

Anheuser-Busch and Hand Family Cos. Announce CITY Beverage Agreement

Written by Australian Business

ST. LOUIS & CLARKSVILLE, Tenn.--([BUSINESS WIRE](#))--Anheuser-Busch and the Hand Family Cos., a family-owned beer distributor based in Tennessee, today announced an agreement for Hand to acquire Anheuser-Busch's 30 percent interest in CITY Beverage-Illinois LLC and partner alongside BDT Capital Partners in its acquisition of 100 percent of River North Sales and Service LLC in two separate transactions, creating the largest distributor in Illinois and the Chicago metropolitan area market selling approximately 23.5 million annual case equivalents. Terms of the transaction were not disclosed.

BDT Capital, which advises and invests in closely held companies, has owned its 70 percent stake in CITY since 2010. Concurrent with Hand's investment into CITY, BDT has also agreed to purchase 100 percent of River North from Yusef D. Jackson. River North will subsequently be combined with CITY. Both transactions are pending supplier and regulatory approvals and are scheduled to close by the end of the year.

J.R. Hand, President and Chief Executive Officer of Hand, will serve in the same role for the combined entity while maintaining his position overseeing Hand's distribution operations in Tennessee and Kentucky.

"The Hand family has operated successful Anheuser-Busch distributorships in Tennessee and Kentucky for many years," said David Almeida, vice president of sales for Anheuser-Busch. "Their operations have a demonstrated track record of sales and operational excellence. These are critical traits in the competitive Chicago market, and we believe their years of experience and desire to win will serve us well in this important market. With the sale of our stake, the CITY Beverage and River North operations will be combined, creating a strong, competitive and consolidated AB distributorship in the Chicago market."

"We are thrilled for Hand Family Companies to enter the Chicago market. My wife's family is from the Chicagoland area and we consider the city a second home," said J.R. Hand. "Our company has been fortunate to see significant growth in recent years. The Chicago acquisition is another big step forward and will enhance our portfolio in a market we believe can continue to grow. I am excited about our partnership with BDT and look forward to the future."

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“We have enjoyed a productive relationship with Anheuser-Busch over the course of the last three years, and we look forward to continuing to serve the greater Chicago and suburban markets alongside very talented operators. J.R. and his organization will be a great complement to the strong team at CITY and River North,” said Chip Dunn, a BDT Managing Director. “Combining these companies will serve to unify the Anheuser-Busch distribution network in metropolitan Chicago and enable us to better serve our customers and consumers.”

About Hand Family Companies

Founded in 1949, Hand Family Companies is an Anheuser-Busch distributor headquartered in Clarksville, TN. The Company distributes approximately 17 million annual case equivalents, has approximately 450 employees and six facilities across Tennessee and Kentucky. The Company was founded as an Oertels '92 distributor, and in 1956 was awarded the distribution rights for Anheuser-Busch products in an eight county area surrounding Clarksville. Since that time, the Company has grown to include Cookeville, TN, Hopkinsville, KY, Owensboro, KY, Chattanooga, TN, and Memphis, TN.

About BDT Capital Partners

BDT Capital Partners provides family-owned and entrepreneurially led companies with long-term capital. Based in Chicago, the firm has a \$3 billion investment fund as well as an investor base with the ability to co-invest significant additional capital. Its affiliate, BDT & Company, works with family businesses to pursue their long-term strategic and financial objectives. BDT & Company provides solutions-based advice and access to an extensive network of world-class family businesses.

About Anheuser-Busch

For more than 160 years, Anheuser-Busch and its world-class brewmasters have carried on a legacy of brewing America's most-popular beers. Starting with the finest, all-natural ingredients sourced from Anheuser-Busch's family of growers, every batch is hand-crafted using the same exacting standards and time-honored traditions passed down through generations of proud Anheuser-Busch brewmasters and employees. Best

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known for its fine American-style lagers, Budweiser and Bud Light, the company's beers lead numerous beer segments and combined hold 47.6 percent share of the U.S. beer market. Anheuser-Busch is the U.S. arm of Anheuser-Busch InBev and operates 12 local breweries, 17 distributorships and 23 agricultural and packaging facilities across the United States, representing a capital investment of more than \$15.5 billion. Its flagship brewery remains in St. Louis, Mo., and is among the global company's largest and most technologically capable breweries. Visitor and special beermaster tours are available at its St. Louis and four other Anheuser-Busch breweries. For more information, visit www.anheuser-busch.com

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