

Corona-Bud Revise Deal to Appease Regulators

NEW YORK (AP) — Anheuser-Bush InBev changed the terms of its proposed \$20.1 billion acquisition of Mexican brewer Grupo Modelo Thursday in an attempt to push through a deal that federal regulators say will kill competition.

AB InBev is willing to sell Modelo's Piedras Negras brewery and give perpetual rights for Corona and the Modelo brands in the U.S. to Constellation for \$2.9 billion, the company said Thursday. The brewery, which currently makes Corona, Corona Light and Modelo Especial, will give Constellation total control over the production of Corona and Modelo in the U.S.

Under previous terms of the complicated deal, Modelo would sell its half of Crown Imports to wine maker Constellation Brands Inc. to address antitrust concerns, but InBev maintained the right to end an import agreement with Crown Imports, and that was to be exercisable every 10 years.

Regulators are leery of the tie-up because AB InBev and Modelo control about 46 percent of annual U.S. sales.

Justice Department spokeswoman Gina Talamona said in a statement that the department can't comment on a specific proposal, but that it "would give any proposal serious consideration and at the same time we would continue to prepare for litigation."

Anheuser-Busch was purchased by Belgium's InBev in 2008. The combined company is already the world's biggest brewer and makes Budweiser, Beck's and Stella Artois, among others.

Last month the Justice Department filed a lawsuit to block the deal, saying that one company controlling nearly half of all U.S. beer sales would stifle competition and increase prices.

"We believe this revised agreement addresses all of the concerns raised by the U.S. Department of Justice in its lawsuit, leaving no doubt about Constellation's Crown beer division's complete independence and ability to compete," InBev said in a statement released Thursday.

AB InBev rose \$5.16, or 5.9 percent, to \$93.42 in morning trading Thursday, while Constellation jumped \$10.93, or 34.3 percent, to \$42.81.

Constellation's stock hit an all-time high of \$44 earlier in the session.

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