company's derivative holdings under certain market movements discussed below. The company uses value-at-risk (VAR) analysis for foreign currency and interest rate derivatives exposures, and sensitivity analysis for long-term debt interest exposure and commodity price exposures. VAR forecasts fair value changes using a statistical model (Monte Carlo simulation method) that incorporates historical correlations among various currencies and interest rates.

Estimated Fair Value Volatility at December 31, 2003 (in millions)

Foreign Currency Risk--Forwards and Options (VAR)	\$0.4
Interest Rate Risk--Interest Rate Swaps (VAR)	\$0.5
Commodity Price Risk--Futures, Swaps and Options (Sensitivity)	\$4.5

The average daily change in fair value for interest rate swaps in 2003 was \$120,000, with a computed one-day high of \$500,000 and a one-day low of \$5,000. The average daily change in fair value for foreign exchange derivatives in 2003 was \$50,000, with a computed one-day high of \$120,000 and a one-day low of \$5,000. Average daily changes are computed as the monthly variance in fair value divided by the number of business days in the month.

The VAR model assumes the company could liquidate its currency and interest rate positions in a single day (one-day holding period). The volatility figures provided represent the maximum one-day loss the company could experience on each portfolio at a 95% confidence level, based on history. Sensitivity analysis reflects the impact of a hypothetical 10% adverse change in the market price for the company's underlying price exposures.

The volatility of foreign currencies, interest rates and commodity prices is dependent on many factors that cannot be forecasted with accuracy. Therefore, changes in fair value over time could differ substantially from the illustration. Additionally, the preceding derivatives volatility analysis ignores changes in the value of the underlying hedged transactions, although the company expects offsetting impacts between changes in derivative values and changes in the pricing of the underlying hedged transactions.

Anheuser-Busch's exposure to interest rate volatility related to its debt portfolio is low, because the company predominantly issues fixed-rate debt. At December 31, 2003, fixed-rate debt with an average maturity of 17.5 years represented 88% of the company's outstanding debt. Assuming the percentage of floating-rate debt at year-end remains constant in 2004, and including the impact of existing fixed-to-floating interest rate swaps, an immediate 100 basis points (1.0 percentage point) increase in interest rates would result in incremental interest expense of approximately \$9 million over the course of the full year.

INTERNATIONAL EQUITY INVESTMENTS

Grupo Modelo  
 From 1993 to 1998, the company accumulated a 50.2% direct and indirect equity interest in Diblo, S.A. de C.V., the operating subsidiary of Grupo Modelo, S.A. de C.V., Mexico's largest brewer and producer of the Corona brand. Anheuser-Busch's total initial investment in Modelo was \$1.6 billion. Anheuser-Busch does not have effective control of either Grupo Modelo or



Diblo and, accordingly, the company accounts for its investment on the equity basis. The company has applied the equity method of accounting since its ownership interest first exceeded 20% in 1997.

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The economic benefit of the company's Modelo investment can be measured in two ways -- through equity income, which represents Anheuser-Busch's pro rata share in the net earnings of Modelo and by the excess of the fair market value of the investment over its cost. The excess of fair value over the company's cost, based on Grupo Modelo's closing stock price on the Mexican stock exchange at December 31, 2003, was \$3.5 billion. Although this amount is appropriately not reflected in the company's income statement or balance sheet, it represents economic value to Anheuser-Busch and its shareholders.

#### CCU

During the first quarter of 2001, the company purchased a 20% equity interest in Compania Cervecerias Unidas S.A. (CCU), the largest brewer in Chile, for \$321 million. Anheuser-Busch had partnered with CCU in Argentina for the six years prior to the CCU investment through the company's equity ownership in CCU-Argentina, a CCU subsidiary that is licensed to brew Budweiser for Argentina, Chile, Brazil and other Latin American markets.

#### Tsingtao

In April 2003, the company invested \$116 million in two convertible bonds of Tsingtao, the largest brewer in China, and invested an additional \$33 million in a third convertible bond in October. The company plans to make a final investment of \$33 million in the first half of 2004. In July 2003, the company converted the first bond, which increased its equity interest in Tsingtao from 4.5% to 9.9%. The company currently uses the cost method of accounting for the Tsingtao investment and anticipates adopting the equity method of accounting when it believes it has the ability to exert significant influence on Tsingtao.

In the fourth quarter 2003, the company loaned Tsingtao \$15 million for a term of 5 years at an annual interest rate of 1%. The loan will provide Tsingtao with funding to reacquire minority interests in three of its brewery subsidiaries.

#### OTHER MATTERS

##### Agreement With Teamsters

In December 2003, employees represented by the International Brotherhood of Teamsters overwhelmingly approved a new five-year labor contract covering approximately 7,500 employees at the company's 12 U.S. breweries. The new contract agreement will run through February 28, 2009, and calls for wage increases of \$.65 per hour in year one, \$.60 per hour in years two, three and four, and \$.55 cents per hour in year five. The agreement maintains a health care package with no employee-paid premiums in company-sponsored plans and also includes total pension increases of 14% for defined benefit plans. By ratifying the contract on the first vote and having results submitted to the company by December 2, the Teamsters-represented employees qualified for a signing bonus of \$1,000 each and an accelerated merit increase, and received a renewal of Anheuser-Busch's commitment to keep all 12 breweries open throughout the life of the new agreement, provided there are no new or increased federal or state excise taxes or other unforeseen extraordinary events which negatively impact the company's business. The \$7 million signing bonus and merit increase was recognized in the income statement in the fourth quarter of 2003. The current contract expires February 28, 2009.

##### Wholesaler Acquisition

In October 2003, the company purchased the assets of a beer wholesale operation in Pomona, CA for \$84 million in Anheuser-Busch common stock and cash. Included in the purchase were cash and other working capital of \$22 million, fixed and other long-term assets of \$21 million and product distribution rights of \$41 million. The distribution rights are held in perpetuity and have an indefinite life, and will therefore not be amortized. See Note 11 for additional information.

##### Certifications

The company has included required CEO and CFO financial statement certifications as exhibits to its 2003 annual report on Form 10-K filed with the SEC. Also, a CEO financial statement certification has been submitted to the New York Stock Exchange, as required by its listing rules.

##### Sale of SeaWorld Cleveland

In February 2001, the company sold its SeaWorld Cleveland adventure park to Six Flags, Inc. for \$110 million in cash, and recognized a pretax gain of \$17.8 million. The sale did not include killer whales, dolphins or any rights to the SeaWorld name. The sale had only an insignificant (\$.005 per share after-tax) impact on earnings per share growth in 2001. Anheuser-Busch continues to operate and support its remaining U.S. theme parks.

##### Environmental Issues

The company is strongly committed to environmental protection. Its Environmental Management System provides specific guidance for how the environment must be factored into business decisions and mandates special consideration of environmental issues in conjunction with other business issues when any of the company's facilities or business units plan capital projects or changes in processes. Anheuser-Busch also encourages its suppliers to adopt similar environmental management practices and policies.

The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. It is the opinion of management that potential costs, either individually or in the aggregate, related to any federal or state designated cleanup sites for which Anheuser-Busch has been identified as a Potentially Responsible Party will not materially

affect the company's financial position, results of operations or liquidity.

<PAGE>

<TABLE>

CONSOLIDATED BALANCE SHEET  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year Ended December 31 (in millions)	2003	2002
<S>	<C>	<C>
Assets		
Current Assets:		
Cash	\$ 191.1	\$ 188.9
Accounts receivable	669.4	630.4
Inventories:		
Raw materials and supplies	320.3	294.1
Work in process	81.9	82.8
Finished goods	185.3	186.7
Total inventories	587.5	563.6
Other current assets	182.3	121.8
Total current assets	1,630.3	1,504.7
Investments in affiliated companies	3,052.0	2,827.9
Plant and equipment, net	8,498.9	8,363.9
Intangible assets, including goodwill of \$349.0 and \$348.7, respectively	486.6	437.7
Other assets	1,021.7	985.3
Total Assets	\$ 14,689.5	\$ 14,119.5
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	\$ 1,093.7	\$ 986.6
Accrued salaries, wages and benefits	288.9	287.5
Accrued taxes	163.1	181.0
Other current liabilities	311.5	332.6
Total current liabilities	1,857.2	1,787.7
Postretirement benefits	470.4	474.2
Debt	7,285.4	6,603.2
Deferred income taxes	1,462.1	1,345.1
Other long-term liabilities	902.7	857.0
Shareholders Equity:		
Common stock, \$1.00 par value, authorized 1.6 billion shares	1,457.9	1,453.4
Capital in excess of par value	1,194.0	1,024.5
Retained earnings	13,935.4	12,544.0
Treasury stock, at cost	(12,939.0)	(11,008.6)
Accumulated other comprehensive loss	(890.3)	(870.7)
ESOP debt guarantee	(46.3)	(90.3)
Total Shareholders Equity	2,711.7	3,052.3
Commitments and contingencies	--	--
Total Liabilities and Shareholders Equity	\$ 14,689.5	\$ 14,119.5

The footnotes on pages 44-56 of this report are an integral component of the company's consolidated financial statements.

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CONSOLIDATED STATEMENT OF INCOME  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year Ended December 31 (in millions, except per share)	2003	2002	2001
<S>	<C>	<C>	<C>
Gross sales	\$16,320.2	\$15,686.8	\$14,973.0
Excise taxes	(2,173.5)	(2,120.4)	(2,061.5)
Net sales	14,146.7	13,566.4	12,911.5
Cost of sales	(8,449.1)	(8,131.3)	(7,950.4)
Gross profit	5,697.6	5,435.1	4,961.1
Marketing, distribution and administrative expenses	(2,498.3)	(2,455.4)	(2,255.9)
Gain on sale of business	--	--	17.8
Operating income	3,199.3	2,979.7	2,723.0
Interest expense	(401.5)	(368.7)	(361.2)
Interest capitalized	24.4	17.7	26.9
Interest income	1.7	1.3	1.1
Other income/(expense), net	0.4	(6.4)	(12.2)
Income before income taxes	2,824.3	2,623.6	2,377.6
Provision for income taxes	(1,093.3)	(1,041.5)	(927.5)
Equity income, net of tax	344.9	351.7	254.4
Net income	\$ 2,075.9	\$ 1,933.8	\$ 1,704.5
Earnings per share:			
Basic	\$ 2.51	\$ 2.23	\$ 1.91
Diluted	\$ 2.48	\$ 2.20	\$ 1.89

The footnotes on pages 44-56 of this report are an integral component of the company's consolidated financial statements.

<PAGE>

<TABLE>  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year Ended December 31 (in millions, except per share)	2003	2002	2001
<S>	<C>	<C>	<C>
Common Stock, \$1.00 Par Value			
Balance, beginning of period	\$ 1,453.4	\$ 1,445.2	\$ 1,441.5
Shares issued under stock plans	4.5	8.2	3.7
Balance, end of period	\$ 1,457.9	\$ 1,453.4	\$ 1,445.2
Capital in Excess of Par Value			
Balance, beginning of period	\$ 1,024.5	\$ 810.2	\$ 725.3
Shares issued under stock plans	125.4	214.3	84.9
Shares issued for acquisition	44.1	--	--
Balance, end of period	\$ 1,194.0	\$ 1,024.5	\$ 810.2
Retained Earnings			
Balance, beginning of period	\$ 12,544.0	\$ 11,258.2	\$10,164.4
Net income	2,075.9	1,933.8	1,704.5
Common dividends paid (per share: 2003 - \$.83; 2002 - \$.75; 2001 - \$.69)	(685.4)	(649.5)	(614.1)
Shares issued under stock plans	0.9	1.5	3.4
Balance, end of period	\$ 13,935.4	\$ 12,544.0	\$11,258.2
Treasury Stock			
Balance, beginning of period	\$(11,008.6)	\$ (8,981.6)	\$(7,817.8)
Treasury stock acquired	(1,958.9)	(2,027.0)	(1,163.8)
Treasury stock issued for acquisition	28.5	--	--
Balance, end of period	\$(12,939.0)	\$(11,008.6)	\$(8,981.6)
Accumulated Other Comprehensive Loss			
Balance, beginning of period	\$ (870.7)	\$ (338.3)	\$ (212.3)
Foreign currency translation gains/(losses)	(229.8)	(271.8)	44.5
Deferred hedging gains/(losses)	65.7	33.0	(38.9)
Deferred securities valuation gains	169.3	3.0	--
Minimum pension liability	(24.8)	(296.6)	(131.6)
Net other comprehensive income adjustments	(19.6)	(532.4)	(126.0)
Balance, end of period	\$ (890.3)	\$ (870.7)	\$ (338.3)
ESOP Debt Guarantee			
Balance, beginning of period	\$ (90.3)	\$ (132.2)	\$ (172.2)
Annual debt service	44.0	41.9	40.0
Balance, end of period	\$ (46.3)	\$ (90.3)	\$ (132.2)
Total Shareholders Equity	\$ 2,711.7	\$ 3,052.3	\$ 4,061.5
Comprehensive Income			
Net income	\$ 2,075.9	\$ 1,933.8	\$ 1,704.5
Net other comprehensive income adjustments	(19.6)	(532.4)	(126.0)
Total Comprehensive Income	\$ 2,056.3	\$ 1,401.4	\$ 1,578.5

The footnotes on pages 44-56 of this report are an integral component of the company's consolidated financial statements.

</TABLE>

<PAGE>

<TABLE>  
CONSOLIDATED STATEMENT OF CASH FLOWS  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year Ended December 31 (in millions)	2003	2002	2001
<S>	<C>	<C>	<C>
Cash Flow from Operating Activities:			
Net income	\$ 2,075.9	\$ 1,933.8	\$ 1,704.5
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	877.2	847.3	834.5
Deferred income taxes	129.5	160.2	(15.8)
Gain on sale of business	--	--	(17.8)
Undistributed earnings of affiliated companies	(175.7)	(305.0)	(227.6)
Other, net	31.4	(12.0)	38.2
Operating cash flow before change in working capital	2,938.3	2,624.3	2,316.0
Decrease in working capital	32.6	140.9	44.6
Cash provided by operating activities	2,970.9	2,765.2	2,360.6
Cash Flow from Investing Activities:			
Capital expenditures	(993.0)	(834.7)	(1,022.0)
New business acquisitions	(156.9)	(19.0)	(370.4)
Proceeds from sale of business	--	--	110.0
Cash used for investing activities	(1,149.9)	(853.7)	(1,282.4)
Cash Flow from Financing Activities:			
Increase in debt	1,389.0	1,151.8	1,213.4
Decrease in debt	(652.1)	(505.9)	(572.8)
Dividends paid to shareholders	(685.4)	(649.5)	(614.1)
Acquisition of treasury stock	(1,958.9)	(2,027.0)	(1,163.8)
Shares issued under stock plans	88.6	145.4	61.8
Cash used for financing activities	(1,818.8)	(1,885.2)	(1,075.5)
Net increase in cash during the year	2.2	26.3	2.7
Cash, beginning of year	188.9	162.6	159.9
Cash, end of year	\$ 191.1	\$ 188.9	\$ 162.6

The footnotes on pages 44-56 of this report are an integral component of the company's consolidated financial statements.

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

This summary of the significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is provided to assist in evaluating the company's consolidated financial statements. These principles and policies conform to U.S. generally accepted accounting principles. The company is required to make certain estimates in preparing the financial statements that impact the reported amounts of some assets and liabilities and the reported amounts of some revenues and expenses. All estimates are based on the company's best information at the time and are in conformity with U.S. generally accepted accounting principles. Actual results could differ from the estimates and differences are recognized when incurred.

Revenue Recognition

The company's revenue recognition practices comply with Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

The company recognizes revenue only when legal title transfers or services have been rendered to unaffiliated customers. For malt beverages shipped to independent wholesalers, title transfers on shipment of product from the company's breweries. For company-owned wholesalers, title transfers when products are delivered to retail customers. The company does not recognize any revenue when independent wholesalers sell the company's products to retail customers. For cans and lids, title transfers on customer receipt. Entertainment operations recognize revenue when customers actually visit or make purchases in a park location, rather than when tickets are sold.

Principles of Consolidation

The consolidated financial statements include the company and all its subsidiaries. The company consolidates all majority-owned and controlled subsidiaries, uses the equity method of accounting for investments in which the company is able to exercise significant influence, and uses the cost method for all other investments. All significant intercompany transactions have been eliminated. Minority interests in the company's China subsidiary are not material.

Cash

Cash includes cash in banks, demand deposits and investments in short-term marketable securities with original maturities of 90 days or less.

Intangible Assets

The company recognizes the excess of the cost of acquired businesses over the fair value of net assets as goodwill. The company has goodwill related to both consolidated businesses and equity method investments. In 2001, goodwill was amortized to expense over a period of 40 years. Effective January 1, 2002, Anheuser-Busch adopted FAS No. 142, "Goodwill and Other Intangible Assets," and was therefore required to cease the amortization of goodwill existing at the adoption date. In lieu of amortization, consolidated goodwill and other intangible assets are now reviewed for impairment at least annually, with ongoing recoverability based on applicable operating unit performance and consideration of significant events or changes in the overall business environment.

Anheuser-Busch performs impairment analyses at the business unit level for consolidated goodwill and at the investee level for equity method goodwill. Impairment testing for consolidated goodwill is a two-step process. The first step is a comparison of the fair value of the business or investment to its recorded amount on the balance sheet. If the recorded amount exceeds the fair value, the second step quantifies any impairment write-down by comparing the current implied value of goodwill and the recorded goodwill balance. Recoverability testing for equity investment goodwill is based on impairment analysis of the entire equity investment, using projected future cash flows combined with review of pertinent business and economic factors.

Anheuser-Busch's nongoodwill intangible assets consist of both domestic and international purchased beer distribution rights. Domestic beer distribution rights are associated with company-owned wholesale operations and represent the exclusive ability to sell the company's products in defined geographic areas. The carrying values of these rights have indefinite lives and are not being amortized, due to the company's intent to operate its wholesalerships in perpetuity, the use and economic benefits of the rights not being dependent on the value of other assets and the lives not being contractually or statutorily limited. International distribution rights relate to operations in the United Kingdom and are being amortized over the contract life of 32 years, with 25 years remaining as of December 31, 2003. The company analyzes its product distribution rights for potential impairment annually, based on projected future cash flows and observation of the market for independent beer wholesaler exchange transactions.

The company completed a required transitional impairment analysis for FAS 142 adoption purposes and found no impairment of any intangible assets. A review of consolidated goodwill and distribution rights completed in the fourth quarter of 2003 found no impairment as of December 31, 2003. See Note 13 for additional information on intangible asset balances and the impact of goodwill amortization in 2001.



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#### Foreign Currency

Financial statements of foreign subsidiaries where the local currency is the functional currency are translated into U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates during the period for revenues and expenses. Cumulative translation adjustments associated with net assets are reported as a separate component of other comprehensive loss within shareholders equity.

Exchange rate gains or losses related to foreign currency transactions are recognized in the income statement as incurred, in the same category as the underlying transaction, and are not material for any year shown.

#### Inventories

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method (LIFO) for approximately 76% of total inventories at December 31, 2003 and 72% of inventories at December 31, 2002. Average cost valuation is used for the remainder. Had average cost been used for all inventories at December 31, 2003 and 2002, the value of total inventories would have been \$110.0 million and \$96.7 million higher, respectively.

#### Delivery Costs

Pass-through finished goods delivery costs reimbursed by customers are reported in sales, while an offsetting expense is included in cost of sales. Delivery costs incurred by company-owned beer wholesalers are included in marketing, distribution and administrative expenses.

#### Fixed Assets

Fixed assets are carried at original cost less accumulated depreciation, and include expenditures for new facilities as well as those that increase the useful lives of existing facilities. The cost of routine maintenance, repairs and minor renewals is expensed as incurred. Depreciation expense is recognized using the straight-line method based on the following weighted-average useful lives: buildings, 25 years; production machinery and equipment, 15 years; furniture and fixtures, 10 years; computer equipment, 3 years. When fixed assets are retired or sold, the net carrying amount is eliminated and any gain or loss on disposition is recognized in cost of sales.

The components of plant and equipment as of December 31 are summarized below (in millions):

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Land	\$ 278.8	\$ 272.8
Buildings	4,546.1	4,326.0
Machinery and equipment	11,208.0	10,995.9
Construction in progress	488.3	373.2
Plant and equipment at cost	16,521.2	15,967.9
Accumulated depreciation	(8,022.3)	(7,604.0)
Net plant and equipment	\$ 8,498.9	\$ 8,363.9

</TABLE>

#### Advertising and Promotional Costs

Advertising production costs are accumulated and expensed the first time the advertisement is shown. Advertising media costs are expensed as incurred. Advertising costs are recognized in marketing, distribution and administrative expenses and totaled \$806.7 million, \$821.7 million and \$722.3 million in 2003, 2002 and 2001, respectively.

Sales promotion costs are recognized as a reduction of net sales when incurred, and totaled \$511.8 million in 2003, \$543.5 million in 2002 and \$569.5 million in 2001.

#### Income Taxes

The provision for income taxes is based on the income and expense amounts reported in the consolidated statement of income. The company utilizes federal, state and foreign income tax laws and regulations to reduce current cash taxes payable. Deferred income taxes are recognized for the effect of temporary differences between financial reporting and tax filing in accordance with the requirements of FAS No. 109, "Accounting for Income Taxes."

See Note 10 for additional information on the company's provision for income taxes, deferred income tax assets and liabilities and effective tax rate.

#### Derivatives

Anheuser-Busch uses derivatives to mitigate the company's exposure to volatility in commodity prices, interest rates and foreign currency exchange rates. The company hedges only exposures in the ordinary course of business and company policy prohibits holding or trading derivatives for profit. All derivatives held by the company are designated as hedges at inception, with an expectation they will be highly effective in offsetting the associated underlying price exposures. The company requires liquidation of derivative positions whenever it is determined that an underlying transaction will not occur, with related gains or losses recognized in the income statement on liquidation.

The company accounts for its derivatives in accordance with FAS No. 133, "Accounting for Derivative Instruments and Hedging Activity," which requires all derivatives to be carried on the balance sheet at fair value. Changes in fair value are recognized either in the income statement or deferred in shareholders equity, depending on the nature of the underlying exposure

being hedged and how effective the derivative is at offsetting price movements in the underlying exposure. The company adopted FAS 133 in January 2001. The impact of adoption was not material. All of the company's derivative positions qualify for hedge accounting under FAS 133.

The company classifies foreign currency denominated firm commitments and interest rate hedges as fair value hedges, while commodity price hedges are classified as cash flow hedges. Derivatives generally have initial terms of five years or less, and all hedged transactions are expected to occur within the next five years.

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Option premiums paid to counterparties are initially recorded as assets and subsequently adjusted to fair value each period, with the effective portion of the change in fair value deferred in shareholders equity until the underlying transaction occurs. Amounts receivable from, or owed to, derivatives counterparties are included in current assets and current liabilities, respectively.

See Note 3 for additional information on underlying hedge categories, notional and fair values of derivatives, types of derivatives used and gains and losses from hedging activity.

#### Valuation of Securities

For investments accounted for under the cost basis, Anheuser-Busch applies FAS 115, "Accounting for Certain Investments in Debt and Equity Securities." Under FAS 115, the company classifies its cost-based investments as "available for sale," and adjusts the carrying values of those securities to fair market value each period. These market valuation gains or losses are deferred in shareholders equity and not recognized in the income statement until investments are liquidated.

#### Research and Development Costs and Start-Up Costs

Research and development costs and plant start-up costs are expensed as incurred, and are not material for any year presented.

#### Computer Systems Development Costs

The company capitalizes computer systems development costs that meet established criteria, and amortizes those costs to expense on a straight-line basis over five years. Systems development costs not meeting the proper criteria for capitalization, including systems reengineering costs, are expensed as incurred.

#### Stock-Based Compensation

The company accounts for employee stock options using the intrinsic value method in accordance with APB 25, "Accounting for Stock Issued to Employees." The company has recognized no compensation expense related to employee stock options for any year shown, since options are always granted at a price equal to the market price on the day of grant. See Note 5 for information regarding the company's stock option plans, options outstanding and options exercisable.

Had employee compensation expense been recognized based on the fair value of stock options on the grant date under the methodology prescribed by FAS 123, "Accounting for Stock-Based Compensation," the company's net income and earnings per share for the three years ended December 31 would have been impacted as shown in the following table (in millions, except per share):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Reported net income	\$2,075.9	\$1,933.8	\$1,704.5
Pro forma stock option expense	(113.4)	(93.1)	(68.6)
Adjusted net income	\$1,962.5	\$1,840.7	\$1,635.9
Reported basic earnings per share	\$ 2.51	\$ 2.23	\$ 1.91
Pro forma stock option expense	(.14)	(.11)	(.08)
Adjusted basic earnings per share	\$ 2.37	\$ 2.12	\$ 1.83
Reported diluted earnings per share	\$ 2.48	\$ 2.20	\$ 1.89
Pro forma stock option expense	(.14)	(.11)	(.08)
Adjusted diluted earnings per share	\$ 2.34	\$ 2.09	\$ 1.81

</TABLE>

The fair value of stock options granted, which is hypothetically amortized to compensation expense over the vesting period to determine the earnings impact illustrated above, has been estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Expected life of option	7 yrs.	7 yrs.	7 yrs.
Risk-free interest rate	4.0%	4.1%	4.9%
Expected volatility of Anheuser-Busch stock	22%	23%	24%
Expected dividend yield on Anheuser-Busch stock	1.7%	1.6%	1.7%

</TABLE>

The fair value of options granted during 2003, 2002 and 2001 determined using the Black-Scholes model is as follows (in millions, except per option):

<TABLE>  
<CAPTION>

	2003	2002	2001
--	------	------	------

<S>	<C>	<C>	<C>
Fair value of each option granted	\$13.58	\$13.86	\$12.76
Total number of options granted	14.4	14.2	13.9
-----			
Total fair value of options granted	\$195.6	\$196.8	\$177.4
=====			

</TABLE>

For FAS 123 disclosure purposes, the fair value of stock options granted is required to be based on a theoretical option-pricing model. In actuality, because the company's employee stock options are not traded on an exchange, employees can receive no value nor derive any benefit from holding stock options under these plans without an increase in the market price of Anheuser-Busch stock. Such an increase in stock price benefits all shareholders.

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## 2. INTERNATIONAL EQUITY INVESTMENTS

### Grupo Modelo

From 1993 to 1998, Anheuser-Busch accumulated a 50.2% direct and indirect equity interest in Diblo, S.A. de C.V. (Diblo), the operating subsidiary of Grupo Modelo, S.A. de C.V. (Modelo), Mexico's largest brewer and producer of the Corona brand, for a total cost of \$1.6 billion. The company holds 9 of 19 positions on Modelo's Board of Directors (with the Controlling Shareholders holding the other 10 positions) and also has membership on the Audit Committee. Anheuser-Busch does not have voting or other effective control of either Diblo or Modelo and consequently accounts for its investment using the equity method. The carrying amount of the Modelo investment was \$2,350.9 million and \$2,410.6 million, respectively, at December 31, 2003 and 2002.

Included in the carrying amount of the Modelo investment is goodwill of \$514.9 million and \$565.6 million, respectively, at December 31, 2003 and 2002. In 2001, goodwill was amortized over a period of 40 years. Effective with the adoption of FAS 142 in January 2002, the company ceased amortization of Modelo-related goodwill. Changes in goodwill for 2003 and 2002 are due to changes in exchange rates between the U.S. dollar and Mexican peso. Dividends received from Grupo Modelo in 2003 totaled \$118.3 million, compared to \$40.5 million in 2002 and \$13.5 million in 2001. Dividends are paid based on a free cash flow distribution formula in accordance with the investment agreement between the companies and are recorded as a reduction in the carrying value of the company's investment.

Summary financial information for Grupo Modelo as of, and for the two years ended December 31, is presented in the following table (in millions). The amounts represent 100% of Grupo Modelo's consolidated operating results and financial position based on U.S. generally accepted accounting principles, and include the impact of Anheuser-Busch's purchase accounting adjustments.

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Cash	\$1,044.7	\$1,042.4
Other current assets	744.7	782.4
Noncurrent assets	3,700.1	3,892.2
Current liabilities	382.1	393.1
Noncurrent liabilities	330.4	368.1
Gross sales	3,909.0	3,964.1
Net sales	3,594.6	3,659.4
Gross profit	1,959.1	1,999.0
Minority interest	4.6	17.3
Net income	651.0	692.0

</TABLE>

### Other International Equity Investments

During 2001, the company purchased a 20% equity interest in Compania Cervecerias Unidas S.A. (CCU), the largest brewer in Chile, for \$321 million. CCU imports and distributes Budweiser in Chile. Anheuser-Busch has Board of Directors representation of two of nine directors, and also has membership on the Audit Committee. The company believes it has the ability to exercise significant influence and therefore accounts for the CCU investment using the equity method.

From 1996 to 1999, Anheuser-Busch accumulated a 10.8% direct equity interest in the Argentine subsidiary of CCU, CCU-Argentina, for a total cost of \$23.9 million. CCU-Argentina brews Budweiser under license for Argentina, Chile, Brazil and other Latin American markets. The CCU-Argentina investment was accounted for on the cost basis through all of 2000. The 20% acquisition of CCU in 2001 increased Anheuser-Busch's direct and indirect interest in CCU-Argentina to 28.6%, and the company began using the equity method of accounting at that time.

The carrying value of the CCU investments was \$215.7 million and \$229.5 million, respectively, at December 31, 2003 and 2002, including goodwill of \$126.0 million and \$111.1 million, respectively. The company ceased amortization of CCU-related goodwill on adoption of FAS 142 in January 2002. Changes in goodwill for 2003 and 2002 are due to changes in exchange rates between the U.S. dollar and Chilean and Argentine peso. Dividends received from CCU totaled \$50.9 million in 2003, \$6.2 million in 2002 and \$12.3 million in 2001.

The earnings impact resulting from the unpegging in December 2001 of the Argentine peso from its 1:1 exchange position relative to the U.S. dollar was recognized in 2001, and did not have a material impact on equity income.

In April 2003, the company announced the completion of its strategic alliance with Tsingtao Brewery Company, Ltd., the largest brewer in China, and producer of the Tsingtao brand. As of December 31, 2003, Anheuser-Busch has invested \$149 million under its agreement with Tsingtao in three convertible bonds, and will make a final investment of \$33 million in the first half of 2004 for a total investment of \$182 million. Conversion of the bonds into equity is mandatory within seven years.

The first bond was converted in July 2003, which increased the company's voting stake in Tsingtao from 4.5% to 9.9%. Anheuser-Busch continues to account for its investment on the cost basis, as it is currently unable to exercise significant influence over Tsingtao's business policies and operations. When additional bonds are converted and the company's voting stake in Tsingtao reaches 20%, Anheuser-Busch will gain additional seats on the Board of Directors, to 2 of 11, and related Board committees and believes it will then be able to exercise significant influence. The company anticipates adopting the equity method of accounting at that time. When all bonds are converted, the company's economic ownership interest will increase to 27% of Tsingtao.

In the fourth quarter 2003, the company loaned Tsingtao \$15 million for a

term of 5 years at an annual interest rate of 1%. The loan will provide Tsingtao with funding to reacquire minority interests in three of its brewery subsidiaries.

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### 3. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

#### Derivatives

Under FAS 133, Anheuser-Busch appropriately defers the recognition of most unrealized derivatives gains or losses until the related underlying hedged transactions occur. Gains and losses that relate to any portion of a hedge that is not 100% effective at offsetting price movements in the hedged exposure are immediately recognized in the income statement.

The following table shows (in millions) derivatives gains and losses deferred as of December 31, 2003, 2002 and 2001. The amounts shown for 2002 and 2001 were recognized in the income statement the next year. For the gains and losses deferred as of December 31, 2003, the majority are expected to be recognized in cost of sales in 2004. However, the amounts ultimately recognized may differ, favorably or unfavorably, from those shown because many of the company's derivative positions are not yet settled and therefore remain subject to ongoing market price fluctuations. Deferred losses shown include \$26.2 million, \$9.5 million and \$19.9 million of option premium costs for 2003, 2002 and 2001, respectively. Also shown below are net amounts recognized in earnings as ineffective during the year.

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Deferred gains	\$ 86.0	\$ 20.5	\$ 1.8
Deferred losses	(26.2)	(19.4)	(31.6)
Net deferred gains/(losses)	\$ 59.8	\$ 1.1	\$(29.8)
Net ineffective gains/(losses) recognized in earnings	\$ 1.3	\$ (0.4)	\$ (0.3)

</TABLE>

The table below summarizes the notional transaction amounts and fair values for the company's outstanding derivatives, by risk category and instrument type, at December 31 (in millions). Because the company hedges only with derivatives that have high correlation with the underlying transaction pricing, changes in derivatives fair values and the underlying prices are expected to essentially offset.

<TABLE>  
<CAPTION>

	2003		2002	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Foreign Currency:				
Forwards	\$ 87.3	\$ 1.0	\$ 74.1	\$ 0.2
Options	161.2	5.4	94.2	1.2
	248.5	6.4	168.3	1.4
Interest Rate:				
Swaps	401.0	19.2	401.0	32.8
Commodity Price:				
Swaps	235.5	28.5	248.9	1.6
Futures and forwards	21.5	1.2	65.8	2.6
Options	461.4	54.0	217.7	6.3
	718.4	83.7	532.4	10.5
Total outstanding derivatives	\$1,367.9	\$109.3	\$1,101.7	\$44.7

</TABLE>

Anheuser-Busch's primary foreign currency exposures are to transactions and investments denominated in Mexican, Chilean and Argentine pesos; Chinese renminbi; Canadian dollars; British pounds sterling and euros. Hedged commodity exposures include aluminum, rice, corn, natural gas and diesel fuel. The primary foreign currency exposures are long, meaning the company generates a surplus of these currencies, while the commodity exposures are short, meaning the company must acquire additional quantities to meet its operating needs.

#### Concentration of Credit Risk

The company does not have a material concentration of credit risk.

#### Nonderivative Financial Instruments

Nonderivative financial instruments included in the balance sheet are cash, accounts receivable, accounts payable and long-term debt. Accounts receivable include allowances for doubtful accounts of \$6.6 million and \$5.6 million, at December 31, 2003 and 2002, respectively. The fair value of long-term debt, estimated based on future cash flows discounted at interest rates currently available to the company for debt with similar maturities and characteristics, was \$7.2 billion and \$7.3 billion at December 31, 2003 and 2002, respectively.

### 4. DEBT

The company uses SEC shelf registrations for debt issuance efficiency and

flexibility, and currently has \$1.1 billion in registered debt available for issuance. Gains or losses on debt redemptions (either individually or in the aggregate) were not material for any year presented.

Debt at December 31 consisted of the following (in millions):

	2003	2002
U.S. dollar notes due 2006 to 2023, interest rates from 4.375% to 7.5%	\$2,929.9	\$2,100.0
U.S. dollar debentures due 2009 to 2043, interest rates from 5.95% to 9.0%	2,950.0	3,150.0
EuroNotes due 2004 to 2006, interest rates from 4.51% to 6.5%	351.0	351.0
Medium-term notes due 2010, interest rate 5.625%	200.0	200.0
Commercial paper, interest rates of 1.00% and 1.24%, respectively, at year-end	526.4	412.9
Industrial revenue bonds due 2006 to 2038, interest rates from 4.6% to 7.4%	270.8	270.1
ESOP note guarantee due 2004, interest rate 8.25%	46.3	90.3
Miscellaneous items	33.5	48.0
Unamortized debt discounts	(22.5)	(19.1)
<b>Total debt</b>	<b>\$7,285.4</b>	<b>\$6,603.2</b>



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The fixed interest rates on the company's EuroNotes and 5.6% U.S. dollar notes (total notional value of \$401.0 million in both 2003 and 2002) were swapped to LIBOR-based floating rates when issued. The weighted-average effective interest rates for this debt were 1.11% and 1.75% during 2003 and 2002, respectively. Year-end rates were 1.00% and 1.53%, respectively.

The weighted-average interest rates for commercial paper borrowings during 2003, 2002 and 2001 were 1.08%, 1.98% and 4.39%, respectively. The company has in place a single, committed \$2 billion revolving credit agreement that expires in August 2008, to support the company's commercial paper program. The agreement is syndicated among 16 banks, has no financial covenants and does not designate a material adverse change as a default event or prohibiting a borrowing. Credit rating triggers in the agreement pertain only to the pricing of any potential borrowing, not to the availability of funds. At December 31, 2003 and 2002, the company had no outstanding borrowings under the agreement. Annual fees under the agreement were \$1.2 million for all years presented. Commercial paper borrowings up to \$2 billion have been classified as long-term as they are supported on a long-term basis by the revolving credit agreement. Any commercial paper borrowings in excess of \$2 billion will be classified as short-term.

5. STOCK OPTION PLANS

Under terms of the company's stock option plans, officers, certain other employees and nonemployee directors may be granted options to purchase the company's common stock at a price equal to the market price on the date the option is granted. Options generally vest over three years and have a maximum term of 10 years. At December 31, 2003, 2002 and 2001, a total of 100 million, 89 million and 98 million shares, respectively, were designated for future issuance of common stock under existing stock option plans.

The company's stock option plans provide for accelerated exercisability on the occurrence of certain events relating to a change in control, merger, sale of substantially all company assets or complete liquidation of the company.

The income tax benefit related to the exercise of employee stock options (recognized as a reduction of current taxes payable and an increase in paid-in-capital) was \$41.3 million, \$77.1 million and \$26.7 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Presented below is a summary of stock option activity and pricing for the years shown:

<TABLE>

<CAPTION>

	Options Outstanding	Wtd. Avg. Exercise Price	Options Exercisable	Wtd. Avg. Exercise Price
<S>	<C>	<C>	<C>	<C>
Balance, Dec. 31, 2000	59,171,074	\$30.44	36,151,446	\$22.53
Granted	13,895,238	42.95		
Exercised	(3,986,476)	18.29		
Cancelled	(180,803)	44.39		
Balance, Dec. 31, 2001	68,899,033	\$33.63	44,100,568	\$27.71
Granted	14,181,841	49.93		
Exercised	(8,821,350)	20.15		
Cancelled	(146,254)	43.61		
Balance, Dec. 31, 2002	74,113,270	\$38.33	44,001,757	\$33.09
Granted	14,445,318	52.23		
Exercised	(5,024,710)	22.54		
Cancelled	(145,213)	45.15		
Balance, Dec. 31, 2003	83,388,665	\$41.67	55,249,010	\$37.43

</TABLE>

Nonemployee directors may elect to receive their annual retainer in shares of Anheuser-Busch common stock, in lieu of cash. If all nonemployee directors eligible to own the company's common stock elected to receive their annual retainer in shares, the total number of shares issued would be 14,356, based on the closing price for the company's common stock at December 31, 2003.

The following table provides additional information regarding options outstanding and options that were exercisable as of December 31, 2003:

<TABLE>

<CAPTION>

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number	Wtd. Avg. Remaining Life	Wtd. Avg. Exercise Price	Number	Wtd. Avg. Exercise Price	
<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$10-19	2,769,797	2 yrs	\$15.30	2,769,797	\$15.30	
20-29	16,313,455	4 yrs	25.37	16,313,455	25.37	
30-39	9,617,923	5 yrs	37.84	9,617,923	37.84	
40-49	40,348,717	8 yrs	47.22	26,519,242	46.99	
50-59	14,338,773	10 yrs	52.26	28,593	52.97	
\$10-59	83,388,665	7 yrs	\$41.67	55,249,010	\$37.43	

-----  
</TABLE>

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## 6. EMPLOYEE STOCK OWNERSHIP PLANS

In 1989, the company added Employee Stock Ownership Plans (ESOPs) to its existing Deferred Income Stock Purchase and Savings Plans (401(k) plans). Most regular employees are eligible for participation in the ESOPs. The ESOPs initially borrowed \$500 million for a 15-year term at an interest rate of 8.25% and used the proceeds to buy approximately 45.4 million shares of common stock from the company at a then market price of \$11.03 per share. ESOP shares are being allocated to participants over the 15-year period as contributions are made to the plans. The ESOPs purchased an additional 400,000 shares from the company using proceeds from the sale of spin-off-related Earthgrains shares in 1996. Of this 45.8 million total shares purchased, 44.9 million shares have been allocated to plan participants through December 31, 2003.

ESOP cash contributions and expense recorded during the year are determined by several factors, including the market price of Anheuser-Busch common stock, number of shares allocated to participants, debt service requirements, dividends on unallocated shares and the company's matching contribution. Over the 15-year life of the ESOPs, total expense recognized will equal total cash contributions made by the company for ESOP debt service. The company guarantees the ESOP debt. The guarantee expires when the ESOPs expire in March 2004. The company anticipates benefits expense in 2004 will increase by approximately \$30 million compared to 2003, due to the expiration of the ESOPs.

ESOP expense is allocated to operating and interest expense based on the ratio of principal and interest payments on the underlying ESOP debt. Total ESOP expense for the three years ended December 31 is presented below (in millions):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Operating expense	\$15.1	\$13.3	\$5.2
Interest expense	1.9	2.7	1.0
Total ESOP expense	\$17.0	\$16.0	\$6.2

</TABLE>

Cash contributions are made to the ESOPs in March and September to correspond with debt service requirements. A summary of cash contributions and dividends on unallocated ESOP shares for the three years ended December 31 is presented below (in millions):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Cash contributions	\$10.2	\$6.1	\$1.3
Dividends	1.7	3.7	5.2

</TABLE>

## 7. PREFERRED AND COMMON STOCK

Common Stock Activity  
Common stock activity for the three years ended December 31 is summarized below (in millions of shares):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Common Stock:			
Beginning common stock	1,453.4	1,445.2	1,441.5
Shares issued under stock plans	4.5	8.2	3.7
Common stock	1,457.9	1,453.4	1,445.2
Treasury Stock:			
Beginning treasury stock	(606.8)	(566.1)	(537.9)
Treasury stock acquired	(39.4)	(40.7)	(28.2)
Treasury stock issued	1.4	--	--
Cumulative treasury stock	(644.8)	(606.8)	(566.1)
Net common stock outstanding	813.1	846.6	879.1

</TABLE>

### Stock Repurchase Programs

The Board of Directors has approved various resolutions authorizing the company to repurchase shares of its common stock in order to return cash to shareholders and to meet the requirements of the company's various stock purchase and incentive plans. At December 31, 2003, approximately 77 million shares remained available for repurchase under a March 2003 Board authorization totaling 100 million shares.

The company repurchased 39.4 million common shares in 2003, 40.7 million shares in 2002 and 28.2 million shares in 2001, for \$1,958.9

million, \$2,027.0 million and \$1,163.8 million, respectively.

#### Stockholder Rights Plan

The Board of Directors adopted in 1985, and extended in 1994, a Stockholder Rights Plan that would permit shareholders to purchase common stock at prices substantially below market value under certain change-in-control scenarios.

#### Preferred Stock

At December 31, 2003 and 2002, 40 million shares of \$1.00 par value preferred stock were authorized and unissued.

#### Earnings Per Share of Common Stock

Earnings per share are computed by dividing net income by weighted-average common shares outstanding. Basic earnings per share are computed using an unadjusted weighted-average number of shares of common stock. Diluted earnings per share are computed using the weighted-average number of shares of common stock, plus an adjustment for the dilutive effect of unexercised in-the-money stock options.

<PAGE>

A reconciliation between basic and diluted weighted-average common shares outstanding for the three years ended December 31 follows (millions of shares). There were no adjustments to income available to common shareholders for purposes of calculating earnings per share for any year shown.

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Basic weighted average shares outstanding	826.2	866.0	890.1
Stock option shares	10.8	12.9	11.5
Diluted weighted average shares outstanding	837.0	878.9	901.6

</TABLE>

### 8. RETIREMENT BENEFITS

#### Pension Plans

The company has pension plans covering substantially all of its regular employees. Total pension expense for the three years ended December 31 is presented in the following table (in millions). Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts, based on employee hours or weeks worked. Pension expense recognized for multi-employer and defined contribution plans equals cash contributions for all years shown.

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Single-employer defined benefit plans	\$ 73.7	\$43.5	\$12.1
Multi-employer plans	16.8	16.9	16.2
Defined contribution plans	18.4	17.8	20.2
Total pension expense	\$108.9	\$78.2	\$48.5

</TABLE>

Net annual pension expense for single-employer defined benefit plans was composed of the following for the three years ended December 31 (in millions):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Service cost (benefits earned during the year)	\$ 74.7	\$ 66.7	\$ 59.8
Interest cost on projected benefit obligation	151.9	143.6	136.7
Assumed return on plan assets	(188.9)	(194.5)	(201.6)
Amortization of prior service cost and net actuarial losses	36.0	27.7	17.2
Net annual pension expense	\$ 73.7	\$ 43.5	\$ 12.1

</TABLE>

The key actuarial assumptions used in determining the annual pension expense and funded status for single-employer defined benefit plans for the three years ended December 31 follow. The measurement date for the company's pension accounting is October 1.

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Annual expense:			
Discount rate	6.75%	7.25%	7.5%
Long-term rate of return on plan assets	8.50%	9.25%	10.0%
Wtd avg rate of compensation increase	4.25%	4.75%	4.75%
Funded status:			
Discount rate	6.25%	6.75%	7.25%
Wtd avg rate of compensation increase	4.25%	4.75%	4.75%

</TABLE>

The following table provides a reconciliation between the funded status of single-employer defined benefit plans and the prepaid pension cost asset recorded on the balance sheet for the two years ended December 31 (in millions):

<TABLE>  
<CAPTION>

	2003	2002
--	------	------

<S>	<C>	<C>
Funded status -- plan assets (less than)		
projected benefit obligation	\$ (640.5)	\$ (591.9)
Unrecognized net actuarial loss	964.2	881.6
Unamortized prior service cost	113.2	125.6
Prepaid pension cost asset	\$ 436.9	\$ 415.3

</TABLE>

The following tables present changes in the projected benefit obligation, changes in the fair value of plan assets and a comparison of plan assets and the accumulated benefit obligation for single-employer defined benefit plans for the two years ended December 31 (in millions):

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Projected benefit obligation, beginning of year	\$ 2,323.6	\$ 2,051.3
Service cost	74.7	66.7
Interest cost	151.9	143.6
Plan amendments	13.3	6.7
Actuarial loss	179.4	210.1
Benefits paid	(167.3)	(154.8)
Projected benefit obligation, end of year	\$ 2,575.6	\$ 2,323.6

<CAPTION>

	2003	2002
<S>	<C>	<C>
Fair value of plan assets, beginning of year	\$ 1,731.7	\$ 1,834.4
Actual return on plan assets	275.0	(174.5)
Employer contributions	95.7	226.6
Benefits paid	(167.3)	(154.8)
Fair value of plan assets, end of year	\$ 1,935.1	\$ 1,731.7

<CAPTION>

	2003	2002
<S>	<C>	<C>
Plans with assets in excess of accumulated benefit obligation:		
Accumulated benefit obligation	\$ (91.6)	\$ (85.3)
Plan assets	94.6	86.2
Assets exceeding accumulated benefit obligation	3.0	0.9
Plans with accumulated benefit obligation in excess of assets:		
Accumulated benefit obligation	(2,250.1)	(2,038.2)
Plan assets	1,840.5	1,645.5
Accumulated benefit obligation exceeding assets	(409.6)	(392.7)
Net excess accumulated benefit obligation	\$ (406.6)	\$ (391.8)

</TABLE>

<PAGE>

Recognition of an alternative minimum pension liability is necessary whenever the accumulated benefit obligation exceeds available plan assets. Recording a minimum pension liability has no impact on the results of operations or cash flows. Summarized in the following table are the components of the company's minimum pension liability for the two years ended December 31 (in millions):

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Minimum pension liability -- domestic plans	\$ (807.9)	\$ (770.4)
Minimum pension liability -- equity investments	(31.9)	(35.5)
Intangible asset -- unrecognized prior service costs	112.2	116.9
Deferred income taxes	274.6	260.8
Net minimum pension liability	\$ (453.0)	\$ (428.2)

</TABLE>

Minimum funding for the company's defined benefit pension plans is determined in accordance with guidelines set forth in the federal Employee Retirement Income Security Act (ERISA). The company will make required minimum pension contributions totaling \$71 million for all plans in 2004. Additional contributions to enhance the funded status of pension plans can be made at the company's discretion, and Anheuser-Busch made accelerated contributions of \$75 million and \$201 million in the fourth quarters of 2003 and 2002, respectively. Following is information regarding the allocation of the company's pension plan assets as of December 31, 2003 and 2002, target allocation for 2004 and weighted average expected long-term rates of return by asset category.

<TABLE>  
<CAPTION>

Asset Category	Percentage of Plan Assets at Dec. 31, 2002	Percentage of Plan Assets at Dec. 31, 2003	Target Asset Allocation for 2004	Wtd Avg Expected Long-Term Rate of Return
<S>	<C>	<C>	<C>	<C>
Equity securities	65%	69%	68%	10.0%
Debt securities	30%	27%	27%	5.0%
Real estate	5%	4%	5%	7.0%
Total	100%	100%	100%	8.5%

</TABLE>

The company's pension assets are currently invested in domestic and international stocks, domestic fixed income securities and real estate. Target asset allocations are intended to achieve a desired total asset return over the long term, with an acceptable level of risk in the shorter term. Risk is measured in terms of likely volatility of annual investment returns, pension expense and funding requirements. Expected returns, risk and correlation among asset classes are based on historical data and investment advisor input.

The assumed rate of return is consistent with Anheuser-Busch's long-term investment return objective, which enables the company to provide competitive and secure employee retirement pension benefits. The company desires to minimize unfunded pension liabilities, while balancing expected long-term returns and short-term volatility.

The company assumes prudent levels of risk to meet overall pension investment goals. Risk levels are managed through formal and written investment guidelines. Portfolio risk is managed by having well defined long-term strategic asset allocation targets. The company avoids tactical asset allocation and market timing and has established disciplined rebalancing policies to ensure asset allocations remain close to targets. The company believes this approach ensures broad market diversification, which reduces exposure to individual companies, industries and sectors of the market and reduces overhead costs. With the exception of the U.S. government and its agencies, investment exposure to any single entity is limited to a maximum 5% of any single fund. Pension assets do not include any direct investment in Anheuser-Busch debt or equity securities.

Options and futures are used to hedge exposure to foreign currency denominated stocks and securitize cash in investment portfolios. By policy, derivatives used must be simple structures with high liquidity and be either exchange-traded or executed with highly rated counterparties. Leveraged transactions, short selling, illiquid derivative instruments and margin transactions are prohibited.

#### Postretirement Health Care and Insurance Benefits

The company provides certain health care and life insurance benefits to eligible retired employees. Participants must have 10 years of continuous service after reaching age 45 to become eligible for partial retiree health care benefits. Employees become eligible for full retiree health care benefits after achieving specific age and total years of service requirements, based on hire date.

Net periodic postretirement benefits expense for company health care and life insurance plans was comprised of the following for the three years ended December 31 (in millions):

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Service cost	\$ 19.7	\$ 19.8	\$ 18.9
Interest cost on accumulated postretirement benefits obligation	37.9	33.0	30.4
Amortization of prior service benefit	(11.5)	(11.6)	(11.6)
Amortization of actuarial loss/(gain)	2.3	(3.6)	(5.4)
Net periodic postretirement benefits expense	\$ 48.4	\$ 37.6	\$ 32.3

</TABLE>



<PAGE>

The following tables summarize changes in the accumulated and total postretirement benefit obligations for all company single-employer defined benefit health care and life insurance plans for the two years ended December 31 (in millions). As of December 31, 2003 and 2002, \$41.6 million and \$36.1 million, respectively, of the company's total postretirement benefits liability was classified as current. Postretirement benefit obligations are not prefunded and there are no assets associated with the plans.

The company's postretirement benefits liability does not include the impact of the Medicare Prescription Drug Improvement and Modernization Act of 2003, which was signed into law on December 8, 2003. The Act provides a federal subsidy to sponsors of retiree health care plans, such as Anheuser-Busch. Specific accounting guidance for the Act is pending. Preliminary estimates indicate the impact to the company will be insignificant. Accounting guidance is expected in 2004.

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Accumulated postretirement benefits obligation, beginning of year	\$ 478.5	\$466.5
Service cost	19.7	19.8
Interest cost	37.9	33.0
Actuarial loss	111.1	0.8
Benefits paid	(46.8)	(41.6)
Accumulated postretirement benefits obligation, end of year	600.4	478.5
Unrecognized prior service benefits	28.2	41.3
Unrecognized net actuarial losses	(116.6)	(9.5)
Total postretirement benefits liability	\$ 512.0	\$510.3

</TABLE>

The key actuarial assumptions used to determine net postretirement benefits expense and the accumulated postretirement benefits obligation for the three years ended December 31 are provided in the table below. For actuarial purposes, the initial health care trend rate is assumed to decline ratably to the future rate and then remain constant thereafter.

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Discount rate	6.25%	7.25%	7.75%
Initial health care cost trend rate	10.45%	11.3%	10.6%
Future health care cost trend rate	5.0%	5.5%	5.3%
Year health care trend rate becomes constant	2012	2011	2010

</TABLE>

Following is a summary of the impact on net periodic postretirement benefits expense and the accrued postretirement benefits liability of a hypothetical 1% change in the assumed health care cost trend rate (in millions). Brackets indicate a reduction in expense or liability.

<TABLE>  
<CAPTION>

	1% Increase	1% Decrease
<S>	<C>	<C>
Net periodic postretirement benefits expense	\$ 6.8	\$ (5.7)
Accrued postretirement benefits liability	57.6	(49.8)

</TABLE>

#### 9. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss recorded in shareholders equity as of December 31 are summarized below (in millions):

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Foreign currency translation losses	\$ (669.4)	\$ (439.6)
Deferred hedging gains/(losses)	59.8	(5.9)
Deferred securities valuation gains	172.3	3.0
Net minimum pension liability	(453.0)	(428.2)
Accumulated other comprehensive loss	\$ (890.3)	\$ (870.7)

</TABLE>

#### 10. INCOME TAXES

In the first quarter 2002, the company began presenting net incremental U.S.

income taxes relating to foreign equity investment earnings in the consolidated income tax provision. The company previously presented these taxes in equity income. This change in presentation has no impact on net income, earnings per share or cash flow. For comparability, 2001 information was recast to conform to the revised presentation.

Following are the components of the provision for income taxes for the three years ended December 31 (in millions):

	2003	2002	2001
Current tax provision:			
Federal	\$ 813.1	\$ 747.5	\$816.0
State	142.6	128.5	124.2
Foreign	8.1	5.3	3.1
Total current provision	963.8	881.3	943.3
Deferred tax provision:			
Federal	112.1	141.4	(11.0)
State	17.0	19.0	(2.3)
Foreign	0.4	(0.2)	(2.5)
Total deferred provision	129.5	160.2	(15.8)
Total tax provision	\$1,093.3	\$1,041.5	\$927.5

The deferred tax provision results from temporary differences between financial reporting and income tax filing for the basis of assets and liabilities, and in the timing of recognition of certain income and expense items. The primary temporary differences relate to depreciation on fixed assets and accrued U.S. taxes on equity income, net of foreign tax credits. The deferred tax provisions for 2003 and 2002 include the tax impacts of the \$75 million and \$201 million accelerated pension contributions, respectively. The 2001 deferred tax provision includes the impact of reversing a deferred tax liability in conjunction with the sale of SeaWorld Cleveland.

<PAGE>

The company's deferred tax liabilities and deferred tax assets as of December 31, 2003 and 2002 are summarized by category below (in millions). Deferred tax liabilities result primarily from tax deductions being received prior to expense recognition for financial reporting purposes. Deferred tax assets relate primarily to expenses being recognized for financial reporting purposes that are not yet deductible for tax purposes, and to the recognition of minimum pension liabilities. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are considered to be permanently reinvested outside the U.S. Foreign earnings considered permanently reinvested totaled \$169.1 million and \$141.9 million, respectively, at December 31, 2003 and 2002.

<TABLE>  
<CAPTION>

	2003	2002
<S>	<C>	<C>
Deferred tax liabilities:		
Fixed assets	\$1,795.6	\$1,691.1
Accrued net U.S. taxes on equity earnings	124.1	111.1
Other	308.5	275.1
Total deferred tax liabilities	2,228.2	2,077.3
Deferred tax assets:		
Minimum pension obligation	264.4	248.3
Postretirement benefits	205.6	194.4
Spare parts and production supplies	72.5	67.7
Compensation-related obligations	67.1	63.9
Accrued liabilities and other	156.5	157.9
Total deferred tax assets	766.1	732.2
Net deferred tax liabilities	\$1,462.1	\$1,345.1

</TABLE>

A reconciliation between the U.S. federal statutory tax rate and Anheuser-Busch's effective tax rate for the three years ended December 31 is presented below:

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Federal statutory tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	3.7	3.6	3.3
Impact of foreign operations	0.7	1.5	0.7
Other items, net	(0.7)	(0.4)	--
Effective tax rate	38.7%	39.7%	39.0%

</TABLE>

#### 11. SUPPLEMENTAL CASH FLOWS INFORMATION

Accounts payable include \$111.0 million and \$87.4 million, respectively, of outstanding checks at December 31, 2003 and 2002.

Supplemental cash flows information for the three years ended December 31 is presented in the following table (in millions).

<TABLE>  
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Cash paid during the year:			
Interest, net of interest capitalized	\$ 369.0	\$ 343.0	\$ 313.1
Income taxes	952.2	788.7	889.8
Excise taxes	2,169.4	2,119.5	2,052.6
Noncash investing activity:			
Issuance of treasury stock related to wholesaler acquisition (1)	\$ 72.6	\$ --	\$ --
Change in working capital:			
(Increase)/decrease in current assets:			
Accounts receivable	\$ (39.0)	\$ (9.5)	\$ (20.5)
Inventories	(23.9)	28.2	16.5
Other current assets	(60.5)	53.3	4.2
Increase/(decrease) in current liabilities:			
Accounts payable	107.1	41.6	4.2
Accrued salaries, wages and benefits	1.4	31.7	(20.6)
Accrued taxes	(17.9)	19.9	33.7
Other current liabilities	(21.1)	(42.0)	43.5
Derivatives fair value adjustment	77.2	17.7	(16.4)
Noncash change in working capital due to wholesaler acquisition	9.3	--	--
Net decrease in working capital	\$ 32.6	\$ 140.9	\$ 44.6

<FN>

Note 1: Recorded as a reduction in treasury stock for the company's average

cost of the shares (\$28.5), and an increase in paid-in-capital for the remainder (\$44.1).  
 </TABLE>

12. COMMITMENTS AND CONTINGENCIES

Following are the company's cash commitments as of December 31, 2003 (in millions):

<TABLE>  
 <CAPTION>

	2004	2005 and 2006	2007 and 2008	2009 and Thereafter	Total
<S>	<C>	<C>	<C>	<C>	<C>
Capital expenditures	\$108	\$ 62	\$ --	\$ --	\$ 170
Maturities of long-term debt (1)	251	170	550	5,742	6,713
Operating leases	37	61	32	286	416
Brewing and packaging materials	546	139	183	574	1,442
	\$942	\$432	\$765	\$6,602	\$8,741

<FN>  
 Note 1: Excludes commercial paper and the ESOP debt guaranteed by the company.  
 </TABLE>

In January 1997, Maris Distributing Company, Inc., a former Anheuser-Busch wholesaler in Florida, initiated litigation against the company alleging breach of contract and 12 other claims. Anheuser-Busch terminated its distribution agreement with Maris Distributing in March 1997. During the course of litigation, nine claims were resolved in favor of Anheuser-Busch and a defamation claim brought by Maris was mistried. In August 2001, a jury rendered a verdict against the company in the amount of \$50 million on two remaining claims. The court subsequently awarded plaintiffs an additional \$22.6 million in accumulated prejudgment interest on the jury award, which may continue to accrue at a rate that is fixed annually. Anheuser-Busch continues to believe it acted appropriately in terminating the distribution agreement of Maris Distributing. In May 2003, the Court of Appeals remanded the case to the trial court for resolution of issues relating to the defamation claim. In September 2003, the trial court determined that Maris Distributing's amended defamation claim

<PAGE>

could proceed. Anheuser-Busch is vigorously contesting that claim and is seeking review of the decision of the trial court to permit the defamation claim to proceed. The appeals of the 2001 verdict cannot be heard by the Court of Appeals until matters relating to the defamation claim are resolved. The company continues to vigorously contest the verdict. However, resolution is not expected to occur quickly and the ultimate impact of this matter on the company's financial position, results of operations or cash flows cannot presently be predicted. The company's results do not include any expense related to the Maris Distributing judgment or interest for any year shown.

The company and certain of its subsidiaries are involved in additional claims and legal proceedings in which monetary damages and other relief is sought. The company is vigorously contesting these claims; however resolution is not expected to occur quickly, and their ultimate outcome cannot presently be predicted. It is the opinion of management that the ultimate resolution of these claims, legal proceedings and other contingencies, either individually or in the aggregate, will not materially affect the company's financial position, results of operations or liquidity.

13. GOODWILL AND BEER DISTRIBUTION RIGHTS

On adoption of FAS 142, the company reclassified out of goodwill purchased beer distribution rights that met specific criteria for distinct asset recognition. The company also reclassified into goodwill certain miscellaneous intangible assets that did not meet the criteria for separate asset recognition. The following table shows the activity in goodwill and beer distribution rights since the adoption of FAS 142 (in millions). Beer distribution rights include international rights having a gross cost of \$26.1 million and a remaining unamortized balance of \$22.0 million at December 31, 2003. Amortization expense for these rights will remain constant over the next five years.

<TABLE>  
<CAPTION>

	Goodwill	Beer Distribution Rights
<S>	<C>	<C>
Balance at December 31, 2001	\$1,256.9	\$ --
Reclassification on adoption of FAS 142	(151.4)	158.9
Distribution rights acquired	--	13.6
Amortization of international distribution rights	--	(0.8)
Foreign currency translation and other	(80.1)	2.0
Balance at December 31, 2002	1,025.4	173.7
Distribution rights acquired	--	47.3
Distribution rights sold	--	(1.0)
Amortization of international distribution rights	--	(0.8)
Foreign currency translation and other	(35.5)	2.1
Balance at December 31, 2003	\$ 989.9	\$221.3

</TABLE>

FAS 142 does not permit restatement of previously issued financial statements. Therefore, the company's results for 2003 and 2002 do not include any goodwill amortization while results for 2001 include goodwill amortization. For comparability, the following table sets forth net income and earnings per share for 2001 assuming FAS 142 had been applied.

<TABLE>  
<CAPTION>

	2001
<S>	<C>
Reported net income	\$1,704.5
Add back goodwill amortization	35.8
Adjusted net income	\$1,740.3
Reported basic earnings per share	\$ 1.91
Add back goodwill amortization	.04
Adjusted basic earnings per share	\$ 1.95
Reported diluted earnings per share	\$ 1.89
Add back goodwill amortization	.04
Adjusted diluted earnings per share	\$ 1.93

</TABLE>

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

<TABLE>  
<CAPTION>  
Year ended December 31, 2003

	Net	Gross	Net	Earnings per Share
				-----

	Sales	Profit	Income	Basic	Diluted
<C>	<C>	<C>	<C>	<C>	<C>
1st Qtr	\$ 3,280.6	\$1,306.2	\$ 484.8	\$ .58	\$ .57
2nd Qtr	3,770.2	1,580.3	632.6	.76	.75
3rd Qtr	3,880.5	1,676.4	664.3	.81	.80
4th Qtr	3,215.4	1,134.7	294.2	.36	.36
Annual	\$14,146.7	\$5,697.6	\$2,075.9	\$2.51	\$2.48

<CAPTION>  
Year ended December 31, 2002

	Net Sales	Gross Profit	Net Income	Earnings per Share	
				Basic	Diluted
<C>	<C>	<C>	<C>	<C>	<C>
1st Qtr	\$ 3,136.6	\$1,222.0	\$ 456.1	\$ .52	\$ .51
2nd Qtr	3,626.1	1,506.3	586.5	.67	.66
3rd Qtr	3,706.2	1,601.0	622.0	.72	.71
4th Qtr	3,097.5	1,105.8	269.2	.32	.32
Annual	\$13,566.4	\$5,435.1	\$1,933.8	\$2.23	\$2.20

</TABLE>

#### 15. BUSINESS SEGMENTS

The company categorizes its operations into five business segments: domestic beer, international beer, packaging, entertainment and other.

The domestic beer segment consists of the company's U.S. beer manufacturing and wholesale sales operations, including vertically integrated rice, barley and hops operations.

The international beer segment consists of the company's export sales and overseas beer production and marketing operations, which include company-owned operations in China and the United Kingdom, administration of contract and license brewing arrangements and equity investments. Principal foreign markets for sale of the company's products are China, the United Kingdom, Canada and Ireland. The company attributes foreign sales based on the domicile of the purchaser of the product.

<PAGE>

The packaging segment is composed of the company's aluminum beverage can and lid manufacturing, aluminum recycling, label printing and glass manufacturing operations. Cans and lids are produced for both the company's domestic beer operations and external customers in the U.S. soft drink industry.

The entertainment segment consists of the company's SeaWorld, Busch Gardens and other adventure park operations. In the first quarter of 2001, the company sold its SeaWorld Cleveland theme park to Six Flags, Inc. for \$110 million, and recognized a \$17.8 million pretax gain (\$.005 per share, after-tax), which is shown as a separate line item in the consolidated income statement.

The other segment is comprised of the company's real estate development and transportation businesses.

Summarized below is the company's business segment information for 2003, 2002 and 2001 (in millions). Intersegment sales are fully eliminated in consolidation. No single customer accounted for more than 10% of sales. General corporate expenses, including net interest expense, are not allocated to the operating segments.

<TABLE>  
<CAPTION>

2003	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Information:							
Gross sales	\$12,997.5	797.0	2,093.6	923.9	74.4	(566.2)	\$16,320.2
Net sales - intersegment	\$ --	--	869.2	--	4.3	(873.5)	\$ --
Net sales - external	\$10,984.4	636.6	1,224.4	923.9	70.1	307.3	\$14,146.7
Depreciation and amortization	\$ 642.3	24.6	79.2	87.3	4.9	38.9	\$ 877.2
Income before income taxes	\$ 3,118.7	90.8	155.5	162.8	(12.0)	(691.5)	\$ 2,824.3
Equity income, net of tax	\$ --	344.9	--	--	--	--	\$ 344.9
Net income	\$ 1,933.6	401.2	96.4	100.9	(7.4)	(448.8)	\$ 2,075.9
Balance Sheet Information:							
Total assets	\$ 7,804.7	3,517.9	782.4	1,341.9	202.9	1,039.7	\$14,689.5
Equity method investments	\$ --	2,566.6	--	--	--	--	\$ 2,566.6
Goodwill	\$ --	679.7	21.9	288.3	--	--	\$ 989.9
Foreign-located fixed assets	\$ --	250.1	--	--	--	--	\$ 250.1
Capital expenditures	\$ 744.9	39.0	42.6	127.9	4.0	34.6	\$ 993.0

<CAPTION>

2002	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Information:							
Gross sales	\$12,562.9	713.6	2,072.0	858.6	92.8	(613.1)	\$15,686.8
Net sales - intersegment	\$ --	--	877.3	--	18.1	(895.4)	\$ --
Net sales - external	\$10,574.1	582.0	1,194.7	858.6	74.7	282.3	\$13,566.4
Depreciation and amortization	\$ 615.3	22.1	82.5	84.9	5.5	37.0	\$ 847.3
Income before income taxes	\$ 2,919.2	76.1	154.0	153.0	(3.4)	(675.3)	\$ 2,623.6
Equity income, net of tax	\$ --	351.7	--	--	--	--	\$ 351.7
Net income	\$ 1,809.9	398.9	95.5	94.9	(2.1)	(463.3)	\$ 1,933.8
Balance Sheet Information:							
Total assets	\$ 7,559.1	3,182.3	830.1	1,298.2	210.2	1,039.6	\$14,119.5
Equity method investments	\$ --	2,640.1	--	--	--	--	\$ 2,640.1
Goodwill	\$ --	715.2	21.9	288.3	--	--	\$ 1,025.4
Foreign-located fixed assets	\$ --	225.5	--	--	--	--	\$ 225.5
Capital expenditures	\$ 670.7	28.2	31.9	72.2	3.4	28.3	\$ 834.7

<CAPTION>

2001	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income Statement Information:							
Gross sales	\$11,950.7	654.1	1,999.8	847.6	108.0	(587.2)	\$14,973.0
Net sales - intersegment	\$ --	--	829.0	--	25.0	(854.0)	\$ --
Net sales - external	\$10,003.9	539.4	1,170.8	847.6	83.0	266.8	\$12,911.5
Depreciation and amortization	\$ 585.7	22.2	85.7	93.5	5.4	42.0	\$ 834.5
Income before income taxes	\$ 2,667.1	54.4	107.5	147.4	7.3	(606.1)	\$ 2,377.6
Equity income, net of tax	\$ --	254.4	--	--	--	--	\$ 254.4
Net income	\$ 1,648.8	288.0	66.5	85.6	4.5	(388.9)	\$ 1,704.5
Balance Sheet Information:							
Total assets	\$ 7,607.5	3,109.0	904.6	1,307.3	210.2	806.3	\$13,944.9
Equity method investments	\$ --	2,623.4	--	--	--	--	\$ 2,623.4
Goodwill	\$ 158.6	788.1	21.9	288.3	--	--	\$ 1,256.9
Foreign-located fixed assets	\$ --	209.6	--	--	--	--	\$ 209.6
Capital expenditures	\$ 710.0	21.5	108.4	88.8	23.2	70.1	\$ 1,022.0

<FN>

Note 1: Corporate assets principally include cash, marketable securities, deferred charges and certain fixed assets. Eliminations impact only gross and intersegment sales. External net sales reflects the reporting of pass-through delivery costs reimbursed by customers of \$298.9 million, \$282.3 million and \$266.8 million in 2003, 2002 and 2001, respectively.

</TABLE>

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#### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Anheuser-Busch Companies is responsible for the preparation and presentation of the financial statements and other financial information included in this annual report. Management is also responsible for the reasonableness of estimates and judgments inherent in the preparation of the financial statements, which are prepared in accordance with accounting principles generally accepted in the United States.

It is management's responsibility to ensure the company maintains accounting and reporting systems, supported by a system of internal accounting controls, designed to provide reasonable assurance as to the integrity of the underlying financial records and the protection of assets. These systems include written policies and procedures, selection and training of qualified personnel, organizational segregation of duties and a program of internal reviews and appropriate follow-up.

Management believes the company's systems are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 2003, the company's internal auditors, in conjunction with PricewaterhouseCoopers LLP, the company's independent auditors, performed a comprehensive review of the adequacy of the company's internal accounting controls system. Based on that comprehensive review, it is management's opinion that the company has an effective system of internal accounting controls.

The Board of Directors is responsible for ensuring the independence and qualifications of Audit Committee members under applicable New York Stock Exchange and U.S. Securities and Exchange Commission guidelines. The Audit Committee of the Board of Directors, which consists of five nonmanagement directors, oversees the company's financial reporting and internal controls systems and meets with management, the independent auditors and internal auditors periodically to review auditing and financial reporting matters. The Audit Committee is solely responsible for the selection and retention of the company's independent auditors, subject to shareholder approval. The Audit Committee held five meetings during 2003. Its report for 2003 can be found in the company's proxy statement.

PricewaterhouseCoopers LLP is responsible for conducting an independent examination of the company's financial statements in accordance with auditing standards generally accepted in the United States, and expressing an opinion as to whether the financial statements fairly present, in all material respects, the company's financial position, operating results, cash flows and changes in shareholders equity.

#### REPORT OF INDEPENDENT AUDITORS

To the Shareholders and Board of Directors  
of Anheuser-Busch Companies, Inc.

We have audited the accompanying Consolidated Balance Sheet of Anheuser-Busch Companies, Inc. and its subsidiaries as of December 31, 2003 and 2002, and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the Consolidated Financial Statements, the company changed its method of accounting for goodwill and other intangible assets as of January 1, 2002.

/s/ PricewaterhouseCoopers LLP

800 Market Street  
St. Louis, MO 63101

February 2, 2004



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<TABLE>

FINANCIAL SUMMARY -- OPERATIONS  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year ended December 31 (in millions, except per share)	2003	2002	2001
<S>	<C>	<C>	<C>
Barrels of Anheuser-Busch beer brands sold worldwide	111.0	109.8	107.2
Gross sales	\$16,320.2	\$15,686.8	\$14,973.0
Excise taxes	(2,173.5)	(2,120.4)	(2,061.5)
Net sales	14,146.7	13,566.4	12,911.5
Cost of sales	(8,449.1)	(8,131.3)	(7,950.4)
Gross profit	5,697.6	5,435.1	4,961.1
Marketing, distribution and administrative expenses	(2,498.3)	(2,455.4)	(2,255.9)
Gain on sale of business (1)	--	--	17.8
Shutdown of Tampa brewery	--	--	--
Restructuring charge	--	--	--
Operating income	3,199.3	2,979.7	2,723.0
Interest expense	(401.5)	(368.7)	(361.2)
Interest capitalized	24.4	17.7	26.9
Interest income	1.7	1.3	1.1
Other income/(expense), net	0.4	(6.4)	(12.2)
Income before income taxes	2,824.3	2,623.6	2,377.6
Provision for income taxes	(1,093.3)	(1,041.5)	(927.5)
Revaluation of deferred tax liability under FAS 109	--	--	--
Equity income, net of tax	344.9	351.7	254.4
Income from continuing operations	2,075.9	1,933.8	1,704.5
Income/(loss) from discontinued operations	--	--	--
Income before accounting changes	2,075.9	1,933.8	1,704.5
Cumulative effect of accounting changes	--	--	--
Net income	\$ 2,075.9	\$ 1,933.8	\$ 1,704.5
Basic earnings per share:			
Income from continuing operations	\$ 2.51	\$ 2.23	\$ 1.91
Income/(loss) from discontinued operations	--	--	--
Income before accounting changes	2.51	2.23	1.91
Cumulative effect of accounting changes	--	--	--
Net income	\$ 2.51	\$ 2.23	\$ 1.91
Diluted earnings per share:			
Income from continuing operations	\$ 2.48	\$ 2.20	\$ 1.89
Income/(loss) from discontinued operations	--	--	--
Income before accounting changes	2.48	2.20	1.89
Cumulative effect of accounting changes	--	--	--
Net income	\$ 2.48	\$ 2.20	\$ 1.89
Weighted average number of common shares:			
Basic	826.2	866.0	890.1
Diluted	837.0	878.9	901.6

All share and per share information reflects the two-for-one common stock splits distributed September 18, 2000 and September 12, 1996 and the 1997 adoption of FAS 128, "Earnings per Share." Gross sales, net sales and cost of sales for all years reflect the change made in 2001 for the presentation of pass-through finished product delivery costs reimbursed by customers. This change had a minor impact on revenue and profit margin growth, and had no impact on cash flow, operating income, net income and earnings per share. All information has been restated to recognize the 1995 divestiture of the food products segment.

<FN>

Note 1: Sale of SeaWorld Cleveland in 2001; Sale of the St. Louis Cardinals in 1996.

Note 2: 1997 change in accounting for deferred systems reengineering costs, net of tax benefit of \$6.2 million.

</TABLE>

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FINANCIAL SUMMARY -- OPERATIONS  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year ended December 31 (in millions, except per share)	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>
Barrels of Anheuser-Busch beer brands sold worldwide	105.6	102.9	99.8	96.6
Gross sales	\$14,534.2	\$13,914.5	\$13,342.5	\$12,936.0
Excise taxes	(2,034.8)	(2,019.6)	(1,962.1)	(1,766.2)
Net sales	12,499.4	11,894.9	11,380.4	11,169.8
Cost of sales	(7,829.9)	(7,445.6)	(7,297.1)	(7,200.5)
Gross profit	4,669.5	4,449.3	4,083.3	3,969.3
Marketing, distribution and administrative expenses	(2,174.8)	(2,147.0)	(1,958.0)	(1,916.3)
Gain on sale of business (1)	--	--	--	--
Shutdown of Tampa brewery	--	--	--	--
Restructuring charge	--	--	--	--
Operating income	2,494.7	2,302.3	2,125.3	2,053.0
Interest expense	(348.2)	(307.8)	(291.5)	(261.2)
Interest capitalized	33.3	18.2	26.0	42.1
Interest income	1.1	4.3	5.8	7.9
Other income/(expense), net	(1.0)	(9.4)	(13.0)	(9.3)
Income before income taxes	2,179.9	2,007.6	1,852.6	1,832.5
Provision for income taxes	(874.3)	(784.1)	(732.2)	(715.2)
Revaluation of deferred tax liability under FAS 109	--	--	--	--
Equity income, net of tax	246.0	178.7	112.9	61.9
Income from continuing operations	1,551.6	1,402.2	1,233.3	1,179.2
Income/(loss) from discontinued operations	--	--	--	--
Income before accounting changes	1,551.6	1,402.2	1,233.3	1,179.2
Cumulative effect of accounting changes	--	--	--	(10.0) (2)
Net income	\$ 1,551.6	\$ 1,402.2	\$ 1,233.3	\$ 1,169.2
Basic earnings per share:				
Income from continuing operations	\$ 1.71	\$ 1.49	\$ 1.28	\$ 1.19
Income/(loss) from discontinued operations	--	--	--	--
Income before accounting changes	1.71	1.49	1.28	1.19
Cumulative effect of accounting changes	--	--	--	(.01) (2)
Net income	\$ 1.71	\$ 1.49	\$ 1.28	\$ 1.18
Diluted earnings per share:				
Income from continuing operations	\$ 1.69	\$ 1.47	\$ 1.27	\$ 1.18
Income/(loss) from discontinued operations	--	--	--	--
Income before accounting changes	1.69	1.47	1.27	1.18
Cumulative effect of accounting changes	--	--	--	(.01) (2)
Net income	\$ 1.69	\$ 1.47	\$ 1.27	\$ 1.17
Weighted average number of common shares:				
Basic	906.1	939.0	964.2	985.3
Diluted	919.7	953.7	975.0	999.4

<CAPTION>

Year ended December 31 (in millions, except per share)	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>
Barrels of Anheuser-Busch beer brands sold worldwide	95.1	90.9	91.3	89.7
Gross sales	\$12,721.8	\$12,100.1	\$11,793.9	\$11,232.5
Excise taxes	(1,737.8)	(1,664.0)	(1,679.7)	(1,679.8)
Net sales	10,984.0	10,436.1	10,114.2	9,552.7
Cost of sales	(7,064.9)	(6,886.6)	(6,581.0)	(6,252.8)
Gross profit	3,919.1	3,549.5	3,533.2	3,299.9
Marketing, distribution and administrative expenses	(1,890.0)	(1,756.6)	(1,679.9)	(1,612.1)
Gain on sale of business (1)	54.7	--	--	--
Shutdown of Tampa brewery	--	(160.0)	--	--
Restructuring charge	--	--	--	(401.3)
Operating income	2,083.8(3)	1,632.9(4)	1,853.3	1,286.5(5)
Interest expense	(232.8)	(225.9)	(219.3)	(205.1)
Interest capitalized	35.5	24.3	21.8	35.2
Interest income	9.4	9.9	2.6	3.4
Other income/(expense), net	(3.0)	20.5	17.6	21.0
Income before income taxes	1,892.9(3)	1,461.7(4)	1,676.0	1,141.0(5)
Provision for income taxes	(736.8)	(575.1)	(661.5)	(452.6)
Revaluation of deferred tax liability under FAS 109	--	--	--	(31.2)

Equity income, net of tax	--	--	--	--
Income from continuing operations	1,156.1(3)	886.6(4)	1,014.5	657.2(5)
Income/(loss) from discontinued operations	33.8	(244.3)	17.6	(62.7)
Income before accounting changes	1,189.9	642.3	1,032.1	594.5
Cumulative effect of accounting changes	--	--	--	--
Net income	\$ 1,189.9	\$ 642.3	\$ 1,032.1	\$ 594.5
Basic earnings per share:				
Income from continuing operations	\$ 1.16	\$ .86	\$ .96	\$ .60
Income/(loss) from discontinued operations	.03	(.23)	.02	(.05)
Income before accounting changes	1.19	.63	.98	.55
Cumulative effect of accounting changes	--	--	--	--
Net income	\$ 1.19	\$ .63	\$ .98	\$ .55
Diluted earnings per share:				
Income from continuing operations	1.14(3)	\$.85(4)	\$.95	\$.60(5)
Income/(loss) from discontinued operations	.03	(.23)	.02	(.05)
Income before accounting changes	1.17	.62	.97	.55
Cumulative effect of accounting changes	--	--	--	--
Net income	\$ 1.17	\$ .62	\$ .97	\$ .55
Weighted average number of common shares:				
Basic	998.2	1,021.7	1,049.2	1,088.7
Diluted	1,021.2	1,048.8	1,076.1	1,117.2

<FN>

Note 3: 1996 results include the impact of the gain on the sale of the St. Louis Cardinals. Excluding the Cardinals gain, operating income, pretax income, income from continuing operations and diluted earnings per share would have been \$2,029.1 million, \$1,838.2 million, \$1,122.7 million and \$1.10, respectively.

Note 4: 1995 results include the impact of the one-time pretax charge of \$160 million for the closure of the Tampa brewery, and the \$74.5 million pretax impact of the beer wholesaler inventory reduction. Excluding these nonrecurring special items, operating income, pretax income, income from continuing operations and diluted earnings per share would have been \$1,867.4 million, \$1,696.2 million, \$1,032.3 million and \$.99, respectively.

Note 5: 1993 results include the impact of a \$401.3 million pretax restructuring charge and a \$31.2 million after-tax charge resulting from revaluation of the deferred tax liability due to a 1% increase in U.S. federal income tax rates. Excluding these nonrecurring special charges, operating income, pretax income, income from continuing operations and diluted earnings per share would have been \$1,687.8 million, \$1,542.3 million, \$935.2 million and \$.84, respectively.

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FINANCIAL SUMMARY -- BALANCE SHEET AND OTHER INFORMATION  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year ended December 31 (in millions, except per share)	2003	2002	2001
<S>	<C>	<C>	<C>
Balance Sheet Information:			
Working capital (deficit)	\$ (226.9)	\$ (283.0)	\$ (186.1)
Current ratio	0.9	0.8	0.9
Debt	7,285.4	6,603.2	5,983.9
Shareholders equity	2,711.7	3,052.3	4,061.5
Return on shareholders equity	72.0%	54.4%	41.6%
Book value per share	3.33	3.61	4.62
Total assets	14,689.5	14,119.5	13,944.9
Other Information:			
Operating cash flow before change in working capital	\$ 2,938.3	\$ 2,624.3	\$ 2,316.0
Capital expenditures	993.0	834.7	1,022.0
Free cash flow	1,977.9	1,930.5	1,338.6
Cash dividends paid on common stock	685.4	649.5	614.1
Per share	.83	.75	.69
Price/earnings ratio	21.2	22.0	23.9
Market price range of common stock (high and low closing)	53.69-45.92	54.97-44.00	46.51-38.50

All share and per share information reflects the two-for-one common stock splits distributed September 18, 2000 and September 12, 1996.  
All information has been restated to recognize the 1995 divestiture of the food products segment.

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FINANCIAL SUMMARY -- BALANCE SHEET AND OTHER INFORMATION  
ANHEUSER-BUSCH COMPANIES AND SUBSIDIARIES

<CAPTION>

Year ended December 31 (in millions, except per share)	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>
Balance Sheet Information:				
Working capital (deficit)	\$ (127.8)	\$ (350.4)	\$ (89.9)	\$ 83.2
Current ratio	0.9	0.8	0.9	1.1
Debt	5,362.7	5,122.9	4,718.6	4,365.6
Shareholders equity	4,128.9	3,921.5	4,216.0	4,041.8
Return on shareholders equity	38.5%	34.5%	29.9%	29.2%(1)
Book value per share	4.57	4.25	4.42	4.15
Total assets	13,148.3	12,680.5	12,504.5	11,738.4
Other Information:				
Operating cash flow before change in working capital	\$ 2,230.0	\$ 2,141.6	\$ 1,977.2	\$ 1,839.0
Capital expenditures	1,074.5	865.3	817.5	1,199.3
Free cash flow	1,183.0	1,270.6	1,395.9	644.4
Cash dividends paid on common stock	571.0	544.7	521.0	492.6
Per share	.63	.58	.54	.50
Price/earnings ratio	26.9	24.1	25.9	18.6(1)
Market price range of common stock (high and low closing)	49.81-27.47	40.81-32.59	34.13-21.72	23.94-19.75

<CAPTION>

Year ended December 31 (in millions, except per share)	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>
Balance Sheet Information:				
Working capital (deficit)	\$ 34.9	\$ 268.6	\$ 57.0	\$ (41.3)
Current ratio	1.0	1.2	1.0	1.0
Debt	3,270.9	3,270.1	3,066.4	3,019.7
Shareholders equity	4,029.1	4,433.9	4,415.5	4,255.5
Return on shareholders equity	30.0%(2)	25.0%(3)	29.9%	18.8%(4)
Book value per share	4.05	3.61	3.32	3.35
Total assets	10,463.6	10,590.9	10,547.4	10,267.7
Other Information:				
Operating cash flow before change in working capital	\$ 1,751.7	\$ 1,700.5	\$ 1,729.6	\$ 1,535.4
Capital expenditures	1,084.6	952.5	662.8	656.3
Free cash flow	909.2	494.5	1,009.8	991.1
Cash dividends paid on common stock	458.9	429.5	398.8	370.0
Per share	.46	.42	.38	.34
Price/earnings ratio	17.6(2)	19.6(3)	13.1	22.6(4)
Market price range of common stock (high and low closing)	21.44-16.25	17-12.69	13.81-11.75	15-11

<FN>

Note 1: Ratios calculated based on income from continuing operations before the cumulative effect of accounting changes.

Note 2: Ratios calculated based on reported income from continuing operations, which includes the \$54.7 million pretax gain on the sale of the St. Louis Cardinals. Excluding the Cardinals gain, return on shareholders equity would have been 29.2% and the price/earnings ratio would have been 18.1.

Note 3: Ratios calculated based on reported income from continuing operations. Excluding the two nonrecurring 1995 items (\$160 million pretax charge for closure of the Tampa brewery and \$74.5 million impact of the beer wholesaler inventory reduction), return on shareholders equity would have been 29.1% and the price/earnings ratio would have been 16.8.

Note 4: Ratios calculated based on reported income from continuing operations. Excluding the two nonrecurring 1993 charges (\$401.3 million pretax restructuring charge and \$31.2 million after-tax FAS 109 charge), return on shareholders equity would have been 26.7% and the price/earnings ratio would have been 13.8.

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APPENDIX

Pages 28, 31, 32, 33, 34 and 35 of the Annual Report contain a bar graph. The information in the bar graph has been presented in a tabular format that may be processed by the EDGAR system.

ANHEUSER-BUSCH COMPANIES

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

To ensure prosperity and job security for our employees, we must remain profitable. It is our responsibility to provide a sound return to our shareholders. One of our primary competitive advantages is our unwavering commitment to truth, candor and objectivity in our relationships with business partners and customers. We will continue to operate this company in the same simple, straightforward and transparent manner that has been a hallmark of Anheuser-Busch.

The good name and reputation of Anheuser-Busch rests with how well we maintain these values. Our goal is not just to comply with the laws and regulations that apply to our business; we also strive to abide by the highest standards of business conduct. This Code of Business Conduct and Ethics affirms and expands on the company's commitment to abiding by these values and the highest standards of business conduct. All Anheuser-Busch employees and its Board of Directors are expected to adhere to this Code.

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NOTE TO EMPLOYEES

This Code does not cover all laws or company policies. If a law conflicts with the Code, we will follow the law. If a local custom or practice conflicts with this Code, we will follow the Code.

This Code clarifies the Company's rights and expectations as an employer but does not create any express or implied contractual rights for employees.

In accordance with the requirements of the Securities and Exchange Commission ("SEC") and the New York Stock Exchange, the Board of Directors of Anheuser-Busch Companies, Inc. has adopted this Code of Business Conduct and Ethics (the "Code") to:

- o Promote honest and ethical conduct, including fair dealing and the proactive evaluation and handling of actual and apparent conflicts of interest;
- o Promote full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the SEC and in other public communications;
- o Ensure compliance with applicable laws and governmental rules and regulations;
- o Ensure the protection of the Company's business interests, including corporate opportunities, assets and confidential information; and
- o Encourage reporting of illegal and unethical behavior, and deter wrongdoing.



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This Code shall apply to all directors, officers and employees of Anheuser-Busch Companies, Inc. and its subsidiaries (the "Company"). This Code reaffirms the Company's longstanding position concerning compliance with laws and adherence to ethical business practices, and can be found on Anheuser-Busch's website at <http://www.anheuser-busch.com>. This Code may be updated at anytime in the sole discretion of the Anheuser-Busch Board of Directors. Any change to this Code shall be promptly disclosed to the public on Anheuser-Busch's website.

All directors, officers and employees of the Company are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code.

I. HONEST AND ETHICAL CONDUCT

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and ethical. This includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

Each director, officer and employee must:

- o Act with integrity, including being honest and ethical and maintaining the confidentiality of information where required or consistent with the Company's policies.
- o Observe both the form and spirit of laws and government rules and regulations, generally accepted accounting principles, and Company policies.
- o Adhere to a high standard of business ethics.

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- o Accept no improper material personal benefits from third parties as a result of any transaction or transactions with the Company.

II. CONFLICTS OF INTEREST

Directors, officers and employees must avoid conflicts of interest. Any activity that has even the appearance of a conflict of interest must be reviewed and when appropriate approved by the Board of Directors or the Conflict of Interest Committee of the Board. A "conflict of interest" occurs when an individual's personal interest interferes with the interests of the Company, or when such interest could reasonably be viewed as interfering with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has personal interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when a director, officer or employee, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position in the Company.

Company loans to, or guarantees of obligations of, directors and executive officers and their family members are likely to create conflicts of interest and, therefore, are prohibited. In addition, loans to, or guarantees of obligations of, other employees may create conflicts of interest and therefore must be reviewed in advance by the Business Practices Committee in order to determine if a conflict exists.

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EVALUATION OF POTENTIAL CONFLICTS OF INTEREST  
FOR DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors or the Conflict of Interest Committee of the Board will review all actual or apparent conflicts of interest involving Directors or executive officers (including Senior Financial Officers). The Board may approve the matter, subject to appropriate safeguards, if it believes that only the appearance of a conflict of interest exists and no actual conflict of interest is present. If the Board determines that the situation creates an actual conflict of interest, the Board will not approve the matter.

III. PUBLIC DISCLOSURE

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely and understandable. All directors, officers and employees who are involved in the Company's disclosure process are responsible for acting in furtherance of this policy. In particular, the Chief Executive Officer, the Chief Financial Officer, and the principal accounting officer (the "Senior Financial Officers") are required to maintain familiarity with the disclosure requirements applicable to the Company. All directors, officers and employees are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. In addition, each director, officer or employee who has a supervisory role in the Company's disclosure process has an obligation to discharge his or her responsibilities diligently.

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IV. COMPLIANCE

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each director, officer and employee to adhere to the standards and restrictions imposed by those laws, rules and regulations in the performance of his or her duties for the Company, including those relating to accounting and auditing matters and insider trading.

It is both illegal and against Company policy for any individual to profit from undisclosed information relating to the Company or any other company. Anyone who is aware of material nonpublic information relating to the Company may not purchase or sell any of the Company's securities. Also, it is against Company policy for any director, officer or employee, who may have inside or unpublished material knowledge about any of our customers or any other company, to purchase or sell the securities of those companies.

V. CORPORATE OPPORTUNITIES

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking (or directing a third party to take) a business opportunity that is discovered through the use of Company property, information or position, unless the Company has already been offered the opportunity and turned it down. Directors, officers and employees are also prohibited from using Company property, information, or their position for personal gain, or from competing against the Company.

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VI. CONFIDENTIALITY

In carrying out the Company's business, directors, officers and employees often learn confidential or proprietary information about the Company, its customers, suppliers, or joint venture parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

VII. FAIR DEALING

Anheuser-Busch has a long-standing policy of conducting business in an ethical manner. The Company does not seek competitive advantages through illegal or unethical business practices. Accordingly, each director, officer and employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

VIII. PROTECTION AND PROPER USE OF COMPANY ASSETS

All directors, officers and employees should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

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IX REPORTING

Employees are encouraged to talk to their supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Directors and executive officers must ensure that the Chairman of the Conflict of Interest Committee is promptly made aware of any existing or potential violations of laws, rules, regulations or this Code. All other officers or employees must promptly notify the Ethics Compliance Officer of any existing or potential violation of laws, rules, regulations or this Code. The Company will not tolerate retaliation, retribution or adverse employment action of any kind against employees who in good faith report suspected violations.

To help assure compliance with the law and the Code, the Company has established a confidential, 24-hour reporting system. Any employee may confidentially report possible violations of law, this Code, or other Anheuser-Busch policy -- including any direction by a supervisor that is inconsistent with this Code -- by sending an e-mail or letter to the mailing address below, or anonymously by calling 1-866-660-6677. All reports will be investigated fully.

You may report possible violations, and send questions or comments to:

Lisa A. Joley  
Ethics Compliance Officer  
Legal Department 202-6  
Anheuser-Busch Companies, Inc.  
1 Busch Place  
St. Louis, MO 63118

Or via e-mail at [businessethics@anheuser-busch.com](mailto:businessethics@anheuser-busch.com)

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X. ADMINISTRATION AND IMPLEMENTATION

The Conflict of Interest Committee of the Board shall have the authority to apply and interpret this Code in all situations affecting directors and executive officers. The Company's Business Practices Committee has the authority to apply and interpret this Code in situations affecting all other employees of the Company, subject to review by the Conflict of Interest Committee. The Company's Ethics Compliance Officer is responsible for overseeing the implementation of this Code, investigating potential violations, and reporting the results to the appropriate committee.

Any waiver of, or amendments to, the Code for directors or executive officers (including Senior Financial Officers) of the Company may be made only by the Board of Directors or the Conflict of Interest Committee of the Board, and must be promptly disclosed as required by law or stock exchange regulations.

<TABLE>

SUBSIDIARIES OF ANHEUSER-BUSCH COMPANIES, INC.

<CAPTION>

NAME OF COMPANY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	DOING BUSINESS UNDER NAME OF -----
<S> A-B Jade Hong Kong Holding Company, Limited	<C> China	<C> A-B Jade Hong Kong Holding Company, Limited
Anheuser-Busch, Incorporated	Missouri	Anheuser-Busch, Incorporated CA: Anheuser-Busch Sales of San Diego CA: Anheuser-Busch Sales of Stockton CA: Anheuser-Busch Sales of Sylmar CA: Anheuser-Busch Sales Co. CO: Anheuser-Busch Sales Co. CO: Anheuser-Busch Sales Co. of Denver CO: Anheuser-Busch Sales Company of Denver MO: Anheuser-Busch Center MO: Anheuser-Busch Conference and Sports Centre MO: Bud Sports MO: Grant's Farm MO: Promotional Products Group MO: St. Louis Soccer Park MO: The Anheuser-Busch Collectors Club OH: Anheuser-Busch Sales of Canton OK: Anheuser-Busch Sales of Oklahoma - Enid Branch OK: Anheuser-Busch Sales of Oklahoma - Perry Branch OK: Anheuser-Busch Sales of Oklahoma - Ponca City Branch OK: Anheuser-Busch Sales of Oklahoma - Tulsa Branch OK: Anheuser-Busch Sales of Oklahoma - Vinita Branch OK: Anheuser-Busch Sales of Tulsa OK: Anheuser-Busch Sales of Stillwater OK: Anheuser-Busch Sales of Vinita VA: Kingsmill Golf Club
Anheuser-Busch Asia, Inc.	Delaware	Anheuser-Busch Asia, Inc.
Anheuser-Busch Australia Limited	Delaware	Anheuser-Busch Australia Limited
Anheuser-Busch Brasil Holdings Ltda.	Brazil	Anheuser-Busch Brasil Holdings Ltda.
Anheuser-Busch Canada, Inc.	Delaware	Anheuser-Busch Canada, Inc.
Anheuser-Busch Distributors of New York, Inc.	Delaware	Anheuser-Busch Sales and Service of New York
Anheuser-Busch Europe, Inc.	Delaware	Anheuser-Busch Europe, Inc.
Anheuser-Busch Europe Limited	United Kingdom	Anheuser-Busch Europe Limited
Anheuser-Busch Florida Investment Capital Corporation	Florida	Anheuser-Busch Florida Investment Capital Corporation
Anheuser-Busch Hong Kong Investment Company, Limited	China	Anheuser-Busch Hong Kong Investment Company, Limited
Anheuser-Busch Import Investments, Inc.	Delaware	Anheuser-Busch Import Investments, Inc.
Anheuser-Busch International, Inc.	Delaware	Anheuser-Busch International, Inc.
Anheuser-Busch International Holdings, Inc.	Delaware	Anheuser-Busch International Holdings, Inc.



Anheuser-Busch International  
Holdings, Inc. Chile I Limitada

Chile

Anheuser-Busch International  
Holdings, Inc. Chile I Limitada

Anheuser-Busch International  
Holdings, Inc. Chile II Limitada

Chile

Anheuser-Busch International  
Holdings, Inc. Chile II Limitada

Anheuser-Busch Investments, S.L.

Spain

Anheuser-Busch Investments, S.L.

Anheuser-Busch Latin American  
Development Corporation

Delaware

Anheuser-Busch Latin American  
Development Corporation

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SUBSIDIARIES OF ANHEUSER-BUSCH COMPANIES, INC.  
-----

NAME OF COMPANY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	DOING BUSINESS UNDER NAME OF -----
<S> Anheuser-Busch Mexico, Inc.	<C> Delaware	<C> Anheuser-Busch Mexico, Inc.
Anheuser-Busch Overseas Holdings, L.L.C.	Delaware	Anheuser-Busch Overseas Holdings, L.L.C.
Anheuser-Busch Packaging Group, Inc.	Delaware	Anheuser-Busch Packaging Group, Inc.  MO: Anheuser-Busch Companies Packaging Group
Anheuser-Busch Recycling Corporation	Ohio	Anheuser-Busch Recycling Corporation
Anheuser-Busch River North Investment Capital Corporation	Delaware	IL: River North Distributing Company
Anheuser-Busch Sales of Hawaii, Inc.	Delaware	Anheuser-Busch Sales of Hawaii, Inc.
Anheuser-Busch San Diego Wholesaler Development Corporation	Delaware	CA: Anheuser-Busch Sales of San Diego
Anheuser-Busch Spanish Holdings, Inc.	Delaware	Anheuser-Busch Spanish Holdings, Inc.
Anheuser-Busch Wholesaler Development Corp.	Delaware	Anheuser-Busch Wholesaler Development Corp.  CA: Anheuser-Busch Sales, Pomona CA: Anheuser-Busch Sales, Antelope Valley
Anheuser-Busch Wholesaler Development Corporation III	Delaware	Anheuser-Busch Wholesaler Development Corporation III
Anheuser-Busch Wholesaler Development Corporation IV	Delaware	Anheuser-Busch Wholesaler Development Corporation IV
Anheuser-Busch Wisconsin Investment Capital Corporation	Wisconsin	Anheuser-Busch Wisconsin Investment Capital Corporation
Anheuser-Busch World Trade Ltd.	Delaware	Anheuser-Busch World Trade Ltd.
August A. Busch & Co. of Massachusetts, Inc.	Massachusetts	August A. Busch & Co. of Massachusetts, Inc.

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SUBSIDIARIES OF ANHEUSER-BUSCH COMPANIES, INC.  
-----

NAME OF COMPANY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	DOING BUSINESS UNDER NAME OF -----
<S> Bannon Corporation	<C> Delaware	<C> Bannon Corporation
BARI-Canada, Inc.	Delaware	BARI-Canada, Inc.
Bevo Music, Inc.	Delaware	Bevo Music, Inc.
Bow Tie Music, Inc.	Delaware	Bow Tie Music, Inc.
Budweiser Brasil Ltda.	Brazil	Budweiser Brasil Ltda.
Budweiser Hong Kong Holding Company, Limited	China	Budweiser Hong Kong Holding Company, Limited
Budweiser Philippines, Inc.	Delaware	Budweiser Philippines, Inc.
Budweiser Wuhan International Brewing Company Limited	China	Budweiser Wuhan International Brewing Company Limited
Busch Agricultural Resources, Inc.	Delaware	Busch Agricultural Resources, Inc.
Busch Agricultural Resources International, Inc.	Delaware	Busch Agricultural Resources International, Inc.
Busch Entertainment Corporation	Delaware	Busch Entertainment Corporation
Busch International Sales Corporation	Delaware	Busch International Sales Corporation
Busch Investment Corporation	Delaware	Busch Investment Corporation
Busch Mechanical Services, Inc.	Delaware	Busch Mechanical Services, Inc.
		GA: Atlanta Transportation Services Company
		MO: Busch Reclamation Services
		MO: Busch Transportation Services
		MO: Springfield Railway Services
		TN: Memphis Transportation Services
Busch Media Group, Inc.	Delaware	Busch Media Group, Inc.
Busch Properties, Inc.	Delaware	Busch Properties, Inc.
		VA: Kingsmill Audio Visual Services
		VA: Kingsmill Golf Club
		VA: Kingsmill Inn and Conference Center
Busch Properties of Florida, Inc.	Florida	Busch Properties of Florida, Inc.
Civic Center Corporation	Missouri	Civic Center Corporation
Consolidated Farms, Inc.	Delaware	ID: Elk Mountain Farms, Inc.

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SUBSIDIARIES OF ANHEUSER-BUSCH COMPANIES, INC.  
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NAME OF COMPANY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	DOING BUSINESS UNDER NAME OF -----
<S> Eagle Packaging, Inc.	<C> Delaware	<C> Eagle Packaging, Inc.  CA: The a 'Sante' Company  NY: Saratoga Mineral Waters in Saratoga Springs
Eagle Snacks, Inc.	Delaware	Eagle Snacks, Inc.  MA: The Cape Cod Company in Hyannis  MI: Eagle Snacks of Missouri  NC: Carolina Harvest Company
Glass Container Corporation	Delaware	MO/TX: Longhorn Glass Corporation
HSH of Orlando, Inc.	Florida	HSH of Orlando, Inc.
ILH Company	Florida	ILH Company
Kingsmill Realty, Inc.	Virginia	Kingsmill Realty, Inc.
Langhorne Food Services, Inc.	Delaware	Langhorne Food Services, Inc.
Litchfield Development Corporation	Delaware	Litchfield Development Corporation
Longhorn Glass Manufacturing, L.P.	Delaware	DE, MO, TX: Longhorn Glass Corporation
Manufacturers Cartage Company	Missouri	Manufacturers Cartage Company
Manufacturers Railway Company	Missouri	Manufacturers Railway Company
Metal Container Corporation	Delaware	Metal Container Corporation  CA: MCC Riverside
Metal Container Corporation of California	California	Metal Container Corporation of California
M.R.S. Redevelopment Corporation	Missouri	M.R.S. Redevelopment Corporation
Nutri-Turf, Inc.	Delaware	Nutri-Turf, Inc.
Pacific International Rice Mills, Inc.	Delaware	Pacific International Rice Mills, Inc.
PBP, Inc.	Delaware	PBP, Inc.
Pestalozzi Street Insurance Company, Ltd.	Bermuda	Pestalozzi Street Insurance Company, Ltd.
Precision Printing and Packaging, Inc.	Delaware	Precision Printing and Packaging, Inc.

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SUBSIDIARIES OF ANHEUSER-BUSCH COMPANIES, INC.  
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NAME OF COMPANY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	DOING BUSINESS UNDER NAME OF -----
<S> Promoclonos y Desarrollos Mexico de Mexicali, S. de R. L. de C. V.	<C> Mexico	<C> Promoclonos y Desarrollos Mexico de Mexicali, S. de R. L. de C. V.
PSB, Inc.	Washington	PSB, Inc.
Puget Sound Beverages, Inc.	Washington	Puget Sound Beverages, Inc.
SeaWorld, Inc.	Delaware	SeaWorld, Inc.  OH: SeaWorld of Ohio
SeaWorld of Florida, Inc.	Florida	SeaWorld of Florida, Inc.
SeaWorld of Texas, Inc.	Delaware	SeaWorld of Texas, Inc.
SFKBPP, Inc.	Missouri	SFKBPP, Inc.
Somerset Distributors, L.L.C.	Delaware	CA: Anheuser-Busch Sales, Beach Cities
Stag Brewing Company Limited	England	Budweiser Stag Brewing Company Limited
St. Louis Refrigerator Car Company	Delaware	St. Louis Refrigerator Car Company
Tune Out Music, Inc.	Delaware	Tune Out Music, Inc.
Wholesaler Equity Development Corporation	Delaware	Wholesaler Equity Development Corporation
Williamsburg Transport, Inc.	Virginia	Williamsburg Transport, Inc.

</TABLE>

[PricewaterhouseCoopers logo]

PricewaterhouseCoopers LLP  
One Bank of America Plaza  
800 Market Street  
St. Louis MO 63101-2695  
Telephone (314) 206 8500

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (No. 333-109830 and No. 333-104097) and in the registration Statements on Forms S-8 (No. 33-36132, No. 33-53333, No. 333-67027, No. 333-71309, No. 333-71311, No. 333-88015, No. 333-50058, No. 333-60216, and No. 333-105362) of Anheuser-Busch Companies, Inc. of our report dated February 2, 2004 relating to the consolidated financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 2, 2004 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

800 Market Street  
St. Louis, MO  
March 11, 2004

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of Anheuser-Busch Companies, Inc. (hereinafter referred to as the "Company") hereby constitutes and appoints Patrick T. Stokes, W. Randolph Baker, and JoBeth G. Brown, and each of them acting singly, the true and lawful agents and attorneys, or agent and attorney, with full powers of substitution, resubstitution and revocation, for and in the name, place and stead of the undersigned to do any and all things and to execute any and all instruments which said agents and attorneys, or any of them, may deem necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the 2003 Annual Report on Form 10-K of the Company, including specifically, but without limiting the generality of the foregoing, full power and authority to sign the name of each of the undersigned in the capacities indicated below to the said 2003 Annual Report on Form 10-K to be filed with the Securities and Exchange Commission, and to any and all amendments to said 2003 Annual Report on Form 10-K, and each of the undersigned hereby grants to said attorneys and agents, and to each of them singly, full power and authority to do and perform on behalf of the undersigned every act and thing whatsoever necessary or appropriate to be done in the premises as fully as the undersigned could do in person, hereby ratifying and confirming all that said attorneys and agents, or any of them, or the substitutes or substitute of them or of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has subscribed these presents this 25th day of February, 2004.

/s/ Patrick T. Stokes
(Patrick T. Stokes)
President and Chief Executive Officer and Director
(Principal Executive Officer)

/s/ W. Randolph Baker
(W. Randolph Baker)
Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ John F. Kelly
(John F. Kelly)
Vice President and Controller
(Principal Accounting Officer)

/s/ August A. Busch III
(August A. Busch III)
Director

/s/ Carlos Fernandez G.
(Carlos Fernandez G.)
Director

/s/ James J. Forese
(James J. Forese)
Director

<PAGE>

/s/ John E. Jacob

-----  
(John E. Jacob)  
Director

/s/ James R. Jones

-----  
(James R. Jones)  
Director

/s/ Charles F. Knight

-----  
(Charles F. Knight)  
Director

/s/ Vernon R. Loucks, Jr.

-----  
(Vernon R. Loucks, Jr.)  
Director

/s/ Vilma S. Martinez

-----  
(Vilma S. Martinez)  
Director

/s/ William Porter Payne

-----  
(William Porter Payne)  
Director

/s/ Joyce M. Roche

-----  
(Joyce M. Roche)  
Director

/s/ Henry Hugh Shelton

-----  
(Henry Hugh Shelton)  
Director

/s/ Andrew C. Taylor

-----  
(Andrew C. Taylor)  
Director

/s/ Douglas A. Warner III

-----  
(Douglas A. Warner III)  
Director

/s/ Edward E. Whitacre, Jr.

-----  
(Edward E. Whitacre, Jr.)  
Director



CERTIFICATIONS

I, Patrick T. Stokes, certify that:

1) I have reviewed this annual report on Form 10-K of Anheuser-Busch Companies, Inc.;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2004

/s/ PATRICK T. STOKES

-----  
Patrick T. Stokes  
President and Chief Executive Officer  
Anheuser-Busch Companies, Inc.

CERTIFICATIONS

I, W. Randolph Baker, certify that:

1) I have reviewed this annual report on Form 10-K of Anheuser-Busch Companies, Inc.;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2004

/s/ W. RANDOLPH BAKER

-----  
W. Randolph Baker  
Vice President and Chief Financial Officer  
Anheuser-Busch Companies, Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
ANHEUSER-BUSCH COMPANIES, INC.  
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2003  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I am the President and Chief Executive Officer of Anheuser-Busch Companies, Inc., a Delaware corporation (the "Company"). I am delivering this certificate in connection with the Form 10-K of the Company for the year ended December 31, 2003 and filed with the Securities and Exchange Commission ("Form 10-K").

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I hereby certify that, to the best of my knowledge, the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2004  
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/s/ Patrick T. Stokes

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Patrick T. Stokes  
President and Chief Executive Officer  
Anheuser-Busch Companies, Inc.

CERTIFICATION OF CHIEF FINANCIAL OFFICER  
ANHEUSER-BUSCH COMPANIES, INC.  
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2003  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I am the Vice President and Chief Financial Officer of Anheuser-Busch Companies, Inc., a Delaware corporation (the "Company"). I am delivering this certificate in connection with the Form 10-K of the Company for the year ended December 31, 2003 and filed with the Securities and Exchange Commission ("Form 10-K").

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I hereby certify that, to the best of my knowledge, the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2004  
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/s/ W. Randolph Baker  
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W. Randolph Baker  
Vice President and  
Chief Financial Officer  
Anheuser-Busch Companies, Inc.

<PAGE>

March 11, 2004

Securities and Exchange Commission  
Judiciary Plaza  
450 Fifth St., N.W.  
Washington, D.C. 20549

Attention: Document Control - EDGAR

Subject: Annual Report of Anheuser-Busch Companies, Inc. for 2003  
on Form 10-K, File number 1-7823

Gentleman and Mesdames:

Enclosed herewith for filing under the Securities and Exchange Act of 1934 is the Company's Report on Form 10-K for the year ended December 31, 2003.

The financial statements in the Anheuser-Busch Companies, Inc. 2003 Annual Report to shareholders (filed as Exhibit 13 of this Form 10-K) do not reflect any changes from the preceding year in any accounting principles or practices or in the method of applying any such principles or practices.

If you have any questions or comments concerning this filing, please call me collect at the following number: (314) 577-2454.

Sincerely,

/s/ Laura H. Reeves

Laura H. Reeves  
Assistant Secretary  
Anheuser-Busch Companies, Inc.