Dear Ms. Bielstein:

Anheuser-Busch appreciates the opportunity to comment on the recent exposure draft on accounting for defined benefit pension plans and other postretirement benefits. In summary, we do not believe current criticisms of pension and postretirement benefits accounting (which prompted the exposure draft) stem from a lack of financial transparency or inadequacy of disclosures. In fact, current pension and postretirement benefit disclosures are already quite voluminous.

Accordingly, we believe the additional disclosures and changes proposed in the exposure draft will not meaningfully improve existing accounting or understanding for pensions and postretirement benefits.

Specifically, we offer the following views with regard to the exposure draft:

• **Measurement Date for Recognizing Plan Assets/Obligations on the Balance Sheet.**
  
  - We believe the Board should retain current provisions which permit companies to use a measurement date up to three months earlier than the balance sheet date.

  - Our position is based on practical, common sense considerations. Changing the measurement date to require valuations as of the balance sheet date is impractical as it places an unreasonable burden on plan trustees and actuaries to compile the necessary information in time for companies to understand, analyze and then incorporate this information into financial statements in time to meet required reporting and regulatory filing deadlines. This is in addition to allowing time for the auditors to audit the information.

  - Compressing this process into an extremely tight timeframe may lead to errors and misunderstandings for practically no benefit (only of additional 3 months market data).
By retaining a three month lead time, the current rules appropriately acknowledge the timeframes required by companies to prepare financial statements and related disclosures. Nothing significant has changed in this area since the original rules were issued allowing the lead time ... except the SEC has accelerated the financial statement filing deadlines.

As the Board notes in the exposure draft, the measurement date is required to be clearly disclosed in the notes to the financial statements so investors are fully apprised of the date used by the company to measure its assets/obligations. We would be in favor of enhancing this disclosure if necessary to provide additional details as the FASB deems relevant.

- **Use of the PBO Rather Than The ABO for Pension/Postretirement Liability Recognition**

  - Liabilities shown on a balance sheet should represent the company’s actual obligations as of the balance sheet date.

  - At any point in time the ABO is the relevant measure for liability recognition as it represents the actuarial present value of benefits for all services rendered to that date (the accrued liability that can in theory be settled as of the balance sheet date under FAS 88). Should a pension plan be frozen, it is the ABO that remains on the employer’s balance sheet ... not the PBO.

  - In contrast, the PBO includes estimates of future salary increases the company anticipates providing. The company does not guarantee future salary increases or future years of employment, either on an absolute basis or at the rate assumed for determining pension expense. Therefore, a liability based on the PBO is a potential future obligation ... not a current obligation. Salary increase estimates included in the PBO do not represent economic obligations on the balance sheet date and accordingly are not liabilities that should be included on the balance sheet.

- **Restrospective Application**

  - Anheuser-Busch does not believe mandatory retrospective application (restatement) for the exposure draft is warranted. The SEC holds the view that financial statements prepared under U.S. GAAP in any year are correct as reported, and generally should not be revised except in rare circumstances or to correct errors.

  - We do not feel the changes proposed in the exposure draft rise to the level contemplated by the SEC when forming its view regarding financial statement revisions. Accordingly, we believe companies should apply the exposure draft prospectively, accompanied by appropriate disclosures.
May 5, 2006
Ms. Suzanne Q. Bielstein
Page 3

Finally, if the Board believes the present accounting model (expense recognition) for defined
benefit pensions/postretirement benefits is flawed, then we believe it would best serve
investors and financial statement preparers by comprehensively addressing the perceived
shortcomings in a single standard. The current phased approach of issuing separate
standards to address disclosure related concerns first and fundamental/conceptual
accounting concerns second, is a piece-meal approach that may likely lead to confusion and
unnecessary work. Matters of disclosure can be addressed within the framework of an
overall project and do not require separate standards. We encourage the board re-evaluate
its approach in addressing this important accounting subject.

We would welcome an opportunity to discuss this matter with you or your staff. I can be
contacted at (314) 577-3235 or via fax at (314) 577-4249.

Thank you.

Sincerely,

John F. Kelly