

Premium Beers sold to Anheuser-Busch

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The Premium Beers of Oklahoma property at 1700 Beechwood Ave. (Maïke Sabölich)

OKLAHOMA CITY – Premium Beers of Oklahoma has sold its property to Anheuser-Busch for \$32 million, public records show, as well as its business operations in Oklahoma City in a private transaction worth an estimated \$150 million, other sources said.

Executives confirmed that the sale was completed Dec. 30, but declined to discuss details of the deal.

Anheuser-Busch already owns a production plant in Tulsa. With the Oklahoma City acquisition, the beer giant will have 80 percent to 90 percent of its

volume, or about 17 million cases, in Oklahoma, according to the online industry magazine Beer Marketer's Insights.

Other than Hawaii, Oklahoma is the first state in which the beer giant will dominate distribution with company-owned branches, said Beer Marketer's Insights Executive Editor Eric Shepard. The Oklahoma City plant handles about 11 million cases for Anheuser-Busch. The company is also working to acquire a 7-million-case branch in Eugene, Ore.

"We are pleased to have sold Premium Beers of Oklahoma to Anheuser-Busch," said John Cresap, former CEO of PBO, of the family-owned company's sale. "While the decision to sell was extremely difficult to make on a personal level, we felt the timing was right, as Anheuser-Busch will bring the resources required for growing the business in the years ahead. It is with a sense of accomplishment that we reflect on the growth of the business over the past 43 years since the distributorship was founded."

The 33-acre Premium Beers property at 1700 Beechwood Ave. had a market value last year of about \$13 million, according to Oklahoma County assessor records. The combined distribution warehouse and service garage have a total area of about 300,000 square feet.

"When the Cresaps decided to sell, we were a natural buyer for this property because of our ability to invest in growing the business there, and its location is contiguous to an existing A-B-owned wholesalership, Anheuser-Busch Sales of Oklahoma in Tulsa," said Don Johnson, vice president of wholesaler development for Anheuser-Busch, in a prepared statement.

"Combining operations with a contiguous wholesalership allows us to capture key efficiencies that improve our business and enable us to invest more in sales and marketing activities that drive top-line growth in the territory."

Premium Beers of Oklahoma LLC identifies itself as the largest beer distributor in the state. The company also ranks as one of the 25 largest out of 700 wholesalers in the Anheuser-Busch distribution network. Premium Beers had already been the distributor for Anheuser-Busch in Ardmore, Bartlesville, Lawton and Vinita when the company acquired the Oklahoma City distribution in 1999.

Premium Beers Inc. began in 1968 as a one-route operation by Denny Cresap and has grown through market share increases and acquisition of other existing distributorships, according to the company's online home page. The company currently brews about 30 beers for sale in the United States.

"It is with a sense of accomplishment that we reflect on the growth of the business over the past 43 years since the distributorship was founded," John Cresap said. "Our employees and

retailers across Oklahoma have played a major part in our success. They deserve a tremendous amount of the credit, and our family is grateful for each one of them.”

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