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“Talk of the Town”

The Fall of the House of Anheuser

In the early days of June 2008, the foundation of an ancient St. Louis fortress, Anheuser-Busch, came under attack. No, it was not another rumble from a minor earthquake along the New Madrid or even the reverberation of fireworks and hollers from a Cardinals victory over the Cubs. There was a new kid on the block, and he had a fresh game plan that would ruffle the feathers of the Red-bird fanatic folks of St. Louis. His name was Carlos Brito, the CEO of the four-year-old Belgian brewer called In-Bev, and he had the air of the popular kid in class. In a letter that will go down next to the journals of Lewis and Clark, Brito proposed to August Busch IV, the president of Anheuser-Busch at the time, a \$64 per-share deal for shareholders of the company. Seen at first by many locals as a cold, cost-cutting commander, Brito expanded on his goal by stating he wanted to “create a global leader in beer, with Budweiser as its flag-ship brand.” As if someone clicked off the TV just as America’s beloved Clydesdales graced the screen for a classic Bud commercial, St. Louis erupted in emotional fury. Would the loveable Clydesdales begin to pull a sleigh of Belgian waffles across the country if the proposal passed? Perhaps the die-hard Cardinals fans would no longer clink chilled Budweiser beers but rather sip daintily on wine-spritzers at Busch Stadium. St. Louis’ darling beer would suddenly taste a little sour.

As if the King of Beers came down from Beer Heaven, August Busch IV assured St. Louisans he would protect the Anheuser-Busch legacy from foreign invasion as much as he could. After rallying his troops, which consisted of determined financial advisors and a stubborn board of directors, Busch and his army rejected the \$46.4 billion offer and decided they could

fight the Belgian brewer by initiating cost-cuts and appealing to shareholders without Brito's help. By orating the sentiments of his loyal soldiers, Busch argued that In-Bev's offer "significantly undervalues the unique assets and prospects of AB." In addition, Anheuser-Busch contemplated taking over Modelo, a Mexican brew maker, to make Anheuser-Busch, already a giant in the beer world, an untouchable entity for Brito and the Belgians.

Taking a deep breath of familiar, toasted-ravioli scented air, St. Louis residents felt as though their loyal 156-year-old grandfather of a company was back on his feet, allowing them to resume toasting their Budweisers at barbeques and pool parties. However, the abominable In-Bev was not ready to back down and resumed threatening the "King" with its proposal. By filing a suit declaring that shareholders could oust all 13 members of Anheuser Busch's board of directors, In-Bev implied that a "hostile" takeover was awaiting Anheuser-Busch if they refused again. Thoughts of losing their trusty king, one who had served St. Louis and other cities as an iconic, "American institution," riled even the staunchest Anheuser-Busch loyalists, like Senator Claire McCaskill and St. Louis Mayor Francis Slay, to demand a call to arms. Then, the unthinkable happened that caused the In-Bev v. Anheuser-Busch battle to simmer to an unfortunate retreat. Brito rolled up his sleeves, shrugged his shoulders, and decided to offer Anheuser-Busch shareholders \$70 per share. Sweating from the verbal attacks and complaints of locals, the Anheuser-Busch board of directors folded, telling In-Bev, "This Bud's for you."

The civilians, scuffling their shoes behind General Busch, could do no more—the fight was over. As they looked ahead to their bleak future, they faced disheartening realities: job cuts, lack of bonuses, and zero coupons to Busch-Gardens or Sea World. As the sweltering dogs days of August thickened, St. Louisans realized their once proud town was changing, as was the world around them. With companies like Wachovia conquering A.G. Edwards and Bank of America

defeating Merrill Lynch, “merging” was the new game in town. Whether the idea of global expansion would boost Anheuser Busch’s identity and increase profits for the company, the grandfather of St. Louis would lose his nostalgic charm as the sleek new In-Bev began to stir the barrels. At least the company’s original new name—Anheuser-Busch In-Bev—is one that rolls off the tongue and can easily fit onto a bottle or can in size 12 font.