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REDHOOK ALE BREWERY INC
Form SC 13D/A
July 02, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 2) *

REDHOOK ALE BREWERY, INCORPORATED
(Name of Issuer)

COMMON STOCK, par value \$.005
(Title of Class of Securities)

757473 10 3
(CUSIP Number)

THOMAS LARSON
ANHEUSER-BUSCH COMPANIES, INC.
One Busch Place
St. Louis, MO 63118-1852
Telephone: (314) 577-3298
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

June 30, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of Above Persons (entities only)

Anheuser-Busch Companies, Inc.; 43-1162835

2. Check the Appropriate Box if a Member of a Group (See instructions)
(a) [X]
(b) []

3. SEC Use Only

4. Source of Funds (see instructions)

WC

5. Check if Disclosure of Legal Proceedings is Required Pursuant to
Items 2(d) or 2(e)

[]

6. Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power	2,761,713
	8. Shared Voting Power	- 0 -
	9. Sole Dispositive Power	2,761,713*
	10. Shared Dispositive Power	- 0 -

*Shares are subject to contractual restrictions on
transfer. See item 4.

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,761,763

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See instructions)

[]

13. Percent of Class Represented by Amount in Row (11)

33.8%

14. Type of Reporting Person (See instructions)

CO

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- =====
1. Names of Reporting Persons.
I.R.S. Identification Nos. of Above Persons (entities only)

Busch Investment Corporation; 51-0308458

-
2. Check the Appropriate Box if a Member of a Group (See instructions)
(a) [X]
(b) []

-
3. SEC Use Only

-
4. Source of Funds (see instructions)

WC

-
5. Check if Disclosure of Legal Proceedings is Required Pursuant to
Items 2(d) or 2(e)

[]

-
6. Citizenship or Place of Organization

Delaware

-
- | | |
|--------------|------------------------------|
| Number of | 7. Sole Voting Power |
| Shares | 2,761,713 |
| Beneficially | 8. Shared Voting Power |
| Owned by | - 0 - |
| Each | ----- |
| Reporting | 9. Sole Dispositive Power |
| Person | 2,761,713* |
| With | ----- |
| | 10. Shared Dispositive Power |
| | - 0 - |
-

*Shares are subject to contractual restrictions on
transfer. See item 4.

-
11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,761,713

-
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See instructions)

[]

-
13. Percent of Class Represented by Amount in Row (11)

33.8%

-
14. Type of Reporting Person (See instructions)

CO

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Pursuant to Rule 13d-2(a) under the Securities Exchange Act of 1934, this Amendment No. 2 amends the Schedule 13D dated August 22, 1995, amended by Amendment No. 1 dated May 19, 2004. Unless indicated otherwise, all items left blank remain unchanged and any items that are reported are deemed to amend and supplement, rather than supersede, the existing items in the Schedule 13D (as previously amended). All defined terms shall have the same meaning as previously ascribed to them in the Schedule 13D (as previously amended), unless otherwise noted.

ITEM 1. SECURITY AND ISSUER.

ITEM 2. IDENTITY AND BACKGROUND.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OF OTHER CONSIDERATION.

ITEM 4. PURPOSE OF THE TRANSACTION.

On June 30, 2004, Anheuser-Busch, Incorporated ("ABI"), a wholly-owned subsidiary of A-B, acting through its designee, Busch Investment Corporation ("BIC"), agreed to restructure its equity and commercial relationship with the Company.

Pursuant to the Exchange and Recapitalization Agreement, BIC exchanged 1,289,872 shares of Series B Preferred Stock for 1,808,243 shares of common stock and \$2,000,000. BIC retained 953,470 shares of common stock and holds in aggregate approximately 33.8% of the outstanding shares of common stock. Additionally, ABI and the Company entered into a distribution agreement ("Redhook Distribution Agreement") and ABI entered into a distribution agreement ("CBA Distribution Agreement") with Craft Brands Alliance LLC ("CBA"), a limited liability company owned and organized by the Company and Widmer Brothers Brewing Company ("Widmer") to market and sell the products of Redhook and Widmer in specified states in western United States.

Pursuant to the Exchange and Recapitalization Agreement, ABI is entitled to designate two members of the board of directors of the Company. ABI also generally has the contractual right to have one of its designees sit on each committee of the board of directors of the Company. The Exchange and Recapitalization Agreement contains limitations on, among other matters, the Company's ability to issue equity securities or acquire or sell assets, amend its Articles of Incorporation or bylaws and adopt plans that may have the effect of deterring a change in control of the Company and requires the Company to refrain from voluntarily terminating its listing on the NASDAQ Stock Market.

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Pursuant to a Registration Rights Agreement between the Company and ABI, ABI may require the Company to register with the Securities and Exchange Commission the sale of securities held by ABI or its affiliates. Generally, ABI may require the Company to undertake registration not more than three times in any five year period. Prior to ABI's transfer of the securities other than by means of a registered offering, ABI must generally permit the Company a prior right to negotiate the terms of a purchase and sale with ABI and a right to match any offer obtained by ABI for the securities.

The Redhook Distribution Agreement and the CBA Distribution Agreement are each scheduled to terminate on December 31, 2024, subject to the right of ABI to terminate each agreement on December 31, 2014. The agreements are also subject to termination, among other reasons, as a result of breach or insolvency by either party or, at the option of ABI, if ABI, CBA or their affiliates engage in an act or omission that, in the sole determination of ABI, damages the reputation or image of ABI or the brewing industry, a competitor of ABI acquires 10% or more of the equity securities in the Company or Widmer and a designee of such competitor becomes a member of the board of directors of the Company or Widmer or the current chief executive officer of CBA, the Company or Widmer ceases to function as such and a successor satisfactory to ABI is not named.

Pursuant to the Exchange and Recapitalization Agreement, if the Redhook Distribution Agreement or the CBA Distribution Agreement is terminated or the distribution of the Redhook products is terminated under the CBA Distribution Agreement, ABI may solicit and negotiate offers from third parties to purchase all or substantially all of the assets or securities of the Company or to enter into a merger or consolidation transaction with the Company and cause the board of directors of the Company to consider any such offer.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) BIC owns beneficially an aggregate of 2,761,713 shares of Common Stock. These shares comprise 33.8% of the aggregate outstanding shares of Common Stock.

(b) BIC has sole power to vote and sole power to dispose or direct the disposition of all of the 2,761,713 shares of Common Stock owned beneficially by it; however, the shares of Common Stock held by BIC are subject to certain contractual restrictions on transfer. See Item 4 above.

(c) None.

(d) (e) Not applicable.

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ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS
WITH RESPECT TO SECURITIES OF THE ISSUER.

For a description of the Exchange and Recapitalization Agreement, the Redhook Distribution Agreement, the CBA Distribution Agreement, and the Registration Rights Agreement, see Item 4 above. The description herein of certain terms of such Agreements is subject to the terms of the complete agreements, which are incorporated by reference.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Exchange and Recapitalization Agreement dated as of June 30, 2004 between the Company and A-BI (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 1, 2004).

2. Master Distributor Agreement dated as of July 1, 2004 between the Company and A-BI (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 1, 2004).

3. Master Distributor Agreement dated as of July 1, 2004 between CBA and A-BI (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated July 1, 2004).

4. Registration Rights Agreement dated as of July 1, 2004 between the Company and A-BI (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 1, 2004).

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: July 1, 2004

ANHEUSER-BUSCH COMPANIES, INC.

By: /s/ W. RANDOLPH BAKER
Name: W. Randolph Baker
Title: Vice President and Chief Financial Officer

BUSCH INVESTMENT CORPORATION

By: /s/ DAVID C. SAUERHOFF
Name: David C. Sauerhoff
Title: Treasurer

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SCHEDULE I

EXECUTIVE OFFICERS AND DIRECTORS OF
BUSCH INVESTMENT CORPORATION
(As of July 1, 2004)

NAME AND BUSINESS ADDRESS

POSITION WITH THE COMPANY

William J. Kimmins Jr.*

Chairman of the Board and President

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H. Murray Sawyer Jr. 1220 North Market Street Suite 606 Wilmington, Delaware 19801	Vice President
Laura H. Reeves*	Secretary
David C. Sauerhoff*	Treasurer
Denise R. Lynch*	Assistant Treasurer-International
John D. Castagno*	Tax Controller
William J. Kimmins Jr.*	Director
Denise R. Lynch*	Director
H. Murray Sawyer Jr. 1220 North Market Street Suite 606 Wilmington, Delaware 19801	Director

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SCHEDULE II

EXECUTIVE OFFICERS AND DIRECTORS OF
ANHEUSER-BUSCH COMPANIES, INC.
(As of July 1, 2004)

EXECUTIVE OFFICER NAME AND BUSINESS ADDRESS	POSITION WITH COMPANY
-----	-----
Patrick T. Stokes*	President and Chief Executive Officer and Director
August A. Busch III*	Chairman of the Board and Director
W. Randolph Baker*	Vice President and Chief Financial Officer
Stephen K. Lambright*	Group Vice President and Senior Counsel
John E. Jacob*	Executive Vice President - Global Communications and Director
Thomas W. Santel*	Vice President - Corporate Development
Stephen J. Burrows*	Chief Executive Officer and President of Anheuser-Busch International, Inc.

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August A. Busch IV*	President of Anheuser-Busch, Incorporated
Mark T. Bobak*	Group Vice President and Chief Legal Officer
Joseph P. Sellinger*	Chairman of the Board, Chief Executive Officer, and President of Anheuser-Busch Packaging Group, Inc.
Douglas J. Muhleman*	Group Vice President - Brewing Operations & Technology of Anheuser-Busch, Incorporated
Francine I. Katz*	Vice President - Communications and Consumer Affairs
Keith M. Kasen*	Chairman of the Board and President of Busch Entertainment Corporation
Joseph P. Castellano*	Vice President - Corporate Human Resources
James F. Hoffmeister*	Group Vice President - Procurement, Logistics, and Agricultural Resources of Anheuser-Busch, Incorporated
Robert C. Lachky*	Vice President - Brand Management and Director - Global Brand Creative of Anheuser-Busch, Incorporated
Michael J. Owens*	Vice President - Sales and Marketing of Anheuser-Busch, Incorporated
Anthony T. Ponturo*	Vice President - Global Media and Sports Marketing of Anheuser-Busch, Incorporated

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NON-EMPLOYEE DIRECTOR
NAME AND
BUSINESS ADDRESS

POSITION WITH COMPANY

PRINCIPAL OCCUPATION OF
NON-EMPLOYEE DIRECTORS

Carlos Fernandez G.
Campos Eliseos No.400
piso 18,
Lomas de Chapultepec
Mexico, D.F., 11000

Director

Vice Chairman of the
Board and CEO, Grupo
Modelo, S.A. de C.V.

James J. Forese
1455 Pennsylvania Ave.
N.W.
Suite 350
Washington, DC 20004

Director

Operating Partner and
Chief Operating Officer,
Thayer Capital Partners

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James R. Jones 1501 M Street, NW Suite 700 Washington, DC 20005	Director	Co-Chairman and Chief Executive Officer, Manatt Jones Global Strategies
Charles F. Knight 8000 West Florissant Avenue P.O. Box 4100 St. Louis, MO 63136	Director	Chairman of the Board, Emerson Electric Company
Vernon R. Loucks, Jr. 1101 Skokie Boulevard Suite 240 Northbrook, IL 60062	Director	Chairman, The Aethena Group, LLC
Vilma S. Martinez 355 South Grand Ave. 35th Floor Los Angeles, CA 90071	Director	Partner, Munger, Tolles & Olson
William Porter Payne 3455 Peachtree Rd., NE, Suite 975 Atlanta, GA 30326	Director	Partner, Gleacher Partners, LLC

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NON-EMPLOYEE DIRECTOR NAME AND BUSINESS ADDRESS	POSITION WITH COMPANY	PRINCIPAL OCCUPATION OF NON-EMPLOYEE DIRECTORS
-----	-----	-----
Joyce M. Roche' 120 Wall Street New York, NY 10005	Director	President and Chief Executive Officer, Girls Incorporated
Henry Hugh Shelton One Fountain Square 11911 Freedom Drive Reston, VA 20190-5668	Director	President, International Operations, M.I.C. Industries
Andrew C. Taylor 600 Corporate Park Dr. St. Louis, MO 63105	Director	Chairman and Chief Executive Officer, Enterprise Rent-A-Car Company
Douglas A. Warner III 345 Park Avenue 11th Floor New York, NY 10154	Director	Former Chairman of the Board, J.P. Morgan Chase & Company

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Edward E. Whitacre, Jr. Director
175 E. Houston,
Suite 1300
San Antonio, TX 78205

Chairman and Chief
Executive Officer,
SBC Communications
Inc.