

## >: InBev Goes Another Round With BUD

*Tuesday, July 8, 2008 / Wall Street Strategies*

Down goes Stokes, down goes Stokes... It doesn't have quite the same ring to it that Howard Cosell's "Down goes Frazier" line referring to the 1973 World Heavyweight Championship. However, it is what InBev is trying to do the Board of Directors for Anheuser-Busch (ticker: BUD) in an effort to move along its \$44.2 billion (65 per share) offer for St. Louis brewer.

On July 7, InBev announced that it intends to file a preliminary consent solicitation statement with the U.S. Securities & Exchange Commission to remove the board of Anheuser-Busch (AB) and give AB's shareholders a chance to vote on the potential takeover. InBev said that this move will provide AB shareholders with an opportunity to have a direct voice in the proposed combination of the two companies. InBev is proposing that Marjorie Bowen, Adolphus Busch, G. Peter D'Aloia, Ronald Dollens, James Healey, John Lilly, Allan Loren, Ernest Mario, Henry McKinnell, Paul Meister, William Vinson, Lawrence Keith Wimbush and Larry Yost will replace the current board of Anheuser-Busch directors.

The first round of punches has been thrown, with InBev's \$44.2 billion (\$65 per share) offer. AB's counter was to reject the offer saying it was not high enough, which left the door open for a higher price. As we stated previously, CEO August Busch IV and AB would not go down without a fight, but it seems that the Board is now trying to maneuver for a higher price. On Monday afternoon, AB's rebuttal was the following: "InBev's announced attempt to seek to replace Anheuser-Busch's existing board of directors with InBev's hand-picked nominees is a self-serving effort by InBev to try to purchase Anheuser-Busch for a price Anheuser-Busch's independent board already has determined to be financially inadequate and not in the best interest of shareholders..."

On June 11, after the news broke about the potential offer from InBev, we indicated that InBev would likely have to resort to a hostile takeover and all indications suggest that is where the transaction is heading now. While this back and forth isn't quite as riveting as the Joe Frazier and George Foreman battle royale from Jamaica in 1973, it does hold a national icon in limbo.

Written by David Silver, a Research Analyst for Wall Street Strategies ([www.wstreet.com](http://www.wstreet.com)) covering companies in the Transports, Autos, and Beverage sectors.

Wall Street Strategies