

This Bud's for Who? The Battle for Anheuser-Busch

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Objectives of Presentation

- Overview of Case
- Short summary of each company
- Discuss effects from merger
- Explanation of:
 - Mission statements
 - SWOT analysis for each and new
 - Porters 5 forces Model
 - Social Responsibilities
 - 3 Circles
 - Supply Chain
 - Environment
- Suggestions

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Introduction

- June 2008
- Belgian InBev NV posted a bid to Anheuser-Busch to buy shares at \$65 a share
- Anheuser-Busch declined bid stating "It undervalued the company, but it would be open to a higher price"
- By Mid-July InBev re-offered a \$70 per share bid that was accepted by A-B

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Brewing Industry

- Brewing is a very straight forward process
 - Ingredients are a malted (barley, rice, corn or wheat), yeast, hops, and water.
- The challenging part is maintaining quality control across large volumes, multiple products, production sites, and costs.

United States Characteristics of Beer Brands

Super Premium - (Michelob, Craft Beers)

Premium - (Budweiser)

Core - (Miller High Life)

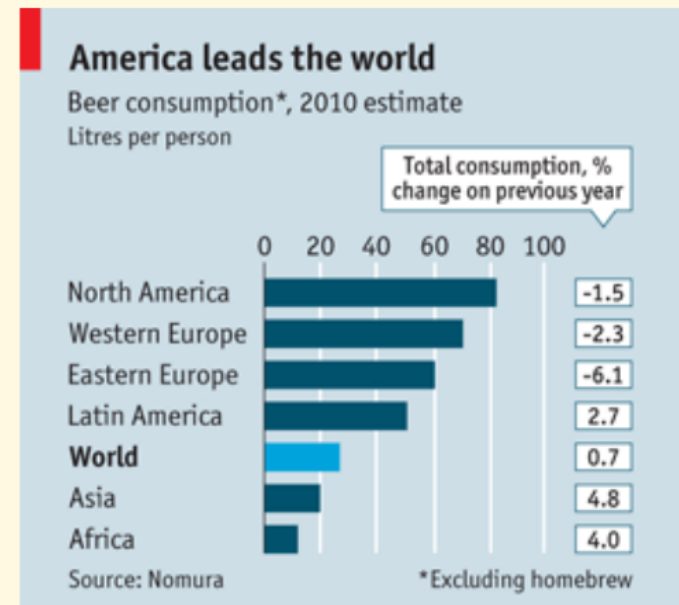
Value - (Busch)

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Brewing Industry Cont.

Largest Markets by Volume:

- 1# China
- 2# United States
- 3# Germany
- 4# Brazil
- 5# Russia
- 6# Japan



Top 5 Brand in US: Bud Light, Miller Lite, Budweiser, Coors Light, and Corona (import)
Global Top selling Brands: Snow (China), Bud Light, Budweiser, Skol (Brazil), Corona, Heineken (Netherlands), Brahma (Brazil), Coors Light, Tsingtao (China), and Miller Lite.

Craft Beer Growth was 11% for 2010

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Brewing Industry Cont.

Consolidation of Brewers:

2002 - SAB acquired Miller Brewing Company

2005 - SABMiller acquired Bavaria S.A.

2005 - Coors merged with Molson

2007 - Heineken partnered with Carlsberg

2007 - Heineken acquired Scottish and Newcastle

2007 - SABMiller merged with Molson Coors (US)

2008 - SABMiller acquired Grolsch

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Interbrew

- Formed in 1987, two Belgian families merged their private brewing interests
- 1995 - Acquired John Labatt, largest Canadian brewer
- 2000 - Acquired Bass and Whitbread, U.K. brewers
- Went public in 2000
- 2003 - Acquired Beck's, Germany
- Different strategies than other major brewers
- No true 'Global Brand,' many different organizational cultures due to acquisitions



AmBev

- Controlling shareholders: Jorge Paulo Lemann, Marcel Herrmann Telles, and Carlos Alberto Sicupira
- Among richest Brazilians, founders of Banco Garantia
- Bought breweries all over the world including Uruguay, Ecuador, Paraguay, Argentina
- Minimal role in management

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