

Financial Summary — Operations

Anheuser-Busch Companies and Subsidiaries

Year ended December 31 (in millions, except per share)	2004	2003	2002
Barrels of Anheuser-Busch beer brands sold worldwide	116.8	111.0	109.8
Gross sales	\$17,160.2	\$ 16,320.2	\$ 15,686.8
Excise taxes	(2,226.0)	(2,173.5)	(2,120.4)
Net sales	14,934.2	14,146.7	13,566.4
Cost of sales	(8,982.5)	(8,449.1)	(8,131.3)
Gross profit	5,951.7	5,697.6	5,435.1
Marketing, distribution and administrative expenses	(2,590.7)	(2,498.3)	(2,455.4)
Gain on sale of business (1)	—	—	—
Shutdown of Tampa brewery	—	—	—
Operating income	3,361.0	3,199.3	2,979.7
Interest expense	(426.9)	(401.5)	(368.7)
Interest capitalized	21.9	24.4	17.7
Interest income	4.7	1.7	1.3
Other income/(expense), net	38.7	0.4	(6.4)
Income before income taxes	2,999.4	2,824.3	2,623.6
Provision for income taxes	(1,163.2)	(1,093.3)	(1,041.5)
Equity income, net of tax	404.1	344.9	351.7
Income from continuing operations	2,240.3	2,075.9	1,933.8
Income/(loss) from discontinued operations	—	—	—
Income before accounting changes	2,240.3	2,075.9	1,933.8
Cumulative effect of accounting changes (2)	—	—	—
Net income	\$ 2,240.3	\$ 2,075.9	\$ 1,933.8
Basic earnings per share:			
Income from continuing operations	\$ 2.80	\$ 2.51	\$ 2.23
Income/(loss) from discontinued operations	—	—	—
Income before accounting changes	2.80	2.51	2.23
Cumulative effect of accounting changes	—	—	—
Net income	\$ 2.80	\$ 2.51	\$ 2.23
Diluted earnings per share:			
Income from continuing operations	\$ 2.77	\$ 2.48	\$ 2.20
Income/(loss) from discontinued operations	—	—	—
Income before accounting changes	2.77	2.48	2.20
Cumulative effect of accounting changes	—	—	—
Net income	\$ 2.77	\$ 2.48	\$ 2.20
Weighted average number of common shares:			
Basic	798.9	826.2	866.0
Diluted	808.5	837.0	878.9

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." Information for 1995 and 1994 has been restated to recognize the divestiture of the food products segment.

Note 1: Sale of SeaWorld Cleveland in 2001; sale of the St. Louis Cardinals in 1996.

Note 2: Change in accounting for deferred systems reengineering costs, net of income tax benefit of \$6.2 million.

2001	2000	1999	1998	1997	1996	1995	1994
107.2	105.6	102.9	99.8	96.6	95.1	90.9	91.3
\$ 14,973.0	\$ 14,534.2	\$ 13,914.5	\$ 13,342.5	\$ 12,936.0	\$ 12,721.8	\$ 12,100.1	\$ 11,793.9
(2,061.5)	(2,034.8)	(2,019.6)	(1,962.1)	(1,766.2)	(1,737.8)	(1,664.0)	(1,679.7)
12,911.5	12,499.4	11,894.9	11,380.4	11,169.8	10,984.0	10,436.1	10,114.2
(7,950.4)	(7,829.9)	(7,445.6)	(7,297.1)	(7,200.5)	(7,064.9)	(6,886.6)	(6,581.0)
4,961.1	4,669.5	4,449.3	4,083.3	3,969.3	3,919.1	3,549.5	3,533.2
(2,255.9)	(2,174.8)	(2,147.0)	(1,958.0)	(1,916.3)	(1,890.0)	(1,756.6)	(1,679.9)
17.8	—	—	—	—	54.7	—	—
—	—	—	—	—	—	(160.0)	—
2,723.0	2,494.7	2,302.3	2,125.3	2,053.0	2,083.8 ⁽³⁾	1,632.9 ⁽⁴⁾	1,853.3
(361.2)	(348.2)	(307.8)	(291.5)	(261.2)	(232.8)	(225.9)	(219.3)
26.9	33.3	18.2	26.0	42.1	35.5	24.3	21.8
1.1	1.1	4.3	5.8	7.9	9.4	9.9	2.6
(12.2)	(1.0)	(9.4)	(13.0)	(9.3)	(3.0)	20.5	17.6
2,377.6	2,179.9	2,007.6	1,852.6	1,832.5	1,892.9 ⁽³⁾	1,461.7 ⁽⁴⁾	1,676.0
(927.5)	(874.3)	(784.1)	(732.2)	(715.2)	(736.8)	(575.1)	(661.5)
254.4	246.0	178.7	112.9	61.9	—	—	—
1,704.5	1,551.6	1,402.2	1,233.3	1,179.2	1,156.1 ⁽³⁾	886.6 ⁽⁴⁾	1,014.5
—	—	—	—	—	33.8	(244.3)	17.6
1,704.5	1,551.6	1,402.2	1,233.3	1,179.2	1,189.9	642.3	1,032.1
—	—	—	—	(10.0)	—	—	—
\$ 1,704.5	\$ 1,551.6	\$ 1,402.2	\$ 1,233.3	\$ 1,169.2	\$ 1,189.9	\$ 642.3	\$ 1,032.1
\$ 1.91	\$ 1.71	\$ 1.49	\$ 1.28	\$ 1.19	\$ 1.16	\$.86	\$.96
—	—	—	—	—	.03	(.23)	.02
1.91	1.71	1.49	1.28	1.19	1.19	.63	.98
—	—	—	—	(.01)	—	—	—
\$ 1.91	\$ 1.71	\$ 1.49	\$ 1.28	\$ 1.18	\$ 1.19	\$.63	\$.98
\$ 1.89	\$ 1.69	\$ 1.47	\$ 1.27	\$ 1.18	\$ 1.14 ⁽³⁾	\$.85 ⁽⁴⁾	\$.95
—	—	—	—	—	.03	(.23)	.02
1.89	1.69	1.47	1.27	1.18	1.17	.62	.97
—	—	—	—	(.01)	—	—	—
\$ 1.89	\$ 1.69	\$ 1.47	\$ 1.27	\$ 1.17	\$ 1.17	\$.62	\$.97
890.1	906.1	939.0	964.2	985.3	998.2	1,021.7	1,049.2
901.6	919.7	953.7	975.0	999.4	1,021.2	1,048.8	1,076.1

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 \$160.0 million for the closure of the Tampa brewery, and the \$74.5 million pretax impact of the beer wholesaler inventory reduction. Excluding these nonrecurring 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.

Financial Summary — Balance Sheet and Other Information

Anheuser-Busch Companies and Subsidiaries

Year ended December 31 (in millions, except per share)	2004	2003	2002
Balance Sheet Information:			
Working capital (deficit)	\$ (150.6)	\$ (226.9)	\$ (283.0)
Current ratio	0.9	0.9	0.8
Debt	\$ 8,278.6	\$ 7,285.4	\$ 6,603.2
Shareholders equity	\$ 2,668.1	\$ 2,711.7	\$ 3,052.3
Return on shareholders equity	83.3%	72.0%	54.4%
Book value per share	\$ 3.40	\$ 3.33	\$ 3.61
Total assets	\$ 16,173.4	\$14,689.5	\$14,119.5
Other Information:			
Operating cash flow before change in working capital	\$ 3,121.9	\$ 2,938.3	\$ 2,624.3
Capital expenditures	\$ 1,089.6	\$ 993.0	\$ 834.7
Operating cash flow after capital expenditures (Anheuser-Busch free cash flow)	\$ 1,850.7	\$ 1,977.9	\$ 1,930.5
Common dividends paid	\$ 742.8	\$ 685.4	\$ 649.5
Per share	\$.93	\$.83	\$.75
Price/earnings ratio	18.3	21.2	22.0
High and low closing price of common stock	\$54.29-\$49.45	\$53.69-\$45.92	\$54.97-\$44.00

All share and per share information reflects the two-for-one common stock splits distributed September 18, 2000, and September 12, 1996. Information for 1995 and 1994 has been restated to recognize the divestiture of the food products segment.

2001	2000	1999	1998	1997	1996	1995	1994
\$ (186.1)	\$ (127.8)	\$ (350.4)	\$ (89.9)	\$ 83.2	\$ 34.9	\$ 268.6	\$ 57.0
0.9	0.9	0.8	0.9	1.1	1.0	1.2	1.0
\$ 5,983.9	\$ 5,362.7	\$ 5,122.9	\$ 4,718.6	\$ 4,365.6	\$ 3,270.9	\$ 3,270.1	\$ 3,066.4
\$ 4,061.5	\$ 4,128.9	\$ 3,921.5	\$ 4,216.0	\$ 4,041.8	\$ 4,029.1	\$ 4,433.9	\$ 4,415.5
41.6%	38.5%	34.5%	29.9%	29.2% ⁽¹⁾	30.0% ⁽²⁾	25.0% ⁽³⁾	29.9%
\$ 4.62	\$ 4.57	\$ 4.25	\$ 4.42	\$ 4.15	\$ 4.05	\$ 3.61	\$ 3.32
\$13,944.9	\$13,148.3	\$12,680.5	\$12,504.5	\$11,738.4	\$10,463.6	\$10,590.9	\$10,547.4
\$ 2,316.0	\$ 2,230.0	\$ 2,141.6	\$ 1,977.2	\$ 1,839.0	\$ 1,751.7	\$ 1,700.5	\$ 1,729.6
\$ 1,022.0	\$ 1,074.5	\$ 865.3	\$ 817.5	\$ 1,199.3	\$ 1,084.6	\$ 952.5	\$ 662.8
\$ 1,338.6	\$ 1,183.0	\$ 1,270.6	\$ 1,395.9	\$ 644.4	\$ 909.2	\$ 494.5	\$ 1,009.8
\$ 614.1	\$ 571.0	\$ 544.7	\$ 521.0	\$ 492.6	\$ 458.9	\$ 429.5	\$ 398.8
\$.69	\$.63	\$.58	\$.54	\$.50	\$.46	\$.42	\$.38
23.9	26.9	24.1	25.9	18.6 ⁽¹⁾	17.6 ⁽²⁾	19.6 ⁽³⁾	13.1
\$46.51-\$38.50	\$49.81-\$27.47	\$40.81-\$32.59	\$34.13-\$21.72	\$23.94-\$19.75	\$21.44-\$16.25	\$17-\$12.69	\$13.81-\$11.75

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 pretax 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.