ANHEUSER-BUSCH COMPANIES, INC.
Form DEF 14A
March 10, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

OMB APPROVAL
OMB Number: 3235-00595

Expires: February 28, 2006
Estimated average burden hours per response......... 12.75

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant **x**
Filed by a Party other than the Registrant **o**

Check the appropriate box:

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

Anheuser-Busch Companies, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

SEC 1913 (03-04)
Persons who are to respond to the Collection of information contained in this form are not required to respond unless the form displays a currently valid OMB cotrol number.

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

March 10, 2005

Dear Stockholder:

On behalf of the Board of Directors, it is our pleasure to invite you to attend the Annual Meeting of Stockholders of Anheuser-Busch Companies, Inc. on Wednesday, April 27, 2005, in Williamsburg, Virginia. Information about the meeting is presented on the following pages.

In addition to the formal items of business to be brought before the meeting, members of management will report on the company s operations and respond to stockholder questions.

Your vote is very important. We encourage you to read this proxy statement and vote your shares as soon as possible. A return envelope for your proxy card is enclosed for your convenience. Stockholders of record also have the option of voting by using a toll-free telephone number or via the Internet. Instructions for using these services are included on the proxy card.

Thank you for your continued support of Anheuser-Busch. We look forward to seeing you on April 27.

Sincerely,

AUGUST A. BUSCH III	PATRICK T. STOKES
Chairman of the Board	*President and Chief Executive Officer*

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

APRIL 27, 2005

The Annual Meeting of the Stockholders of Anheuser-Busch Companies, Inc. (the Company) will be held at The Kingsmill Resort and Conference Center, 1010 Kingsmill Road, Williamsburg, Virginia, on Wednesday, April 27, 2005, at 10:00 A.M. local time, for the following purposes:

1. To elect five directors for a term of three years;

2. To approve the Officer Bonus Plan, as amended;

3. To approve the 1998 Incentive Stock Plan, as amended;

4. To approve the appointment of PricewaterhouseCoopers LLP, as independent registered public accounting firm, to audit the books and accounts of the Company and the Company s control over financial reporting for 2005; and

5. To act upon such other matters, if any, as may properly come before the meeting.

The Board of Directors has fixed the close of business on February 28, 2005, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting. A list of such stockholders will be available during regular business hours at the Company s office, 1010 Kingsmill Road, Williamsburg, Virginia, for the ten days before the meeting for inspection by any stockholder for any purpose germane to the meeting.

By Order of the Board of Directors,

JoBeth G. Brown
Vice President and Secretary
Anheuser-Busch Companies, Inc.

March 10, 2005

Important

Please note that a ticket is required for admission to the meeting. If you are a stockholder of record and plan to attend the meeting in person, please bring the admission ticket you received in your proxy mailing with you to the meeting. If, however, your shares are held in the name of a broker or other nominee, please bring with you a proxy or letter from that firm confirming your ownership of shares.

TABLE OF CONTENTS

ANHEUSER-BUSCH COMPANIES, INC.
PROXY STATEMENT
FOR 2005 ANNUAL MEETING OF STOCKHOLDERS

Questions and Answers About the Annual Meeting and Voting

Q: Why did I receive this Proxy Statement?

A: Because you are a stockholder of Anheuser-Busch Companies, Inc. (the Company) as of the record date and are entitled to vote at the 2005 Annual Meeting of Stockholders (the Annual Meeting or the Meeting), the Board of Directors of the Company is soliciting your proxy to vote at the Meeting.

This Proxy Statement summarizes the information you need to know to vote at the Annual Meeting. This Proxy Statement and form of proxy were first mailed to stockholders on or about March 10, 2005.

Q: What am I voting on?

A: You are voting on four items:

1. Election of five Group II directors for a term of three years:
   John E. Jacob
   Charles F. Knight
   Joyce M. Roché
   Henry Hugh Shelton
   Patrick T. Stokes
2. Approval of the Officer Bonus Plan, as amended
3. Approval of the 1998 Incentive Stock Plan, as amended
4. Approval of the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm for 2005

Q: What are the voting recommendations of the Board of Directors?

A: The Board recommends the following votes:

1. FOR each of the director nominees
2. FOR approval of the Officer Bonus Plan, as amended
3. FOR approval of the 1998 Incentive Stock Plan, as amended
4. FOR approval of the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm for 2005

Q: Will any other matters be voted on?

A: We do not know of any other matters that will be brought before the stockholders for a vote at the Annual Meeting. If any other matter is properly brought before the Meeting, your signed proxy card gives authority to August A. Busch III, Patrick T. Stokes, and JoBeth G. Brown, as the Proxy Committee, to vote on such matters in their discretion.

Q: Who is entitled to vote?

A: Stockholders of record as of the close of business on February 28, 2005 (the Record Date) are entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Many stockholders hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with the Company s transfer agent, Mellon Investor Services, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by the Company.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the *beneficial owner* of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee which is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Meeting unless you bring with you a legal proxy from the stockholder of record. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

Q: How do I vote?

A: If you are a stockholder of record, there are four ways to vote:
- by toll-free telephone at 1-800-690-6903;
- by Internet at www.proxyvote.com;
- by completing and mailing your proxy card; and
- by written ballot at the Meeting.

If you vote by Internet or telephone, your vote must be received by 11:59 P.M. Eastern Time on April 26th, the day before the Meeting. Your shares will be voted as you indicate. If you return your proxy card but you do not indicate your voting preferences, the Proxy Committee will vote your shares FOR items 1, 2, 3, and 4.

If your shares are held in a brokerage account in your broker s name (this is called street name), you should follow the voting directions provided by your broker or nominee. You may complete and mail a voting instruction card to your broker or nominee or, in most cases, submit voting instructions by telephone or the Internet to your broker or nominee. If you provide specific voting instructions by mail, telephone, or the Internet, your shares should be voted by your broker or nominee as you have directed.

We will distribute written ballots to anyone who wants to vote at the Meeting. If you hold your shares in street name, you must request a legal proxy from your broker to vote at the Meeting.

Q: Is my vote confidential?

A: Yes. It is the policy of the Company that all proxies, ballots, and vote tabulations that identify the vote of a stockholder will be kept confidential from the Company, its directors, officers, and employees until after the final vote is tabulated and announced, except in limited circumstances including any contested solicitation of proxies, when required to meet a legal requirement, to defend a claim against the Company or to assert a claim by the Company, and when written comments by a stockholder appear on a proxy card or other voting material.

Q: Who will count the vote?

A: Representatives of ADP Investor Communication Services, Inc. (ADP) will count the vote and serve as the inspectors of election.

Q: What is the quorum requirement of the meeting?

A: A majority of the outstanding shares determined on February 28, 2005, represented in person or by proxy at the Meeting constitutes a quorum for voting on items at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will be counted in determining the quorum, but neither will be counted as votes cast. On February 28, 2005, there were 777,096,058 shares outstanding.

Q: What are broker non-votes?

A: Broker non-votes occur when nominees, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Meeting. If that happens, the nominees may vote those shares only on matters deemed routine by the New York Stock Exchange. On non-routine matters nominees cannot vote without instructions from the beneficial owner, resulting in a so-called broker non-vote. Broker non-votes will not affect the outcome of any matters being voted on at the Meeting, assuming that a quorum is obtained.

Q: What vote is required to approve each proposal?

A: In the election of directors, the five nominees receiving the highest number of FOR votes will be elected. The other proposals require the approving vote of at least a majority of the votes cast.

Q: What does it mean if I get more than one proxy card?

A: It means your shares are in more than one account. You should vote the shares on all of your proxy cards.

Q: How can I consolidate multiple accounts registered in variations of the same name?

A: If you have multiple accounts, we encourage you to consolidate your accounts by having all your shares registered in exactly the same name and address. You may do this by contacting our transfer agent, Mellon Investor Services, by phone (toll-free) at 1-888-213-0964 or by mail to P.O. Box 3315, South Hackensack, NJ 07606, attention: Shareholder Correspondence.

Q: I own my shares indirectly through my broker, bank, or other nominee, and I receive multiple copies of the annual report, proxy statement, and other mailings because more than one person in my household is a beneficial owner. How can I change the number

of copies of these mailings that are sent to my household?

A: If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank, or other nominee. Duplicate mailings in most cases are wasteful for us and inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings but for any reason would like to resume them, you must contact your broker, bank, or other nominee.

Q: I own my shares directly as a registered owner of Anheuser-Busch stock, and so do other members of my family living in my household. How can I change the number of copies of the annual report and proxy statement being delivered to my household?

A: Family members living in the same household generally receive only one copy of the annual report, proxy statement, and most other mailings per household. The only item which is separately mailed for each registered stockholder or account is a proxy card, as discussed above. If you wish to start receiving separate copies in your name, apart from others in your household, you must contact Mellon Investor Services by phone (toll-free) at 1-888-213-0964 or by mail to P.O. Box 3315, South Hackensack, NJ 07606, attention: Shareholder Correspondence and request that action. Within 30 days after your request is received we will start sending you separate mailings. If for any reason you and members of your household are receiving multiple copies and you want to eliminate the duplications, please contact Mellon Investor Services by phone (toll-free) at 1-888-213-0964 or by mail to P.O. Box 3315, South Hackensack, NJ 07606, attention: Shareholder Correspondence and request that action. That request must be made by each person in the household.

Q: Multiple shareowners live in my household, and together we received only one copy of this year s annual report and proxy statement. How can I obtain my own separate copy of those documents for the meeting in April?

A: You may pick up copies in person at the meeting in April or download them from our website, www.anheuser-busch.com (click on Investor Info). If you want copies mailed to you and are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed and are a stockholder of record, we will mail them promptly if you request them from our transfer agent, Mellon Investor Services, by phone (toll-free) at 1-888-213-0964 or by mail to P.O. Box 3315, South Hackensack, NJ 07606, attention: Shareholder Correspondence. We cannot guarantee you will receive mailed copies before the meeting.

Q: Can I change my vote?

A: Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

entering a new vote by Internet or telephone;

returning a later-dated proxy card;

sending written notice of revocation to the Vice President and Secretary; or

completing a written ballot at the Meeting.

5

Q: How will my dividend reinvestment shares be voted?

A: Shares of common stock held by participants in the Company s dividend reinvestment plan have been added to the participants other holdings on their proxy cards.

Q: Who can attend the Annual Meeting?

A: All Anheuser-Busch stockholders as of the close of business on February 28, 2005 may attend.

Q: What do I need to do to attend the Annual Meeting?

A: If you are a stockholder of record or a participant in one of the Anheuser-Busch Deferred Income Stock Purchase and Savings Plans, your admission ticket is attached to your proxy card or voting instruction form. You will need to bring the admission ticket with you to the Meeting.

If you own shares in street name, you will need to ask your broker or bank for an admission ticket in the form of a legal proxy. You will need to bring the legal proxy with you to the Meeting. If you do not receive the legal proxy in time, bring your most recent brokerage statement with you to the Meeting. We can use that to verify your ownership of our common stock and admit you to the Meeting; however, you will not be able to vote your shares at the Meeting without a legal proxy.

Q: Where can I find the voting results of the Annual Meeting?

A: We plan to announce preliminary voting results at the Meeting and publish final results in our quarterly report on SEC Form 10-Q for the first quarter of 2005.

INFORMATION CONCERNING THE ELECTION OF DIRECTORS
(Item 1 on Proxy Card)

The Board of Directors of the Company is divided into three Groups, with the term of office of each Group ending in successive years. The term of directors of Group II expires with this Annual Meeting. The terms of directors of Group III and Group I expire with the Annual Meetings in 2006 and 2007, respectively.

The following information is submitted respecting the nominees for election and the other directors of the Company:

Nominees for election at this meeting to a term expiring in 2008 (Group II Directors):

John E. Jacob
Mr. Jacob, 70, has been a director since 1990. He has been Executive Vice President Global Communications of the Company since 2002. He was Executive Vice President and Chief Communications Officer of the Company from 1994 to 2002. He is also a director of Coca-Cola Enterprises, Inc. and Morgan Stanley.

Charles F. Knight
Mr. Knight, 69, has been a director since 1987. He has been Chairman Emeritus of Emerson Electric Co., a manufacturer of electrical and electronic equipment, since September 2004. He served as Chairman of the Board of Emerson Electric from 1974 to September 2004 and as Chief Executive Officer of Emerson Electric from 1973 to October 2000. He is also a director of BP p.l.c., International Business Machines Corporation, Morgan Stanley, and SBC Communications Inc.

Joyce M. Roché
Ms. Roché, 57, has been a director since 1998. She has been President and Chief Executive Officer of Girls Incorporated, a national nonprofit research, education, and advocacy organization, since 2000. She was an independent management consultant from 1999 to 2000 and President and Chief Operating Officer of Carson, Inc.,

a personal care products company, from 1996 to 1998. She is also a director of SBC Communications Inc., Tupperware Corporation, and The May Department Stores Company.

Henry Hugh Shelton
General Shelton, 63, has been a director since 2001. He has been President, International Operations of M.I.C. Industries, an international manufacturing company, since 2002. He served as Chairman of the Joint Chiefs of Staff from October 1997 to 2001. Prior to that, he served in the U.S. Army for 34 years as a specialist in airborne strategies and special operation tactics, including service as Commander in Chief of the U.S. Special Operations Command from 1996 to 1997. He is also a director of Anteon International Corporation and Red Hat, Inc.

Patrick T. Stokes
Mr. Stokes, 62, has been a director since 2000. He has been President and Chief Executive Officer of the Company since 2002. He was Senior Executive Vice President of the Company from 2000-2002. He is also Chairman of the Board and Chief Executive Officer of Anheuser-Busch, Incorporated and Chairman of the Board of Anheuser-Busch International, Inc. and has served in such capacities since 2000 and 1999, respectively. He served as Vice President and Group Executive of the Company from 1984 to 2000. He is also a director of Ameren Corporation and U.S. Bancorp.

The Board of Directors recommends a vote FOR these five nominees.

Directors whose term continues until 2006 (Group III Directors)

James J. Forese
Mr. Forese, 69, has been a director since 2003. He has been Operating Partner and Chief Operating Officer of Thayer Capital Partners, a private equity investment firm, since 2003. He was Chairman of the Board of IKON Office Solutions, Inc. (IKON) from 2000 until his retirement in 2003. He was President and Chief Executive Officer of IKON from 1998 to 2002, Executive Vice President and President of International Operations of IKON from 1997 to 1998, and Executive Vice President and Chief Operating Officer of IKON from 1996 to 1997. Prior to joining IKON, he spent 36 years with IBM Corporation (IBM) in numerous executive positions, including two years as Chairman and Chief Executive Officer of IBM Credit Corporation, three years as Vice President Finance of IBM, and six years as Vice President and Controller of IBM. He is also a director of BFI Canada, Spherion Corporation, and Suntron Corporation.

Vernon R. Loucks, Jr.
Mr. Loucks, 70, has been a director since 1988. He has been Chairman of the Board of The Aethena Group, LLC, a healthcare merchant banking firm, since 2001. He was Chief Executive Officer of Segway L.L.C., a company providing solutions to short distance travel, from January to November 2003. He was Chairman of the Board of Baxter International Inc., a manufacturer of health care products, specialty chemicals, and instruments from 1980 to 1999 and was Chief Executive Officer of Baxter International from 1980 to 1998. He is also a director of Affymetrix, Inc., Edwards Lifesciences Corporation, Emerson Electric Co., Oscient Pharmaceuticals Corp., and Pain Therapeutics, Inc.

Vilma S. Martinez
Ms. Martinez, 61, has been a director since 1983. She has been a partner in the law firm of Munger, Tolles & Olson LLP since 1982. She is also a director of Burlington Northern Santa Fe Corporation and Fluor Corporation.

William Porter Payne
Mr. Payne, 57, has been a director since 1997. He has been a partner of Gleacher Partners LLC, an investment banking and asset management firm, since 2000. He was Vice Chairman of PTEK Holdings, Inc., an enhanced communications provider, from 1998 to 2000. Mr. Payne is also a director of Cousins Properties, Inc., Crown Crafts, Inc., and Jefferson-Pilot Corporation.

Edward E. Whitacre, Jr.
Mr. Whitacre, 63, has been a director since 1988. He has been Chairman of the Board and Chief Executive Officer

of SBC Communications Inc., a communications holding company, since 1990. He is also a director of Burlington Northern Santa Fe Corporation.

Directors whose term continues until 2007 (Group I Directors):

August A. Busch III
Mr. Busch, 67, has been a director since 1963. He has been Chairman of the Board of the Company since 1977. He also served as President of the Company from 1974 to June 2002 and as Chief Executive Officer from 1975 to June 2002. He is also a director of Emerson Electric Co. and SBC Communications Inc.

Carlos Fernandez G.
Mr. Fernandez, 38, has been a director since 1996. He is Vice Chairman of the Board of Directors and Chief Executive Officer of Grupo Modelo, S.A. de C.V., a Mexican company engaged in brewing and related operations, which positions he has held since 1994 and 1997, respectively. During the last five years he has also served and continues to serve in key positions of the major production subsidiaries of Grupo Modelo, including Executive Vice President since 1994 and Chief Operating Officer since 1992. He is also a director of Emerson Electric Co. and Grupo Televisa, S.A. de C.V.

James R. Jones
Ambassador Jones, 65, has been a director since 1998. He has been Co-Chairman and Chief Executive Officer of Manatt Jones Global Strategies, LLC, a global consulting firm, since 2001. He has been Senior Counsel in the law firm of Manatt, Phelps & Phillips LLP since 1998. He was President of Warnaco International, an apparel company, from 1997 to 1998. He was the U.S. Ambassador to Mexico from 1993 to 1997. He is also a director of Kansas City Southern and Keyspan Energy Corp.

Andrew C. Taylor
Mr. Taylor, 57, has been a director since 1995. He is Chairman and Chief Executive Officer of Enterprise Rent-A-Car Company (Enterprise), an international car rental and related services company. He has been Chairman of Enterprise since November 2001 and Chief Executive Officer of Enterprise since 1991. He served as President of Enterprise from 1991 to October 2001. He is also a director of Commerce Bancshares, Inc.

Douglas A. Warner III
Mr. Warner, 58, has been a director since 1992. He was Chairman of the Board and Co-Chairman of the Executive Committee of J.P. Morgan Chase & Co., an international commercial and investment banking firm, from December 2000 until he retired in November 2001. From 1995 until 2000, he was Chairman of the Board, President and Chief Executive Officer of J.P. Morgan & Co., Incorporated. He is also a director of General Electric Company and Motorola, Inc.

Stock Ownership by Directors and Executive Officers

The following table shows the number of shares of the Company s common stock and the share units and share equivalents with a value tied to the common stock that are beneficially owned by the directors and nominees, by each of the executives named in the summary compensation table, and by all directors and executive officers as a group as of January 31, 2005. As of January 31, 2005, there were 779,771,068 shares of common stock issued and outstanding. The number of shares shown for each individual does not exceed 1% of the common stock outstanding, with the exception of Mr. Busch III, whose shares represent 1.2% of the common stock outstanding. The number of shares shown for all directors and executive officers as a group represents 3.4% of the common stock outstanding. Individuals have sole voting and investment power over the stock unless otherwise indicated in the footnotes.

Name	Number of Shares of Common Stock Beneficially Owned	Share Units and Share Equivalents[(1)]
W. Randolph Baker	1,951,132[(2)]	6,833
August A. Busch III	8,982,104[(3)]	25,688
August A. Busch IV	1,102,221[(4)]	7,175
Carlos Fernandez G.	29,494[(5)]	1,169
James J. Forese	11,667[(6)]	
John E. Jacob	995,762[(7)]	18,397
James R. Jones	19,716[(8)(9)]	
Charles F. Knight	50,001[(8)]	78,583
Stephen K. Lambright	1,753,125[(10)]	
Vernon R. Loucks, Jr.	22,001[(8)]	4,326
Vilma S. Martinez	18,578[(8)]	24,260
Douglas J. Muhleman	833,527[(11)]	3,203
William Porter Payne	22,111[(8)]	2,195
Joyce M. Roché	19,257[(8)]	3,946
Henry Hugh Shelton	14,596[(12)]	376
Patrick T. Stokes	5,095,246[(13)]	19,689
Andrew C. Taylor	57,084[(8)]	1,702
Douglas A. Warner III	22,001[(8)]	2,648
Edward E. Whitacre, Jr.	9,001[(5)]	20,958
All directors and executive officers as a group (31 persons)	27,008,870[(14)]	

(1) Includes share unit balances in the Company s deferred compensation plan for non-employee directors and share equivalent balances held by executives in the Company s 401(k) Restoration Plan. Although ultimately paid in cash, the value of share units and share equivalents mirrors the value of the Company s common stock. The share units and share equivalents do not have voting rights.

(2) The number of shares includes 1,660,415 shares that are subject to currently exercisable stock options, of which 172,160 are held in a family partnership.

(3) The number of shares includes 4,123,401 shares that are subject to currently exercisable stock options, of which 275,000 are held in trusts for the benefit of children of Mr. Busch III. Of the shares shown, Mr. Busch III has shared voting and shared investment power as to 1,059,836 shares and 2,048,064 shares are held in trusts of which Mr. Busch III is income beneficiary and as to which he has certain rights, but as to which he has no voting or investment power. 83,933 shares beneficially owned by members of his immediate family are not included.

(4) The number of shares includes 1,050,035 shares that are subject to currently exercisable stock options. Of those, 125,000 were granted to Mr. Busch III and presently are held in trusts for the benefit of Mr. Busch IV or his sister, of which Mr. Busch IV is a co-trustee.

(5) The number of shares includes 5,001 shares that are subject to currently exercisable stock options.

(6) The number of shares includes 1,667 shares that are subject to currently exercisable stock options.

(7) The number of shares includes 899,238 shares that are subject to currently exercisable stock options, of which 80,000 are held in a trust for the benefit of the child of Mr. Jacob.

(8) The number of shares includes 18,001 shares that are subject to currently exercisable stock options.

(9) Mr. Jones has shared voting and shared investment power with respect to 1,070 of these shares.

(10) The number of shares includes 1,579,395 shares that are subject to currently exercisable stock options. 22,264 shares owned by members of Mr. Lambright s immediate family are not included.

(11) The number of shares includes 790,523 that are subject to currently exercisable stock options. Mr. Muhleman has shared voting and shared investment power with respect to 1,515 of these shares.

(12) The number of shares includes 10,001 shares that are subject to currently exercisable stock options.

(13) The number of shares includes 4,669,496 shares that are subject to currently exercisable stock options, of which 494,938 are held in a family partnership, 351,252 shares that are held in a family partnership for which Mr. Stokes wife has shared voting and shared invest-

ment power and 15,645 shares that are held in a trust in which Mr. Stokes and his wife have an economic interest, but as to which they have no voting or investment power. 122 shares beneficially owned by a member of Mr. Stokes immediate family are not included.

(14) The number of shares stated includes 20,440,302 shares that are subject to currently exercisable stock options or options that become exercisable within 60 days of January 31, 2005, 2,048,064 of the shares that are referred to in Note 3 and 366,897 of the shares that are referred to in Note 13 for which Mr. Stokes has no voting or investment power. The directors and executive officers as a group have sole voting and sole investment power as to 3,091,185 shares and shared voting and shared investment power as to 1,062,421 shares. 119,160 shares held by immediate family members or family trusts are not included and beneficial ownership of such shares is disclaimed.

Principal Holders of Stock

The following table sets forth information regarding beneficial owners of more than 5 percent of the outstanding shares of the Company s common stock.

Name and Address	Number of Shares Beneficially Owned	Percent of Class
Barclays Global Investors, NA and Affiliates 45 Fremont Street San Francisco, CA 94105	45,006,583	5.68%(a)

(a) This information is based on the Schedule 13G dated February 14, 2005 filed by Barclays Global Investors, NA and affiliates with the Securities and Exchange Commission reporting on beneficial ownership as of December 31, 2004. In addition to Barclays Global Investors, NA, affiliates on the filing are Barclays Global Fund Advisors, Barclays Global Investors, LTD, Barclays Global Investors Japan Trust and Banking Company Limited, Barclays Life Assurance Company Limited, Barclays Bank PLC, Barclays Capital Securities Limited, Barclays Capital Inc., Barclays Private Bank & Trust (Isle of Man) Limited, Barclays Private Bank and Trust (Jersey) Limited, Barclays Bank Trust Company Limited, Barclays Bank (Suisse) SA, Barclays Private Bank Limited, Bronco (Barclays Cayman) Limited, Palomino Limited, and HYMF Limited. According to the filing, the reporting persons have sole voting power with respect to 39,922,152 shares and sole investment power with respect to 45,006,583 shares.

ADDITIONAL INFORMATION CONCERNING THE BOARD OF DIRECTORS OF THE COMPANY

During 2004 the Board of Directors held nine meetings. No current director who served during 2004 attended fewer than 75% of the aggregate of the total number of meetings of the Board of Directors and of committees of the Board of which he or she was a member. It is the Company s policy that directors are expected to attend the Annual Meeting of Stockholders and in 2004 all directors were in attendance with the exception of one director who had a schedule conflict. In addition to regularly scheduled meetings, a number of directors were involved in numerous informal meetings with management, offering valuable advice and suggestions on a broad range of corporate matters.

The Board of Directors has adopted Independence Criteria, which are described in the Company s Corporate Governance Guidelines that are attached as Appendix A to this Proxy Statement. Directors who satisfy the criteria are considered to be independent. Messrs. Forese, Jones, Loucks, Payne, Shelton, Taylor, and Warner and Mses. Martinez and Roché meet these standards and are, therefore, considered to be independent directors, representing a majority of the Board members. As described in Appendix A, the non-management directors meet in regularly scheduled executive sessions without members of the Company s management. The position of lead director at these sessions rotates annually among the independent directors.

Each director who is not an employee of the Company is paid an annual retainer of $60,000, which each director may elect to receive in stock, cash, or a combination of stock and cash. Each non-employee director also receives a fee of $2,000 for each Board of Directors meeting attended and a fee of $2,000 for attendance at a meeting of a committee of the Board and for any other meeting of directors at which less than a quorum of the Board is present. Annual fees of $10,000 each are paid to the Chairs of the Compensation, Conflict of Interest, Corporate Governance, Finance, and Pension Committees. An annual fee of $15,000 is paid to the Chair of the Audit Committee. The Company pays the travel and accommodation expenses of directors and (when requested by the Company) their spouses to attend meetings and other corporate functions, along with any taxes related to such payments. Such travel is by Company aircraft if available. As part of their continuing education, directors are encouraged to visit Company facilities and the Company pays their expenses related to such visits. The Company reimburses directors for their expenses in connection with attending director education courses. The Company also provides each non-employee director group term life insurance coverage of $50,000 and directors are eligible to participate in the Anheuser-Busch Foundation Matching Gift Program. The maximum gift total for a participant in the Program is $10,000 in any calendar year.

Directors who are not employees of the Company who serve as representatives of the Company s Board of Directors on the Board of an affiliated company receive an annual fee of $60,000 less any board service fees

paid to the director during the year by that affiliated company. The Board of Directors has appointed Mr. Jones as its representative on the Board of Directors of the Company s affiliate Grupo Modelo, S.A. de C.V. Mr. Jones received director fees of $49,808 from the Company for this service in 2004.

Non-employee directors receive an annual grant of options to purchase 5,000 shares of the Company s common stock. Directors who are unable to own the Company s common stock due to possible conflicts with state alcoholic beverage control laws receive 5,000 stock appreciation rights (SARs) payable in cash in lieu of stock options. The exercise price of these options and SARs is equal to the fair market value of the Company s common stock on the date of grant. The options and SARs become exercisable over three years and expire ten years after grant. Options and SARs normally vest in three equal installments on each of the first three anniversaries of their grant date.

Under a deferred compensation plan, non-employee directors may elect to defer payment of part or all of their directors fees. At the election of the director, deferred amounts are credited to a fixed income account or a share equivalent account. The amounts deferred under the plan are paid in cash commencing on the date specified by the director. At the director s election, such payments may be made either in a lump sum or over a period not to exceed ten years.

The Company s Corporate Governance Guidelines and the charters of the standing committees of the Board of Directors are available on the Corporate Governance section of the Company s website (under Investor Info) at www.anheuser-busch.com. These documents are also available in print to stockholders upon written request to: Vice President and Secretary, Anheuser-Busch Companies, Inc., Mail Code 202-6, One Busch Place, St. Louis, MO 63118. Information concerning certain of these standing committees is set out below:

Corporate Governance Committee

The Corporate Governance Committee recommends to the Board of Directors a slate of nominees for directors to be presented on behalf of the Board for election by stockholders at each Annual Meeting of the Company and recommends to the Board persons to fill vacancies on the Board of Directors. The Committee will consider nominees recommended by stockholders upon submission in writing to the Vice President and Secretary of the Company the names of such nominees, together with their qualifications for service as a director of the Company. The qualifications the Corporate Governance Committee believes directors must have and the process for identifying and evaluating director candidates (including recommendations by stockholders) are detailed in the Company s Corporate Governance Guidelines (attached as Appendix A to this Proxy Statement and available on the Company s website). The Committee identifies potential nominees from various sources, including soliciting recommendations from directors and officers of the Company. Individuals recommended by stockholders are evaluated in the same manner as other potential nominees. Annually, the Committee will also review the Company s Corporate Governance Guidelines and oversee an evaluation of the Board of Directors and its committees, and periodically the Committee will review the compensation paid to the directors. During 2004, the Corporate Governance Committee held four meetings. The members of the Corporate Governance Committee, all of whom are independent, non-employee directors, are Ms. Martinez (Chair), Mr. Jones, Mr. Loucks, and Gen. Shelton.

Compensation Committee

The Compensation Committee carries out the Board s responsibilities related to compensation of the executive officers and other senior executives of the Company, reviews the Company s executive succession plans, administers the Officer Bonus Plan, and administers the

Company s stock option program. During 2004 the Compensation Committee held three meetings. The Committee s report on 2004 executive compensation is on pages 20-22. The members of the Compensation Committee, all of whom are independent, non-employee directors, are Mr. Loucks (Chair), Mr. Forese, Ms. Martinez, and Mr. Payne.

Audit Committee

The functions of the Audit Committee are described under Report of the Audit Committee on page 19. The members of the Audit Committee, all of whom meet the independence and experience requirements of the New York Stock Exchange and the Securities and Exchange Commission (SEC) are Mr. Loucks (Chair), Mr. Forese, Ms. Martinez, Mr. Taylor, and Mr. Warner. The Board of Directors has determined that one of the Committee s members, Mr. Forese, qualifies as an audit committee financial expert as defined by the SEC.

APPROVAL OF THE ANHEUSER-BUSCH OFFICER BONUS PLAN, AS AMENDED
(Item 2 on Proxy Card)

The Board of Directors has directed that there be submitted to the stockholders a proposal to approve the Anheuser-Busch Officer Bonus Plan, with the amendments described below (the Bonus Plan). A copy of the Bonus Plan is attached hereto as Appendix B.

The stockholders originally approved the Bonus Plan at the 1995 Annual Meeting and most recently reapproved the Bonus Plan at the 2000 Annual Meeting. In order to ensure that the Company is able to continue to fully deduct bonuses and awards paid under the Bonus Plan for federal income tax purposes, under current tax rules the Bonus Plan must be approved by the Company s stockholders at least every five years. The purposes of the Bonus Plan are to attract and retain outstanding management personnel, to properly motivate such personnel to put forth their best efforts on behalf of the Company and its stockholders, and to provide a tax-deductible framework for granting annual bonuses to top executives. The Board believes that the Bonus Plan, as part of a coordinated incentive compensation program, has achieved those goals, and that approval of the Bonus Plan is necessary to continue the Plan s effectiveness.

The Bonus Plan, as amended, differs from the most recently approved Bonus Plan in three respects. The definition of *Eligible Employees* is revised to mean Officers of the Company and of Anheuser-Busch, Incorporated (ABI), and all members of the Company s Strategy Committee, whereas *Eligible Employees* was previously defined as Officers of the Company and its Affiliates. The list of Performance Criteria in Section 6 is amended to accomplish the following: (i) add the measurements of pretax income, return on capital employed, and total shareholder return and (ii) remove the measurements of earnings and return on assets. The maximum individual annual Bonus has been increased from $4 million to $6 million. These amendments to the Bonus Plan limit the scope of participation and provide optimal criteria by which to set Performance Goals and grant awards.

Summary Description of the Bonus Plan

The following is a description of the major provisions of the Bonus Plan:

Administration by Committee. The Bonus Plan must be administered by a Committee comprised solely of two or more independent directors of the Company. The Compensation Committee is presently serving as the Committee for the Bonus Plan.

Bonus and Award Programs. The Bonus Plan authorizes the Committee to establish programs (Bonus Programs) which allow payment of cash bonuses (Bonuses) to Participants based on pre-established minimum performance goal(s) for designated Performance Periods (as defined in the Bonus Plan).

Eligibility and Participation. All officers of the Company and of ABI, and all members of the Company s Strategy Committee (Eligible Employees) are eligible to participate in the Bonus Plan; approximately 60 individuals meet this requirement. For each Bonus Program, the Committee will designate as Participants in the Program one or more Eligible Employees; the Committee will also designate those Participants who are or may become Covered Employees (as defined in Section 162(m) of the Internal Revenue Code) for the applicable Performance Period.

Performance Periods. Each Bonus Program will apply with respect to a designated Performance Period, which will be a fiscal year of the Company or such shorter period as the Committee may determine. Each Bonus Program must be established in writing prior to the expiration of any prescribed time period for the pre-establishment of performance goals under Section 162(m) of the Code.

Performance Criteria and Goals. The Committee will establish one or more objective, pre-established minimum performance goals (which may be Company-wide or specific to an affiliate, division, product, and/or geographic area) for each Bonus Program. Under the Bonus Plan, minimum performance goals must be based on one or more of the following criteria: sales, earnings per share, return on equity, pretax income, return on capital employed, total shareholder return, cash flow, market share, stock price, costs, productivity and economic value added. No Covered Employee will receive any Bonus under any program if the relevant minimum performance goal is not met.

Amounts of Bonuses. For each Bonus Program, the Committee must establish one or more formulas or standards for determining the amounts of Bonuses which may be paid to Participants. Under the Bonus Plan

as previously approved, the Bonus paid to any Covered Employee for any year could not exceed $4 million. Beginning with 2005, that limit has been increased to $6 million. The Committee has the discretion to establish the amount of any Bonus payable to any Participant other than a Covered Employee. The Committee may only reduce and may not increase the amounts payable to Covered Employees below the formula or standard amount to reflect individual performance and/or unanticipated factors (in either case, Committee Discretion).

Amendment and Termination. The Board may amend the Bonus Plan from time to time. However, no amendments may be made to the Bonus Plan which would change the class of employees eligible to receive Bonuses, the performance criteria upon which minimum performance goals may be based, or the maximum amount of Bonuses which may be paid to a Covered Employee in a year, without stockholder approval. The Committee may amend the Bonus Plan in any way if the Committee determines that such amendment may be made without stockholder approval and without jeopardizing qualification of Bonuses to Covered Employees as performance-based compensation under Section 162(m) of the Code.

Acceleration Events. Upon a Change in Control of the Company (as defined in the Bonus Plan), all Bonuses would become immediately payable in cash, with any uncompleted Performance Period deemed ended and appropriate adjustments made to minimum performance goals and formulas to reflect the shortening of such Performance Period. The Committee would not be permitted to exercise Committee Discretion to reduce the amounts of Bonuses payable to any Participant and could make no amendments adverse to any Participant without that Participant s consent.

Federal Income Tax Consequences. Each Participant in the Bonus Plan will realize ordinary income equal to the amount of any Bonuses received in the year of payment, and, with the possible exception of Bonuses paid upon a Change in Control, the Company will receive a deduction for the amount constituting ordinary income to all Participants in the Bonus Plan.

The 2005 Bonus Program

On February 23, 2005, the Committee established the 2005 Officer Bonus Program (the 2005 Bonus Program) under the Bonus Plan. The Committee designated 2005 as the Performance Period and designated as Participants certain key employees of Anheuser-Busch Companies, Inc. and Anheuser-Busch, Incorporated, including the executive officers listed in the Summary Compensation Table on page 23. The 2005 Bonus Program establishes a minimum performance goal, a bonus pool, and a bonus formula, each of which is based on pretax income for 2005. Bonuses will be paid to Covered Employees under the 2005 Bonus Program only if the stockholders approve the Bonus Plan.

Estimate of Benefits

The amounts awarded as annual Bonuses under the Bonus Plan for 2002 through 2004 to the executive officers named in the Summary Compensation Table are set out in the bonus column of that table on page 23. The amounts that will be awarded to Participants under the Bonus Plan in 2005 and later years are not currently determinable. The amounts of Bonuses that would have been paid for 2004 if the 2005 Bonus Program had been used to determine the 2004 Bonuses would have been the same as those actually paid for 2004 as shown below:

Name	Amount of Payment
P. T. Stokes	$3,139,500
A. A. Busch III	1,345,500
A. A. Busch IV	986,700
W. R. Baker	627,900
S. K. Lambright	538,200

Name	Amount of Payment
D. J. Muhleman	426,075
All Executive Officers (including the persons named above)	11,136,615
All Non-Executive Officer Employees	4,365,048

The Board of Directors recommends a vote FOR item 2, which reapproves the Officer Bonus Plan, as amended to provide for: (i) a revision to the definition of Eligible Employee, (ii) revisions to the criteria for the establishment of Performance Goals, and (iii) an increase in the maximum individual annual Bonus.

APPROVAL OF THE 1998 INCENTIVE STOCK PLAN, AS AMENDED
(Item 3 on Proxy Card)

The Board of Directors has directed that there be submitted to the stockholders a proposal to reapprove the Anheuser-Busch Companies, Inc. 1998 Incentive Stock Plan with the amendments described below (the 1998 Plan). The stockholders originally approved the 1998 Plan at the 1998 Annual Meeting and most recently amended the 1998 Plan at the 2003 Annual Meeting. This proposal amends the 1998 Plan by providing for: (i) an increase of 32 million shares which may be issued pursuant to awards under the 1998 Plan, (ii) stockholder approval of any material revision to the 1998 Plan as required by applicable New York Stock Exchange (NYSE) requirements, and (iii) the establishment by the Compensation Committee (the Plan Committee) of Performance Goals (as set forth below) such that the recognition of income relating to performance-based Restricted Stock held by a Covered Employee (as defined in Section 162(m) of the Internal Revenue Code) will qualify as performance-based compensation (as defined in Section 162(m) of the Internal Revenue Code). This proposal to reapprove the 1998 Plan will ensure that that the Company will be able to fully deduct certain compensation from Restricted Stock awarded under the 1998 Plan.

A copy of the 1998 Plan as proposed to be amended is attached hereto as Appendix C.

Reasons for Amending the 1998 Plan

The Board of Directors believes that the Company s long-term success is dependent upon its ability to attract and retain outstanding individuals, to motivate them to exert their best efforts on behalf of the Company s interests, and to reward them when their efforts succeed. The purpose of the 1998 Plan is to provide the Company with a critical tool to make that happen. The Company has had a stock option program for over 20 years. The Board of Directors believes that the 1998 Plan and its predecessors have been and continue to be efficient and effective in fulfilling their purposes. Stock awards make up a crucial part of the compensation package the Company can offer both to existing personnel and persons being recruited. Stock awards align management s interests directly with those of the stockholders, as the value of stock awards is directly linked to the market value of the Company s stock. As of February 28, 2005, only 1,788,117 shares remain available for new grants. Increasing the shares for the 1998 Plan would allow the Company to continue this effective program.

In order to conform to NYSE requirements, the 1998 Plan is being amended to require that any material revision to the terms of the 1998 Plan be subject to stockholder approval as required by applicable NYSE requirements.

Under current tax rules, the material terms of the Performance Goals must be established and approved by the Company s stockholders so that the Company will be allowed to fully deduct compensation from Restricted Stock granted to Covered Employees under the 1998 Plan. Accordingly, the amended Plan provides that these Performance Goals will be based upon one or more of the following criteria, which may be Company-wide or specific to an Affiliate, division, product, and/or geographic area: sales, earnings per share, return on equity, pretax income, return on capital employed, total shareholder return, cash flow, market share, stock price, costs, productivity and economic value added. For each grant of Restricted Stock to a Covered Employee, the Plan Committee shall designate one or more objective performance goals based upon one or more of the criteria listed above (Performance Goals).

Summary Description of the 1998 Plan

The 1998 Plan currently authorizes the grant of several types of stock-based awards, including incentive stock options (ISOs), non-qualified stock options (NQSOs), stock appreciation rights (SARs), limited stock appreciation rights (Limited Rights), and Restricted Stock. ISOs and

NQSOs are types of stock options, allowing the recipient to purchase a fixed number of shares of stock for a fixed price: ISOs enable the recipient to enjoy a special tax treatment upon exercise which is not available to holders of NQSOs. An SAR is the right to receive stock, cash, or other property equal in value to the difference between the base price of the SAR and the market price of the Company s stock on the exercise date. A Limited Right is a special kind of cash-only SAR which is exercisable only for a limited time after the occurrence of certain events relating to a change in control of the Company. Restricted Stock is common stock which the Company grants subject to transfer

15

restrictions and possible forfeiture events; at the time of grant the Committee establishes vesting criteria. The restrictions and forfeiture risk end when the vesting criteria are met.

Approximately 2800 officers and management employees of the Company and its subsidiaries and affiliates are eligible to receive awards under the 1998 Plan (the Participants). Non-employee directors are ineligible for awards. The 1998 Plan is administered by the Plan Committee which consists entirely of independent directors. Within the limits of the 1998 Plan, the Plan Committee determines when and to whom awards are granted, the types of award granted, the number of shares subject to each award, the award s exercise or base price (as applicable) and duration, when awards become exercisable, non-forfeitable, or otherwise vested, and other terms and conditions which the Plan Committee deems appropriate.

The 1998 Plan presently authorizes the issuance of 88 million shares of the Company s common stock pursuant to awards; of that, only 1.8 million shares presently are available for new awards. If this item 3 is approved by the stockholders, the number of shares available for new awards will increase to 33.8 million. No more than 1.5 million shares of Restricted Stock may be awarded under the 1998 Plan. Further, the number of shares that may be awarded to any one person in any calendar year may not exceed (i) 375,000 shares in the case of awards of Restricted Stock and (ii) 1.5 million shares in the case of awards other than Restricted Stock. Appropriate adjustments in these share limits and in the terms of outstanding awards are required for stock splits and similar events. The authority to make new award grants under the 1998 Plan will expire on April 21, 2008.

Currently, no Restricted Stock has been issued under the 1998 Plan. If Item 3 is approved by the stockholders, the 1998 Plan will require that Restricted Stock issued to a Covered Employee will vest only upon the achievement of one or more Performance Goals as established by the Plan Committee.

The terms of awards cannot exceed ten years. The option price of options and the base price of SARs and Limited Rights cannot be less than 100% of the market value of the Company s stock on the grant date, except in certain limited instances such as an adjustment for a stock split or the Company s assumption of options granted by another corporation which is acquired by the Company. The Plan Committee is not permitted to grant options or SARs in exchange for so-called underwater options or SARs (which have an option or base price higher than the then-current market value of the Company s stock), nor is it permitted to grant any options or SARs with a so-called reload feature (under which new awards are granted automatically upon exercise of outstanding ones). Optionees may pay the option price in cash or Company stock, including (if permitted by the Plan Committee) shares otherwise issuable in connection with the exercise, but not including shares of unvested Restricted Stock. The Plan Committee has authority to permit withholding taxes related to exercises or vesting to be paid with stock; the Plan Committee currently permits required withholding taxes related to NQSO exercises to be paid with stock otherwise issuable in connection with the exercise. The Plan Committee may accelerate vesting of awards at any time in its discretion. The 1998 Plan provides for automatic vesting of awards upon the occurrence of certain change-in-control events relating to the Company. In the Plan Committee s discretion, award agreements may provide that awards are forfeited if the recipient takes any action prohibited by the award agreement, or if certain events occur or fail to occur.

The Plan Committee has developed certain policies and practices for options under the 1998 Plan which it presently intends to continue. These policies, which the Plan Committee may alter over the life of the 1998 Plan, implement and supplement the 1998 Plan s provisions. Options are granted with ten-year terms, which can be shortened if the optionee s employment terminates or certain other events occur. Options normally vest in equal installments on the first three anniversaries of the grant date. Options vest sooner if the optionee dies, retires, or becomes disabled. Although options generally are not transferable, the Plan Committee has permitted executive officers to transfer NQSOs to family members, family trusts, and family partnerships (primarily for gift and estate planning purposes). The Plan Committee has permitted a limited portion of such NQSOs to vest upon transfer. None of these transfers have reduced or deferred (i) the compensation income that the optionee would otherwise recognize from an exercise of the NQSOs or (ii) the Company s tax deduction that would otherwise result from the exercise of the NQSOs. Options are forfeited if the optionee voluntarily terminates his or her employment during the first two years after grant, or is dismissed from employment at any time, among other things.

The 1998 Plan may be amended by the Board of Directors at any time. Certain amendments which increase the number of authorized shares, increase the maximum number of shares which may be awarded to any person in any calendar year, change the class of eligible employees, or otherwise cause a material revision to the terms of the 1998 Plan must be approved by the Company s stockholders. The closing price of

Company stock on February 28, 2005, as reported on the New York Stock Exchange, was $47.45 per share.

Awards Granted under the 1998 Plan

As of February 28, 2005, 81,263,031 stock options were outstanding under the 1998 Plan. No other types of awards have been granted under the 1998 Plan. No awards have been made from the additional shares which are the subject of this item. Information regarding options granted in 2004 to certain executive officers of the Company under the 1998 Plan is set forth in the table captioned Option Grants in 2004 on page 25, and information regarding outstanding options is set forth in the table captioned Aggregated Option Exercises in 2004 and 2004 Year-End Option Values on page 26. Because grants are discretionary, the Company is not able to predict the amounts, types, or recipients of future grants. If the proposed amendment had been approved prior to 2004, the grants would have been the same as those actually made in 2004 as shown below:

Name	Number of Options Granted
P. T. Stokes	900,000
A. A. Busch III	450,000
A. A. Busch IV	500,000
W. R. Baker	300,000
S. K. Lambright	225,000
D. J. Muhleman	230,000
All Executive Officers (including the persons named above)	4,315,000
All Non-Executive Officer Employees	9,762,881

Federal Income Tax Considerations

ISOs

An optionee does not recognize taxable income and the Company is not entitled to a deduction on the grant or exercise of ISOs. If an optionee holds the shares acquired (ISO Shares) for at least one year from the exercise date and two years from the grant date (the Required Holding Periods), the optionee s gain or loss upon a sale will be long-term capital gain or loss equal to the difference between the amount realized on the sale and the optionee s basis in the ISO Shares. The Company will not be entitled to a deduction. If an optionee disposes of the ISO Shares without satisfying the Required Holding Periods, the disqualifying disposition will give rise to ordinary income equal to the excess of the fair market value of the ISO Shares on the exercise date (or generally, the sale price, if less) over the optionee s basis in the ISO Shares. The Company will ordinarily be entitled to a deduction at the same time equal to the amount of the ordinary income resulting from a disqualifying disposition.

An optionee does recognize income for alternative minimum tax (AMT) purposes upon exercise of ISOs; that amount is also included in the optionee s AMT basis in the ISO Shares. AMT gain or loss is equal to the excess of the amount realized less the optionee s AMT basis. Income from a disqualifying disposition generally is not income for AMT purposes. However, if the disqualifying disposition occurs in the same calendar year as the exercise date, the optionee will recognize income for AMT purposes, but the amount of such income cannot exceed the amount of income recognized for regular income tax purposes.

NQSOs, SARs, and Limited Rights

An optionee does not recognize taxable income on the grant of NQSOs or SARs, but does recognize ordinary income on the exercise date. The amount of income in the case of an NQSO exercise is the amount by which the fair market value of the shares underlying the option exercised exceeds the option price. The amount of income in the case of an SAR exercise is the amount of cash received plus the fair market value of any shares received. The Company will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the optionee from the exercise of NQSOs or SARs. NQSOs which are transferred by gift continue to be taxed to the optionee on the exercise date in the manner described above. The above discussion with respect to the tax treatment of SARs also applies to Limited Rights.

Restricted Stock

A recipient of Restricted Stock generally does not recognize income and the Company generally is not entitled to a deduction at the time of grant. Instead, the recipient recognizes compensation income and the Company is entitled to a deduction on the date on which vesting occurs (Vesting Date). The amount of income

recognized and the amount of the Company s deduction will equal the fair market value of the vested stock on the Vesting Date. However, the recipient may elect to include in income the fair market value of the Restricted Stock at the time of grant. If such election is made, the Company s deduction will equal the fair market value of the Restricted Stock at the time of grant.

Any dividends on the Restricted Stock paid to the recipient prior to the Vesting Date will be includible in the recipient s income as compensation and deductible as such by the Company.

Parachute Payments

The 1998 Plan provides for accelerated vesting of all unvested awards upon a change in ownership or control of the Company, which may cause certain amounts to be characterized as parachute payments. An employee generally is deemed to have received a parachute payment in the amount of compensation that is contingent upon an ownership change if such compensation exceeds, in the aggregate, three times the employee s Base Amount. The Base Amount is generally the employee s average annual compensation for the five preceding years. An employee s excess parachute payment is the excess of the employee s total parachute payments over the Base Amount. An employee will be subject to a 20% excise tax on, and the Company will be denied a deduction for, any excess parachute payment.

$1,000,000 Deduction Limit

The Company is not allowed a deduction for compensation paid to certain top executive officers (Covered Employees) in excess of $1,000,000 each in any taxable year, except to the extent such excess constitutes performance-based compensation. Compensation from past awards under the 1998 Plan constitutes performance-based compensation, and compensation from new awards will also be performance-based if the proposed amendment is approved, except that compensation from Restricted Stock generally will be performance-based only if the vesting conditions as established by the Plan Committee are based upon Performance Goals.

The Board of Directors recommends a vote FOR item 3, which reapproves the 1998 Incentive Stock Plan as amended to provide for: (i) an increase in the number of shares available for new awards under the Plan, (ii) require stockholder approval of any material revisions, including repricing, and (iii) the establishment by the Plan Committee of Performance Goals pursuant to which performance-based Restricted stock may be issued to Covered Employees.

APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(Item 4 on Proxy Card)

Action will be taken with respect to the approval of the independent registered public accounting firm for the Company for the year 2005. The Audit Committee has selected PricewaterhouseCoopers LLP, subject to the approval of the stockholders. If the stockholders do not approve this selection, the Audit Committee will consider other independent registered public accounting firms.

A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting. Such representative will have an opportunity to make a statement, if he or she so desires, and will be available to respond to appropriate questions by stockholders. For additional information regarding the Company s relationship with PricewaterhouseCoopers LLP, please refer to the Report of the Audit Committee below.

The Board of Directors recommends a vote FOR item 4, which approves the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm, to audit the books and accounts of the Company and the Company s internal control over financial reporting for 2005.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee s responsibilities are set forth in the Audit Committee Charter, attached as Appendix D to this Proxy Statement. The Audit Committee assists the full Board of Directors in fulfilling its oversight responsibilities. Management of the Company prepares financial statements, makes estimates and judgments in the preparation of the financial statements, establishes the system of internal controls, and assesses the effectiveness of the Company s internal control over financial reporting.

In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements with management and the Company s independent registered public accounting firm, PricewaterhouseCoopers LLP, including a discussion of the acceptability as well as the appropriateness of significant accounting principles. The Audit Committee also reviewed with management and PricewaterhouseCoopers the reasonableness of significant estimates and judgments made in preparing the financial statements as well as the clarity of the disclosures in the financial statements.

The Audit Committee reviewed with the independent registered public accounting firm their judgments as to the acceptability as well as the appropriateness of the Company s application of accounting principles. PricewaterhouseCoopers has the responsibility for expressing an opinion on the conformity of the Company s annual financial statements with U.S. generally accepted accounting principles. The Audit Committee also discussed with PricewaterhouseCoopers such other matters as are required to be discussed under the standards of the Public Company Accounting Oversight Board.

In addition, the Audit Committee: has received written disclosures and a letter from PricewaterhouseCoopers required by Independence Standards Board Standard No. 1; and has discussed with PricewaterhouseCoopers its independence from management and the Company, including the impact of non-audit-related services provided to the Company and the matters included in such written disclosures and letter. The Audit Committee concluded that the non-audit services provided by PricewaterhouseCoopers do not impact PricewaterhouseCoopers independence.

The Audit Committee discussed with the Vice President Internal Audit and PricewaterhouseCoopers the overall scope and plans for their respective audits. The Audit Committee meets with the Vice President Internal Audit and PricewaterhouseCoopers, with and without management present, to discuss the results of their audits, management s assessment of the effectiveness of the Company s internal control over financial reporting, PricewaterhouseCoopers opinions regarding the Company s internal control over financial reporting, and the overall quality of the Company s financial reporting.

The Audit Committee held six meetings in 2004.

In reliance on the reviews and discussions noted above, the Audit Committee recommended to the full Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the U.S. Securities and Exchange Commission. The Audit Committee also selected, subject to shareholder approval, PricewaterhouseCoopers as the Company s independent registered public accounting firm for 2005.

The Audit Committee:
Vernon R. Loucks, Jr. (Chair)
James J. Forese
Vilma S. Martinez
Andrew C. Taylor
Douglas A. Warner III

Fees Paid to PricewaterhouseCoopers

The following fees were billed by PricewaterhouseCoopers, the Company s independent registered public accounting firm, for services rendered for the year ($ in millions):

	2004	2003

	2004	2003
Audit Fees	$4.5	$3.1
Audit Related Fees	2.5	0.8
Tax Fees	1.7	1.9
Total PricewaterhouseCoopers Fees	$8.7	$5.8

Audit Fees represent services rendered for the audit of the Company s consolidated annual financial statements and reviews of the Company s consolidated quarterly financial statements, including statutory audit work for foreign operations and the audit of internal controls.

Audit Related Fees are for assurance and other activities not explicitly related to the audit of the Company s financial statements, and include audits of benefit plans, financial due diligence, internal controls reviews, and special projects.

Tax Fees represent work performed for domestic and international income tax compliance and tax audits, corporate-wide tax planning, executive tax consulting and preparation, and expatriate tax consulting and preparation. On June 30, 2004, PricewaterhouseCoopers ceased providing executive tax consulting and preparation work for the Company s executives and did not provide services to the officers named in the Summary Compensation Table on page 23.

The Audit Committee is directly responsible for determining the compensation of the independent registered public accounting firm. Pre-approval by the Audit Committee is required for any engagement of PricewaterhouseCoopers, and the Audit Committee has established the following pre-approval policies and procedures. Annually, the Audit Committee pre-approves services to be provided by PricewaterhouseCoopers. The Audit Committee also considers engagement of PricewaterhouseCoopers to provide other services during the year. Requests for approval are submitted to the Audit Committee by the office of the Company s Vice President Internal Audit. Requests are required to include an adequate explanation of the services in sufficient detail for the Audit Committee to determine whether the request is consistent with the SEC s rules on auditor independence. In determining whether to approve the engagement of PricewaterhouseCoopers, the Audit Committee considers whether such service is consistent with the independence of the registered public accounting firm. The Audit Committee also considers the amount of audit and audit related fees in comparison to all other fees paid to the registered public accounting firm and reviews such comparison each year.

EXECUTIVE COMPENSATION
Report of the Compensation Committee

The Compensation Committee, composed of four independent directors, establishes and administers the executive compensation program for the Company s top executives.

Compensation Philosophy

The Committee adheres to several guiding principles in carrying out its responsibilities:

Total compensation should reward individual and corporate performance and provide incentive for enhancement of shareholder value.

The Company should provide a base salary to employees that will maintain its competitive market position. The Company should offer an annual bonus opportunity that aligns corporate growth objectives and performance with individual achievements. Stock options should be used to foster a long-term perspective aligned with that of the shareholders.

Compensation plans should be simple and easily understood. Executives must clearly understand variable compensation opportunities and how to earn variable rewards.

The Anheuser-Busch program should reflect competitive levels of fixed and variable compensation. An external compensation consultant should annually report to the Committee on the competitive mix of base, bonus, and long-term incentives for a comparator group of national companies.

2004 Compensation

The Committee considers several factors when determining compensation for executive officers, including the Chief Executive Officer:

Overall Company Performance. In addition to their current knowledge of Company operations through participation at regular Board meetings, the Committee specifically looked at annual and long term earnings and cash flow growth; market share gains; return to shareholders (see chart on page 24); progress toward long-term objectives; individual divisional results as appropriate; and various qualitative factors relating to Company performance. There is no set weighting of these variables as applied to individual executive positions.

Individual Performance. The Committee considers, in addition to business results, the executive s achievement of various other managerial objectives, personal development goals, and prior compensation levels, including awards of long term incentives.

Competitive Compensation. The Committee is provided a report from a compensation consulting firm which details Anheuser-Busch compensation practices relative to a comparable group of 20 companies. This group is comprised of large national consumer goods companies. The companies in the sample are chosen in consultation with the consulting firm to be representative of the types of companies Anheuser-Busch competes with for executive talent. The report reviews base salary, annual bonus, and long-term incentive awards for the CEO and other officer positions with responsibilities that are comparable across the group. The consulting firm believes, and the Committee concurs, that this sample of benchmarks not only provides guidance for specific positions, but also provides guidance to develop benchmarks for those positions not specifically included in the sample.

Salary:

The Company does not have an employment agreement with Mr. Stokes or any of its other executive officers. In setting base salaries the Committee generally considers the median for the positions at the comparator companies and the overall financial performance of the Company during the prior year, particularly beer sales volume and market share performance, gross and operating margin trends, earnings and cash flow per share growth, returns on capital and equity, and total returns to shareholders. An executive s salary is considered to be at the market level if it is within ±20% of the median compensation for base salary. Actual salary determination is subjective in that there are no specific weightings for the variables considered. Mr. Stokes 2004 base annual salary of $1,461,000 was at the market level of salaries for CEOs in the comparable group of companies.

Actual 2004 salaries for the executive officers included in the compensation table on page 23 were within ±20% of the median salary where appropriate benchmarks were available and were determined by a subjective evaluation of responsibilities, individual performance, and to a lesser degree, length of service.

Bonus:

2004 bonuses for Mr. Stokes, 18 other executive officers and 32 other officers were paid under the Officer Bonus Plan (the Plan), which was most recently reapproved by shareholders at the 2000 Annual Meeting. The Plan authorizes the Committee to establish programs that allow payment of cash bonuses to participants based on pre-established minimum performance goals for designated performance periods. Pursuant to the Plan, in February 2004 the Committee adopted the 2004 Officer Bonus Program (2004 Program), which established a minimum performance goal and a formula for determining a maximum bonus pool, both of which were based on pretax earnings of the Company for 2004 after adjustments for certain items. The Committee also determined a bonus formula for allocating the pool among the participants in which amounts for participants were expressed as a percentage of the total pool.

In February 2005 the Committee certified that the 2004 performance goal was met and approved individual bonuses. The Committee, through the exercise of discretion and after taking into consideration individual performance and competitive compensation levels, approved bonus payments that were less than the maximum avail-

able in the bonus pool and generally less than the prior year s bonuses. Due to regulations of the Internal Revenue Service and provisions of the Plan and 2004 Program, any adjustments to the bonuses for the participating executives named in the summary compensation table on page 23 could only be reductions from the amounts determined by formula. Bonuses for other participants were determined after subjectively taking into consideration individual performance toward corporate or divisional objectives. Mr. Stokes 2004 bonus was $3,139,500.

Long-Term Incentives:

Stock options are the Company s only long-term incentive and are considered by the Committee to be an effective method of aligning the interests of executives with those of the Company s stockholders. Stock option awards are made to approximately 2800 middle and upper level managers, including Mr. Stokes and the other executive officers included in the compensation table on page 23. Each stock option permits the executive to purchase one share of Anheuser-Busch stock from the Company at the market price of Anheuser-Busch stock on the date of grant. The stock option grants vest over a three-year period of service. The size of awards is subjectively determined by the Committee based on position, responsibilities, and individual performance, subject to plan limits and are generally above the median for the peer group. In keeping with the Committee s philosophy of aligning management and stockholder interests and in having a significant portion of total compensation be at risk, in 2004, the Committee granted Mr. Stokes options for 900,000 shares under the 1998 Incentive Stock Plan. This award was at the 75th percentile of his peer group.

The Company plans to begin expensing stock options in the First Quarter of 2005. This change in accounting treatment is not expected to affect the Committee s practices for grants of stock options.

Other Compensation:

The Committee reviewed the Company s executive retirement plans, including the 401(k) plan, the deferred compensation plan, and the supplemental executive pension plan and the methods by which benefits are earned under the plans. The Committee found the plans to be appropriate components of the Company s compensation program. The Committee reviewed the Company s policy of generally entering into post-retirement consulting agreements with retiring executive officers to assist with orderly successions and to avoid executives competing with the Company following retirement. In that connection, the Committee approved the post-retirement consulting agreement with Mr. Lambright, which is described on page 29.

Policy on Deductibility of Compensation Expenses

The Company is not allowed a deduction for certain compensation paid to certain executive officers in excess of $1 million, except to the extent such excess constitutes performance-based compensation. The Committee considers its primary goal is to design compensation strategies that further the best interests of the Company and its stockholders. To the extent they are not inconsistent with that goal, the Committee will attempt where practical to use compensation policies and programs that preserve the tax deductibility of compensation expenses.

Stock options granted under the 1998 Incentive Stock Plan and bonuses paid to executive officers pursuant to the Officer Bonus Plan are designed to qualify as performance-based compensation.

The Compensation Committee:
Vernon R. Loucks, Jr. (Chair)
James J. Forese
Vilma S. Martinez
William Porter Payne

Compensation Committee Interlocks and Insider Participation

All members of the Compensation Committee (Vernon R. Loucks, Jr., James J. Forese, Vilma S. Martinez, and William Porter Payne) are independent, non-employee directors.

Summary Compensation Table

	Annual Compensation[1]				Long-Term Compensation	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation ($)[2]**	**Awards of Stock Options (#)**	**All Other Compensation ($)[3]**

	Annual Compensation[1]				Long-Term Compensation	
P. T. Stokes	2004	1,461,000	3,139,500	14,780	900,000	146,146
President and Chief	2003	1,391,250	3,500,000	16,122	1,354,200	147,716
Executive Officer	2002	1,325,000	3,100,000	16,060	1,354,200	131,028
A. A. Busch III	2004	600,000	1,345,500	32,442	450,000	97,151
Chairman of the Board	2003	600,000	1,500,000	37,977	750,000	105,564
	2002	900,000	2,700,000	40,972	1,000,000	131,592
A. A. Busch IV	2004	900,000	986,700	12,499	500,000	77,821
Vice President	2003	800,000	1,000,000	11,814	600,000	71,718
and Group Executive	2002	600,000				