

MOLSON COORS BREWING CO

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

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

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 26, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED) For the transition period from to *Commission file number 0-8251*

ADOLPH COORS COMPANY

(Exact name of registrant as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	84-0178360 (I.R.S. Employer Identification No.)
Golden, Colorado (Address of principal executive offices)	80401 (Zip Code)
Registrant's telephone number, including area code	(303) 279-6565

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

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

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

None
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of March 13, 2000:

Class A Common Stock - 1,260,000 shares Class B Common Stock - 35,467,339 shares

PART I

ITEM 1. Business

(a) General Development of Business

Founded in 1873 and incorporated in Colorado in 1913, Adolph Coors Company (ACC) is the holding company for Coors Brewing Company (CBC), the third- largest U.S. brewer. For a description of the business of CBC, see Item 1, section (c), Narrative Description of Business.

ACC, CBC and the majority owned and controlled domestic and foreign subsidiaries are collectively referred to as "the Company."

Coors Japan Company, Ltd. (Coors Japan), a wholly owned subsidiary of CBC, provides services for marketing and sales to unaffiliated distributors for Coors products in Japan.

CBC also owns Coors Brewing Iberica, S.A. (Coors Iberica). Coors Iberica provides services for the production and sales to unaffiliated distributors for Coors products in Spain. Coors Iberica also brews products for sale in European markets outside of Spain in its Zaragoza, Spain brewery. See Marketing - International business under section (c), Narrative Description of Business, below.

Coors Brewing International, Ltd. (CBIL), owned by ACC and based in London, was created in December 1997. It provides management and administrative services for CBC. CBIL also provides services for marketing and sales to unaffiliated distributors for Coors products in European markets other than Spain.

In addition to CBC and CBIL, ACC owns Coors Canada, Inc. (CCI), which in turn owns a 50.1% interest in Coors Canada, a partnership. CCI's partner in Coors Canada, Molson, Inc. (Molson), owns the remaining 49.9% interest in the partnership. The partnership began January 1, 1998 to develop the business that offers Coors products in Canada. See further discussion of the Canadian business under section (c), Narrative Description of Business, below.

CBC owns Coors Distributing Company (CDC) and several smaller subsidiaries. CDC owns and operates distributorships in several markets across the United States. CDC's 1999 operations accounted for approximately 6.4% of CBC's reported beer sales volume.

Some of the following statements describe the Company's expectations of future products and business plans, financial results, performance and events. See discussion in Item 7, Management's Discussion and Analysis of Financial Conditions and Results of Operations (MD&A). Actual results may differ materially from these forward-looking statements. See MD&A - Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995 for factors that may negatively impact the Company's performance.

(b) Financial Information About Industry Segments

The Company has one reporting segment focused on the continuing operations of producing and marketing malt-based beverages. See Item 8, Financial Statements and Supplementary Data, for financial information relating to the Company.

(c) Narrative Description of Business

Coors Brewing Company - General

CBC produces, markets and sells high-quality malt-based beverages. CBC concentrates on distinctive premium and above-premium brands that provide higher-than-average margins. Most of CBC's sales are in U.S. markets; however, the Company is committed to building profitable sales in international markets. Sales of malt beverages totaled 22.0 million barrels in 1999, 21.2 million barrels in 1998 and 20.6 million barrels in 1997. The barrel sales figures for each year do not include barrel sales of non-consolidated joint ventures. See Item 7 for discussion of changes in volume.

Marketing

Principal products and services: CBC currently has 13 brands in its portfolio, of which four are premium products included in the Coors family of beers: Coors Light, Original Coors, Coors Dry and Coors Non-Alcoholic. CBC also produces and markets Coors Extra Gold and Zima, an innovative above-premium, malt-based beverage.

CBC offers specialty, above-premium beers, including Winterfest, a seasonal product, and Blue Moon Belgian White Ale. CBC also sells George Killian's Irish Red Lager, a licensed product.

CBC brands also include popular-priced Keystone Premium, Keystone Light and Keystone Ice.

CBC owns and operates The SandLot Brewery at Coors Field ballpark in Denver, Colorado. This brewery, which is open year-round, makes a variety of specialty beers and has an annual capacity of approximately 4,000 barrels.

CBC's beverages are sold throughout the United States. CBC exports or produces and sells many products overseas, as described in greater detail below.

New products/opportunities: Zima Citrus was introduced in test markets during 1998. The test markets were expanded in 1999.

Discontinued products: During 1999, Keystone Dry, Blue Moon Honey Blonde Ale, Blue Moon Harvest Pumpkin Ale, Blue Moon Raspberry Cream Ale, Blue Moon Abbey Ale and Killian's Irish Honey were discontinued because the market performance of these products did not meet

expectations.

Brand names, trademarks, patents and licenses: CBC owns trademarks on the majority of the brands it produces and licenses the remainder. CBC recognizes that consumer knowledge of and loyalty to its brand names and trademarks are vital to CBC's long-term success. It also holds several patents, with expiration dates ranging from 2000 to 2019, on innovative processes related to product formulae, can-making, can-decorating and certain other technical operations, together with several design patents for innovative packaging. CBC receives a very small amount of revenue from royalties and licenses, and does not depend on this revenue.

Brand performance: Coors Light is CBC's best-selling brand and has generated more than two-thirds of the Company's total sales volume for more than three years. Premium and above-premium beers accounted for approximately 88% of CBC's total 1999 sales volume.

Domestic sales: The Company's highest-volume states are California, Texas, Pennsylvania, New York and New Jersey, comprising 47% of total domestic volume.

The Company reorganized into two regions that manage six geographic field business areas responsible for overseeing domestic sales, which CBC expects will allow better anticipation and response to wholesaler and consumer needs.

International business: Through its U.S. and foreign production facilities, CBC markets its products to approximately 30 international markets and to U.S. military bases worldwide.

In Canada, Coors Canada markets and sells Coors products, where Coors Light is the best-selling light beer. Under the partnership agreement, Coors Canada is responsible for marketing Coors products in Canada, while the partnership contracts with Molson Canada for the brewing, distribution and sales of these brands. The partnership 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. CCI's 50.1% share of the partnership's financial position and operating results are accounted for using the equity method due to Molson's participating rights in the partnership's business operations.

Coors Japan, the exclusive importer of Coors products into Japan and based in Tokyo, markets and sells CBC's products to unaffiliated distributors in Japan.

In 1991, CBC formed Jinro-Coors Brewing Company (JCBC), a joint venture with Jinro Limited of the Republic of Korea. CBC had a one-third ownership interest in JCBC. Due to the financial difficulties encountered by Jinro Limited, in December 1997, CBC exercised the put option it held on its \$22 million investment in JCBC, which required Jinro Limited to purchase CBC's investment. When the put option was exercised, CBC reclassified its investment in JCBC to a receivable from Jinro Limited. The receivable is secured by shares, which were later canceled as discussed below. Jinro Limited had until June 1998 to perform its obligation under the put option. It did not perform. In February 1999, Jinro Limited, 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 the 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. See Item 7a, MD&A, for further discussion of this matter. Prior to the exercise date of the put option, JCBC's financial results were not included in CBC's financial statements. CBC's investment was accounted for under the cost basis of accounting since it did not have the ability to significantly influence JCBC's business operations and the investment was considered temporary.

Coors Iberica owns a 500,000-hectoliter brewery in Zaragoza, Spain. Coors Iberica brews Coors Gold for sale in Spain and the Coors Extra Gold and Coors Light brands for export to approximately six international markets. Coors Iberica exclusively handles the sales and marketing efforts of Coors products in Spain. Financial results of the Zaragoza brewery are included in ACC's consolidated financial statements.

The Zaragoza, Spain, brewery also is the source for Coors Extra Gold sold in the United Kingdom. Carlsberg Tetley and Scottish Courage are distributing the product.

In early 1996, ACC established a foreign sales corporation, Coors Export Ltd., to utilize favorable U.S. tax laws applicable to foreign sales.

See Item 8, Financial Statements and Supplementary Data, for discussion of sales, operating income and identifiable assets attributable to the Company's country of domicile, the United States, and all foreign countries.

Product distribution: A national network of 527 independent distributors and seven distributorships, owned and operated by CDC deliver CBC products to U.S. retail markets. Some distributors operate multiple branches, bringing the total number of U.S. distributor and branch locations to 588. Additional independent distributors deliver CBC products to some international markets under certain licensing and distribution agreements.

To ensure the highest product quality, CBC establishes standards and monitors distributors' methods of handling Coors products. Monitoring helps ensure adherence to proper refrigeration and rotation guidelines for CBC's malt beverages at both wholesale and retail locations. Distributors are required to replace CBC products if consumer sales have not occurred within prescribed time frames.

Transportation

Given the location of its three production facilities in the United States (see discussion under Operations, below), CBC must ship its products a greater distance than most of its competitors. By packaging some products in the Memphis and Elkton, Virginia (Shenandoah) facilities, CBC improves the efficiency of distribution and lowers freight costs to certain markets.

Approximately 66% of products are shipped by truck and intermodal (piggyback) directly to distributors or to satellite redistribution centers. Transportation vehicles are also refrigerated or properly insulated to keep CBC's malt beverages at required temperatures while in transit.

The remaining 34% of the products packaged at CBC's production facilities are transported by railcar to satellite redistribution centers or directly to distributors throughout the country. Railcars assigned to CBC are specially built and insulated to keep Coors products cold en route. Any interruption in rail service would impact CBC more than its major competitors, but, in management's opinion, the risk of such disruption appears low.

CBC currently uses 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, while the remaining 38% moved through the satellite redistribution centers.

Operations

Production/packaging capacity: CBC currently has three domestic production facilities. It owns and operates the world's largest single-site brewery in Golden, Colorado; a packaging, brewing and distribution facility in Memphis, Tennessee; and a packaging and distribution facility near Elkton, Virginia.

The Golden brewery is the source location for all brands with the Coors name except for Coors Non-Alcoholic and the Coors products brewed in Canada and Spain. Approximately 62% of CBC's beer volume is packaged in Golden; most of the remainder is shipped in bulk from the Golden brewery to the Memphis and Shenandoah facilities for blending, finishing and packaging.

The Memphis facility currently packages all products exported from the United States and brews and packages Zima, Zima Citrus, Coors Light, Coors Non-Alcoholic and Blue Moon Belgian White Ale. Depending on future product mix and market opportunities, the full utilization of brewing capacity in Memphis could require additions to plant and equipment in the future.

The Shenandoah facility currently packages certain CBC products for distribution to eastern U.S. markets and could be expanded if necessary and if market opportunities warranted the required financial commitment.

At the end of 1999, CBC had approximately 24 million barrels of annual brewing capacity and 26 million barrels of annual packaging capacity. Actual usable capacity depends upon product and package mix and may change with shifting consumer preferences for specific brands or packages. CBC's three facilities provide sufficient brewing and packaging capacity to meet near-term consumer demand.

Most of CBC's aluminum can, end, glass bottle and malt requirements are produced in Company-owned facilities or facilities operated by joint ventures in which CBC is a partner. CBC has arranged for sufficient container supplies with its joint venture partners. Malting facilities are sufficient to fulfill the current malting requirements but are being improved and upgraded to provide additional capacity needed over the next few years.

Container manufacturing facilities: In 1994, CBC and American National Can Company (ANC) formed a joint venture to produce beverage cans and ends at CBC's manufacturing facilities for sale to CBC and outside customers. The joint venture's initial term is seven years but can be extended for two additional three-year terms. CBC owns the can manufacturing facility that produces approximately 3.8 billion aluminum cans per year and an aluminum can end manufacturing facility, which provides CBC aluminum ends and tabs. The joint venture has improved the technology and utilization of both facilities and has enhanced the returns on this investment. In 1999, CBC purchased virtually all of the cans produced by the joint venture.

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. The book value of the total joint ventures' properties are approximately 11% of the book value of CBC's properties.

To assist in furthering its goal of manufacturing bottles with recycled material, CBC constructed a glass recycling facility in Wheat Ridge, Colorado, in 1994 and doubled the amount of glass the facility can recycle annually. RMBC operates the recycling facility.

Other facilities: CBC owns waste treatment facilities that process waste from CBC's manufacturing operations and from the City of Golden.

Capital improvements: In 1999, the Company spent approximately \$124.2 million in capital expenditures (excluding capital improvements for

the container joint ventures, which were recorded on the books of the respective joint venture). While management plans to invest appropriately to ensure ongoing productivity and efficiency of CBC assets, a high priority will be given to those projects the Company believes offer attractive returns. The Company expects its capital expenditures for 2000 to be in the range of approximately \$125 million to \$130 million for improving and enhancing the facilities, infrastructure, information systems and environmental compliance, which excludes capital improvements to the container joint ventures.

Raw Materials/Sources and Availability

CBC's beers are made with all natural ingredients, and its brewing process is one of the longest in duration in the industry. CBC adheres to very strict formulation and quality standards in selecting its raw materials and believes it has sufficient access to raw materials and packaging supplies to meet its quality and production requirements.

Barley, barley malt, starch and hops: CBC uses proprietary strains of barley, developed by its own agronomists, in most of its malt beverages. Virtually all of this barley is grown on irrigated farmland in the western United States under contractual agreements with area growers. Furthermore, the growers use only barley seed developed by CBC. CBC's malting facility in Golden produces malt for all CBC products except Blue Moon. CBC maintains inventory levels in Company-owned locations sufficient to continue production in the event of any disruption in barley or malt supplies.

Rice and refined cereal starch and foreign and domestic hops are purchased from outside suppliers. Adequate inventories are maintained to continue production through any foreseeable disruption in supply.

Water: CBC uses naturally filtered water from underground aquifers to brew malt beverages at its Golden facility. Water from private deep wells is used for brewing, final blending and packaging operations at plants located outside Colorado. Water quality and composition were primary factors in all facility site selections. Water from CBC's sources contains minerals that help brew high-quality malt beverages.

CBC continually monitors the quality of all the water used in its brewing and blending processes for compliance with its own stringent quality standards, as well as applicable federal and state water standards. CBC owns water rights believed to be adequate to meet all of its present requirements for both brewing and industrial uses. The Rocky Mountain Water Company, a wholly owned subsidiary of CBC, acquires water rights, as appropriate, to provide flexibility for long-term strategic growth needs and also to sustain brewing operations in the event of a prolonged drought.

Packaging materials: During 1999, approximately 60% of CBC's malt beverages were packaged in aluminum cans. CBC purchases most of its cans and ends from the joint venture with ANC. Aluminum cans for products packaged at the Memphis and Shenandoah plant are purchased from CBC's can and end joint venture and an outside supplier.

Glass bottles were used to package approximately 29% of CBC's beverages in 1999; about half of these bottles were produced by RMBC.

The remainder (11%) of the malt beverages sold during 1999 was packaged primarily in quarter- and half-barrel stainless steel kegs.

Supply contracts with ACX companies: When ACX Technologies, Inc. (ACX) was spun off from ACC in 1992, CBC negotiated long-term supply contracts with certain ACX subsidiaries for aluminum, starch and packaging materials. However, the aluminum and starch contracts have expired or have been canceled. A subsidiary of ACX supplies much of the secondary packaging for CBC's products, including bottle labels and paperboard products. The contract for packaging materials has been modified and extended until 2002. See Item 13, Certain Relationships and Related Transactions, for further details.

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 previous starch contract with a subsidiary of ACX was sold to an unaffiliated third party in February 1999. The supply agreements provide for the Company to purchase certain minimum levels of materials with terms expiring in 2001 through 2006.

Energy: CBC purchases electricity and steam for its Golden manufacturing facilities from Trigen-Nations Energy Corporation, L.L.P. (Trigen). Coors Energy Company, a wholly owned subsidiary of CBC, supplies Trigen with coal for its steam generator system. CBC does not anticipate future energy supply problems.

Seasonality of the Business

The beer industry is subject to seasonal sales fluctuation. CBC's sales volumes are normally at their lowest in the first and fourth quarters and highest in the second and third quarters. The Company's fiscal year is a 52- or 53-week year that ends on the last Sunday in December. The 1999, 1998 and 1997 fiscal years were all 52 weeks long.

Research and Project Development

CBC's research and project development spending relates primarily to new products and packages; brewing processes, ingredients and

equipment; packaging supplies and environmental improvements; and cost reductions in processes and packaging materials. These activities are meant to improve the quality and value of CBC's products while reducing costs through more efficient processing and packaging techniques and equipment design, as well as improved raw materials. Approximately \$15.5 million, \$15.2 million and \$14.6 million was expensed for research and development in 1999, 1998 and 1997, respectively. The Company expects to spend approximately \$15.2 million on research and project development in 2000.

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

Regulations

Federal laws and regulations govern the operations of breweries. The federal and respective state governments regulate trade practices, product content and labeling, advertising and marketing practices, distributor relationships and related matters. Governmental entities also levy various taxes, license fees and other similar charges and may require bonds to ensure compliance with applicable laws and regulations. Many foreign governments apply tariffs on products, such as CBC's, when imported into their nations. The Company must also deal with varying levels and types of foreign government regulation when attempting to sell its products in those countries.

Emerging regulatory/legislative issues with the items mentioned above or other areas could impact the Company's business operations over the next few years.

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, CBC incurred approximately \$406 million in federal and state excise taxes. A substantial increase in federal or state excise taxes could have a negative impact on sales and profitability of the entire industry, including CBC. CBC is vigorously opposed to any increases in federal, state or local excise taxes and works diligently to ensure that its view is represented.

The Company anticipates increased scrutiny by lawmakers, regulators and advocacy groups focused on alcohol sales and marketing activities with respect to the issues of alcohol abuse and underage consumption. The increased scrutiny is due to a number of circumstances outside the control of CBC. CBC continues to strengthen both its and the industry's self-regulation activities, including continuing vigorous efforts that demonstrate its social responsibility in advertising, sales, community education and prevention and research.

Environmental

Compliance with federal, state and local environmental laws and regulations did not materially affect the Company's 1999 capital expenditures, earnings or competitive position.

The Company continues to promote the efficient use of resources, waste reduction and pollution prevention. Programs currently under way include recycling bottles and cans, making product packages lighter and, where practical, increasing the recycled content of product packaging materials, paper and other supplies. Several employee task forces continually seek effective ways to control hazardous materials and to reduce emissions and waste.

Employees and Employee Relations

The Company has approximately 5,800 full-time employees. Of CBC's three domestic production facilities, Memphis plant workers are the only significant employee group that has union representation (Teamsters). Relations with employees have been satisfactory. There were union organizing efforts during 1998 by the United Auto Workers (UAW) for the Golden brewing facility. Hearings were held with the National Labor Relations Board (NLRB) to determine whether the UAW's organizing efforts could take place only in the Company's brewing unit or in the Company's larger, integrated unit of brewery, can manufacturing, end manufacturing and glass manufacturing. The larger, integrated unit is the recognized unit in an existing agreement with the AFL-CIO, with whom the UAW is affiliated. In the fall of 1998, the Denver region of the NLRB refused to allow a recognition election solely in the brewing operations that was petitioned by the UAW. During 1999, the Washington, D.C., NLRB upheld the regional decision and rescinded the UAW's appeal.

Competitive Conditions

Known trends and competitive conditions: Industry and competitive information was compiled from various industry sources, including beverage analyst reports, Beer Marketer's Insights and The Beer Institute. While management believes that these sources are reliable, the Company cannot guarantee the absolute accuracy of these numbers and estimates.

1999 industry overview: The beer industry in the United States is highly competitive. Industry volume growth has averaged less than 1% annually since 1991, and maintaining, let alone growing, market share requires substantial investments in marketing and sales. In a very competitive year, 1999 saw domestic beer industry shipments increase slightly more than 1% after growing less than 1% in 1998. In recent years, brewers have attempted to gain market share through competitive pricing, marketing, promotions and innovative packaging.

The industry's pricing environment improved in 1999 with the announcement of modest price increases on specific packages in select markets. As a result, revenue per barrel improved for major U.S. brewers during the year. However, starting in late 1998, the competitive battleground of the industry shifted much more heavily toward marketing and advertising spending, and relatively slightly less discounting. In 1999, CBC invested a significant proportion of incremental gross profit generated by price increases in increased marketing and sales activities.

A number of important trends continued in the U.S. beer market in 1999. The first was a trend toward light, refreshing beers. The fastest growing major beers in the U.S. market are light American-style lagers, such as Coors Light. Approximately four-fifths of CBC's annual unit volume in 1999 was in light beers. The second trend was toward "trading up," as consumers continued to move away from lower-priced brands to higher-priced brands, especially imports. Shipments of import beers rose 10% in 1999. Meanwhile microbreweries continued to face market challenges, as consumers and retailers continued to consolidate their brand sets and focus more on products with stronger brand equities. The industry sales trends toward lighter, more-upscale beers play to CBC's strengths.

The U.S. brewing industry also continues to consolidate at the producer and wholesaler levels, a trend that generally results in improved economics for the industry as a whole. On February 8, 1999, The Stroh Brewery Company (Stroh) announced that it had signed agreements to sell two of its brands to Miller, a subsidiary of Philip Morris, Inc., and the balance of its beer brands and one of its brewing facilities to Pabst Brewing Company. Miller also bought two brands from Pabst and expanded its contract brewing agreement with Pabst. During a transition period of approximately nine months, Stroh sold or closed all of its remaining breweries and exited the beer business. In December 1999, Genesee Corp., then the fifth-largest U.S. brewer, agreed to sell its brewing unit to Platinum Holdings, a New York-based investment firm.

Beer wholesalers also continued to consolidate to improve their economics and competitive positions.

U.S. demographics continued to improve for the beer industry, with the number of consumers reaching legal drinking age increasing in 1999, according to U.S. Census Bureau projections. These same projections anticipate that the 21-24 age group would increase in 1999 for the first time in two decades.

The mid-1990s proliferation of products continued to reverse in 1999 as major brewers again focused efforts on core brands. For example, CBC discontinued six minor brands during 1999, reducing its brand portfolio by more than 30%. The CBC portfolio, with 13 brands, is less than half its peak size of 27 brands in 1995. A focus on fewer brands tends to reduce operational complexity, improve margins and improve sales and marketing focus.

CBC competitive position: CBC's malt beverages compete with numerous above- premium, premium, low-calorie, popular-priced, non-alcoholic and imported brands. They are produced by national, regional, local and international brewers. In 1999, approximately 80% of U.S. beer shipments were attributable to the top three domestic brewers: Anheuser-Busch, Inc. (AB); Philip Morris, Inc., through its subsidiary Miller; and CBC. CBC competes most directly with AB and Miller, the dominant companies in the industry. CBC is the nation's third-largest brewer and, according to Beer Marketer's Insights estimates, accounted for approximately 10.7% of the total 1999 U.S. brewing industry shipments of malt beverages (including exports and U.S. shipments of imports). This compares to AB's 47.5% share and Miller's 21.6% share. CBC had 88% of its unit volume in the premium and above-premium price categories, the highest proportion among the largest domestic brewers. This product mix compares to 75% premium-and-above volume for AB, 60% for Miller and less than 5% for Pabst.

CBC continues to face significant competitive disadvantages related to economies of scale. Besides lower transportation costs achieved by competitors with multiple breweries, these larger brewers also benefit from economies of scale in advertising spending because of their greater unit sales volumes. CBC, in an effort to achieve and maintain national advertising exposure and grow its U.S. market share, must spend substantially more per barrel of beer sold than its major competitors.

Although CBC's results are primarily driven by domestic operations, international operations increased their importance in recent years, including Canada, where Coors Light is the number one light beer.

(d) Financial Information About Foreign and Domestic Operations and Export Sales

See Item 8, Financial Statements and Supplementary Data, for discussion of sales, operating income and identifiable assets attributable to the Company's country of domicile, the United States, and all foreign countries.

ITEM 2. Properties

The major Company-owned facilities are:

Facility	Location	Product
Brewery/packaging	Golden, CO	Malt beverages/packaged malt beverages
Packaging	Elkton, VA	Packaged malt beverages
Brewery/packaging	Memphis, TN	Malt beverages/packaged malt beverages

Brewery/packaging	Zaragoza, Spain	Malt beverages/packaged malt beverages
Can and end plants	Golden, CO	Aluminum cans and ends
Bottle plant	Wheat Ridge, CO	Glass bottles
Distribution warehouse	Anaheim, CA Meridian, ID Denver, CO Oklahoma City, OK Tulsa, OK* San Bernardino, CA* Glenwood Springs, CO*	Wholesale beer distribution

***Leased.**

The original brewery site at Golden is approximately 2,400 acres, contains brewing, packaging, can manufacturing and related facilities, as well as gravel deposits and water-storage facilities.

CBC's can and end plants are operated by a joint venture between CBC and ANC. CBC's bottle plant is operated by a joint venture between CBC and Owens.

The distribution warehouses are operated by CDC.

The Company owns 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.

All of the Company's facilities are well-maintained and suitable for their respective operations. In 1999, CBC estimates that its brewing facilities operated at an annual average of approximately 89% of its brewing capacity, and its packaging facilities operated at an annual average of approximately 85% of the packaging capacity. Annual production capacity varies due to product and packaging mix and seasonality. During the peak season then capacities are fully utilized.

ITEM 3. Legal Proceedings

See the Environmental section of Item 7, MD&A, for a discussion of the Company's obligation for potential remediation costs at the Lowry Landfill Superfund site and related legal proceedings.

ITEM 4. Submission of Matters to a Vote of Security Holders

None.

PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Adolph Coors Company's (ACC's) Class B common stock began trading on the New York Stock Exchange on March 11, 1999, under the ticker symbol "RKY" (a tribute to the Company's Rocky Mountain heritage). Prior to March 11, 1999, ACC's Class B common stock was traded on the NASDAQ National Market under the ticker symbol "ACCOB." Daily stock prices are listed in major newspapers, generally alphabetically under "CoorsB."

The approximate number of record security holders by class of stock at March 13, 2000, is as follows:

Title of class	Number of record security holders
Class A common stock, voting, \$1 par value	All shares of this class are held by the Adolph Coors, Jr. Trust
Class B common stock, non-voting, no par value	3,071
Preferred stock, non-voting, \$1 par value	None issued

The range of the high and low quotations and the dividends paid per share on the Class B common stock for each quarter of the past two years are shown below. The Company expects to continue paying dividends at least at this level in the future:

	1999			Dividends
	Market price			
	High	Low		
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	

	1998			Dividends
	Market price			
	High	Low		
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	

ITEM 6. Selected Financial Data

Following is ACC's selected financial data for 11 years ended December 26, 1999:

(In thousands, except per share)	1999	1998	1997	1996
Barrels of malt beverages sold	21,954	21,187	20,581	20,045
Summary of Operations:				
Net sales	\$2,056,646	\$1,899,533	\$1,821,304	\$1,741,835
Cost of goods sold	(1,215,965)	(1,160,693)	(1,131,610)	(1,131,470)
Marketing, general and administrative	(692,993)	(615,626)	(573,818)	(523,250)
Special (charges) credits	(5,705)	(19,395)	31,517	(6,341)
Total operating expenses	(1,914,663)	(1,795,714)	(1,673,911)	(1,661,061)
Operating income	141,983	103,819	147,393	80,774
Other income (expense) - net	8,684	7,281	(500)	(5,799)
Income before income taxes	150,667	111,100	146,893	74,975
Income tax expense	(58,383)	(43,316)	(64,633)	(31,550)
Income from continuing operations	\$ 92,284	\$ 67,784	\$ 82,260	\$ 43,425
Per share of common stock				
- basic	\$ 2.51	\$ 1.87	\$ 2.21	\$ 1.14
- diluted	\$ 2.46	\$ 1.81	\$ 2.16	\$ 1.14
Income from continuing operations as a percentage of net sales	4.5%	3.6%	4.5%	2.5%
Financial Position:				
Working capital	\$ 220,117	\$ 165,079	\$ 158,048	\$ 124,194
Properties - net	\$ 714,001	\$ 714,441	\$ 733,117	\$ 814,102
Total assets	\$1,546,376	\$1,460,598	\$1,412,083	\$1,362,536
Long-term debt	\$ 105,000	\$ 105,000	\$ 145,000	\$ 176,000
Other long-term liabilities	\$ 52,579	\$ 56,640	\$ 23,242	\$ 32,745
Shareholders' equity	\$ 841,539	\$ 774,798	\$ 736,568	\$ 715,487
Net book value per share of common stock	\$ 22.91	\$ 21.34	\$ 19.79	\$ 18.83
Total debt to total capitalization	11.1%	15.8%	19.0%	21.2%
Return on average shareholders' equity	11.4%	9.0%	11.3%	6.2%
Other Information:				
Dividends	\$ 23,745	\$ 21,893	\$ 20,523	\$ 18,983
Dividends per share of common stock	\$ 0.645	\$ 0.60	\$ 0.55	\$ 0.50
Gross profit	\$ 840,681	\$ 738,840	\$ 689,694	\$ 610,365
Capital expenditures	\$ 134,377	\$ 104,505	\$ 60,373	\$ 65,112
Depreciation, depletion and amortization	\$ 123,770	\$ 115,815	\$ 117,166	\$ 121,121
Full-time employees	5,800	5,800	5,800	5,800
Market price range of common stock:				
High	\$ 65 13/16	\$ 56 1/2	\$ 41 1/4	\$ 24 1/4
Low	\$ 45 1/4	\$ 29 1/4	\$ 17 1/2	\$ 16 3/4

(In thousands, except per share)	1995*	1994	1993	1992
Barrels of malt beverages sold	20,312	20,363	19,828	19,569
Summary of Operations:				
Net sales	\$1,690,701	\$1,673,252	\$1,595,597	\$1,566,606
Cost of goods sold	(1,106,635)	(1,073,370)	(1,050,650)	(1,051,362)
Marketing, general and administrative	(518,888)	(505,668)	(467,138)	(441,943)
Special credits (charges)	15,200	13,949	(122,540)	--
Total operating expenses	(1,610,323)	(1,565,089)	(1,640,328)	(1,493,305)
Operating income (loss)	80,378	108,163	(44,731)	73,301

Other expense - net	(7,100)	(3,943)	(12,099)	(14,672)
Income (loss) before income taxes	73,278	104,220	(56,830)	58,629
Income tax (expense) benefit	(30,100)	(46,100)	14,900	(22,900)
Income (loss) from				
continuing operations	\$ 43,178	\$ 58,120	\$ (41,930)	\$ 35,729
Per share of common stock				
- basic	\$ 1.13	\$ 1.52	\$ (1.10)	\$ 0.95
- diluted	\$ 1.13	\$ 1.51	\$ (1.10)	\$ 0.95
Income (loss) from continuing operations as a percentage of net sales	2.6%	3.5%	(2.6%)	2.3%
Financial Position:				
Working capital	\$ 36,530	\$ (25,048)	\$ 7,197	\$ 112,302
Properties - net	\$ 887,409	\$ 922,208	\$ 884,102	\$ 904,915
Total assets	\$1,384,530	\$1,371,576	\$1,350,944	\$1,373,371**
Long-term debt	\$ 195,000	\$ 131,000	\$ 175,000	\$ 220,000
Other long-term liabilities	\$ 33,435	\$ 30,884	\$ 34,843	\$ 52,291
Shareholders' equity	\$ 695,016	\$ 674,201	\$ 631,927	\$ 685,445**
Net book value per share of common stock	\$ 18.21	\$ 17.59	\$ 16.54	\$ 18.17**
Total debt to total capitalization	24.9%	20.6%	26.3%	24.3%
Return on average shareholders' equity	6.3%	8.9%	(6.4%)	(0.2%)
Other Information:				
Dividends	\$ 19,066	\$ 19,146	\$ 19,003	\$ 18,801
Dividends per share of common stock	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Gross profit	\$ 584,066	\$ 599,882	\$ 544,947	\$ 515,244
Capital expenditures	\$ 157,599	\$ 160,314	\$ 120,354	\$ 115,450
Depreciation, depletion and amortization	\$ 122,830	\$ 120,793	\$ 118,955	\$ 114,780
Full-time employees	6,200	6,300	6,200	7,100
Market price range of common stock:				
High	\$ 23 1/4	\$ 20 7/8	\$ 23 1/8	\$ 22 7/8
Low	\$ 15 1/8	\$ 14 3/4	\$ 15	\$ 15 1/2

*53-week year versus 52-week year.

**Reflects the dividend of ACX Technologies, Inc. to shareholders of ACC during 1992.

(In thousands, except per share)	1991	1990	1989*
Barrels of malt beverages sold	19,521	19,297	17,698
Summary of Operations:			
Net sales	\$1,543,007	\$1,483,873	\$1,372,373
Cost of goods sold	(1,052,228)	(986,352)	(913,994)
Marketing, general and administrative	(448,393)	(409,085)	(397,844)
Special charges	(29,599)	(30,000)	(41,670)
Total operating expenses	(1,530,220)	(1,425,437)	(1,353,508)
Operating income	12,787	58,436	18,865
Other expense- net	(4,403)	(5,903)	(2,546)
Income before income taxes	8,384	52,533	16,319
Income tax benefit (expense)	8,700	(20,300)	(9,100)
Income from			
continuing operations	\$ 17,084	\$ 32,233	\$ 7,219
Per share of common stock			
- basic	\$ 0.46	\$ 0.87	\$ 0.20
- diluted	\$ 0.46	\$ 0.87	\$ 0.20
Income from continuing operations as a percentage of net sales	1.1%	2.2%	0.5%
Financial Position:			
Working capital	\$ 110,043	\$ 201,043	\$ 193,590
Properties - net	\$ 933,692	\$1,171,800	\$1,012,940
Total assets	\$1,844,811	\$1,761,664	\$1,530,783
Long-term debt	\$ 220,000	110,000	--
Other long-term liabilities	\$ 53,321	\$ 58,011	\$ 16,138
Shareholders' equity	\$1,099,420	\$1,091,547	\$1,060,900
Net book value per share of common stock	\$ 29.33	\$ 29.20	\$ 28.75
Total debt to total capitalization	19.5%	9.2%	2.0%
Return on average shareholders' equity	2.3%	3.6%	1.2%
Other Information:			
Dividends	\$ 18,718	\$ 18,591	\$ 18,397
Dividends per share of common stock	\$ 0.50	\$ 0.50	\$ 0.50
Gross profit	\$ 490,779	\$ 497,521	\$ 458,379

Capital expenditures	\$ 241,512	\$ 183,368	\$ 149,616
Depreciation, depletion and amortization	\$ 108,367	\$ 98,081	\$ 122,439
Full-time employees	7,700	7,000	6,800
Market price range of common stock:			
High	\$ 24 1/4	\$ 27 3/8	\$ 24 3/8
Low	\$ 17 3/8	\$ 17 1/8	\$ 17 3/8

Note: Numbers in italics include results of discontinued operations. *53-week year versus 52-week year.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

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") produce and market high-quality malt-based beverages.

This discussion summarizes the significant factors affecting ACC's consolidated results of operations, liquidity and capital resources for the three-year period ended December 26, 1999, and should be read in conjunction with the financial statements and the notes thereto included elsewhere in this report.

ACC's fiscal year is a 52- or 53-week year that ends on the last Sunday in December. Fiscal years 1999, 1998 and 1997 each consisted of 52 weeks.

Certain unusual or non-recurring items impacted ACC's financial results for 1999, 1998 and 1997. Restatement of results excluding special items permits clearer evaluation of its ongoing operations and are summarized below.

Summary of operating results:

	December 26, 1999	For the years ended December 27, 1998	December 28, 1997
	(In thousands, except earnings per share)		
Operating income:			
As reported	\$141,983	\$103,819	\$147,393
Excluding special items	\$147,688	\$123,214	\$115,876
After - tax income:			
As reported - net income	\$ 92,284	\$ 67,784	\$ 82,260
Excluding special items	\$ 95,778	\$ 79,615	\$ 68,309
Earnings per share:			
As reported - basic	\$2.51	\$1.87	\$2.21
- diluted	\$2.46	\$1.81	\$2.16

Excluding special items - basic \$2.61 \$2.19 \$1.84
- diluted \$2.56 \$2.12 \$1.80

1999: For the 52-week fiscal year ended December 26, 1999, ACC reported net income of \$92.3 million, or \$2.51 per basic share (\$2.46 per diluted share). During 1999, the Company recorded a \$3.7 million pretax charge primarily for severance costs associated with restructuring the Company's engineering and construction unit. A \$2.0 million pretax charge also was recorded during 1999 to facilitate improvements to the Company's distributor network. These items resulted in a total special pretax charge of \$5.7 million, or \$0.10 per basic and diluted share, after tax. Without this special charge, ACC would have reported net earnings of \$95.8 million, or \$2.61 per basic share (\$2.56 per diluted share)(see Note 9 in the accompanying Consolidated Financial Statements).

1998: For the 52-week fiscal year ended December 27, 1998, ACC reported net income of \$67.8 million, or \$1.87 per basic share (\$1.81 per diluted share). During 1998, the Company recorded a \$17.2 million pretax charge for severance and related costs of restructuring the Company's production operations. A \$2.2 million pretax charge also was recorded during 1998 for the impairment of certain long-lived assets at one of the Company's distributorships. These items resulted in a total special pretax charge of \$19.4 million, or \$0.32 per basic share (\$0.31 per diluted share), after tax. Without this special charge, ACC would have reported net earnings of \$79.6 million, or \$2.19 per basic share (\$2.12 per diluted share).

1997: For the 52-week fiscal year ended December 28, 1997, ACC reported net income of \$82.3 million, or \$2.21 per basic share (\$2.16 per diluted share). During 1997, the Company received a \$71.5 million payment from Molson Breweries (Molson) to settle legal disputes with ACC and CBC, less approximately \$3.2 million in related legal expenses. ACC also recorded a \$22.4 million reserve related to the recoverability of CBC's investment in Jinro-Coors Brewing Company of Korea, as well as a \$14.4 million charge related to CBC's brewery in Zaragoza, Spain, for the impairment of certain long-lived assets and goodwill and for severance costs for a limited work force reduction. These

special items amounted to a credit of \$31.5 million to pretax income, or \$0.37 per basic share (\$0.36 per diluted share), after tax. Without this special credit, ACC would have reported net earnings of \$68.3 million, or \$1.84 per basic share (\$1.80 per diluted share).

Trend summary - percentage increase for 1999, 1998 and 1997: The following table summarizes trends in operating results, excluding special items.

	1999	1998	1997
Volume	3.6%	2.9%	2.7%
Net sales	8.3%	4.3%	4.6%
Average base price increase	1.8%	0.3%	1.7%
Gross profit	13.8%	7.1%	13.0%
Operating income	19.9%	6.3%	33.0%
Advertising expense	12.0%	10.0%	8.5%
Selling, general and administrative	13.6%	3.7%	11.8%

CONSOLIDATED RESULTS OF CONTINUING OPERATIONS - 1999 VS. 1998 AND 1998 VS. 1997 (EXCLUDING SPECIAL ITEMS)

1999 vs. 1998: The Company 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 also were favorably impacted by improved gross realizations per barrel due to increased pricing, reduced domestic discounting and mix improvement toward higher net revenue product sales.

Gross profit increased 13.8% to \$840.7 million from 1998 due to the 8.3% net sales increase discussed above, coupled with a lower increase in cost of goods sold of 4.8%. 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.

Operating income grew 19.9% to \$147.7 million in 1999 as a result of higher gross profit discussed above, partially offset by a 12.6% increase in marketing, general and administrative expenses. Advertising costs increased 12.0% over 1998 due to increased investments behind the 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.

Net non-operating income of \$8.7 million in 1999 increased from \$7.3 million in 1998. This \$1.4 million change 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.

The Company's 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.

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, representing increases of 19.2% (basic) and 20.8% (diluted) in earnings per share.

1998 vs. 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.

Gross profit increased 7.1% to \$738.8 million from 1997 due to the 4.3% net sales increase discussed above, coupled with a lower increase in cost of goods sold of 2.6%. The increase in cost of goods sold was attributable to higher volumes and slightly higher costs for beer and certain packaging materials, partially offset by improved cost absorption due to higher beer production levels and lower aluminum costs.

Operating income grew 6.3% to \$123.2 million in 1998 as a result of higher gross profit discussed above, partially offset by a 7.3% increase in marketing, general and administrative expenses. Advertising costs increased 10.0% 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.

Net non-operating 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.

The Company's effective tax rate decreased to 39.0% in 1998 from 40.8% 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.

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), for 1997, representing increases of 19.0% (basic) and 17.8% (diluted) in earnings per share.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity are cash provided by operating activities and external borrowings. As of December 26, 1999, ACC had working capital of \$220.1 million, and its net cash position was \$163.8 million compared to \$160.0 million as of December 27, 1998, and \$168.9 million as of December 28, 1997. In addition to its cash resources, ACC had short-term investments of \$113.2 million at December 26, 1999, compared to \$96.2 million at December 27, 1998, and \$42.2 million at December 28, 1997. ACC also had \$2.9 million of marketable investments with maturities exceeding one year at December 26, 1999, compared to \$31.4 million at December 27, 1998, and \$47.1 million at December 28, 1997. The Company believes that cash flows from operations and short-term borrowings will be sufficient to meet its ongoing operating requirements; scheduled principal and interest payments on indebtedness; dividend payments; and anticipated capital expenditures in the range of approximately \$125 million to \$130 million for improving and enhancing the facilities, infrastructure, information systems and environmental compliance.

Operating activities: Net cash provided by operating activities was \$169.8 million for 1999, \$181.1 million for 1998 and \$260.6 million for 1997. This resulted in an \$11.3 million decrease in operating cash flows in 1999 compared to 1998. Operating cash decreased approximately \$48 million as a result of the contribution made to the Company's defined benefit pension plan in January 1999, which is reflected in Other assets on the accompanying Consolidated Balance Sheets. This contribution was made as a result of benefit improvements to the Company's defined benefit pension plan, which were effective July 1, 1999, and resulted in an increase to the projected benefit obligation of approximately \$48 million. The decrease in operating cash due to the pension contribution was partially offset by working capital changes, an increase in deferred tax expense, and an increase in depreciation and amortization. The fluctuations in working capital changes are primarily due to increased operating activity and timing of payments between the two years. The increase in deferred tax expense is due to timing differences arising between book income and taxable income. Depreciation and amortization has increased over 1998 mainly due to an increase in capitalized assets in the current year.

The decrease in operating cash flows in 1998 from 1997 of \$79.4 million was primarily a result of a settlement with Molson included in the 1997 cash flows from operations.

Investing activities: During 1999, ACC spent \$90.8 million on investing activities compared to \$124.0 million in 1998 and \$127.9 million in 1997. The 1999 decrease was primarily due to an increase in cash due to the net activity of ACC's marketable securities and an increase in distributions received from joint ventures. These increases were partially offset by an increase in capital expenditures. The impact of ACC's marketable investment activities during 1999 was a cash inflow of \$11.0 million compared to a cash outflow in 1998 and 1997 of \$39.3 million and \$83.3 million, respectively. The increase during 1999 in cash inflows from the net activity on marketable securities was mainly due to allocating less of the Company's cash resources to marketable security investments. Distributions from joint ventures increased to \$30.3 million in 1999 from \$22.4 million in 1998 and \$13.3 million in 1997. The increase in these distributions during 1999 and 1998 was mainly attributable to increased cash flow from operations at the Coors Canada partnership. In 1997, the increase in distributions was mainly due to increased cash flow from operations and reduced capital expenditures at joint ventures. Capital expenditures increased to \$134.4 million in 1999 from \$104.5 million in 1998 and \$60.4 million in 1997. The increased capital spending during 1999 was primarily due to information technology upgrades, expenditures in packaging capacity and investments by Coors-owned distributors in non-Coors brands. In 1998, capital expenditures focused primarily on information systems and facilities maintenance. Additional expenditures were also incurred for cost reduction and capacity and quality improvements. In 1997, capital expenditures focused on enhancing packaging operations. Proceeds from property sales were \$3.8 million in 1999 compared to \$2.3 million in 1998 and \$3.3 million in 1997.

Financing activities: During 1999, the Company spent \$76.4 million on financing activities consisting primarily of principal payments of \$40.0 million on ACC's medium-term notes, net purchases of \$11.0 million for Class B common stock and dividend payments of \$23.7 million.

During 1998, the Company spent \$66.0 million on financing activities consisting of principal payments of \$27.5 million on ACC's medium-term notes, net purchases of \$17.8 million for Class B common stock and dividend payments of \$21.9 million.

During 1997, the Company spent \$72.0 million on financing activities primarily attributable to principal payments of \$20.5 million on ACC's medium-term notes, net purchases of \$35.6 million for Class B common stock and dividend payments of \$20.5 million.

Debt obligations: During 1999, the Company repaid the remaining \$40.0 million of outstanding medium-term notes with cash on hand. In 1998 and 1997, payments of \$27.5 million and \$20.5 million, respectively, were made on these notes. ACC also had \$100 million outstanding in Senior Notes as of December 26, 1999. 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.

The Company's debt-to-total capitalization ratio was 11.1% at the end of 1999, 15.8% at the end of 1998 and 19.0% at the end of 1997.

Revolving line of credit: In addition to the Senior Notes, 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 and was in compliance at year-end 1999.

CBC's distribution subsidiary in Japan has two revolving lines of credit that it uses in 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.

Advertising and promotions: As of December 26, 1999, 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.

Stock repurchase plan: In November 1999, the board of directors authorized the extension of the Company's stock repurchase program through 2000. The program authorizes repurchases of up to \$40 million of ACC's outstanding Class B common stock during 2000. Repurchases will be financed by funds generated from operations or short-term borrowings, if necessary. The Company spent approximately \$12.2 million in 1999 to repurchase common stock, purchasing approximately 232,300 shares of outstanding Class B common stock under the previously approved stock repurchase program.

Investment in Jinro-Coors Brewing Company: 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.

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

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

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

- any inability of the Company and its distributors to develop and execute effective marketing and sales strategies for Coors and non-Coors products;
- the potential erosion of sales revenues through discounting or a higher proportion of sales in value-packs;
- a potential shift in consumer preferences toward lower-priced products;
- a continued shift in consumer preferences away from products packaged in aluminum cans, which are more profitable, toward bottled products;
- a potential shift in consumer preferences toward products and packages that would require additional capacity;
- a potential reduction in sales revenues due to decreases in sales volumes in certain key domestic and export markets;
- the intensely competitive, slow-growth nature of the beer industry;

- demographic trends and social attitudes that can reduce beer sales;
- the continued growth in the popularity of import beers;
- increases in the cost of aluminum, paper packaging and other raw materials;
- a continued shift in the competitive environment toward increased marketing and advertising spending and significant increases in the costs of marketing and advertising;
- any inability of the Company to reduce manufacturing, freight and overhead costs to more competitive levels;
- changes in significant laws and government regulations affecting environmental compliance and income taxes;
- any inability of the Company to achieve targeted improvements in CBC's distribution system;
- the imposition of restrictions on advertising (e.g., media, outdoor ads or sponsorships);
- labor issues, including union activities that could require a substantial increase in cost of goods sold or lead to a strike;
- significant increases in federal, state or local beer or other excise taxes;
- increases in rail transportation rates or interruptions of rail service;
- significant increases in fuel costs;
- the potential for a strike by truck drivers;
- the potential impact of further industry consolidation;
- risks associated with investments and operations in foreign countries, including those related to foreign regulatory requirements; exchange rate fluctuations; and local political, social and economic factors; and
- significant increases in the estimated costs of planned capital expenditures.

These and other risks and uncertainties affecting the Company are discussed in greater detail in this report and in the Company's other filings with the Securities and Exchange Commission.

OUTLOOK FOR 2000

The Company's performance in 1999 benefited from domestic and export volume gains. Volume gains are expected to be achieved in 2000, with a growth goal of one to two percentage points higher than the industry growth rate. The price environment is expected to be positive in the first quarter of 2000, partially from reduced discounting. Continuing increased sales of value-packs or an increase in price discounting could have an unfavorable impact on top-line performance resulting in lower margins.

For fiscal year 2000, packaging and fixed costs per barrel are expected to be up slightly due to a shift in product demand to higher-cost products and packages including longneck bottles and slight increases in prices of some raw materials. Significant changes in market prices of these items could alter this outlook. CBC continues to pursue improvements in its operations to achieve cost reductions over time.

Advertising costs are expected to increase at a rate lower than in 1999, while the growth in other general and administrative costs should be similar to that in 1999. Management continues to monitor CBC's market opportunities and to invest behind its brands and sales efforts accordingly. Incremental sales and marketing spending will be determined on an opportunity-by-opportunity basis. The competitive battleground has shifted to marketing and advertising, which may result in any incremental revenue generated by price increases being spent on advertising and market place support.

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

The effective tax rate for 2000 is not expected to differ significantly from the 1999 effective tax rate applied to income excluding special items. The level and mix of pretax income for 2000 could affect the actual rate for the year.

In 2000, CBC has planned capital expenditures (excluding capital improvements for its container joint ventures, which will be recorded on the books of the joint venture) in the range of approximately \$125 million to \$130 million for improving and enhancing the facilities, infrastructure, information systems, and environmental compliance. In addition to CBC's 2000 planned capital expenditures, incremental strategic investments will be considered on a case-by-case basis.

The Company has and will continue to assess its operations and work force structure. Based upon the results of these assessments, the Company may from time to time determine that certain restructurings of its operations and workforce are necessary.

CONTINGENCIES

Environmental: The Company was one of numerous parties named by the Environmental Protection Agency (EPA) as a "potentially responsible party" (PRP) for the Lowry site, a landfill owned by the City and County of Denver. In 1990, the Company recorded a special pretax charge of \$30 million for potential cleanup costs of the site.

The City and County of Denver; Waste Management of Colorado, Inc.; and Chemical Waste Management, Inc. commenced litigation in 1991 in U.S. District Court against the Company and 37 other PRPs 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.

From time to time, ACC also has been notified that it is or may be a PRP under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar state laws for the cleanup of other sites where hazardous substances have allegedly been released into the environment. The Company cannot predict with certainty the total costs of cleanup, its share of the total cost or 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, the Company believes that any liability would be immaterial to its financial position and results of operations for these sites. There can be no certainty, however, that the Company will not be named as a PRP at additional CERCLA sites in the future, or that the costs associated with those additional sites will not be material.

While we cannot predict the Company's eventual aggregate cost for environmental and related matters, management believes 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 the Company's operating results or its financial or competitive position. The Company believes adequate disclosures have been provided for losses that are reasonably possible. Further, as the Company continues to focus on resource conservation, waste reduction and pollution prevention, it believes that potential future liabilities will be reduced.

Year 2000: 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. This project had two major elements - Application Remediation and Extended Enterprise. As part of Application Remediation, the Company made certain investments in existing information systems and applications to ensure that they were Year 2000 compliant. The Company also invested in certain new applications in order to avoid having to remediate certain systems. The Extended Enterprise element consisted of the evaluation of third-party suppliers, customers, joint venture partners, transportation carriers and others.

The total amount expended on the Year 2000 project -expense and capital- through December 26, 1999, was approximately \$34.6 million. The anticipated spending in 2000 is very minimal. The Company did not experience any major difficulties or any significant interruptions to its business during the transition to the Year 2000.

ITEM 7a. Quantitative and Qualitative Disclosures About Market Risk

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 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. The Company does not hedge the value of net investments in foreign-currency-denominated operations and translated earnings of foreign subsidiaries. The Company's primary foreign currency exposures are the Canadian dollar, the Japanese yen and the Spanish peseta.

A sensitivity analysis has been prepared to estimate the Company's 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 of the Company's derivative portfolio:

Estimated fair value volatility	As of December 26, 1999 (In millions)
Foreign currency risk: forwards, options	\$ (2.8)
Interest rate risk: swaps	\$ (1.3)
Commodity price risk: swaps, options	\$(11.3)

ITEM 8. Financial Statements and Supplementary Data

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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, December 27, December 28,

	1999	1998	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
Costs and expenses:			
Cost of goods sold	(1,215,965)	(1,160,693)	(1,131,610)
Marketing, general and administrative	(692,993)	(615,626)	(573,818)
Special (charges) credits (Note 9)	(5,705)	(19,395)	31,517
Total operating expenses	(1,914,663)	(1,795,714)	(1,673,911)
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
	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
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		Paid-in capital	Retained earnings	Accumulated other comprehensive income	Total
	Class A	Class B				
	(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.

ADOLPH COORS COMPANY AND SUBSIDIARIES

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:

	December 26, 1999	As of 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:

	December 26, 1999	For the years ended 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:

	December 26, 1999 Carrying value	Fair value (In thousands)	As of December 27, 1998 Carrying value	Fair value
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	Weighted-average
---------	------------------

	available for grant	Shares	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 available for grant	Shares	Weighted- average exercise price	Options exercisable at year-end 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:

Range of exercise prices	Options outstanding			Options exercisable	
	Shares	Weighted- average 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
Weighted average assumptions as of year-end:		1997
Discount rate	8.00%	7.25%
Rate of compensation increase	5.25%	4.50%
Expected return on plan assets	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. 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 (In thousands)	Accumulated other comprehensive income
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 (In thousands)	1997
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 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)

1999	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
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	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
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

ITEM 9. Disagreements on Accounting and Financial Disclosure

None.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

(a) Directors

WILLIAM K. COORS (Age 83) is chairman of the board and president of Adolph Coors Company (ACC) and has served in such capacities since 1970 and 1989, respectively. He has served as a director since 1940. He is the chairman of the Executive Committee. He is also a director and chairman of the board of Coors Brewing Company (CBC) and ACX Technologies, Inc. (ACX).

JOSEPH COORS (Age 82) is vice chairman of ACC and has served in that capacity since 1975. He has served as a director since 1942. He retired from day-to-day operations in December 1987. He is a member of the Executive Committee. He is also a director of CBC. He was a director of ACX from October 1992 until his resignation in July 1996 and now is director emeritus. He is also a director of CoorsTek, Inc., which was spun-off from ACX in December 1999.

PETER H. COORS (Age 53) is vice president of ACC and chief executive officer and vice chairman of CBC and has served in that capacity since 1993. He has served as a director of ACC since 1973 and is a member of the Executive Committee. Prior to 1993, he served as executive vice president of ACC and chairman of the brewing division, before the organization of CBC. He served as interim treasurer and chief financial officer from December 1993 to February 1995. He is also a director of CBC. In his career at CBC, he has served in a number of different executive and management positions. Since March 1996, he has been a director of U.S. Bancorp.

W. LEO KIELY III (Age 53) became president and chief operating officer of CBC as of March 1, 1993. He was named a director of ACC and CBC in August 1998. Prior to joining CBC, he held executive positions with Frito-Lay, Inc., a subsidiary of PepsiCo in Plano, Texas, most recently serving as central division president. He serves on the board of directors of Sunterra Resorts, Inc. He also serves on the Metropolitan State College of Denver, the Foundation Board and the Denver Center for the Performing Arts. He is also a national trustee of the Boys and Girls Clubs of America and chair of the 1999 Denver United Way campaign.

LUIS G. NOGALES (Age 56) has served as a director since 1989. He is a member of the Audit Committee and chairman of the Compensation Committee. He is also a director of CBC. He is president of Nogales Partners, an acquisition firm (1990-present). 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 (Age 43) joined the Company as a director in November 1996. She is also a director of CBC. 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'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 (Age 52) joined the Company as a director in February 1995. He is a member of the Compensation Committee and the Audit Committee and is also a director of CBC. He is chairman of the board and chief executive officer of Kimberly-Clark (K-C) Corporation in Dallas. Sanders joined K-C in 1975 and during the past 20 years he has served in a number of positions with K-C. He was named to his current position in 1992. He was elected to K-C's board of directors in August 1989. He is also a director of Texas Instruments Incorporated

and Chase Bank of Texas.

ALBERT C. YATES (Age 57) joined the Company as a director in August 1998. He is a member of the Compensation Committee and the Audit Committee. He is also a director of CBC. 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. He has served on the board of the Fort Collins Chamber of Commerce and First Interstate Bank.

William K. Coors and Joseph Coors are brothers. Peter H. Coors is a son of Joseph Coors.

(b) Executive Officers

Of the above directors, William K. Coors, Peter H. Coors and W. Leo Kiely III are executive officers of ACC and CBC. The following also were executive officers of ACC and/or CBC at March 1, 2000:

DAVID G. BARNES (Age 38) joined CBC in March 1999 as vice president of finance and treasury. Prior to that, he was vice president of finance and development for Tricon Global Restaurants and was based in Hong Kong. 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 as a consultant for 5 years.

CARL L. BARNHILL (Age 51) joined CBC in May 1994 as senior vice president of sales with more than 20 years of marketing 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 (Age 54) joined CBC in July 1996 as senior vice president of container, operations and technology. Prior to joining CBC, he served as senior vice president of manufacturing and engineering at Kraft Foods where his responsibilities included manufacturing, engineering and operations quality functions. During his years at Kraft from 1971-1996, he held several positions of increasing responsibility in the manufacturing and operations areas.

ROBERT W. EHRET (Age 55) was senior vice president, human resources and communications from May 1994 to March 2000. He has announced plans to retire in 2001. He continues to be employed by the Company working on strategic initiatives. Prior to joining CBC, Ehret served in management positions with A.C. Nielsen, and PepsiCo Inc.

PETER M. R. KENDALL (Age 53) joined CBC 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 Pepsi, he spent six years at McKinsey & Co. in New York.

ROBERT D. KLUGMAN (Age 52) was named CBC's 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 CBC, Klugman was a vice president of client services at Leo Burnett USA, a Chicago-based advertising agency.

MICHAEL A. MARRANZINO (Age 52) served as senior vice president and chief information officer from November 1997 until his retirement in March 2000. He was with CBC since 1976 and held a number of senior positions, including chief international officer.

PATRICIA J. SMITH (Age 56) was named corporate secretary of CBC and ACC in 1993. She also serves in the same capacity for the majority of ACC's and CBC's subsidiaries. She retired as of March 2000 after more than 20 years with the Company.

OLIVIA M. THOMPSON (Age 49) was named vice president, controller of CBC in August 1997. Prior to joining CBC, Thompson was vice president of finance and systems for Kraft Foods, Inc.'s Foodservice Division. Thompson also previously served as vice president of business analysis for Kraft Foods. Prior to Kraft, Thompson worked at Inland Steel Industries, where she served as vice president of finance and corporate controller.

M. CAROLINE TURNER (Age 50) has been senior vice president since February 1997, and general counsel for CBC since 1993. In March 2000, she was also named Corporate Secretary. She has served as vice president and assistant secretary of ACC, and was assistant secretary of CBC since January 1993. Since joining the Company in 1986, she served primarily as the chief legal officer of both ACC and CBC. Prior to joining the Company, she was a partner with the law firm of Holme Roberts & Owen and a clerk in the U.S. 10th Circuit Court of Appeals.

WILLIAM H. WEINTRAUB (Age 57) was named CBC's senior vice president of marketing in 1994. He joined CBC as vice president of marketing in July 1993. Prior to joining CBC, he directed marketing and advertising for Tropicana Products as senior vice president. From 1982-1991, Weintraub was with the Kellogg Company, with responsibility for marketing and sales.

TIMOTHY V. WOLF (Age 46) was named vice president and chief financial officer of ACC and senior vice president and chief financial officer of CBC in February 1995. Wolf came to CBC 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. He currently serves on the Science and Technology Commission for the State of Colorado.

Terms for all officers and directors are for a period of one year, except that vacancies may be filled and additional officers elected at any regular or special meeting. Directors are elected at the Annual Shareholders' Meeting held in May. There are no arrangements or understandings between any officer or director pursuant to which any officer or director was elected as such.

ITEM 11. Executive Compensation

I. SUMMARY COMPENSATION TABLE

**ANNUAL COMPENSATION LONG -TERM COMPENSATION
AWARDS PAYOUTS
OTHER RESTRICT- SECURITIES LTIP ALL
ANNUAL ED UNDERLYING PAY- OTHER**

NAME & PRINCIPAL POSITION	SALARY	BONUS	COMP	STOCK OPTIONS	OUTS	COMP	OTHER	RESTRICTED STOCK	SECURITIES	LTIP	ALL
YEAR	(\$)	(\$)(a)	(\$)(b)	(\$)(c)	(#)(d)	(\$)	(\$)(e)				
William K. Coors, Chairman of the Board, CEO of Adolph Coors Company	1999	320,800	0	0	0	0	0	0	0	0	0
	1998	307,100	0	0	0	0	0	0	0	0	0
	1997	294,672	0	0	0	0	0	0	0	0	0
Peter H. Coors, Vice Chairman & CEO of Coors Brewing Company	1999	655,765	380,294	0	0	62,751	0	55,504	0	0	0
	1998	599,065	292,032	0	241,484	82,200	0	32,807	0	0	0
	1997	541,428	324,229	0	0	157,625	0	13,687	0	0	0
W. Leo Kiely III, President & COO of Coors Brewing Company	1999	516,750	304,722	0	0	87,429	0	41,723	0	0	0
	1998	468,000	271,500	0	76,496	50,514	0	43,653	0	0	0
	1997	424,692	263,593	0	0	92,451	0	10,508	0	0	0
L. Don Brown, Senior VP, Operations & Technology of Coors Brewing Company	1999	367,502	166,672	0	0	15,218	0	18,132	0	0	0
	1998	374,504	144,202	61,476	42,008	18,859	0	21,195	0	0	0
	1997	360,504	280,000	112,223	0	33,600	0	9,132	0	0	0
Timothy V. Wolf, Senior VP & CFO of Coors Brewing Company	1999	343,020	160,022	0	0	28,790	0	11,535	0	0	0
	1998	326,528	130,611	0	38,033	17,081	0	13,684	0	0	0
	1997	326,516	163,834	0	0	44,134	0	7,178	0	0	0

(a) Amounts awarded under the Management Incentive Compensation Program.

(b) In 1999, none of the named executives received perquisites in excess of the lesser of \$50,000 or 10% of salary plus bonus. In 1998 and 1997, L. Don Brown received perquisites including moving and relocation expenses of \$31,476 and \$81,691, respectively.

(c) In 1999, the 45,390 shares of restricted stock which were granted to L. Don Brown in 1996 vested. The value at vesting date was \$2,282,268. No restricted stock grants were made to any of the named executives during 1999. In 1998, 6,743 shares of restricted stock were granted to Peter H. Coors, 2,136 shares to W. Leo Kiely III, 1,173 shares to L. Don Brown and 1,062 shares to Timothy V. Wolf. These restricted stock awards have a three-year vesting period from the date of grant and are based on continuous service during the vesting period. Dividends are paid to the holder of the grant during the vesting period. The values of the 1998 restricted stock grants as of December 26, 1999 were as follows: Peter H. Coors - \$342,629; W. Leo Kiely III - \$108,536; L. Don Brown - \$59,603; and Timothy V. Wolf - \$53,963.

No restricted stock grants were made in 1997 to any of the named executives.

(d) See discussion under Item 11, Part II, for options issued in 1999.

(e) The amounts shown in this column are attributable to the officer life insurance other than group life, as well as 401(k) match.

Of the named executives, Peter H. Coors receives officer life insurance provided by the Company until retirement. At the time of retirement,

the officer's life insurance program terminates and a salary continuation agreement becomes effective. The officer's life insurance provides six times the executive base salary until retirement, at which time the Company becomes the beneficiary. The Company provides term life insurance for W. Leo Kiely III, L. Don Brown and Timothy V. Wolf. The officer's life insurance provides six times the executive base salary until retirement when the benefit terminates. The 1999 annual benefit for each executive was: Peter H. Coors - \$50,704; W. Leo Kiely III - \$35,715; L. Don Brown - \$13,332; and Timothy V. Wolf - \$6,735.

The Company's 50% match on the first 6% of salary contributed by the officer to ACC's qualified 401(k) plan was \$4,800 each for Peter H. Coors, W. Leo Kiely III, L. Don Brown and Timothy V. Wolf. Peter H. Coors, W. Leo Kiely III, and Timothy V. Wolf exercised stock options in 1999. See discussion in Item 11, Part III for stock option exercises in 1999.

In response to Code Section 162 of the Revenue Reconciliation Act of 1993, the Company appointed a special compensation committee to approve and monitor performance criteria in certain performance-based executive compensation plans for 1999.

II. OPTION/SAR GRANTS TABLE

Option Grants in Last Fiscal Year

NAME	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE	EXPIRATION DATE	5%	10%
	(#) (a)	YEAR	(\$/SHARE)			
Peter H. Coors	45,348	5%	\$56.8438	01/04/09	\$1,621,135	\$4,108,274
	17,403	2%	\$59.2500	02/16/09	\$ 648,471	\$1,643,352
W. Leo Kiely III	32,062	3%	\$56.8438	01/04/09	\$1,146,177	\$2,904,637
	55,367	6%	\$59.2500	02/16/09	\$2,063,086	\$5,228,264
L. Don Brown	11,083	1%	\$56.8438	01/04/09	\$ 396,204	\$1,004,057
	4,135	0.5%	\$59.2500	02/16/09	\$ 154,078	\$ 390,465
Timothy V. Wolf	10,641	1%	\$56.8438	01/04/09	\$ 380,403	\$ 964,015
	18,149	2%	\$59.2500	02/16/09	\$ 676,268	\$1,713,796

(a) Grants vest one-third in each of the three successive years after the date of grant. As of December 26, 1999, the 1999 grants were 0% vested because of the one-year vesting requirement; however, they will vest 33-1/3% on the one-year anniversary of the grant dates.

III. OPTION/SAR EXERCISES AND YEAR-END VALUE TABLE

Aggregated Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Value

NAME	SHARES ACQUIRED ON EXERCISE		NUMBER OF UNDERLYING UNEXERCISED OPTIONS AT FY-END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END(\$)	
	EXERCISE REALIZED (#)	VALUE REALIZED (\$)(a)	Exercis- able	Unexercis- able	Exercis- able	Unexercis- able
Peter H. Coors	28,820	1,179,819	260,930	150,124	\$7,129,307	\$2,071,173
W. Leo Kiely III	18,843	780,497	96,624	151,922	\$2,743,226	\$1,549,743
L. Don Brown	0	0	87,019	38,991	\$2,741,667	\$ 577,948
Timothy V. Wolf	19,277	786,803	5,693	54,891	\$ 99,073	\$ 661,349

(a) Values stated are the bargain element recognized in 1999, which is the difference between the option price and the market price at the time of exercise.

IV. LONG-TERM INCENTIVE PLAN AWARDS TABLE

The Long-Term Incentive Plan (LTIP) was canceled by the board of directors at the November 1996 board meeting.

V. PENSION PLAN TABLE

The following table sets forth annual retirement benefits for representative years of service and average annual earnings.

AVERAGE ANNUAL COMPENSATION	YEARS OF SERVICE			
	10	20	30	40
\$125,000	\$21,875	\$43,750	\$65,625	\$71,875
150,000	26,250	52,500	78,750	86,250
175,000(a)	30,625	61,250	91,875	100,625
200,000(a)	35,000	70,000	105,000	115,000
225,000(a)	39,375	78,750	118,125	129,375(a)
250,000(a)	43,750	87,500	131,250(a)	143,750(a)
275,000(a)	48,125	96,250	144,375(a)	158,125(a)
300,000(a)	52,500	105,000	157,500(a)	172,500(a)
325,000(a)	56,875	113,750	170,625(a)	186,875(a)
350,000(a)	61,250	122,500	183,750(a)	201,250(a)
375,000(a)	65,625	131,250(a)	196,875(a)	215,625(a)
400,000(a)	70,000	140,000(a)	210,000(a)	230,000(a)
425,000(a)	74,375	148,750(a)	223,125(a)	244,375(a)
450,000(a)	78,750	157,500(a)	236,250(a)	258,750(a)
475,000(a)	83,125	166,250(a)	249,375(a)	273,125(a)
500,000(a)	87,500	175,000(a)	262,500(a)	287,500(a)
525,000(a)	91,875	183,750(a)	275,625(a)	301,875(a)
550,000(a)	96,250	192,500(a)	288,750(a)	316,250(a)
575,000(a)	100,625	201,250(a)	301,875(a)	330,625(a)
600,000(a)	105,000	210,000(a)	315,000(a)	345,000(a)

(a) Maximum permissible benefit under ERISA from the qualified retirement income plan for 1998 was \$130,000. Annual compensation exceeding \$160,000 is not considered in computing the maximum permissible benefit under the qualified plan. The Company has a non-qualified supplemental retirement plan to provide full accrued benefits to all employees in excess of IRS maximums.

Annual average compensation covered by the qualified and non-qualified retirement plans and credited years of service for individuals named in Item 11(a) are as follows: William K. Coors - \$297,524 and 60 years; Peter H. Coors - \$588,753 and 28 years; W. Leo Kiely III - \$469,814 and 6 years; L. Don Brown - \$367,503 and 4 years; and Timothy V. Wolf - \$332,021 and 5 years.

The Company's principal retirement income plan is a defined benefit plan. The amount of contribution for officers is not included in the above table since total plan contributions cannot be readily allocated to individual employees. The Company's most recent actuarial valuation was as of July 1, 1999. As a result of the amendment to the plan which became effective July 1, 1999, a \$48 million contribution was made in January 1999 and that contribution's ratio to total compensation was approximately 20%. Covered compensation is defined as the total base salary (average of three highest consecutive years out of the last 10) of employees participating in the plan, including commissions but excluding bonuses and overtime pay. Compensation also includes amounts deferred by the individual under Internal Revenue Code Section 401(k) and any amounts deferred into a plan under Internal Revenue Code Section 125. Normal retirement age under the plan is 65. An employee with at least 5 years of vesting service may retire as early as age 55. Benefits are reduced for early retirement based on an employee's age and years of service at retirement; however, benefits are not reduced if: (1) the employee is at least age 62 when payments commence; or (2) the employee's age plus years of service equal at least 85 and the employee has worked for CBC at least 25 years. The amount of pension actuarially accrued under the pension formula is based on a single life annuity.

In addition to the annual benefit from the qualified retirement plan, Peter H. Coors is covered by a salary continuation agreement. This agreement provides for a lump sum cash payment to the officer upon normal retirement in an amount actuarially equivalent in value to 30% of the officer's last annual base salary, payable for the remainder of the officer's life, but not less than 10 years. The interest rate used in calculating the lump sum is determined using 80% of the annual average yield of the 10-year Treasury constant maturities for the month preceding the month of retirement. Using 1999 eligible salary amounts as representative of the last annual base salary, the estimated lump sum amount for Peter H. Coors would be based upon an annual benefit of \$202,500, paid upon normal retirement.

In November 1998, the ACC board of directors approved changes to one of its defined benefit pension plans. The changes were effective July 1, 1999, and will generally increase the benefits by approximately 20%.

VI. COMPENSATION OF DIRECTORS

The Company adopted the Equity Compensation Plan for Non-Employee Directors (EC Plan) effective as amended and restated August 14, 1997. The EC Plan provides for two grants of ACC's Class B common stock (non-voting) to non-employee (NE) directors. The first grant is automatic and equals 20% of the annual retainer. The second grant is elective and allows the NE directors to take a portion, or all, of the remaining annual retainer in stock. Amounts of both grants are determined by the fair market value of the shares on the date of grant. Shares received under either grant may not be sold or disposed of before completion of the annual term. The Company reserved 50,000 shares of stock to be issued under the EC Plan. The NE directors' annual retainer is \$34,000.

In 1999, the NE members of the board of directors were paid 50% of the \$32,000 annual retainer for the 1998-1999 term and 50% of the \$36,000 annual retainer for the 1999-2000 term, as well as reimbursement of expenses incurred to perform their duties as directors. Directors

who are full-time employees of the Company receive \$15,000 annually. All directors are reimbursed for any expenses incurred while attending board or committee meetings and in connection with any other CBC business. In addition, Joseph Coors, as a director and retired executive officer, is provided an office and transportation by CBC.

VII. EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

CBC has no agreements with executives or employees providing employment for a set period.

The standard severance program for officers is one year of base salary plus a prorated portion of any earned bonus for the year of severance.

Under the 1990 Equity Incentive Plan, if there is a change in ownership of the Company, the options and restricted shares vest immediately.

VIII. COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Luis G. Nogales, Pamela H. Patsley, Wayne R. Sanders and Albert C. Yates served on the Compensation Committee during 1999.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

The following table sets forth stock ownership of persons holding in excess of 5% of any class of voting securities as of March 13, 2000:

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Class A common stock (voting)	Adolph Coors, Jr. Trust, Golden, Colorado; William K. Coors, Joseph Coors, Joseph B. Coors, Jeffrey H. Coors and Peter H. Coors, trustees	1,260,000 shares for benefit of William K. Coors, Joseph Coors and May Coors Tooker and their lineal descendants living at distribution	100%

In addition, certain officers and directors hold interests in other family trusts, as indicated in Item 12, Section (b).

(b) Security Ownership of Management

The following table sets forth stock ownership of the Company's directors and all executive officers and directors as a group as of March 13, 2000:

Title of class	Name of beneficial owner	Shares beneficially owned	Exercisable options/restricted stocks awards (b)	Total	Percent of class
Class B common stock (non-voting)	William K. Coors	320,807 (a)	--	320,807 (a)	(a)
	Joseph Coors	2,612 (a)	150	2,762 (a)	(a)
	Peter H. Coors	64,665 (a)	350,854	415,519 (a)	(a)
	W. Leo Kiely III	12,508	175,559	188,067	
	Luis G. Nogales	2,279	150	2,429	
	Pamela H. Patsley	1,387	361	1,748	
	Wayne R. Sanders	5,696	150	5,846	
	Albert C. Yates	114	451	565	
	L. Don Brown	29,754	156,140	185,894	
	Timothy V. Wolf	1,700	36,758	38,458	

All executive officers and directors as a group (17 persons) 17,199,158 1,204,665 18,403,823 52%

(a) William K. Coors, Joseph Coors and Peter H. Coors are trustees, in addition to other trustees, and beneficiaries or contingent beneficiaries, of various Coors family trusts that own an aggregate of 16,750,094 shares of Class B common stock. These individuals, with others, are trustees of three trusts which own 267,100 shares of Class B common stock. In these three trusts, they act solely as trustees and have no vested or contingent benefits. The total of these trust shares, together with other management shares shown above, represent 52% of the total number of shares of such class outstanding.

(b) This column represents exercisable options to purchase shares under the Company's 1990 EI Plan (as amended and restated) and the EC that

could be exercised as of March 13, 2000. It also reflects restricted stock awards granted under the 1990 EI Plan. Vesting in the restricted stock is over a three-year period from date of grant for employee/officers and at the end of the term for outside directors. In the event of a change in control of the Company, the options and restricted shares vest immediately.

(c) Changes in Control

There are no arrangements that would later result in a change of control of the Company.

ITEM 13. Certain Relationships and Related Transactions

(a) Transactions with Management and Others

None.

(b) Certain Business Relationships

William K. Coors and Peter H. Coors are trustees of one or more family trusts that collectively own all of ACC's Class A voting common stock, approximately 47% of Class B common stock, approximately 46% of ACX's common stock and approximately 45% of CoorsTek's common stock (see Security Ownership of Certain Beneficial Owners and Management in Item 12). 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. 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.

When ACX was spun-off from ACC in 1992, ACC, ACX and their subsidiaries negotiated other agreements involving employee matters, environmental management, tax sharing and trademark licensing. These agreements govern certain relationships between the parties, as described in the Company's report on Form 8-K dated December 27, 1992, and contained in the information statement mailed to ACC's shareholders at the time of the spin-off.

Certain ACC and ACX subsidiaries are parties to other miscellaneous market-based transactions. In 1999, CBC provided water and waste water treatment services to a CoorsTek ceramics facility located on property leased from CBC, and CBC received real estate management and other services from the ACX real estate brokerage subsidiary. In addition, CBC purchased miscellaneous products from CoorsTek, including certain ceramic can tooling for CBC's can lines. During 1999, CBC received approximately \$320,000 and paid approximately \$67,000 under these agreements and transactions. In 2000, CBC expects to pay approximately \$30,000 and receive approximately \$226,000 under these agreements.

CBC is a limited partner in a partnership in which a subsidiary of 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.

(c) Indebtedness of Management

No member of management or another with a direct or indirect interest in ACC was indebted to the Company in excess of \$60,000 in 1999.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as part of this report:

(1) Financial Statements: See index of financial statements in Item 8.

(2) Financial Statement Schedules:

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Report of Independent Accountants on
Financial Statement Schedules

To the Board of Directors and Shareholders of Adolph Coors Company:

Our audits of the consolidated financial statements referred to in our report dated February 9, 2000 appearing on page 30 of this Form 10-K also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Denver, Colorado
February 9, 2000

SCHEDULE II

**ADOLPH COORS COMPANY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS**

	Balance at beginning of year	Additions charged to costs and expenses	Other additions	Deductions	Balance at end of year
			(In thousands)		
Allowance for doubtful accounts					
Year ended					
December 26, 1999	\$ 299	\$ 53	\$ --	(\$ 297) (a)	\$ 55
December 27, 1998	\$ 557	\$ 42	\$ --	(\$ 300) (a)	\$ 299
December 28, 1997	\$ 275	\$1,627	\$ --	(\$1,345) (a)	\$ 557
Allowance for certain claims					
Year ended					
December 26, 1999	\$ 584	\$ 44	\$ --	(\$ 495) (a)	\$ 133
December 27, 1998	\$1,500	\$ 400	\$ --	(\$1,316) (a)	\$ 584
December 28, 1997	\$ --	\$1,500	\$ --	\$ --	\$1,500
Allowance for obsolete inventories and supplies					
Year ended					
December 26, 1999	\$4,986	\$3,778	\$ --	(\$5,594) (a)	\$3,170
December 27, 1998	\$5,214	\$4,569	\$ --	(\$4,797) (a)	\$4,986
December 28, 1997	\$3,319	\$7,193	\$ 426	(\$5,724) (a)	\$5,214

(a) Write-offs of uncollectible accounts, claims or obsolete inventories and supplies.

(3) Exhibits:

- Exhibit 3.1 - Amended Articles of Incorporation. (Incorporated by reference to Exhibit 3.1 to Form 10-K for the fiscal year ended December 30, 1990)
- Exhibit 3.2 - By-laws, as amended and restated in August 1997. (Incorporated by reference to Exhibit 3.2 to Form 10-K for the fiscal year ended December 28, 1997)

- Exhibit 10.1* - Officers and Directors Salary Continuation Agreement. (Incorporated by reference to Exhibit 10 to Form 10-K for the fiscal year ended December 26, 1982)
- Exhibit 10.2* - 1983 non-qualified Adolph Coors Company Stock Option Plan, as amended effective February 13, 1992. (Incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 29, 1991)
- Exhibit 10.3* - Adolph Coors Company 1990 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.6 to Form 10-K for the fiscal year ended December 28, 1997) and 1999 Amendment (Incorporated by reference to Exhibit 10.6 to Form 10-K for the fiscal year ended December 27, 1998)
- Exhibit 10.4 - Form of Coors Brewing Company Distributorship Agreement. (Incorporated by reference to Exhibit 10.20 to Form 10-K for the fiscal year ended December 29, 1996)
- Exhibit 10.5 - Adolph Coors Company Equity Compensation Plan for Non-Employee Directors. (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 28, 1997) and 1999 Amendment (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 27, 1998)
- Exhibit 10.6 - Distribution Agreement, dated as of October 5, 1992, between the Company and ACX Technologies, Inc. (Incorporated herein by reference to the Distribution Agreement included as Exhibits 2, 19.1 and 19.1A to the Registration Statement on Form 10 filed by ACX Technologies, Inc. (file No. 0-20704) with the Commission on October 6, 1992, as amended)
- Exhibit 10.7 - Revolving Credit Agreement, dated as of October 23, 1997. (Incorporated by reference to Exhibit 10.15 to Form 10-K for the fiscal year ended December 28, 1997)
- Exhibit 10.8 - Adolph Coors Company Stock Unit Plan. (Incorporated by reference to Exhibit 10.16 to Form 10-K for the fiscal year ended December 28, 1997) and 1999 Amendment (Incorporated by reference to Exhibit 10.16 to Form 10-K for the fiscal year ended December 27, 1998)
- Exhibit 10.9* - Coors Brewing Company 1999 Annual Management Incentive Compensation Plan.
- Exhibit 10.10* - Coors Brewing Company 1998 Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.21 to Form 10-K for the fiscal year ended December 27, 1998)
- Exhibit 10.11* - Coors Brewing Company 2000 Annual Management Incentive Compensation Plan.
- Exhibit 10.12* - Amendment to Adolph Coors Company 1990 Equity Incentive Plan approved February 15, 2000.
- Exhibit 10.13 - Adolph Coors Company Water Augmentation Plan. (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 1989)
- Exhibit 21 - Subsidiaries of the Registrant.
- Exhibit 23 - Consent of Independent Accountants.
- Exhibit 27 - Financial Data Schedule

*Represents a management contract.

(b) Reports on Form 8-K

None.

(c) Other Exhibits

None.

(d) Other Financial Statement Schedules

None.

EXHIBIT 21

**ADOLPH COORS COMPANY AND SUBSIDIARIES
SUBSIDIARIES OF THE REGISTRANT**

The following table lists ACC's subsidiaries and the respective jurisdictions of their organization or incorporation as of December 26, 1999. All subsidiaries are included in ACC's consolidated financial statements.

Name	State/country of organization or incorporation
Coors Brewing Company	Colorado
Coors Brewing Company International, Inc.	Colorado
Coors Brewing Iberica, S.A.	Spain
Coors Distributing Company	Colorado
Coors Energy Company	Colorado
Gap Run Pipeline Company	Colorado
Coors Nova Scotia Co.	Canada
Coors Global, Inc.	Colorado
Coors Intercontinental, Inc.	Colorado
The Rocky Mountain Water Company	Colorado
The Wannamaker Ditch Company	Colorado
Coors Japan Company, Ltd.	Japan
Coors Brewing Company de Mexico, S. de R.L. de C.V.	Mexico
Coors Brewing International, Ltd.	United Kingdom
Coors Export Ltd.	Barbados, West Indies
Coors Canada, Inc.	Canada

EXHIBIT 23

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-33831) and in the Registration Statements on Form S-8 (No. 33-2761), (No. 33-35035), (No. 33-40730), (No. 33-59979) and (No. 333-45869) of Adolph Coors Company of our report dated February 9, 2000, appearing on page 30 of this Form 10-K.

We also consent to the incorporation by reference of our report dated February 9, 2000 relating to the financial statement schedule, appearing on page 72 of this Form 10-K.

PricewaterhouseCoopers LLP

Denver, Colorado
March 24, 2000

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADOLPH COORS COMPANY

By /s/ William K. Coors

William K. Coors
Chairman and President
(Chief Executive Officer)

By /s/ Timothy V. Wolf

Timothy V. Wolf
Vice President and
Chief Financial Officer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following directors on behalf of the Registrant and in the capacities and on the date indicated.

By /s/ Joseph Coors

Joseph Coors
Vice Chairman

By /s/ Albert C. Yates

Albert C. Yates

By /s/ Peter H. Coors

Peter H. Coors
Chief Executive Officer
Coors Brewing Company

By /s/ Luis G. Nogales

Luis G. Nogales

By /s/ W. Leo Kiely III

W. Leo Kiely III
President and
Chief Operating Officer
Coors Brewing Company

By /s/ Pamela H. Patsley

Pamela H. Patsley

By /s/ Wayne R. Sanders

Wayne R. Sanders

March 24, 2000

**COORS BREWING COMPANY PRIVATE
1999 ANNUAL MANAGEMENT INCENTIVE COMPENSATION PLAN
(MIC)**

PARTICIPANTS:

All Department Directors and above in salary grades E08 and E09 will participate in an annual incentive program known as the Management Incentive Compensation Plan (MIC).

Participants who are newly hired or promoted into an eligible position during the Plan year will be eligible to receive a pro-rata share of the incentive payment based on the number of calendar days spent in an eligible position divided by the actual number of days during the year of the Plan.

ANNUAL INCENTIVE PROGRAM TARGET LEVELS AS A PERCENT OF BASE SALARY AS OF 1-1- 1999 OR PLAN ENTRY DATE IF LATER:

Total On Target	
Position	Bonus Potential
CEO/COO	50%
Executive Staff	40%
Vice President	30%
Other Participants	25%

BONUS PAYOUT PARAMETERS:

The Chief Executive Officer (CEO) and Chief Operating Officer (COO) will be measured only on Company financial performance (as modified by quality performance noted below). All other participants will be evaluated based on two components, the achievement of Company financial performance goals (as modified by quality performance noted below) and individual performance goals. The percentages of the total potential bonus are:

Position	Company Component	Individual Component
CEO/COO	100%	0%
Executive Staff	75%	25%
Vice President	40%	60%

Other Participants 40% 60%

If the Company financial goals are achieved, each participant will receive the portion of the bonus based on the Company component. None of the Company portion will be paid if pre-tax income falls below a minimum of 75% of the target financial goal. The amount of the Company component will be reduced 2% from target for each 1% that actual results fall below the target pretax income goal. For each 1% the Company pretax income exceeds the target goal, the target Company component will increase 2% up to the maximum of the financial goal.

For calendar year 1999 the Company has established a specific quality goals. Achievement of the quality goal will result in an increase in the financial portion of the payout by 10% if an Above Target rating is achieved. An On Target rating will have no impact to bonus payouts and Below Target will result in a decrease in the financial portion of the payout by 10%. The quality objectives will be measured by percentage reductions in consumer complaints:

Above Target - 11% or greater
On Target - 9-10.99%
Below Target - 8.99% and below

COMPANY FINANCIAL TARGETS:

Annual Company financial goals will be measured based on pre-tax income before special charges or credits for 1999 after incentive plan payouts (in millions).

Minimum Target Maximum
108.75 145 217.5

Definitions:

Pretax Income - Income before income taxes for external reporting purposes as shown on the Annual Report including both Domestic and International and also including the revenue and expenses associated with entering an international market.

Special Charges (Credits) - Extraordinary items (one-time unusual events) which are separately identified in the Company's internal and external financial statements and other special items as defined by management.

INDIVIDUAL PERFORMANCE GOALS:

The other portion of the bonus is based on achievement of individual performance goals. The individual portion of the bonus is not dependent on fulfillment of Company financial goals. Individual performance payouts will be based on an individual incentive multiplier of between 0 and 150%, multiplied by the amount equal to the dollar amount of the individual performance component at target:

Above Target	125-150%
On Target	100%
Below Target	0-70%

Individual performance goals will be documented and agreed upon by the later of February 1 of the Plan year or 30 days after the start date in the Plan. Each participant will meet with his or her immediate supervisor to develop individual goals in support of the Company strategies. These goals will be written and signed off by the participant and the supervisor before implementation. All individual goals must be reviewed and approved by the COO or the CEO. At the end of the Plan year each supervisor must submit in writing the results of each individual performance goal and the individual performance multiplier.

FORM AND TIMING OF PAYMENTS:

At the end of the plan year final awards will be calculated. Payments will be made as soon as practicable after the end of the plan year.

FEDERAL, STATE AND FICA TAX WITHHOLDING:

The Company will be required to withhold all applicable federal, state and FICA income taxes on the awards.

TAX TREATMENT:

Participants realize taxable income at the date the incentive payout is received.

DISCLAIMER:

Coors Brewing Company reserves the right to change, amend or terminate this Plan at any time, for any reason at its sole discretion. This Plan supersedes all prior documentation relating to the Annual Management Incentive Compensation Plan.

NOT EMPLOYMENT CONTRACT:

At no time is this plan to be considered an employment contract between the participants and the Company. It does not guarantee participants the right to be continued as an employee of the Company. It does not effect a participant's right to leave the Company or the Company's right to discharge a participant.

TERMINATION PROVISIONS:

Participants must be on the payroll as of 1-1-2000 to receive payment. The CEO must approve any exceptions.

**COORS BREWING COMPANY PRIVATE
2000 ANNUAL MANAGEMENT INCENTIVE COMPENSATION PLAN
(MIC)**

PARTICIPANTS:

All Department Directors and above in salary grades E08 and E09 will participate in an annual incentive program known as the Management Incentive Compensation Plan (MIC).

Participants who are newly hired or promoted into an eligible position during the Plan year will be eligible to receive a pro-rata share of the incentive payment based on the number of calendar days spent in an eligible position divided by the actual number of days during the year of the Plan.

ANNUAL INCENTIVE PROGRAM TARGET LEVELS AS A PERCENT OF BASE SALARY AS OF 1-1- 2000 OR PLAN ENTRY DATE IF LATER:

Total On Target

Position	Bonus Potential
CEO	80%
COO	75%
Executive Staff	50%
Vice President	40%
Other Participants	30%

BONUS PAYOUT PARAMETERS:

The Chief Executive Officer (CEO) and Chief Operating Officer (COO) will be measured only on Company financial performance (as modified by quality performance noted below). All other participants will be evaluated based on two components, the achievement of Company financial performance goals (as modified by quality performance noted below) and individual performance goals. The percentages of the total potential bonus are:

Position	Company Component	Individual Component
CEO/COO	100%	0%
Executive Staff	75%	25%
Vice President	40%	60%

Other Participants 40% 60%

If the Company financial goals are achieved, each participant will receive the portion of the bonus based on the Company component. None of the Company portion will be paid if pre-tax income falls below a minimum of 75% of the target financial goal. The amount of the Company component will be reduced 2% from target for each 1% that actual results fall below the target pretax income goal. For each 1% the Company pretax income exceeds the target goal, the target Company component will increase 2% up to the maximum of the financial goal.

For calendar year 2000 the Company has established specific quality goals. Achievement of the quality goal will result in an increase in the financial portion of the payout by 10% if an Above Target rating is achieved. An On Target rating will have no impact to bonus pay outs and Below Target will result in a decrease in the financial portion of the payout by 10%. The quality objectives will be measured by percentage reductions in consumer complaints:

Above Target - 9% or greater
On Target - 7-8.99%
Below Target - 6.99% and below

COMPANY FINANCIAL TARGETS:

Annual Company financial goals will be measured based on pre-tax income before special charges or credits for 2000 after incentive plan payouts (in millions).

Minimum Target Maximum
\$127.5MM \$170MM \$255MM

Definitions:

Pretax Income - Income before income taxes for external reporting purposes as shown on the Annual Report including both Domestic and

International and also including the revenue and expenses associated with entering an international market.

Special Charges (Credits) - Extraordinary items (one-time unusual events) which are separately identified in the Company's internal and external financial statements and other special items as defined by management.

INDIVIDUAL PERFORMANCE GOALS:

The other portion of the bonus is based on achievement of individual performance goals. The individual portion of the bonus is not dependent on fulfillment of Company financial goals. Individual performance payouts will be based on an individual incentive multiplier of between 0 and 150%, multiplied by the amount equal to the dollar amount of the individual performance component at target:

Above Target (125-150%) On Target (90-110%) Below Target (0-70%)

Individual performance goals will be documented and agreed upon by the later of February 1 of the Plan year or 30 days after the start date in the Plan. Each participant will meet with his or her immediate supervisor to develop individual goals in support of the Company strategies. These goals will be written and signed off by the participant and the supervisor before implementation. All individual goals must be reviewed and approved by the COO or the CEO. At the end of the Plan year each supervisor must submit in writing the results of each individual performance goal and the individual performance multiplier.

FORM AND TIMING OF PAYMENTS:

At the end of the plan year final awards will be calculated. Payments will be made as soon as practicable after the end of the plan year.

FEDERAL, STATE AND FICA TAX WITHHOLDING:

The Company will be required to withhold all applicable federal, state and FICA income taxes on the awards.

TAX TREATMENT:

Participants realize taxable income at the date the incentive payout is received.

DISCLAIMER:

Coors Brewing Company reserves the right to change, amend or terminate this Plan at any time, for any reason at its sole discretion. This Plan supersedes all prior documentation relating to the Annual Management Incentive Compensation Plan.

NOT EMPLOYMENT CONTRACT:

At no time is this plan to be considered an employment contract between the participants and the Company. It does not guarantee participants the right to be continued as an employee of the Company. It does not effect a participant's right to leave the Company or the Company's right to discharge a participant.

TERMINATION PROVISIONS:

Participants must be on the payroll as of 1-1-2001 to receive payment. The CEO must approve any exceptions.

EXHIBIT A

**ADOLPH COORS COMPANY
EQUITY INCENTIVE PLAN**

Amendment Effective
January 1, 2000

Pursuant to Section 16 of the Plan, the Plan is hereby amended to read as follows:

1. Section 7.2 of the Plan is hereby amended to add new sections 7.2 (d) (v) and (vi) as follows:

"7.2 (d) Termination of Employment, Death, Disability, Etc.

(v) Commencing with Options granted under this Plan after 1999, if the Option Holder dies during the Option Period while still employed or within the one year period referred to in (vi) below, or within the thirty-six-month period referred to in (ii) above, the Option may be exercised by those entitled to do so under the Option Holder's will or by the laws of descent and distribution within fifteen months following the Option Holder's death, (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Option Holder's death.

(vi) Commencing with Options granted under this Plan after 1999, if the employment of the Option Holder by the Company is terminated, which for this purpose means that the Option Holder is no longer employed by the Company or by an Affiliated Corporation) within the Option Period for any reason other than cause, retirement pursuant to the Company's retirement policy, disability or the Option Holder's death, the Option may be exercised by the Option Holder within one year following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of termination of employment.

2. The effective date of this Amendment shall be January 1, 2000. No other terms of the Plan are amended hereby, except that any provision of the Plan not specifically amended herein, which is deemed to be inconsistent with the extension of the applicable exercise period from three months to one year, shall be deemed amended to conform with the amendments to Section 7.2 (d).

Dated: _____

ATTEST:

ADOLPH COORS COMPANY

By: /s/ Patricia J. Smith
Patricia J. Smith, Secretary

By: /s/ Peter H. Coors
Peter H. Coors, Vice President

ARTICLE 5

CIK: 0000024545

NAME: ADOLPH COORS COMPANY

MULTIPLIER: 1000

CURRENCY: USD

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 26 1999
PERIOD START	DEC 28 1998
PERIOD END	DEC 26 1999
EXCHANGE RATE	1
CASH	163808
SECURITIES	113185
RECEIVABLES	159660
ALLOWANCES	0
INVENTORY	107257
CURRENT ASSETS	612821
PP&E	714001
DEPRECIATION	0
TOTAL ASSETS	1546376
CURRENT LIABILITIES	392704
BONDS	105000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	9703
OTHER SE	831836
TOTAL LIABILITY AND EQUITY	1546376
SALES	2462874
TOTAL REVENUES	2056646
CGS	1215965
TOTAL COSTS	1914663
OTHER EXPENSES	(1755)
LOSS PROVISION	0
INTEREST EXPENSE	(6929)
INCOME PRETAX	150667
INCOME TAX	58383
INCOME CONTINUING	92284
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	92284
EPS BASIC	2.51
EPS DILUTED	2.46

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