ANHEUSER-BUSCH COMPANIES, INC.
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SECURITIES AND EXCHANGE COMMISSION
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SCHEDULE 14A
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ANHEUSER-BUSCH COMPANIES, INC.

(Name of Registrant as Specified in Its Charter)
INBEV S.A.

(Name of Person(s) Filing Consent Statement, if Other Than the Registrant)

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The following is a transcript of a webcast that is posted to the website www.inbev.com:

Final Transcript

Conference Call Transcript
INB.BR Inbev InBev To Discuss Proposed Combination with Anheuser-Busch (Conference Call)
Event Date/Time: Jun. 12. 2008 / 9:30AM ET

Final Transcript

Jun. 12. 2008 / 9:30AM ET, INB.BR Inbev InBev To Discuss Proposed Combination with Anheuser-Busch (Conference Call)

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PRESENTATION

Operator

Final Transcript

Jun. 12. 2008 / 9:30AM ET, INB.BR Inbev InBev To Discuss Proposed Combination with Anheuser-Busch (Conference Call)

Ladies and gentlemen, thank you for standing by, and welcome to today s conference call regarding InBev s proposal to combine with Anheuser-Busch. At this time, all participants have been placed in a listen-only mode. Following the presentation, we will open the call for a question-and-answer session. We do ask to please limit your questions to one question and one follow-up.

The speakers on this call are Carlos Brito, Chief Executive Officer, and Felipe Dutra, Chief Financial Officer. Neither this presentation nor any of the transactions referred to herein constitutes an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States.

The securities that may be issued pursuant to the terms and conditions of the transactions referred to herein have not been nor will be registered under the US Securities Act of 1933 as amended; the Securities Act or the securities of any state or any other country other than Belgium, and may not be offered, pledged, transferred or sold absent registration of such securities under the Securities Act or the securities laws of such state or country as the case may be, or an available exemption from such registration.

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Now I would like to turn the call over to InBev s Chief Executive Officer, Mr. Carlos Brito. Sir, you may begin.

Carlos Brito ***InBev NV CEO***

Thank you very much. Good afternoon, good morning, everyone. I have here with me Felipe Dutra, our CFO, and thanks for joining. As you have seen yesterday, we announced a proposal to combine Anheuser-Busch and InBev, creating a global leader in beer and one of the world s top five consumer products companies.

We believe this combination is in the best interest of all constituents, including both company shareholders, employees, consumers, wholesalers, business partners and the communities they serve. This compelling combination would create significant value for both companies shareholders and unparalleled opportunities for the combined businesses.

We are extremely excited about this potential combination, and before we get to the details, let me start by expressing our deep respect and admiration for Anheuser-Busch, its management and its board. Anheuser-Busch and InBev have been partners for a long time. We have started our relationship 28 years ago with a distribution agreement of Anheuser-Busch brands in Canada.

This relationship has been expanded to South Korea and also more recently to the US, through the import and distribution agreement of our European imports brands. We believe this combination is the natural next step in our relationship and a great opportunity to leverage the iconic Budweiser brand and its heritage worldwide. Budweiser is already one of the most recognized and beloved brands in the world. It is our intention to expand Budweiser even further through our extensive distribution network.

If you go to the next page, briefly looking at the agenda for today s call, we will start with a quick summary of the proposed transaction. Then we ll give you a snapshot of the proposed combination. Subsequently, we will dig a bit deeper in the benefits of the transaction for Anheuser-Busch shareholders. We would like then to review InBev s track record since the merger between Interbrew and AmBev, and finally provide a quick wrap-up before jumping to Q&A.

The next page you will see that we are offering $65 per share in an all-cash bid for all outstanding shares, an immediate premium of 35% over Anheuser-Busch 30-day average share price prior to recent market speculation, and 18% over Anheuser-Busch previous all-time high of $54.97 per share achieved in October 2002.

The total consideration to Anheuser-Busch shareholders is $47.5 billion. We would also assume $9.1 billion of existing debt at AB. In terms of multiples, the offer price represents 12 times Anheuser-Busch 2007 EBITDA. We firmly believe that this is a compelling offer for Anheuser-Busch shareholders, creating immediate and certain value, as well as a significant return on their investments.

Final Transcript

Jun. 12. 2008 / 9:30AM ET, INB.BR Inbev InBev To Discuss Proposed Combination with Anheuser-Busch (Conference Call)

The financing of the transaction will be done through a combination of at least $40 billion of new debt, divestitures of noncore assets, and equity finance. We have received strong support from a group of leading financial institutions, which together would be prepared to provide all the financing required to complete this transaction. We are committed to rapidly deleverage the Company, and the cost of that financing for the proposed transaction is expected to be fully consistent with an investment-grade credit profile.

With respect to the equity, we will maintain a disciplined approach to equity issuance, given that it is our most expensive funding source. Under the proposed terms, the transaction is fully consistent with our strict acquisition value creation criteria and is expected to be EPS accretive within the second full year of the combination.

Page 5. We believe this is an exciting opportunity and a winning combination for multiple reasons. Firstly, the proposed combination with Anheuser-Busch creates the global leader in beer with Budweiser becoming the new business flagship brand.

Secondly, this transaction would create one of the world s top five largest consumer products companies, bringing the new business size in line with other global leaders such as P&G and PepsiCo.

Thirdly, we believe that this combination will create a stronger company to succeed in the changing and increasingly competitive US beer landscape and benefit multiple stakeholders, including shareholders, employees, wholesalers and the communities they serve. We highly value the strength of the Budweiser brand and intend to name the combined company to invoke Anheuser-Busch s heritage and importance of the Budweiser brand.

We are committed to the City of St. Louis. We will make St. Louis the North American headquarters of the combined business. In addition, this will be the global home of the Budweiser brand family as it grows internationally, creating new opportunities in St. Louis and around the globe. We attribute the success of Anheuser-Busch to the close collaboration between its world-class distributor, network and the Company, and look forward to strengthen this relationship even further under the three-tier system.

There will be no closure of US breweries as part of this transaction. We view AB s current US brewery footprint to be highly efficient and able to support continued growth in the US market.

Last, but not least, we have a high respect and admiration for Grupo Modelo s achievements and are keen to explore possibilities to expand its brands in other markets.

Now let me pass to Felipe.

Felipe Dutra ***InBev NV CFO***

Thank you, Brito. Hello, everyone. If we move then to page 7, this transaction creates a truly global leader in beer for accelerated value creation. On a pro forma basis for 2007, the combined business would have generated total beer volume of 460 million hectoliters. Total revenues would have reached EUR26.6 billion with EBITDA of EUR7.8 billion, with a total pro forma EBITDA margin of 29.4%, without taking into account potential benefits from the combination.

If we then move to page 6, when we compare the combined business pro forma numbers with its main competitors, the new business would be over 60% larger in terms of volumes and revenues, and more than 140% in EBITDA terms.

Moving on to page 9, we will become one of the world s top five consumer products companies, joining the ranks of highly respected and global companies such as PepsiCo and P&G. In EBITDA terms, the combined business would rank in third place in consumer products companies.

Moving on to page 10, the complementarity of our geographical footprints will provide the leadership positions in key global markets, including, number one in both North America and Latin America, and number two, in Europe and Asia.

Moving then to page 11, we will continue to have a benefit exposure to high-growth developing markets and developed markets, becoming the most diversified player in the beer industry. The combined business would have a 47/43% split between developed and developing markets in revenues, and more importantly, a well-balanced 47/53%

split between developed and developing markets in operating profits, all on a 2007 pro forma basis. Our complementary geographical footprint will provide a natural hedge during various economic cycles and currency fluctuations, resulting in a stronger, more dynamic and resilient competitor.

Moving then to page 12, we foresee strong growth opportunities through leveraging our portfolio of brands across an unparalleled global distribution network. Budweiser, the iconic US brand, would become the global flagship brand. And together with our existing global premium import brands, Stella Artois and Beck s, would create the ultimate premium portfolio.

We will leverage our global footprint to unleash Budweiser s full potential and globalize AB s brands, increasing its availability to consumers around the world. InBev would also leverage its go-to-market capabilities worldwide, as well as in Latin America where through a successful partnership with PepsiCo, InBev is today the second largest bottler outside the US.

In addition, we foresee opportunities to further accelerate the growth of our premium European import brands in US where we already have an import and distribution agreement with AB. We recognize this trend of AB s wholesaler network and look forward to building on our current relationship by growing both existing and new brands with them. We are fully committed to the three-tier distribution system in the US, and we will work to ensure that this model performs as effectively as it has in the past.

If we move then to page 13, China, the world s largest beer market, is another example of how we can leverage our strengths. Our presence in the Southeast complements AB s market reach into Northeast, resulting in an immediate potential for growth of Budweiser in the Southwest, as well as InBev s brands in the Northeast. Our market share would nearly double in China to a combined 21%, providing a much stronger position in this fast-growing market. We also have a deep respect and admiration for AB s strategic partner in China, Tsingtao, and would look forward to strengthening even further the relationship.

Now let s review in more details some further benefits for AB and its shareholders with Brito.

Carlos Brito *InBev NV CEO*

Thanks, Felipe. If we go to page 15. With the strong and highly complementary positions with the combined business in the top five beer markets in the world, we have a great opportunity for expansion of the combined portfolio of brands led by Budweiser.

Next page. In reality, InBev and Anheuser-Busch have had successful experience in building and expanding Budweiser together outside of the US since the 80s. The partnership that brought the strength of the Budweiser brand together with InBev sales and distribution skills has transformed Budweiser into the number one selling beer in Canada today. Bud Light is also the fastest-growing beer in Canada, having grown more than 30% alone last year. Anheuser-Busch and InBev share a very strong commitment to the highest quality of its beer. We have been brewing Budweiser for a number of years in our Canadian breweries.

Next page. We are heavily involved in the marketing of Budweiser and leverage official NFL Super Bowl sponsorships and regional events like the Grand Prix and the Calgary Stampede in Canada. Recently, Anheuser-Busch and InBev have jointly renewed their focus and efforts behind Bud Light in Canada, transforming it into the fastest-growing brand in the country. Effectively, Bud Light has gained more than three percentage points of market share in Canada in the last three years.

As a result, sales of Anheuser-Busch brands in Canada have grown by an average annual growth rate of 7.6% since 1987. And the market share of this brand has grown from 3% to 15% during this time and they continue to grow.

Page 18. St. Louis would play an expanded role as the North American headquarters of the combined company. St. Louis will also be the global home for the expansion of the flagship Budweiser brand. We understand the importance of Anheuser-Busch to the St. Louis community, and InBev intends to build on Anheuser-Busch s reputation as a highly quality employer and a responsible corporate citizen, and looks forward to participating as a member of the community.

Today InBev s dream is to become the best beer company in a better world. We use the term better world to articulate our belief that if we are to become the best beer company measured by profitability, we must work hard in getting better as a company and also in helping to improve the world around us.
We expect the combined business to bring together the best practices and processes of each one of the companies into a global platform, which can achieve more for employees, the community and the environment than either company could do on its own.
Page 19. There will be no closure of US breweries as part of the transaction. We view AB s current US brewery footprint to be highly efficient and able to support continued growth in the US market.
Next page. We firmly believe that strong business growth is an essential lever for job creation. InBev s growth during the last four years has added 12,000 full-time jobs to our payroll worldwide, support by increasing revenue and in the growth of our business. We believe that the combination of Anheuser-Busch and InBev will translate into significant top-line growth for the combined business and offer great job opportunities for employees of both companies, as well as career chances for new talent.
Now back to Felipe.

Felipe Dutra *InBev NV* *CFO*
Turning to our own track record on page 22, the Interbrew AmBev merger in 2004 has overdelivered on its promises. There are a number of factors that were critical to our success since the creation of InBev. First and foremost, we quickly established our company dream to become the number one global brewery as measured by EBITDA margin by 2007. In fact, we achieved this one year ahead of schedule.
Key to this performance was ensuring the establishment of one single, high-performance culture led by great people. And further reinforced by a target setting and cascading system directly linked to our variable compensation system.
If we then move to page 23. We have a strong confidence in our business model, which has a proven track record since the creation of InBev. This model has allowed us to grow volumes ahead of the global beer industry, grow revenues ahead of funds growth, and achieve further EBITDA margin improvement through productivity enhancements and operating efficiencies.
As a consequence, we have delivered 16.2% organic average EBITDA growth between 2004 and 07. Our EBITDA margin expanded by close to 900 basis points in the period, and absolute EBITDA expanded from EUR2.1 billion in 2004 to EUR5 billion in 2007. More recently, we have prioritized cash flow generation, and in 2007 financial results have shown a EUR400 million improvement in core working capital.
We remain committed to our business model, which will continue to deliver EBITDA margin expansion through a combination of top-line growth and disciplined cost management. Top-line growth will remain our priority as we are linking an even more significant part of our variable compensation program to improved market share performance.
Moving then to page 24, between 2005 and 07, we have also shown great consistency in our performance with job growth between 5% and 6% and turnover growth between 7% and 8% in each of those years. Over that period, we saw EBITDA margins expanding from 28.6% to 34.6%. Our winning brands in key markets around the world are, of course, one of the key drivers to our success. These brands are what makes us unique and are the lifeblood of our Company. And we are particularly proud of having such strong brands in so many countries. Our business model combines extremely strong local brands, supported by a portfolio of global brands. Today we are the favorite brand in 6 out of 10 of the most important markets.
If we then move to page 26, since the Interbrew AmBev transaction, we have established a strong track record of delivering value through operational excellence and selected M&A transactions. This has been critical in the transformation of our Company from the small, regional players to a global leader in beer.
For example, in 1990 Interbrew was the 10th largest brewer by volume in the world, and by 2007, InBev was the clear number one in terms of absolute EBITDA. In the past three years, we have achieved nearly 110% of total shareholders return.

Now turning back to you, Brito.

Carlos Brito ***InBev NV CEO***
Thanks. And now on the last page, next page. So in a nutshell, this transaction as significant value and unparalleled opportunities for all stakeholders. It will create the true global leader in beer with Budweiser as its flagship brand. Our diversified footprint in developed and developing markets and our complementary portfolio of leading brands would create a stronger, more competitive player in the industry. Our combined extensive distribution networks will give us unmatched capability to grow our brands and increase their availability to consumers around the world.
Finally, we firmly believe that this combination will create significant value for both Anheuser-Busch and InBev shareholders. Okay, so again, thank you very much and now let s go to the Q&A.
Operator, please back to you.

QUESTION AND ANSWER

Operator
(OPERATOR INSTRUCTIONS) Carlos Laboy, Credit Suisse.

Carlos Laboy ***Credit Suisse Analyst***
Good morning, Brito. What insights can you give us on where you would put the debt, and how you would structure the financing for this?

Carlos Brito ***InBev NV CEO***
Let me ask Felipe to comment on that, Carlos.

Felipe Dutra ***InBev NV CFO***
Hi, Carlos. The current offer is made at the InBev level and will be composed by about 40 or not less than $40 billion new debt at the InBev level, plus $9.1 billion. We are talking here about US dollars rollover net debt, and approximately $8.3 billion as a combining fact of disposals and new equity.

Carlos Laboy ***Credit Suisse Analyst***
So there would be no debt put at the AmBev level?

Felipe Dutra ***InBev NV CFO***
No.

Carlos Laboy - ***Credit Suisse Analyst***
Thank you.

Operator

James Edwardes Jones, Execution Limited.

James Edwardes Jones *Execution Limited* *Analyst*
Afternoon here, guys. A couple of questions. You haven t made any comment on synergies. Can you offer us any advice there, in particular of the commitment to keep the breweries open in any way constrain your ability to get ZBB savings of at least 15% of fixed cost?
Secondly, can you expand a bit on the provisions of the shareholder agreement between Anheuser-Busch and Modelo; in particular what clauses would be invoked in the event of a change of control at Anheuser-Busch?

Carlos Brito *InBev NV* *CEO*
Hi, James. It s Brito here. I think it s at this point a bit premature to discuss a target for synergies. As you know in the transactions and combinations we ve done before, we ve always done that at the moment we announced a deal was reached. And we ve always pretty much delivered on those targets, so you know we take it very seriously.
Of course, we have conducted a preliminary analysis based on public information, and the view we have today is that these synergies would get us to meet our internal financial benchmarks for an acquisition in terms of spread, of (inaudible) and EPS accretion, which we re good about that. And the key drivers of the synergies would center around, first, as we did in all other combinations of the last eight years, three of them, cross implementation of best practices, ZBB, ZPO, down to ZCP. So all the way from cost to commercial top line, brewery, management, leverage the Budweiser brand across a global distribution system and continue to leverage and support more our brands in the US through their distribution system, so top line.
Third one would be procurement and global supply chain management. I think there s a lot to be gained here with scale; that s important, to work better with suppliers, partnerships, better terms. Working capital, we re learning more and more about working capital as you know every year, and also the CapEx requirements. I think also when you look at a combined business, there s some opportunities that we see today.
Also, by bringing two companies together, public companies, you d save some public companies costs in terms of keeping two separate companies. And also, last but not least, some overlap in geographies and also overlap in corporate functions that we ll deal with. So this is pretty much, let s say, the six, seven drivers of synergies. And again, those synergies right now make us feel good about getting to our benchmarks for an acquisition of this type.
In terms of your second question about the Modelo and AB, Felipe will take that one.

Felipe Dutra *InBev NV* *CFO*
Yes, in terms of the, let s say, shareholders that were in it, we know what you know, which is based on public documents. And we would hope to work with Modelo Group to find new opportunities to further accelerate the development of their brands outside North America.

James Edwardes Jones *Execution Limited* *Analyst*
Just for clarity, can you tell us when you expect the RoIT to exceed the WAC on the transaction?

Felipe Dutra *InBev NV* *CFO*
Not at this stage.

James Edwardes Jones *Execution Limited* *Analyst*
Okay, thank you very much, guys.

Operator
Andrew Holland, Dresdner.

Andrew Holland *Dresdner* *Analyst*
Could I just refer back to your answer to Carlos first question where you talked about disposals. Can you give me a figure for your expected disposal receipts and also for the size of any equity issue that you anticipate doing? And if you could tell us what you intend to sell, that would be very helpful.

Felipe Dutra *InBev NV* *CFO*
Yes, we said that in terms of source of funds for this transaction, we expect approximately $8.3 billion to come from disposals and new equity. We are not in a position to disclose which noncore assets we are considering to divest at this stage. But I could say that we have defined a package of noncore assets across the combined business that could be divested, allowing us to minimize the size of the (inaudible) in connection with this transaction.
I can also disclose that some of the parameters that we have used in selecting those assets that could be potentially divested around, first, assets that are not fully integrated with our overall business and that could be easily separated from the Company, by minimizing tax consequences, of course, and also in terms of marketability, assets for which we are very confident we can obtain attractive values upon divestment. But this is all that I can say at this stage.
It is important to keep in mind that equity for us is a very expensive currency, as we clearly believe that the current market price does not reflect InBev s full potential.

Andrew Holland *Dresdner* *Analyst*
Thank you, and could I just have one follow-up? You ve made it clear in your answer to the first question that the whole deal is being done at the InBev level. I think a lot of us had speculated that you might do it at the AmBev level. Can you tell us, given the apparent tax advantage of doing it at the AmBev level, why you ve chosen not to do it at the AmBev level?

Felipe Dutra *InBev NV* *CFO*
Yes, the transaction is being done at the InBev level, and the new debt is likely to be based in the US in order to benefit from the tax affectability at a very high corporate rate.

Andrew Holland *Dresdner* *Analyst*
Sorry, I didn t actually catch the answer. Could you repeat that, please?

Felipe Dutra *InBev NV* *CFO*
The point is the tax benefit will be captured by pushing down as much debt as possible into US, given the very high effective tax rate.

Andrew Holland *Dresdner* *Analyst*
Okay, so does that mean that the US profits of Anheuser-Busch will be effectively channeled through AmBev?

Felipe Dutra *InBev NV* *CFO*

No, AmBev is not part of the transaction and will not be affected.

Andrew Holland ***Dresdner Analyst***
Okay, can you tell me a bit more how this tax benefit will work in the absence of AmBev then?

Felipe Dutra ***InBev NV CFO***
The tax benefit is related to the profits being generated in the US vis-a-vis the US tax effective tax rate, which is right above our weighted average effective tax rate at the InBev level. Is this Carlos?

Andrew Holland ***Dresdner Analyst***
So how does that benefit your tax charge?

Felipe Dutra ***InBev NV CFO***
Sorry, but there are many people on the line. I won t be able to further explore that, but I am glad to take that offline with you afterwards.

Andrew Holland ***Dresdner Analyst***
Thank you.

Operator
Nico Lambrechts, Merrill Lynch.

Nico Lambrechts ***Merrill Lynch Analyst***
First question is what is the hurdle rate that you are using for this transaction?

Carlos Brito ***InBev NV CEO***
Well, that is part of our internal models. I mean, at this point it s not public.

Nico Lambrechts ***Merrill Lynch Analyst***
Would it be around seven?

Carlos Brito ***InBev NV CEO***
Again, that is our internal stuff at this point.

Nico Lambrechts ***Merrill Lynch Analyst***
Okay. Second question, you mentioned, Carlos, on the call that the deal will be EPS accretive in year two. Could you give us some of the assumptions? Does that assume there is some equity raised, and does that assume phasing of what percentage of cost savings have been realized?

Final Transcript

Jun. 12. 2008 / 9:30AM ET, INB.BR Inbev InBev To Discuss Proposed Combination with Anheuser-Busch (Conference Call)

Felipe Dutra ***InBev NV CFO***
That is assuming at least $40 billion of new debt and the $8.3 billion coming from the combination of disposals and new equity. That is what we have on the model. But we are not disclosing at this stage any specific number related to (inaudible) divestitures, neither synergize within that model.

Nico Lambrechts ***Merrill Lynch Analyst***
But we should assume in that model there is some equity.

Felipe Dutra ***InBev NV CFO***
Yes, there is some equity in there.

Nico Lambrechts ***Merrill Lynch Analyst***
And then a third question, some of your peers like Imperial Tobacco bought companies in the US. They got a goodwill tax deductibility. Would you be possible to get the similar benefit because you will there will be a lot of goodwill arising from such a transaction?

Felipe Dutra ***InBev NV CFO***
I wouldn t enter into that territory, other than saying that that will be as much as possible allocated into US.

Operator
Marc Leemans, Bank Degroof.

Marc Leemans ***Bank Degroff Analyst***
Thank you. Well, most of my questions have been answered, but perhaps one still. Could you give us a rough idea of the blended coupon rate the combined company would have?

Felipe Dutra ***InBev NV CFO***
We have committed to first to leverage the combined company as fast as possible. And secondly .

Marc Leemans ***Bank Degroff Analyst***
Leveraging by sorry.

Felipe Dutra ***InBev NV CFO***
And secondly, by keeping strong investment-grade rating profile, which then brings us to comparable transactions and to comparable credit profiles, meaning you should assume as expected in terms of interest rate costs to finance this transaction, being in line with the investment-grade rating profile.

Marc Leemans ***Bank Degroff Analyst***

Okay, thank you. And how soon do you think those divestments will be done?

Felipe Dutra ***InBev NV CFO***

We will see. We are at this stage focused, have opportunities to sit down with AB board and management in order to further discuss our current proposal.

Operator

Mark Gillespie, MainFirst Bank.

Chris Wickham ***MainFirst Bank Analyst***

It s Chris Wickham here. I was just wondering if we can just move away beyond the financings and get back onto the other side of things when it seems that you are expecting to have Anheuser-Busch add significant value to your businesses elsewhere. Could you give us two or three bullets on where they might be able to do this?
And also, I am interested to know how you get around some of the issues to do with the brand name in Europe.

Carlos Brito ***InBev NV CEO***

I think we see as a top-line opportunity, I mean we see what other companies in the US have done, namely PepsiCo, [BOA], P&G, GE, so many companies that were able to expand American iconic brands throughout the world, and we see a similar opportunity here. We have business in 30 countries. We have some multicountry brands getting to global status like Stella and Beck s.
Of course, in this new combined company Budweiser would be our flagship brand. It is a brand that is known by a lot of consumers around the world, and there is a trend today in consumers that in some locations they look for what they call international or what we call international premium brands. And Budweiser, given the properties and its quality and heritage, would fit greatly in that occasion match in terms of product and need. So that is where we see a great fit in many, if not most, of the countries we operate.

Chris Wickham ***MainFirst Bank Analyst***

Okay, and so should we be assuming a fair amount of cannibalization of your existing business, or do you think it is simply a question of you using your go-to-market capabilities to gain share for the brand?

Carlos Brito ***InBev NV CEO***

No, I think today what opportunity we ve talked to you many times before is that we see a mix enhancement in our business as a real opportunity. So with the international premium brands supported on a global scale like Budweiser, we see that we could be capturing pockets of volume that today somehow are not open to our portfolio in some locations, in some countries. So we think it could be complementary. In some places, there could be cannibalization. But in most places, it would be complementary in our view.

Operator

David Belaunde, Lehman Brothers.

David Belaunde ***Lehman Brothers Analyst***