IN RE:

ANHEUSER-BUSCH, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

AND VOLUNTARY DISCONTINUANCE

WHEREAS, this Assurance of Voluntary Compliance/Assurance of Discontinuance (hereinafter "Assurance") is entered into between the Attorneys General of Arizona, California, Connecticut[1], Idaho, Illinois, Iowa, Maine, Maryland, New Mexico, New York, and Ohio ("Signatory Attorneys General"), acting pursuant to their respective consumer protection statutes, and Anheuser-Busch, Inc. ("A-B") in order to resolve disputed claims with respect to A-B's marketing and sale of caffeinated alcohol beverages, including the Tilt and Bud Extra brands;

WHEREAS, the states identified above are hereinafter collectively referred to as the "Signatory States";

WHEREAS, Respondent A-B was and is engaged in the business of making and selling alcohol beverages, with its principal place of business located at One Busch Place, 202-6, St. Louis, MO 63118;

WHEREAS, from approximately January 1, 2005 and continuing through the present, A-B has marketed and sold Bud Extra and Tilt in the Signatory States;

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[1] With regard to Connecticut, the Assurance is entered into on behalf of the State of Connecticut Department of Consumer Protection.

WHEREAS, the Signatory Attorneys General allege that A-B marketed and sold Bud Extra and Tilt in violation of their respective consumer protection and trade practice statutes[2] by, among other practices, making express and implied false or misleading health-related statements about the energizing effects of Bud Extra and Tilt, failing to disclose to consumers the effects and consequences of drinking alcohol beverages that are combined with caffeine and/or other stimulants, and directing advertisements of Tilt and Bud Extra to consumers under the age of 21. The health-related statements include, but are not limited to, the following:

A. Statements regarding Guarana and its strengthening effects (see Exhibit A attached hereto); and

B. Statements regarding being able to stay up all night after drinking the products (see Exhibits B and C attached hereto).

WHEREAS, A-B alleges that it obtained all necessary federal and state regulatory approvals for Tilt and Bud Extra and the company contends that its sale and marketing of these beverages in the signing states complied with all applicable laws and that its advertising was directed to people age 21 and over;

WHEREAS, A-B contends that it exercised reasonable care in developing Bud Extra and Tilt which it contends have only 54 mg. and 71 mg. of caffeine per 10 oz. and 16 oz. container

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[2] ARIZONA - Consumer Fraud Act, A.R.S. § 44-1521 *et seq.;* CALIFORNIA - Bus. & Prof. Code §§ 17200 *et seq., and* 17500 *et seq.*; CONNECTICUT – Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110b, *et seq.*]; IDAHO - Consumer Protection Act, Idaho Code § 48-601 *et seq.*; ILLINOIS - Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.* (2006); IOWA - Iowa Consumer Fraud Act, Iowa Code Section 714.16; MAINE – Unfair Trade Practices Act, 5 M.R.S.A. section 205-A *et.* seq; MARYLAND - Consumer Protection Act, Maryland Commercial Law Code Annotated § 13-101 *et seq.*; NEW MEXICO - Unfair Trade Practices Act, NMSA § 57-12-1 *et seq.* (1978); NEW YORK - N.Y. Gen. Bus. Law §§ 349 & 350 and Executive Law § 63(12); OHIO - Consumer Sales Practices Act, R.C. § 1345.01 *et seq.*

respectively, and that these products have much less alcohol per volume than prepackaged caffeinated distilled spirits approved by TTB and sold in many of the signing states; and

WHEREAS, the parties, having consented to the entry of this Assurance for the purposes of settlement only, and without this Assurance constituting evidence against or as an admission by any party, and without trial of any issue of fact or law;

NOW THEREFORE, the parties agree to the following terms and conditions to settle the differences between them:

I. DEFINITIONS

1. Unless otherwise specified, the following definitions shall apply:

A. "Caffeinated alcohol beverages" means malt-based or distilled spirits-based alcohol beverages to which are added caffeine and/or other stimulants that are metabolized as caffeine, such as Guarana.

B. "*Bartexter*" is a text messaging service that provides cocktail recipes for A-B products.

C. "Bud Extra" means a caffeinated alcohol beverage sold as Bud Extra and B to the E.

D. "Effective Date" means July 1, 2008, by which date all parties have executed this Assurance.

E. "Tilt" means caffeinated alcohol beverages sold as Tilt and Tilt 8.0%.

II. ASSURANCE

A-B and its successors, assigns, and subsidiaries, hereby voluntarily agree to cease manufacturing and selling caffeinated alcohol beverages as follows:

1. A-B will stop manufacturing, marketing, and providing to wholesalers any and all caffeinated alcohol beverages, including Bud Extra and Tilt as currently formulated, immediately upon its execution of this Assurance.
2. A-B intends to reformulate both products without caffeine or other stimulants that are metabolized as caffeine, such as Guarana. Until the products are reformulated, A-B specifically agrees to (a) eliminate Bud Extra and Tilt in their current caffeinated formulation from any *Bartexter* recipes, (b) eliminate from its promotional materials, if any, all references to mixing Bud Extra and Tilt in their current caffeinated formulation with any other A-B product or alcohol based product, and (c) not produce or provide to wholesalers any point of sale promotional materials for Bud Extra or Tilt in their current caffeinated formulation. When Bud Extra and Tilt are reformulated, A-B agrees not to promote Bud Extra or Tilt as a mixer for any products containing caffeine and/or other stimulants that are metabolized as caffeine, such as Guarana. With respect to websites for the two products, A-B specifically agrees to immediately discontinue the current Tilt website (www.tiltthenight.com) without hyperlinking or directing visitors to a new site. A-B may immediately launch a new Tilt website at a new URL address, but may do so only to promote the reformulated Tilt without caffeine. A-B also agrees to take down the Bud Extra website for at least 30 days and, upon its re-launch to use the website only to promote the reformulated product without caffeine.
3. In the future, A-B will not produce any alcohol beverage that contains caffeine or other stimulants that are metabolized as caffeine, such as Guarana.

III. PAYMENT TO THE STATES

Within three (3) business days after the Effective Date, Respondent shall pay the Signatory Attorneys General the total sum of $200,000.00 to such accounts and addresses as the Signatory Attorneys General may direct. Such sum is to be divided among the Signatory

Attorneys General as they may agree and is to be used for attorneys fees, and costs of investigation, or it shall be placed in or applied to consumer education, public protection, or local consumer aid funds, including implementation of programs designed to prevent illegal underage drinking, or for any other purpose authorized by state law, at the sole discretion of each Attorney General or as otherwise required by law.

IV. RELEASE

This Assurance constitutes a complete settlement and release of all of the Signatory Attorneys General's civil consumer protection claims – whether statutory, equitable, parens patriae or common law (but excluding any tax or antitrust claims) – that may have existed prior to or on the Effective Date which arise out of or relate to A-B's development, advertising, marketing, or sale of caffeinated alcohol beverages.

V. OTHER SETTLEMENT TERMS AND OBLIGATIONS

1. Upon reasonable prior written notice, any duly authorized representative of the Signatory Attorneys General may request, and A-B shall provide, copies of such records as may be reasonably necessary to determine whether A-B is in compliance with this Assurance.

2. Nothing in this Assurance shall be construed as relieving A-B of its obligation to comply with all applicable state and federal laws, regulations, or rules, or granting it permission to engage in any acts or practices prohibited by such law, regulation, or rule.

3. A Signatory Attorney General may assert any claim that A-B has violated this Assurance in a separate civil action to enforce this Assurance, or seek other relief for such violation provided by law.

4. The Signatory Attorneys General agree to notify A-B of any intended action to enforce this Assurance ten (10) days prior to filing to give the parties an opportunity to confer, provided however, that a Signatory Attorney General may take immediate action where the

Signatory Attorney General concludes that, because of the specific practice, a threat to the health and safety of the public requires immediate action. A Signatory Attorney General who takes such immediate action will give A-B an opportunity to confer within three (3) days from such filing.

5. The parties agree that A-B may ask the Signatory Attorneys General to amend or terminate provisions of this Assurance in light of new or evolving technologies, business models, emerging science, settlements, laws, regulations, interpretations, the passage of time, or other relevant changes in circumstances, and the Signatory Attorneys General shall reasonably consider such requests.

6. The Signatory Attorneys General are authorized to monitor compliance with this Assurance by all lawful means.

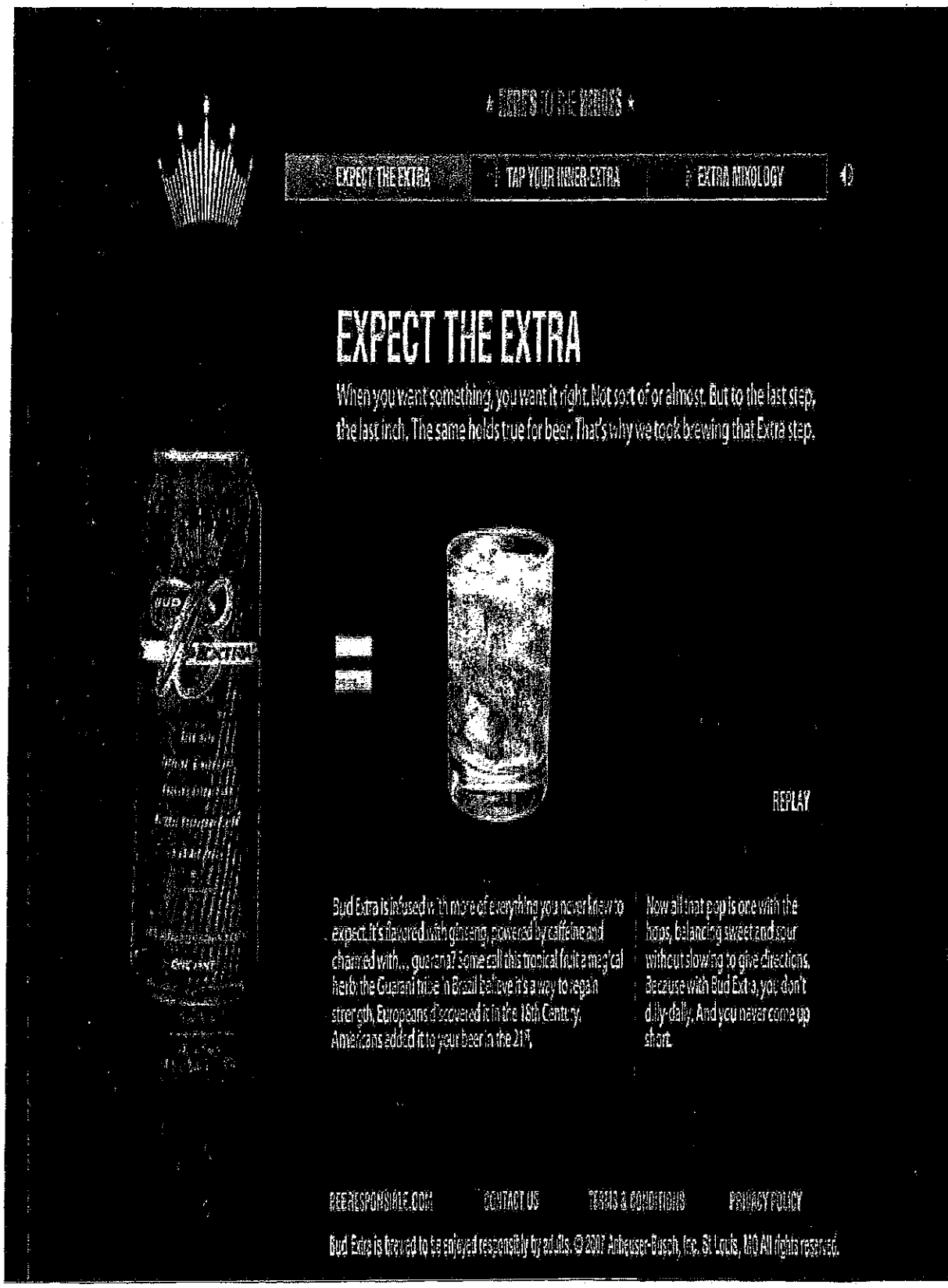
7. Any notices to be sent to a Signatory State or to A-B under this Assurance shall be sent by nationally recognized overnight courier service or certified Mail (return receipt requested), or personal delivery to the named party at the address below:

If to A-B:

Lisa A. Joley, Vice President and General Counsel
Anheuser-Busch Companies, Inc.
One Busch Place, 202-6
St. Louis, MO 63118

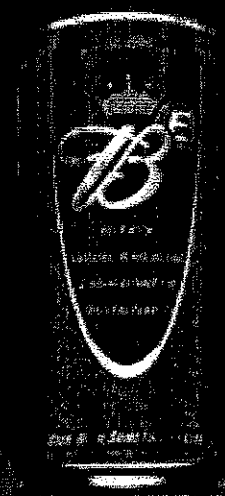
If to the State of:

VI. SIGNATURES


EXPECT THE EXTRA
TAP YOUR INNER-EXTRA
EXTRA MIXOLOGY
EXPECT THE EXTRA
When you want something, you want it right. Not sort of or almost. But to the last step, the last inch. The same holds true for beer. That's why we took brewing that Extra step.
REPLAY
Bud Extra is infused with more of everything you never knew to expect. It's flavored with ginseng, powered by caffeine and charmed with... guarana? Some call this tropical fruit a magical herb: the Guarani tribe in Brazil believe it's a way to regain strength. Europeans discovered it in the 18th Century. Americans added it to your beer in the 21st.
Now all that pop is one with the hops, balancing sweet and sour without slowing to give directions. Because with Bud Extra, you don't dilly-dally. And you never come up short.
BEERESPONSIBLE.COM
CONTACT US
TERMS & CONDITIONS
PRIVACY POLICY
Bud Extra is brewed to be enjoyed responsibly by adults. © 2007 Anheuser-Busch, Inc. St Louis, MO All rights reserved.

EXHIBIT

YOU CAN SLEEP WHEN YOU'RE 30.



GO LONGER

EXHIBIT

B

Here are our approved headlines we are currently working with for print:

"YOU'LL LAST LONGER THAN MOST HOLLYWOOD MARRIAGES"

"THINK TWICE ABOUT 4 INCH HEELS"

WE SUGGEST 18-HOUR MASCARA"

"YOU CAN SLEEP WHEN YOU ARE 30"

"GO HOME WITH MORE THAN A BURRITO TONIGHT'

"IT'S BEER RE-MIXED"

"BE THE LIFE OF THE AFTER PARTY"

"HAPPY AFTER HOURS"

EXHIBIT

C