

MOLSON COORS BREWING CO

FORM 10-Q (Quarterly Report)

Filed 8/9/2000 For Period Ending 6/25/2000

Address	P.O. BOX 4030, MAIL #NH375 GOLDEN, Colorado 80401
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CIK	0000024545
Industry	Beverages (Alcoholic)
Sector	Consumer/Non-Cyclical
Fiscal Year	12/28

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For Quarter ended June 25, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

Commission file number 0-8251

ADOLPH COORS COMPANY

(Exact name of registrant as specified in its charter)

COLORADO
(State or other jurisdiction of
incorporation or organization)

84-0178360
(I.R.S. Employer Identification No.)

Golden, Colorado
(Address of principal executive offices)

80401
(Zip Code)

303-279-6565

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class B Common Stock (non-voting), no par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

State the aggregate market value of the voting stock held by non-affiliates of the registrant: All voting shares are held by Adolph Coors, Jr. Trust.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of August 2, 2000:

Class A Common Stock - 1,260,000 shares Class B Common Stock - 35,668,658 shares

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

(Unaudited)

	Thirteen weeks ended	
	June 25, 2000	June 27, 1999
Sales - domestic and international	\$ 733,257	\$ 690,691
Beer excise taxes	(119,108)	(115,123)
Net sales	614,149	575,568
Cost of goods sold	(348,906)	(315,220)
Gross profit	265,243	260,348
Marketing, general and administrative	(183,632)	(186,638)
Special charge	(15,502)	--
Operating income	66,109	73,710
Other income - net	4,378	1,769
Income before income taxes	70,487	75,479
Income tax expense	(22,143)	(29,248)
Net income	\$ 48,344	\$ 46,231
Net income per common share - basic	\$ 1.32	\$ 1.26
Net income per common share - diluted	\$ 1.29	\$ 1.23
Weighted average number of outstanding common shares - basic	36,712	36,741
Weighted average number of outstanding common shares - diluted	37,335	37,435
Cash dividends declared and paid per common share	\$ 0.185	\$ 0.165

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

(Unaudited)

	Twenty-six weeks ended	
	June 25, 2000	June 27, 1999
Sales - domestic and international	\$1,289,069	\$1,216,525
Beer excise taxes	(210,468)	(201,095)
Net sales	1,078,601	1,015,430
Cost of goods sold	(634,848)	(587,602)
Gross profit	443,753	427,828
Marketing, general and administrative	(341,272)	(335,996)
Special charge	(15,502)	--
Operating income	86,979	91,832
Other income - net	7,604	3,209
Income before income taxes	94,583	95,041
Income tax expense	(31,420)	(36,828)
Net income	\$ 63,163	\$ 58,213

Net income per common share - basic	\$ 1.72	\$ 1.59
Net income per common share - diluted	\$ 1.69	\$ 1.55
Weighted average number of outstanding common shares - basic	36,688	36,700
Weighted average number of outstanding common shares - diluted	37,275	37,495
Cash dividends declared and paid per common share	\$ 0.350	\$ 0.315

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

(Unaudited)

	June 25, 2000	December 26, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$ 316,877	\$ 163,808
Short-term marketable securities	24,201	113,185
Accounts and notes receivable, net	187,792	159,660
Inventories:		
Finished	43,088	44,073
In process	25,549	19,036
Raw materials	7,819	34,077
Packaging materials	8,912	10,071
Total inventories	85,368	107,257
Other current assets	58,699	68,911
Total current assets	672,937	612,821
Properties, at cost and net	708,539	714,001
Long-term marketable securities	2,890	2,890
Other assets	226,273	216,664
Total assets	\$1,610,639	\$1,546,376

See notes to consolidated financial statements. (Continued)

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share information)

(Unaudited)

	June 25, 2000	December 26, 1999
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 203,163	\$ 179,615
Accrued expenses and other liabilities	203,397	213,089
Total current liabilities	406,560	392,704
Long-term debt	105,000	105,000
Deferred tax liability	84,303	78,733
Other long-term liabilities	124,030	128,400
Total liabilities	719,893	704,837
Shareholders' equity:		
Capital stock:		

Preferred stock, non-voting, \$1 par value (authorized: 25,000,000 shares; issued: none)	--	--
Class A common stock, voting, \$1 par value (authorized and issued: 1,260,000 shares)	1,260	1,260
Class B common stock, non-voting, no par value, \$0.24 stated value (authorized: 100,000,000 shares; issued: 35,580,656 in 2000 and 35,462,034 in 1999)	8,472	8,443
Total capital stock	9,732	9,703
Paid-in capital	6,594	5,773
Retained earnings	875,361	825,070
Accumulated other comprehensive (loss) income	(941)	993
Total shareholders' equity	890,746	841,539
Total liabilities and shareholders' equity	\$1,610,639	\$1,546,376

See notes to consolidated financial statements. (Concluded)

ADOLPH COORS COMPANY AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Twenty-six weeks ended	
	June 25, 2000	June 27, 1999
Cash flows from operating activities:		
Net income	\$ 63,163	\$ 58,213
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of joint ventures	(19,959)	(15,897)
Impairment charge	4,944	--
Depreciation and amortization	64,163	64,366
(Gain) loss on sale or abandonment of properties	(2,762)	2,194
Deferred income taxes	6,693	(5,610)
Change in operating assets and liabilities	16,506	(7,253)
Net cash provided by operating activities	132,748	96,013
Cash flows from investing activities:		
Purchases of investments	(40,000)	(4,170)
Sales and maturities of investments	128,817	74,009
Additions to properties and intangibles	(67,425)	(79,259)
Proceeds from sales of properties	4,522	210
Distributions from joint ventures	12,001	8,485
Other	(2,163)	753
Net cash provided by investing activities	35,752	28
Cash flows from financing activities:		
Issuances of stock under stock plans	6,617	8,937
Purchases of stock	(8,851)	(13,308)
Dividends paid	(12,872)	(11,607)
Payment of current portion of long-term debt	--	(25,000)
Other	--	506
Net cash used in financing activities	(15,106)	(40,472)
Cash and cash equivalents:		
Net increase in cash and cash equivalents	153,394	55,569
Effect of exchange rate changes on cash and cash equivalents	(325)	(202)
Balance at beginning of year	163,808	160,038
Balance at end of quarter	\$316,877	\$215,405

See notes to consolidated financial statements.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWENTY-SIX WEEKS ENDED JUNE 25, 2000**

1. BUSINESS

Founded in 1873 and incorporated in Colorado in 1913, Adolph Coors Company (ACC) is the holding company for Coors Brewing Company (CBC), the third- largest U.S. brewer.

2. SIGNIFICANT ACCOUNTING POLICIES

Unaudited consolidated financial statements - In the opinion of management, the accompanying unaudited financial statements reflect all adjustments, consisting only of normal recurring accruals, except as discussed in Note 3, which are necessary for a fair presentation of the financial position of the Company (as defined) at June 25, 2000, and the results of its operations and its cash flows for the thirteen and twenty-six weeks ended June 25, 2000 and June 27, 1999. The accompanying financial statements include the accounts of ACC, CBC and the majority-owned and controlled domestic and foreign subsidiaries of both ACC and CBC (collectively referred to as "the Company"). All significant intercompany transactions and balances have been eliminated in consolidation. These financial statements should be read in conjunction with the notes to the consolidated financial statements contained in the Company's Form 10-K for the year ended December 26, 1999. The results of operations for the thirteen and twenty-six weeks ended June 25, 2000, are not necessarily indicative of the results that may be achieved for the full fiscal year and cannot be used to indicate financial performance for the entire year.

The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles.

Statements of cash flows - Cash paid for interest for the twenty-six weeks ended June 25, 2000 and June 27, 1999, was \$4.2 million and \$5.9 million, respectively. Cash paid for income taxes for the twenty-six weeks ended June 25, 2000 and June 27, 1999, was \$16.8 million and \$5.3 million, respectively. During the second quarter of 2000 and 1999, the non-cash tax effects of the issuances of stock under the Company's stock plans increased equity by \$4.0 million and \$5.5 million, respectively.

3. SPECIAL CHARGE

In the second quarter of 2000, CBC's Spanish operation, Coors Brewing Iberica, S.A. (Coors Iberica), completed various analyses of the potential for improved distribution channels, the viability of Coors brands in the Spain market and additional contract brewing opportunities. Due to the unfavorable outlook from these analyses, at the end of the second quarter the CBC Board of Directors approved a recommendation from the Coors Iberica Board of Directors for a plan to close the Company's brewery and sales operation in Spain by the end of 2000.

As a result of these events and decisions, CBC reevaluated the recoverability of Coors Iberica's long-lived assets and determined that certain of these assets were impaired and wrote them down to their fair market values based on an independent third-party appraisal. The Company is currently evaluating options for disposing of the various assets held at the brewery and sales office in Spain.

As a result of the planned closure and the impairment determination, severance, for approximately 100 employees, and other related costs of approximately \$10.6 million and a fixed asset impairment charge of approximately \$4.9 million were recorded in the second quarter of 2000. These expenses are classified as a special charge in the accompanying statements of income.

4. INCOME TAXES

The Internal Revenue Service (IRS) has completed its examination of the Company's federal income tax returns through 1995. The IRS proposed adjustments for the years 1993 through 1995 based upon the completed examinations. The Company filed a protest for the proposed adjustments and began the administrative appeals process in 1999. Certain proposed adjustments relating to international matters were settled in April 2000. An agreement for the remaining issues was reached in July 2000. Neither of these items will have a material adverse effect on the Company's consolidated balance sheet, results of operations or liquidity.

5. OTHER COMPREHENSIVE INCOME

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 2000	June 27, 1999	June 25, 2000	June 27, 1999
	(In thousands)			
Net income	\$48,344	\$46,231	\$63,163	\$58,213
Other comprehensive income (expense), net of tax:				
Foreign currency translation adjustments	1,779	(792)	1,105	(2,973)
Unrealized gain (loss) on available-for-sale securities				

and derivative instruments	(1,597)	805	(1,991)	558
Reclassification adjustment for net gains realized in net income on derivative instruments	(1,029)	--	(1,048)	--
Comprehensive income	\$47,497	\$46,244	\$61,229	\$55,798

6. EARNINGS PER SHARE (EPS)

Basic and diluted net income per common share were arrived at using the calculations outlined below:

	Thirteen weeks ended June 25, 2000	June 27, 1999	Twenty-six weeks ended June 25, 2000	June 27, 1999
	(In thousands, except per share data)			
Net income available to common shareholders	\$48,344	\$46,231	\$63,163	\$58,213
Weighted average shares for basic EPS	36,712	36,741	36,688	36,700
Effect of dilutive securities:				
Stock options	564	618	528	696
Contingent shares not included in shares outstanding for basic EPS	59	76	59	99
Weighted average shares for diluted EPS	37,335	37,435	37,275	37,495
Basic EPS	\$ 1.32	\$ 1.26	\$ 1.72	\$ 1.59
Diluted EPS	\$ 1.29	\$ 1.23	\$ 1.69	\$ 1.55

The dilutive effects of stock options were determined by applying the treasury stock method, assuming the Company was to purchase common shares with the proceeds from stock option exercises.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Charge

In March 1994, Coors Brewing Company (CBC), through its subsidiary, Coors Brewing Iberica, S.A. (Coors Iberica), purchased an approximately 500,000- hectoliter brewery in Zaragoza, Spain. In the second quarter of 2000, Coors Iberica completed various analyses of the potential for improved distribution channels, the viability of Coors brands in the Spain market and additional contract brewing opportunities. Due to the unfavorable outlook from these analyses, at the end of the second quarter the CBC Board of Directors approved a recommendation from the Coors Iberica Board of Directors for a plan to close the Company's brewery and sales operation in Spain by the end of 2000.

As a result of these recent events and decisions, CBC management reevaluated the recoverability of Coors Iberica's long-lived assets. As a result of the plan of closure and the evaluation of the recoverability of Coors Iberica's long-lived assets, severance, for approximately 100 employees, and other related costs of approximately \$10.6 million and a fixed asset impairment charge of approximately \$4.9 million were recorded as special charges in the second quarter of 2000. The severance and other related costs will be funded from the Company's current cash balances, and the majority of these costs will be paid by the end of 2000. The Company will incur additional expenses related to the plan of closure during the second half of 2000. The Company anticipates that these expenses will be substantially less than the second quarter special charge.

The decision to close the Spain brewery and sales operation will eliminate that operation's annual operating losses from the Company's overall operating results. The anticipated payback period is less than three years; the Company plans to invest most of the annual savings of approximately \$7.0 million to \$8.0 million into its domestic and international businesses. The Company expects that the savings from the closure will begin in fiscal 2001.

The Company's operating results including and excluding these special charges is summarized as follows:

	Thirteen weeks ended June 25, 2000	June 27, 1999	Twenty-six weeks ended June 25, 2000	June 27, 1999
	(In thousands, except per share data)			
Operating income:				
As reported	\$66,109	\$73,710	\$ 86,979	\$91,832
Excluding special charges	81,611	73,710	102,481	91,832

After tax income:				
As reported	48,344	46,231	63,163	58,213
Excluding special charges	53,434	46,231	68,253	58,213
Earnings per share:				
As reported - basic	\$ 1.32	\$ 1.26	\$ 1.72	\$ 1.59
- diluted	\$ 1.29	\$ 1.23	\$ 1.69	\$ 1.55
Excluding special charges				
- basic	\$ 1.46	\$ 1.26	\$ 1.86	\$ 1.59
- diluted	\$ 1.43	\$ 1.23	\$ 1.83	\$ 1.55

Consolidated Results of Continuing Operations

Sales and volume - Adolph Coors Company (ACC); the holding company for Coors Brewing Company (CBC); and the majority-owned and controlled domestic and foreign subsidiaries of both ACC and CBC (collectively referred to as "the Company") reported net sales of \$614.1 million and \$1,078.6 million for the second quarter and first half of 2000, respectively, representing increases of 6.7% and 6.2%, respectively, over each of the same periods of 1999. Net sales for the thirteen weeks ended June 25, 2000, were impacted favorably by a unit volume increase of 3.4%: CBC sold 6,389,000 barrels of malt beverages in the second quarter of 2000 compared to sales of 6,181,000 barrels in the second quarter of 1999. Additionally, net sales were favorably impacted by improved gross realizations per barrel due to increased pricing and mix improvement toward higher-net-revenue product sales.

Gross profit - Gross profit in the second quarter of 2000 rose 1.9% to \$265.2 million over the second quarter of 1999, while gross profit in the first half of 2000 rose 3.7% to \$443.8 million, compared to the same period of 1999. As a percentage of net sales, gross profit decreased to 43.2% and 41.1% in the second quarter and first half of 2000, respectively, from 45.2% and 42.1% for the same periods a year earlier. These changes were attributable to the increases in net sales per barrel, as discussed above, offset by significantly larger increases in cost of goods sold of 10.7% in the second quarter of 2000 and 8.0% in the first half of 2000 versus the prior year. Cost of goods sold per barrel for the second quarter of 2000 increased mainly due to a shift in product demand toward more expensive products and packages, including import beers sold by Coors-owned distributors, Zimar and longneck bottles. Additionally, there was an increase in packaging materials costs and in production expense during the second quarter of 2000 compared to the same period in 1999. The increased packaging materials costs in 2000 were mainly due to a one-time benefit of renegotiating and revising certain long-term supply contracts during the second quarter of 1999. The increased production expense was related to meeting higher-than-expected demand for certain products, which mainly consisted of overtime pay. The cost of goods sold per barrel for the six months ended June 25, 2000, was impacted by essentially the same factors.

Operating income (excluding special charges) - Operating income was \$81.6 million and \$102.5 million for the second quarter and first half of 2000, respectively, compared to \$73.7 million and \$91.8 million for the same periods a year earlier. The increase for the second quarter of 2000 was primarily due to the increase in gross profit, as discussed above, as well as an overall decrease in marketing, general and administrative expenses. Total marketing, general and administrative expenses decreased during the second quarter of 2000 compared to the same period of 1999 because of lower information technology expenses and corporate overhead expenses. The increase in operating income for the first half of 2000 compared to the same period in 1999 was primarily due to the increase in gross profit, as discussed above, which was partially offset by an increase in marketing, general and administrative expenses. Marketing, general and administrative expenses rose primarily because of higher spending on marketing, sales, promotions and the Company's international organization. These increases were partially offset by lower information technology expenses incurred during the first half of 2000 compared to the same period in 1999.

Non-operating income - Net non-operating income for the second quarter and first half of 2000 improved over the same periods in 1999 primarily because of increases in interest income and reductions in interest expense. The increase in interest income was mainly due to higher average cash and securities balances in the first half of 2000 compared to the first half of 1999, while the decrease in interest expense was due to lower outstanding medium-term debt.

Effective tax rate (excluding special charges) - The consolidated effective tax rates for the second quarter and first half of 2000 were 37.86% and 38.0%, respectively, compared to 38.75% for the same periods in 1999. The rate decreased in 2000 mainly because of reduced state tax rates.

Net income (excluding special charges) - Net income for the second quarter and first half of 2000 was \$53.4 million, or \$1.46 per basic share (\$1.43 per diluted share), and \$68.3 million, or \$1.86 per basic share (\$1.83 per diluted share), respectively. This compares to net income of \$46.2 million, or \$1.26 per basic share (\$1.23 per diluted share), and \$58.2 million, or \$1.59 per basic share (\$1.55 per diluted share), respectively, for the second quarter and first half of 1999.

Liquidity and Capital Resources

Liquidity - The Company's primary sources of liquidity are cash provided by operating activities and external borrowings. As of June 25, 2000, ACC had working capital of \$266.4 million, and its cash position was \$316.9 million compared to \$163.8 million as of December 25, 1999. In addition to its cash resources, ACC had short-term, highly liquid securities of \$24.2 million at June 25, 2000, compared to \$113.2 million at December 26, 1999. ACC also had \$2.9 million of marketable securities with maturities exceeding one year at both June 25, 2000 and December 26, 1999. The Company believes that cash flows from operations and short-term borrowings will be sufficient to meet its ongoing operating requirements, scheduled principal and interest payments on indebtedness, dividend payments, anticipated capital expenditures and potential repurchases of its common stock under the previously-announced stock repurchase plan.

Operating activities - Net cash provided by operating activities increased to \$132.7 million for the first half of 2000 from \$96.0 million for the first half of 1999. A portion of the \$36.7 million increase in operating cash was due to a \$48 million contribution made to the Company's defined benefit pension plan in January 1999 without a similar contribution being made in 2000. This contribution was made in 1999 as a result of benefit improvements to the Company's defined benefit pension plan, which were effective July 1, 1999, and resulted in an increase to the projected benefit obligation of approximately \$48 million. Also contributing to the increase in net cash provided by operating activities during the first half of 2000 were increased net income, the impairment charge incurred during the second quarter of 2000 on the Coors Iberica long-lived assets and utilization of deferred tax assets. These increases to net cash provided by operating activities were offset by increases in the equity in earnings of joint ventures, gains on the sales of properties and working capital changes, which all decrease the cash provided by operating activities. The fluctuations in working capital changes are primarily due to increased operating activity and timing of payments between the two years.

Investing activities - During the first twenty-six weeks of 2000, ACC received \$35.8 million from net investing activities compared to \$0.1 million received for the first twenty-six weeks of 1999. The net impact of ACC's marketable investment activities was a cash inflow of \$88.8 million during the first half of 2000, compared to an inflow of \$69.8 million during the same period of 1999. This increase of cash inflow is due to more securities maturing in the first half of 2000 compared to the same period in 1999 offset by purchases of \$40.0 million of securities in the first half of 2000 compared to \$4.2 million in the same period of 1999. Capital expenditures decreased to \$67.4 million for the twenty-six weeks ended June 25, 2000, from \$79.3 million a year earlier. The decreased capital spending during the first quarter of 2000 compared to the same period in 1999 is primarily due to decreased spending on information technology upgrades, as technology upgrades were substantially completed in 1999. ACC received \$12.0 million in distributions from joint ventures during the first half of 2000, compared to \$8.5 million during the same period of 1999. The increased distributions from joint ventures was due to increased operating activity at the joint ventures.

Financing activities - ACC spent \$15.1 million on financing activities during the twenty-six weeks ended June 25, 2000, compared to \$40.5 million in 1999. The 2000 uses were primarily for purchases of \$8.9 million of Class B common stock under the stock repurchase program and dividend payments of \$12.9 million. The 1999 uses were primarily for principal payments on debt of \$25 million, purchases of \$13.3 million of Class B common stock under the stock repurchase program and dividend payments of \$11.6 million. The Company bought back fewer shares under its stock repurchase program during the first half of 2000 compared to the same period in 1999. The dividend per share amount increased to \$0.185 per share in the first half of 2000 compared to \$0.165 per share for the same period of 1999. The debt payments in the first half of 1999 were on the medium-term notes, which were paid off in the third quarter of 1999.

Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

This report contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements concerning the Company's outlook for 2000; overall volume trends; pricing trends and industry forces; cost reduction strategies and their results; the Company's expectations for funding its 2000 capital expenditures and operations; and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements.

To improve its financial performance, the Company must grow premium beverage volume, achieve modest price increases for its products and reduce its overall cost structure. As the beer business is competitive and does entail some measure of risk, the most important factors that could influence the achievement of these goals - and cause actual results to differ materially from those expressed in the forward-looking statements - include, but are not limited to, the following:

- any inability of the Company and its distributors to develop and execute effective marketing and sales strategies for Coors and non-Coors products;
- the potential erosion of sales revenues through discounting, higher proportion of sales in value-packs, or negative consumer reaction to price increases;
- a potential shift in consumer preferences toward lower-priced products;
- an accelerated shift in consumer preferences toward products with higher costs;
- a potential shift in consumer preferences toward products and packages that would require additional capacity;
- the intensely competitive, slow-growth nature of the beer industry;
- demographic trends and social attitudes that can reduce beer sales;
- the continued growth in the popularity of import beers;
- increases in the cost of aluminum, paper packaging and other raw materials;

- increasing competition in and costs of marketing and advertising spending;
- any inability of the Company to reduce manufacturing, freight and overhead costs to more competitive levels;
- changes, or imposition of restrictions, in laws or government regulations affecting environmental compliance, income taxes, advertising and other products and operations of the Company;
- any inability of the Company to achieve targeted improvements in CBC's distribution system;
- significant increases in federal, state or local beer or other excise taxes;
- increases in transportation rates and costs or interruptions of service;
- the potential impact of further industry consolidation;
- significant increases in planned capital expenditures or changes in underlying assumptions that would accelerate capital spending; and
- risks associated with investments and operations in foreign countries, including those related to foreign regulatory requirements; exchange rate fluctuations; and local political, social and economic factors.

These and other risks and uncertainties affecting the Company are discussed in greater detail in the Company's 1999 Form 10-K filed with the Securities and Exchange Commission.

Outlook

The Company's performance in the first half of 2000 benefited from strong domestic volume gains (sales to wholesalers). Domestic sales-to-retail volume gains experienced by the Company's distributors were even larger than the Company's volume gains. Domestic sales-to-retail growth is expected to continue in the second half of 2000, although at a lower rate than the sales-to-retail volume gains experienced in the first half of 2000. Because of high product demand in the second quarter and the resulting decrease in distributor inventories, it is anticipated that the Company's domestic volume growth will outpace the sales-to-retail growth of its distributors in the third quarter.

The Company's second quarter performance also benefited from increased domestic pricing and mix improvement toward higher-net-revenue product sales. The favorable pricing environment is expected to continue for the rest of 2000. Increased value-pack activity or price discounting could have an unfavorable impact on top-line performance. While freight costs have increased due to higher fuel expense, the Company expects these costs to be manageable and has implemented and continues to consider tactics to mitigate the impact of these costs on the business.

For the remainder of 2000, packaging and fixed costs per barrel are expected to increase, although at a lower rate than experienced in the first half of 2000. Packaging and fixed costs per barrel are expected to increase over 1999, mainly due to increases in prices of certain packaging materials and a shift in product demand to higher-cost products and packages, including longneck bottles and import beer sold by Coors-owned distributors. Significant changes in demand for higher cost packages or market prices of these items could alter this outlook. CBC continues to pursue improvements in its operations to achieve cost reductions over time.

Marketing, general and administrative expenses are expected to increase in 2000, although at a rate lower than the 1999 increase. Management continues to monitor CBC's market opportunities and to invest behind its brands and sales efforts accordingly. Incremental sales and marketing spending will be determined on an opportunity-by-opportunity basis.

Net interest should continue its favorable trends based on the Company's lower outstanding debt, higher cash balances and higher anticipated yields relative to 1999. Net interest could be less favorable than expected if the Company invests a substantial portion of its cash balances in operating assets or investments with longer-term returns, or if interest rates decline. Also, cash may be used to repurchase additional outstanding common stock as approved by the ACC board of directors in November 1999.

The effective tax rate for the rest of 2000 is not expected to differ significantly from the rate applied to income during the first six months of the year (excluding the impact of the second quarter special charge). The level and mix of pretax income for 2000 could affect the actual rate for the year.

CBC expects capital expenditures for 2000 (excluding capital improvements for its container joint ventures, which will be recorded on the books of the respective joint ventures) in the range of \$135 million to \$145 million for improving and enhancing facilities, infrastructure, information systems and environmental compliance. There continues to be a rapid expansion in market-place demand, particularly for longneck bottles and value-packs. To effectively meet the increasing demand, the Company anticipates making additional investments in capacity in the next few years, including capacity to produce more value-packs and building a new bottle line in one of the Company's facilities. The Company anticipates that capital spending in 2001 will increase above the 2000 spending estimate. In addition to CBC's 2000 planned capital expenditures, incremental strategic investments will be considered on a case-by-case basis.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

No significant legal proceedings.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 3.2 - By-laws, as amended and restated in May 2000.

(b) Reports on Form 8-K

A report on Form 8-K dated June 2, 2000, was filed announcing changes to certain Board of Directors and top management positions at the Company.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADOLPH COORS COMPANY

By /s/ Olivia M. Thompson

*Olivia M. Thompson
Vice President, Controller
(Principal Accounting Officer)*

August 9, 2000

ARTICLE 5

CIK: 0000024545

NAME: ADOLPH COORS COMPANY

MULTIPLIER: 1000

CURRENCY: USD

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	DEC 27 1999
PERIOD END	JUN 25 2000
EXCHANGE RATE	1
CASH	316877
SECURITIES	24201
RECEIVABLES	187792
ALLOWANCES	0
INVENTORY	85368
CURRENT ASSETS	672937
PP&E	708539
DEPRECIATION	0
TOTAL ASSETS	1610639
CURRENT LIABILITIES	406560
BONDS	105000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	9732
OTHER SE	881014
TOTAL LIABILITY AND EQUITY	1610639
SALES	1289069
TOTAL REVENUES	1078601
CGS	634848
TOTAL COSTS	991622
OTHER EXPENSES	(7604)
LOSS PROVISION	0
INTEREST EXPENSE	0
INCOME PRETAX	94583
INCOME TAX	31420
INCOME CONTINUING	63163
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	63163
EPS BASIC	1.72
EPS DILUTED	1.69

**BYLAWS
OF
ADOLPH COORS COMPANY**
(A Colorado Corporation)

Amended and Restated as of May 11, 2000

**BYLAWS
OF
ADOLPH COORS COMPANY**

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ARTICLE I

Offices

1. **Principal Office.** The principal office of Adolph Coors Company (the "Company") shall be located in or near the City of Golden, Colorado. The Board of Directors, from time to time, may change the principal office of the Company.
2. **Registered Office.** The registered office of the Company required by the Colorado Business Corporation Act, as it may be amended or superseded (the "Act"), to be maintained in the State of Colorado may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.
3. **Other Offices.** The Company may have one or more offices at such place or places within or outside the State of Colorado as the Board of Directors may from time to time determine or as the business of the Company may require.

ARTICLE II

Shareholders' Meetings

1. **Annual Meetings.** The annual meeting of the holders of the Class A Common Stock shall be held each year during the month of May on such date and at such time and place, either within or outside the State of Colorado, as may be determined by the Board of Directors from time to time. At such meeting, the holders of the Class A Common stock shall elect a Board of Directors and shall transact such other business as may be brought properly before the meeting. Holders of non-voting stock may be invited to attend the annual meeting, but shall not vote except with respect to matters on which their vote is required by the Act or the Articles of Incorporation.
2. **Special Meetings.**
 - (a) Special meetings of shareholders for any purpose or purposes, unless otherwise prescribed by the Act or by the Articles of Incorporation, may be called at any time by the Chairman, by the President (if he is also a member of the Board of Directors) or by the Board of Directors. A special meeting shall be called by the President or the Secretary upon one or more written demands (which shall state the purpose or purposes therefor) signed and dated by the holders of shares representing not less than ten percent of all votes entitled to be cast on any issue proposed to be considered at the meeting.
 - (b) The record date for determining the shareholders entitled to demand a special meeting is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is 60 days before the date the first of such demands is received by the Company, whichever is later.

(c) Business transacted at any special meeting of shareholders shall be limited to the purpose or purposes stated in the notice of such meeting.

3. Place of Special Meetings. Special meetings of shareholders shall be held at such place or places, within or outside the State of Colorado, as may be determined by the Board of Directors and designated in the notice of the meeting. If no place is designated in the notice, or if a special meeting is called otherwise than by the Board of Directors, the place of the meeting shall be the principal office of the Company.

4. Notice of Meetings.

(a) Not less than 10 nor more than 60 days prior to each annual or special meeting of shareholders, written notice of the date, time and place of each meeting, and in the case of special meetings the purpose or purposes for which the meeting is called, shall be given to each shareholder entitled to vote at such meeting. If the authorized shares of the Company are proposed to be increased, at least 30 days' notice in like manner shall be given. If the Act prescribes notice requirements for particular circumstances (as in the case of the sale, lease or exchange of the Company's assets other than in the usual and regular course of business, or the merger or dissolution of the Company), the provisions of the Act shall govern.

(b) Notice may be given in person or by telephone, telegraph, teletype, electronically transmitted facsimile, or other form of wire or wireless communication, and, if so given, shall be effective when received by the shareholder. Notice may also be given by deposit in the United States mail if addressed to the shareholder's address shown in the Company's current record of shareholders, and, if so given, shall be effective when mailed.

(c) If three successive notices mailed to any shareholder in accordance with the provisions of these Bylaws are returned as undeliverable, no further notices to such shareholder shall be necessary until another address for such shareholder is made known to the Company.

5. Waiver of Notice.

(a) A shareholder may waive any notice, whether before or after the date or time stated in the notice as the date or time when any action will occur or has occurred. The waiver shall be in writing, be signed by the shareholder entitled to the notice, and be delivered to the Secretary for inclusion in the minutes or filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A shareholder's attendance at a meeting:

(i) Waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice; and

(ii) Waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

6. Action Without A Meeting.

(a) Any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting if all of the shareholders entitled to vote thereon consent in writing to the action taken. No action taken by written consent shall be effective unless the Company has received writings that describe and consent to the action, signed by all the shareholders entitled to vote on such action. Unless otherwise provided by the Act, action by written consent shall be effective as of the date the last writing necessary to effect the action is received by the Secretary, unless all of the writings necessary to effect the action specify a later date as the effective date of the action.

(b) Any shareholder who has signed a writing describing and consenting to action taken by written consent may revoke such consent by a writing signed by the shareholder describing the action and stating that the shareholder's prior consent thereto is revoked, if such writing is received by the Company before the effectiveness of the action.

(c) The record date for determining shareholders entitled to take action without a meeting or entitled to be given notice is the date a writing upon which the action is taken is first received by the Company.

7. Fixing Record Date. The Board of Directors may fix a future date as the record date to determine the shareholders entitled to be given notice of a shareholders meeting, to demand a special meeting, to vote at a meeting, to receive payment of a distribution, or for any other proper purpose. Such record date shall not be more than 70 days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to be given notice of or to vote at any meeting of shareholders is effective for any adjournment of the meeting, unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

8. Shareholders' List.

(a) A complete list of the shareholders entitled to notice of any shareholders' meeting shall be prepared by, or at the direction of, the Secretary

of the Company. Such shareholders' list shall be arranged by voting groups (as defined by the Act) and, within each voting group, by class or series of shares, shall be alphabetical within each class or series and shall show the address of, and the number of shares of each such class and series that are held by, each shareholder.

(b) The shareholders' list shall be available for inspection by any shareholder beginning on the earlier of ten days before the meeting for which the list was prepared or two business days after notice is given, and continuing through the meeting and any adjournment thereof, at the Company's principal office or at a place identified in the notice of the meeting in the city where the meeting will be held. During the period the list is available for inspection, a shareholder, or his agent or attorney, is entitled on written demand to inspect and, subject to the provisions of the Act, to copy the list during the Company's regular business hours. Failure to prepare or make available the shareholders' list does not affect the validity of actions taken at the meeting.

9. Quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares is represented in person or by proxy with respect to that matter. Unless otherwise provided in the Act or in the Company's Articles of Incorporation, a majority of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter. If a quorum is not present with respect to a particular matter, the shares present at the meeting shall have the power to adjourn the meeting with respect to that matter, until the requisite number of shares shall be present or represented.

10. Adjournment. When a meeting is for any reason adjourned to another date, time or place, notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted that might have been transacted at the original meeting. If the adjournment is for more than 120 days from the date of the original meeting, or if, after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder entitled to vote at such meeting as of the new record date.

11. Voting. Each outstanding share of record of Class A Common Stock is entitled to one vote for the election of each member of the Board of Directors and on other matters submitted to a vote of the shareholders. Except where the Act or the Articles of Incorporation require a different vote, if a quorum exists, action on a matter other than the election of directors is approved if the votes cast favoring the action exceed the votes cast opposing the action. In an election of directors, a majority of shares entitled to vote for directors is required in order to elect a director. The voting rights of shares of Class B Common Stock shall only be as required in certain instances by the Act or the Articles of Incorporation. No shareholder shall be permitted to cumulate his votes.

12. Conduct of Meetings. The chairman of the annual or any special meeting of the shareholders shall be the Chairman of the Board or, in his absence, any person designated by the Board of Directors. The Secretary or, in his absence, any person appointed by the chairman of the meeting shall act as Secretary of the meeting. Meetings of shareholders shall be conducted in accordance with the following rules:

(a) The chairman of the meeting shall have absolute authority over matters of procedure and there shall be no appeal from the ruling of the chairman. If the chairman, in his absolute discretion, deems it advisable to dispense with the rules of parliamentary procedure as to any meeting of shareholders or a part thereof, the chairman shall so state and shall clearly state the rules under which the meeting or appropriate part thereof shall be conducted.

(b) If disorder shall arise that prevents continuation of the legitimate business of the meeting, the chairman may quit the chair and announce the adjournment of the meeting and upon his so doing the meeting is immediately adjourned.

(c) The chairman may ask or require that anyone who is not a bona fide shareholder or proxy leave the meeting.

(d) At any meeting of shareholders, a resolution or motion shall be considered for vote only if the proposal is brought properly before the meeting, which shall be determined by the chairman of the meeting in accordance with the following provisions:

(i) Notice required by these Bylaws and by all applicable federal or state statutes or regulations shall have been given to, or waived by, all shareholders entitled to vote on such proposal. In the event notice periods of different lengths apply to the same proposed action under different laws or regulations, appropriate notice shall be deemed given if there is compliance with the greater of all applicable notice requirements.

(ii) Proposals may be made by the Board of Directors as to matters affecting holders of any class of stock issued by the Company. Proposals also may be made by the holder of shares of Class A Common Stock.

(iii) Any proposal made by the Board of Directors or the holder of shares of Class A Common Stock may be made at any time prior to or at the meeting if only the holder of Class A Common Stock is entitled to vote thereon.

(iv) Any proposal on which holders of Class B Common Stock are entitled to vote and concerning which proxies may be solicited by the proponent or by management shall be filed with the Secretary by such dates as may be required by the proxy rules promulgated by the Securities and Exchange Commission.

(v) A shareholder's proposal shall set forth (a) a brief description of the matters desired to be brought before the meeting and the reasons for conducting such business at the meeting; (b) the name and address, as they appear on the Company's books, of the shareholder proposing such business;

(c) the class and number of such shares of the Company which are beneficially owned by the shareholder; (d) any financial interest of the shareholder in such proposal; and (e) any other information required by applicable statute or regulation.

(e) Nomination of persons to stand for election to the Board of Directors at any annual or special shareholders meeting may be made by the holders of the Company's Class A Common Stock at any time prior to the vote thereon.

13. Proxies.

(a) At any shareholder meeting, a shareholder may vote in person or by proxy. A shareholder may appoint a proxy by signing an appointment form, either personally or by the shareholder's duly authorized attorney-in-fact. A shareholder may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype or other electronic transmission providing a written statement of the appointment to the Company, the proxy, or other person duly authorized by the proxy to receive appointments as agent for the proxy. The transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the shareholder transmitted or authorized the transmission of the appointment.

(b) An appointment of a proxy is effective when the appointment is received by the Company and the appointment is effective for eleven months unless a different period is expressly provided in the appointment form. An appointment of a proxy shall be revocable by the shareholder only as provided by the Act. Shares represented by proxy at a meeting of shareholders shall be deemed to be present at the meeting.

14. **Inspectors.** The chairperson of the meeting may at any time appoint one or more inspectors to serve at a meeting of the shareholders. Such inspectors shall decide upon the qualifications of voters, including the validity of proxies, accept and count the votes for and against the matters presented, report the results of such votes, and subscribe and deliver to the Secretary of the meeting a certificate stating the number of shares of stock within each voting group that is issued and outstanding and entitled to vote thereon and the number of shares within each voting group that voted for and against the matters presented. The voting inspectors need not be shareholders of the Company, and any director or officer of the Company may be an inspector on any matter other than a vote for or against such director's or officer's election to any position with the Company or on any other matter in which such officer or director may be directly interested.

15. **Meeting by Telecommunication.** If, and only if, permitted by the Board of Directors, a shareholder may participate in an annual or special shareholders' meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. If the Board of Directors determines to allow shareholders to participate in a shareholders' meeting by telecommunication, the Board shall establish the terms and conditions under which shareholders may participate by such means and shall cause the notice of the meeting to contain such terms and conditions. Only shareholders who comply with the terms and conditions indicated in such notice shall be entitled to so participate by telecommunication in the shareholders' meeting.

ARTICLE III

Board of Directors

1. **Authority, Election and Tenure.** Subject to any provision of the Act and the Articles of Incorporation, all corporate power shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed by, a Board of Directors. The Board of Directors shall be elected at each annual meeting of shareholders by the holders of the Class A Common Stock. Each director shall hold office until the next annual meeting of shareholders, until such director's successor shall be elected and shall qualify, or until such director's earlier death, resignation or removal.

2. **Number and Qualification.** At each annual meeting of shareholders, the holders of the Class A Common Stock shall determine the number of directors, which shall be no fewer than three. Any increase in the number of directors between annual meetings shall be approved by the holders of the Class A Common Stock. Directors must be natural persons at least eighteen years of age but need not be shareholders or residents of the State of Colorado.

3. **Annual and Regular Meetings.** The Board of Directors shall hold its annual meeting without notice on the same day and at the same place as, but just following, the annual meeting of the shareholders, or at such other date, time and place as may be determined by the Board of Directors. Regular meetings of the Board of Directors shall be held without notice at such dates, times and places as may be determined by the Board of Directors by resolution.

4. **Special Meetings.** Special meetings of the Board of Directors may be held, with proper notice, upon the call of the Chairman of the Board or by at least two members of the Board of Directors at such time and place as specified in the notice.

5. **Notice of Special Meetings.**

(a) Notice of the date, time and place of each special meeting of the Board of Directors shall be given to each director at least two days prior to such meeting. The notice of a special meeting of the Board of Directors need not state the purposes of the meeting. Notice to each director of any special meeting may be given in person; by telephone, telegraph, teletype, electronically transmitted facsimile, or other form of wire or wireless communication; or by mail or private carrier.

(b) Oral notice to a director of any special meeting is effective when communicated. Written notice to a director of any special meeting is effective at the earliest of: (i) the date received; (ii) five days after it is mailed; or (iii) the date shown on the return receipt if mailed by registered or certified mail, return receipt requested, if the return receipt is signed by or on behalf of the director to whom the notice is addressed.

6. Waiver of Notice.

(a) A director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. The waiver shall be in writing and signed by the director entitled to the notice. Such waiver shall be delivered to the Secretary for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A director's attendance at or participation in a meeting waives any required notice to him of the meeting unless:

(i) At the beginning of the meeting, or promptly upon his later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(ii) If special notice was required of a particular purpose, the director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

7. **Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent to such action in writing. Such consent shall be delivered to the Secretary for inclusion in the minutes or for filing with the corporate records. Action is taken by written consent at the time the last director signs a writing describing the action taken, unless, before such time, any director has revoked his consent pursuant to the provisions of the Act. Action taken without a meeting is effective at the time it is taken unless the directors establish a different effective date. Action taken by written consent has the same effect as action taken at a meeting of the Board of Directors, and may be described as such in any document.

8. **Quorum and Voting.** Except as otherwise provided by the Act or by these Bylaws, a majority of the directors in office at the time of any regular or special meeting of the Board of Directors shall constitute a quorum for the transaction of business at such meeting. The vote of a majority of the directors present at the meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may, without notice other than announcement at the meeting, adjourn the meeting from time to time until a quorum can be obtained.

9. **Organization and Procedure.** The Board of Directors shall elect a Chairman of the Board from among its members. If the Board deems it necessary, it may elect a Vice-Chairman of the Board from among its members to perform the duties of the Chairman of the Board in his absence and such other duties as the Board of Directors may assign. The Chairman of the Board or, in his absence, the Vice-Chairman of the Board, or in his absence, any director chosen by a majority of the directors present, shall act as chairperson of the meetings of the Board of Directors. The Secretary, any Assistant Secretary, or any other person appointed by the chairperson shall act as secretary of each meeting of the Board of Directors.

10. **Resignation.** Any director of the Company may resign at any time by giving written notice to the Board of Directors or the Secretary of the Company at the Company's principal office. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The Board of Directors may, at its discretion, designate a retired director as Director Emeritus. Each designation shall be for a period of one year and may be renewed for additional one-year terms. A Director Emeritus shall provide consulting and advisory services to the Board of Directors as requested from time to time by the Board of Directors and may be invited to attend meetings of the Board, but shall not vote or be counted for quorum purposes or have any of the duties or obligations imposed on a director or officer of the Company under the Act, the Company's Articles of Incorporation or these Bylaws. A Director Emeritus shall be entitled to the benefits and protections of the provisions of Article VI of these Bylaws, and shall be compensated for his services and reimbursed for expenses incurred in his capacity as Director Emeritus as the Board of Directors shall from time to time establish.

11. **Removal.** Any director may be removed, either with or without cause, at any time, at a special meeting of the holders of the Class A Common Stock called for such purpose, if the number of votes cast in favor of removal exceeds the number of votes cast against removal. A vacancy in the Board of Directors caused by any such removal may be filled by the holders of the Class A Common Stock at such meeting or, if such shareholders at such meeting shall fail to fill such vacancy, by a majority of the remaining directors at any time before the end of the unexpired term of the director removed.

12. **Vacancies.** Any directorship to be filled by reason of an increase in the number of directors between annual meetings shall be filled by the vote of the holders of the Class A Common Stock and such director shall hold office until the next annual meeting of shareholders and until his successor has been elected and qualified. A vacancy occurring in the Board of Directors that is not required by these Bylaws to be filled by the holder of the Class A Common Stock shall be filled by the affirmative vote of a majority of the remaining members of the Board even if the remaining directors constitute less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

13. **Dissenting Directors.** A director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have

assented to the action taken unless:

- (a) He objects at the beginning of such meeting, or promptly upon his later arrival, to the holding of the meeting or the transacting of business at the meeting;
- (b) He contemporaneously requests that his dissent or abstention from the action taken be entered in the minutes of such meeting; or
- (c) He gives written notice of his dissent or abstention to the presiding officer of such meeting before its adjournment or to the Secretary of the Company promptly after adjournment of such meeting.

The right of dissent as to a specific action in a meeting of the Board or a committee is not available to a director who votes in favor of such action.

14. Executive and Other Committees. Except as otherwise required by the Act, the Board of Directors, by the vote of a majority of the number of directors then in office, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in the resolution and except as otherwise prescribed by the Act, shall have and may exercise the authority delegated to them by the Board of Directors by charter, resolution or otherwise. No committee shall:

- (a) authorize dividends or other distributions;
- (b) approve or propose to shareholders action that the Act requires to be approved by shareholders;
- (c) fill vacancies on the Board of Directors or on any of its committees;
- (d) amend the Articles of Incorporation;
- (e) adopt, amend, or repeal these Bylaws;
- (f) approve a plan of merger not requiring shareholder approval;
- (g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; or
- (h) authorize or approve the issuance or sale of shares, or a contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except that with respect to this clause (h) the Board of Directors may authorize a committee to do so within limits specifically prescribed by the Board of Directors.

The provisions of these Bylaws governing meetings, action without meeting, notice, waiver of notice, and quorum and voting requirements of the Board of Directors shall apply to committees and the members thereof. Each committee established by the Board of Directors shall prepare minutes of its meetings which shall be delivered to the Secretary of the Company for inclusion in the Company's records.

15. Compensation of Directors. The Board of Directors shall determine and fix the compensation, if any, and the reimbursement of expenses which shall be allowed and paid to the directors. Nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity or any of its subsidiaries in any other capacity and receiving proper compensation therefor.

16. Meeting by Telecommunication. One or more members of the Board of Directors may participate in a meeting of the Board of Directors through the use of any means of communication by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE IV

Officers

1. Appointment and Tenure. The officers of the Company shall consist of a Chairman of the Board (sometimes herein called the "Chairman"), a President, a Secretary and a Treasurer. The Board of Directors may also designate and appoint such other officers and assistant officers as may be deemed necessary. The Board of Directors shall appoint the Company's officers annually or at such other times as the Board shall designate. Such officers at all times shall be subject to the supervision, direction and control of the Board of Directors. The Board of Directors may delegate, by specific resolution, to an officer the power to appoint other specified officers or assistant officers. Each officer appointed shall continue in office until the next annual meeting of the Board of Directors at which officers are appointed, or until such officer's earlier death, resignation or removal. Any two or more offices may be held by the same person. Each officer shall be a natural person who is eighteen years of age or older.

2. Resignation, Removal and Vacancies. Any officer may resign at any time by giving written notice of resignation to the Board of Directors by

delivery of such notice to the Secretary. Such resignation shall take effect when the notice is received by the Company unless the notice specifies a later effective date, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The Board of Directors may remove any officer at any time with or without cause. The Board of Directors may also delegate to an officer the power to remove other specified officers or assistant officers. If any office becomes vacant for any reason, the vacancy may be filled by, or as specifically authorized by, the Board of Directors. An officer appointed to fill a vacancy shall serve for the unexpired term of such officer's predecessor, or until such officer's earlier death, resignation or removal.

3. Temporary Delegation of Duties. In case of the absence of any officer, or his disability to perform his duties, or for any other reason deemed sufficient by the Board of Directors, the Board may delegate the powers and duties of such officer to any other officer or to any director temporarily, provided that a majority of the whole Board concur and that no such delegation shall result in giving to the same person conflicting duties.

4. Chairman of The Board. The Chairman of the Board shall preside at meetings of the Board of Directors and of the shareholders at which he is present, and shall perform such other duties as the Board of Directors may from time to time determine.

5. Chief Executive Officer. The Chief Executive Officer (sometimes referred to herein as the "CEO"), if one is elected by the Board of Directors, shall perform all duties customarily delegated to the chief executive officer of a corporation and such other duties as may from time to time be assigned to him by the Board of Directors and these Bylaws.

6. President. If there is no separate Chief Executive Officer, the President shall be the CEO of the Company; otherwise, the President shall be responsible to the CEO for the day-to-day operations of the Company. The President shall have general and active management of the business of the Company; shall see that all orders and resolutions of the Board of Directors are carried into effect; and shall perform all duties as may from time to time be assigned by the Board of Directors or the Chief Executive Officer.

7. Vice Presidents. The Vice Presidents, if any, shall perform such duties and possess such powers as from time to time may be assigned to them by the Board of Directors or the President.

8. Secretary. The Secretary of the Company (sometimes referred to herein as the "Secretary") shall have the duty and power to:

(a) Assure that all notices are given in accordance with the provisions of these Bylaws and as required by law.

(b) Prepare and maintain the minutes of the meetings of the shareholders, the Board of Directors and committees thereof, and other records and information required to be kept by the Company pursuant to the Act, including those records set forth in Article X of these Bylaws.

(c) Authenticate records of the Company.

(d) In general, perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or the President.

9. Treasurer. The Treasurer shall have the duty and power to:

(a) Have the charge and custody of, and be responsible for, all funds and securities of the Company and deposit all such funds in the name of the Company in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws or as directed by the Board.

(b) Maintain books of account and records and exhibit such books of account and records to any of the directors of this Company at any reasonable time.

(c) Render a statement of the condition of the finances of the Company as requested by the Board of Directors and, if called upon to do so, make a full financial report at the annual meeting of the shareholders.

(d) Receive, and give receipts for, monies due and payable to the Company from any source whatsoever.

(e) In general, perform all of the duties incident to the office of Treasurer and such other duties as may, from time to time, be assigned to him by the Board of Directors or the President.

10. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors. In the absence or at the request of the Secretary or the Treasurer, the Assistant Secretaries or Assistant Treasurers, respectively, shall perform the duties and exercise the powers of the Secretary or Treasurer, as the case may be.

11. Bond of Officers. The Board of Directors may require any officer or agent to give the Company a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for such terms and conditions as the Board of Directors may specify, including

without limitation for the faithful performance of such officer's duties and for the restoration to the Company of any property belonging to the Company in such officer's possession or under the control of such officer.

12. Compensation. The salaries and other compensation of the officers shall be fixed or authorized from time to time by the Board of Directors. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director of the Company.

ARTICLE V

Directors' Conflicts of Interest

1. Conflicting Interest Transaction. The term "conflicting interest transaction" means any of the following:

(a) A loan or other assistance by the Company to a director of the Company or to an entity in which a director of the Company is a director or officer or has a financial interest;

(b) A guaranty by the Company of an obligation of a director of the Company or of an obligation of an entity in which a director of the Company is a director or officer or has a financial interest; or

(c) A contract or transaction between the Company and a director of the Company or between the Company and an entity in which a director of the Company is a director or officer or has a financial interest.

2. Effect of Conflict of Interest. No conflicting interest transaction shall be void or voidable solely because the conflicting interest transaction involves a director of the Company or an entity in which a director of the Company is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the Board of Directors which authorizes, approves, or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if:

(a) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed, or are known to the shareholders entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by vote of such shareholders; or

(c) The conflicting interest transaction is fair as to the Company as of the time it is authorized, approved, or ratified by the Board of Directors, a committee thereof, or the shareholders.

3. Notice to Shareholders. The Board of Directors or a committee thereof shall not authorize a conflicting interest transaction consisting of a loan or guaranty pursuant to paragraph (a) of Section 1 above until at least 10 days after written notice of the proposed authorization of the loan or guaranty has been given to the shareholders who would be entitled to vote thereon if the issue of the loan or guaranty were submitted to a vote of the shareholders.

4. Interested Directors. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the contract or transaction.

ARTICLE VI

Indemnification

1. Directors. The Company shall indemnify, to the fullest extent allowed by the Act, but subject to all conditions and limitations provided by the Act, any person who serves or who has served at any time as a director of the company, and any director who, at the request of the Company, serves or at any time has served as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or other person or entity or of an employee benefit plan, against any and all liabilities and reasonable expenses incurred in connection with any action, suit, or proceeding to which such director is made a party, and which may be asserted against him in such capacity. A director shall be considered to be serving an employee benefit plan at the Company's request if his duties to the Company also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. The Company shall not indemnify a director with respect to conduct not reasonably related to his service to, or as requested by, the Company or with respect to a personal benefit improperly received by him.

2. Officers and Employees. The Company shall indemnify, to the extent and in the manner described herein, any person who serves or who has served at any time as an officer or employee of the Company, and any officer or employee who, at the request of the Company, serves or at any time has served as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or other person or entity or of an employee benefit plan, against any and all liabilities and reasonable expenses incurred in connection with any action, suit or

proceeding which is or may be asserted against the officer or employee for acts within the scope of the officer or employee's duties in such capacity, except for matters in which the person shall be adjudged in any action, suit, or proceeding to be liable for his own gross negligence or willful misconduct in the performance of any duty, and except for any personal benefit improperly received by him.

A Director Emeritus shall be considered to be an officer or employee of the Company for all purposes of this Article VI.

3. **Mandatory Indemnification.** The Company shall indemnify a director, Officer or employee who was wholly successful, on the merits or otherwise, in the defense of any action, suit or proceeding to which the person was a party because the person is or was a director, officer or employee, against liabilities and reasonable expenses incurred by him in connection with the action, suit or proceeding.

4. **Agents and Fiduciaries.** The Company may indemnify a person who serves or who has served at any time as an agent or fiduciary of the Company against liabilities and reasonable expenses incurred in connection with any action, suit, or proceeding to which he is made a party, or which may be asserted against him, by reason of serving in such a capacity, in such circumstances and in such amounts as the Board of Directors shall deem appropriate.

5. **Procedure.** In each instance in which indemnification is claimed or requested under Section 1 of this Article VI, the Board of Directors shall determine, or shall direct any person or body, as permitted by the Act, to determine (a) whether or not indemnification is permissible in the circumstances, and (b) the amount of liability and expenses with respect to which indemnification should be provided. The responsibility for implementing the indemnification of officers and employees pursuant to Section 2 of this Article VI may be assigned to such officers within the Company as the Board of Directors determines. However, the Board retains its authority to review or consider such matters in appropriate circumstances.

6. **Other Remedies.** Except as limited by the Act, any indemnification provided herein shall be in addition to any other rights to which those indemnified may be entitled by the Act or pursuant to any agreement, vote of shareholders or otherwise, and shall be available to the heirs, personal representatives and successors of the person entitled to such indemnification.

7. **Insurance.** The Company may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary, or agent of the Company, or who, while a director, officer, employee, fiduciary, or agent of the Company, is or was serving at the request of the Company as a director, officer, partner, trustee, employee, fiduciary, or agent of another domestic or foreign corporation or other person or entity or of an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from his status as a director, officer, employee, fiduciary, or agent, whether or not the Company would have power to indemnify the person against the same liability under the Act. Any such insurance may be procured from any insurance company designated by the Board of Directors, whether such insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Company has an equity or any other interest through stock ownership or otherwise.

8. **Notice to Shareholders.** If the Company indemnifies or advances expenses to a director under this Article in connection with a proceeding by or in the right of the Company, the Company shall give written notice of the indemnification or advance to the shareholders with or before the notice of the next shareholders' meeting. If the next shareholder action is taken without a meeting at the instigation of the Board of Directors, such notice shall be given to the shareholders at or before the time the first shareholder signs a writing consenting to such action.

9. **Selection of Counsel.** Notwithstanding any other provision of this Article, the Company may condition the right to indemnification of a director, officer or employee on its right to select legal counsel representing such director, officer or employee on the terms of this section 9.

The Company shall have the right to select counsel for any director, officer or employee in any legal action that may give rise to indemnification under this Article VI provided that: (a) the Company consults with the director, officer or employee seeking indemnification with respect to the selection of competent legal counsel; and (b) the Company pays all reasonable fees and costs incurred by the attorney in defending the director, officer or employee (subject to the Company's right to recover such fees and costs if it is determined at the conclusion of the action, suit or proceeding that there is no right of indemnification).

Notwithstanding any other provision of this Article, the Company shall not be responsible for indemnification of any director, officer or employee who declines to use counsel reasonably selected by the Company as provided in this

Section 9. Counsel shall be deemed to be reasonably selected by the Company if such counsel is a competent attorney who can independently represent the director, officer or employee consistent with the applicable ethical standards of the Code of Professional Responsibility.

ARTICLE VII

Execution of Instruments; Loans; Checks and Endorsements; Deposits; Proxies

1. **Execution of Instruments.** Except as otherwise provided by the Board of Directors, the Chairman, the President, any Vice President, the Treasurer or the Secretary shall have the power to execute and deliver on behalf of and in the name of the Company any instrument requiring the signature of an officer of the Company. Unless authorized to do so by these Bylaws or by the Board of Directors, no assistant officer, agent or employee shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

2. **Borrowing.** No loan shall be contracted on behalf of the Company, and no evidence of indebtedness shall be issued, endorsed or accepted in its name, unless authorized by the Board of Directors or a committee designated by the Board of Directors so to act. Such authority may be general or confined to specific instances. When so authorized, an officer may (a) effect loans at any time for the Company from any bank or other entity and for such loans may execute and deliver promissory notes or other evidences of indebtedness of the Company; and (b) mortgage, pledge or otherwise encumber any real or personal property, or any interest therein, owned or held by the Company as security for the payment of any loans or obligations of the Company, and to that end may execute and deliver for the Company such instruments as may be necessary or proper in connection with such transaction.
3. **Attestation.** All signatures authorized by this Article may be attested, when appropriate or required, by any officer of the Company except the officer who signs on behalf of the Company.
4. **Loans to Directors, Officers and Employees.** The Company may lend money to, guarantee the obligations of, and otherwise assist directors, officers and employees of the Company, or directors of another corporation of which the Company owns a majority of the voting stock, only upon compliance with the requirements of the Act.
5. **Checks and Endorsements.** All checks, drafts or other orders for the payment of money, obligations, notes or other evidences of indebtedness issued in the name of the Company and other such instruments shall be signed or endorsed for the Company by such officers or agents of the Company as shall from time to time be determined by resolution of the Board of Directors, which resolution may provide for the use of facsimile signatures.
6. **Deposits.** All funds of the Company not otherwise employed shall be deposited from time to time to the Company's credit in such banks or other depositories as shall from time to time be determined by resolution of the Board of Directors, which resolution may specify the officers or agents of the Company who shall have the power, and the manner in which such power shall be exercised, to make such deposits and to endorse, assign and deliver for collection and deposit checks, drafts and other orders for the payment of money payable to the Company or its order.
7. **Voting of Securities and Other Entities.** Unless otherwise provided by resolution of the Board of Directors, the Chairman, Chief Executive Officer, or the President, or any officer designated in writing by any of them, is authorized to attend in person, or may execute written instruments appointing a proxy or proxies to represent the Company, at all meetings of any corporation, partnership, limited liability company, association, joint venture, or other entity in which the Company holds any securities or other interests and may execute written waivers of notice with respect to any such meetings. At all such meetings, any of the foregoing officers, in person or by proxy as aforesaid and subject to the instructions, if any, of the Board of Directors, may vote the securities or interests so held by the Company, may execute any other instruments with respect to such securities or interests, and may exercise any and all rights and powers incident to the ownership of said securities or interests. Any of the foregoing officers may execute one or more written consents to action taken in lieu of a formal meeting of such corporation, partnership, limited liability company, association, joint venture, or other entity.

ARTICLE VIII

Shares of Stock

1. **Certificates of Stock.** The issuance or sale of shares of stock by the Company shall be made only upon authorization by the Board of Directors. Stock certificates shall be in a form designated by the Board of Directors which complies with provisions of the Act. They shall be numbered in the order of their issue and shall be signed by the President or the CEO and by the Secretary or the Treasurer. Facsimile signatures may be used if the certificate is countersigned by a transfer agent. A transfer agent may be an independent third party, the Company itself, or an employee of the Company. The validity of any certificate for shares, otherwise valid, shall not be affected in the event that the delivery of such a certificate occurs after an officer or agent whose signature appears therein is no longer an officer or agent. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors for that purpose. Notice of any restrictions on the transfer of stock shall be printed or typed on each stock certificate issued by the Company.
2. **Shares Without Certificates.** The Board of Directors may authorize the issuance of shares of the Company without certificates. Such authorization shall not affect shares already represented by certificates until they are surrendered to the Company. Within a reasonable time following the issue or transfer of shares without certificates, the Company shall send the shareholder a complete written statement of the information that would be required on certificates by the Act.
3. **Transfer of Stock.** Subject to any transfer restrictions set forth or referred to on the stock certificate or of which the Company otherwise has notice, shares of the Company shall be transferable on the books of the Company upon presentation to the Company or to the Company's transfer agent of a stock certificate signed by, or accompanied by an executed assignment from, the holder of record thereof, his duly authorized legal representative, or other appropriate person as permitted by the Act. The Company may require that any transfer of shares be accompanied by proper evidence reasonably satisfactory to the Company or to the Company's transfer agent that such endorsement is genuine and effective. Upon presentation of shares for transfer as provided above, the payment of all taxes, if any, therefor, and the satisfaction of any other requirement of law, including inquiry into and discharge of any adverse claims of which the Company has notice, the Company shall issue a new certificate to the person entitled thereto and cancel the old certificate. Every transfer of stock shall be entered on the stock books of the Company to accurately reflect the record ownership of each share. The Board of Directors also may make such additional rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the capital stock of the Company.

4. Restrictions on Transfer. The following provisions shall govern (1) the transferability of all shares of the Class A Common Stock and (2) the transferability of those shares of the Class B Common Stock (non-voting) which were issued in transactions which were not registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Restricted Class B Shares"):

(a) The holder of any such share or shares of Class A Common Stock desiring to sell such stock shall:

(i) First offer the shares to the Company and the Company shall have the right and option for a period of 90 days from the date such tender is made to make such purchase.

(ii) Then offer such shares, or any remaining shares, to William K. Coors and Joseph Coors, or to the survivor of them if only one of them is then living, and they shall have the right and option for 30 days from the date tender is made to them to make such purchase. They or either of them may elect to exercise the option in whole or in part and in the absence of a contrary agreement between themselves shall participate equally in any such purchase.

(iii) The tenders above provided shall in each case be of all and every one of the shares, or of the remaining shares as the case may be, which the offeror desires to sell and the Company, and/or William K. Coors and Joseph Coors, or the survivor of them if only one of them is then living (individually, "the offeree" and collectively, "the offerees") shall successively have the right to purchase all or any of the shares tendered for purchase to it, to him, or to them.

(iv) The price to be paid by the offeree or offerees, if the option is exercised in whole or in part, shall be in cash (unless terms are otherwise agreed upon) and shall be the price agreed upon by the offeree or offerees and the offeror, or if there is no such agreement, then the price shall be equal to the market value of the Class B Common Stock (non-voting), i.e., the average of the high and low bid price for the Class B Common Stock on the last business day, prior to the date of such tender, on which said Class B Common Stock was traded.

(v) If any shares remain unsold after the tenders provided for in subparagraphs (i) and (ii) above, such remaining shares may, subject to the provisions of subparagraph (vi) below, be sold to third-parties free of the restrictions on transfers set forth in subparagraphs (i) through (iv) above.

(vi) If more than six months have elapsed after the date the last said tender was made under the provisions of subparagraph (ii) and such tender was not accepted in whole or in part before a sale to third parties could be consummated under subparagraph (v), the holder of the shares of Class A Common Stock evidenced by the relevant stock certificate must, before again attempting to sell all or any part thereof, comply with the provisions of subparagraphs (i) and (ii) above.

(b) Except as provided otherwise in these Bylaws, the sale of any Restricted Class B Shares shall be made in accordance with the following provisions:

(i) The holder of such shares shall offer the shares to the Company, which shall have the right and option for a period of ten days from the date tender is made to make such purchase.

(ii) The price to be paid by the Company, if the option is exercised in whole or in part, shall be in cash (unless terms are otherwise agreed upon) and shall be the price agreed upon by the Company and the offeror, or if there is no such agreement, then the price shall be the market value of the stock (i.e., the average of the high and low bid price for the stock) on the last business day, prior to the date of such tender, on which the stock was traded.

(iii) If any shares remain unsold after the time provided for in subparagraph (i) above, such remaining shares may, subject to the registration requirements of applicable securities laws or exemptions therefrom, and subject to the provisions of subparagraph

(iv) below, be sold to third parties free of the restrictions on transfers contained in these Bylaws.

(iv) If more than six months have elapsed after the date the last said tender was made under the provisions of subparagraph (i) and such tender was not accepted in whole or in part before a sale to third parties could be consummated under subparagraph (iii), the holder of such shares must, before again attempting to sell all or any part thereof, comply with the provisions of this section of these Bylaws.

(c) The procedures set forth under subparagraph (b) above shall not apply to a transfer by a shareholder when made by his Last Will and Testament; or, in the case of intestacy, when a transfer is effected pursuant to the laws of descent and distribution; or to an inter vivos gift made by such shareholder; provided the recipients of said stock and all persons claiming by, through or under them shall be and remain bound by the provisions of this section of the Bylaws.

(d) The restrictions contained herein shall not apply to any shares of Class B Common Stock which have been sold to the public. For the purposes hereof, the term "sold to the public" shall mean the following:

(i) Any shares sold in transactions covered by an effective registration statement under the Securities Act of 1933, as amended; and

(ii) Any shares sold on the open market or otherwise in transactions relying upon the exemption from registration provided in Section 4(1) of

the Securities Act of 1933, as amended, including sales made in conformity with Rule 144 thereunder.

5. Preferred Stock. Shares of preferred stock shall be issued by the Company only after filing the Statement of Designations described in paragraph (d) of Article IV of the Company's Articles of Incorporation with the Colorado Secretary of State and satisfying all other requirements of the Articles of Incorporation and the Act with respect thereto.

6. Holders of Record. The Company shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as may be allowed by these Bylaws or required by the laws of Colorado.

7. Shares Held for the Account of a Specified Person or Persons. The Board of Directors, in the manner provided by the Act, may adopt a procedure whereby a shareholder of the Company may certify in writing to the Company that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons.

8. Lost, Destroyed and Mutilated Certificates. The holder of any stock of the Company shall notify the Company of any loss, destruction, or mutilation of the certificate therefor and the Secretary shall cause a new certificate or certificates to be issued to him upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, in the discretion of the Secretary, the deposit of a bond in such form and amount (not exceeding double the value of the stock represented by such certificate) and with such surety or sureties as the Secretary may require.

ARTICLE IX

Dividends and Other Distributions

Subject to the provisions of the Act, dividends and other distributions may be declared by the Board of Directors in such form, frequency and amounts as the condition of the affairs of the Company shall render advisable.

ARTICLE X

Corporate Records

1. Permanent Records. The Company shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Company, and a record of all waivers of notices of meetings of shareholders and of the Board of Directors or any committee of the Board of Directors.

2. Records at Principal Office. The Company shall comply with the provisions of the Act regarding maintenance of records and shall keep the following records at its principal office:

(a) its Articles of Incorporation;

(b) its Bylaws;

(c) the minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years;

(d) all written communications within the past three years to shareholders as a group or to the holders of any class or series of shares as a group;

(e) a list of the names and business addresses of its current directors and officers;

(f) a copy of its most recent corporate report delivered to the Secretary of state pursuant to the Act; and

(g) all financial statements prepared for periods ending during the last three years that a shareholder could have requested pursuant to the Act.

3. Addresses of Shareholders. Each shareholder shall furnish to the Secretary of the Company or the Company's transfer agent an address to which notices from the Company, including notices of meetings, may be directed and if any shareholder shall fail so to designate such an address, it shall be sufficient for any such notice to be directed to such shareholder at such shareholder's address last known to the Secretary or transfer agent.

4. Record of Shareholders. The Secretary shall maintain, or shall cause to be maintained, a record of the names and addresses of the Company's shareholders, in a form that permits preparation of a list of shareholders that is arranged by voting group and, within each voting group, by class or series of shares, that is alphabetical within each class or series, and that shows the address of, and the number of shares of each class or

series held by, each shareholder.

5. Inspection of Corporate Records. Shareholders shall have those rights to receive by mail or to inspect and copy such Company records, pursuant to such procedures, as provided in the Act.

6. Audits of Books and Accounts. The Company's books and accounts may be audited at such times and by such auditors as shall be specified and designated by resolution of the Board of Directors.

ARTICLE XI

Miscellaneous

1. Corporate Seal. The corporate seal shall be in the form approved by resolution of the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced. The impression of the seal may be made and attested by either the Secretary or any Assistant Secretary for the authentication of contracts or other papers requiring the seal.

2. Fiscal Year. The fiscal year of the Company shall be as established by the Board of Directors.

3. Emergency Bylaws and Actions. Subject to repeal or change by action of the shareholders, the Board of Directors may adopt emergency bylaws and exercise other powers in accordance with and pursuant to the provisions of the Act.

4. Amendments. The Board of Directors may amend, restate, or repeal the Bylaws or adopt new Bylaws by the affirmative vote of the number of directors constituting two-thirds of the full Board at any annual meeting of the Board or any other meeting called for that purpose. The holder of the Class A Common Stock by affirmative vote also may amend, restate, or repeal the Bylaws or adopt new Bylaws at an annual shareholders meeting or a special meeting called, wholly or in part, for such purpose. The power of the Board of Directors to amend or repeal the Bylaws or to adopt new Bylaws may be limited by the Articles of Incorporation; by adoption of an amendment to the Articles of Incorporation, or by an amendment to the Bylaws adopted by the holder of the Class A Common Stock which reserves such authority in whole or in part to said shareholder with respect to a particular Bylaw.

5. Gender. The masculine gender is used in these Bylaws as a matter of convenience only and shall be interpreted to include the feminine gender as the circumstances indicate.

6. Definitions. Terms not otherwise defined in these Bylaws shall have the meanings set forth in the Act.

7. Conflicts. In the event of any irreconcilable conflict between these Bylaws and either the Articles of Incorporation or the Act, the Articles of Incorporation shall control; provided that, if there is any irreconcilable conflict between the Articles of Incorporation and the Act, then the Act shall control.

The foregoing Bylaws of Adolph Coors Company, consisting of 28 pages, amended and restated as of May 11, 2000, were approved and adopted by the Board of Directors on this 11th day of May 2000.

*By /s/ M. Caroline Turner
Vice President and Secretary*

End of Filing

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