

## Management's Responsibility for Financial Statements

The management of Anheuser-Busch Companies is responsible for the preparation and presentation of the financial statements and other financial information included in this annual report. Management is also responsible for the reasonableness of estimates and judgments inherent in the preparation of the financial statements. These statements are prepared in accordance with accounting principles generally accepted in the United States.

It is management's responsibility to ensure the company maintains accounting and reporting systems, supported by a system of internal accounting controls, designed to provide reasonable assurance as to the integrity of the underlying financial records and the protection of assets. These systems include written policies and procedures, selection and training of qualified personnel, organizational segregation of duties and a program of internal reviews and appropriate follow-up.

Management believes the company's systems are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 2002, the company's internal auditors, in conjunction with PricewaterhouseCoopers LLP, the company's independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting controls system. Based on that comprehensive review, it is management's opinion that the company has an effective system of internal accounting controls.

The Board of Directors is responsible for ensuring the independence and qualifications of Audit Committee members under applicable New York Stock Exchange guidelines. The Audit Committee of the Board of Directors, which consists of five nonmanagement directors, oversees the company's financial reporting and internal controls systems and meets with management, the independent accountants and internal auditors periodically to review auditing and financial reporting matters. The Audit Committee is solely responsible for the selection and retention of the company's independent accountants, subject to shareholder approval. The Audit Committee held five meetings during 2002. Its report for 2002 can be found in the company's proxy statement.

PricewaterhouseCoopers LLP is responsible for conducting an independent examination of the company's financial statements in accordance with auditing standards generally accepted in the United States, and expressing an opinion as to whether the financial statements fairly present, in all material respects, the company's financial position, operating results, cash flows and changes in shareholders equity.

## Report of Independent Accountants

800 Market Street  
St. Louis, MO 63101



February 3, 2003

To the Shareholders and Board of Directors  
of Anheuser-Busch Companies, Inc.

We have audited the accompanying Consolidated Balance Sheet of Anheuser-Busch Companies, Inc. and its subsidiaries as of December 31, 2002 and 2001, and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements audited by us present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the Consolidated Financial Statements, in 2002 the company changed its method of accounting for goodwill to conform to Statement of Financial Accounting Standards No. 142, "Accounting for Goodwill and Other Intangible Assets."

## Consolidated Balance Sheet

Anheuser-Busch Companies and Subsidiaries

Year Ended December 31 (in millions)	2002	2001
<b>Assets</b>		
Current Assets:		
Cash .....	\$ 188.9	\$ 162.6
Accounts receivable .....	630.4	620.9
Inventories:		
Raw materials and supplies .....	294.1	352.4
Work in process .....	82.8	79.8
Finished goods .....	186.7	159.6
Total inventories .....	563.6	591.8
Other current assets .....	121.8	175.1
Total current assets .....	1,504.7	1,550.4
Investments in affiliated companies .....	2,827.9	2,855.0
Other assets .....	1,423.0	1,149.5
Plant and equipment, net .....	8,363.9	8,390.0
<b>Total Assets</b> .....	<b>\$14,119.5</b>	<b>\$13,944.9</b>
<b>Liabilities and Shareholders Equity</b>		
Current Liabilities:		
Accounts payable .....	\$ 986.6	\$ 945.0
Accrued salaries, wages and benefits .....	287.5	255.8
Accrued taxes .....	181.0	161.1
Other current liabilities .....	332.6	374.6
Total current liabilities .....	1,787.7	1,736.5
Postretirement benefits .....	474.2	482.9
Debt .....	6,603.2	5,983.9
Deferred income taxes .....	1,345.1	1,367.2
Other long-term liabilities .....	857.0	312.9
Shareholders Equity:		
Common stock, \$1.00 par value, authorized 1.6 billion shares .....	1,453.4	1,445.2
Capital in excess of par value .....	1,024.5	810.2
Retained earnings .....	12,544.0	11,258.2
Treasury stock, at cost .....	(11,008.6)	(8,981.6)
Accumulated other comprehensive income/(loss) .....	(870.7)	(338.3)
ESOP debt guarantee .....	(90.3)	(132.2)
Total Shareholders Equity .....	3,052.3	4,061.5
Commitments and contingencies .....	—	—
<b>Total Liabilities and Shareholders Equity</b> .....	<b>\$14,119.5</b>	<b>\$13,944.9</b>

The footnotes on pages 44-55 of this report are an integral component of the company's consolidated financial statements.

## Consolidated Statement of Income

Anheuser-Busch Companies and Subsidiaries

Year Ended December 31 (in millions, except per share)	2002	2001	2000
Gross sales .....	<b>\$15,686.8</b>	\$ 14,973.0	\$ 14,534.2
Excise taxes .....	<b>(2,120.4)</b>	(2,061.5)	( 2,034.8)
Net sales .....	<b>13,566.4</b>	12,911.5	12,499.4
Cost of sales .....	<b>(8,131.3)</b>	(7,950.4)	( 7,829.9)
Gross profit .....	<b>5,435.1</b>	4,961.1	4,669.5
Marketing, distribution and administrative expenses .....	<b>(2,455.4)</b>	(2,255.9)	( 2,174.8)
Gain on sale of business .....	<b>—</b>	17.8	—
Operating income .....	<b>2,979.7</b>	2,723.0	2,494.7
Interest expense .....	<b>(368.7)</b>	(361.2)	( 348.2)
Interest capitalized .....	<b>17.7</b>	26.9	33.3
Interest income .....	<b>1.3</b>	1.1	1.1
Other expense, net .....	<b>(6.4)</b>	(12.2)	( 1.0)
Income before income taxes .....	<b>2,623.6</b>	2,377.6	2,179.9
Provision for income taxes .....	<b>(1,041.5)</b>	(927.5)	(874.3)
Equity income, net of tax .....	<b>351.7</b>	254.4	246.0
Net income .....	<b>\$ 1,933.8</b>	\$ 1,704.5	\$ 1,551.6
Earnings per share:			
Basic .....	<b>\$ 2.23</b>	\$ 1.91	\$ 1.71
Diluted .....	<b>\$ 2.20</b>	\$ 1.89	\$ 1.69

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## Consolidated Statement of Changes in Shareholders Equity

Anheuser-Busch Companies and Subsidiaries

Year Ended December 31 (in millions)	2002	2001	2000
<b>Common Stock, \$1.00 Par Value</b>			
Balance, beginning of period .....	\$ 1,445.2	\$ 1,441.5	\$ 716.1
Shares issued under stock plans .....	8.2	3.7	6.4
Two-for-one stock split .....	—	—	719.0
Balance, end of period .....	<b>\$ 1,453.4</b>	<b>\$ 1,445.2</b>	<b>\$ 1,441.5</b>
<b>Capital in Excess of Par Value</b>			
Balance, beginning of period .....	\$ 810.2	\$ 725.3	\$ 1,241.0
Shares issued under stock plans .....	214.3	84.9	203.3
Two-for-one stock split .....	—	—	(719.0)
Balance, end of period .....	<b>\$ 1,024.5</b>	<b>\$ 810.2</b>	<b>\$ 725.3</b>
<b>Retained Earnings</b>			
Balance, beginning of period .....	\$ 11,258.2	\$ 10,164.4	\$ 9,181.2
Net income .....	1,933.8	1,704.5	1,551.6
Common dividends paid (per share: 2002 - \$.75; 2001 - \$.69; 2000 - \$.63) .....	(649.5)	(614.1)	(571.0)
Shares issued under stock plans .....	1.5	3.4	2.6
Balance, end of period .....	<b>\$ 12,544.0</b>	<b>\$ 11,258.2</b>	<b>\$ 10,164.4</b>
<b>Treasury Stock</b>			
Balance, beginning of period .....	\$ (8,981.6)	\$ (7,817.8)	\$ (6,831.3)
Treasury stock acquired .....	(2,027.0)	(1,163.8)	(986.5)
Balance, end of period .....	<b>\$ (11,008.6)</b>	<b>\$ (8,981.6)</b>	<b>\$ (7,817.8)</b>
<b>ESOP Debt Guarantee</b>			
Balance, beginning of period .....	\$ (132.2)	\$ (172.2)	\$ (210.5)
Annual debt service .....	41.9	40.0	38.3
Balance, end of period .....	<b>\$ (90.3)</b>	<b>\$ (132.2)</b>	<b>\$ (172.2)</b>
<b>Accumulated Other Comprehensive Income/(Loss)</b>			
Balance, beginning of period .....	\$ (338.3)	\$ (212.3)	\$ (175.0)
Foreign currency translation gains/(losses) .....	(271.8)	44.5	(37.3)
Deferred hedging gains/(losses) .....	33.0	(38.9)	—
Deferred securities valuation gains/(losses) .....	3.0	—	—
Minimum pension obligation .....	(296.6)	(131.6)	—
Balance, end of period .....	<b>\$ (870.7)</b>	<b>\$ (338.3)</b>	<b>\$ (212.3)</b>
<b>Total Shareholders Equity</b> .....	<b>\$ 3,052.3</b>	<b>\$ 4,061.5</b>	<b>\$ 4,128.9</b>
<b>Comprehensive Income</b>			
Net income .....	\$ 1,933.8	\$ 1,704.5	\$ 1,551.6
Foreign currency translation gains/(losses) .....	(271.8)	44.5	(37.3)
Deferred hedging gains/(losses) .....	33.0	(38.9)	—
Deferred securities valuation gains/(losses) .....	3.0	—	—
Minimum pension obligation adjustment .....	(296.6)	(131.6)	—
<b>Total Comprehensive Income</b> .....	<b>\$ 1,401.4</b>	<b>\$ 1,578.5</b>	<b>\$ 1,514.3</b>

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## Consolidated Statement of Cash Flows

Anheuser-Busch Companies and Subsidiaries

Year Ended December 31 (in millions, except per share)	2002	2001	2000
<b>Cash Flow from Operating Activities:</b>			
Net income .....	\$ 1,933.8	\$ 1,704.5	\$ 1,551.6
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization .....	847.3	834.5	803.5
Deferred income taxes .....	160.2	(15.8)	64.2
Gain on sale of business .....	—	(17.8)	—
Undistributed earnings of affiliated companies.....	(305.0)	(227.6)	(220.2)
Other, net .....	(12.0)	38.2	30.9
Operating cash flow before change in working capital .....	2,624.3	2,316.0	2,230.0
Decrease in working capital.....	140.9	44.6	27.5
Cash provided by operating activities .....	2,765.2	2,360.6	2,257.5
<b>Cash Flow from Investing Activities:</b>			
Capital expenditures .....	(834.7)	(1,022.0)	(1,074.5)
New business acquisitions .....	(19.0)	(370.4)	(42.9)
Proceeds from sale of business .....	—	110.0	—
Cash used for investing activities.....	(853.7)	(1,282.4)	(1,117.4)
<b>Cash Flow from Financing Activities:</b>			
Increase in debt .....	1,151.8	1,213.4	803.9
Decrease in debt .....	(505.9)	(572.8)	(514.0)
Dividends paid to shareholders .....	(649.5)	(614.1)	(571.0)
Acquisition of treasury stock .....	(2,027.0)	(1,163.8)	(986.5)
Shares issued under stock plans .....	145.4	61.8	135.3
Cash used for financing activities .....	(1,885.2)	(1,075.5)	(1,132.3)
Net increase in cash during the year .....	26.3	2.7	7.8
Cash, beginning of year .....	162.6	159.9	152.1
Cash, end of year .....	\$ 188.9	\$ 162.6	\$ 159.9

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