MOLSON COORS BREWING CO

FORM S-3/A

(Securities Registration Statement (simplified form))

Filed 10/27/2000

Address	P.O. BOX 4030, MAIL #NH375
	GOLDEN, Colorado 80401
Telephone	303-277-3271
CIK	0000024545
Industry	Beverages (Alcoholic)
Sector	Consumer/Non-Cyclical
Fiscal Year	12/28

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 27, 2000

REGISTRATION STATEMENT NO. 333-48194

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-3

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

ADOLPH COORS COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

COLORADO	84-0178360
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

311 10TH STREET
P.O. BOX 4030
GOLDEN, COLORADO 80401-0030
(303) 279-6565

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING
AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

M. CAROLINE TURNER
GENERAL COUNSEL
ADOLPH COORS COMPANY
311 10TH STREET
P.O. BOX 4030
GOLDEN, COLORADO 80401-0030
(303) 279-6565
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES OF ALL COMMUNICATIONS, INCLUDING ALL COMMUNICATIONS SENT TO THE AGENT FOR SERVICE, SHOULD BE SENT TO:

DONALD SALCITO, ESQ.	JEFFREY SMALL, ESQ.
PERKINS COIE LLP	DAVIS POLK & WARDWELL
1899 WYNKOOP STREET, SUITE 700	450 LEXINGTON AVENUE
DENVER, CO 80202-1043	NEW YORK, NY 10017
(303) 291-2322	(212) 450-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as

practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF SHARES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Class B Common Stock (Non-Voting), without par value.....	4,600,000 shares	$64.69	$297,574,000	$78,559.54(2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c). The price represents the average of the high and low prices per share of the Class B Common Stock (Non-Voting) of Adolph Coors Company as reported on the New York Stock Exchange on October 16, 2000.

(2) Previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SEC, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SHAREHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND THE SELLING SHAREHOLDERS ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS (Subject to Completion)

Issued October 27, 2000

4,000,000 Shares

[COORS LOGO]

ADOLPH COORS COMPANY

CLASS B COMMON STOCK (Non-Voting)

THE SELLING SHAREHOLDERS ARE OFFERING ALL OF THE SHARES. ADOLPH COORS COMPANY WILL NOT RECEIVE ANY PROCEEDS FROM THE SALE OF THE SHARES. OUR CLASS B COMMON STOCK, INCLUDING ALL OF THE SHARES OFFERED, IS NON-VOTING. ALL OF OUR VOTING STOCK IS OWNED BY THE ADOLPH COORS, JR. TRUST.

OUR CLASS B COMMON STOCK IS LISTED ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "RKY." ON OCTOBER 25, 2000, THE LAST REPORTED SALE PRICE OF THE CLASS B COMMON STOCK WAS $60 1/16 PER SHARE.

INVESTING IN OUR CLASS B COMMON STOCK INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 5.

PRICE $ A SHARE

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO SELLING SHAREHOLDERS
Per Share	$	$	$
Total	$	$	$

The selling shareholders have granted the underwriters the right to purchase up to an additional 600,000 shares of Class B common stock to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on , 2000.

MORGAN STANLEY DEAN WITTER

GOLDMAN, SACHS & CO.

J.P. MORGAN & CO.

BANC OF AMERICA SECURITIES LLC

, 2000

[ARTWORK OF COORS PRODUCT]

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN THIS PROSPECTUS. THE SELLING SHAREHOLDERS ARE OFFERING TO SELL, AND SEEKING OFFERS TO BUY, SHARES OF CLASS B COMMON STOCK ONLY IN JURISDICTIONS WHERE OFFERS AND SALES ARE PERMITTED. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE OF THIS PROSPECTUS, REGARDLESS OF THE TIME OF DELIVERY OF THIS PROSPECTUS OR OF ANY SALE OF CLASS B COMMON STOCK.

Unless we indicate otherwise, all information in this prospectus assumes that the underwriters do not exercise their over-allotment option.

We own or license all of our trademarks for all of our brands, including Coors Light(R), Original Coors(R), Coors(R) Non-Alcoholic, Coors Extra Gold(R), Zima(R), Winterfest(R), George Killian's(R) Irish Red(TM), Keystone(R) and Blue Moon(TM). This prospectus also contains trademarks and trade names of other companies.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information about us and the Class B common stock being sold in this offering and our consolidated financial statements and notes thereto appearing elsewhere in this prospectus.

ADOLPH COORS COMPANY

We are the third largest producer of beer in the United States. Our product portfolio includes 12 brands, including Coors Light, which is our top-selling brand. Coors Light is the fourth most popular beer in the United States and has increased its market share over each of the past five years. Our sales are concentrated in the light beer segment, which grew from 36.2% of the U.S. market in 1995 to 42.3% in 1999. During that same period, while overall industry shipments increased an average of less than one percent, our net sales grew at a compounded annual rate of 5.0% and our net income grew at a compounded annual rate of 20.9%. In 1999, we sold approximately 22 million barrels of malt-based beverages, and our Canadian joint venture sold an additional one million barrels.

Since our founding in 1873, we have been committed to producing the highest quality beers. We produce our beers using the finest available, all natural ingredients, including our own proprietary strains of barley. In addition, we brew our beers using a process that takes significantly longer than our primary competitors' in order to create what we believe is a smoother, better tasting and more drinkable beer.

During 1999, 198.6 million barrels of beer were shipped in the United States. Total shipments in 1999 reflect an increase of approximately 1.5% from the 195.6 million barrels shipped during 1998. Total shipments in the light beer segment during 1999 were 82.4 million barrels, representing an increase of approximately 6.0% over 1998's total of 77.7 million barrels. We believe that growth in the light beer segment can largely be attributed to consumer preference shifts from heavier beers toward lighter, more drinkable beers. Other trends that we believe have affected the industry and may have an impact in the future include:

- an improved pricing environment;

- an increasing population in the key demographic category; and

- continued industry consolidation internationally and among domestic wholesalers.

Our portfolio of brands is designed to appeal to a wide range of consumer taste, style and price preferences. Our focus is on products that are priced in the premium and above premium segments, which together accounted for over 85% of our sales in 1999. Our premium beers include Coors Light, Original Coors and Coors Non-Alcoholic. We also offer a selection of above premium beers including George Killian's Irish Red Lager, Blue Moon Belgian White Ale and Winterfest, a specialty beer offered seasonally. In addition, we offer Zima and Zima Citrus, alternative malt-based beverages that are light and refreshing. We also compete in the lower priced segment of the beer market, called the popular priced segment, with Coors Extra Gold and our Keystone family of beers -- Keystone Premium, Keystone Light and Keystone Ice.

Our goal is to continue growing our business and increasing our profitability, both domestically and internationally, by focusing on the following six key strategies:

- produce the highest quality products;

- focus on high-growth, high-margin segments;

- invest in high-potential markets and brands;

- improve our wholesale distribution network;

- build organizational excellence and improve our cost structure and efficiencies; and

- pursue strategic opportunities.

Our primary production facilities are in Golden, Colorado. We also own a packaging and brewing facility in Memphis, Tennessee and a packaging facility in the Shenandoah Valley in Virginia. We own 50.1% of Coors Canada, our joint venture with Molson Inc. Coors Canada produces Coors Light for distribution throughout Canada. Coors Light is the top selling light beer and the fourth best-selling beer overall in Canada.

Our principal executive offices are located at Coors Brewing Company, 311 10th Street, Golden, Colorado 80401-0030 and our telephone number is (303) 279-6565.

RECENT DEVELOPMENTS

Capital Expenditures. On October 19, 2000, we announced an updated capital expenditures plan for 2000 in the range of $145 million to $155 million. We also announced a preliminary capital spending plan in the range of $200 million to $240 million for 2001. This level of capital spending represents a significant increase over recent years. All of the increase in capital expenditures over recent years is related to our need to add capacity to meet growing demand for our products. These capital expenditures will address capacity constraints and are an important part of our long-term plan to increase productivity and lower our costs. Some of these capital expenditures will provide a foundation for future capacity additions and, as a result, we expect our capital expenditures in 2002 to be lower than 2001 capital expenditures.

Expanded Molson Relationship. On October 25, 2000, we signed a letter of intent with Molson Inc. to form a joint venture to import, market, sell and distribute Molson's brands of beer in the U.S. Under the proposed agreement, the joint venture will obtain the exclusive rights to Molson brands currently imported into the U.S., including Molson Canadian, Molson Golden, Molson Ice and any Molson brands that may be developed in the future for import into the U.S. Under the proposed agreement, all of these products will be brewed and packaged by Molson in Canada and imported by the joint venture into the U.S. We expect to pay Molson approximately $65 million and to receive a 49.9% interest in the joint venture. We believe we will finalize a definitive agreement by December 31, 2000.

In addition, we signed a letter of intent with Molson for a brewing and packaging arrangement under which we will have access to some of Molson's available production capacity in Canada. We expect that the initial brand that will be brewed under this arrangement will be Keystone Light. The Molson capacity available to us under this arrangement is expected to reach an annual contract brewing rate of up to 700,000 barrels over the next few years. Although we believe this arrangement will help us meet a portion of the growing U.S. demand for our products, we do not expect that it will alter our near-term capacity expansion plans.

THE OFFERING

Class B common stock offered by the selling shareholders	4,000,000 shares
Class B common stock outstanding	35,710,162 shares
Class A common stock outstanding	1,260,000 shares
Total Class A and Class B common stock outstanding	36,970,162 shares
Use of proceeds	We will not receive any proceeds from the sale of the shares in this offering.
New York Stock Exchange symbol	RKY

The number of shares of Class B common stock outstanding is based on the number of shares outstanding as of October 5, 2000. This number does not include:

- options, having a weighted average exercise price of $43.26 per share, outstanding to purchase 3,186,027 shares of Class B common stock under our 1990 Equity Incentive Plan, of which 1,271,837 options are vested;
- an additional 29,296 shares of our Class B common stock that we have reserved for grant under our 1991 Equity Compensation Plan for Non-Employee Directors; and
- 83,707 shares of Class B common stock issuable under our 1995 Supplemental Compensation Plan.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE DATA)

Our fiscal year is the 52 or 53 weeks that end on the last Sunday in December. Fiscal 1995 was a 53 week fiscal year; all other years presented are 52 week fiscal years.

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED DECEMBER				
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999	1999	1998	1997	1996	1995
	(UNAUDITED)		(IN THOUSANDS, EXCEPT PER SHARE DATA)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:							
Net sales	$1,681,876	$1,559,455	$2,056,646	$1,899,533	$1,821,304	$1,741,835	$1,690,701
Operating income	138,481	125,309	141,983	103,819	147,393	80,774	80,378
Net income	97,655	80,048	92,284	67,784	82,260	43,425	43,178
Net income per common share:							
Basic	$ 2.66	$ 2.18	$ 2.51	$ 1.87	$ 2.21	$ 1.14	$ 1.13
Diluted	2.61	2.14	2.46	1.81	2.16	1.14	1.13
Weighted average number of shares outstanding:							
Basic	36,745	36,714	36,729	36,312	37,218	37,966	38,164
Diluted	37,371	37,472	37,457	37,515	38,056	38,219	38,283
Dividends per share	$ 0.535	$ 0.480	$ 0.645	$ 0.600	$ 0.550	$ 0.500	$ 0.500

	AS OF	AS OF DECEMBER	
	SEPTEMBER 24, 2000	1999	1998
	(UNAUDITED)	(IN THOUSANDS)	
CONSOLIDATED BALANCE SHEET DATA:			
Cash and cash equivalents and short-term and long-term marketable securities	$ 355,915	$ 279,883	$ 287,672
Working capital	122,977	220,117	165,079
Properties, at cost and net	700,776	714,001	714,441
Total assets	1,627,243	1,546,376	1,460,598
Long-term debt	105,000	105,000	105,000
Other long-term liabilities	124,741	128,400	131,109
Total shareholders' equity	916,632	841,539	774,798

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED DECEMBER				
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999	1999	1998	1997	1996	1995
	(UNAUDITED)		(IN THOUSANDS, EXCEPT PER SHARE DATA)				
OTHER INFORMATION:							
Barrels of malt beverages sold	17,452	16,669	21,954	21,187	20,581	20,045	20,312
Capital expenditures	$87,709	$100,629	$134,377*	$104,505	$ 60,373	$ 65,112	$157,599
Depreciation, depletion and amortization	95,990	92,306	123,770	115,815	117,166	121,121	122,830
Operating income as a percentage of net sales	8.2%	8.0%	6.9%	5.5%	8.1%	4.6%	4.8%
Total debt to total capitalization	10.3%	11.1%	11.1%	15.8%	19.0%	21.2%	24.9%

* Includes approximately $10.0 million for the acquisition of distribution rights for certain non-Coors brands.

RISK FACTORS

You should consider carefully the risks described below before you decide to buy the Class B common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition or results of operations would likely suffer. In that case, the trading price of our Class B common stock could fall, and you could lose all or part of the money you paid to buy the Class B common stock.

OUR SUCCESS DEPENDS LARGELY ON THE SUCCESS OF ONE PRODUCT, THE FAILURE OF WHICH WOULD MATERIALLY ADVERSELY AFFECT OUR FINANCIAL RESULTS.

Although we currently have 12 products in our portfolio, Coors Light represented more than 70% of our sales volume for 1999. A key factor in our growth is based on consumer taste preferences that are beyond our control. Our primary competitors' portfolios are more evenly diversified than ours. As a consequence, if consumer tastes shift to another style of beer, the loss of sales from Coors Light would have a disproportionately negative impact on our business compared to the business of our principal competitors. We cannot assure you that the Coors Light brand will maintain market share or continue to grow.

BECAUSE OUR PRIMARY PRODUCTION FACILITIES ARE LOCATED AT A SINGLE SITE, WE ARE MORE VULNERABLE THAN OUR COMPETITORS TO TRANSPORTATION DISRUPTIONS AND NATURAL DISASTERS.

Our primary production facilities are located in Golden, Colorado, where we brew more than 90% of our volume and package approximately 60% of our products sold. Our centralized operations require us to ship our products greater distances than our competitors. We ship approximately 66% of our products by truck and intermodal directly to distributors and satellite redistribution centers. The remaining 34% of our products are transported by railcar to distributors and satellite redistribution centers. If our transportation system is disrupted as a result of labor strikes, work stoppages, or for any other reason, our business and financial results would be negatively impacted.

In addition, because our operations are centralized, we would experience proportionally greater disruption and losses than our competitors if our facilities were damaged by natural disasters or other catastrophes.

WE ARE SIGNIFICANTLY SMALLER THAN OUR TWO PRIMARY COMPETITORS, AND WE ARE MORE VULNERABLE THAN OUR COMPETITORS TO COST AND PRICE FLUCTUATIONS.

The beer industry is highly competitive. At the retail level, we compete on the bases of quality, taste, advertising, price, packaging innovation and retail execution by our distributors. Competition in our various markets could cause us to reduce pricing, increase capital and other expenditures or lose market share, any of which could have a material adverse effect on our business and financial results.

We compete primarily with Anheuser-Busch Companies, Inc. and Miller Brewing Co., the top two brewers in the United States. Both of our primary competitors have substantially greater financial, marketing, production, distribution and other resources than we have. As a consequence, we face significant competitive disadvantages related to their greater economies of scale. To remain competitive, we must spend substantially more per barrel on advertising due to our smaller scale. In addition, we are subject to being outspent by our competitors in advertising, promotions and sponsorships. Aggressive marketing campaigns by our competitors could require us to spend additional amounts on marketing or cause us to lose market share, which would adversely affect our profit margins.

The concentration of our operations at one location contributes to higher costs per barrel than our primary competitors due to a number of factors. These factors include, but are not limited to, higher transportation costs and the need to maintain satellite redistribution centers. Our primary competitors have multiple geographically dispersed breweries and packaging facilities. Therefore, they have lower transportation costs and less need for satellite redistribution centers. As a result of our higher costs per barrel and resulting lower margins, we are more vulnerable to cost and price fluctuations than our major competitors. Any significant increase in costs, such as fuel or packaging costs, or significant decrease in prices that we can charge for our

products, would have a disproportionately material adverse effect on our business, operations and financial condition.

WE ARE VULNERABLE TO THE PRICING ACTIONS OF OUR PRIMARY COMPETITORS, WHICH ARE BEYOND OUR CONTROL.

An improved pricing environment over the past two years has allowed us to take moderate, consistent increases in beer prices. These pricing increases have contributed to our improved profitability. The market may not continue to accept price increases, and our competitors may move away from price increases and implement competitive strategies that involve price discounting. If our primary competitors reduce prices, we will have to respond or risk losing market share. Any material negative change in the current pricing environment could have a material adverse affect on our results of operations.

THE CLASS B COMMON STOCK OFFERED BY THIS PROSPECTUS IS NON-VOTING STOCK, AND WE ARE CONTROLLED BY THE COORS FAMILY.

Our Class A common stock, which is held entirely by the Adolph Coors, Jr. Trust, is our only class of voting stock. Our Class B common stock is non-voting stock. Holders of the Class B common stock vote only on certain limited matters. Consequently, investors in the shares of Class B common stock will not be entitled to vote on many matters requiring general shareholder approval. In addition, because the Adolph Coors, Jr. Trust owns 100% of our voting stock, it controls the election of our board of directors. The trust can prevent a change of control or other actions that might be beneficial to you. You should read the information in "Description of Capital Stock" for a more detailed description of these voting rights.

IF DEMAND FOR OUR PRODUCTS CONTINUES TO GROW AT CURRENT RATES, WE MAY LACK THE CAPACITY NEEDED TO MEET DEMAND OR WE MAY BE REQUIRED TO INCREASE OUR CAPITAL SPENDING SIGNIFICANTLY.

Because of the increased demand for our products, our brewing and packaging operations are running at almost full capacity. Our primary facilities will need capital improvements to allow increases in their capacity. Although we have already made improvements to increase our production and distribution efficiency, and we plan to make capital expenditures to increase capacity, these steps may not be sufficient to meet demand. New capacity additions can be costly and, in their start-up phase, inefficient. In addition, our currently planned capital improvements may not be sufficient to meet our capacity needs for the foreseeable future or may not be implemented quickly enough to meet growing demand. Moreover, if we make significant capital expenditures to increase capacity and demand does not increase as we expect, these expenditures would adversely affect our profitability and return on capital.

IF ANY OF OUR SUPPLIERS ARE UNABLE OR UNWILLING TO MEET OUR REQUIREMENTS, WE MAY BE UNABLE TO PROMPTLY OBTAIN THE MATERIALS WE NEED TO OPERATE OUR BUSINESS.

We purchase most of our paperboard and label packaging from Graphic Packaging Corporation. As part of our corporate reorganization in 1992, we spun off Graphic Packaging to our shareholders. William K. Coors and Peter H. Coors serve, along with other Coors family members, as co-trustees of a number of Coors family trusts which collectively control both Graphic Packaging and us. Graphic Packaging supplies unique packaging to us that is not currently produced by any other supplier. Our agreement with Graphic Packaging expires in 2002, and provides for a three year extension to be negotiated by December 31, 2000. Because we do not believe there is another readily available source for this packaging, the loss of Graphic Packaging as our supplier without sufficient time to develop an alternative source for our packaging requirements, or a significant increase in prices charged by Graphic Packaging, would likely have a material adverse effect on our business. You should read "Related Party Transactions" for more information regarding Graphic Packaging.

We are dependent on our suppliers for all of the raw materials used in our products as well as for all packaging materials. We currently purchase nearly all of our aluminum cans from our joint venture with American National Can Company and more than half of our glass bottles from our joint venture with Owens-Brockway Glass Container, Inc. Illinois. We also have agreements to purchase substantially all of our remaining can and bottle needs from these joint venture partners. We are currently in negotiations with

American National regarding the terms of a new joint venture agreement, as the current joint venture terminates in October 2001. If we are unable to reach a satisfactory agreement with American National or an alternative supplier prior to October 2001, we may have difficulty obtaining adequate supplies of certain sizes of cans.

As with most agricultural products, the supply and price of raw materials used to produce our products can be affected by a number of factors beyond our control, including frosts, droughts, other weather conditions, economic factors affecting growing decisions, various plant diseases and pests. To the extent that any of the foregoing affects the ingredients we use to produce our products, our results of operations could be materially and adversely affected.

THE GOVERNMENT MAY ADOPT REGULATIONS THAT COULD INCREASE OUR COSTS OR OUR LIABILITIES OR COULD LIMIT OUR BUSINESS ACTIVITIES.

Our business is highly regulated by federal, state and local government entities. These regulations govern many parts of our operations, including brewing, marketing and advertising, transportation, distributor relationships, sales and environmental issues. We cannot assure you that we have been or will at all times be in compliance with all regulatory requirements or that we will not incur material costs or liabilities in connection with regulatory requirements. The domestic beer industry could be subjected to changes or additions to governmental regulations. For example, we could face new labeling or packaging requirements or restrictions on advertising and promotions that could adversely affect the sale of our products.

Governmental entities also levy taxes and may require bonds to ensure compliance with applicable laws and regulations. Congress and state legislatures from time to time consider various proposals to impose additional excise taxes on the production and sale of alcoholic beverages, including beer. The last significant increase in federal excise taxes on beer was in 1991 when Congress doubled federal excise taxes on beer. We cannot assure you that the operations of our breweries and other facilities will not become subject to increased taxation by federal or state authorities. Any significant increases could have a materially adverse impact on our financial results.

IF THE SOCIAL ACCEPTABILITY OF OUR PRODUCTS DECLINES, OR IF LITIGATION IS DIRECTED AT THE ALCOHOLIC BEVERAGE INDUSTRY, OUR SALES VOLUMES COULD DECREASE AND OUR BUSINESS COULD BE MATERIALLY ADVERSELY AFFECTED.

In recent years, there has been increased social and political attention directed to the alcoholic beverage industry. We believe this attention is the result of public concern over alcohol-related problems, including drunk driving, underage drinking and health consequences from the misuse of alcohol. If the social acceptability of beer were to decline significantly, sales of our products could materially decrease. Similarly, recent litigation against the tobacco industry has directed increased attention to the alcoholic beverage industry. If the industry were to become involved in litigation similar to that of the tobacco industry, our business could be materially adversely affected.

ANY SIGNIFICANT SHIFT IN PACKAGING PREFERENCES IN THE BEER INDUSTRY COULD DISPROPORTIONATELY INCREASE OUR COSTS AND COULD LIMIT OUR ABILITY TO MEET CONSUMER DEMAND.

Any significant shift in packaging preferences by retailers and consumers could disproportionately increase our costs and may affect our ability to meet consumer demand, which could have a material adverse effect on our results of operations. Reconfiguring our packaging facilities to produce different types or amounts of packaging than we currently produce would likely increase our costs. In addition, we may not be able to complete any necessary changes quickly enough to keep pace with shifting consumer preferences. Our primary competitors are larger and may be better able to accommodate a packaging preference shift. If we are not able to respond quickly to a packaging preference shift, our sales and market share could decline.

WE DEPEND ON INDEPENDENT DISTRIBUTORS TO SELL OUR PRODUCTS AND WE CANNOT PROVIDE ANY ASSURANCE THAT THESE DISTRIBUTORS WILL EFFECTIVELY SELL OUR PRODUCTS.

We sell all of our products to wholesale distributors for resale to retail outlets. We are highly dependent on independently-owned distributors. Distributors that we own account for less than 5% of our total domestic volume. Some of our distributors are at a competitive disadvantage because they are significantly smaller than the largest distributors in their markets. Our distributors also sell products that compete with our products. We cannot control or provide any assurance that these distributors will not give our competitors' products higher priority, thereby reducing their efforts to sell our products. Moreover, we believe our largest competitor has exclusive selling relationships with distributors accounting for most of its volume, providing it with a significant competitive advantage. In addition, the regulatory environment of many states makes it very difficult to change distributors. In most cases, poor performance by a distributor is not grounds for replacement. Consequently, if we are not allowed or are unable to replace unproductive or inefficient distributors, our business, financial position, and results of operations may be adversely affected.

BECAUSE OUR SALES VOLUME IS MORE CONCENTRATED IN A FEW GEOGRAPHIC AREAS IN THE UNITED STATES, ANY LOSS OF MARKET SHARE IN THE STATES WHERE WE ARE CONCENTRATED WOULD HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

Although we sell beer nationwide and in select international markets, only a few states, California, Texas, Pennsylvania, New York and New Jersey, together represented 47% of our domestic volume in 1999. We have relatively low market share in the Midwest and Southeast regions of the U.S. Any loss of market share in our core states could have a material adverse effect on our results of operations.

BECAUSE WE LACK A SIGNIFICANT PRESENCE IN INTERNATIONAL MARKETS, WE ARE DEPENDENT ON THE UNITED STATES MARKET.

Although our international sales are increasing and we intend to pursue international growth opportunities, only a small portion of our reported volume is from exports to international markets. We have had limited success in foreign markets outside of North America. If we are not able to develop these markets and expand sales of our products internationally, we will remain dependent on the United States market. As a result, we will lack access to international opportunities that would support our ability to compete and grow in the U.S.

WE ARE SUBJECT TO ENVIRONMENTAL REGULATION BY FEDERAL, STATE AND LOCAL AGENCIES, INCLUDING LAWS THAT IMPOSE LIABILITY WITHOUT REGARD TO FAULT.

Our operations are subject to federal, state, local, and foreign environmental laws and regulations regarding, among other things, the generation, use, storage, disposal, emission, release and remediation of hazardous and nonhazardous substances, materials or wastes as well as the health and safety of our employees. Under certain of these laws, namely the Comprehensive Environmental Response, Compensation and Liability Act and its state counterparts, we could be held liable for investigation and remediation of hazardous substance contamination at our currently or formerly owned or operated facilities or at third-party waste disposal sites, as well as for any personal or property damage arising out of such contamination regardless of fault. From time to time, we have been notified that we are or may be a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act. Although we believe that none of the sites in which we are currently involved will materially affect our business, financial condition or results of operations, we cannot predict with certainty the total costs of cleanup, our share of the total costs, the extent to which contributions will be available from other parties, the amount of time necessary to complete the cleanups or insurance coverage. In addition, we could be named a potentially responsible party at sites in the future and the costs associated with such future sites may be material. You should read "Business -- Environmental Matters" for a more detailed discussion of these matters.

Environmental laws and regulations are complex and change frequently. While we have budgeted for future capital and operating expenditures to maintain compliance with these environmental laws and regulations, we cannot assure you that we will not incur any environmental liability or that these environmental laws and regulations will not change or become more stringent in the future in a manner that could have a material adverse effect on our business, financial condition or results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

Some of the information in this prospectus and in the documents that we incorporate by reference into this prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these statements by forward-looking words such as "expect," "anticipate," "plan," "believe," "seek," "estimate," "internal," "outlook," "trends," "industry forces," "strategies," "goals" and similar words. Statements that we make in this prospectus and in the documents that we incorporate by reference into this prospectus that are not statements of historical fact may also be forward-looking statements. In particular, statements that we make in the "Prospectus Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" relating to our overall volume trends, pricing trends and industry forces, cost reduction strategies and anticipated results, our expectation for funding capital expenditures and operations, and our shipment level and profitability, increased market share and the sufficiency of capital to meet working capital, capital expenditures requirements, and our strategies are forward-looking statements. Forward-looking statements are not guarantees of our future performance and involve risks, uncertainties and assumptions that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. There may be events in the future that we are not able to predict accurately, or over which we have no control. You should not place undue reliance on forward looking statements. We do not promise to notify you if we learn that our assumptions or projections are wrong for any reason. Before you purchase the Class B common stock offered by this prospectus, you should be aware that the factors we discuss in "Risk Factors" and elsewhere in this prospectus could cause our actual results to differ from any forward-looking statements.

This prospectus contains industry data related to our business and the brewing industry. This industry data includes projections that are based on a number of assumptions. If these assumptions turn out to be incorrect, actual results may differ from the projections based on these assumptions.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the Class B common stock by the selling shareholders.

PRICE RANGE OF CLASS B COMMON STOCK AND DIVIDEND POLICY

Our Class B common stock has traded on the New York Stock Exchange since March 11, 1999 under the symbol "RKY" and prior to that was quoted on the NASDAQ National Market under the symbol "ACCOB." The following table sets forth the high and low sales prices per share of our Class B common stock as reported by the New York Stock Exchange, for the periods after March 10, 1999, and as reported on the NASDAQ National Market, for the periods prior to March 11, 1999:

	STOCK PRICES		DIVIDENDS PER COMMON SHARE
	HIGH	LOW	
FISCAL YEAR 1998			
First Quarter	$36 3/4	$29 1/4	$0.150
Second Quarter	39 1/2	32 3/4	0.150
Third Quarter	56 1/2	34	0.150
Fourth Quarter	55 1/2	43 1/4	0.150
FISCAL YEAR 1999			
First Quarter	$65 13/16	$51 11/16	$0.150
Second Quarter	59 3/16	45 1/4	0.165
Third Quarter	61	48 1/4	0.165
Fourth Quarter	57 11/16	47 15/16	0.165
FISCAL YEAR 2000			
First Quarter	$53 3/4	$37 3/8	$0.165
Second Quarter	66 1/2	42 7/16	0.185
Third Quarter	67 5/8	57 1/8	0.185
Fourth Quarter (through October 25, 2000)	68 3/8	59 15/16	--

On October 25, 2000, the last reported sales price for our Class B common stock as reported by the New York Stock Exchange was $60 1/16. Dividends are considered quarterly by our board of directors and may be paid only when approved by our board. The dividend for the fourth quarter of fiscal year 2000 will be announced on or around November 16, 2000.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the selected historical consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and related notes included herein. The selected historical consolidated financial data for the fiscal years ended and as of December 1999, 1998, 1997, 1996 and 1995 have been derived from our consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, independent accountants. The selected historical consolidated financial data for the thirty-nine weeks ended and as of September 24, 2000 and September 26, 1999 have been derived from our unaudited consolidated financial statements, which have been prepared on a basis substantially consistent with the audited consolidated financial statements and which, in our opinion, include all adjustments, consisting only of normal recurring adjustments and accruals, necessary for a fair presentation of the financial position and results of operations for these periods. The results of operations for the thirty-nine week period ended September 24, 2000, are not necessarily indicative of future results. Our fiscal year is the 52 or 53 weeks that end on the last Sunday in December. Fiscal 1995 was a 53 week fiscal year; all other years presented are 52 week fiscal years.

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED DECEMBER				
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999	1999	1998	1997	1996	1995
	(UNAUDITED)		(IN THOUSANDS, EXCEPT PER SHARE DATA)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:							
Net sales	$1,681,876	$1,559,455	$ 2,056,646	$ 1,899,533	$1,821,304	$ 1,741,835	$ 1,690,701
Cost of goods sold	(994,361)	(908,140)	(1,215,965)	(1,160,693)	(1,131,610)	(1,131,470)	(1,106,635)
Gross profit	687,515	651,315	840,681	738,840	689,694	610,365	584,066
Other operating expenses:							
Marketing, general and administrative	(538,974)	(520,301)	(692,993)	(615,626)	(573,818)	(523,250)	(518,888)
Special (charges) credits	(10,060)	(5,705)	(5,705)	(19,395)	31,517	(6,341)	15,200
Total other operating expenses	(549,034)	(526,006)	(698,698)	(635,021)	(542,301)	(529,591)	(503,688)
Operating income	138,481	125,309	141,983	103,819	147,393	80,774	80,378
Other income (expense)--net	11,735	5,382	8,684	7,281	(500)	(5,799)	(7,100)
Income before income taxes	150,216	130,691	150,667	111,100	146,893	74,975	73,278
Income tax expense	(52,561)	(50,643)	(58,383)	(43,316)	(64,633)	(31,550)	(30,100)
Net income	$ 97,655	$ 80,048	$ 92,284	$ 67,784	$ 82,260	$ 43,425	$ 43,178
Net income per common share:							
Basic	$ 2.66	$ 2.18	$ 2.51	$ 1.87	$ 2.21	$ 1.14	$ 1.13
Diluted	$ 2.61	$ 2.14	2.46	1.81	2.16	1.14	1.13
Weighted average number of shares outstanding:							
Basic	36,745	36,714	36,729	36,312	37,218	37,966	38,164
Diluted	37,371	37,472	37,457	37,515	38,056	38,219	38,283

	AS OF		AS OF DECEMBER				
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999	1999	1998	1997	1996	1995
	(UNAUDITED)		(IN THOUSANDS)				
CONSOLIDATED BALANCE SHEET DATA:							
Cash and cash equivalents and short-term and long-term marketable securities	$ 355,915	$ 266,654	$ 279,883	$ 287,672	$ 258,138	$ 116,863	$ 32,386
Working capital	122,977	202,947	220,117	165,079	158,048	124,194	36,530
Properties, at cost and net	700,776	712,627	714,001	714,441	733,117	814,102	887,409
Total assets	1,627,243	1,549,446	1,546,376	1,460,598	1,412,083	1,362,536	1,384,530
Long-term debt	105,000	105,000	105,000	105,000	145,000	176,000	195,000
Other long-term liabilities	124,741	129,080	128,400	131,109	95,150	102,518	103,262
Total shareholders' equity	916,632	839,833	841,539	774,798	736,568	715,487	695,016

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED DECEMBER				
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999	1999	1998	1997	1996	1995
	(UNAUDITED)		(IN THOUSANDS, EXCEPT PER SHARE DATA)				
OTHER INFORMATION:							
Barrels of malt beverages sold	17,452	16,669	21,954	21,187	20,581	20,045	20,312
Capital expenditures	$87,709	$100,629	$134,377*	$104,505	$ 60,373	$ 65,112	$157,599
Depreciation, depletion and amortization	95,990	92,306	123,770	115,815	117,166	121,121	122,830
Operating income as a percentage of net sales	8.2%	8.0%	6.9%	5.5%	8.1%	4.6%	4.8%
Total debt to total capitalization	10.3%	11.1%	11.1%	15.8%	19.0%	21.2%	24.9%

* Includes approximately $10.0 million for the acquisition of distribution rights for certain non-Coors brands.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the consolidated financial statements and notes thereto appearing elsewhere in this prospectus. This prospectus contains forward-looking statements that may involve risks and uncertainties. Actual results may differ materially from those indicated in such forward-looking statements.

OVERVIEW

We are the third largest producer of beer in the United States. Our product portfolio includes 12 brands, including Coors Light, which is our top-selling brand. Coors Light is the fourth most popular brand in the United States and has increased its market share over each of the past five years. Our sales are concentrated in the light beer segment, which grew from 36.2% of the U.S. market in 1995 to 42.3% in 1999. We own 50.1% of Coors Canada, our joint venture with Molson Inc. Coors Canada produces Coors Light for distribution throughout Canada.

This discussion summarizes the significant factors affecting our consolidated results of operations, liquidity and capital resources for the thirty-nine weeks ended September 24, 2000 and the three-year period ended December 26, 1999. Our fiscal year is the 52 or 53 weeks that end on the last Sunday in December. Our fiscal year 2000 will consist of 53 weeks. Our 1999, 1998 and 1997 fiscal years each consisted of 52 weeks.

RESULTS OF OPERATIONS

	THIRTY-NINE WEEKS ENDED				FISCAL YEAR ENDED DECEMBER					
	SEPTEMBER 24, 2000		SEPTEMBER 26, 1999		1999		1998		1997	
	(UNAUDITED)				(IN THOUSANDS, EXCEPT PERCENTAGES)					
CONSOLIDATED STATEMENT OF OPERATIONS DATA:										
Net sales	$1,681,876	100%	$1,559,455	100%	$ 2,056,646	100%	$ 1,899,533	100%	$ 1,821,304	100%
Costs of goods sold	(994,361)	59%	(908,140)	58%	(1,215,965)	59%	(1,160,693)	61%	(1,131,610)	62%
Gross profit	687,515	41%	651,315	42%	840,681	41%	738,840	39%	689,694	38%
Other operating expenses:										
Marketing, general and administrative	(538,974)	32%	(520,301)	33%	(692,993)	34%	(615,626)	32%	(573,818)	32%
Special (charges) credits	(10,060)	1%	(5,705)	--	(5,705)	--	(19,395)	1%	31,517	2%
Total other operating expenses	(549,034)	33%	(526,006)	34%	(698,698)	34%	(635,021)	33%	(542,301)	30%
Operating income	138,481	8%	125,309	8%	141,983	7%	103,819	6%	147,393	8%
Other income (expense)	11,735	1%	5,382	--	8,684	--	7,281	--	(500)	--
Income before taxes	150,216	9%	130,691	8%	150,667	7%	111,100	6%	146,893	8%
Income tax expense	(52,561)	3%	(50,643)	3%	(58,383)	3%	(43,316)	2%	(64,633)	4%
Net income	$ 97,655	6%	$ 80,048	5%	$ 92,284	5%	$ 67,784	4%	$ 82,260	5%

THE THIRTY-NINE WEEKS ENDED SEPTEMBER 24, 2000 AS COMPARED TO THE

THIRTY-NINE WEEKS ENDED SEPTEMBER 26, 1999

We reported net sales of $1,681.9 million for the thirty-nine weeks ended September 24, 2000 compared to $1,559.5 million for the thirty-nine weeks ended September 26, 1999. This represents an increase of $122.4 million or 7.9% for the thirty-nine weeks ended September 24, 2000 over the comparable period in 1999. Net sales were impacted favorably by a unit volume increase of 4.7%. We sold 17,452,000 barrels of malt beverages year-to-date compared to sales of 16,669,000 barrels in the same period of 1999. Net sales

were also favorably impacted by improved revenues per barrel due to increased prices for our products, a continuing shift toward higher-net-revenue product sales and reduced domestic price discounting.

Cost of goods sold was $994.4 million for the thirty-nine weeks ended September 24, 2000 compared to $908.1 million for the thirty-nine weeks ended September 26, 1999. Cost of goods sold as a percentage of net sales was 59.1% for the thirty-nine weeks ended September 24, 2000 compared to 58.2% for the comparable period in 1999. The increase in cost of goods sold per barrel was primarily due to higher aluminum costs, an ongoing shift in product demand toward more expensive products and higher labor costs. Our labor costs were higher due to increased wages and increased production expense for overtime pay to meet higher-than-expected demand for our products.

Gross profit for the thirty-nine weeks ended September 24, 2000 was $687.5 million, an increase of 5.6% over the thirty-nine weeks ended September 26, 1999. As a percentage of net sales, gross profit decreased to 40.9% in the thirty-nine weeks ended September 24, 2000 from 41.8% for the comparable period in 1999.

Marketing, general and administrative expenses were $539.0 million for the thirty-nine week period ended September 24, 2000. This represents an increase of $18.7 million or 3.6% over the comparable period in 1999. Marketing, general and administrative expenses rose primarily due to higher spending on marketing and promotions, both domestically and internationally. These increases were partially offset by lower information technology expenses relating to year 2000 remediation and systems upgrades incurred during the first thirty-nine weeks of 2000 compared to the same period in 1999.

In the third quarter of 2000, we recorded a special credit of $5.4 million related to an insurance claim settlement. In addition to the third quarter credit, year-to-date special items include a $15.5 million charge taken in the second quarter of 2000 related to our decision to close our Spain brewery. We expect to pay the severance and other related costs from our current cash balances. We anticipate that the majority of these costs will be paid by January 2001. We expect to incur additional expenses related to this closure in the fourth quarter of 2000. These expenses are expected to be substantially less than the second quarter special charge. The decision to close our Spain brewery will eliminate its annual operating losses from our overall operating results. The anticipated payback period is less than three years. We plan to invest most of the annual savings of approximately $7.0 million to $8.0 million into our domestic and international businesses. We expect the savings from the closure to begin in fiscal 2001. In the third quarter of 1999, we recorded a special charge of $5.7 million related to restructuring our engineering and construction unit and facilitating distributor network improvements.

As a result of the factors noted above, operating income was $138.5 million for the thirty-nine weeks ended September 24, 2000, an increase of $13.2 million or 10.5% over the thirty-nine week period ended September 26, 1999. Excluding special charges, operating income for this period would have been $148.5 million compared to $131.0 million for the same period last year, representing a $17.5 million or 13.4% increase.

Net other income for the thirty-nine weeks ended September 24, 2000 was $11.7 million compared to $5.4 million for the comparable period in 1999. The significant increase for the thirty-nine week period ended September 24, 2000 is primarily due to higher average investment balances with higher average interest rates and lower average debt balances compared to the thirty-nine week period ended September 26, 1999.

Our effective tax rate for the thirty-nine weeks ended September 24, 2000 decreased to 35% compared to 38.75% for the comparable period in 1999. This decrease is mainly due to a tax benefit pertaining to the favorable settlement of certain tax issues related to the Spain brewery closure, the resolution of an Internal Revenue Service audit, and reduced state tax rates.

Net income for the thirty-nine weeks ended September 24, 2000 was $97.7 million, or $2.66 per basic share ($2.61 per diluted share). This compares to net income of $80.0 million, or $2.18 per basic share ($2.14 per diluted share) for the thirty-nine week period ended September 26, 1999. Excluding special items, net income for the thirty-nine weeks ended September 24, 2000 was $99.4 million or $2.70 per basic share ($2.66 per diluted). This compares to net income, excluding special charges, of $83.5 million or $2.28 per basic share ($2.23 per diluted) for the comparable period in 1999.

FISCAL 1999 AS COMPARED TO FISCAL 1998

We reported net sales of $2.1 billion for 1999, representing an 8.3% increase over 1998. Net sales were impacted favorably by a unit volume increase of 3.6%. Net sales per barrel for 1999 were also favorably impacted by improved gross realizations per barrel due to increased pricing, reduced domestic discounting and mix improvement toward higher net revenue product sales.

Cost of goods sold was $1.2 billion in 1999, which was a $55.3 million or 4.8% increase over 1998. Cost of goods sold per barrel increased due to a shift in product demand toward more expensive products and packages, including import beers sold by Coors-owned distributors, higher glass costs, as well as increased production and labor costs incurred in the packaging areas during the first quarter of 1999. These increases were partially offset by decreases primarily due to reduced aluminum material costs.

Gross profit increased 13.8% to $840.7 million from 1998 due to the 8.3% net sales increase coupled with a lower increase in cost of goods sold of 4.8%, both discussed above. As a percentage of net sales, gross profit in 1999 increased to 40.9% from 38.9% in 1998.

Marketing, general and administrative expenses increased to $693.0 million in 1999. Of the total $77.4 million or 12.6% increase, advertising costs increased $47.6 million over 1998 due to increased investments behind our core brands, both domestically and internationally. General and administrative expenses for our international business, as well as information and technology expenses, were also higher in 1999 compared to 1998.

During 1999, we recorded a $3.7 million pretax charge primarily for severance costs associated with restructuring the engineering and construction unit, and a $2.0 million pretax charge to facilitate improvements to our distributor network. These items resulted in a total special pretax charge of $5.7 million. During 1998, we recorded a $17.2 million pretax charge for severance and related costs of restructuring the production operations, and a $2.2 million pretax charge for the impairment of certain long-lived assets for one of our distributorships. These items resulted in a total special pretax charge of $19.4 million in 1998.

As a result of the factors noted above, operating income grew 36.8% to $142.0 million in 1999 from $103.8 million in 1998. Excluding special charges, operating income rose 19.9% to $147.7 million in 1999 from $123.2 million in 1998.

Net other income of $8.7 million in 1999 increased from $7.3 million in 1998. This $1.4 million increase is primarily due to reductions in net interest expense. The decrease in net interest expense in 1999 from 1998 was attributable to an increase in capitalized interest due to higher capital spending and lower levels of debt.

Our effective tax rate decreased to 38.8% in 1999 from 39.0% in 1998 primarily due to higher tax-exempt income. The 1999 effective tax rate exceeded the statutory rate primarily because of state tax expense. Our effective tax rates for fiscal years 1999 and 1998 were not impacted by special charges.

Net income for 1999 was $92.3 million, or $2.51 per basic share ($2.46 per diluted share), compared to $67.8 million, or $1.87 per basic share ($1.81 per diluted share), for 1998, representing increases of 34.2% (basic) and 35.9% (diluted) in earnings per share. Excluding special charges, net earnings for 1999 were $95.8 million, or $2.61 per basic share ($2.56 per diluted share), compared to $79.6 million, or $2.19 per basic share ($2.12 per diluted share) for 1998.

FISCAL 1998 AS COMPARED TO FISCAL 1997

Net sales increased 4.3% over 1997, which was caused primarily by a unit volume increase of 2.9%. The increase in net sales was also attributable to increased export sales, which generate higher net revenue per barrel than domestic sales, and a modestly improved domestic pricing environment.

Cost of goods sold was $1.2 billion in 1998, an increase of $29.1 million, or 2.6%, over 1997. The increase in cost of goods sold was attributable to higher volumes and slightly higher costs for raw materials and certain packaging materials, partially offset by improved cost absorption due to higher beer production levels and lower aluminum costs.

Gross profit increased 7.1% to $738.8 million from $689.7 million in 1997. As a percentage of net sales, gross profit increased to 38.9% in 1998 from 37.9% in 1997.

Marketing, general and administrative expenses increased to $615.6 million in 1998 from $573.8 million in 1997. Of the total $41.8 million or 7.3% increase, advertising costs increased $35.8 million over 1997 due to increased investments behind the core brands both domestically and internationally. General and administrative costs increased primarily due to greater spending on Year 2000 system compliance work.

In 1998, we recorded a special charge of $19.4 million, as discussed above, while in 1997, we recorded a net special credit of $31.5 million. During 1997, we received a $71.5 million payment from Molson Breweries (Molson) to settle legal disputes, less approximately $3.2 million in related legal expenses. We also recorded a $22.4 million reserve related to the recoverability of our investment in Jinro-Coors Brewing Company of Korea, and a $14.4 million charge related to our brewery in Zaragoza, Spain, for the impairment of certain long-lived assets and goodwill and for severance costs for a limited work force reduction.

As a result of the factors noted above, operating income decreased 29.6% to $103.8 million in 1998 from $147.4 million in 1997. Excluding special items, operating income grew 6.3% to $123.2 million in 1998 from $115.9 million in 1997.

Net other income of $7.3 million in 1998 changed from a net expense position of $0.5 million in 1997. This $7.8 million change was primarily due to higher interest income resulting from higher cash balances, lower interest expense from lower debt balances and the sale of certain patents in the fourth quarter related to aluminum can decorating technologies.

Our effective tax rate decreased to 39.0% in 1998 from 44.0% in 1997 primarily due to higher tax-exempt income and lower state tax expense. The 1998 effective tax rate exceeded the statutory rate primarily because of state tax expense. Excluding special items, our effective tax rate decreased to 39.0% in 1998 from 40.8% in 1997.

Net income for 1998 was $67.8 million, or $1.87 per basic share ($1.81 per diluted share), compared to $82.3 million, or $2.21 per basic share ($2.16 per diluted share), in 1997, representing decreases of 15.4% (basic) and 16.2% (diluted) in earnings per share. Excluding special items, net earnings for 1998 were $79.6 million, or $2.19 per basic share ($2.12 per diluted share), compared to $68.3 million, or $1.84 per basic share ($1.80 per diluted share) in 1997.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash provided by operating activities, marketable securities and external borrowings. As of September 24, 2000, we had working capital of $123.0 million, compared to $220.1 million at December 26, 1999. Cash, short-term and long-term securities totaled $355.9 million at September 24, 2000 compared to $279.9 million at December 26, 1999. The significant increase in marketable securities compared to the prior year is primarily a result of cash generated from operations being invested in longer term securities, whose current yields are higher than shorter term securities. These long-term securities include corporate, government agency and municipal debt instruments which are investment grade. All of these securities can be easily converted to cash if necessary. We believe that cash flows from operations, cash from the sale of highly liquid securities and cash provided by short-term borrowings, when necessary, will be sufficient to meet our ongoing operating requirements, scheduled principal and interest payments on debt, dividend payments, anticipated capital expenditures and potential repurchases of common stock under our previously-announced stock repurchase plan.

We had $100 million outstanding in Senior Notes as of September 24, 2000. The repayment schedule is $80 million in 2002 and the remaining $20 million in 2005. Fixed interest rates on these notes range from 6.76% to 6.95%. Interest is paid semiannually in January and July.

In addition to the Senior Notes, we have an unsecured, committed credit arrangement totaling $200 million, all of which was available at September 24, 2000. This line of credit has a five-year term which expires in 2003, with one remaining optional one-year extension.

We have two revolving lines of credit used for our operations in Japan. Each of these facilities provides up to 500 million yen (approximately $4.6 million each as of October 23, 2000) in short-term financing. As of September 24, 2000, the approximate yen equivalent of $1.4 million was outstanding under these arrangements.

As of September 24, 2000, our total commitments for advertising and promotions at sports arenas, stadiums and other venues and events are approximately $130.4 million over the next nine years.

We expect capital expenditures for 2000 (excluding capital improvements for our container joint ventures, which will be recorded on the books of the respective joint ventures) to be in the range of $145 million to $155 million for improving and enhancing facilities, infrastructure, information systems and environmental compliance. There continues to be increasing demand for our products, particularly for longneck bottles and value-packs. To effectively meet the increasing demand, we anticipate making additional investments in capacity over the next few years, including capacity to produce more value-packs and building new bottle lines. We anticipate that capital spending in 2001 will be in the range of $200 million to $240 million. Our 2002 estimated capital spending is expected to be lower than 2001. In addition to our annual planned capital expenditures, incremental strategic investments will be considered on a case-by-case basis. We recently signed a letter of intent with Molson, which provides for Molson to brew and package beer for us for sale in the U.S. market. Although we believe this arrangement will help us meet a portion of the U.S. demand for our products, we do not expect that it will alter our near-term capacity expansion plans.

We also recently signed a letter of intent with Molson to form a joint venture to import, market, sell and distribute Molson's brands in the U.S. market. We expect to pay Molson approximately $65 million and to receive a 49.9% interest in the joint venture. We plan to fund this investment from available cash or marketable securities.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to fluctuations in interest rates, the value of foreign currencies and production and packaging materials prices. We have established policies and procedures that govern the management of these exposures through the use of a variety of financial instruments. We employ various financial instruments, including forward exchange contracts, options and swap agreements, to manage certain of the exposures when practical. By policy, we do not enter into such contracts for the purpose of speculation or use leveraged financial instruments.

The objective in managing our exposure to fluctuations in interest rates, foreign currency exchange rates and production and packaging materials prices is to decrease the volatility of earnings and cash flows associated with changes in the applicable rates and prices. To achieve this objective, we primarily enter into forward exchange contracts, options and swap agreements whose values change in the opposite direction of the anticipated cash flows. We do not hedge the value of net investments in foreign-currency-denominated operations and translated earnings of foreign subsidiaries. Our primary foreign currency exposures are the Canadian dollar, the Japanese yen and the Spanish peseta.

A sensitivity analysis has been prepared to estimate our exposure to market risk of interest rates, foreign currency exchange rates and commodity prices. The sensitivity analysis reflects the impact of a hypothetical 10% adverse change in the applicable market interest rates, foreign currency exchange rates and commodity prices. The volatility of the applicable rates and prices are dependent on many factors that cannot be forecasted with reliable accuracy. Therefore, actual changes in fair values could differ significantly from the results presented in the table below.

The following table presents the results of the sensitivity analysis for our derivative portfolio:

ESTIMATED FAIR VALUE VOLATILITY	AS OF SEPTEMBER 24, 2000
	(IN MILLIONS)
Foreign currency risk: forwards, options	$(3.2)
Interest rate risk: swaps	$(2.0)
Commodity price risk: swaps, options	$(8.8)

BUSINESS

Unless otherwise noted the industry information set forth in this prospectus is compiled from Beer Marketer's Insights, an independent industry publication.

OVERVIEW

We are the third largest producer of beer in the United States. Since our founding in 1873, we have been committed to producing the highest quality beers. Our heritage of brewing excellence and the quality of our beer continue to be the hallmarks of Coors.

Our product portfolio includes 12 brands, including Coors Light, which is our top selling brand. Coors Light is the fourth most popular brand in the United States, and it has increased its market share over each of the past five years. In 1999, we sold approximately 22.0 million barrels of malt-based beverages, and our Canadian joint venture sold another one million barrels.

INDUSTRY OVERVIEW

During 1999, 198.6 million barrels of beer were shipped in the United States. Total industry shipments in 1999 reflect an increase of approximately 1.5% from the 195.6 million barrels shipped during 1998, an increase from the average annual growth rate of less than 1% over the past 10 years. A barrel is equivalent to approximately 31 U.S. gallons, or 13.78 cases, or 331 12-oz. bottles. The brewing industry in the United States is dominated by a small number of large players, although there are many smaller breweries located throughout the United States. The industry features a number of strong brands with significant market share. A small number of brewers manufacture and distribute brands on a national basis and, in some cases, manufacture and distribute beer under license agreements.

The domestic beer industry includes three significant competitors -- Anheuser-Busch, Miller Brewing and Coors -- each of which has a long operating history. These three companies accounted for approximately 80% of domestic beer shipments during 1999. The shares of total domestic shipments in 1999 for these three companies were as follows:

COMPANY	SHARE
Anheuser-Busch	47.5%
Miller Brewing	21.7%
Coors	10.8%

Since 1957, Anheuser-Busch has led the United States brewing industry in total sales volume. Over the past ten years, however, we have achieved a 24.5% growth in total shipments, compared to 19.9% for Anheuser-Busch and 5.4% for Miller Brewing.

There are a number of trends impacting growth and profitability in the beer industry. These trends are as follows:

Continued Strong Growth in Light and Above Premium Segments. The light segment of the U.S. beer market has experienced significant growth in recent years, growing from approximately a 36.2% market share of the domestic beer industry in 1995 to approximately a 42.3% market share in 1999. Growth in this segment has largely been attributed to consumer preference shifts from heavier beers toward lighter, more drinkable, refreshing beers. Growth in the light beer segment has been concentrated among premium priced brands, with the leading brands capturing increased market share. This growth has largely been attributed to consumers trading up, as they shift from lower priced brands towards higher priced brands. Growth of above premium brands, which includes imports as well as specialty beers, such as our Killian's Irish Red, has significantly exceeded overall industry growth.

Improved Pricing Environment. The beer industry's pricing environment has improved over the past two years. This improved pricing has resulted in increased revenue per barrel for the major U.S. brewers. We

believe that the improved pricing environment results in part from reduced capacity and from the increase in disposable personal income. There has also been a shift in the competitive dynamics of the industry away from price-based competition toward competition based on marketing and advertising and retail sales execution.

Increasing Population in Key Demographic Category. According to U.S. Census Bureau projections, the number of consumers reaching legal drinking age is expected to increase substantially in the next several years. According to Impact Databank, in 1998, the 21-24 year old age group increased for the first time in more than a decade. In addition, based on U.S. census data, we expect the population of 21-28 year olds to increase over the next several years. This demographic trend is expected to support continued industry growth, particularly as young adult males, 21-28 years old, consume more beer per capita than other demographic groups.

Continued Industry Consolidation. The U.S. brewing industry has experienced significant consolidation, which has contributed to industry profitability through the removal of excess capacity. Several competitors have exited the beer business, sold themselves or their brands or closed inefficient, outdated brewing facilities. Economies of scale are an important factor affecting profitability for wholesalers as well as brewers. Wholesalers are expected to continue to pursue consolidation to improve their profitability and competitive position. Although the beer industry worldwide is still quite fragmented, international consolidation has accelerated and is expected to continue for the foreseeable future.

MARKET SEGMENTATION

The beer market can be segmented by price point or by type of beer.

Price point. The most popular brands in the United States, including Budweiser, Bud Light, Miller Lite and Coors Light, compete in the premium segment of the market. Beers that sell at higher price points than premium beers are categorized as above premium beers. Examples of above premium beers include most import beers and specialty domestic beers such as Michelob and Killian's Irish Red. Beers that sell at lower price points than premium beers are categorized as popular priced, or sub-premium beers. Popular priced beers are generally targeted at more price sensitive consumers and include brands such as Busch, Old Milwaukee and Keystone.

Type of beer. The U.S. beer market may be segmented into four principal types of beer: light, regular, import and all others. The following table sets forth the sales for these types of beer by volume for the total U.S. domestic beer market:

U.S. DOMESTIC BEER INDUSTRY MARKET SHARE BY BEER TYPE
1995 TO 1999

LINE CHART

1995	6.10	12.50	36.20	45.20
1996	6.60	13.30	37.50	42.50
1997	7.50	13.10	39.10	40.30
1998	8.50	12.90	40.50	38.10
1999	9.10	12.40	42.30	36.10

Source: R. S. Weinberg & Associates and Beer Marketer's "Insights" newsletter

Light. The light beer segment has grown from approximately a 36.2% market share of the domestic beer industry in 1995 to approximately a 42.3% market share in 1999. Total shipments in the light beer segment during 1999 were 82.4 million barrels, an increase of approximately 6.0% over 1998's total of 77.7 million barrels. Light beers are produced to appeal to consumers that prefer a more drinkable, less filling beer than regular beer. Changes in consumer taste preferences away from heavier beers have contributed to the light segment's continued growth. In addition, many consumers prefer light beer because it has fewer calories than regular beer. The three best selling brands in this segment are Bud Light, Miller Lite and Coors Light. We also compete in this segment with Keystone Light, a popular priced brand.

Regular. Regular beers have historically been marketed to appeal to consumers preferring traditional beers. As a result of the broader shift toward light beers and imports, total shipments in the regular segment during 1999 were 70.3 million barrels, a decline of approximately 3.7% over 1998's total of 73.0 million barrels. Over the last five years, total shipments among the premium regular brands have declined. However, due to the product switching outlined above, the decline in shipments of popular priced regular brands has been significantly greater, particularly at the lower price points within the segment. The most popular beers in the premium regular segment are Budweiser, Miller Genuine Draft and Original Coors. Regular beers at the popular price level include Busch, Miller High Life and Milwaukee's Best. Our popular priced regular brands include Coors Extra Gold and Keystone Premium.

Import. The import segment has grown from approximately a 6.1% market share of the domestic beer industry in 1995 to approximately a 9.1% market share in 1999. Total shipments in the import segment during 1999 were 17.8 million barrels, an increase of approximately 9.0% over 1998's total of

16.3 million barrels. Import beers appeal to consumers who prefer beer produced by international brewers. Import beers are generally sold at above premium prices. The increase in sales of imports is consistent with the overall industry trend toward increased sales of above premium brands at the expense of popular priced brands. The two most popular import brands are Grupo Modelo's Corona Extra and the Heineken brand.

All others. Other segments include specialties, ice, dry, malt liquor and ale, which have lower volumes. Total shipments in this group during 1999 were 24.3 million barrels, a decrease of approximately 1.6% from 1998's total of 24.7 million barrels. This segment has declined from approximately a 12.5% market share of the domestic beer industry in 1995 to approximately a 12.4% market share in 1999. The three most popular brands in the all others segment are Miller's Icehouse and Anheuser-Busch's Natural Ice and Michelob. We compete in this segment with Zima, Killian's Irish Red, Blue Moon and Winterfest.

OUR STRATEGY

Our goal is to continue growing our business and increasing our profitability, both domestically and internationally, by focusing on the following six key strategies:

PRODUCE THE HIGHEST QUALITY PRODUCTS

For 127 years, we have been devoted to consistently producing the highest quality, finest tasting and most refreshing beers. We start with high quality brewing water required by our strict standards and proprietary strains of barley, specially developed by us. For the vast majority of our products, we use an all natural, cold-filtered brewing process. Although this brewing process takes significantly longer than processes used by most of our competitors, we believe it produces a smoother, better tasting and more drinkable beer. Our heritage of brewing excellence and the quality of our beer continue to be the hallmarks of Coors.

FOCUS ON HIGH-GROWTH, HIGH-MARGIN SEGMENTS

In recent years, virtually all of the growth in the U.S. beer industry has been in the light beer segment and above premium brands -- and this is where we are focused. More than 80% of our volume is in light beer, which now makes up the largest segment of the U.S. beer market. We focus on high-quality premium and above premium brands because we believe they offer the best growth and margin potential in the industry. Premium and above premium products now constitute more than 85% of our shipments, the highest premium product mix among the major U.S. brewers. We believe the trend toward lighter, more upscale beers extends to most major markets around the world, particularly among young adults. We intend to leverage our brand strength to capitalize on these global trends.

INVEST IN HIGH-POTENTIAL MARKETS AND BRANDS

Our market share varies significantly from area to area throughout the U.S. and internationally. We will continue to focus our efforts on the markets that hold the greatest potential for increasing sales and ultimately market share. Our first priority is to protect and grow our market share in our strongest markets, which include the markets where our brands have a significant market share and our distributors are highly effective. Another priority is to significantly grow our market share in targeted development markets. These development markets are generally areas where our products have a low penetration but where we believe there is an opportunity to gain significant share. Our efforts in these markets will focus on increasing local distributor effectiveness, tailoring advertising and sponsorship to local area activities, and focusing on important demographic groups.

We also plan to invest in international markets where we believe there is a significant emerging demand for American-style lagers. We believe that Coors Light and Original Coors can compete effectively in these markets. We expect that our expansion into these markets will be facilitated by partnerships with local, well-established brewers.

We believe that our above premium brands, Killian's and Zima, have significant growth potential. To maximize this potential, we intend to continue to invest in these brands to increase their growth. We also will selectively seek to add other above premium brands to our portfolio.

IMPROVE OUR WHOLESALE DISTRIBUTION NETWORK

The quality and capabilities of our wholesale network are critical to our success. Our distributors represent our products every day to retailers and consumers. To improve our wholesale network, we focus on two key factors:
economies of scale and industry best practices. Wholesale distribution in the U.S. beer industry is a labor-intensive service business with distributor profitability driven primarily by the number of cases of beer that are "dropped" at each retail location. For a distributor, increasing the number of cases dropped at each account means improved profitability, which allows the distributor to increase sales and service activities. To improve our distributors' economies of scale, and their ability to improve their performance with our brands, we encourage distributor consolidations. In addition, through our 350 person sales force we work closely with distributors to help them implement industry best practices to improve efficiency and performance in the market place.

BUILD ORGANIZATIONAL EXCELLENCE AND IMPROVE COST STRUCTURE AND EFFICIENCIES

Success in the beer business requires significant investments in our brands, in new technologies and in capital-intensive assets. In order to fund these investments and to continue profitable growth, we are working to continually raise our level of organizational and operational excellence. This means focusing our efforts on improving service and lowering costs without compromising quality. We are taking a number of steps to enhance our organizational effectiveness and reduce our costs. Our efforts to reduce our costs include implementing longer production runs and lower cost production technologies. While these efforts have already enabled us to achieve meaningful improvements in some areas, we believe our efforts will enable us to achieve additional cost savings and efficiencies.

PURSUE STRATEGIC OPPORTUNITIES

In addition to growing our existing business, we intend to selectively pursue strategic acquisitions, joint-ventures, alliances and licensing arrangements. We may pursue strategic opportunities for one or more of the following reasons:

-- expanding our brand portfolio in the U.S.;

-- building a strong international business; and

-- increasing our brewing and packaging capacity for the U.S. market.

OUR PRODUCTS

Our portfolio of brands is designed to appeal to a wide range of consumer taste, style and price preferences. Our beverages are sold throughout the United States and in select international markets. Coors Light has accounted for more than 70% of our sales volume in each of the last three years. Premium and above premium beers accounted for over 85% of our total 1999 sales volume. The brands we offer in the three price point segments are as follows:

SEGMENT/BRAND	DESCRIPTION
PREMIUM	
Coors Light	-- Our largest selling brand and the fourth best-selling beer in the U.S. -- Introduced in 1978 -- A premium light beer with 105 calories per 12-ounce serving and 4.2% alcohol by volume -- Best selling light beer in Canada and the fourth best-selling beer overall in Canada, sold through joint venture with Molson -- Best selling beer in Puerto Rico with over 50% market share
Original Coors	-- First brewed by Adolph Coors in 1873 -- A premium beer with 148 calories per 12-ounce serving and 5.0% alcohol by volume
Coors Non-Alcoholic	-- Introduced as Coors Cutter in 1991 and renamed in 1997 -- 73 calories per 12-ounce serving and less than 0.5% alcohol by volume
ABOVE PREMIUM	
George Killian's Irish Red Lager	-- Traditional lager with an Irish heritage and rich, red color -- Introduced into the U.S. in 1981 and available nationally -- 163 calories per 12-ounce serving and 4.9% alcohol by volume
Zima	-- Clear, refreshing, lightly carbonated, malt-based alcohol beverage -- Alternative to traditional alcohol beverage choices -- Introduced in 1992 and available nationally in 1994 -- 185 calories per 12-ounce serving and 4.8% alcohol by volume
Zima Citrus	-- Traditional Zima that also includes a blend of natural citrus flavors -- Introduced in 1999 and available in some U.S. markets -- 185 calories per 12-ounce serving and 4.9% alcohol by volume

SEGMENT/BRAND	DESCRIPTION
Blue Moon Belgian White Ale	-- An unfiltered wheat ale spiced in the Belgian-style for a smooth taste -- A specialty brand introduced in 1995 and available in limited markets -- 171 calories per 12-ounce serving and 5.4% alcohol by volume
Winterfest	-- Seasonal beer offered annually during the winter holidays -- A darker, full-bodied ale -- Introduced in 1986
POPULAR PRICED	
Coors Extra Gold	-- An amber lager with 147 calories per 12-ounce serving and 5.0% alcohol by volume -- Introduced in 1985 and available in select markets
Keystone Light	-- Brewed for less bitterness, like the entire Keystone family of brands -- Introduced in 1989 -- 100 calories per 12-ounce serving and 4.2% alcohol by volume
Keystone Premium	-- Introduced in 1989 -- 122 calories per 12-ounce serving and 4.8% alcohol by volume
Keystone Ice	-- Produced using an ice crystallization process -- Introduced in 1994 -- 129 calories per 12-ounce serving and 5.9% alcohol by volume

We recently signed a letter of intent with Molson to form a joint venture that will import, market, sell and distribute Molson's brands in the U.S. These brands will include Molson Canadian, Molson Golden and Molson Ice as well as any other brands that may be developed in the future for import into the U.S. market.

MARKETING

Our marketing is primarily directed toward young adult males, ages 21 to 28. We focus on this particular demographic group because young adult males consume more beer per capita than other demographic groups and because brand loyalty patterns tend to form during early adulthood. Our marketing is intended to differentiate our brands and to motivate consumers to select our products over competing brands. We seek to market our brands primarily through product quality, advertising, consumer promotions, sponsorships, special events and other activities.

We are a leader in innovative, themed packaging such as our baseball bat-shaped and football textured bottles. We have utilized pressure-sensitive labels, shrink-wrap can technology and debossed (textured) cans. These packaging innovations are developed to promote our brands and to encourage consumers to try our products.

In developing a marketing program, we link a brand with a theme. For example, we created our "Be Original" campaign for the Original Coors brand, associating the theme of being an original, a one-of-a-kind

achiever, with sports. The campaign utilizes retired athletes who are true "originals" -- sports celebrities who rose to the pinnacle of their respective sports.

We support the responsible consumption of beer in appropriate settings and promote responsible serving and hosting practices. We encourage the use of designated drivers and alternative transportation for those who are impaired. In addition, we promote moderate consumption by encouraging retailers to serve both alcoholic and non-alcoholic beverages.

We provide a variety of point-of-sale materials to retailers to assist them with serving practices and to help them educate and remind consumers to make healthy and legal decisions. Our point of sale items such as "21 Means 21" and "WE I.D." buttons discourage underage customers from attempting to purchase alcohol. Retailers can use our legal age calendar to help their cashiers identify the legal age, thereby helping to eliminate underage sales and to promote legal, responsible drinking.

SALES AND DISTRIBUTION

By law, beer must be distributed in the U.S. through a three-tier system consisting of manufacturers, distributors and retailers. A national network of 534 distributors currently deliver our products to U.S. retail markets. Of these, 527 are independent businesses and the other seven are owned and operated by one of our subsidiaries. Some distributors operate multiple branches, bringing the total number of U.S. distributor and branch locations to 588. Additional independent distributors deliver our products to some international markets under licensing and distribution agreements.

We establish standards and monitor distributors' methods of handling our products to ensure the highest product quality. Monitoring ensures adherence to proper refrigeration and rotation guidelines for our products at both wholesale and retail locations. Distributors are required to remove our products from retailer outlets if they have not sold within a certain period of time.

Our highest volume states are California, Texas, Pennsylvania, New York and New Jersey, which together comprised 47% of our total domestic volume in 1999.

We have approximately 350 sales people throughout the United States. Our sales people work closely with our distributors to assure that they focus appropriately on our product and to assist them in implementing industry best practices to improve efficiency and performance. Our sales function is organized into two regions that manage six geographic field business areas responsible for overseeing domestic sales. We adopted this structure in order to enable our sales people to better anticipate wholesaler and consumer needs and to respond to those needs locally.

In addition, we have a team of category managers responsible for assisting leading U.S. retailers, such as large supermarket chains, with managing their beer offerings. Our category managers work with retailers to enhance overall beer sales through optimizing space allocation, merchandising displays, promotional campaigns and product distribution throughout the retailer's chain. We believe that our success in category management enhances our competitive position.

MANUFACTURING, PRODUCTION AND PACKAGING

BREWING PROCESS AND RAW MATERIALS

Our ingredients and brewing process make our Rocky Mountain-style beers unlike any other beers in the world. We also use unique packaging materials developed to accommodate our cold, wet shipping method.

We use all natural ingredients to produce high quality beers. We adhere to strict formulation and quality standards in selecting our raw materials. We believe we have sufficient access to raw materials to meet our quality and production requirements.

Barley is the fundamental ingredient in beer. Barley is so important that we started developing our own strains of barley in 1937. We use proprietary strains of barley, developed by our own agronomists, in most of our malt beverages. Virtually all of this barley is grown on irrigated farmland in the western United States

under contracts with area growers. The growers use only the proprietary barley seed developed by us. We are the only major brewer to exclusively use two-row barley compared to six-row barley generally used by other brewers. Two-row barley allows the seed ample room to grow and develop, which we believe produces a more consistent and higher-quality crop.

Barley must be malted to produce beer. Our malting facility in Golden produces approximately 85% of all of our malt requirements. We also have our own barley malted by third parties under contract. We maintain inventory levels in facilities that we own. Inventories are sufficient to continue production in the event of any foreseeable disruption in barley supply.

We use naturally filtered water from underground aquifers to brew malt beverages at our Golden facility. Water quality and composition have been primary factors in all facility site selections. Water from our sources contains minerals that help brew high-quality malt beverages.

We continually monitor the quality of the water used in our brewing and blending processes for compliance with our own stringent quality standards, which exceed federal and state water standards. We own water rights that we believe are adequate to meet all of our present and foreseeable requirements for both brewing and industrial uses. Our wholly owned subsidiary acquires water rights, as appropriate, to provide flexibility for long-term strategic growth needs and also to sustain brewing operations in case of a prolonged drought.

We require an average of 55 days, significantly longer than our major competitors, to brew, age, finish and package our beers. Although our brewing process takes longer, we believe it creates a smoother, more drinkable product. We were the first brewer to introduce a cold-filter process to preserve taste. We keep the product cold from the brewhouse through packaging to the retailer, using insulated containers. Keeping the beer cold extends its freshness.

BREWING AND PACKAGING FACILITIES

We have three domestic production facilities. We own and operate the world's largest single-site brewery in Golden, Colorado. In addition, we own and operate a packaging and brewing facility in Memphis, Tennessee and a packaging facility located in the Shenandoah Valley in Virginia.

We brew Coors Light, Original Coors, Coors Extra Gold, Killian's and the Keystone brands in Golden. Approximately 60% of our beer volume is packaged in Golden. We ship most of the remainder in bulk from the Golden brewery to the Memphis and Shenandoah facilities, where it is blended, finished and packaged.

The Memphis facility packages all products exported from the United States. It also brews and packages our Zima, Zima Citrus, Coors Non-Alcoholic and Blue Moon brands. Since we acquired the Memphis facility in 1989, only approximately one-half of its brewing capacity has been utilized. Significant capital spending will be required for the unutilized portion of the facility to be consistent with our brewing standards. We are reviewing our needs for brewing capacity and anticipate that increased output from the Memphis facility will be an important part of our long-term capacity plan.

Our Shenandoah facility packages Coors Light and a small volume of Killian's for distribution to eastern U.S. markets. We anticipate adding more packaging capacity in Shenandoah to meet demand and to lower our distribution costs to markets in the northeastern United States. Additionally, we are reviewing options to add brewing capability to our Shenandoah facility as part of our long-term capacity plan.

To support the growth of our brands, we intend to increase our capital expenditures to expand our brewing and packaging capacity. You should read "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" for more information about our planned capital expenditures.

Most of our glass bottle, aluminum can, end and malt requirements are produced in facilities that either we own or are operated by joint ventures in which we are a partner. We own malting facilities that we are improving and upgrading to provide additional capacity.

PACKAGING MATERIALS

Approximately 60% of our products were packaged in aluminum cans in 1999. In 1994, Coors and American National Can Company formed a joint venture to produce beverage cans and ends at our manufacturing facilities. These cans and ends are for sale to our brewery and to outside customers. The joint venture's initial term is seven years, and we have notified American National of our intent to terminate the joint venture in 2001. We are evaluating other alternatives including a new arrangement with Rexam LLC, who recently acquired American National. We own the can manufacturing facility, which produces approximately 3.8 billion aluminum cans per year. We also own a manufacturing facility that provides our aluminum ends and tabs. In 1999, we purchased most of our cans and ends from the joint venture with American National, and we purchased virtually all of the cans produced by the joint venture. We purchase certain sized cans and some cans for products packaged at our Memphis and Shenandoah plants from outside suppliers, including American National, directly.

We used glass bottles for approximately 29% of our products in 1999. Owens-Brockway Glass Container, Inc. and Coors operate a joint venture, the Rocky Mountain Bottle Company, to produce glass bottles at our glass manufacturing facility. The joint venture's initial term is until 2005 and can be extended for additional two-year periods. In 1999, Rocky Mountain Bottle Company produced approximately 941 million bottles, and we purchased virtually all of these bottles. This fulfilled about half of our bottle requirements in 1999. Owens has a contract to supply bottles for our bottle requirements that are not met by Rocky Mountain Bottle Company, and we acquired most of the remaining bottles from Owens.

We have arranged for sufficient container supplies with our joint venture partners.

The remaining 11% of the volume we sold in 1999 was packaged in quarter and half-barrel stainless steel kegs purchased from third party suppliers.

We purchase most of our paperboard and label packaging from Graphic Packaging Corporation. These products include paperboard, multi-can pack wrappers, bottle labels, and other secondary packaging supplies. Graphic Packaging supplies some unique packaging to us that is not currently produced by any other supplier. Our agreement with Graphic Packaging expires in 2002, and provides for a three year extension to be negotiated by December 31, 2000. William K. Coors and Peter H. Coors serve, along with other Coors family members, as co-trustees of a number of Coors family trusts that collectively control both Graphic Packaging and us. You should read "Related Party Transactions" for more information regarding Graphic Packaging.

PRODUCT SHIPMENT

We must ship our products greater distances than most of our competitors. By packaging some of our products in our Memphis and Shenandoah facilities, we reduce freight costs to certain markets.

In 1999, approximately 66% of our products were shipped by truck and intermodal directly to distributors or to satellite redistribution centers. Transportation vehicles are refrigerated or properly insulated to keep our malt beverages at required temperatures while in transit.

In 1999, we transported the remaining 34% of the products packaged at our production facilities by railcar to either satellite redistribution centers or directly to distributors throughout the country. Railcars assigned to us are specially built and insulated to keep Coors products cold en route.

We currently use 12 strategically located satellite redistribution centers to receive product from production facilities and to prepare shipments to distributors. In 1999, approximately 62% of packaged products were shipped directly to distributors and 38% moved through the satellite redistribution centers.

COMPETITION

The beer industry is highly competitive. At the retail level, we compete on the basis of quality, taste, advertising, price, packaging innovation and retail execution by our distributors. Competition in our various markets could cause us to reduce pricing, increase capital and other expenditures or lose market share.

We compete primarily with Anheuser-Busch and Miller Brewing, the two largest brewers in the United States. Both of our primary competitors have substantially greater financial, marketing, production, distribution and other resources than we have. We must spend substantially more per barrel on advertising due to our smaller scale. In addition, we are subject to being outspent by our competitors in advertising, promotions and sponsorships. Aggressive marketing campaigns by our competitors could require us to spend additional amounts on marketing or cause us to lose market share.

INTERNATIONAL BUSINESS

Through our U.S. and foreign production facilities, we market our products to select international markets and to U.S. military bases worldwide.

CANADA

Coors Canada, a partnership between the Company and Molson, markets Coors Light in Canada. Coors Canada is owned 50.1% by us and 49.9% by Molson. The partnership contracts with a Molson subsidiary for the brewing, distribution and sale of products. It manages all marketing activities for Coors products in that country. Currently, Coors Light has a market share of more than 6%, which makes it the number one light beer and the number four beer brand overall in Canada.

PUERTO RICO AND THE CARIBBEAN

In Puerto Rico, we market and sell Coors Light to an independent local distributor. A local team of Coors employees manages marketing and promotional efforts in this market. Coors Light is the number one brand in the Puerto Rico market with over a 50% market share in 1999.

In addition to Puerto Rico, we also sell products in several other Caribbean markets, including the U.S. Virgin Islands, through local distributors.

EUROPE

In Europe, we focus our efforts on Ireland and Northern Ireland, where we market the Coors Light brand. Additionally, we are currently testing Coors Light in Scotland, with the intent of expanding to the balance of the United Kingdom.

We are currently in the process of closing our brewery and commercial operations in Spain. This brewery formerly produced beer for Spain and other European markets. Beginning in late 2000, beer for the remaining European markets will be sourced from our Memphis plant and will be packaged under contract in the U.K.

JAPAN

Coors Japan, our Tokyo-based subsidiary, is the exclusive importer and marketer of Coors products into Japan. The Japanese business is currently focused on Zima and Original Coors. Zima carries high margins due to its above premium pricing and its tax classification in Japan. Coors Japan sells Coors' products to independent distributors in Japan.

CHINA

In China, we currently market our Original Coors product under a licensing arrangement with Carlsberg-Shanghai that began in 1999 and has been focused to date on select cities. Under this arrangement, Coors maintains representative offices that oversee the marketing of our products in China.

RESEARCH AND DEVELOPMENT

Our research and development activities relate primarily to creating and improving products and packages. These activities are designed to refine the quality and value of our products and to reduce costs through more efficient processing and packaging techniques, equipment design and improved raw materials. We spent approximately $15.5 million, $15.2 million and $14.6 million for research and development in 1999, 1998 and 1997, respectively. We expect to spend approximately $14 million to $16 million on research and project development in 2000.

To support new product development, we maintain a fully equipped pilot brewery, with a 6,500-barrel annual capacity, within the Golden facility. This facility enables us to brew small batches of innovative products without interrupting ongoing production operations in the main brewery.

INTELLECTUAL PROPERTY

We own trademarks on the majority of the brands we produce. We have licenses for the remainder. We recognize that consumer knowledge of and loyalty to our brand names and trademarks are vital to our long-term success. We also hold several patents on innovative processes related to product formulae, can making, can decorating and certain other technical operations. These patents have expiration dates ranging from 2000 to 2019. In addition, we have several design patents for innovative packaging.

REGULATION

Our business is highly regulated by federal, state and local government entities. These regulations govern many parts of our operations, including brewing, marketing, advertising, transportation, distributor relationships, sales and environmental impact. To operate our facilities, we must obtain and maintain numerous permits, licenses, and approvals from various governmental agencies, including the U.S. Treasury Department, Bureau of Alcohol, Tobacco and Firearms, the United States Department of Agriculture, the United States Food and Drug Administration, state alcohol regulatory agencies, as well as state and federal environmental agencies. Internationally, our business is also subject to regulations and restrictions imposed by the laws of the foreign jurisdictions in which we sell our products.

Governmental entities also levy taxes and may require bonds to ensure compliance with applicable laws and regulations. Federal excise taxes on malt beverages are currently $18 per barrel. State excise taxes also are levied at rates that ranged in 1999 from a high of $32.65 per barrel in Alabama to a low of $0.62 per barrel in Wyoming, with an average of $7.75 per barrel. In 1999, we incurred approximately $406 million in federal and state excise taxes. We are aware that from time to time Congress and state legislatures consider various proposals to impose additional excise taxes on the production and sale of alcoholic beverages, including beer. The last significant increase in federal excise taxes on beer was in 1991 when excise taxes on beer doubled.

ENVIRONMENTAL MATTERS

We are subject to the requirements of federal, state, local and foreign environmental and occupational health and safety laws and regulations. Compliance with these laws and regulations did not materially affect our 1999 capital expenditures, earnings or competitive position and we do not anticipate that they will do so in 2000 or 2001.

We are also required to obtain environmental permits from governmental authorities for certain of our operations. We cannot assure you that we have been or will be at all times in complete compliance with, or have obtained all such permits. These authorities can modify or revoke our permits and can enforce compliance through fines and injunctions. We do not believe that we will need to make any material expenditures in connection with any potential violations of our permits.

We continue to promote the efficient use of resources, waste reduction and pollution prevention. Programs currently under way include recycling bottles and cans and, where practical, increasing the recycled content of product packaging materials, paper and other supplies.

We were one of numerous parties named by the Environmental Protection Agency as a "potentially responsible party" at the Lowry site, a landfill owned by the City and County of Denver. In 1990, we recorded a special pretax charge of $30 million for potential cleanup costs of the site based upon an assumed present value of $120 million in total site remediation costs. We also agreed to pay a specified share of costs if total remediation costs exceeded this amount. The projected costs to meet the remediation objectives and requirements are currently below the $120 million assumption used for our settlement. We have no reason to believe that total remediation costs will result in additional liability to us.

From time to time, we have been notified that we are or may be a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws for the cleanup of other sites where hazardous substances have allegedly been released into the environment. We

cannot predict with certainty the total costs of cleanup, our share of the total cost, the extent to which contributions will be available from other parties, the amount of time necessary to complete the cleanups or insurance coverage. However, based on investigations to date, we believe that any liability relating to any sites in which we are currently involved would be immaterial to our financial position and results of operations for these sites.

In addition, we are aware of possible groundwater contamination at some of our properties in Colorado resulting from historical, ongoing or nearby activities. There may also be other contamination of which we are currently unaware. Based on currently available information, we do not believe that any costs or liabilities relating to such contamination will materially adversely affect our business, financial condition or results of operations.

In August 2000, an accidental spill into Clear Creek at our Golden, Colorado, facility caused damage to some of the fish population in the creek. As a result, we may be required to pay certain fines or incur capital or other costs in connection with supplemental environmental projects.

While we cannot predict our eventual aggregate cost for environmental and related matters in which we are currently involved, we believe that any payments, if required, for these matters would be made over a period of time in amounts that would not be material in any one year to our operating results or our financial or competitive position. We believe adequate reserves have been provided for losses that are probable.

EMPLOYEES AND EMPLOYEE RELATIONS

We have approximately 5,800 full-time employees. Memphis plant workers, who comprise about 7% of our total workforce, are represented by the Teamsters and are the only significant employee group at any of our three domestic production facilities that has union representation. This union contract expires in 2001. We believe our people are key to our success and that relations with our employees are good.

PROPERTIES

Our major facilities are:

FACILITY	LOCATION	PRODUCT
Brewery/packaging	Golden, CO	Malt beverages/packaged malt beverages
Packaging	Elkton, VA (Shenandoah)	Packaged malt beverages
Brewery/packaging	Memphis, TN	Malt beverages/packaged malt beverages
Can and end plants	Golden, CO	Aluminum cans and ends
Bottle plant	Wheat Ridge, CO	Glass bottles
Brewery/packaging	Zaragoza, Spain	Malt beverages/packaged malt beverages
Distribution warehouses:	Anaheim, CA	
	Meridian, ID	
	Denver, CO	
	Oklahoma City, OK	
	San Bernardino, CA	
	Glenwood Springs, CO	

We own all of our facilities except our San Bernardino, California and Glenwood Springs, Colorado distribution warehouses. The Zaragoza, Spain facility is currently being closed.

We own approximately 2,400 acres of land in Golden, Colorado, which include brewing, packaging, can manufacturing and related facilities, as well as gravel deposits and water storage facilities. We own 2,700 acres of land in Rockingham County, Virginia, where the Shenandoah facility is located, and 132 acres in Shelby County, Tennessee, where the Memphis facility is located.

We own waste treatment facilities in Golden and Shenandoah that process waste from our manufacturing operations. The Golden facility also processes waste from the City of Golden.

We believe that all of our facilities are well maintained and suitable for their respective operations.

MANAGEMENT

The following table lists our executive officers and directors as of October 11, 2000. All directors serve on the boards of Adolph Coors Company (ACC) and Coors Brewing Company (CBC). Except as noted, all executive officers listed are CBC officers.

NAME	AGE	POSITION
William K. Coors	83	Chairman of the Board of ACC
Peter H. Coors	54	Chairman of the Board of CBC, President (our chief executive officer) of ACC
W. Leo Kiely III	53	Director, Chief Executive Officer, and President of CBC
Timothy V. Wolf	47	Senior Vice President and Chief Financial Officer
David G. Barnes	39	Vice President of Finance and Treasurer
Carl L. Barnhill	51	Senior Vice President, Sales
L. Don Brown	55	Senior Vice President, Container, Operations and Technology
Peter M. R. Kendall	54	Senior Vice President and Chief International Officer
Robert Klugman	53	Senior Vice President, Corporate Development
Olivia M. Thompson	50	Vice President and Controller
M. Caroline Turner	51	Senior Vice President, General Counsel and Corporate Secretary
William H. Weintraub	58	Senior Vice President, Marketing
Luis G. Nogales	57	Director(1)(2)
Pamela H. Patsley	43	Director(1)(2)
Wayne R. Sanders	53	Director(1)(2)
Albert C. Yates	57	Director(1)(2)

(1) Member of the audit committee

(2) Member of the compensation committee

William K. Coors is the chairman of the board of ACC and has served in such capacity since 1970. He was president from 1989 until May 11, 2000. He has served as a director since 1940. He is chairman of the Executive Committees of ACC and CBC. He is also a director of CBC and Graphic Packaging International, Inc.

Peter H. Coors is chairman of CBC. He has been a director of ACC and CBC since 1973. Prior to 1993, he served as executive vice president and chairman of the brewing division, before the organization of CBC. He served as interim treasurer and chief financial officer of ACC from December 1993 to February 1995. He has served in a number of different executive and management positions for CBC. Since March 1996, he has been a director of U.S. Bancorp. He also has been a director of Energy Corporation of America since March 1996.

W. Leo Kiely III became president and chief operating officer of CBC as of March 1, 1993 and was named chief executive officer in May 2000. He was named as one of our directors in August 1998. Prior to joining CBC, he held executive positions with Frito-Lay, Inc., a subsidiary of PepsiCo in Plano, Texas. He serves on the board of directors of Sunterra Resorts, Inc.

Timothy V. Wolf was named senior vice president and chief financial officer of CBC in February 1995. Mr. Wolf joined us from Hyatt Hotels Corporation, where he served as senior vice president of planning and human resources from 1993-1994. From 1989-1993, he served in several executive positions for The Walt Disney Company, including vice president, controller and chief accounting officer. Prior to Disney, Wolf spent 10 years in various financial planning, strategy and control roles at PepsiCo.

David G. Barnes joined us in March 1999 as vice president of finance and treasury. Prior to that, he was based in Hong Kong as vice president of finance and development for Tricon Global Restaurants. At Tricon, he also held positions as vice president of mergers and acquisition and vice president of planning. From 1990-1994, he worked at Asea Brown Boveri in various strategy, planning and development roles of increasing responsibility. He started his career at Bain and Company where he worked as a consultant for 5 years.

Carl L. Barnhill was named senior vice president of sales in May 1994. He has more than 20 years of experience with consumer goods companies. Previously, he was vice president of selling systems development for the European and Middle East division of Pepsi Foods International. Prior to joining Pepsi in 1993, he spent 16 years with Frito-Lay, Inc. in various senior sales and marketing positions.

L. Don Brown joined us in July 1996 as senior vice president of container operations and technology. Prior to joining us, he served as senior vice president of manufacturing and engineering at Kraft Foods where his responsibilities included operations quality functions. During his years at Kraft from 1971-1996, he held several positions of increasing responsibility in the manufacturing and operations areas.

Peter M. R. Kendall joined us in January 1998 as senior vice president and chief international officer. Before joining Coors, he was executive vice president of operations and finance for Sola International, Inc., a manufacturer and marketer of eyeglass lenses in Menlo Park, California. From 1995-1996, Kendall was president of international book operations for McGraw Hill Companies. From 1981-1994, Kendall worked in leadership positions for Pepsi International, PepsiCo and PepsiCo Wines and Spirits. Prior to working for Pepsi, he spent six years at McKinsey & Co. in New York.

Robert Klugman was named our senior vice president of corporate development in May 1994. In 1993, he served as vice president of corporate development. Prior to 1993, he was vice president of brand marketing, and also served as vice president of international, development and marketing services. Before joining us, Klugman was a vice president of client services at Leo Burnett USA, a Chicago-based advertising agency.

Olivia M. Thompson was named our vice president and controller in August 1997. Prior to joining us, she was vice president of finance and systems for Kraft Foods, Inc.'s Foodservice Division. Ms. Thompson also previously served as vice president of business analysis for Kraft Foods. Prior to joining Kraft, she worked at Inland Steel Industries, where she served as vice president of finance and corporate controller.

M. Caroline Turner has been senior vice president since February 1997, and general counsel since 1993. In March 2000, she was also named corporate secretary. Previously, she served as vice president and assistant secretary. Since joining us in 1986, she has served primarily as our chief legal officer. Prior to joining us she was a partner at the law firm of Holme Roberts & Owen.

William H. Weintraub was named as our senior vice president of marketing in 1994. He joined us as vice president of marketing in July 1993. Prior to joining us, he directed marketing and advertising for Tropicana Products as senior vice president. From 1982-1991, Mr. Weintraub was with the Kellogg Company, with responsibility for marketing and sales.

Luis G. Nogales has served as one of our directors since 1989. He is a member of the Audit Committee and chairman of the Compensation Committee. From 1990 to the present, he has served as president of Nogales Partners, an acquisition firm. He was chairman and chief executive officer of Embarcadero Media (1992-1997), president of Univision, the nation's largest Spanish language television network (1986-1988), and chairman and chief executive officer of United Press International (1983-1986). He is also a director of Edison International, Kaufman and Broad Home Corporation and Kaufman and Broad S.A.

Pamela H. Patsley has served as a director since November 1996. She chairs the Audit Committee and is a member of the Compensation Committee. In March 2000, she became executive vice president of First Data Corp. and president of First Data Merchant Services, First Data Corp.'s merchant processing enterprise, which also includes the TeleCheck check guarantee and approval business. Prior to joining First Data, Patsley served as president, chief executive officer and director of Paymentech. She began her Paymentech career as a founding officer of First USA, Inc. when it was established in 1985. Before joining First USA, Patsley was with KPMG Peat Marwick. She is also a director of Message Media, Inc.

Wayne R. Sanders has served as a director since February 1995. He is a member of the Compensation Committee and the Audit Committee. He is chairman of the board and chief executive officer of Kimberly-Clark Corporation in Dallas. Sanders joined Kimberly Clark in 1975 and has served in a number of positions there over the years. He was named to his current position in 1992. He was elected to Kimberly Clark's board of directors in August 1989. He is also a director of Texas Instruments Incorporated and Chase Bank of Texas.

Albert C. Yates has served as a director since August 1998. He is a member of the Compensation Committee and the Audit Committee. He is president of Colorado State University in Fort Collins, Colorado, and chancellor of Colorado State University System. He is a member of the board of the Federal Reserve Board of Kansas City-Denver Branch and has served on the board of First Interstate Bank.

Joseph Coors retired from our board in May 2000 and was elected a director emeritus. William K. Coors and Joseph Coors are brothers. Peter H. Coors is a son of Joseph Coors.

RELATED PARTY TRANSACTIONS

In 1992, we spun-off our wholly owned subsidiary, ACX Technologies Inc., which has changed its name to Graphic Packaging International Corporation. William K. Coors is a trustee of family trusts that collectively own all of our Class A voting common stock, over 45% of our Class B common stock, approximately 41% of Graphic Packaging's common stock and 100% of Graphic Packaging's convertible preferred stock. Peter H. Coors is also a trustee of some of these trusts.

We have a packaging supply agreement with a subsidiary of Graphic Packaging under which we purchase a large portion of our paperboard requirements. This contract was negotiated on an arm's-length basis. This contract expires in 2002 and provides for a three-year extension to be negotiated by December 31, 2000. Our purchases under the packaging agreement in 1999 totalled approximately $107 million. We expect purchases in 2000 under the packaging agreement to be approximately $106 million. See "Business -- Manufacturing, Production and Packaging" for more information about our agreement with Graphic Packaging.

We are also a limited partner in a real estate development partnership in which a subsidiary of Graphic Packaging is the general partner. The partnership owns, develops, operates and sells certain real estate previously owned directly by us. In 1999, we received distributions of $1.825 million from this partnership, and we expect to receive $60,000 to $80,000 during 2000.

DESCRIPTION OF CAPITAL STOCK

Our Amended and Restated Articles of Incorporation authorize the issuance of up to 126,260,000 shares of stock in three classes. The shares are designated as 1,260,000 shares of Class A common stock (Voting), $1.00 par value; 100,000,000 shares of Class B common stock (Non-Voting), without par value; and 25,000,000 shares of Non-Voting Preferred Stock, $1.00 par value. Our articles of incorporation do not permit any class of stock to have preemptive or cumulative rights. As of October 5, 2000, all of the Class A common stock and 35,710,162 shares of Class B common stock are outstanding. There are no shares of preferred stock outstanding.

CLASS A AND CLASS B COMMON STOCK

The Class A common stock and the Class B common stock are identical in all respects, except for voting rights. The Class A common stock has the right to vote for the election of directors and on all other matters. Holders of Class B common stock may vote only on the following matters: mergers or other business combinations where we would not be the surviving entity, liquidation and any matter affecting only the Class B common stock. Holders of Class B common stock are also entitled to vote on the sale, lease, exchange or other disposition of all or substantially all of our property and assets if the approval of the Class A shareholders is required by law. On any matters on which the holders of Class B common stock are entitled to vote, the holders of the Class A stock and Class B stock vote as separate classes.

Holders of the Class A and Class B common stock have no preemptive, conversion, redemption or sinking funds rights.

We cannot declare a cash dividend on the Class A common stock unless we also declare a cash dividend on the Class B common stock in the same amount per share.

Our Class B common stock is listed on the New York Stock Exchange and trades under the symbol "RKY."

PREFERRED STOCK

Our articles of incorporation authorize the issuance of up to 25,000,000 shares of preferred stock in multiple series. In the event of any issuance of preferred stock, the various rights and preferences for the preferred stock would be designated by our board of directors. These may include rights to dividends, redemption of shares, sinking funds or reserve accounts, liquidation or dissolution preferences, voting in limited circumstances and conversion privileges.

TRANSFER AGENT

Fleet National Bank is the transfer agent for our common stock.

PRINCIPAL AND SELLING SHAREHOLDERS

The selling shareholders consist of five Coors family trusts. We have been advised that one of these trusts, the Grover C. Coors Trust, borrowed approximately $100 million to purchase Series B Convertible Preferred Stock of Graphic Packaging in August 2000. That trust is selling shares of Class B common stock owned by it to repay the amounts borrowed. We have been advised that the four other Coors family trusts are participating in the offering in order to diversify their holdings. If the underwriters' over-allotment option is exercised, each selling shareholder other than the Grover C. Coors Trust will sell shares on a pro rata basis to cover the over-allotment. We have been advised that the selling shareholders have no present intention to dispose of any additional shares of Class B common stock.

The following table sets forth information with respect to the beneficial ownership of our common stock as of October 5, 2000 by:

-- each person known by us to own beneficially five percent or more of each class of our common stock;

-- each of our directors;

-- our named executive officers;

-- all of our directors and executive officers as a group; and

-- each selling stockholder.

Unless otherwise indicated, the person or persons named have sole voting and investment power and that person's address is c/o Adolph Coors Company, 311 10th Street, P.O. Box 4030, Golden, Colorado 80401. Shares of common stock subject to options currently exercisable or exercisable within 60 days following the date of the tables are deemed outstanding for computing the share ownership and percentage of the person holding such options, but are not deemed outstanding for computing the percentage of any other person.

CLASS A COMMON STOCK (VOTING)

NAME	SHARES BENEFICIALLY OWNED BEFORE AND AFTER THE OFFERING	
	NUMBER	PERCENT
Adolph Coors, Jr. Trust, William K. Coors, Jeffrey H. Coors, Peter H. Coors, J. Bradford Coors and Melissa E. Coors, trustees(a)	1,260,000	100%

(a) William K. Coors and Peter H. Coors disclaim beneficial ownership of the shares held by the Adolph Coors, Jr. Trust.

All of our voting stock is owned by the Adolph Coors, Jr. Trust. This trust is not selling any shares in the offering and will continue to own 100% of our voting stock after the offering.

CLASS B COMMON STOCK (NON-VOTING)

NAME	SHARES BENEFICIALLY OWNED PRIOR TO THE OFFERING		SHARES SOLD IN OFFERING	SHARES BENEFICIALLY OWNED AFTER THE OFFERING	
	NUMBER	PERCENT		NUMBER	PERCENT
William K. Coors	2,910,787(a)	8.1%	--	2,910,787(a)	8.1%
Peter H. Coors	2,960,485(b)	8.2%	--	2,960,485(b)	8.2%
W. Leo Kiely III	173,821(c)	*	--	173,821(c)	*
Luis G. Nogales	2,551(d)	*	--	2,551(d)	*
Pamela H. Patsley	2,040(d)	*	--	2,040(d)	*
Wayne R. Sanders	5,964(d)	*	--	5,964(d)	*
Albert C. Yates	930(d)	*	--	930(d)	*
L. Don Brown	110,750(e)	*	--	110,750(e)	*
Timothy V. Wolf	23,745(f)	*	--	23,745(f)	*
All executive officers and directors as a group (16 persons)	3,938,284	10.9%	--	3,938,284	10.9%
Adolph Coors, Jr. Trust, William K. Coors, Jeffrey H. Coors, Peter H. Coors, J. Bradford Coors and Melissa E. Coors, trustees	2,940,000	8.3%	--	2,940,000	8.3%
May K. Coors Trust(g)	2,589,980	7.3%	--	2,589,980	7.3%
Grover C. Coors Trust William K. Coors, Joseph Coors, Jr., Jeffrey H. Coors and John K. Coors, co-trustees	3,946,423	11.1%	2,400,000	1,546,423	4.3%
Herman F. Coors Trust(g)	2,152,500	6.0%	400,000	1,752,500	4.9%
Bertha C. Monroe Trust(g)	1,710,736	4.8%	400,000	1,310,736	3.7%
Augusta C. Collbran Trust(g)	1,523,025	4.3%	400,000	1,123,025	3.1%
Louise C. Porter Trust(g)	1,380,330	3.9%	400,000	980,330	2.7%

* less than 1%

(a) Includes 2,589,980 shares owned by the May K. Coors Trust of which Mr. Coors disclaims beneficial ownership. Does not include an aggregate of 14,160,114 shares of Class B common stock owned by a number of other trusts that hold the shares for the benefit of certain Coors family members. William K. Coors is a beneficiary of certain of these trusts. Disclosure of these shares is not required by the Commission.

(b) Includes 2,589,980 shares owned by the May K. Coors Trust of which Mr. Coors disclaims beneficial ownership. Does not include an aggregate of 10,213,691 shares of Class B common stock owned by a

number of other trusts that hold the shares for the benefit of certain Coors family members. Peter H. Coors is a beneficiary of certain of these trusts. Disclosure of these shares is not required by the Commission. This number includes options to purchase 303,821 shares of Class B common stock exercisable within 60 days.

(c)This number includes options to purchase 158,423 shares of Class B common stock exercisable within 60 days.

(d) These shares were issued as restricted stock under our 1991 Equity Compensation Plan for Non-Employee Directors. Vesting in the restricted stock occurs at the end of the one-year term for outside directors. These numbers include the following number of shares which will vest in May 2001:
Luis G. Nogales, 122; Pamela H. Patsley, 292; Wayne R. Sanders, 122; Albert C. Yates, 365.

(e) This number includes options to purchase 109,577 shares of Class B common stock exercisable within 60 days.

(f) This number includes options to purchase 20,983 shares of Class B common stock exercisable within 60 days.

(g) William K. Coors, Joseph Coors, Jr., Jeffrey H. Coors and Peter H. Coors serve as co-trustees.

UNITED STATES FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of common stock by a beneficial owner that is a "non-U.S. holder." A "non-U.S. holder" is a person or entity that, for U.S. federal income tax purposes, is a:

-- non-resident alien individual,

-- foreign corporation,

-- foreign partnership or

-- foreign estate or trust.

This discussion is based on the Internal Revenue Code of 1986, as amended, and administrative interpretations as of the date of this prospectus, all of which are subject to change, including changes with retroactive effect. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to non-U.S. holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. Prospective holders should consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of common stock, including the consequences under the laws of any state, local or foreign jurisdiction.

DIVIDENDS

Dividends paid to a non-U.S. holder of common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. For purposes of determining whether tax is to be withheld at a reduced rate under an income tax treaty, Coors will presume that dividends paid on or before December 31, 2000 to an address in a foreign country are paid to a resident of that country unless it has knowledge that the presumption is not warranted.

In order to obtain a reduced rate of withholding for dividends paid after December 31, 2000, a non-U.S. holder will be required to provide an Internal Revenue Service Form W-8BEN certifying its entitlement to benefits under a treaty. In addition, where dividends are paid to a non-U.S. holder that is a partnership or other pass-through entity, persons holding an interest in the entity may need to provide the certification.

The withholding tax does not apply to dividends paid to a non-U.S. holder who provides a Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax as if the non-U.S. holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate) on an earnings amount that is net of the regular tax.

GAIN ON DISPOSITION OF COMMON STOCK

A non-U.S. holder generally will not be subject to U.S. federal income tax on gain realized on a sale or other disposition of common stock unless:

-- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States,

-- in the case of certain non-U.S. holders who are non-resident alien individuals and hold the common stock as a capital asset, the individuals are present in the United States for 183 or more days in the taxable year of the disposition,

-- the non-U.S. holder is subject to tax as an expatriate or

-- Coors is or has been a U.S. real property holding corporation at any time within the five-year period preceding the disposition or the non-U.S. holder's holding period, whichever period is shorter.

The tax relating to stock in a U.S. real property holding corporation does not apply to a non-U.S. holder whose holdings, actual and constructive, at all times during the applicable period, amount to 5% or less of the

common stock of a U.S. real property holding corporation, provided that the common stock is regularly traded on an established securities market. Generally, a corporation is a U.S. real property holding corporation if the fair market value of its U.S. real property interests, as defined in the Code and applicable regulations, equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we are not, and we do not anticipate becoming, a U.S. real property holding corporation.

INFORMATION REPORTING REQUIREMENTS AND BACKUP WITHHOLDING

We must report to the IRS the amount of dividends paid, the name and address of the recipient, and the amount of any tax withheld. A similar report is sent to the non-U.S. holder. Under tax treaties or other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence. Dividends paid on or before December 31, 2000 at an address outside the United States are not subject to backup withholding, unless the payor has knowledge that the payee is a U.S. person. However, a non-U.S. holder may need to certify its non-U.S. status in order to avoid backup withholding at a 31% rate on dividends paid on or before December 31, 2000 at an address inside the United States and on dividends paid after that date.

U.S. information reporting and backup withholding generally will not apply to a payment of proceeds of a disposition of common stock where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. However, a non-U.S. holder may need to certify its non-U.S. status in order to avoid information reporting and backup withholding at a 31% rate on disposition proceeds where the transaction is effected by or through a U.S. office of a broker. In addition, U.S. information reporting requirements may apply to the proceeds of a disposition effected by or through a non-U.S. office of a U.S. broker, or by a non-U.S. broker with specified connections to the United States.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. When withholding results in an overpayment of taxes, a refund may be obtained if the required information is furnished to the IRS.

FEDERAL ESTATE TAX

An individual non-U.S. holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the common stock will be required to include the value of the stock in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, Goldman, Sachs & Co., J.P. Morgan Securities Inc. and Banc of America Securities LLC are acting as representatives, have severally agreed to purchase, and the selling shareholders have agreed to sell to them, severally, the respective number of shares of Class B common stock set forth opposite the names of the underwriters below:

NAME	NUMBER OF SHARES
Morgan Stanley & Co. Incorporated	
Goldman, Sachs & Co.	
J.P. Morgan Securities Inc.	
Banc of America Securities LLC	
Total	4,000,000

The underwriters are offering the shares of Class B common stock subject to their acceptance of shares from the selling shareholders and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class B common stock offered by this prospectus are subject to the approval of specific legal matters by their counsel and to other conditions. The underwriters are obligated to purchase all of the shares of Class B common stock offered by this prospectus if any shares are taken. However, the underwriters are not required to purchase the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares directly to the public at the public offering price set forth on the cover page of this prospectus. The underwriters may also offer the shares to securities dealers at a price that represents a concession not in excess of $ a share under the public offering price. No underwriter will allow, and no dealer will reallow, a concession to other underwriters or to dealers. After the initial offering of the shares, the offering price and other selling terms may from time to time be changed by the representatives.

The selling shareholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 600,000 additional shares of Class B common stock at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares offered by this prospectus. To the extent this option is exercised, each underwriter will become obligated, subject to specified conditions, to purchase about the same percentage of the additional shares as the number set forth next to the underwriter's name in the preceding table bears to the total number of shares of Class B common stock set forth next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public for this offering would be $, the total underwriters' discounts and commissions would be $ and total proceeds to the selling shareholders would be $.

Each of Coors, the selling shareholders and our directors, executive officers and certain other shareholders of Coors has agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, it will not, during the period ending 90 days after the date of this prospectus:

-- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

-- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any transaction described above is to be settled by delivery of shares of common stock or other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to:

-- the sale of the shares to the underwriters;

-- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;

-- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering; or

-- bona fide gifts by any person other than us, provided that the donees of any such gifts have agreed in writing to be bound by the foregoing restrictions.

The Class B common stock is traded on the New York Stock Exchange under the symbol "RKY."

In order to facilitate the offering of the Class B common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class B common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class B common stock in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, shares of Class B common stock in the open market to stabilize the price of the Class B common stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the Class B common stock in the offering, if the syndicate repurchases previously distributed Class B common stock to cover syndicate short positions or to stabilize the price of the Class B common stock. These activities may raise or maintain the market price of the Class B common stock above independent market levels or prevent or retard a decline in the market price of the Class B common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the selling shareholders and the underwriters have agreed to indemnify each other against a variety of liabilities, including liabilities under the Securities Act.

From time to time, some of the underwriters and their affiliates have provided, and continue to provide, banking services to us.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Perkins Coie LLP, Denver, Colorado. The selling shareholders are represented by Hogan & Hartson L.L.P., Denver, Colorado. Legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell, New York, New York.

EXPERTS

The consolidated financial statements as of December 26, 1999 and December 27, 1998 and for each of the three years in the period ended December 26, 1999 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of this firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a Registration Statement on Form S-3 under the Securities Act with respect to the common stock we propose to sell in this offering. This prospectus, which is a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information about us and the common stock we propose to sell in this offering, we refer you to the registration statement, including the documents incorporated by reference herein, and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus as to the contents of any contract or other document filed as an exhibit to the registration statement are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed. The registration statement, including exhibits, may be inspected without charge at the principal office of the Securities and Exchange Commission in Washington, D.C. and copies of all or any part of which may be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at 450 Fifth Street, N.W., Judiciary Plaza, Room 1024, Washington, D.C. 20549, and at the Commission's regional offices located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material can also be obtained at prescribed rates by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the Commission at 1-800-SEC-0330. In addition, the Securities and Exchange Commission maintains a website at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Securities and Exchange Commission allows us to incorporate into this prospectus information contained in other documents that we file with the Securities and Exchange Commission. The information incorporated by reference is considered to be part of this prospectus and information we later file with the Securities and Exchange Commission will automatically update and supersede the information contained in this prospectus. This means that we can disclose information to you by referring you to those other filings, and the information contained in those other findings become part of this prospectus. We are incorporating by reference the information contained in the following Securities and Exchange Commission filings:

-- our Annual Report on Form 10-K for the fiscal year ended December 26, 1999;

-- our Quarterly Report on Form 10-Q for the quarter ended March 26, 2000;

-- our Quarterly Report on Form 10-Q for the quarter ended June 25, 2000;

-- our Quarterly Report on Form 10-Q for the quarter ended September 24, 2000;

-- our Current Report on Form 8-K filed June 5, 2000;

-- the description of our Class B Common stock contained in the Registration Statement on Form 8-A, and any other amendment or report filed to update the description; and

-- any filings that we make with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the date of termination of this offering. Information in these filings will be incorporated as of the filing date.

You may request copies of the filings, at no cost, by writing to Adolph Coors Company, 311 10th Street, P.O. Box 4030, Golden, Colorado, 80401-0030, Attention: Investor Relations, or calling (303) 279-6565.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	THIRTY-NINE WEEKS ENDED	
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999
Sales -- domestic and international	$2,008,803	$1,867,579
Beer excise taxes	(326,927)	(308,124)
Net sales	1,681,876	1,559,455
Cost of goods sold	(994,361)	(908,140)
Gross profit	687,515	651,315
Marketing, general and administrative	(538,974)	(520,301)
Special charge -- net	(10,060)	(5,705)
Operating income	138,481	125,309
Other income -- net	11,735	5,382
Income before income taxes	150,216	130,691
Income tax expense	(52,561)	(50,643)
Net income	$ 97,655	$ 80,048
Net income per common share -- basic	$ 2.66	$ 2.18
Net income per common share -- diluted	$ 2.61	$ 2.14
Weighted average number of outstanding common shares -- basic	36,745	36,714
Weighted average number of outstanding common shares -- diluted	37,371	37,472
Cash dividends declared and paid per common share	$ 0.535	$ 0.480

See notes to unaudited consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)

(UNAUDITED)

	SEPTEMBER 24, 2000	DECEMBER 26, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 74,808	$ 163,808
Short-term marketable securities	80,608	113,185
Accounts and notes receivable, net	167,190	159,660
Inventories:		
Finished	47,557	44,073
In process	20,149	19,036
Raw materials	44,516	34,077
Packaging materials	9,321	10,071
Total inventories	121,543	107,257
Other current assets	62,391	68,911
Total current assets	506,540	612,821
Properties, at cost and net	700,776	714,001
Long-term marketable securities	200,499	2,890
Other assets	219,428	216,664
Total assets	$1,627,243	$1,546,376

See notes to unaudited consolidated financial statements. (Continued)

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE INFORMATION)

(UNAUDITED)

	SEPTEMBER 24, 2000	DECEMBER 26, 1999
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 172,824	$ 179,615
Accrued expenses and other liabilities	210,739	213,089
Total current liabilities	383,563	392,704
Long-term debt	105,000	105,000
Deferred tax liability	97,307	78,733
Other long-term liabilities	124,741	128,400
Total liabilities	710,611	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: 35,607,814 in 2000 and 35,462,034 in 1999)	8,480	8,443
Total capital stock	9,740	9,703
Paid-in capital	4,035	5,773
Retained earnings	903,005	825,070
Accumulated other comprehensive (loss) income	(148)	993
Total shareholders' equity	916,632	841,539
Total liabilities and shareholders' equity	$ 1,627,243	$ 1,546,376

See notes to unaudited consolidated financial statements. (Concluded)

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

(UNAUDITED)

	THIRTY-NINE WEEKS ENDED	
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999
Cash flows from operating activities:		
Net income	$ 97,655	$ 80,048
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of joint ventures	(32,676)	(25,237)
Impairment charge	4,944	--
Non-cash restructuring charges	9,974	3,725
Depreciation and amortization	95,990	92,306
(Gain) loss on sale or abandonment of properties	(3,619)	4,233
Deferred income taxes	21,738	(7,815)
Change in operating assets and liabilities	(35,260)	(30,004)
Net cash provided by operating activities	158,746	117,256
Cash flows from investing activities:		
Purchases of securities	(314,690)	(85,970)
Sales and maturities of securities	150,318	83,830
Additions to properties and intangibles	(87,709)	(100,629)
Proceeds from sales of properties	4,568	1,041
Distributions from joint ventures	38,408	23,472
Other	(7,184)	(1,968)
Net cash used in investing activities	(216,289)	(80,224)
Cash flows from financing activities:		
Issuances of stock under stock plans	12,045	9,414
Purchases of stock	(19,989)	(13,308)
Dividends paid	(19,720)	(17,686)
Payment of current portion of long-term debt	--	(40,000)
Other	(3,468)	2,099
Net cash used in financing activities	(31,132)	(59,481)
Cash and cash equivalents:		
Net decrease in cash and cash equivalents	(88,675)	(22,449)
Effect of exchange rate changes on cash and cash equivalents	(325)	(269)
Balance at beginning of year	163,808	160,038
Balance at end of quarter	$ 74,808	$ 137,320

See notes to unaudited consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 24, 2000

1. BUSINESS

Since our founding in 1873, we have been committed to producing the highest quality beers. We are incorporated in Colorado and are the third largest beer producer in the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

Unaudited consolidated financial statements -- In our opinion, 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, results of operations and cash flows for the periods presented. The accompanying financial statements include our accounts and the accounts of our majority-owned and controlled domestic and foreign subsidiaries. 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 our Form 10-K for the year ended December 26, 1999. The results of operations for the thirty-nine weeks ended September 24, 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 -- For the first thirty-nine weeks of 2000 and 1999, equity was increased by the non-cash tax effects of the issuances of stock under our stock plans of $7.4 million and $6.9 million, respectively.

3. SPECIAL CHARGE -- NET

In the third quarter of 2000, we received approximately $5.4 million related to an insurance claim settlement. This credit has been classified as a special item in the statement of income.

In the second quarter of 2000, our Board of Directors approved a plan to close our brewery and sales operation in Spain by the end of 2000. As a result of this plan, we performed an evaluation on our Spain operation's long-lived assets and determined that certain of these assets were impaired. A charge of approximately $15.5 million was taken in the second quarter, of which approximately $10.6 million related to severance and other related costs for approximately 100 employees and $4.9 million related to a fixed asset impairment charge. These expenses were classified as a special charge in the statement of income. During the third quarter, approximately $0.6 million was paid out for severance and other related closure costs and at September 24, 2000 the remaining liability for severance and other related costs was approximately $10.0 million.

During the third quarter of 1999, we recorded a special charge of $5.7 million. Approximately $3.7 million of this charge related to a restructuring of part of our operations, which primarily included a voluntary severance program involving our engineering and construction work force. Approximately 50 engineering and construction employees accepted severance packages under the voluntary program. Also included in the $5.7 million charge was approximately $2.0 million of special charges incurred to facilitate distributor network improvements. During 2000, approximately $2.4 million was paid related to the severance packages. At September 24, 2000, the remaining liability for severance was approximately $0.4 million.

4. OTHER COMPREHENSIVE INCOME

	THIRTY-NINE WEEKS ENDED	
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999
	(IN THOUSANDS)	
Net income	$97,655	$80,048
Other comprehensive income (expense), net of tax:		
Foreign currency translation adjustments	1,214	(3,031)
Unrealized gain (loss) on available-for-sale securities and derivative instruments	(94)	3,405
Reclassification adjustment for net gains realized in net income on derivative instruments	(2,261)	--
Comprehensive income	$96,514	$80,422

5. EARNINGS PER SHARE (EPS)

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

	THIRTY-NINE WEEKS ENDED	
	SEPTEMBER 24, 2000	SEPTEMBER 26, 1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Net income available to common shareholders	$97,655	$80,048
Weighted average shares for basic EPS	36,745	36,714
Effect of dilutive securities:		
Stock options	567	667
Contingent shares not included in shares outstanding for basic EPS	59	91
Weighted average shares for diluted EPS	37,371	37,472
Basic EPS	$ 2.66	$ 2.18
Diluted EPS	$ 2.61	$ 2.14

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

6. ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition", (SAB 101). The Accounting Bulletin provides guidance on applying generally accepted accounting principles to revenue recognition in financial statements and requires disclosure of a company's revenue recognition policy. An amendment in June 2000 delayed the effective date until the fourth quarter of 2000. We do not believe that the adoption of SAB 101 will have a material impact on our consolidated financial statements.

7. SUBSEQUENT EVENTS

On October 25, 2000, we signed a letter of intent with Molson Inc. to form a joint venture to import, market, sell and distribute Molson's brands of beer in the U.S. We expect to pay approximately $65.0 million in cash and to receive a 49.9% interest in the joint venture, which will be accounted for using the equity method of accounting. We expect to finalize a definitive agreement by December 31, 2000.

We also signed two additional letters of intent with Molson for a brewing and packaging arrangement and to amend the terms of our existing partnership agreement, respectively. Under the proposed brewing and packaging agreement we would have access to some of Molson's available production capacity in Canada. Our current partnership agreement with Molson, which pertains to the marketing and selling of our products in Canada, would be amended to extend the term and provide performance guarantees to us. We expect these agreements to be finalized by December 31, 2000.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Adolph Coors Company

In our opinion, the accompanying consolidated balance sheets and related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Adolph Coors Company and its subsidiaries at December 26, 1999, and December 27, 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 26, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Denver, Colorado
February 9, 2000

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Sales--domestic and international	$ 2,462,874	$ 2,291,322	$ 2,207,384
Beer excise taxes	(406,228)	(391,789)	(386,080)
Net sales (Note 13)	2,056,646	1,899,533	1,821,304
Cost of goods sold	(1,215,965)	(1,160,693)	(1,131,610)
Gross profit	840,681	738,840	689,694
Other operating expenses:			
Marketing, general and administrative	(692,993)	(615,626)	(573,818)
Special (charges) credits (Note 9)	(5,705)	(19,395)	31,517
Total other operating expenses	(698,698)	(635,021)	(542,301)
Operating income	141,983	103,819	147,393
Other income (expense):			
Interest income	11,286	12,136	8,835
Interest expense	(4,357)	(9,803)	(13,277)
Miscellaneous--net	1,755	4,948	3,942
Total	8,684	7,281	(500)
Income before income taxes	150,667	111,100	146,893
Income tax expense (Note 5)	(58,383)	(43,316)	(64,633)
Net income	92,284	67,784	82,260
Other comprehensive income (expense), net of tax (Note 12):			
Foreign currency translation adjustments	(3,519)	1,430	(5,886)
Unrealized gain on available-for-sale securities	6,438	440	--
Comprehensive income	$ 95,203	$ 69,654	$ 76,374
Net income per common share--basic	$ 2.51	$ 1.87	$ 2.21
Net income per common share--diluted	$ 2.46	$ 1.81	$ 2.16
Weighted-average number of outstanding common shares--basic	36,729	36,312	37,218
Weighted-average number of outstanding common shares--diluted	37,457	37,515	38,056

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 163,808	$ 160,038
Short-term investments	113,185	96,190
Accounts and notes receivable:		
Trade, less allowance for doubtful accounts of $55 in 1999 and $299 in 1998	123,861	106,962
Affiliates	13,773	11,896
Other, less allowance for certain claims of $133 in 1999 and $584 in 1998	22,026	7,751
INVENTORIES:		
Finished	44,073	38,520
In process	19,036	24,526
Raw materials	34,077	34,016
Packaging materials, less allowance for obsolete inventories of $1,195 in 1999 and $1,018 in 1998	10,071	5,598
Total inventories	107,257	102,660
Other supplies, less allowance for obsolete supplies of $1,975 in 1999 and $3,968 in 1998	23,584	27,729
Prepaid expenses and other assets	24,858	12,848
Deferred tax asset (Note 5)	20,469	22,917
Total current assets	612,821	548,991
Properties, at cost and net (Notes 2 and 13)	714,001	714,441
Excess of cost over net assets of businesses acquired, less accumulated amortization of $7,785 in 1999 and $6,727 in 1998	31,292	23,114
Long-term investments	2,890	31,444
Other assets (Note 10)	185,372	142,608
Total assets	$1,546,376	$1,460,598

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	$ 155,344	$ 132,193
Affiliates	24,271	11,706
Accrued salaries and vacations	60,861	54,584
Taxes, other than income taxes	53,974	48,332
Federal and state income taxes (Note 5)	8,439	10,130
Accrued expenses and other liabilities	89,815	86,967
Current portion of long-term debt (Note 4)	--	40,000
Total current liabilities	392,704	383,912
Long-term debt (Note 4)	105,000	105,000
Deferred tax liability (Note 5)	78,733	65,779
Postretirement benefits (Note 8)	75,821	74,469
Other long-term liabilities	52,579	56,640
Total Liabilities	704,837	685,800
Commitments and contingencies (Notes 3, 4, 5, 6, 7, 8, 10 and 14)		
Shareholders' equity (Notes 6, 11 and 12):		
Capital stock:		
Preferred stock, non-voting, $1 par value (authorized: 25,000,000 shares; issued and outstanding: none)	--	--
Class A common stock, voting, $1 par value, (authorized, issued and outstanding: 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 and outstanding: 35,462,034 in 1999 and 35,395,306 in 1998)	8,443	8,428
Total capital stock	9,703	9,688
Paid-in capital	5,773	10,505
Retained earnings	825,070	756,531
Accumulated other comprehensive income (loss)	993	(1,926)
Total shareholders' equity	841,539	774,798
Total liabilities and shareholders' equity	$1,546,376	$1,460,598

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 92,284	$ 67,784	$ 82,260
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net earnings of joint ventures	(36,958)	(33,227)	(15,893)
Reserve for severance	4,769	8,324	--
Reserve for joint venture investment	--	--	21,978
Depreciation, depletion and amortization	123,770	115,815	117,166
Loss on sale or abandonment of properties and intangibles, net	2,471	7,687	5,594
Impairment charge	--	2,219	10,595
Deferred income taxes	20,635	(8,751)	(15,043)
Change in operating assets and liabilities:			
Accounts and notes receivable	(21,036)	2,140	(10,971)
Inventories	(4,373)	4,176	14,051
Other assets	(49,786)	8,977	3,742
Accounts payable	35,261	9,899	9,599
Accrued expenses and other liabilities	2,751	(3,898)	37,475
Net cash provided by operating activities	169,788	181,145	260,553
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of investments	(94,970)	(101,682)	(122,800)
Sales and maturities of investments	105,920	62,393	39,499
Additions to properties and intangible assets	(134,377)	(104,505)	(60,373)
Proceeds from sales of properties and intangible assets	3,821	2,264	3,273
Distributions from joint ventures	30,280	22,438	13,250
Other	(1,437)	(4,949)	(775)
Net cash used in investing activities	(90,763)	(124,041)	(127,926)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuances of stock under stock plans	9,728	9,823	24,588
Purchases of stock	(20,722)	(27,599)	(60,151)
Dividends paid	(23,745)	(21,893)	(20,523)
Payments of long-term debt	(40,000)	(27,500)	(20,500)
Other	(1,692)	1,140	4,544
Net cash used in financing activities	(76,431)	(66,029)	(72,042)
CASH AND CASH EQUIVALENTS:			
Net increase (decrease) in cash and cash equivalents	2,594	(8,925)	60,585
Effect of exchange rate changes on cash and cash equivalents	1,176	88	(2,615)
Balance at beginning of year	160,038	168,875	110,905
Balance at end of year	$ 163,808	$ 160,038	$ 168,875

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK ISSUED				ACCUMULATED OTHER COMPREHENSIVE	
	CLASS A	CLASS B	PAID-IN CAPITAL	RETAINED EARNINGS	INCOME	TOTAL
	(IN THOUSANDS, EXCEPT PER SHARE DATA)					
Balances, December 29, 1996....	$1,260	$8,729	$ 31,436	$ 671,972	$ 2,090	$715,487
Shares issued under stock plans.....		236	25,145			25,381
Purchases of stock.....		(489)	(56,581)	(3,081)		(60,151)
Other comprehensive loss.....					(5,886)	(5,886)
Net income.....				82,260		82,260
Cash dividends--$0.55 per share.....				(20,523)		(20,523)
Balances, December 28, 1997....	1,260	8,476	--	730,628	(3,796)	736,568
Shares issued under stock plans.....		145	17,923			18,068
Purchases of stock.....		(193)	(7,418)	(19,988)		(27,599)
Other comprehensive income.....					1,870	1,870
Net income.....				67,784		67,784
Cash dividends--$0.60 per share.....				(21,893)		(21,893)
Balances, December 27, 1998....	1,260	8,428	10,505	756,531	(1,926)	774,798
Shares issued under stock plans.....		110	15,895			16,005
Purchases of stock.....		(95)	(20,627)			(20,722)
Other comprehensive income.....					2,919	2,919
Net income.....				92,284		92,284
Cash dividends--$0.645 per share.....				(23,745)		(23,745)
Balances, December 26, 1999....	$1,260	$8,443	$ 5,773	$825,070	$ 993	$841,539

See notes to consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation: The consolidated financial statements include the accounts of Adolph Coors Company (ACC); its principal subsidiary, 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"). All significant intercompany accounts and transactions have been eliminated. The equity method of accounting is used for the Company's investments in affiliates where the Company has the ability to exercise significant influence (see Note 10). The Company has other investments that are accounted for at cost.

Nature of operations: The Company is a multinational brewer and marketer of beer and other malt-based beverages. The vast majority of the Company's volume is sold in the United States to independent wholesalers. The Company's international volume is produced, marketed and distributed under varying business arrangements including export, direct investment, joint ventures and licensing.

Fiscal year: The fiscal year of the Company is a 52- or 53-week period ending on the last Sunday in December. Fiscal years for the financial statements included herein ended December 26, 1999, December 27, 1998, and December 28, 1997, were all 52-week periods.

Investments in marketable securities: ACC invests excess cash on hand in interest-bearing debt securities. At December 26, 1999, $113.2 million of these securities were classified as current assets and $2.9 million were classified as non-current assets, as their maturities exceeded one year. All of these securities were considered to be available-for-sale. At December 26, 1999, these securities have been recorded at fair value, based on quoted market prices, through other comprehensive income. Maturities on these investments range from 2000 through 2001.

Concentration of credit risk: The majority of the accounts receivable balances are from malt beverage distributors. The Company secures substantially all of this credit risk with purchase money security interests in inventory and proceeds, personal guarantees and/or letters of credit.

Inventories: Inventories are stated at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for substantially all inventories.

Current cost, as determined principally on the first-in, first-out method, exceeded LIFO cost by $41.0 million and $41.4 million at December 26, 1999, and December 27, 1998, respectively.

Properties: Land, buildings and equipment are stated at cost. Depreciation is provided principally on the straight-line method over the following estimated useful lives: buildings and improvements, 10 to 45 years; and machinery and equipment, 3 to 20 years. Accelerated depreciation methods are generally used for income tax purposes. Expenditures for new facilities and improvements that substantially extend the capacity or useful life of an asset are capitalized. Start-up costs associated with manufacturing facilities, but not related to construction, are expensed as incurred. Ordinary repairs and maintenance are expensed as incurred.

Derivative Instruments: In the normal course of business, the Company is exposed to fluctuations in interest rates, the value of foreign currencies and production and packaging materials prices. The Company has established policies and procedures that govern the management of these exposures through the use of a variety of financial instruments. The Company employs various financial instruments, including forward exchange contracts, options and swap agreements, to manage certain of the exposures when practical. By policy, the Company does not enter into such contracts for the purpose of speculation or use leveraged financial instruments.

The Company's derivatives activities are subject to management, direction and control of the Financial Risk Management Committee (FRMC). The FRMC is composed of the chief financial officer and other senior management of the Company. The FRMC (1) sets forth risk-management philosophy and objectives

through a corporate policy, (2) provides guidelines for derivative-instrument usage and (3) establishes procedures for control and valuation, counterparty credit approval and the monitoring and reporting of derivative activity.

The Company's objective in managing its exposure to fluctuations in interest rates, foreign currency exchange rates and production and packaging materials prices is to decrease the volatility of earnings and cash flows associated with changes in the applicable rates and prices. To achieve this objective, the Company primarily enters into forward exchange contracts, options and swap agreements whose values change in the opposite direction of the anticipated cash flows. Derivative instruments related to forecasted transactions are considered to hedge future cash flows, and the effective portion of any gains or losses are included in other comprehensive income until earnings are affected by the variability of cash flows. Any remaining gain or loss is recognized currently in earnings. The cash flows of the derivative instruments are expected to be highly effective in achieving offsetting cash flows attributable to fluctuations in the cash flows of the hedged risk. If it becomes probable that a forecasted transaction will no longer occur, the derivative will continue to be carried on the balance sheet at fair value, and gains and losses that were accumulated in other comprehensive income will be recognized immediately in earnings. If the derivative instruments are terminated prior to their expiration dates, any cumulative gains and losses are deferred and recognized in income over the remaining life of the underlying exposure. If the hedged assets or liabilities were to be sold or extinguished, the Company would recognize the gain or loss on the designated financial instruments currently in income.

To manage its exposures, the Company has entered into various financial instruments including forward exchange contracts, options and swap agreements. The Company has designated some of these instruments as cash flow hedges. The Company has partially hedged its exposure to the variability in future cash flows relating to fluctuations in foreign exchange rates and certain production and packaging materials prices for terms extending from January 2000 through March 2002 (see Note 12).

Instruments entered into that relate to existing foreign currency assets and liabilities do not qualify for hedge accounting in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133). The gains and losses on both the derivatives and the foreign-currency-denominated assets and liabilities are recorded currently in Sales, Cost of goods sold and Marketing, general and administrative expenses in the accompanying Consolidated Statements of Income. Interest rate swap agreements are not designated as hedges, and therefore, currently all gains and losses are recorded in Interest income in the accompanying Consolidated Statements of Income. The Company has entered into call and put options which currently do not qualify for hedge accounting. If, at some future date, these options do qualify for hedge accounting, the Company may choose to designate them as hedging items. All gains and losses on these options are recorded currently in Cost of goods sold on the accompanying Consolidated Statements of Income.

The Company adopted FAS 133 as of January 1999. During 1999, there were no significant gains or losses recognized in earnings for hedge ineffectiveness or due to excluding a portion of the value from measuring effectiveness. The estimated net gain to be recognized over the next 12 months in relation to certain production and packaging materials at December 26, 1999, is $5.1 million.

Excess of cost over net assets of businesses acquired: The excess of cost over the net assets of businesses acquired in transactions accounted for as purchases is being amortized on a straight-line basis, generally over a 40-year period. During 1998, CBC recorded a $2.2 million impairment charge, which has been classified as a Special charge in the accompanying Consolidated Statements of Income, related to long-lived assets at one of its distributorships. The long-lived assets were considered impaired in light of both historical losses and expected future, undiscounted cash flows. The impairment charge represented a reduction of the carrying amounts of the impaired assets to their estimated fair market values, which were determined using a discounted cash flow model.

Impairment policy: The Company periodically evaluates its assets to assess their recoverability from future operations using undiscounted cash flows. Impairment would be recognized in operations if a permanent diminution in value is judged to have occurred.

Advertising: Advertising costs, included in Marketing, general and administrative, are expensed when the advertising is run. Advertising expense was $443.4 million, $395.8 million and $360.0 million for years 1999, 1998 and 1997, respectively. The Company had $6.2 million and $7.0 million of prepaid advertising production costs reported as assets at December 26, 1999, and December 27, 1998, respectively.

Research and development: Research and project development costs, included in Marketing, general and administrative, are expensed as incurred. These costs totaled $15.5 million, $15.2 million and $14.6 million in 1999, 1998 and 1997, respectively.

Environmental expenditures: Environmental expenditures that relate to current operations are expensed or capitalized, as appropriate. Expenditures that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be estimated reasonably.

Statement of Cash Flows: Cash equivalents represent highly liquid investments with original maturities of 90 days or less. The fair value of these investments approximates their carrying value. During 1999, 1998 and 1997, ACC issued restricted common stock under its management incentive program. These issuances, net of forfeitures, resulted in net non-cash (decreases) increases to the equity accounts of ($0.7) million, $2.4 million and $0.8 million in 1999, 1998 and 1997 respectively. Also during 1999, 1998 and 1997, equity was increased by the non-cash tax effects of the exercise of stock options under the Company's stock plans of $7.0 million, $5.9 million and $5.0 million, respectively. Net income taxes paid were $42.4 million in 1999, $39.6 million in 1998 and $66.8 million in 1997.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications have been made to the 1998 and 1997 financial statements to conform with the 1999 presentation.

NOTE 2: PROPERTIES

The cost of properties and related accumulated depreciation, depletion and amortization consists of the following:

	AS OF	
	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
Land and improvements	$ 94,687	$ 94,561
Buildings	501,013	494,344
Machinery and equipment	1,680,600	1,581,355
Natural resource properties	7,423	8,623
Construction in progress	44,845	50,840
	2,328,568	2,229,723
Less accumulated depreciation, depletion and amortization	(1,614,567)	(1,515,282)
Net properties	$ 714,001	$ 714,441

Interest incurred, capitalized, expensed and paid were as follows:

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
Interest costs	$ 8,478	$ 12,532	$ 15,177
Interest capitalized	(4,121)	(2,729)	(1,900)
Interest expensed	$ 4,357	$ 9,803	$ 13,277
Interest paid	$ 9,981	$ 12,808	$ 14,643

NOTE 3: LEASES

The Company leases certain office facilities and operating equipment under cancelable and non-cancelable agreements accounted for as operating leases. At December 26, 1999, the minimum aggregate rental commitment under all non-cancelable leases was (in thousands): 2000, $5,790; 2001, $4,864; 2002, $4,231; 2003, $3,711; 2004, $3,628; and $7,152 for years thereafter. Total rent expense was (in thousands) $10,978, $11,052 and $13,870 for years 1999, 1998 and 1997, respectively.

NOTE 4: DEBT

Long-term debt consists of the following:

	AS OF			
	DECEMBER 26, 1999		DECEMBER 27, 1998	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	(IN THOUSANDS)			
Medium-term notes	$ --	$ --	$ 40,000	$ 40,000
Senior Notes	100,000	99,000	100,000	101,000
Industrial development bonds	5,000	5,000	5,000	5,000
Total	105,000	104,000	145,000	146,000
Less current portion	--	--	40,000	40,000
	$105,000	$104,000	$105,000	$106,000

Fair values were determined using discounted cash flows at current interest rates for similar borrowings.

During 1999, the medium-term notes matured and were paid in full.

On July 14, 1995, the Company completed a $100 million private placement of unsecured Senior Notes at fixed interest rates ranging from 6.76% to 6.95% per annum. Interest on the notes is due semiannually in January and July. The principal amount of the Notes is payable as follows: $80 million in 2002 and $20 million in 2005.

The Company is obligated to pay the principal, interest and premium, if any, on the $5 million, City of Wheat Ridge, Colorado Industrial Development Bonds (Adolph Coors Company Project) Series 1993. The bonds mature in 2013 and are secured by a letter of credit. They are currently variable rate securities with interest payable on the first of March, June, September and December. The interest rate on December 26, 1999, was 4.85%.

The Company has an unsecured, committed credit arrangement totaling $200 million, all of which was available as of December 26, 1999. This line of credit has a five-year term which expires in 2002, with two optional one-year extensions. During 1998, the Company exercised an option to extend the maturity to 2003. A facilities fee is paid on the total amount of the committed credit. Under the arrangement, the Company is required to maintain a certain debt-to-total capitalization ratio, with which the Company was in compliance at year-end 1999.

CBC's distribution subsidiary in Japan has two revolving lines of credit that it utilizes in its normal operations. Each of these facilities provides up to 500 million yen (approximately $4.9 million each as of December 26, 1999) in short-term financing. As of December 26, 1999, the approximate yen equivalent of $4.9 million was outstanding under these arrangements and is included in Accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

NOTE 5: INCOME TAXES

Income tax expense (benefit) includes the following current and deferred provisions:

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
Current:			
Federal	$ 31,062	$ 41,200	$ 68,435
State and foreign	6,686	10,867	11,241
Total current tax expense	37,748	52,067	79,676
Deferred:			
Federal	19,035	(7,401)	(12,935)
State and foreign	1,600	(1,350)	(2,108)
Total deferred tax expense (benefit)	20,635	(8,751)	(15,043)
Total income tax expense	$ 58,383	$ 43,316	$ 64,633

The Company's income tax expense varies from the amount expected by applying the statutory federal corporate tax rate to income as follows:

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
Expected tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.7	3.1	3.9
Effect of foreign investments	1.1	2.5	0.8
Non-taxable income	(0.8)	(1.7)	(0.4)
Effect of reserve for joint venture investment	--	--	4.8
Other, net	(0.2)	0.1	(0.1)
Effective tax rate	38.8%	39.0%	44.0%

The Company's deferred taxes are composed of the following:

	AS OF	
	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
Current deferred tax assets:		
Deferred compensation and other employee related	$ 12,052	$ 13,985
Balance sheet reserves and accruals	13,258	12,296
Other	211	261
Valuation allowance	(1,146)	(2,986)
Total current deferred tax assets	24,375	23,556
Current deferred tax liabilities:		
Balance sheet reserves and accruals	3,906	639
Net current deferred tax assets	$ 20,469	$ 22,917
Non-current deferred tax assets:		
Deferred compensation and other employee related	$ 14,578	$ 12,131
Balance sheet reserves and accruals	4,913	4,254
Retirement benefits	9,947	29,725
Environmental accruals	2,264	2,126
Deferred foreign losses	1,623	2,031
Total non-current deferred tax assets	33,325	50,267
Non-current deferred tax liabilities:		
Depreciation and capitalized interest	109,425	114,242
Other	2,633	1,804
Total non-current deferred tax liabilities	112,058	116,046
Net non-current deferred tax liabilities	$ 78,733	$ 65,779

The deferred tax assets have been reduced by a valuation allowance, because management believes it is more likely than not that such benefits will not be fully realized. The valuation allowance was reduced during 1999 by approximately $1.8 million due to a change in circumstances regarding realizability.

The Internal Revenue Service (IRS) has completed its examination of the Company's federal income tax returns through 1995. The IRS has proposed adjustments for the years 1993 through 1995 from the recently completed examination. The material adjustments would result in a tax liability of approximately $8 million. The Company has filed a protest for the proposed adjustments and began the administrative appeals process in 1999. In the opinion of management, adequate accruals have been provided for all income tax matters and related interest.

NOTE 6: STOCK OPTION, RESTRICTED STOCK AWARD AND EMPLOYEE AWARD PLANS

At December 26, 1999, the Company had four stock-based compensation plans, which are described in greater detail below. The Company applies Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its plans. Accordingly, as the exercise prices upon grant are equal to quoted market values, no compensation cost has been recognized for the stock option portion of the plans. Had compensation cost been determined for the Company's stock option portion of the plans based on the fair value at the grant dates for awards under those plans consistent with the alternative method set forth under Financial Accounting Standards Board Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	1999	1998	1997
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net income			
As reported	$92,284	$67,784	$82,260
Pro forma	$82,222	$61,484	$78,077
Earnings per share--basic			
As reported	$ 2.51	$ 1.87	$ 2.21
Pro forma	$ 2.24	$ 1.69	$ 2.10
Earnings per share--diluted			
As reported	$ 2.46	$ 1.81	$ 2.16
Pro forma	$ 2.20	$ 1.64	$ 2.05

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	1999	1998	1997
Risk-free interest rate	5.03%	5.78%	6.52%
Dividend yield	1.09%	1.63%	2.47%
Volatility	30.66%	32.56%	36.06%
Expected term (years)	7.8	10.0	10.0
Weighted average fair market value	$23.28	$14.96	$ 8.78

1983 Plan: The 1983 non-qualified Adolph Coors Company Stock Option Plan, as amended, (the 1983 Plan) provides for options to be granted at the discretion of the board of directors. These options expire 10 years from date of grant. No options have been granted under this plan since 1989. At this time, the board of directors has decided not to grant additional options under this plan.

A summary of the status of the Company's 1983 Plan as of December 26, 1999, December 27, 1998, and December 28, 1997, and changes during the years ended on those dates is presented below:

	OPTIONS AVAILABLE FOR GRANT	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding at December 29, 1996	712,998	49,515	$14.85
Exercised	--	(45,627)	14.55
Forfeited	3,888	(3,888)	18.36
Outstanding at December 28, 1997	716,886	--	N/A
Exercised	--	--	
Forfeited	--	--	
Outstanding at December 27, 1998	716,886	--	N/A
Exercised	--	--	
Forfeited	--	--	
Outstanding at December 26, 1999	716,886	--	N/A

1990 Plan: The 1990 Equity Incentive Plan, as amended, (1990 EI Plan) that became effective January 1, 1990, provides for two types of grants: stock options and restricted stock awards. The stock options have a term of 10 years with exercise prices equal to fair market value on the day of the grant. For grants during 1997 through 1999, one-third of the stock option grant vests in each of the three successive years after the date of grant. For grants during 1994 through 1996, stock options vested at 10% for each $1 increase in fair market value of ACC stock from date of grant, with a one-year holding period, or vest 100% after nine years. Once a portion has vested, it is not forfeited even if the fair market value drops. All of the grants issued during 1994 through 1996 were fully vested as of December 26, 1999. In November 1997, the board of directors approved increasing the total authorized shares to 8 million shares for issuance under the 1990 EI Plan, effective as of November 13, 1997.

A summary of the status of the Company's 1990 EI Plan as of December 26, 1999, December 27, 1998, and December 28, 1997, and changes during the years ending on those dates is presented below:

				OPTIONS EXERCISABLE AT YEAR-END	
	OPTIONS AVAILABLE FOR GRANT	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding at December 29, 1996	3,105,844	1,723,364	$18.01	846,273	$16.30
Authorized	3,000,000	--	--		
Granted	(1,573,742)	1,573,742	20.23		
Exercised	--	(901,834)	17.71		
Forfeited	143,093	(143,093)	19.21		
Outstanding at December 28, 1997	4,675,195	2,252,179	19.61	769,202	18.25
Granted	(794,283)	794,283	33.83		
Exercised	--	(616,914)	18.66		
Forfeited	99,331	(99,331)	25.06		
Outstanding at December 27, 1998	3,980,243	2,330,217	24.47	630,457	19.06
Granted	(917,951)	917,951	57.86		
Exercised	--	(494,424)	21.54		
Forfeited	110,289	(110,289)	38.00		
Outstanding at December 26, 1999	3,172,581	2,643,455	$36.05	881,161	$23.26

The following table summarizes information about stock options outstanding at December 26, 1999:

OPTIONS OUTSTANDING				OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	SHARES	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
$14.45 - $22.00	1,043,060	6.6	$19.11	645,598	$19.06
$26.88 - $33.41	651,511	8.0	$33.25	186,853	$33.03
$35.81 - $59.25	948,884	9.0	$56.59	48,710	$41.48
$14.45 - $59.25	2,643,455	7.8	$36.05	881,161	$23.26

The Company issued 4,953 shares, 85,651 shares and 40,201 shares of restricted stock in 1999, 1998 and 1997, respectively, under the 1990 EI Plan. For the 1999 shares, the vesting period is two years from the date of grant. For the 1998 shares, the vesting period is three years from the date of the grant and is either prorata for each successive year or cliff vesting. For the 1997 shares, the vesting period is one year from the date of the grant. The compensation cost associated with these awards is amortized over the vesting period. Compensation cost associated with these awards was immaterial in 1999, 1998 and 1997.

1991 Plan: In 1991, the Company adopted the Equity Compensation Plan for Non-Employee Directors (EC Plan). The EC Plan provides for two grants of the Company's stock: the first grant is automatic and equals 20% of the director's annual retainer, and the second grant is elective and covers all or any portion of the balance of the retainer. A director may elect to receive his remaining 80% retainer in cash, restricted stock

or any combination of the two. Grants of stock vest after completion of the director's annual term. The compensation cost associated with the EC Plan is amortized over the director's term. Compensation cost associated with this plan was immaterial in 1999, 1998 and 1997. Common stock reserved for this plan as of December 26, 1999, was 30,258 shares.

1995 Supplemental Compensation Plan: In 1995, the Company adopted a supplemental compensation plan that covers substantially all its employees. Under the plan, management is allowed to recognize employee achievements through awards of Coors Stock Units (CSUs) or cash. CSUs are a measurement component equal to the fair market value of the Company's Class B common stock. CSUs have a one-year holding period after which the recipient may redeem the CSUs for cash, or, if the holder has 100 or more CSUs, for shares of the Company's Class B common stock. Awards under the plan in 1999, 1998 and 1997 were immaterial. The number of shares of common stock available under this plan as of December 26, 1999, was 83,707 shares.

NOTE 7: EMPLOYEE RETIREMENT PLANS

The Company maintains several defined benefit pension plans for the majority of its employees. Benefits are based on years of service and average base compensation levels over a period of years. Plan assets consist primarily of equity, interest-bearing investments and real estate. The Company's funding policy is to contribute annually not less than the ERISA minimum funding standards, nor more than the maximum amount that can be deducted for federal income tax purposes. Total expense for all these plans was $11.6 million in 1999, $11.9 million in 1998, and $14.1 million in 1997. These amounts include the Company's matching for the savings and investment (thrift) plan of $6.1 million in 1999, $6.1 million in 1998, and $5.8 million in 1997. The decrease in pension expense from 1997 to 1998 is primarily due to the improvement in the funded position of the Coors Retirement Plan over that period. In 1999, the funded position of the Coors Retirement Plan continued to improve, but periodic pension costs did not decrease significantly from 1998 because in November 1998, the ACC board of directors approved changes to one of the plans that were effective July 1, 1999. The changes increased the projected benefit obligation at the effective date by approximately $48 million. To offset the increase in the projected benefit obligation of the defined benefit pension plan, the Company made a $48 million contribution to the plan in January 1999.

Note that the settlement rates shown in the table on the following page were selected for use at the end of each of the years shown. The Company's actuary calculates pension expense annually based on data available at the beginning of each year, which includes the settlement rate selected and disclosed at the end of the previous year.

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
COMPONENTS OF NET PERIODIC PENSION COST:			
Service cost-benefits earned during the year...	$ 16,456	$ 14,449	$ 11,234
Interest cost on projected benefit obligation...	38,673	33,205	32,730
Expected return on plan assets...	(52,173)	(42,498)	(36,176)
Amortization of prior service cost...	4,161	2,274	2,274
Amortization of net transition amount...	(1,690)	(1,691)	(1,690)
Recognized net actuarial loss (gain)...	75	28	(111)
Net periodic pension cost...	$ 5,502	$ 5,767	$ 8,261

The changes in the benefit obligation and plan assets and the funded status of the pension plans are as follows:

	AS OF	
	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
CHANGE IN PROJECTED BENEFIT OBLIGATION:		
Projected benefit obligation at beginning of year...	$ 532,556	$ 465,229
Service cost...	16,456	14,449
Interest cost...	38,673	33,205
Amendments...	48,573	--
Actuarial (gain) loss...	(63,326)	40,932
Benefits paid...	(24,504)	(21,259)
Projected benefit obligation at end of year...	$ 548,428	$ 532,556
CHANGE IN PLAN ASSETS:		
Fair value of assets at beginning of year...	$ 480,000	$465,494
Actual return on plan assets...	124,840	35,842
Employer contributions...	50,078	2,759
Benefits paid...	(24,504)	(21,259)
Expenses paid...	(3,261)	(2,836)
Fair value of plan assets at end of year...	$ 627,153	$ 480,000
Funded status--excess (shortfall)...	$ 78,725	$ (52,556)
Unrecognized net actuarial (gain) loss...	(105,473)	28,836
Unrecognized prior service cost...	58,715	14,303
Unrecognized net transition amount...	(728)	(2,419)
Prepaid (accrued) benefit cost...	$ 31,239	$ (11,836)

	1999	1998	1997
WEIGHTED AVERAGE ASSUMPTIONS AS OF YEAR-END:			
Discount rate	8.00%	7.00%	7.25%
Rate of compensation increase	5.25%	4.50%	4.50%
Expected return on plan assets	10.50%	10.50%	10.25%

NOTE 8: NON-PENSION POSTRETIREMENT BENEFITS

The Company has postretirement plans that provide medical benefits and life insurance for retirees and eligible dependents. The plans are not funded.

The obligation under these plans was determined by the application of the terms of medical and life insurance plans, together with relevant actuarial assumptions and health care cost trend rates ranging ratably from 8.0% in 1999 to 5.25% in 2006. The discount rate used in determining the accumulated postretirement benefit obligation was 8.00%, 7.00% and 7.25% at December 26, 1999, December 27, 1998, and December 28, 1997, respectively. In November 1998, the ACC board of directors approved changes to one of the plans. The changes were effective July 1, 1999, and increased the accumulated postretirement benefit obligation at the effective date by approximately $6.7 million.

The changes in the benefit obligation and plan assets and the funded status of the postretirement benefit plan are as follows:

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
COMPONENTS OF NET PERIODIC POSTRETIREMENT BENEFIT COST:			
Service cost--benefits earned during the year	$ 1,404	$ 1,484	$ 1,408
Interest cost on projected benefit obligation	5,112	4,707	4,775
Recognized net actuarial gain	(138)	(207)	(353)
Net periodic postretirement benefit cost	$ 6,378	$ 5,984	$ 5,830

	AS OF	
	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
CHANGE IN PROJECTED POSTRETIREMENT BENEFIT OBLIGATION:		
Projected benefit obligation at beginning of year	$ 72,122	$ 67,916
Service cost	1,404	1,484
Interest cost	5,112	4,707
Amendments	554	--
Actuarial loss(gain)	(2,497)	1,504
Benefits paid	(4,295)	(3,489)
Projected postretirement benefit obligation at end of year	$ 72,400	$ 72,122
CHANGE IN PLAN ASSETS:		
Fair value of assets at beginning of year	$ --	$ --
Actual return on plan assets	--	--
Employer contributions	4,295	3,489
Benefits paid	(4,295)	(3,489)
Fair value of plan assets at end of year	$ --	$ --
Funded status--shortfall	$(72,400)	$(72,122)
Unrecognized net actuarial gain	(7,958)	(5,552)
Unrecognized prior service cost (benefit)	242	(360)
Accrued postretirement benefits	(80,116)	(78,034)
Less current portion	4,295	3,565
Long-term postretirement benefits	$ (75,821)	$ (74,469)

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	ONE-PERCENTAGE-POINT INCREASE	ONE-PERCENTAGE-POINT DECREASE
	(IN THOUSANDS)	
Effect on total of service and interest cost components	$ 535	$ (470)
Effect of postretirement benefit obligation	$4,500	$(4,000)

NOTE 9: SPECIAL CHARGES (CREDITS)

The annual results for 1999 included a third quarter pretax net special charge of $5.7 million, which resulted in after-tax expense of $0.10 per basic and diluted share. The Company undertook restructuring part of its operations, which primarily included a voluntary severance program involving its engineering and construction work force. Approximately 50 engineering and construction employees accepted severance packages under the voluntary program. Total severance and related costs were approximately $3.7 million, which are included in the Special charges on the Company's accompanying Consolidated Statements of Income. Of the total severance charge, approximately $880,000 of these costs were paid as of December 26,

1999. Also included in the $5.7 million charge is approximately $2.0 million of special charges incurred to facilitate distributor network improvements.

The annual results for 1998 included a third quarter pretax net special charge of $19.4 million, which resulted in after-tax expense of $0.32 per basic share ($0.31 per diluted share). This charge included a $17.2 million pretax charge for severance and related costs of restructuring the Company's production operations. The severance costs related to the restructuring were comprised of costs under a voluntary severance program involving the Company's production work force plus severance costs incurred for a small number of salaried employees. Approximately 200 production employees accepted severance packages under the voluntary program. Of the total severance charge, approximately $14.9 million of these costs were paid as of December 26, 1999. Also included in the third quarter results was a $2.2 million pretax charge for the impairment of certain long-lived assets at one of the Company's distributorships (see Note 1).

The annual results for 1997 included a pretax net special credit of $31.5 million, which resulted in after-tax income of $0.37 per basic share ($0.36 per diluted share). First quarter results included a $1.0 million pretax charge for Molson Canada legal proceedings. Second quarter results included a $71.5 million special credit relating to a payment from Molson to settle legal disputes with the Company, less approximately $2.2 million in related legal expenses. Also in the second quarter, CBC recorded a $22.4 million reserve related to the recoverability of its investment in Jinro-Coors Brewing Company (JCBC) of Korea (see Note 10), as well as a $14.4 million charge related to CBC's brewery in Zaragoza, Spain, (see Note 1) for the impairment of certain long-lived assets and goodwill and for severance costs for a limited work force reduction.

NOTE 10: INVESTMENTS

Equity method investments: The Company has investments in affiliates that are accounted for using the equity method of accounting. These investments aggregated $69.2 million and $62.3 million at December 26, 1999, and December 27, 1998, respectively. These investment amounts are included in Other assets on the Company's accompanying Consolidated Balance Sheets.

Summarized condensed balance sheet and income statement information for the Company's equity method investments are as follows:

Summarized condensed balance sheets:

	AS OF	
	DECEMBER 26, 1999	DECEMBER 27, 1998
	(IN THOUSANDS)	
Current assets	$99,539	$90,092
Non-current assets	$84,945	$94,508
Current liabilities	$34,317	$55,312
Non-current liabilities	$ 75	$ 123

Summarized condensed statements of operations:

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS)		
Net sales	$449,238	$453,246	$372,479
Gross profit	$116,970	$ 97,478	$ 39,459
Net income	$ 68,375	$ 59,650	$ 22,384
Company's equity in operating income	$ 36,958	$ 33,227	$ 15,893

The Company's share of operating income of these non-consolidated affiliates is primarily included in Sales and Cost of goods sold on the Company's accompanying Consolidated Statements of Income.

Coors Canada, Inc. (CCI), a subsidiary of ACC, formed a partnership, Coors Canada, with Molson, Inc. to market and sell Coors products in Canada. Coors Canada began operations January 1, 1998. CCI and Molson have a 50.1% and 49.9% interest, respectively. CCI's investment in the partnership is accounted for using the equity method of accounting due to Molson's participating rights in the partnership's business operations. The partnership agreement has an indefinite term and can be canceled at the election of either partner. Under the partnership agreement, Coors Canada is responsible for marketing Coors products in Canada, while the partnership contracts with Molson Canada for brewing, distribution and sales of these brands. Coors Canada receives an amount from Molson Canada generally equal to net sales revenue generated from the Coors brands less production, distribution, sales and overhead costs related to these sales. During 1999, CCI received a $21.0 million distribution from the partnership. Also see discussion in Note 13.

Owens-Brockway Glass Container, Inc. (Owens) and CBC operate a joint venture partnership, the Rocky Mountain Bottle Company (RMBC), to produce glass bottles at the CBC glass manufacturing facility. The partnership's initial term is until 2005 and can be extended for additional two-year periods. RMBC has a contract to supply CBC's bottle requirements and Owens is the 100% preferred supplier of bottles to CBC for bottle requirements not met by RMBC. In 1999, RMBC produced approximately 941 million bottles. CBC purchases virtually all of the bottles produced by RMBC.

Also under the agreement, CBC agreed to purchase an annual quantity of bottles from the joint venture, which represents a 2000 commitment of approximately $86 million. The expenditures under this agreement in 1999, 1998 and 1997 were approximately $69 million, $67 million and $59 million, respectively.

In 1994, CBC and American National Can Company (ANC) formed a 50/50 joint venture to produce beverage cans and ends at CBC manufacturing facilities for sale to CBC and outside customers. The agreement has an initial term of seven years and can be extended for two additional three-year periods. The aggregate amount paid to the joint venture for cans and ends in 1999, 1998 and 1997 was approximately $223 million, $231 million and $227 million, respectively. The estimated cost in 2000 under this agreement for cans and ends is $232 million. Additionally, during 1999 CBC received a $7.5 million distribution from this joint venture.

CBC is a limited partner in a partnership in which a subsidiary of ACX Technologies, Inc. (ACX) is the general partner. The partnership owns, develops, operates and sells certain real estate previously owned directly by CBC or ACC. Cash distributions and income or losses are allocated equally between the partners until CBC recovers its investment. After CBC recovers its investment, cash distributions are split 80% to the general partner and 20% to CBC, while income or losses are allocated in such a manner to bring CBC's partnership interest to 20%. In late 1999, CBC recovered its investment.

Cost investments: CBC invested approximately $22 million in 1991 for a 33% interest in the Jinro-Coors Brewing Company (JCBC), a joint venture between CBC and Jinro Limited. CBC accounted for this

investment under the cost basis of accounting, given that CBC did not have the ability to exercise significant influence over JCBC and that CBC's investment in JCBC was considered temporary. This investment included a put option that was exercised by CBC in December 1997. The put option entitled CBC to require Jinro Limited (the 67% owner of JCBC) to purchase CBC's investment.

Beginning in April 1997, Jinro Limited began attempting to restructure due to financial difficulties. The financial difficulties of JCBC and Jinro Limited called into question the recoverability of CBC's investment in JCBC. Therefore, during the second quarter of 1997, CBC fully reserved for its investment in JCBC. This reserve was classified as a Special charge in the accompanying Consolidated Statements of Income.

When CBC exercised its put option in December 1997, it reclassified its investment in JCBC to a receivable from Jinro Limited. The receivable is secured by shares, which were later canceled as described below. Jinro Limited had until June 1998 to perform its obligation under the put option. It did not perform.

In February 1999, Jinro Limited, which was operating under a composition plan approved by its creditors and a Korean court, announced a plan to sell JCBC through an international bidding process. The Company submitted a bid for the purchase of JCBC and was selected as the preferred bidder. Subsequent to this selection, the supervising court and creditors of JCBC canceled the original auction and held a new one, in which CBC did not participate. JCBC was sold to Oriental Brewery and the shares of the former owners were canceled in November 1999.

In 1991, CBC entered into an agreement with Colorado Baseball Partnership 1993, Ltd. for an equity investment and multiyear signage and advertising package. This commitment, totaling approximately $30 million, was finalized upon the awarding of a National League baseball franchise to Colorado in 1991. The initial investment as a limited partner has been paid. The carrying value of this investment approximates its fair value at December 26, 1999, and December 27, 1998. During 1998, the agreement was modified to extend the term and expand the conditions of the multiyear signage and advertising package.

The recognition of the liability under the multiyear signage and advertising package began in 1995 with the opening of Coors Field(R). This liability is included in the total advertising and promotion commitment discussed in Note 14.

NOTE 11: STOCK ACTIVITY AND EARNINGS PER SHARE

Capital stock: Both classes of common stock have the same rights and privileges, except for voting, which (with certain limited exceptions) is the sole right of the holder of Class A stock.

Activity in the Company's Class A and Class B common stock, net of forfeitures, for each of the three years ended December 26, 1999, December 27, 1998, and December 28, 1997, is summarized below:

	COMMON STOCK	
	CLASS A	CLASS B
Balances at December 29, 1996	1,260,000	36,662,404
Shares issued under stock plans	--	989,857
Purchases of stock	--	(2,052,905)
Balances at December 28, 1997	1,260,000	35,599,356
Shares issued under stock plans	--	684,808
Purchases of stock	--	(888,858)
Balances at December 27, 1998	1,260,000	35,395,306
Shares issued under stock plans	--	478,390
Purchases of stock	--	(411,662)
Balances at December 26, 1999	1,260,000	35,462,034

At December 26, 1999, December 27, 1998, and December 28, 1997, 25 million shares of $1 par value preferred stock were authorized but unissued.

The board of directors authorized the repurchase during 1999, 1998 and 1997 of up to $40 million each year of ACC's outstanding Class B common stock on the open market. During 1999, 1998 and 1997, 232,300 shares, 766,200 shares and 969,500 shares, respectively, were repurchased for approximately $12.2 million, $24.9 million and $24.9 million, respectively, under this stock repurchase program. In November 1999, the board of directors extended the program and authorized the repurchase during 2000 of up to $40 million of stock.

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

	FOR THE YEARS ENDED		
	DECEMBER 26, 1999	DECEMBER 27, 1998	DECEMBER 28, 1997
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net income available to common shareholders	$ 92,284	$ 67,784	$ 82,260
Weighted-average shares for basic EPS	36,729	36,312	37,218
Effect of dilutive securities:			
Stock options	640	1,077	751
Contingent shares not included in shares outstanding for basic EPS	88	126	87
Weighted-average shares for diluted EPS	37,457	37,515	38,056
Basic EPS	$ 2.51	$ 1.87	$ 2.21
Diluted EPS	$ 2.46	$ 1.81	$ 2.16

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

NOTE 12: OTHER COMPREHENSIVE INCOME

	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	UNREALIZED GAIN ON AVAILABLE-FOR-SALE SECURITIES AND DERIVATIVES	ACCUMULATED OTHER COMPREHENSIVE INCOME
		(IN THOUSANDS)	
Balances, December 29, 1996	$ 2,090	$ --	$ 2,090
Current period change	(5,886)	--	(5,886)
Balances, December 28, 1997	(3,796)	--	(3,796)
Current period change	1,430	440	1,870
Balances, December 27, 1998	(2,366)	440	(1,926)
Current period change	(3,519)	6,438	2,919
Balances, December 26, 1999	$ (5,885)	$ 6,878	$ 993

	PRE-TAX GAIN (LOSS)	TAX (EXPENSE) BENEFIT	NET-OF-TAX GAIN (LOSS)
1999:			
Foreign currency translation adjustments	$ (5,745)	$ 2,226	$ (3,519)
Unrealized gain on available-for-sale securities and derivatives	10,511	(4,073)	6,438
Other comprehensive income	$ 4,766	$(1,847)	$ 2,919
1998:			
Foreign currency translation adjustments	$ 2,344	$ (914)	$ 1,430
Unrealized gain on available-for-sale securities and derivatives	721	(281)	440
Other comprehensive income	$ 3,065	$(1,195)	$ 1,870
1997:			
Foreign currency translation adjustments	$ (9,942)	$ 4,056	$ (5,886)
Unrealized gain on available-for-sale securities and derivatives	--	--	--
Other comprehensive (loss) income	$ (9,942)	$ 4,056	$ (5,886)

NOTE 13: SEGMENT AND GEOGRAPHIC INFORMATION

The Company has one reporting segment relating to the continuing operations of producing and marketing malt-based beverages. The Company's operations are conducted in the United States, the country of domicile, and several foreign countries, none of which are individually significant to the Company's overall operations. The net revenues from external customers, operating income and pretax income attributable to the United States and all foreign countries for the years ended December 26, 1999, December 27, 1998, and December 28, 1997, are as follows:

	1999	1998	1997
		(IN THOUSANDS)	
United States:			
Net revenues	$2,007,560	$1,864,745	$1,780,613
Operating income	$ 133,172	$ 93,259	$ 66,708
Pre-tax income	$ 171,756	$ 110,627	$ 66,363
Foreign countries:			
Net revenues	$ 49,086	$ 34,788	$ 40,691
Operating income	$ 8,811	$ 10,560	$ 80,685
Pre-tax income	$ (21,089)	$ 473	$ 80,530

Included in 1999 and 1998 foreign revenues are earnings from CCI, the Company's investment accounted for using the equity method of accounting (see Note 10). In 1997, prior to the formation of CCI, foreign revenues include Canadian royalties earned under a licensing agreement. The Puerto Rico and Caribbean operating results are included in the U.S. operating results for the years December 29, 1999, December 27, 1998 and December 28, 1997.

The net long-lived assets located in the United States and all foreign countries as of December 26, 1999, and December 27, 1998, are as follows:

	1999	1998
	(IN THOUSANDS)	
United States	$705,062	$702,923
Foreign countries	8,939	11,518
Total	$714,001	$714,441

The total export sales (in thousands) during 1999, 1998 and 1997 were $178,249, $152,353 and $125,569, respectively.

NOTE 14: COMMITMENTS AND CONTINGENCIES

Insurance: It is the Company's policy to act as a self-insurer for certain insurable risks consisting primarily of employee health insurance programs, workers' compensation and general liability contract deductibles. During 1999, the Company fully insured future risks for long-term disability, and, in most states, workers' compensation, but maintains a self-insured position for workers' compensation for certain self-insured states and for claims incurred prior to the inception of the insurance coverage in Colorado in 1997.

In 1991, the Company became aware that Mutual Benefit Life Insurance Company (MBLIC) had been placed under the control of the State of New Jersey. The Company is a holder of several life insurance policies and annuities through MBLIC. In July 1999, Anchor National, a Sun America Company, bought out MBLIC. The cash surrender value was transferred to Anchor National. The cash surrender value under these policies is approximately $7.1 million. Policyholders have been notified that all claims, benefits and annuity

payments will continue to be paid in full. Anchor National has been issuing new insurance certificates as well as procedures for policyholders to redeem the full value of their policies for cash.

Letters of credit: As of December 26, 1999, the Company had approximately $22.1 million outstanding in letters of credit with certain financial institutions. These letters generally expire within 12 months from the dates of issuance, with expiration dates ranging from March 2000 to October 2000. These letters of credit are being maintained as security for performance on certain insurance policies, operations of underground storage tanks, as parent guarantees for bank financing and overdraft protection of a foreign subsidiary, and payments of liquor and duty taxes and energy billings.

Power supplies: In 1995, Coors Energy Company (CEC), a subsidiary of CBC, sold a portion of its coal reserves to Bowie Resources Ltd. (Bowie). CEC also entered into a 10-year agreement to purchase 100% of the brewery's coal requirements from Bowie. The coal then is sold to Trigen-Nations Energy Corporation, L.L.L.P. (Trigen).

In September 1995, CBC concluded the sale of its power plant and support facilities to Trigen. In conjunction with this sale, CBC agreed to purchase the electricity and steam needed to operate the brewery's Golden facilities through 2020. CBC's financial commitment under this agreement is divided between a fixed, non-cancelable cost of approximately $13.3 million for 2000, which adjusts annually for inflation, and a variable cost, which is generally based on fuel cost and CBC's electricity and steam use.

Supply contracts: The Company has various long-term supply contracts with unaffiliated third parties to purchase materials used in production and packaging, such as starch, cans and glass. The supply contracts provide for the Company to purchase certain minimum levels of materials for terms extending from five to 12 years. The approximate future purchase commitments under all of these third-party supply contracts are as follows:

FISCAL YEAR	AMOUNT
	(IN THOUSANDS)
2000	$ 142,000
2001	142,000
2002	94,000
2003	94,000
2004	94,000
Thereafter	160,000
Total	$ 726,000

The Company's total purchases (in thousands) under these contracts in fiscal year 1999, 1998 and 1997 were approximately $108,900, $95,600 and $84,900, respectively.

ACX: At the end of 1992, the Company distributed to its shareholders the common stock of ACX. ACX was formed in 1992 to own the ceramics, aluminum, packaging and technology-based development businesses which were then owned by ACC. In December 1999, ACX spun off the ceramics business into a separate company, CoorsTek. William K. Coors and Peter H. Coors are trustees of one or more family trusts that collectively own all of ACC's voting stock, approximately 47% of Class B common stock, approximately 46% of ACX's common stock and approximately 45% of CoorsTek common stock. ACC, ACX and CoorsTek or their subsidiaries have certain business relationships and have engaged, or proposed to engage, in certain transactions with one another, as described below.

CBC currently has a packaging supply agreement with a subsidiary of ACX under which CBC purchases all of its paperboard (including composite packages, labels and certain can wrappers). This contract expires in

2002. Also, since late 1994, ANC, the purchasing agent for the joint venture between ANC and CBC, has ordered limited quantities of can, end and tab stock from an entity that was formerly a subsidiary of ACX. CBC also had an agreement to purchase refined corn starch annually from an ACX subsidiary. In February 1999, ACX sold the assets of the subsidiary, which was party to the starch agreement, to an unaffiliated third party, who was assigned the starch supply agreement. CBC's total purchases under the packaging agreement in 1999 were approximately $107 million. Purchases from the related party in 2000 under the packaging agreement are estimated to be approximately $106 million.

Advertising and promotions: The Company's total commitments for advertising and promotions at sports arenas, stadiums and other venues and events are approximately $182.7 million over the next eight years.

Environmental: The City and County of Denver; Waste Management of Colorado, Inc.; and Chemical Waste Management, Inc. brought litigation in 1991 in U.S. District Court against the Company and 37 other "potentially responsible parties" to determine the allocation of costs of Lowry site remediation. In 1993, the Court approved a settlement agreement between the Company and the plaintiffs, resolving the Company's liabilities for the site. The Company agreed to initial payments based on an assumed present value of $120 million in total site remediation costs. Further, the Company agreed to pay a specified share of costs if total remediation costs exceeded this amount. The Company remitted its agreed share of $30 million, based on the $120 million assumption, to a trust for payment of site remediation, operating and maintenance costs.

The City and County of Denver; Waste Management of Colorado, Inc.; and Chemical Waste Management, Inc. are expected to implement site remediation. Chemical Waste Management's projected costs to meet the remediation objectives and requirements are currently below the $120 million assumption used for ACC's settlement. The Company has no reason to believe that total remediation costs will result in additional liability to the Company.

Litigation: The Company also is named as defendant in various actions and proceedings arising in the normal course of business. In all of these cases, the Company is denying the allegations and is vigorously defending itself against them and, in some instances, has filed counterclaims. Although the eventual outcome of the various lawsuits cannot be predicted, it is management's opinion that these suits will not result in liabilities that would materially affect the Company's financial position or results of operations.

Restructuring: At December 26, 1999, the Company had a $2.7 million liability related to personnel accruals as a result of a restructuring of operations that occurred in 1993. These accruals relate to obligations under deferred compensation arrangements and postretirement benefits other than pensions. For the restructuring liabilities incurred during 1999 and 1998, see discussion at Note 9.

Labor: Approximately 7% of the Company's work force, located principally at the Memphis brewing and packaging facility, is represented by a labor union with whom the Company engages in collective bargaining. A labor contract prohibiting strikes took effect in early 1997 and extends to 2001.

Year 2000 (unaudited): The "Year 2000" issue arose because some computers, software and other equipment included programming code in which calendar year data were abbreviated to only two digits. As a result of this design decision, some of these systems may have failed to operate or failed to produce correct results if "00" was interpreted to mean 1900 rather than 2000. ACC established processes for evaluating and managing the risks and costs associated with the Year 2000 issue. The Company did not experience any major difficulties or any significant interruptions to its business during the transition to the Year 2000.

NOTE 15: QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following summarizes selected quarterly financial information for each of the two years in the period ended December 26, 1999.

In the third quarters of 1999 and 1998, certain adjustments were made which were not of a normal and recurring nature. As described in Note 9, income in 1999 was decreased by a special pretax charge of $5.7 million, or $0.10 per basic share ($0.10 per diluted share) after tax, and income in 1998 was decreased by a special pretax charge of $19.4 million, or $0.32 per basic share ($0.31 per diluted share) after tax. Refer to Note 9 for a further discussion of special charges (credits).

ADOLPH COORS COMPANY AND SUBSIDIARIES
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	FIRST	SECOND	THIRD	FOURTH	YEAR
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
1999					
Net sales	$439,862	$575,568	$544,025	$497,191	$2,056,646
Gross profit	$167,480	$260,348	$223,487	$189,366	$ 840,681
Net income	$ 11,982	$ 46,231	$ 21,836	$ 12,235	$ 92,284
Net income per common share--basic	$ 0.33	$ 1.26	$ 0.59	$ 0.33	$ 2.51
Net income per common share--diluted	$ 0.32	$ 1.23	$ 0.58	$ 0.33	$ 2.46
1998					
Net sales	$414,145	$541,944	$499,360	$444,084	$1,899,533
Gross profit	$151,816	$232,156	$189,367	$165,501	$ 738,840
Net income	$ 9,786	$ 39,538	$ 9,081	$ 9,379	$ 67,784
Net income per common share--basic	$ 0.27	$ 1.09	$ 0.25	$ 0.26	$ 1.87
Net income per common share--diluted	$ 0.26	$ 1.06	$ 0.24	$ 0.25	$ 1.81

[ADOLPH COORS COMPANY LOGO]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses payable by the selling shareholders in connection with the issuance and distribution of the Class B common stock being registered, other than the underwriting discounts and commissions. All amounts shown are estimates except the Securities and Exchange Commission registration fee.

	PAYABLE BY SELLING SHAREHOLDERS
Securities and Exchange Commission registration fee.....	$ 78,560
Printing and engraving expenses.....	$ 200,000
Transfer agent fees.....	$ 2,500
Accounting fees and expenses.....	$ 150,000
Legal fees and expenses.....	$ 250,000
Miscellaneous.....	$ 18,940
Total.....	$ 700,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article X of Coors' Amended and Restated Articles of Incorporation provides that Coors may indemnify its directors, officers, employees and others against liabilities and expenses incurred in their corporate capacities in a manner consistent with the Colorado Corporation Code (the predecessor to the Colorado Business Corporation Act). The Colorado Business Corporation Act provides that Coors may indemnify each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she is or was (a) a director, (b) an officer, or (c) a director, officer, employee or other agent of Coors or another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (such persons described in (a), (b) and (c) are sometimes hereinafter referred to as an "Indemnitee") against all expense, liability, and loss reasonably incurred by any such Indemnitee in connection therewith. Notwithstanding the foregoing, if the Colorado Business Corporation Act requires, an advancement of expenses incurred by an Indemnitee will be made only upon delivery to Coors of an undertaking, by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that the person did not meet the required standard of conduct.

The effect of these provisions would be to authorize such indemnification by Coors for liabilities arising out of the Securities Act of 1933 (the "Securities Act").

Article VI of Coors' Amended and Restated Bylaws provides that Coors shall indemnify its directors, to the full extent allowed by the Colorado Business Corporation Act, 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 his corporate capacity. Our bylaws also provide that Coors shall indemnify its officers, employees and others 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's or employee's duties in such capacity, except for matters in which the person is 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.

ITEM 16. EXHIBITS.

EXHIBIT NO.	DESCRIPTION
1.1	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Incorporation
3.2	By-laws, as amended and restated in May 2000
5.1	Opinion regarding legality
10.1	Supply Agreement between Coors Brewing Company and Graphic Packaging Corporation dated September 1, 1998 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed November 2, 1998 by ACX Technologies, Inc. SEC File No. 001-14060)
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of Perkins Coie LLP (included in Exhibit 5.1)
24.1	Power of Attorney(+)

(+) Previously filed.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial BONA FIDE offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of This registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Golden, Colorado, on the 27th day of October, 2000.

ADOLPH COORS COMPANY

By: /s/ W. Leo Kiely III
Name: W. Leo Kiely III
Title: Vice President

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
*	Principal Executive Officer and Director	October 27, 2000
Peter H. Coors		
*	Principal Financial Officer	October 27, 2000
Timothy V. Wolf		
*	Controller and Principal Accounting Officer	October 27, 2000
Olivia M. Thompson		
/s/ W. Leo Kiely III	Director	October 27, 2000
W. Leo Kiely III		
/s/ William K. Coors	Director	October 27, 2000
William K. Coors		
/s/ Luis G. Nogales	Director	October 27, 2000
Luis G. Nogales		
/s/ Pamela H. Patsley	Director	October 27, 2000
Pamela H. Patsley		
/s/ Wayne R. Sanders	Director	October 27, 2000
Wayne R. Sanders		
*	Director	October 27, 2000
Albert C. Yates		
* /s/ W. Leo Kiely III		
Attorney-in-fact		

INDEX TO EXHIBIT

EXHIBIT NUMBER	DESCRIPTION
1.1	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Incorporation
3.2	By-laws, as amended and restated in May 2000
5.1	Opinion regarding legality
10.1	Supply Agreement between Coors Brewing Company and Graphic Packaging Corporation dated September 1, 1998 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed November 2, 1998 by ACX Technologies, Inc. SEC file No. 001-14060)
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of Perkins Coie LLP (included in Exhibit 5.1)
24.1	Power of Attorney(+)

(+) Previously filed.

EXHIBIT 1.1

4,000,000 SHARES

ADOLPH COORS COMPANY

**CLASS B COMMON STOCK (NON-VOTING),
WITHOUT PAR VALUE**

UNDERWRITING AGREEMENT

November __, 2000

November __, 2000

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Bank of America Securities LLC

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

Certain shareholders of Adolph Coors Company, a Colorado corporation (the "COMPANY"), named in Schedule I hereto (the "SELLING SHAREHOLDERS") severally propose to sell to the several Underwriters named in Scheduled II hereto (the "UNDERWRITERS"), an aggregate of 4,000,000 shares of the Class B Common Stock (Non-Voting), without par value, of the Company (the "FIRM SHARES"), each Selling Shareholder selling the amount set forth opposite such Selling Shareholder's name in Schedule I hereto.

The Selling Shareholders also propose to issue and sell to the several Underwriters not more than an additional 600,000 shares of Class B Common Stock (no par value) of the Company (the "ADDITIONAL SHARES") if and to the extent that you, as Managers of the offering, shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 3 hereof, each Selling Shareholder selling up to the amount set forth opposite such Selling Shareholder's name on Schedule I hereto on a pro rata basis. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "SHARES." The shares of Class B Common Stock (no par value) of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "COMMON STOCK."

The Company has filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement, including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities

Act of 1933, as amended (the "SECURITIES ACT"), is hereinafter referred to as the "REGISTRATION vSTATEMENT"; the prospectus in the form first used to confirm sales of Shares is hereinafter referred to as the "PROSPECTUS" (including, in the case of all references to the Registration Statement and the Prospectus, documents incorporated therein by reference). If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "RULE 462 REGISTRATION STATEMENT"), then any reference herein to the term "REGISTRATION STATEMENT" shall be deemed to include such Rule 462 Registration Statement.

1. Representations and Warranties of the Company. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) Each document filed or to be filed pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and incorporated by reference in the Prospectus complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, (ii) the Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading,
(iii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iv) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property

and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(d) Each subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims.

(e) This Agreement has been duly authorized, executed and delivered by the Company.

(f) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus.

(g) The shares of Common Stock (including the Shares to be sold by the Selling Shareholders) outstanding on the date hereof have been duly authorized and are validly issued, fully paid and non-assessable.

(h) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be

required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares.

(i) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(j) There are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(k) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(l) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(m) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or

in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(n) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(o) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(p) The Company has complied with all provisions of Section 517.075, Florida Statutes relating to doing business with the Government of Cuba or with any person or affiliate located in Cuba.

(q) The Company has good and marketable title in fee simple to all real property owned by it and good title to all personal property owned by it which is material to the business of the Company, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company, except where failure to have such title would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole (a "MATERIAL ADVERSE EFFECT"), and any real property, sites and buildings held under lease by the Company are held by it under valid, subsisting and enforceable leases with such exceptions as would not have a Material Adverse Effect, in each case except as described in the Prospectus.

(r) The Company owns or possesses, or can acquire on reasonable terms, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "INTELLECTUAL PROPERTY") currently employed by it in connection with the business now operated by it, except where failure to own, possess or

acquire such Intellectual Property would not have a Material Adverse Effect; and the Company has not received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, would result in a Material Adverse Effect.

2. Representations and Warranties of the Selling Shareholders. Each of the Selling Shareholders represents and warrants to, severally and not jointly, and agrees with each of the Underwriters that:

(a) This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(b) The execution and delivery by such Selling Shareholder of, and the performance by such Selling Shareholder of its obligations under, this Agreement, the Custody Agreement signed by such Selling Shareholder and _____, as Custodian, relating to the deposit of the Shares to be sold by such Selling Shareholder (the "CUSTODY AGREEMENT") and the Power of Attorney appointing certain individuals as such Selling Shareholder's attorneys-in-fact to the extent set forth therein, relating to the transactions contemplated hereby and by the Registration Statement (the "POWER OF ATTORNEY") will not contravene any provision of applicable law, or the trust agreement, as amended, of such Selling Shareholder, or any agreement or other instrument binding upon such Selling Shareholder or any judgment, order or decree of any governmental body, agency or court having jurisdiction over such Selling Shareholder, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by such Selling Shareholder of its obligations under this Agreement, the Custody Agreement or the Power of Attorney of such Selling Shareholder, except such as may be required by the Securities Act or the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares.

(c) Such Selling Shareholder has, and on the Closing Date will have, valid title to the Shares to be sold by such Selling Shareholder and the legal right and power, and all authorization and approval required by law, to enter into this Agreement, the Custody Agreement and the Power of Attorney and to sell, transfer and deliver the Shares to be sold by such Selling Shareholder.

(d) The Custody Agreement and the Power of Attorney have been duly authorized, executed and delivered by such Selling Shareholder and are valid and binding agreements of such Selling Shareholder.

(e) Delivery of the Shares to be sold by such Selling Shareholder pursuant to this Agreement will pass title to such Shares free and clear of any security interests, claims, liens, equities and other encumbrances.

(f) Upon transfer (as defined below) of the Shares to The Depository Trust Company, The Depository Trust Company will acquire the Shares free of all adverse claims (within the meaning of Sections 8- 102(a)(1) and 8-303 of the Uniform Commercial Code as in effect in New York or Illinois, as applicable (the "UCC")). "TRANSFER" of the Shares to The Depository Trust Company will occur upon the making by the Company's transfer agent of appropriate entries transferring the Shares on its books and records to The Depository Trust Company. Each of the Underwriters shall acquire a "securities entitlement" (within the meaning of Section 8-102(a)(17) of the UCC) in the Shares to be purchased by it, free of all adverse claims created by, through or with respect to the Selling Shareholder, upon the making by The Depository Trust Company of a book entry that shares of the Company's stock in the amounts set forth opposite each Underwriter's name on Schedule I hereto have been credited to such Underwriter's security account (within the meaning of Section 8- 501(a) of the UCC) with The Depository Trust Company.

(g) All information with respect to such Selling Shareholder contained in the Prospectus furnished by or on behalf of such Selling Shareholder expressly for use in the Registration Statement and Prospectus is, and on the Closing Date will be, true, correct and complete in all material respects, and does not, and on the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading.

3. Agreements to Sell and Purchase. Each Selling Shareholder, severally and not jointly, hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from such Selling Shareholder at $_____ a share (the "PURCHASE PRICE") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the number of Firm Shares to be sold by such Selling Shareholder as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Selling Shareholders, other than the Grover C. Coors Trust, agree to sell to the Underwriters the Additional Shares, and the Underwriters shall have a one-time right to purchase, severally and not jointly, up to 600,000 Additional Shares at the Purchase Price. If you, on behalf of the Underwriters, elect to exercise such option, you shall so notify the Selling Shareholders in writing not later than 30 days after the date of this Agreement, which notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Such date may be the same as the Closing Date (as defined below) but not earlier than the Closing Date nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 5 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. If any Additional Shares are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

The Company hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Underwriters, it will not, during the period ending 90 days after the date of the Prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Shares to be sold hereunder, (B) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which the Underwriters have been advised in writing or (C) the issuance by the Company of options or warrants to employees or directors of the Company pursuant to the Company's stock-based incentive compensation plans existing on the date hereof which are not exercisable within such 90 day period.

4. Terms of Public Offering. The Selling Shareholders and the Company are advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Selling Shareholders and the Company are further advised by you that the Shares are to be offered to the public initially at $___ a share (the "PUBLIC OFFERING PRICE") and to certain dealers selected by you at a price that represents a concession not in excess of $____ a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $___ a share, to any Underwriter or to certain other dealers.

5. Payment and Delivery. Payment for the Firm Shares to be sold by each Selling Shareholder shall be made to such Selling Shareholder in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on _____, 2000, or at such other time on the same or such other date, not later than _____, 2000, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

Payment for any Additional Shares shall be made to the Selling Shareholders in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the notice described in Section 3 or at such other time on the same or on such other date, in any event not later than _____, 2000, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "OPTION CLOSING DATE."

Certificates for the Firm Shares and Additional Shares shall be in definitive form and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the Option Closing Date, as the case may be. The certificates evidencing the Firm Shares and Additional Shares shall be delivered to you on the Closing Date or the Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

6. Conditions to the Underwriters' Obligations. The obligations of the Selling Shareholders to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall

have become effective not later than [_____] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 6(A)(I) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion of Perkins Coie LLP, outside counsel for the Company, dated the Closing Date, to the effect that:

(i) the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(ii) each subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(iii) the authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus;

(iv) the shares of Common Stock (including the Shares to be sold by the Selling Shareholders) outstanding on the Closing Date have been duly authorized and are validly issued, fully paid and non-assessable;

(v) all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims;

(vi) this Agreement has been duly authorized, executed and delivered by the Company;

(vii) the execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or, to the best of such counsel's knowledge, any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or, to the best of such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares;

(viii) the statements (A) in the Prospectus under the captions "Related Party Transactions,""Description of Capital Stock," "Certain United States Federal Tax Consequences for Non- U.S. Holders" and "Underwriters" and (B) in the Registration Statement in Item 15, in each case insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings and fairly summarize the matters referred to therein;

(ix) after due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or of any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required;

(x) the Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(xi) the Company and its subsidiaries (A) are in compliance with any and all applicable Environmental Laws, (B) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (C) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(xii) such counsel (A) is of the opinion that each document, if any, filed pursuant to the Exchange Act and incorporated by reference in the Registration Statement and the Prospectus (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion) complied when so filed as to form in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder and (B) is of the opinion that the Registration Statement and Prospectus (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion) comply as to form in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder; and

(xiii) such counsel (A) is of the opinion that the Registration Statement and Prospectus (except for financial statements and schedules and other financial and statistical data included therein as to which such counsel need not express any opinion) comply as to form in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (B) has no reason to believe that (except for financial statements and schedules and

other financial and statistical data as to which such counsel need not express any belief) the Registration Statement and the prospectus included therein at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (C) has no reason to believe that (except for financial statements and schedules and other financial and statistical data as to which such counsel need not express any belief) the Prospectus contains as of the Closing Date any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Underwriters shall have received on the Closing Date an opinion of Hogan & Hartson L.L.P., counsel for the Selling Shareholders, dated the Closing Date, to the effect specified in Exhibit B hereto.

(e) The Underwriters shall have received on the Closing Date an opinion of Davis Polk & Wardwell, counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections
6(C)(VI), 6(C)(VIII) (but only as to the statements in the Prospectus under "Description of Capital Stock" and "Underwriters") and 6(C)(XIII) above.

With respect to Section 6(C)(XIII) above, Perkins Coie LLP and Davis Polk & Wardwell may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified. With respect to Section 6(D) above, Hogan & Hartson L.L.P. may rely, with respect to factual matters and to the extent such counsel deems appropriate, upon the representations of each Selling Shareholder contained herein and in the Custody Agreement and Power of Attorney of such Selling Shareholder and in other documents and instruments; provided that copies of such Custody Agreements and Powers of Attorney and of any such other documents and instruments shall be delivered to you and shall be in form and substance satisfactory to your counsel.

The opinions of Perkins Coie LLP and Hogan & Hartson L.L.P. described in Sections 6(C) and 6(D) above shall be rendered to the Underwriters at the request of the Company or of the Selling Shareholders, as the case may be, and shall so state therein.

(f) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from PricewaterhouseCoopers, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to

the financial statements and certain financial information contained in, and incorporated by reference into, the Registration Statement and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(g) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain other shareholders, officers and directors of the Company and the Selling Shareholders relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares and other matters related to the issuance of the Additional Shares.

7. Covenants of the Company. In further consideration of the agreements of the Underwriters herein contained, the Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, five signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 7(C) below, as many copies of the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus is required by law to be delivered in connection with sales by

an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(d) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(e) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering the twelve-month period ending _____, 2000 that satisfies the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

8. Expenses. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, each Selling Shareholder, severally and not jointly, agrees to pay or cause to be paid such Selling Shareholder's pro rata portion (based on the number of Shares in the aggregate to be sold by such Selling Shareholder) of all expenses incident to the performance of the Company's and the Selling Shareholders' obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel, the Company's accountants and counsel for the Selling Shareholders in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment

memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 7(D) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the National Association of Securities Dealers, Inc., (v) the cost of printing certificates representing the Shares, (vi) the costs and charges of any transfer agent, registrar or depositary and (vii) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 9 entitled "Indemnity and Contribution", and the last paragraph of Section 11 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make. The Company agrees to pay the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show.

The provisions of this Section shall not supersede or otherwise affect any agreement that the Company and the Selling Shareholders may otherwise have for the allocation of such expenses among themselves.

9. Indemnity and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or
Section 20 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or

necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Selling Shareholder agrees, severally and not jointly, to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Selling Shareholder furnished in writing by or on behalf of such Selling Shareholder expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto; provided, that the liability of any Selling Shareholder pursuant to this Section 9(b) shall be limited to an amount equal to the total net proceeds (before deducting expenses) received by such Selling Shareholder from the sale of Shares by such Selling Shareholder.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the Selling Shareholders, the directors of the Company, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or any Selling Shareholder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement,

any preliminary prospectus, the Prospectus or any amendments or supplements thereto.

(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(A), 9(b) or 9(C), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such
Section and (iii) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Selling Shareholders and all persons, if any, who control any Selling Shareholder within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons of any Underwriters, such firm shall be designated in writing by Morgan Stanley & Co. Incorporated. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. In the case of any such separate firm for the Selling Shareholders and such control persons of any Selling Shareholders, such firm shall be designated in writing by the persons named as attorneys-in-fact for the Selling Shareholders under the Powers of Attorney. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the

indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(e) To the extent the indemnification provided for in Section 9(A), 9(b) or 9(C) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 9(E)(I) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(E)(I) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and each Selling Shareholders on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and each Selling Shareholder and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. For purposes of this paragraph (e), the Company shall be deemed to have received all of the net proceeds from the offering of the Shares (before deducting expenses) received by the Selling Shareholders as a group; provided, that the Company and the Selling Shareholders taken together shall in no event be

required to contribute any amount in excess of 100% of the amount paid or payable by an indemnified party as a result of the losses, claims damages or liabilities for which indemnification is unavailable or insufficient. The relative fault of the Company or any Selling Shareholder on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Shareholders (or by the Company or a particular Selling Shareholder, as among the Company and any of the Selling Shareholders) or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 9 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint. Each Selling Shareholder's respective obligation to contribute pursuant to this Section 9 shall be several in proportion to the net proceeds (before deducting expenses) from the sale of Shares by such Selling Shareholder, hereunder, and not joint.

(f) The Company, the Selling Shareholders and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(E). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section 9, no Selling Shareholder shall be required to contribute any amount in excess of the net proceeds (before deducting expenses) received by such Selling Shareholder from the sale of such Selling Shareholder's Shares. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this
Section 9 and the representations, warranties and other statements of the Company and the Selling Shareholders contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter, any Selling Shareholder or any person controlling any Selling Shareholder, or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

10. Termination. This Agreement shall be subject to termination by notice given by you to the Selling Shareholders and the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and (b) in the case of any of the events specified in clauses 10(A)(I) through 10(A)(IV), such event, singly or together with any other such event, makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

11. Effectiveness; Defaulting Underwriters. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or the Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule II bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased

pursuant to this Section 11 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased, and arrangements satisfactory to you, the Company and the Selling Shareholders for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Shareholders. In any such case either you or the relevant Selling Shareholders shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. If, on the Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase Additional Shares or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company or any Selling Shareholder to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or any Selling Shareholder shall be unable to perform its obligations under this Agreement, the Company (if such termination results from a failure or breach by the Company and not the Selling Shareholders), or each of Selling Shareholders (to the extent such termination results from a failure or breach by any of the Selling Shareholders and not the Company), or the Company and the Selling Shareholders (if such termination results from the failure or breach by the Company and one or more Selling Shareholders) will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder. No Selling Shareholder that fully performs its obligations under this Agreement will be obligated to make any payment under this Section 11.

12. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

ADOLPH COORS COMPANY

By:

Name:

Title:

The Selling Shareholders named in
Schedule I hereto, acting severally

By:
Attorney-in-Fact

Accepted as of the date hereof

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Bank of America Securities LLC

Acting severally on behalf of themselves and the several Underwriters named in
Schedule II hereto.

By: Morgan Stanley & Co. Incorporated

By:
Name:
Title:

SCHEDULE I

SELLING SHAREHOLDER	NUMBER OF FIRM SHARES TO BE SOLD
Grover C. Coors Trust ..... Herman F. Coors Trust ..... Bertha C. Monroe Trust ..... Augusta C. Collbran Trust ..... Louise C. Porter Trust	
Total:	

SCHEDULE II

UNDERWRITER	NUMBER OF FIRM SHARES TO BE SOLD

Morgan Stanley & Co. Incorporated ..... Goldman, Sachs & Co..... J.P. Morgan Securities Inc..... Bank of America Securities LLC .....

Total: .....

EXHIBIT A

[FORM OF LOCK-UP LETTER]

_____, 2000

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Bank of America Securities LLC

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Dear Sirs and Mesdames:

The undersigned understands that Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") proposes to enter into an Underwriting Agreement (the "UNDERWRITING AGREEMENT") with Adolph Coors Company, a Colorado corporation (the "COMPANY") and certain shareholders of the Company named therein (the "SELLING SHAREHOLDERS"), providing for the public offering (the "PUBLIC OFFERING") by the several Underwriters, including Morgan Stanley (the "UNDERWRITERS"), of 4,600,000 shares or such other number as the Selling Shareholders, the Company and the Underwriters may agree (the "SHARES") of Class B Common Stock (Non-Voting), without par value, of the Company (the "COMMON STOCK").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 90 days after the date of the final prospectus relating to the Public Offering (the "PROSPECTUS"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing

sentence shall not apply to (a) the sale of any Shares to the Underwriters pursuant to the Underwriting Agreement,(b) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering or (c) bona fide gifts, provided that the recipient of any such gift has agreed in writing to be bound by the terms of this letter. In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 90 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Shareholders and the Underwriters.

Very truly yours,

(Name)

(Address)

[STATE OF COLORADO SEAL]

STATE OF COLORADO

DEPARTMENT OF STATE

CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues a RESTATED CERTIFICATE OF INCORPORATION WITH AMENDMENT ADOLPH COORS COMPANY.

Dated: JUNE 7, 1991

/s/ NATALIE MEYER

SECRETARY OF STATE

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
ADOLPH COORS COMPANY

The undersigned corporation, pursuant to (a) Sections 7-2-107 and 7-2-112 of the Colorado Corporation Code, (b) resolutions duly adopted by its Board of Directors (the "Board") on February 14, 1991, and (c) a resolution adopted by its authorized voting Shareholder on May 16, 1991, hereby authorizes the following Amended and Restated Articles of Incorporation:

ARTICLE I. NAME. The name of the Corporation shall be Adolph Coors Company.

ARTICLE II. DURATION. The Corporation shall have perpetual existence.

ARTICLE III. PURPOSES AND POWERS.

(a) The Corporation is organized for the purposes of engaging in lawful acts and activities for which corporations may be organized under the laws of the state of Colorado.

(b) Without limitation and in furtherance of the purposes set forth above, the Corporation shall have and may exercise any and all of the rights, powers and privileges now or hereafter conferred upon corporations organized under and pursuant to the laws of the state of Colorado, including the following powers:

(1) To acquire by purchase, exchange, lease, or otherwise, and to hold, mortgage, pledge, hypothecate, exchange, sell, invest in and dispose of, alone, or in syndicates, or otherwise in conjunction with others, real and personal property of every kind and character, of whatsoever nature and wheresoever situate, and any interests therein.

(2) To acquire by purchase, exchange, or otherwise, all or any part of, or interests in, the properties, assets, business, goodwill of any one or more persons, firms, associations, or corporations heretofore or hereafter engaged in any business for which corporations may now or hereafter be organized under the laws of the state of Colorado.

(3) To borrow or raise money without limit as to amounts; to contract for, perform, and provide for the performance of services in any nature which a corporation may lawfully perform; to act as a dealer for the sale of, to enter into underwriting agreements with respect to, to grant options with respect to, and to contract for the disposition of, or otherwise dispose of, the Corporation's stocks, bonds, and other securities.

(4) To invest and deal with the funds of the Corporation in any legal manner, and to acquire by purchase of otherwise the stocks, bonds, notes, debentures and other securities and obligations of any corporation, association, partnership or government, and while the owner of any such securities or obligations, to exercise all the rights, powers and privileges of ownership, including, among other things, the right to vote thereon for any and all purposes.

(5) To do everything necessary, proper, advisable, or convenient for the accomplishment of the Corporation's purposes and all other things incidental thereto or connected therewith so long as the same shall not be prohibited by law or by these Articles of Incorporation.

ARTICLE IV. CAPITAL STOCK.

(a) The aggregate number of shares of Capital Stock which the Corporation shall have authority to issue is 126,260,000, said shares to consist of the following:

(1) 1,260,000 shares of Class A Common Stock (Voting), of the par value of $1.00 per share ("Class A Stock");

(2) 100,000,000 shares of Class B Common Stock (Non-Voting) without par value ("Class B Stock");

(3) 25,000,000 shares of Non-Voting Preferred Stock, of the par value of $1.00 per share ("Preferred Stock").

(b) All shares of Class A Stock, all shares of Class B Stock and all of shares of Preferred Stock issued by the Corporation shall be fully paid and nonassessable.

(c) The relative rights, privileges and limitations of the shares of each class of Capital Stock are as follows:

(1) The Class A Stock and Class B Stock shall be in all respects identical, share for share, except that the right to vote for the election of directors and for all other purposes shall be vested exclusively in the holders of Class A Stock and the holders of Class B Stock shall not have the right to vote or be entitled to receive any notice of meetings of shareholders except where applicable provisions of the Colorado Corporation Code entitle holders of Class B Stock to vote. On any matter on which the Colorado Corporation Code so entitles holders of Class B Stock to vote because the matter requires the vote of both Class A and Class B shareholders, the holders of Class A Stock and Class B Stock shall vote as separate classes. In addition, the holders of Class A Stock and Class B Stock shall have the right to and shall vote, as separate classes, on any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Company on which the Colorado Corporation Code requires approval by holders of Class A Stock.

(2) The holders of Class A Stock and the holders of Class B Stock shall be entitled to receive such dividends as shall be declared from time to time by the Board out of funds legally available therefor, except that so long as any shares of Class B Stock are outstanding, no cash dividends shall be declared or paid on any Class A Stock unless at the same time there shall be declared or paid, as the case may be, a cash dividend on Class B Stock in an amount per share equal to the amount per share of the dividend declared or paid on the Class A Stock.

(d) The Corporation's Board is authorized, subject to limitations prescribed by law and to the provisions of this Article, to provide for the issuance of shares of Preferred Stock in series and, by filing a statement pursuant to the Colorado Corporation Code (a "Statement of Designations"), to establish the number of shares of Preferred Stock of each series. The authority of the Board with respect to each series shall, to the extent allowed by the Colorado Corporation Code, but subject to the qualifications, limitations and restrictions set forth in this Article, include, without limitation, the authority to establish and fix the following:

(1) The number of shares initially constituting such series and the distinctive designation of such series;

(2) Whether such series shall have any dividend rights, and, if so, the dividend rate on the shares of such series, the time of payment of such dividends, whether such dividends are cumulative and the date from which any dividends shall be cumulative;

(3) Whether any of the shares of such series shall be redeemable, and, if so, the price at which the terms and conditions upon which such shares shall be redeemable;

(4) Whether such series shall have a sinking fund or reserve account for the redemption or purchase of shares of such series, and, if so, the terms and amount of such sinking fund or reserve account;

(5) The rights of the shares of such series upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(6) Subject to subparagraph (iv) below, the terms of voting rights; and

(7) Whether such series shall have conversion privileges, and, if so the terms and conditions of such conversion privileges including provisions, if any, for adjustment of the conversion rate and for payment of additional amounts by holders of shares of that series upon exercise of such conversion privileges.

The Board is expressly authorized to vary the provisions relating to the foregoing matters between the various series of Preferred Stock, but, unless otherwise specified in the Certificate of Designations, in all other respects the shares of each series shall be of equal rank with each other regardless of series. Notwithstanding the fixing of the number of shares constituting a particular series upon the issuance thereof, unless otherwise specified in the Statement of Designations, the Board may at any time thereafter authorize the issuance of additional shares of the same series or may reduce (but not below the number of shares then outstanding) the number of shares constituting such series. In case the number of shares of Preferred Stock is reduced, the shares representing such decrease shall, unless otherwise specified in the Statement of Designations, be restored to the status of authorized and unissued Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of any other series of Preferred Stock.

Any of the terms of a series of Preferred Stock may be made dependent upon facts ascertainable outside of these Articles of Incorporation and the Statement of Designations creating the series, provided that the manner in which such facts shall operate upon such series is clearly and expressly set forth in these Articles of Incorporation or in the Statement of Designations.

(i) Dividend Rights. A Statement of Designations may prescribe such dividend rights, if any, for a series of Preferred Stock as the Board shall determine. So long as any shares of Preferred Stock are outstanding, no dividends or other distributions (other than dividends or distributions payable in shares of Common Stock or any other class of stock ranking junior to the Preferred Stock as to dividends or upon liquidation) shall be declared or paid or set aside for payment upon the Common Stock or upon any other class of stock ranking junior to the Preferred Stock as to dividends or upon liquidation, unless all dividends payable to holders of each series of outstanding Preferred Stock for its current dividend period, and in the case of cumulative dividends all past dividend periods have been paid, are being paid or have been set aside for payment, in accordance with the terms of the applicable Statement of Designations. In addition, the Corporation shall not redeem, purchase, or otherwise acquire for any consideration any Common Stock or any other class of stock ranking junior to the Preferred Stock as to dividends or upon liquidation, unless all dividends payable to holders of each series of outstanding Preferred Stock for its current dividend period, and in the case of cumulative dividends all past dividend periods, have been paid, are being paid or have been set aside for payment, in accordance with the terms of the applicable Statement of Designations.

(ii) Redemption. A Statement of Designations may prescribe such redemption rights and obligations and sinking fund provisions, if any, with respect to a series of Preferred Stock

as the Board shall determine. Except as otherwise specified in the Statement of Designations, shares of Preferred Stock of any series that have been redeemed (whether through the operation of a sinking fund or otherwise) or purchased or otherwise acquired by the Corporation or which, if convertible, have been converted into shares of stock of the Corporation of any other class or classes, shall be restored to the status of authorized and unissued Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of any other series of Preferred Stock.

(iii) Rights on Liquidation. A Statement of Designations shall prescribe such rights on liquidation or dissolution of the Corporation (whether voluntary or involuntary) with respect to a series of Preferred Stock as the Board shall determine, provided that, without limitation, the voluntary sale, lease, exchange or transfer (for each, securities or other consideration) of all or substantially all of the Corporation's property or assets to, or its consolidation or merger with, any other corporation or corporations shall not be deemed to be a liquidation or dissolution or winding up of the Corporation, voluntary or involuntary.

(iv) Voting Rights. No series of Preferred Stock shall be granted the right to vote on any matter, except as required by the Colorado Corporation Code. As to those matters upon which the Preferred Stock is granted the right to vote by such Code, a Statement of Designations may designate the terms upon which the Preferred Stock is to vote, including the number of votes each share of the Preferred Stock shall be entitled to, and whether a series of Preferred Stock shall vote as a separate class or with any other series of the Preferred Stock or with any class or series of the Common Stock.

(v) Conversion Rights. A Statement of Designations may provide such rights, if any, for the holders of a series of

Preferred Stock to convert their shares into any other class or series of stock at such price or prices or at such rates of exchange and with such adjustments as the Board shall determine. Except as otherwise specified in the Statement of Designations, shares of Preferred Stock of any series that have been so converted shall be restored to the status of authorized and unissued Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of any other series of Preferred Stock.

ARTICLE V. PREEMPTIVE RIGHTS DENIED. No shareholder of the Corporation shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Corporation, whether now or hereafter authorized, or to any obligations convertible into shares of the Corporation, issued or sold, nor any right of subscriptions to any shares other than such right, if any, and at such price as the Board, in its discretion from time to time may determine, pursuant to the authority thereby conferred by the Articles of Incorporation, and the Board may issue shares of the Corporation or obligations of the Corporation convertible into shares without offering such issue, either in whole or in part, to the shareholders of the Corporation. The Board may issue stock options to directors, officers, and employees in accordance with applicable law and without first offering such options to shareholders of the Corporation, and no shareholder shall have any preemptive right in, or preemptive right to subscribe to, any such options or the underlying shares issued pursuant to such options.

ARTICLE VI. CUMULATIVE VOTING NOT ALLOWED. Cumulative voting shall not be allowed in the election of Directors or for any other purposes.

ARTICLE VII. REGISTERED OFFICE AND AGENT. The address of the Corporation's registered office in the state of Colorado is at 12th and East Streets in Golden, Colorado 80401. The name of the Corporation's registered agent at such address is M. Caroline Turner.

ARTICLE VIII. DIRECTORS. The affairs of the Corporation shall be governed by a Board of not less than three (3) Directors. Subject to such limitation, the number of Directors, and the method by which they shall be elected shall be set forth in the Bylaws of the Corporation.

ARTICLE IX. LIABILITY OF DIRECTORS. No Director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or to its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 7-5-114 of the Colorado Corporation Code; or (iv) for any transaction from which the director derived an improper personal benefit. Amendment to or repeal of this Article shall not apply to, or have any effect on, the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

ARTICLE X. INDEMNIFICATION. The Corporation may indemnify its directors, officers, employees and others against liabilities and expenses incurred in their corporate capacities in a manner consistent with the provisions of the Colorado Corporation Code.

ARTICLE XI. BYLAWS. The Board of Directors shall be vested with the power to alter, amend, or repeal the Bylaws and to adopt new Bylaws. The Corporation may, in its Bylaws or otherwise, impose restrictions on the transfer of its shares.

ARTICLE XII. AMENDED AND RESTATED ARTICLES OF INCORPORATION. The Amended and Restated Articles of Incorporation, as set forth hereinabove, correctly set forth the corresponding provisions of the Articles of Incorporation of Adolph Coors Company, as theretofore and herein amended, supersede the original Articles of Incorporation and all previous amendments thereto, were approved by the voting shareholders, and the number of shares voted for the Amended and Restated Articles was sufficient for approval.

IN WITNESS WHEREOF, I, the undersigned, execute these Amended and Restated Articles of Incorporation aforesaid and declare that the statements therein contained are true and accordingly have hereunto set my hand and seal this 16th day of May 1991.

ADOLPH COORS COMPANY

/s/ W. K. COORS
W. K. Coors, President

ATTEST:

/s/ [ILLEGIBLE]
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

Before me, Mary Louise Owen, a notary public in and for the said County and State, personally appeared W. K. Coors, who acknowledged before me that he is the President of Adolph Coors Company, a Colorado corporation, and that he signed the foregoing Amended and Restated Articles of Incorporation as his free and voluntary act and deed for the uses and purposes set forth therein, and that the facts contained therein are true.

WITNESS my hand and official seal.

My commission expires: 3/20/93

[SEAL]

/s/ MARY LOUISE OWEN
Notary Public

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, was amended and restated as of May 11, 2000 by the Board of Directors.

/s/ M. CAROLINE TURNER

Secretary

EXHIBIT 5.1

October 26, 2000

Board of Directors
Adolph Coors Company
311 10th Street
Golden, CO 80401-0030

RE: OPINION RE: LEGALITY

Dear Sirs and Madams:

We have acted as outside counsel to Adolph Coors Company, a Colorado corporation (the "Company"), in connection with the preparation, execution, and filing with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Act"), of a Registration Statement (no. 333-48194) on Form S-3 (as amended through the date hereof (the "Registration Statement")). This opinion is furnished to you for filing with the Commission pursuant to Item 601(b)(5) of Regulation S-K, promulgated under the Act.

The Registration Statement covers resales by certain selling shareholders listed in the Registration Statement (the "Selling Shareholders") of certain shares of the Company's Class B Common Stock (Non-Voting), without par value (the "Class B Stock"), to the public pursuant to an underwriting agreement by and among the Company, the Selling Shareholders, and Morgan Stanley Dean Witter, Goldman, Sachs & Co., J.P. Morgan & Co., and Banc of America Securities LLC, as representatives of the underwriters (the "Underwriting Agreement").

In our representation of the Company, we have examined (1) the Registration Statement, (2) the Company's Amended and Restated Articles of Incorporation and Bylaws, (3) the resolutions of the Company's Board of Directors as recorded in the Company's minute book, (4) the resolutions of the Company's Special Committee formed in connection with the Registration Statement as recorded in the Company's minute book, (5) the form of the Underwriting Agreement filed with the Commission as Exhibit 1.1 to the Registration Statement, (6) certain certificates executed by officers of the Company or its transfer agent, and (7) such other documents and instruments as we have considered necessary for the purposes of rendering the opinions expressed below.

Based upon the foregoing, we are of the opinion that the four million six hundred thousand (4,600,000) shares of Class B Stock, which are the subject of the Registration Statement and were issued by the Company to the Selling Shareholders, have been duly authorized and validly issued and are fully paid and non-assessable.

The opinions expressed herein are limited to the laws of the Colorado Business Corporation Act and the Act.

We hereby consent to the use of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the heading "Legal Matters" in related prospectuses. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Perkins Coie LLP

SCS:scs

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Amendment No. 1 to Registration Statement on Form S-3 of our report dated February 9, 2000 related to the consolidated financial statements of Adolph Coors Company and its subsidiaries, which appears in such Registration Statement. We also consent to the incorporation by reference in this Registration Statement of our report dated February 9, 2000 relating to the financial statement schedule which appears in the Adolph Coors Company's Annual Report on Form 10-K for the year ended December 26, 1999. We also consent to the references to us under the heading "Experts", "Summary Historical Consolidated Financial Data" and "Selected Historical Consolidated Financial Data" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado

October 26, 2000