MOLSON COORS BREWING CO

FORM 10-K
(Annual Report)

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Address	P.O. BOX 4030, MAIL #NH375
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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

x 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 30, 2001
OR

o 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	84-0178360
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
311 Tenth Street, Golden, Colorado	80401
(Address of principal executive offices)	(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), New York Stock Exchange
no par value

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. ()

State the aggregate market value of the voting stock held by non-affiliates of the registrant: N/A. 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 15, 2002:

Class A Common Stock - 1,260,000 shares Class B Common Stock - 34,750,352 shares

PART I

ITEM 1. Business

(a) General Development of Business

Since our founding in 1873, we have been committed to producing the highest quality beers. Our portfolio of brands is designed to appeal to a wide range of consumer taste, style and price preferences. Historically, our beverages have been sold throughout the United States and in select international markets. Unless otherwise noted in this report, any description of us includes both Adolph Coors Company (ACC) and Coors Brewing Company (CBC), ACC's wholly owned subsidiary, but does not include Coors Brewers Limited as it was acquired in February, 2002.

Recent General Business Developments

Carling Brewers: In February 2002, we completed the acquisition of the Carling business from Interbrew S.A. for 1.2 billion British pounds sterling (approximately $1.7 billion), plus associated fees and expenses. The purchase price is subject to adjustment based on the value of certain items, as defined in the purchase agreement, as of the acquisition date. The Carling business, (subsequently renamed Coors Brewers Limited) includes the majority of the assets that previously made up Bass Brewers, including the Carling, Worthington and Caffrey's brand beers; the United Kingdom (U.K.) distribution rights to Grolsch (via a joint venture with Grolsch N.V.); several other beer and flavored-alcohol beverage (FAB) brands; related brewing and malting facilities in the U.K.; and a 49.9% interest in the distribution logistics provider Tradeteam. The brand rights for Carling, which is the largest acquired brand by volume, are mainly for territories in Europe.

Coors Brewers, with its headquarters in Burton-on-Trent, England, is the U.K.'s second-largest beer company, with 2001 volume of approximately 9 million barrels (excluding factored brands), or l9%, of the U.K. beer market, which is Western Europe's second-largest market. The Coors Brewers business is almost exclusively in England and Wales.

The Coors Brewers brand portfolio consists of 20 U.K. beer brands and four FAB brands with strong offerings in each of its target segments. Its mainstream lager, Carling, is currently the number-one beer sold in the U.K. based on volume. Grolsch is the U.K.'s fastest growing premium lager, with volume increasing fourfold since 1994. Coors Brewers leading position in the ale segment is driven by a combination of Worthington, the U.K.'s number-two mainstream ale brand in the On Trade (on-premise) channel, and Caffrey's, the U.K.'s leading premium ale by volume. In addition, Coors Brewers is the only U.K. brewer with a successful range of internally developed FABs.

Like other brewers, Coors Brewers wholesales a range of beers, wines, spirits and soft drinks (factored products) to enhance service and profitability by offering a wide range of products to its On Trade customers.

Coors Brewers currently operates four breweries in the U.K. with production capacity of more than 12 million barrels. The Burton-on-Trent brewery has the largest capacity and is located in the Midlands, in central England, which facilitates cost-efficient distribution throughout the U.K. Other breweries are located in Tadcaster (Yorkshire), Cape Hill (Birmingham) and Alton (Hampshire). Two of the breweries have can and bottle packaging facilities, and there is a broad range of brewing and packaging operations across the four sites. Additionally, the company operates three malting facilities located in Burton, Shobnall and Alloa.

In March 2002, we announced plans to close our Cape Hill brewery and Alloa malting facility. A majority of the production at the Cape Hill brewery relates to brands that were retained by Interbrew. The production at the Alloa malting facility will be moved to one of the other existing malting facilities. These closures will remove excess capacity from the Coors Brewers system.

The Coors Brewers distribution operation is run by Tradeteam, a joint venture with Exel Logistics in which Coors Brewers owns 49.9%. Tradeteam operates a system of satellite warehouses and the transportation fleet for deliveries between the Coors Brewers breweries and customers. Additionally, Tradeteam manages the transportation of certain raw materials such as malt to the Coors Brewers breweries.

EDS Information Services, LLC (EDS): During the third quarter of 2001, we finalized our contract with EDS to outsource certain functions of our information technology infrastructure. We believe this new arrangement will allow us to focus on our core business while having access to the expertise and resources of a world-class information technology provider.

Ball Corporation: Effective January 1, 2002, we became an equal member with Ball Corporation (Ball) in a Colorado limited liability company, Rocky Mountain Metal Container, LLC (RMMC). Also effective on January 1, 2002, we entered into a can and end supply agreement with RMMC (the Supply Agreement). Under that Supply Agreement, RMMC will supply us with substantially all of the can and end requirements for our Golden brewery. RMMC will manufacture these cans and ends at our existing manufacturing facilities, which RMMC is operating under a use and license agreement. We have the right to purchase Ball's interest in RMMC under certain conditions. If we do not exercise that right, Ball may have the right to purchase our interest in RMMC. Our prior joint venture was with American National Can Company (subsequently acquired by Rexam LLC). In August 2001, we purchased Rexam's interest in the joint venture.

Molson USA, LLC: In January 2001, we entered into a joint venture agreement with Molson, Inc. and paid $65 million for a 49.9% interest in the joint venture. The joint venture, Molson USA, LLC (MUSA), was formed to import, market and sell Molson's brands of beer in the United States, including Molson Canadian, Canadian Light, Molson Golden and Molson Ice. Under the agreement, the joint venture owns the exclusive right to import Molson brands into the United States. Additionally, any Molson brands that may be developed in the future for import into the United States are covered under the agreement. We are responsible for the sales activities in the United States for the brands and products that are manufactured in Canada by Molson under the agreement. Decisions related to marketing of the brands are made both by Molson and us through the joint venture.

Coors Canada: In January 1998, we formed Coors Canada, a partnership arrangement, with Molson, Inc. in Canada to distribute Coors products in Canada. We own 50.1% of this partnership through our 100% ownership of Coors Canada, Inc. In December 2000, we entered into a five

year brewing and packaging arrangement with Molson in which we will have access to some of Molson's available production capacity in Canada. The Molson capacity available to us under this arrangement in 2001 was 250,000 barrels, none of which was used by us. Starting in 2002, available capacity increases to 500,000 barrels. Currently, we pay Molson a fee for holding this capacity aside for our future use.

Spain: In 2000, we closed our brewery in Zaragoza, Spain, and sales operation in Madrid, Spain. In 2001, the plant and related fixed assets were sold.

Some of the following statements describe our expectations of future products and business plans, financial results, performance and events. Actual results may differ materially from these forward-looking statements. Please see Item 7, Management's Discussion and Analysis - Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995, for factors that may negatively impact our performance. The following statements are expressly made subject to those and other risk factors.

(b) Financial Information About Industry Segments

We have one reporting segment, which is focused on the malt beverage business. See Item 8, Financial Statements and Supplementary Data, for financial information relating to our operations.

We are still evaluating the impact of acquiring the Coors Brewers business on our segment reporting for 2002. At this time, we anticipate having two reportable operating segments: the Americas and Europe.

(c) Narrative Description of Business

As noted above in Item 1(a), General Development of Business, Recent General Business Developments, we acquired the Carling business portion of Bass Brewers in February 2002. Except where otherwise noted, the disclosures in this Item (c) relate to the business of Coors Brewing Company as it pertains to our one reporting segment that existed as of December 30, 2001.

Coors Brewing Company - General

We produce, market and sell high-quality malt-based beverages. Our portfolio of brands is designed to appeal to a wide range of consumer taste, style and price preferences. Our beverages are sold throughout the United States and in select international markets. Coors Light has accounted for more than 70% of our sales volume in each of the last four years. Premium and above-premium products accounted for more than 85% of our total sales volume in each of the last four years. Most of our sales are in U.S. markets; however, we are committed to building profitable sales in international markets. Our goal is to continue growing our business and increasing our profitability, both domestically and internationally, by focusing on the following key strategies:

- producing the highest quality products;

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

- investing in high-potential markets and brands;

- improving our wholesale distribution network;

- reducing costs and improving productivity;

- building organizational excellence; and,

- pursuing strategic opportunities.

Our sales of malt beverages totaled 22.7 million barrels in 2001, 23.0 million barrels in 2000 and 22.0 million barrels in 1999. The barrel sales figures for each year do not include barrel sales of a non-consolidated Canadian partnership. An additional 1.3 million, 1.2 million and 1.0 million barrels were sold by this non-consolidated entity in 2001, 2000 and 1999, respectively. See Item 7, Management's Discussion and Analysis, for discussion of changes in volume.

Our Products

Our top-selling brand is Coors Light, a premium beer, and our other products include an additional 10 brands. Our other premium beers include Coors Original and Coors Non-Alcoholic. We also offer a selection of above-premium beers including George Killian's Irish Red Lager and Blue Moon Belgian White Ale. In addition, we offer Zima and Zima Citrus, alternative malt-based beverages that are light, refreshing products and have long competed in the malternative category. We also compete in the lower-priced segment of the beer market, called the popular-priced segment, with Extra Gold and our Keystone family of beers - Keystone Premium, Keystone Light and Keystone Ice.

In 2001, the Coors Dry and Winterfest brands, were phased out because of greater emphasis and focus on other brands.

We own and operate 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.

Sales and Distribution

By federal law, beer must be distributed in the United States through a three-tier system consisting of manufacturers, distributors and retailers. Currently, a national network of 494 distributors delivers our U.S. manufactured products to U.S. retail markets. Of these, 492 are independent businesses and the other two are owned and operated by one of our subsidiaries. Some distributors operate multiple branches, bringing the total number of U.S. distributor and branch locations to 562 for the year ended December 30, 2001. As a result of our new Molson USA joint venture, we have an additional 237 domestic distributors, including branches, that distribute Molson brands (but not Coors brands) within the United States. Additional independent distributors deliver our products to some international markets under licensing and distribution agreements.

In the past three years, consolidation among U.S. wholesalers has accelerated. As a result of this trend, approximately 45% of our U.S. distributors (which sell nearly 40% of our volume) now also distribute Miller Brewing Company products. We view this consolidation trend positively because it generally improves the economics of the combined distributorships, which allows them to compete more effectively against the market leader's distributors.

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

Our highest volume states are California, Texas, Pennsylvania, New York and New Jersey, which together comprised 44% of our total domestic volume in 2001.

We have more than 300 full-time salespeople throughout the United States. Our salespeople work closely with our distributors to assure that they focus appropriately on our product and to assist them in implementing industry best practices to improve efficiency and performance. Our sales function is organized into two regions that manage a total of six geographic field business areas responsible for overseeing domestic sales. We believe this structure enables our salespeople to better anticipate wholesaler and consumer needs and to respond to those needs locally, with greater speed.

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

Manufacturing, Production and Packaging

Brewing Process and Raw Materials

Our ingredients and brewing process make our beers unlike any other beers in the world. We also use unique packaging materials developed to accommodate our cold packaging and shipping.

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

Along with water, barley is the fundamental ingredient in beer. Barley is so important to the quality and taste of our products that we started developing our own strains of barley in 1937. We use proprietary strains of barley, developed by our own barley breeders and agronomists, for most of our malt beverages. Virtually all of this barley is grown on irrigated farmland in the western United States under contracts with area growers. The growers use only our proprietary barley seed developed by us to produce our malting barley. We are the only major brewer in the United States to exclusively use two-row barley rather than the six-row barley that is more commonly used among brewers. Two-row barley allows the seed ample room to grow and develop, which we believe produces a more consistent, higher- quality crop and better tasting beer. Our malting facility in Golden produces approximately 80% of all of our malt requirements for our U.S. products. We also have our own barley malted by third parties under contract. We maintain inventory levels in facilities that we own. Our inventories are sufficient to continue production in the event of any foreseeable disruption in barley supply and currently exceed a 14-month supply.

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

We continually monitor the quality of the water used in our brewing process for compliance with our own stringent quality standards, which exceed federal and state water standards. We own water rights that we believe are more than sufficient to meet all of our present and

foreseeable requirements for both brewing and industrial uses. We acquire water rights, as appropriate, to provide flexibility for long-term strategic growth needs and also to sustain brewing operations in case of a prolonged drought.

We take an average of 55 days -- significantly longer than our major competitors -- to brew, age, finish and package our beers. We believe this unique process creates a smoother, more drinkable product. We were the first brewer to introduce a cold-filter process to preserve taste. We keep the product cold -- from the brewhouse through packaging to retail -- by using insulated containers for transport and by requiring our distributors to hold our products in temperature-controlled warehouses.

Brewing and Packaging Facilities

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

We brew Coors Light, Coors Original, Extra Gold, Killian's and the Keystone brands in Golden. Approximately 60% of our beer volume brewed in Golden is also packaged there. The remainder is shipped in bulk from the Golden brewery to either our Memphis facility or to our Shenandoah facility for packaging.

The Memphis facility packages all products exported from the United States. It also brews and packages our Zima, Zima Citrus, Coors Non-Alcoholic and Blue Moon brands for domestic and international distribution. Coors Light is brewed in Memphis for export only.

Our Shenandoah facility packages Coors Light, Keystone Light and a small portion of Killian's volume for distribution to eastern U.S. markets.

To continue the brand growth that we have experienced over the past several years, we increased our 2001 capital expenditures to expand our brewing and packaging capacity. In particular, we added a third bottle line to our Shenandoah facility and have added brewing capacity to our Memphis facility to meet growing demand and to lower our production and distribution costs to markets in the northeastern United States. We are improving manufacturing processes in Golden, which will increase brewing and packaging capacity in our largest facility. We also anticipate that further increasing brewing and packaging capacity at our Memphis facility will be an important part of our mid- and long-term capacity plan. Please see Item 7, Management's Discussion and Analysis - Liquidity and Capital Resources, for more information about our planned capital expenditures.

Energy

We purchase electricity and steam for our Golden manufacturing facilities from Trigen-Nations Energy Corporation, L.L.L.P. (Trigen). Coors Energy Company, our wholly owned subsidiary, buys coal, which it sells to Trigen for Trigen's steam generator system, and purchases gas for our Shenandoah and Golden operations.

Packaging Materials

Aluminum cans: Approximately 60% of our products were packaged in aluminum cans in 2001. A substantial portion of those cans were purchased from a joint venture between Coors and Rexam LLC, which operated at our manufacturing facilities. In August 2001, we purchased Rexam's interest in the joint venture.

We own the manufacturing facilities that produced the majority of our aluminum can, end and tab requirements. In 2001, we purchased all of the cans, and most of the ends, produced by these facilities which were operated in 2001 through the joint venture with Rexam. In addition, we purchased certain specialized cans and some cans for products packaged at our Memphis and Shenandoah plants directly from Rexam LLC.

In 2001, we replaced our joint venture with Rexam by forming RMMC with Ball. Effective January 1, 2002, RMMC will operate our existing can and end facilities in Golden, Colorado, one of the largest aluminum can manufacturing facilities in the world. RMMC is structured and has an incentive to reduce manufacturing costs, as well as provide improved sourcing patterns, particularly to our Shenandoah and Memphis facilities. In addition to our supply agreement with RMMC, we also have commercial supply agreements with Ball and Rexam to purchase cans and ends in excess of those that are supplied through RMMC.

Glass bottles: We used glass bottles for approximately 29% of our products in 2001. We operate a production joint venture with Owens-Brockway Glass Container, Inc. (Owens), the Rocky Mountain Bottle Company (RMBC), to produce glass bottles at our glass manufacturing facility. The initial term of the joint venture expires in 2005 and can be extended for additional two-year periods. In 2001, we purchased all of the bottles produced by RMBC, approximately 1.1 billion bottles, which fulfilled about half of our bottle requirements. The remaining bottle requirements were met through a supply contract with Owens.

Other packaging: The remaining 11% of the volume we sold in 2001 was packaged in quarter- and half-barrel stainless steel kegs purchased from third-party suppliers.

We purchase most of our paperboard and label packaging from a subsidiary of Graphic Packaging International Corporation (GPIC). These

products include paperboard, multi-can pack wrappers, bottle labels and other secondary packaging supplies. We have begun negotiations to renew this contract which expires in 2002. We expect it to be renewed prior to expiration. William K. Coors and Peter H. Coors serve as co-trustees of a number of Coors family trusts that collectively control GPIC. Please read Item 13, Certain Relationships and Related Transactions, for more information regarding GPIC.

Product Shipment

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

In 2001, approximately 64% of our products were shipped by truck and intermodal directly to distributors or to our satellite redistribution centers. Transportation vehicles are refrigerated or properly insulated to keep our malt beverages cold while in transit. The remaining 36% of the products packaged at our production facilities were shipped by railcar to either satellite redistribution centers or directly to distributors throughout the country. Railcars assigned to us are specially built and insulated to keep our products cold en route.

At December 30, 2001, we had 11 strategically located satellite redistribution centers, which we use to receive product from production facilities and to prepare shipments to distributors. Subsequent to year- end, we have 10 satellite redistribution centers resulting from the consolidation of two of our western distribution centers. In 2001, approximately 50% of packaged products were shipped directly to distributors and 50% moved through the satellite redistribution centers.

International Business

We market our products in select international markets and to U.S. military bases worldwide.

Europe

See discussion regarding the acquisition of the Carling business in England and Wales at Item 1(a), General Development of Business, Recent General Business Developments.

Exclusive of the new Coors Brewers business, our efforts in Europe, relating to our U.S. brands, are focused on marketing Coors Light in the Republic of Ireland. Additionally, we are testing Coors Light in Scotland and Northern Ireland, and we will assess the feasibility of expanding the sale of Coors Light to the balance of the U.K.

During 2000, we closed our brewery and commercial operations in Spain. In 2001, we sold the related land, buildings and equipment. This brewery produced beer for Spain and other European markets. Beginning in late 2000, we began sourcing beer for our remaining European markets from our Memphis plant. The beer is then packaged for distribution under contract in the U.K. by Thomas Hardy Packaging Limited.

We are developing plans for integrating our current European business with Coors Brewers.

Canada

Coors Canada, our partnership with Molson, manages all marketing activities for our products in Canada. We own 50.1% of this partnership and Molson owns the remaining 49.9%. The partnership contracts with a Molson subsidiary for the brewing, distribution and sale of products. This non- consolidated entity had sales of 1.3 million, 1.2 million and 1.0 million barrels in 2001, 2000 and 1999, respectively, and partnership net revenue per barrel was $22.79 in 2001, $21.99 in 2000 and $20.52 in 1999. Coors Light currently has a market share of more than 7% and is the number-one light beer -- and the number-four beer brand overall -- in Canada.

Puerto Rico and the Caribbean

In Puerto Rico, we market and sell Coors Light through an independent local distributor. A local team of our employees manages marketing and promotional efforts in this market. Coors Light is the number one brand in the Puerto Rico market with more than a 55% market share in 2001.

We also sell our products in several other Caribbean markets, including the U.S. Virgin Islands, through local distributors.

Japan

Coors Japan Company, Ltd., our Tokyo-based subsidiary, is the exclusive importer and marketer of our products in Japan. The Japanese business is currently focused on Zima and Coors Original. Coors Japan sells our products to independent distributors in Japan. China

In August 2001, we formed a new subsidiary, Coors Beer & Beverages (Suzhou) Co., Ltd., to market and distribute Coors Original in China. In October 2001, we commenced a brewing agreement with Lion Nathan Beer and Beverages (Suzhou) Co. Ltd. to supply the China market.

Prior to October 2001, we marketed Coors Original beer under a licensing arrangement with Carlsberg-Guangdong. This arrangement was mutually terminated as permitted by its terms in October 2001.

Seasonality of the Business

The beer industry is subject to seasonal sales fluctuation. Our sales volumes are normally at there lowest in the first and fourth quarters and highest in the second and third quarters. Our fiscal year is a 52- or 53- week year that ends on the last Sunday in December. The 2001 and 1999 fiscal years were both 52 weeks, while the 2000 fiscal year was 53 weeks.

Research and Development

Our research and development activities relate primarily to creating and improving products and packages. These activities are designed to refine the quality and value of our products and to reduce costs through more efficient processing and packaging techniques, equipment design and improved raw materials. We spent approximately $16.5 million, $16.9 million and $16.5 million for research and development in 2001, 2000 and 1999, respectively. We expect to spend approximately $16 million on research and product development in 2002.

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

Intellectual Property

We own trademarks on the majority of the brands we produce and we have licenses for the remainder. We also hold several patents on innovative processes related to product formula, can making, can decorating and certain other technical operations. These patents have expiration dates ranging from 2002 to 2021. These expirations are not expected to have a significant impact on our business.

Regulation

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

Governmental entities also levy taxes and may require bonds to ensure compliance with applicable laws and regulations. Federal excise taxes on malt beverages are currently $18 per barrel. State excise taxes also are levied at rates that ranged in 2001 from a high of $32.65 per barrel in Alabama to a low of $0.62 per barrel in Wyoming, with an average of $7.91 per barrel. In 2001, we incurred approximately $413 million in federal and state excise taxes. We realize that from time to time Congress and state legislatures consider various proposals to increase or decrease excise taxes on the production and sale of alcohol beverages, including beer. The last significant increase in federal excise taxes on beer was in 1991, when these taxes doubled.

Environmental Matters

We are subject to the requirements of federal, state, local and foreign environmental and occupational health and safety laws and regulations. Compliance with these laws and regulations did not materially affect our 2001 capital expenditures, earnings or competitive position, and we do not anticipate that they will do so in 2002.

We are also required to obtain environmental permits from governmental authorities for certain of our operations. We cannot provide assurance that we have been or will be at all times in complete compliance with, or have obtained, all such permits. These authorities can modify or revoke our permits and can enforce compliance through fines and injunctions. We are not in violation of any of our permits and, we believe, we have obtained or are in the process of obtaining all necessary permits, to the best of our knowledge.

We continue to promote the efficient use of resources, waste reduction and pollution prevention. We currently conduct several programs including recycling bottles and cans and, where practical, increasing the recycled content of product packaging materials, paper and other supplies.

See also Item 7, Management's Discussion and Analysis - Contingencies, for additional discussion of our environmental contingencies.

Employees and Employee Relations

We have approximately 5,500 employees, excluding Coors Brewers Limited. Memphis hourly employees, who constitute about 8% of our total work force, are represented by the Teamsters union and are the only significant employee group at any of our three domestic production facilities having union representation. The Memphis union contract was renegotiated in early 2001. The new contract expires in 2005. We

believe our people are absolutely key to our success and that relations with our employees are good.

Competitive Conditions

Known trends and competitive conditions: Industry and competitive information in this section and elsewhere in this report was compiled from various industry sources, including beverage analyst reports, Beer Marketer's Insights, Beer Marketer Survey, Impact Databank and The Beer Institute. While management believes that these sources are reliable, we cannot guarantee the complete accuracy of these numbers and estimates.

2001 industry overview: The beer industry in the United States is extremely competitive. Industry volume growth has averaged less than 1% annually since 1991. Therefore, growing or even maintaining market share requires substantial and consistent investments in marketing and sales. In a very competitive year, U.S. beer industry shipments increased less than 1% in 2001, after growing 0.8% in 2000. In recent years, brewers have focused on marketing, promotions and innovative packaging in an effort to gain market share with less use of price discounting strategies.

The industry's pricing environment continued to be positive in 2001, with 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, for the industry in general, many raw material prices increased in 2001, including aluminum, glass and energy. In addition, consumer demand continued to shift away from short bottles and toward longneck bottles, which cost significantly more to make and ship than short bottles.

A number of important trends affected the U.S. beer market in 2001. The first was a continuing sales shift toward lighter, more-refreshing beverages. Virtually all of the growth in the category was achieved by American-style light lagers (domestic and imported) and new alternative malt beverages. More than 80% of our annual unit volume in 2001 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, including imports and alternative malt beverages. Import beer shipments rose nearly 10% in 2001. Long-term industry sales trends toward lighter, more-upscale beers generally play to our strengths.

The U.S. brewing industry has experienced significant consolidation in the past several years, which has removed excess capacity. Several competitors have exited the beer business, sold brands or closed inefficient, outdated brewing facilities. In 2001, beer industry consolidation at the wholesaler level maintained a quick pace. This consolidation generally improves economics for the combining wholesalers and their suppliers.

U.S. demographics continued to improve for the beer industry, with the number of consumers reaching legal drinking age continuing to increase in 2001, according to U.S. Census Bureau assessments and projections. These same projections anticipate that the 21 to 24 age group will continue to grow for most of this decade. This trend is important to the beer industry because young adults tend to consume more beer per capita than other demographic groups.

Our competitive position: Our malt beverages compete with numerous above- premium, premium, low-calorie, popular-priced, non-alcoholic and imported brands. These competing brands are produced by national, regional, local and international brewers. In 2001, approximately 80% of U.S. beer shipments were attributed to the top three domestic brewers: Anheuser- Busch, Inc.; Philip Morris, Inc., through its subsidiary Miller Brewing Company; and Coors Brewing Company. We compete most directly with Anheuser and Miller, the dominant companies in the U.S. industry. According to Beer Marketer's Insights estimates, we are the nation's third-largest brewer, selling approximately 11.1% of the total 2001 U.S. brewing industry shipments of malt beverages (including exports and U.S. shipments of imports). This compares to Anheuser's 48.6% share and Miller's 19.6% share.

Our beer shipments to wholesalers decreased 1.2% in 2001, primarily because fiscal 2000 was 53 weeks, while fiscal 2001 was 52 weeks. On a comparable- calendar basis, our 2001 beer shipments were down 0.1% from a year earlier because of slower sales of our products other than Coors Light and Keystone Light. By comparison, Anheuser's domestic shipments increased 1.2% in 2001 and Miller's declined 2.4%. More than 85% of our unit volume was in the premium and above-premium price categories, the highest proportion among the major domestic brewers.

We continue to face competitive disadvantages related to economies of scale. Besides lower transportation costs achieved by competitors with multiple, geographically dispersed breweries, these larger brewers also benefit from economies of scale in advertising spending because of their greater unit sales volumes. To achieve and maintain national advertising exposure and grow our U.S. market share, we generally spend substantially more per barrel to market our products than our major competitors.

Although our results are primarily driven by U.S. sales, international operations have increased in importance in recent years, including in Canada, where Coors Light is the number-one light beer. We anticipate that the acquisition of Coors Brewers will substantially increase the contribution of our international operations to our total results. See Item 1.(a), General Development of Business, Recent general business developments and Note 17, Subsequent Event, in the Notes to the Consolidated Financial Statements, for discussion relative to the Carling acquisition.

(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 our

country of domicile, the United States, and all foreign countries.

ITEM 2. Properties

As of December 30, 2001, our major facilities were:

Facility	Location	Product
Brewery/packaging	Golden, CO	Malt beverages/packaged malt beverages
Packaging	Elkton, VA (Shenandoah)	Packaged malt beverages
Brewery/packaging	Memphis, TN	Malt beverages/packaged malt beverages
Can and end plants	Golden, CO	Aluminum cans and ends
Bottle plant	Wheat Ridge, CO	Glass bottles
Distribution warehouse	Meridian, ID Denver, CO Glenwood Springs, CO	Wholesale beer distribution

In 2001, we sold our distribution operations in Anaheim, California, and Oklahoma City, Oklahoma, but retained ownership of the facilities. We are in the process of selling the land and buildings associated with these previously owned distributors and in the short-term are leasing these facilities to the buyers of the distributor operations. Also in 2001, we sold the entire San Bernardino, California, distribution operation and facility. We own all of our remaining distribution facilities except our Glenwood Springs, Colorado, distribution warehouse that is leased. The lease was due to expire on September 30, 2002, and has been renegotiated for an additional five-year period commencing October 1, 2002, and terminating on September 30, 2007.

We own approximately 1,900 acres of land in Golden, Colorado, which include brewing, packaging, can manufacturing and related facilities, as well as gravel deposits and water storage facilities. We own 2,200 acres of land in Rockingham County, Virginia, where the Shenandoah facility is located, and 132 acres in Shelby County, Tennessee, where the Memphis facility is located.

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

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

After being capacity constrained in our operations during peak season in recent years, in 2001 we spent $244.5 million on capital improvement projects, approximately two-thirds of which was related to improving production capacity, flexibility and efficiency. With these important capabilities in place, we now have ample capacity in brewing, packaging and warehousing to more efficiently meet expected growth in consumer demand for our products, including during the peak summer selling season. During 2002, we currently anticipate capital spending in the range of $135 to $145 million in our North American business. Combined with the capacity work completed in 2001, this level of capital spending will allow us to grow this business and improve its efficiency in the years ahead. As a result, we currently plan capital spending for our North American business in the range of 2002 levels for at least the next several years.

ITEM 3. Legal Proceedings

We were one of a number of entities named by the Environmental Protection Agency (EPA) as a potentially responsible party (PRP) at the Lowry Superfund site. This landfill is owned by the City and County of Denver (Denver), and was managed by Waste Management of Colorado, Inc. (Waste). In 1990, we recorded a special pretax charge of $30 million, a portion of which was put into a trust in 1993 as part of an agreement with Denver and Waste to settle the outstanding litigation related to this issue.

Our settlement was based on an assumed cost of $120 million (in 1992 adjusted dollars). It requires us to pay a portion of future costs in excess of that amount.

In January 2002, in response to the EPA's five-year review conducted in 2001, Waste provided us with updated annual cost estimates through 2032. We have reviewed these cost estimates in the assessment of our accrual related to this issue. In determining that the current accrual is adequate, we eliminated certain costs included in Waste's estimates, primarily trust management costs that will be accrued as incurred, certain remedial costs for which technology has not yet been developed and income taxes which we do not believe to be an included cost in the determination of when the $120 million threshold is reached. We generally used a 2% inflation rate for future costs, and discounted certain operations and maintenance costs at the site that we deemed to be determinable, at a 5.46% risk-free rate of return. Based on these assumptions, the present value and gross amount of discounted costs are approximately $1 million and $4 million, respectively. We did not assume any future recoveries from insurance companies in the estimate of our liability.

There are a number of uncertainties at the site, including what additional remedial actions will be required by the EPA, and what costs are included in the determination of when the $120 million threshold is reached. Because of these issues, the estimate of our liability may change as facts further develop, and we may need to increase the reserve. While we cannot predict the amount of any such increase, an additional accrual of as much as $25 million is reasonably possible based on our preliminary evaluation, with additional cash contributions beginning as early as 2013.

We were one of several parties named by the EPA as a PRP at the Rocky Flats Industrial Park site. In September 2000, the EPA entered into an Administrative Order on Consent with certain parties, including our company, requiring implementation of a removal action. Our projected costs to construct and monitor the removal action are approximately $300,000. The EPA will also seek to recover its oversight costs associated with the project, which are not possible to estimate at this time. However, we believe they would be immaterial to our operating results, cash flows and financial position.

In August 2000, an accidental spill into Clear Creek at our Golden, Colorado, facility caused damage to some of the fish population in the creek. A settlement reached in February 2001 with the Colorado Department of Public Health and Environment was modified based on public comment, including comments by the EPA. As a result, permit violations that occurred several years prior to the accidental spill were included in the settlement, as well as economic benefit penalties related to those prior violations. A total civil penalty of $100,000 was assessed in the final settlement with the Department reached in August 2001. In addition, we will undertake an evaluation of our process wastewater treatment plant. On December 21, 2001, we settled with the Colorado Division of Wildlife for the loss of fish in Clear Creek. We have agreed to construct, as a pilot project, a tertiary treatment wetland area to evaluate the ability of a wetland to provide additional treatment to the effluent from our waste treatment facilities. We will also pay for the stocking of game fish in the Denver metropolitan area and the cost of two graduate students to assist in the research of the pilot project. The anticipated costs of the project are estimated to be approximately $500,000. The amounts of these settlements have been fully accrued as of December 30, 2001.

From time to time, we have been notified that we are or may be a PRP under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws for the cleanup of other sites where hazardous substances have allegedly been released into the environment. We cannot predict with certainty the total costs of cleanup, our share of the total cost (if any), the extent to which contributions will be available from other parties, the amount of time necessary to complete the cleanups or insurance coverage.

In addition, we are aware of groundwater contamination at some of our properties in Colorado resulting from historical, ongoing or nearby activities. There may also be other contamination of which we are currently unaware.

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

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

Our Class B non-voting common stock has traded on the New York Stock Exchange since March 11, 1999, under the symbol "RKY" and prior to that was quoted on the NASDAQ National Market under the symbol "ACCOB."

The approximate number of record security holders by class of stock at March 15, 2002, is as follows:

Title of class	Number of record security holders
Class A common stock, voting, no par value	All shares of this class are held by the Adolph Coors, Jr. Trust
Class B common stock, non-voting, no par value	2,916
Preferred stock, non-voting, no par value	None issued

The following table sets forth the high and low sales prices per share of our Class B common stock as reported by the New York Stock Exchange:

	2001 Market price		
	High	Low	Dividends
First quarter	$78.25	$61.375	$ 0.185
Second quarter	$67.11	$49.39	$ 0.205
Third quarter	$52.40	$43.59	$ 0.205
Fourth quarter	$59.27	$43.83	$ 0.205

	2000		
	Market price		
	High	Low	Dividends
First quarter	$53.75	$37.375	$ 0.165
Second quarter	$66.50	$42.4375	$ 0.185
Third quarter	$67.625	$57.125	$ 0.185
Fourth quarter	$82.3125	$58.9375	$ 0.185

ITEM 6. Selected Financial Data

The table below summarizes selected financial information for us for the 5 years ended as noted. For further information, refer to our consolidated financial statements and notes thereto presented under Item 8, Financial Statements and Supplementary Data.

	2001	2000(1)	1999
Consolidated Statement of Operations Data:	(in thousands, except per share)		
Gross sales	$2,842,752	$2,841,738	$2,642,712
Beer excise taxes	(413,290)	(427,323)	(406,228)
Net sales	2,429,462	2,414,415	2,236,484
Cost of goods sold	(1,537,623)	(1,525,829)	(1,397,251)
Gross profit	891,839	888,586	839,233
Other operating expenses:			
Marketing, general and administrative	(717,060)	(722,745)	(692,993)
Special (charges) credits	(23,174)	(15,215)	(5,705)
Other operating expenses	(740,234)	(737,960)	(698,698)
Operating income	151,605	150,626	140,535
Other income (expense)-net	46,408	18,899	10,132
Income before income taxes	198,013	169,525	150,667
Income tax expense	(75,049)	(59,908)	(58,383)
Income from continuing operations	$ 122,964	$ 109,617	$ 92,284
Per share of common stock - basic	$ 3.33	$ 2.98	$ 2.51
Per share of common stock - diluted	$ 3.31	$ 2.93	$ 2.46
Consolidated Balance Sheet Data:			
Cash and cash equivalents and short-term and long-term marketable securities	$ 309,705	$ 386,195	$ 279,883
Working capital	$ 88,984	$ 118,415	$ 220,117
Properties, at cost, net	$ 869,710	$ 735,793	$ 714,001
Total assets	$1,739,692	$1,629,304	$1,546,376
Long-term debt (4)	$ 20,000	$ 105,000	$ 105,000
Other long-term liabilities (4)	$ 47,480	$ 45,446	$ 52,579
Shareholders' equity	$ 951,312	$ 932,389	$ 841,539
Cash Flow Data:			
Cash provided by operations	$ 193,396	$ 280,731	$ 211,324
Cash used in investing activities	$ (196,749)	$ (297,541)	$ (121,043)
Cash used in financing activities	$ (38,844)	$ (26,870)	$ (87,687)
Other Information:			
Barrels of malt beverages sold	22,713	22,994	21,954
Dividends per share of common stock	$ 0.800	$ 0.720	$ 0.645
EBITDA (2)	$ 300,208	$ 298,112	$ 273,213
Capital expenditures	$ 244,548	$ 154,324	$ 134,377
Total debt to total capitalization (3)	9.9%	10.1%	11.1%

(1) 53-week year versus 52-week year.
(2) EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA is defined as earnings before interest, taxes, depreciation and amortization and excludes special (charges) credits, which are shown above, and gains on sales of distributorships in 2001 and 2000.
(3) Total capitalization is defined as total debt plus shareholders' equity.
(4) See Note 17, Subsequent Events, in the Notes to the Consolidated Financial Statements for discussion of debt incurred relative to the Carling acquisition.

	1998	1997
Consolidated Statement of Operations Data:	(in thousands, except per share)	
Gross sales	$2,463,655	$2,378,143
Beer excise taxes	(391,789)	(386,080)
Net sales	2,071,866	1,992,063
Cost of goods sold	(1,333,026)	(1,302,369)
Gross profit	738,840	689,694
Other operating expenses:		
Marketing, general and administrative	(615,626)	(573,818)
Special (charges) credits	(19,395)	31,517
Other operating expenses	(635,021)	(542,301)
Operating income	103,819	147,393
Other income (expense)-net	7,281	(500)

Income before income taxes	111,100	146,893
Income tax expense	(43,316)	(64,633)
Income from continuing operations	$ 67,784	$ 82,260
Per share of common stock - basic	$ 1.87	$ 2.21
Per share of common stock - diluted	$ 1.81	$ 2.16
Consolidated Balance Sheet Data:		
Cash and cash equivalents and short-term and long-term marketable securities	$ 287,672	$ 258,138
Working capital	$ 165,079	$ 158,048
Properties, at cost, net	$ 714,441	$ 733,117
Total assets	$1,460,598	$1,412,083
Long-term debt (4)	$ 105,000	$ 145,000
Other long-term liabilities (4)	$ 56,640	$ 23,242
Shareholders' equity	$ 774,798	$ 736,568
Cash Flow Data:		
Cash provided by operations	$ 198,215	$ 273,803
Cash used in investing activities	$ (146,479)	$ (141,176)
Cash used in financing activities	$ (60,661)	$ (72,042)
Other Information:		
Barrels of malt beverages sold	21,187	20,581
Dividends per share of common stock	$ 0.600	$ 0.550
EBITDA (2)	$ 243,977	$ 236,984
Capital expenditures	$ 104,505	$ 60,373
Total debt to total capitalization (3)	15.8%	19.0%

(1) 53-week year versus 52-week year.
(2) EBITDA is not a measure of financial performance under generally accepted accounting principles. EBITDA is defined as earnings before interest, taxes, depreciation and amortization and excludes special (charges) credits, which are shown above, and gains on sales of distributorships in 2001 and 2000.
(3) Total capitalization is defined as total debt plus shareholders' equity.
(4) See Note 17, Subsequent Events, in the Notes to the Consolidated Financial Statements for discussion of debt incurred relative to the Carling acquisition.

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

INTRODUCTION

As noted in Item 1(a) General Development of Business, Recent General Business Developments, we acquired the Carling business in England and Wales from Interbrew S.A. on February 2, 2002. Because the acquisition was finalized in 2002, the operating results and financial position of the Carling business are not included in our 2001, 2000 or 1999 results discussed below. This acquisition will have a significant impact on our future operating results and financial condition. The Carling business, which was subsequently renamed Coors Brewers Ltd., generated sales volume of approximately 9 million barrels in 2001. Since 1995, business has, on average, grown its volumes by 1.9% per annum, despite an overall decline in the U.K. beer market over the same period. This acquisition was funded through cash and third-party debt. The borrowings will have a significant impact on our capitalization, interest coverage and free cash flow trends. See further discussion of this impact in the Liquidity and Capital Resources section below.

Critical Accounting Policies

Our discussions and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, we evaluate the continued appropriateness of our accounting policies and estimates, including those related to customer programs and incentives, bad debts, inventories, product retrieval, investments, intangible assets, income taxes, pension and other post-retirement benefits and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant estimates and judgments used in the preparation of our consolidated financial statements:

Revenue recognition: Revenue is recognized upon shipment of our product to distributors. If we believe that our products do not meet our high quality standards, we retrieve those products and they are destroyed. Any retrieval of sold products is recognized as a reduction of sales at the value of the original sales price and is recorded at the time of the retrieval. Using historical results and production volumes, we estimate the costs that are probable of being incurred for product retrievals and record those costs in Cost of goods sold in the Consolidated Income Statements each period.

Valuation allowance: We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be

realized. While we consider future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

Allowance for obsolete inventory: We write down our inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about historic usage, future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Reserves for insurance deductibles: We carry deductibles for workers' compensation, automobile and general liability claims up to a maximum amount per claim. The undiscounted estimated liability is accrued based on an actuarial determination. This determination is impacted by assumptions made and actual experience.

Contingencies, environmental and litigation reserves: When we determine that it is probable that a liability for environmental matters or other legal actions has been incurred and the amount of the loss is reasonably estimable, an estimate of the required remediation costs is recorded as a liability in the financial statements. Costs that extend the life, increase the capacity or improve the safety or efficiency of company-owned assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred.

Goodwill and intangible asset valuation: Goodwill and other intangible assets, with the exception of the pension intangible asset and water rights, are amortized on a straight-line basis over the estimated future periods to be benefited, generally 40 years for goodwill and up to 20 years for trademarks, naming and distribution rights. We periodically evaluate whether events and circumstances have occurred that indicate the remaining estimated useful life of goodwill and other intangibles may warrant revision or that their remaining balance may not be recoverable. In evaluating impairment, we estimate the sum of the expected future cash flows, undiscounted and without interest charges, derived from these intangibles over their remaining lives. In July 2001, the Financial Accounting Standards Board's issued of Statement of Financial Accounting Standard (SFAS) No. 142, Goodwill and Other Intangible Assets. SFAS 142 will be effective for us beginning in the first quarter of 2002, and requires goodwill and intangible assets that have indefinite lives to not be amortized but be reviewed annually for impairment, or more frequently if impairment indicators arise. Although we have yet to complete our analysis of these assets and the related amortization expense under the new rules, we anticipate that a significant part of the goodwill and other intangible assets on our books at year-end will no longer be subject to amortization. Our analysis has not identified any goodwill or other intangible assets that would be considered impaired under SFAS 142.

In 2000, the Financial Accounting Standards Board's Emerging Issues Task Force issued a pronouncement stating that shipping and handling costs should not be reported as a reduction to gross sales within the income statement. As a result of this pronouncement, our finished product freight expense, which is incurred upon shipment of our product to our distributors, is now included within Cost of goods sold in our accompanying Consolidated Statements of Income. Prior to 2000, this expense had previously been reported as a reduction to gross sales; fiscal year 1999 financial statements have been reclassified for consistent presentation of where freight expense is reported.

Summary of operating results:

	Fiscal year ended					
	December 30, 2001		December 31, 2000		December 26, 1999	
	(In thousands, except percentages)					
Gross sales	$2,842,752		$2,841,738		$2,642,712	
Beer excise taxes	(413,290)		(427,323)		(406,228)	
Net sales	2,429,462	100%	2,414,415	100%	2,236,484	100%
Cost of goods sold	(1,537,623)	63%	(1,525,829)	63%	(1,397,251)	62%
Gross profit	891,839	37%	888,586	37%	839,233	38%
Other operating expenses:						
Marketing, general and administrative	(717,060)	30%	(722,745)	30%	(692,993)	31%
Special charges	(23,174)	1%	(15,215)	1%	(5,705)	--
Total other operating expenses	(740,234)	31%	(737,960)	31%	(698,698)	31%
Operating income	151,605	6%	150,626	6%	140,535	7%
Other income - net	46,408	2%	18,899	1%	10,132	--
Income before taxes	198,013	8%	169,525	7%	150,667	7%
Income tax expense	(75,049)	3%	(59,908)	2%	(58,383)	3%
Net income	$ 122,964	5%	$ 109,617	5%	$ 92,284	4%

CONSOLIDATED RESULTS OF OPERATIONS - 2001 VS. 2000 AND 2000 VS. 1999

This discussion summarizes the significant factors affecting our consolidated results of operations, liquidity and capital resources for the three-year period ended December 30, 2001, and should be read in conjunction with the financial statements and notes thereto included elsewhere in this report. Our fiscal year is the 52 or 53 weeks that end on the last Sunday in December. Our 2001 and 1999 fiscal years each consisted of 52 weeks whereas our 2000 fiscal year consisted of 53 weeks.

2001 VS. 2000:

Gross and Net Sales

Our gross and net sales were $2,842.8 million and $2,429.5 million, respectively, for the 52-week fiscal year ended December 30, 2001, resulting in a $1.1 million and $15.1 million increase over our 2000 gross and net sales of $2,841.7 million and $2,414.4 million, respectively. Net revenue per barrel increased 1.9% over 2000. Sales volume totaled 22,713,000 barrels in 2001, a 1.2% decrease from 2000. Excluding the extra week in fiscal year 2000, net sales volume decreased 0.1% in 2001. The relatively soft volume in 2001 resulted from the following factors: our competitors' introduction of new flavored malt-based beverages which garnered some attention from distributors and retailers and lessening some attention from core beer brands; unseasonably cold weather early in the year in most parts of the United States; and weak economic conditions in some of our key markets, including California and Texas. The increase in net sales and net revenue per barrel over last year was due to higher domestic pricing of approximately 2% and less promotional discounting, partially offset by a mix shift away from higher-priced brands and geographies. Excise taxes as a percent of gross sales were 14.5% in 2001 compared with 15.0% in 2000. The decline was mainly due to the change in our geographic sales mix.

Cost of Goods Sold and Gross Profit

Cost of goods sold increased by 0.8% to $1,537.6 million from $1,525.8 million in 2000. Cost of goods sold as a percentage of net sales was 63.3% in 2001 compared with 63.2% in 2000. On a per barrel basis, cost of goods sold increased 2% over 2000. This increase was primarily due to higher packaging material costs for aluminum cans and glass bottles, in addition to higher raw materials, energy and labor costs. The continuing shift in our package mix toward more expensive longneck bottles also increased costs slightly. These increases were partially offset by distribution efficiencies from new information systems and processes designed to reduce transportation costs, the benefits from not incurring the 53rd week of costs and closing our Spain brewing and commercial operations in 2000.

Gross profit as a percentage of net sales of 36.7% in 2001 was virtually unchanged from prior year's 36.8%.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses were $717.1 million in 2001 compared with $722.7 million in 2000. The $5.6 million decrease was mostly due to lower costs for advertising and promotions and the favorable impact from the sale of our company-owned distributorships which resulted in less advertising and overhead costs. In addition, overhead expenses declined due to 52 weeks in 2001 versus 53 weeks in the prior year. These favorable variances were partially offset by higher costs related to information systems, market research and professional fees.

Special Charges

Our net special charges were $23.2 million in 2001 compared to special charges of $15.2 million in 2000. The following is a summary of special charges incurred during these years:

Information technology: We entered into a contract with EDS Information Services, LLC (EDS), effective August 1, 2001, to outsource certain information technology functions. We incurred outsourcing costs during the year of approximately $14.6 million. These costs were mainly related to a $6.6 million write-down of the net book value of information technology assets that were sold to and leased back from EDS, $5.3 million of one-time implementation costs and $2.7 million of employee transition costs and professional fees associated with the outsourcing project. We believe this new arrangement will allow us to focus on our core business while having access to the expertise and resources of a world-class information technology provider.

Restructure charges: In the third quarter of 2001, we recorded $1.6 million of severance costs for approximately 25 employees, primarily due to the restructuring of our purchasing organization. During the fourth quarter of 2001, we announced plans to restructure certain production areas. These restructurings, which began in October 2001 and have continued through April 2002, will result in the elimination of approximately 90 positions. As a result, we recorded associated employee termination costs of approximately $4.0 million in the fourth quarter. Similar costs of approximately $0.4 million related to employee terminations in other functions were also recorded in the fourth quarter. We expect all 2001 severance to be paid by the second quarter of 2002. We continue to evaluate our entire supply chain with the goal of becoming a more competitive and efficient organization.

Can and end plant joint venture: In the third quarter of 2001, we recorded $3.0 million of special charges related to the dissolution of our existing can and end joint venture as part of the restructuring of this part of our business that will allow us to achieve operational efficiencies. Effective January 1, 2002, we entered into a partnership agreement with Ball Corporation, one of the world's leading suppliers of metal and

plastic packaging to the beverage and food industries, for the manufacture and supply of aluminum cans and ends for our domestic business.

Property abandonment: In 2001, we recorded a $2.3 million charge for a portion of certain production equipment that was abandoned and will no longer be used.

Spain closure: In 2000, we recorded a total pretax special charge of $20.6 million related to the closure of our Spain brewing and commercial operations. Of the total charge, $11.3 million related to severance and other related closure costs for approximately 100 employees, $4.9 million related to a fixed asset impairment charge and $4.4 million for the write- off of our cumulative translation adjustments previously recorded to equity related to our Spain operations. All severance and related closure costs were paid by July 1, 2001, out of current cash balances. The closure resulted in savings of approximately $7 million in 2001 and only modest savings in 2000. These savings were invested back into our domestic and international businesses. In December 2001, the plant and related fixed assets were sold for approximately $7.2 million resulting in a net gain, before tax, of approximately $2.7 million.

Insurance settlement: In 2000, we received an insurance claim settlement of $5.4 million that was credited to special charges.

Operating Income

As a result of the factors noted above, operating income was $151.6 million for the year ended December 30, 2001, an increase of $1.0 million or 0.7% over operating income of $150.6 million for the year ended December 31, 2000. Excluding special charges, operating income was $174.8 million, an $9.0 million or 5.4% increase over operating earnings of $165.8 million in 2000.

Other Income (Expense), Net

Other income (expense), net consists of items such as interest income, equity income on certain unconsolidated affiliates and gains and losses from divestitures and foreign currency exchange transactions. Net other income was $46.4 million in 2001 compared with income of $18.9 million in 2000. The $27.5 million increase was mainly due to $27.7 million of gains recognized from the sale of company-owned distributorships coupled with a $2.0 million gain from the sale of certain non-essential water rights. In addition, as part of our tax strategy to utilize certain capital loss carryforwards, we recognized gains of $4.0 million from the sale of marketable securities. Partially offsetting these gains were net foreign currency exchange losses of $0.3 million primarily related to a derivative transaction performed in anticipation of the Carling acquisition, a write- off of mineral land reserves of $1.0 million, an equity loss from the Molson USA joint venture of $2.2 million and goodwill amortization of $1.6 million related to this investment.

Income Taxes

Our reported effective tax rate for 2001 was 37.9% compared to 35.3% in 2000. In 2000, our rate was affected by the favorable settlement of certain tax issues related to the Spain brewery closure, the resolution of an Internal Revenue Service audit and reduced state tax rates. Excluding the impact of special charges, our effective tax rate for 2001 was 37.9% compared to 38.0% in 2000.

Net Income

Net income for the year increased $13.3 million, or 12.2%, over the prior year. For 2001, net income was $123.0 million, or $3.33 per basic share ($3.31 per diluted share), which compares to net income of $109.6 million, or $2.98 per basic share ($2.93 per diluted share), for 2000. Adjusting for the impact of share repurchases of approximately 1,500,000 shares, net income per share, would have been $3.29 per basic share ($3.27 per diluted share) in 2001. Excluding special charges and gains on sales of distributorships, after-tax earnings for 2001 were $120.2 million, or $3.26 per basic share ($3.23 per diluted share). This was a $6.3 million or 5.5% increase over 2000 of $113.9 million, or $3.10 per basic share ($3.04 per diluted share).

2000 VS. 1999:

Gross and Net Sales

Our gross and net sales for 2000 were $2,841.7 million and $2,414.4 million, respectively, resulting in a $199.0 million and $177.9 million increase over our 1999 gross and net sales of $2,642.7 million and $2,236.5 million, respectively. Net revenue per barrel was 3.1% higher than 1999. Gross and net sales were favorably impacted by a 4.7% increase in barrel unit volume. We sold 22,994,000 barrels of beer and other malt beverages in 2000 compared to sales of 21,954,000 barrels in 1999. Net sales in 2000 were also favorably impacted by a continuing shift in consumer preferences toward higher-net-revenue products, domestic price increases and a longer fiscal year (2000 consisted of 53 weeks versus 52 weeks in 1999). Excluding our 53rd week, unit volume was up approximately 4.1% compared to the 52-week period ended December 26, 1999. Excise taxes as a percent of gross sales decreased slightly in 2000 compared to 1999 primarily as a result of a shift in the geographic mix of our sales.

Cost of Goods Sold and Gross Profit

Cost of goods sold was $1,525.8 million in 2000, an increase of 9.2% compared to $1,397.3 million in 1999. Cost of goods sold as a percentage

of net sales was 63.2% for 2000 compared to 62.5% for 1999. On a per barrel basis, cost of goods sold increased 4.3% in 2000 compared to 1999. This increase was primarily due to an ongoing mix shift in demand toward more expensive products and packages, including longneck bottles and import products sold by Coors-owned distributors, as well as higher aluminum, energy and freight costs. Cost of goods sold also increased as a result of higher labor costs in 2000 from wage increases and overtime incurred during our peak season to meet unprecedented demand for our products, higher depreciation expense because of higher capital expenditures and additional fixed costs as a result of our 53rd week in 2000.

Gross profit for 2000, was $888.6 million, a 5.9% increase over gross profit of $839.2 million for 1999. As a percentage of net sales, gross profit decreased to 36.8% in 2000 compared to 37.5% of net sales in 1999.

Marketing, General and Administrative Expenses

Marketing, general and administrative costs were $722.7 million in 2000 compared to $693.0 million in 1999. The $29.7 million or 4.3% increase over the prior year was primarily due to higher spending on marketing and promotions, both domestically and internationally. We continued to invest behind our brands and sales forces -- domestic and international -- during 2000, which included reinvesting incremental revenues that were generated from the volume and price increases achieved and discussed earlier. Our 2000 corporate overhead and information technology spending was also up slightly over 1999.

Special Charges

In 2000, our net special charges were $15.2 million. We incurred a total special charge of $20.6 million triggered by our decision to close our Spain brewery and commercial operations. Of the approximately $20.6 million charge, approximately $11.3 million related to severance and other related closure costs for approximately 100 employees, approximately $4.9 million related to a fixed asset impairment charge and approximately $4.4 million for the write-off of our cumulative translation adjustments previously recorded to equity related to our Spain operations. In 2000, approximately $9.6 million of severance and other related closure costs were paid with the remaining $1.7 million reserve being paid during the first quarter of 2001. These payments were funded from current cash balances. Closing our Spain operations eliminated annual operating losses of approximately $7.0 million to $8.0 million. The anticipated payback period is less than three years. We intend to invest much of the annual savings into our domestic and international businesses. The closure resulted in small savings in 2000. The Spain closure special charge was partially offset by an unrelated insurance claim settlement credit of $5.4 million.

In 1999, we recorded a special charge of $5.7 million. The special charge included $3.7 million for severance costs from the restructuring of our engineering and construction units and $2.0 million for distributor network improvements. Approximately 50 engineering and construction employees accepted severance packages under this reorganization. Amounts paid related to this restructuring were approximately $0.2 million, $2.3 million and $0.9 million during 2001, 2000 and 1999, respectively.

Operating Income

As a result of these factors, our operating income was $150.6 million for the year ended December 31, 2000, an increase of $10.1 million or 7.2% over operating income of $140.5 million for the year ended December 26, 1999. Excluding special charges, operating earnings were $165.8 million for 2000, an increase of $19.6 million or 13.4% over operating earnings of $146.2 million for 1999.

Other Income (Expense), Net

Net other income was $18.9 million for 2000, compared with net other income of $10.1 million for 1999. The significant increase in 2000 was primarily due to higher net interest income, resulting from higher average cash investment balances with higher average yields and lower average debt balances in 2000 compared to 1999.

Income Taxes

Our reported effective tax rate for 2000, was 35.3% compared to 38.8% for 1999. The primary reasons for the decrease in our effective rate were the realization of a tax benefit pertaining to the Spain brewery closure, the resolution of an Internal Revenue Service audit and reduced state tax rates. Excluding the impact of special charges, our effective tax rate for the year ended December 31, 2000, was 38.0%, compared to 38.8% for the year ended December 26, 1999.

Net Income

Net income for the year increased $17.3 million or 18.7% over the prior year. For 2000, net income was $109.6 million, or $2.98 per basic share ($2.93 per diluted share), which compares to net income of $92.3 million, or $2.51 per basic share ($2.46 per diluted share), for 1999. Excluding special charges and gains of sales of distributorships, after-tax earnings for 2000, were $113.9 million, or $3.10 per basic share ($3.04 per diluted share). This was an $18.1 million or 18.9% increase over after-tax earnings, excluding special charges, of $95.8 million, or $2.61 per basic share ($2.56 per diluted share), for 1999.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash provided by operating activities, marketable securities and external borrowings, including a new revolving credit facility that became effective after year-end. At the end of 2001, our cash and cash equivalents and marketable securities totaled $309.7 million, down from $386.2 million at the end of 2000. Additionally, cash and cash equivalents declined from $119.8 million in 2000 to $77.1 million in 2001. At December 30, 2001, working capital was $89.0 million compared to $118.4 million at December 31, 2000. The decrease in cash and cash equivalents was primarily due to the following: the payment of $65 million for the purchase of a 49.9% interest in Molson USA, LLC, a joint venture with Molson, Inc.; higher capital expenditures of $244.5 million; and $72.3 million of stock repurchases. Proceeds from the sale of our company-owned distributorships positively impacted our cash balance. The decrease in working capital was due to the reclassification of $80 million of debt from long term to current, as this amount is due in July 2002; higher accounts payable resulting mostly from increased capital expenditures, higher cash overdraft balances (which are classified as financing activities in the Consolidated Statements of Cash Flows), coupled with liabilities assumed relative to our purchase of Rexam's interest in our prior can joint venture. Lower sales in 2001, driven primarily by a slight softening in demand, resulted in a decrease in accounts receivable. Inventories increased due to an inventory transfer from our prior can joint venture related to our purchase of Rexam's interest in that joint venture. At December 30, 2001, our total investment in marketable securities was $232.6 million, all of which were classified as current assets. At December 31, 2000, the amount in current was $72.8 million. In January 2002, these securities were sold, resulting in a net gain of $4.0 million, of which approximately half of these proceeds were used in the Carling acquisition and the remaining amount was applied towards operating cash requirements. In March 2002, all obligations under the terms of our Colorado Industrial Revenue bonds were prepaid totaling approximately $5.0 million and the debt was terminated. As part of the settlement and indemnification agreement related to the Lowry Superfund site with the City and County of Denver and Waste Management of Colorado, Inc., we agreed to post a letter of credit equal to the present value of our share of future estimated costs if estimated future costs exceed a certain amount and our long-term credit rating falls to a certain level. The future estimated costs now exceed the level provided in the agreement, however, our credit rating remains above the level that would require this letter of credit to be obtained. Based on our preliminary evaluation, should our credit rating fall below the level stipulated by the agreement, it is reasonably possible that the letter of credit that would be issued could be for as much as $10 million. For more information on the Lowry Superfund site see the Environmental Contingencies section below.

We believe that cash flows from operations, cash from the sale or maturity of marketable securities, all of which are highly liquid, and cash provided by short-term borrowings through our revolver financing, when necessary, will be sufficient to meet our ongoing operating requirements, scheduled principal and interest payments on debt, dividend payments and anticipated capital expenditures. However, our liquidity could be significantly impacted by a decrease in demand for our products, which could arise from competitive circumstances, a decline in the societal acceptability views of alcohol beverages, any shift away from light beers and any of the other factors we describe in the section titled "Risk Factors". We also have recently entered into new credit facilities in connection with the acquisition of the Coors Brewers business. These facilities contain financial and operating covenants, and provide for scheduled repayments, that could impact our liquidity on an ongoing basis.

Operating Activities

The net cash provided by operating activities for each of the three years presented reflects our net income adjusted for non-cash items. Net cash provided by operating activities was $193.4 million for 2001, compared to $280.7 million and $211.3 million for 2000 and 1999, respectively. Operating cash flows were $87.3 million lower in 2001 than in 2000 as higher net income of $13.3 million was more than offset by a decline in cash distributions received from our joint venture entities and lower depreciation expense. Also in 2001, we realized significant gains on the sale of properties and securities, and our net deferred tax liability decreased from year-end 2000 mainly due to the realization of certain tax benefits. The gains from the sale of properties were mainly due to the sale of three company-owned distributorships for $27.7 million. Operating cash flows in 1999 were $67.4 million lower than in 2000 because of a $48.0 million contribution we made to our defined benefit pension plan in January 1999 with no similar contribution being made in 2000. The 1999 contribution was made as a result of benefit improvements made to our defined benefit pension plan that resulted in an increase in the projected benefit obligation of approximately $48.0 million. The remaining increase in 2000 operating cash flow was due to higher net income, higher depreciation expense, the non-cash portion of the special charge related to Spain, higher cash distributions received from our joint venture entities and working capital changes. The increase in distributions received was a result of higher earnings of the joint ventures in 2000 compared to 1999. The fluctuations in working capital were primarily due to timing between the two years; our accounts receivable were lower at December 31, 2000, as a result of the 53rd week in 2000, which tends to be our slowest week, and our accounts payable were higher at December 31, 2000, due to increased capital expenditures at the end of 2000 compared to 1999. These increases in operating cash flows were partially offset by increases in the equity earnings of our joint ventures and gains on sale of properties.

Investing Activities

During 2001, we used $196.7 million in investing activities compared to a use of $297.5 million in 2000 and $121.0 million in 1999. The $100.8 million decrease from 2000 to 2001 was primarily due to proceeds from the sale of properties, mainly three of our company-owned distributorships, and lower net investment activity in 2001. In 2001, our net cash proceeds from marketable securities activity was $39.9 million compared to a net cash use of $148.6 million in 2000. In 2000, we shifted to investing in longer-term marketable securities by investing cash from short-term investment maturities into longer term corporate, government agency and municipal debt instruments, all of which are highly liquid. This change in investment strategy resulted in a higher cash outflow for purchases of securities in 2000 compared to 2001. Cash used in 2001 for investing activities consisted of the $65 million payment made to acquire our 49.9% interest in Molson USA, a joint venture with Molson, Inc. and increased capital expenditures of $244.5 million compared to $154.3 in 2000. A significant portion of our 2001 capital expenditures were for capacity-related projects that were started late in 2000 and in early 2001. Net cash used in investing was $176.5 million higher in 2000 compared to 1999 mostly due to our change in investment strategy in 2000 which resulted in a higher net cash outflow for purchases of securities in 2000 compared to 1999 of $159.6 million, coupled with higher capital expenditures.

Financing Activities

Net cash used in financing activities was $38.8 million in 2001, consisting primarily of $72.3 million for purchases of our Class B common stock under our stock repurchase program, dividend payments of $29.5 million on our Class B common stock, partially offset by cash inflows of $51.6 million related to an increase in cash overdrafts over year-end 2000; and $10.7 million associated with the exercise of stock options under our stock option plans.

During 2000, we used approximately $26.9 million in financing activities, primarily for dividend payments of $26.6 million on our Class B common stock and $20.0 million for purchases of our Class B common stock under our stock repurchase program. These cash uses were partially offset by cash inflows of $17.2 million related to the exercise of stock options under our stock option plans.

During 1999, we used $87.7 million in financing activities consisting primarily of principal payments of $40.0 million on our medium-term notes, net purchases of $11.0 million for Class B common stock, dividend payments of $23.7 million and a decrease in cash overdrafts of $11.3 million.

Debt Obligations

At December 30, 2001, we had $100 million in unsecured Senior Notes outstanding, $80 million of which is due in July 2002. The remaining $20 million is due in 2005. Fixed interest rates on these notes range from 6.76% to 6.95%. Interest is paid semiannually in January and July. No principal payments were due or made on our debt in 2001 or 2000.

Our affiliate, RMMC has planned capital improvements of approximately $50.0 million over the first three years of its operations. RMMC will fund these improvements using third-party financing. This debt will be secured by the joint venture's various supply and access agreements with no recourse to either Coors or Ball. This debt will not be included in our financial statements.

In connection with our acquisition of the Coors Brewers business, we entered into new senior unsecured credit facilities under which we borrowed $800 million of term debt and $750 million of short-term bridge debt. The new facilities also provide up to $300 million of revolving borrowing, none of which has been drawn to date. For more information about our senior unsecured credit facilities, see Note 17, Subsequent Event, in the Notes to the Consolidated Financial Statements.

Subsequent to our acquisition of the Coors Brewers business from Interbrew S.A., Standard and Poor's (S&P) affirmed its BBB+ corporate rating while Moody's downgraded our senior unsecured rating to Baa2 from Baa1. The Moody's downgrade reflects the large size of the acquisition relative to our existing business, and the competitive challenges we continue to face in the U.S. market. It also reflects the significant increase in debt that will result, as well as the decrease in our financial flexibility. The rating continues to reflect our successful franchise in the U.S. market, the Coors Brewers strong position in the U.K. market and the product and geographic diversification that Coors Brewers adds.

Our debt-to-total capitalization ratio declined to 9.9% at the end of 2001, from 10.1% at year-end 2000 and 11.1% at year-end 1999. At February 2, 2002, following the acquisition of the Coors Brewers business, our debt-to- total capitalization ratio was approximately 63%.

Revolving Line of Credit

In addition to the Senior Notes, at December 30, 2001, we had an unsecured, committed credit arrangement totaling $200 million, all of which was available as of December 30, 2001. This line of credit had a five-year term expiring in 2003. A facilities fee was paid on the total amount of the committed credit. Under the arrangement, we were required to maintain a certain debt-to-total capitalization ratio and were in compliance at year- end 2001. In February 2002, this credit facility was terminated and replaced by the credit agreements associated with the purchase of Coors Brewers.

Financial Guarantees

We have a 1.1 million yen financial guarantee outstanding on behalf of our subsidiary, Coors Japan. This subsidiary guarantee is primarily for two working capital lines of credit and payments of certain duties and taxes. One of the lines provides up to 500 million yen and the other provides up to 400 million yen (approximately $6.8 million in total as of December 30, 2001) in short-term financing. As of December 30, 2001, the approximate yen equivalent of $3.0 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 30, 2001, our aggregate commitments for advertising and promotions, including marketing at sports arenas, stadiums and other venues and events, were approximately $91.5 million over the next eight years.

Stock Repurchase Plan

In November 2000, the board of directors authorized the extension of our stock repurchase program through 2001. The program authorizes repurchases of up to $40 million of our outstanding Class B common stock. In the third quarter of 2001, our board of directors increased the amount authorized for stock repurchases in 2001 from $40 million to $90 million. The authorized increase was in response to the market conditions following the events of September 11, 2001. Repurchases were financed by funds generated from operations or by our cash and cash equivalent balances. During 2001, we used $72.3 million to repurchase common stock under this stock purchase program. Even though the board of directors extended the program in November 2001, and authorized the repurchase during 2002 of up to $40 million of stock, we have decided to suspend our share repurchases until debt levels resulting from the acquisition of the Coors Brewers business from Interbrew are reduced.

Capital Expenditures

After being capacity constrained in our operations during peak season in recent years, in 2001 we spent $244.5 million on capital improvement projects, approximately two-thirds of which was related to improving production capacity, flexibility and efficiency. With these important capabilities in place, we now have ample capacity in brewing, packaging and warehousing to more efficiently meet expected growth in consumer demand for our products, including during the peak summer selling season. During 2002, we currently anticipate capital spending in the range of $135 to $145 million in our North American business. Combined with the capacity work completed in 2001, this level of capital spending will allow us to grow this business and improve its efficiency in the years ahead. As a result, we currently plan capital spending for our North American business in the range of 2002 levels for at least the next several years.

Molson USA, LLC

On January 2, 2001, we entered into a joint venture partnership agreement with Molson, Inc. and paid $65 million for a 49.9% interest in the joint venture. The joint venture, known as Molson USA, LLC, was formed to import, market, sell and distribute Molson's brands of beer in the United States. We used a portion of our current cash balances to pay the $65 million acquisition price.

Pension Plan Assets

In 2001, the funded position of the Coors Retirement Plan was eroded somewhat due to the combined effects of a lower discount rate and a challenging investment environment. This resulted in the recognition of an additional minimum liability, resulting from the excess of our accumulated benefit obligation over the fair value of plan assets. For pension plans with accumulated obligations in excess of plan assets, the projected benefit obligation was $659.1 million and the accumulated benefit obligation was $567.2 million. The amounts recognized in the consolidated statement of financial position for accrued pension liability, additional minimum liability, accumulated other comprehensive loss, prepaid benefit cost and intangible asset in 2001 are $61.9 million, $29.8 million, $13.7 million ($8.5 million, net of tax), $21.5 million and $48.3 million, respectively. For further information regarding pension plan assets, refer to Note 7, Employee Retirement Plans, and Note 13, Other Comprehensive Income, in Item 8, Financial Statements and Supplementary Data.

Contractual Obligations and Commercial Commitments

Contractual cash obligations(2):

		Payments due by period			
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
		(in thousands)			
Long term debt	$ 105,000	$85,000	$ 20,000	$ --	$ --
Capital lease obligations	9,377	4,298	5,079	--	--
Operating leases	30,763	7,069	11,832	9,393	2,469
Other long term obligations(1)	1,283,015	657,757	455,363	153,395	16,500
Total obligations	$1,428,155	$754,124	$492,274	$162,788	$18,969

Other commercial commitments(2):

	Amount of commitment expiration per period				
	Total amounts committed	Less than 1 year	1-3 years	4-5 years	After 5 years
		(in thousands)			
Standby letters of credit	$ 5,751	$ 5,336	415	--	--
Guarantees	3,038	3,038	--	--	--
Total commercial commitments	$ 8,789	$ 8,374	$ 415	$ --	$ --

(1) See Note 15, Commitments and Contingencies, in the Notes to the Consolidated Financial Statements for more information.

(2) Amounts do not include commitments related to the acquisition of the Coors Brewers business, see Note 17, Subsequent Event, in the Notes to the Consolidated Financial Statements.

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 Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these statements by forward-looking words such as "expect," "anticipate," "plan," "believe," "seek," "estimate," "outlook," "trends," "industry forces," "strategies," "goals" and similar words. Statements that we make in this report that are not statements of historical fact may also be forward-looking statements. In particular, statements that we make under the headings "Narrative Description of Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Outlook for 2002" relating to our overall volume trends, consumer preferences, pricing trends and industry forces, cost reduction strategies and anticipated results, our expectation for funding our 2002 capital expenditures and operations, our debt service capabilities, our shipment level and profitability, increased market share and the sufficiency of capital to meet working capital, capital expenditures requirements and our strategies are forward-looking statements. Forward-looking statements are not guarantees of our future performance and involve risks, uncertainties and assumptions that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. There may be events in the future that we are not able to predict accurately, or over which we have no control. You should not place undue reliance on forward-looking statements. We do not promise to notify you if we learn that our assumptions or projections are wrong for any reason. You should be aware that the factors we discuss in "Risk Factors" and elsewhere in this report could cause our actual results to differ from any forward-looking statements.

Our actual results for future periods could differ materially from the opinions and statements expressed with respect to future periods. In particular, our future results could be affected by factors related to our acquisition of the Coors Brewers business in the U.K., including integration problems, unanticipated liabilities and the substantial amount of indebtedness incurred to finance the acquisition, which could, among other things, hinder our ability to adjust rapidly to changing market conditions, make us more vulnerable in the event of a downturn and place us at a competitive disadvantage relative to less leveraged competitors.

To improve our financial performance, we must grow premium beverage volume, achieve modest price increases for our products and control costs. 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 matters we discussed in "Risk Factors".

OUTLOOK FOR 2002

Overall, 2001 represented a challenging year for our company, particularly in the area of sales growth. However, in the fourth quarter of 2001, we began to see improved sales trends in our business and in the beer industry.

We are cautiously optimistic that improved U.S. industry growth, when combined with our new advertising and sales efforts, will allow us in 2002 to achieve our long-standing goal of growing our unit volume 1% to 2% faster than the U.S. beer industry. Despite widespread U.S. economic weakness, the industry pricing environment continued to be favorable late in 2001 and early in 2002. An increase in the level of promotional discounting or the degree of value-pack activity could have an unfavorable impact on sales and margins. Geographic and product mix continued to have a modest negative impact on net sales per barrel late in 2001, with sales shifting toward lower-revenue geographies and products. Also important, the comparative net-sales-per-barrel impact of the sale of company-owned U.S. distributorships that we experienced in the fourth quarter of 2001 -- a reduction of about 2.5 % -- is likely to continue for the next three quarters, with slight easing in the third quarter of 2002 and significant easing in the fourth quarter. The disposition of Coors-owned distributorships reduces the growth in our sales per barrel primarily because the volumes sold by these distributorships represents much higher revenue-per-barrel business than our average and because the non-Coors brand volumes (for example, import beers) sold by these distributorships are not included in our reported unit volume.

The current outlook for U.S. cost of goods is more encouraging than we have seen in the past few years. Following are the five cost factors that we think will be most important in 2002:

- First, we are beginning to achieve significant operating efficiencies. Our operations teams have begun to achieve success in a number of areas, particularly with distribution costs and related supply-chain work. Some of these savings have started to become significant, especially in the fourth quarter of 2001. During the past two years, we have been focused on adding production capacity, culminating with the start-up of the new bottle line in our Shenandoah facility this spring. Now, we will focus on utilizing the capacity we have in the most efficient way possible.

- Second, input costs, including packaging materials, agricultural commodities and fuel, are stabilizing. Early in 2002, the outlook is for approximately flat can costs, assuming aluminum ingot prices stay near their current levels. We anticipate modestly higher glass bottle costs, with little change in paper packaging rates and agricultural commodity costs in 2002. Fuel costs are always difficult to forecast, but the outlook at this point is about the same as in 2001. Changes in oil or natural gas prices could alter this outlook.

- Third, mix shifts will also affect costs, but probably less than in the past few years. Aside from changes in raw material rates, we plan to spend more on glass in 2002 because of the continuing shift in our package mix toward longneck bottles (LNNRs), which cost more and are less profitable than most of our other package configurations. We anticipate increasing LNNRs to more than 80% of our bottle mix this year. This represents a significant slowdown in this mix shift toward LNNRs as we complete the phase-out of the shorter convenience bottles.

- Fourth, labor-related costs are expected to increase due to higher pension and health care costs, as well as higher crewing related to capacity expansion projects completed in 2001.

- Fifth, we anticipate that the sale of our distributorships in 2001 will be the largest single factor affecting reported cost of goods in 2002. The fourth quarter 2001 impact of about (3%) offers the best template for the first three quarters of 2002, with this factor essentially normalizing early in the fourth quarter of 2002. The disposition of Coors-owned distributorships reduces the growth in our cost of goods sold per barrel primarily because the volumes sold by these distributorships represents much higher cost-per-barrel business than our average and because the non-Coors brand volumes (for example, import beers) sold by these distributorships are not included in our reported unit volume.

Bringing together all of these factors, we plan to continue to make progress in reducing costs in key areas of our company in 2002. Overall, we see substantial additional potential to reduce our cost of doing business.

Marketing and sales spending in North America is expected to increase in 2002. We continue to focus on reducing costs so that we can invest in our brands and sales efforts incrementally. Additional sales and marketing spending is determined on an opportunity-by-opportunity basis. Incremental revenue generated by price increases is likely to be spent on advertising and marketplace support because the competitive landscape has shifted during the past four years toward much more marketing, promotional and advertising spending. General and administrative costs are expected to increase due to higher labor benefit costs and spending on systems to support our supply chain initiatives.

Interest expense will greatly exceed interest income in 2002 due to the additional debt we incurred to complete the Carling acquisition. We also reduced cash balances to complete this transaction. We will be keenly focused on generating cash and paying down debt for the next few years.

In 2002, we have planned capital expenditures (excluding capital improvements for our container joint ventures, which will be recorded on the books of the respective joint ventures) for our North American business in the range of approximately $135 to $145 million for improving and enhancing our facilities, infrastructure, information systems and environmental compliance. This capital spending plan is down from $244.5 million in 2001. All of the planned reduction for 2002 is the result of completing capacity-related projects in 2001. Based on preliminary analysis, we anticipate 2002 capital spending in our U.K. business will be in the range of $80 to $90 million.

The impact of Coors Brewers on our 2002 outlook will depend substantially on business plans being developed in early 2002.

CONTINGENCIES

Environmental: We were one of a number of entities named by the Environmental Protection Agency (EPA) as a potentially responsible party (PRP) at the Lowry Superfund site. This landfill is owned by the City and County of Denver (Denver), and was managed by Waste Management of Colorado, Inc. (Waste). In 1990, we recorded a special pretax charge of $30 million, a portion of which was put into a trust in 1993 as part of an agreement with Denver and Waste to settle the outstanding litigation related to this issue.

Our settlement was based on an assumed cost of $120 million (in 1992 adjusted dollars). It requires us to pay a portion of future costs in excess of that amount.

In January 2002, in response to the EPA's five-year review conducted in 2001, Waste provided us with updated annual cost estimates through 2032. We have reviewed these cost estimates in the assessment of our accrual related to this issue. In determining that the current accrual is adequate, we eliminated certain costs included in Waste's estimates, primarily trust management costs that will be accrued as incurred, certain remedial costs for which technology has not yet been developed and income taxes which we do not believe to be an included cost in the determination of when the $120 million threshold is reached. We generally used a 2% inflation rate for future costs, and discounted certain operations and maintenance costs at the site that we deemed to be determinable, at a 5.46% risk-free rate of return. Based on these assumptions, the present value and gross amount of discounted costs are approximately $1 million and $4 million, respectively. We did not assume any future recoveries from insurance companies in the estimate of our liability.

There are a number of uncertainties at the site, including what additional remedial actions will be required by the EPA, and what costs are included in the determination of when the $120 million threshold is reached. Because of these issues, the estimate of our liability may change as facts further develop, and we may need to increase the reserve. While we cannot predict the amount of any such increase, an additional accrual of as much as $25 million is reasonably possible based on our preliminary evaluation, with additional cash contributions beginning as early as 2013.

We were one of several parties named by the EPA as a PRP at the Rocky Flats Industrial Park site. In September 2000, the EPA entered into an Administrative Order on Consent with certain parties, including our company, requiring implementation of a removal action. Our projected costs to construct and monitor the removal action are approximately $300,000. The EPA will also seek to recover its oversight costs associated with the project which are not possible to estimate at this time. However, we believe they would be immaterial to our operating results, cash flows and financial position.

In August 2000, an accidental spill into Clear Creek at our Golden, Colorado, facility caused damage to some of the fish population in the creek. A settlement reached in February 2001 with the Colorado Department of Public Health and Environment was modified based on public comment, including comments by the EPA. As a result, permit violations that occurred several years prior to the accidental spill were included in the settlement, as well as economic benefit penalties related to those prior violations. A total civil penalty of $100,000 was assessed in the

final settlement with the Department reached in August 2001. In addition, we will undertake an evaluation of our process wastewater treatment plant. On December 21, 2001, we settled with the Colorado Division of Wildlife for the loss of fish in Clear Creek. We have agreed to construct, as a pilot project, a tertiary treatment wetlands area to evaluate the ability of a wetlands to provide additional treatment to the effluent from our waste treatment facilities. We will also pay for the stocking of game fish in the Denver metropolitan area and the cost of two graduate students to assist in the research of the pilot project. The anticipated costs of the project are estimated to be approximately $500,000. The amounts of these settlements have been fully accrued as of December 30, 2001.

From time to time, we have been notified that we are or may be a PRP under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws for the cleanup of other sites where hazardous substances have allegedly been released into the environment. We cannot predict with certainty the total costs of cleanup, our share of the total cost, the extent to which contributions will be available from other parties, the amount of time necessary to complete the cleanups or insurance coverage.

In addition, we are aware of groundwater contamination at some of our properties in Colorado resulting from historical, ongoing or nearby activities. There may also be other contamination of which we are currently unaware.

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

Litigation: We are also named as a defendant in various actions and proceedings arising in the normal course of business. In all of these cases, we are denying the allegations and are vigorously defending ourselves against them and, in some instances, have 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 our financial position, results of operations or cash flows.

Risk Factors

You should carefully consider the following factors and the other information contained within this document:

We have a substantial amount of indebtedness.

Because of the acquisition of the Coors Brewers business, we will have indebtedness that is substantial in relation to our stockholders' equity. As of February 2, 2002, we have total debt of more than $1.7 billion. Furthermore, our debt agreements permit us to incur additional indebtedness in the future. Our consolidated indebtedness may have the effect, generally, of restricting our flexibility in responding to changing market conditions and could make us vulnerable in the event of a general downturn in economic conditions or our business.

Our substantial indebtedness could have important consequences to us, including:

- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our debt, reducing the funds available to us for other purposes including expansion through acquisitions, marketing spending and expansion of our product offerings; and

- we may be more leveraged than some of our competitors, which may place us at a competitive disadvantage.

Our ability to make scheduled payments or to refinance our obligations with respect to our indebtedness will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

Our ability to successfully integrate the Coors Brewers business and to implement our business strategy with respect to the Coors Brewers business could have a material adverse effect on our financial results.

While we believe that the acquisition of the Coors Brewers business will provide us with significant opportunities to increase our revenues, there can be no assurances that these benefits will be realized or that we will not face difficulty in integrating the Coors Brewers business. Acquisitions involve a number of special risks, including the risk that acquired businesses will not achieve the results we expect, the risk that we may not be able to retain key personnel of the acquired business, unanticipated events or liabilities, and the potential disruption of our business.

If we are unable to successfully integrate the Coors Brewers business, we may not realize anticipated revenue growth, which may negatively impact our profitability. The occurrence of any of the events referred to in the risks described above or other unforeseen developments in connection with the acquisition and integration of the Coors Brewers business could materially and adversely affect our results of operations.

In addition, we have not previously operated a business the size of Coors Brewers in the U.K. If we are unable to retain key personnel of the acquired business, we may be unable to realize the benefits that we expect from the acquisition. If the costs of operating the acquired business

are higher than we expect, our business, financial position and results of operations may be adversely affected.

Loss of the Coors Brewers Limited management team could negatively impact our ability to successfully operate the U.K. business.

The successful operation and integration of the Coors Brewers business is dependent, to a great extent, upon retention of the current management team. Although current management has committed to staying with us, the loss of one or more members could have a material adverse impact on the success of the Coors Brewers business until proper replacements could be found.

Our success depends largely on the success of one product in the U.S. and in the U.K. the failure of which would materially adversely affect our financial results.

Although we currently have 11 products in our U.S. portfolio, Coors Light represented more than 70% of our sales volume for 2001. A key factor in our growth is based on consumer taste preferences that are beyond our control. Our primary competitors' portfolios are more evenly diversified than ours. As a consequence, if consumer tastes shift to another style of beer, the loss of sales from Coors Light would have a disproportionately negative impact on our business compared to the business of our principal competitors. We cannot assure that the Coors Light brand will maintain market share or continue to grow.

We cannot provide assurance that our acquisition of Coors Brewers will mitigate our reliance on a single product to any significant degree or offset the impact of any potential loss of market share or sales of Coors Light. Moreover, Carling lager is the best-selling brand in the U.K. and represented more than 50% of the Coors Brewers sales volume in the U.K. Consequently, any material shift in consumer preferences in the U.K. away from Carling would have a disproportionately negative impact on that business.

Because our primary production facility in the U.S. and the Coors Brewers production facilities in the U.K. are each located at a single site, we are more vulnerable than our competitors to transportation disruptions and natural disasters.

Our primary U.S. production facilities are located in Golden, Colorado, where we brew more than 90% of our volume in the U.S. and package approximately 60% of our products sold in the U.S. Our centralized operations in the U.S. require us to ship our products greater distances than our competitors. We ship approximately 64% of our products by truck and intermodal directly to distributors and satellite redistribution centers. The remaining 36% of our products are transported by railcar to distributors and satellite redistribution centers. If our transportation system in the U.S. is disrupted as a result of labor strikes, work stoppages, or for any other reason, our business and financial results would be negatively impacted.

The Coors Brewers production facilities in the U.K. are located in Burton- on-Trent, England. Although these facilities are composed of two breweries, they are located side-by-side. These two breweries account for the majority of our production in the U.K.

Because these operations are both centralized, we would experience proportionately greater disruption and losses than our competitors if these primary production facilities in the U.S. or the U.K. were damaged by natural disasters or other catastrophes.

We are significantly smaller than our two primary competitors in the U.S., and we are more vulnerable than our competitors to cost and price fluctuations.

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

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

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

We are vulnerable to the pricing actions of our primary competitors, which are beyond our control.

An improved pricing environment over the past several years has allowed us to make moderate, consistent increases in beer prices. These

pricing increases have contributed to our improved profitability. The market may not continue to accept price increases, and our competitors may move away from price increases and implement competitive strategies that involve price discounting. Any material negative change in the current pricing environment could have a material adverse affect on our results of operations.

If any of our suppliers are unable or unwilling to meet our requirements, we may be unable to promptly obtain the materials we need to operate our business.

We purchase most of our paperboard and label packaging for our U.S. products from Graphic Packaging International Corporation. William K. Coors and Peter H. Coors serve, along with other Coors family members, as co- trustees of a number of Coors family trusts which collectively control both Graphic Packaging and us. Graphic Packaging supplies unique packaging to us that is not currently produced by any other supplier. Our agreement with Graphic Packaging expires in 2002. We have begun negotiations to extend this agreement. Because we do not believe there is another readily available source for this packaging, the loss of Graphic Packaging as our supplier without sufficient time to develop an alternative source for our packaging requirements, or a significant increase in prices charged by Graphic Packaging, would likely have a material adverse effect on our business.

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

Coors Brewers has only a single source for their can supply. The loss of this supplier without sufficient time to develop an alternative source would likely have a material adverse effect on their business.

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

The government may adopt regulations that could increase our costs or our liabilities or could limit our business activities.

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

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

If the social acceptability of our products declines, or if litigation is directed at the alcohol beverage industry, our sales volumes could decrease and our business could be materially adversely affected.

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

Any significant shift in packaging preferences in the beer industry could disproportionately increase our costs and could limit our ability to meet consumer demand.

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

We depend on independent distributors to sell our products and we cannot provide any assurance that these distributors will effectively sell our products.

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

Unlike the U.S., in the U.K. Coors Brewers wholesales its products directly to retail outlets and is not dependent upon wholesalers. In the U.K., Coors Brewers distributes its products through Tradeteam, its joint venture with Exel Logistics. Tradeteam operates a system of satellite warehouses and a transportation fleet for delivery between Coors Brewers and customers. Coors Brewers is reliant exclusively upon Tradeteam for these services.

Because our sales volume is more concentrated in a few geographic areas in the U.S., any loss of market share in the states where we are concentrated would have a material adverse effect on our results of operations.

Although we sell beer nationwide and in select international markets, only a few states, California, Texas, Pennsylvania, New York and New Jersey, together represented 44% of our total domestic volume in 2001. We have relatively low market share in the Midwest and Southeast regions of the U.S. Any loss of market share in our core states could have a material adverse effect on our results of operations.

We are subject to environmental regulation by federal, state and local agencies, including laws that impose liability without regard to fault.

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

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

Consolidation of pubs and growth in the size of pub chains in the U.K. could result in less bargaining strength on pricing.

The trend toward consolidation of pubs, away from independent pub and club operations, is increasing in the U.K. One result of this trend is that these pub chains are larger entities, and could have stronger price negotiating power, than independent businesses. If the trend continues, it could impact Coors Brewers' ability to obtain favorable pricing both on- trade and off-trade (due to spillover effect of reduced negotiating leverage) and could reduce profit margins for us and industry wide for brewers.

We may experience labor disruptions in the U.K.

Approximately, 31% of the Coors Brewers 3,150 employees are unionized compared to approximately 8% of our 5,500 employees in the U.S. Although we believe relations with our employees are very good both in the U.S. and in the U.K., the Coors Brewers operations could be affected to a somewhat greater degree by labor strikes, work stoppages or other similar employee- related issues.

ITEM 7a. Quantitative and Qualitative Disclosures About Market Risk

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

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

In December 2001, we entered into a foreign currency forward sale agreement to hedge our exposure to fluctuations in the British pound exchange rate related to acquisition of certain Coors Brewers' assets. Also in anticipation of the Carling acquisition, we entered into a commitment with a lender for the financing of this transaction. Included within the commitment letter is a foreign currency written option which reduced our exposure on the U.S. dollar borrowing to fund the Coors Brewers transaction. The derivatives resulting from these agreements do not qualify for hedge accounting and, accordingly, were marked to market at year-end. The associated $0.3 million net expense was recorded in other income in the accompanying Consolidated Statements of Income.

Subsequent to year-end, the foreign currency swap settled on January 12, 2002, and the written option included in the loan commitment expired on February 11, 2002, resulting in a combined loss and amortization expense of $1.2 million to be realized during the first quarter of 2002.

Derivatives are either exchange-traded instruments that are highly liquid, or over-the-counter instruments with highly rated financial institutions. No credit loss is anticipated because the counterparties to over-the- counter instruments generally have long-term ratings from S&P or Moody's that are no lower than A or A2, respectively. Additionally, most counterparty fair value positions favorable to us and in excess of certain thresholds are collateralized with cash, U.S. Treasury securities or letters of credit. We have reciprocal collateralization responsibilities for fair value positions unfavorable to us and in excess of certain thresholds. At December 30, 2001, we had zero counterparty collateral and had none outstanding.

A sensitivity analysis has been prepared to estimate our exposure to market risk of interest rates, foreign currency exchange rates and commodity prices. The sensitivity analysis reflects the impact of a hypothetical 10% adverse change in the applicable market interest rates, foreign currency exchange rates and commodity prices. The volatility of the applicable rates and prices are dependent on many factors that cannot be forecast with reliable accuracy. Therefore, actual changes in fair values could differ significantly from the results presented in the table below. See Item 8, Financial Statements and Supplementary Data, Note 1, Summary of Accounting Policies, and Note 12, Derivative Instruments, in the Notes to the Consolidated Financial Statements for further discussion.

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

Estimated fair value volatility	As of December 30, 2001	As of December 31, 2000
	(In millions)	
Foreign currency risk:		
forwards, option	$(22.2)	$ (3.0)
Interest rate risk: swaps, debt	$ (0.4)	$ (1.3)
Commodity price risk: swaps, options	$(12.2)	$ (9.1)

ITEM 8. Financial Statements and Supplementary Data

Index to Financial Statements

Report of Independent Accountants

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and comprehensive income of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Adolph Coors Company and its subsidiaries at December 30, 2001, and December 31, 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 30, 2001, in conformity with accounting principles generally accepted in the United States of America. 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 of America 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 our opinion.

PricewaterhouseCoopers LLP

Denver, Colorado
February 6, 2002

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands, except per share data)		
Sales - domestic and international	$ 2,842,752	$ 2,841,738	$ 2,642,712
Beer excise taxes	(413,290)	(427,323)	(406,228)
Net sales (Note 14)	2,429,462	2,414,415	2,236,484
Cost of goods sold	(1,537,623)	(1,525,829)	(1,397,251)
Gross profit	891,839	888,586	839,233
Other operating expenses:			
Marketing, general and administrative	(717,060)	(722,745)	(692,993)
Special charges (Note 9)	(23,174)	(15,215)	(5,705)
Total other operating expenses	(740,234)	(737,960)	(698,698)
Operating income	151,605	150,626	140,535
Other income (expense):			
Gain on sales of distributorships	27,667	1,000	--
Interest income	16,409	21,325	11,286
Interest expense	(2,006)	(6,414)	(4,357)
Miscellaneous - net	4,338	2,988	3,203
Total	46,408	18,899	10,132
Income before income taxes	198,013	169,525	150,667
Income tax expense (Note 5)	(75,049)	(59,908)	(58,383)
Net income (Note 7)	122,964	109,617	92,284
Other comprehensive income (expense), net of tax (Note 13):			
Foreign currency translation adjustments	14	2,632	(3,519)
Unrealized (loss) gain on available-for-sale securities	3,718	1,268	(397)
Unrealized (loss) gain on derivative instruments	(6,200)	(1,997)	6,835
Minimum pension liability adjustment	(8,487)	--	--
Reclassification adjustments	(4,898)	366	--
Comprehensive income	$ 107,111	$ 111,886	$ 95,203
Net income per share - basic	$ 3.33	$ 2.98	$ 2.51
Net income per share - diluted	$ 3.31	$ 2.93	$ 2.46
Weighted-average shares - basic	36,902	36,785	36,729
Weighted-average shares - diluted	37,177	37,450	37,457

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 30, 2001	December 31, 2000
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 77,133	$ 119,761
Short-term marketable securities	232,572	72,759
Accounts and notes receivable:		
Trade, less allowance for doubtful accounts		

of $91 in 2001 and $139 in 2000	94,985	104,484
Affiliates	223	7,209
Other, less allowance for certain claims of $111 in 2001 and $104 in 2000	13,524	15,385
Inventories:		
Finished	32,438	40,039
In process	23,363	23,735
Raw materials	41,534	37,570
Packaging materials, less allowance for obsolete inventories of $2,188 in 2001 and $1,993 in 2000	17,788	8,580
Total inventories	115,123	109,924
Maintenance and operating supplies, less allowance for obsolete supplies of $2,182 in 2001 and $1,621in 2000	23,454	23,703
Prepaid expenses and other assets	21,722	19,847
Deferred tax asset (Note 5)	27,793	24,679
Total current assets	606,529	497,751
Properties, at cost and net (Notes 2 and 14)	869,710	735,793
Goodwill and other intangibles, less accumulated amortization of $9,049 in 2001 and $12,981 in 2000 (Notes 1 and 7)	86,289	54,795
Investments in joint ventures, less accumulated amortization of $1,625 in 2001 (Note 10)	94,785	56,342
Long-term marketable securities	--	193,675
Other assets	82,379	90,948

Total assets $1,739,692 $1,629,304

See notes to consolidated financial statements.

Liabilities and Shareholders' Equity	December 30, 2001 (In thousands)	December 31, 2000
Current liabilities:		
Accounts payable:		
Trade	$ 219,381	$ 186,105
Affiliates	3,112	11,621
Accrued salaries and vacations	56,767	57,041
Taxes, other than income taxes	31,271	32,469
Accrued expenses and other liabilities (Notes 3 and 4)	122,014	92,100
Current portion of long-term debt (Note 4)	85,000	--
Total current liabilities	517,545	379,336
Long-term debt (Note 4)	20,000	105,000
Deferred tax liability (Note 5)	61,635	89,986
Deferred pension and postretirement benefits (Note 7, 8 and 13)	141,720	77,147
Other long-term liabilities (Note 3)	47,480	45,446
Total liabilities	788,380	696,915
Commitments and contingencies (Notes 3, 4, 5, 6, 7, 8, 10 and 15)		
Shareholders' equity (Notes 6, 11 and 13):		
Capital stock:		
Preferred stock, non-voting, no par value (authorized: 25,000,000 shares; issued and outstanding: none)	--	--
Class A common stock, voting, no 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: 200,000,000 shares; issued and outstanding: 34,689,410 in 2001 and 35,871,121 in 2000)	8,259	8,541
Total capital stock	9,519	9,801
Paid-in capital	--	11,332
Unvested restricted stock	(597)	(129)
Retained earnings	954,981	908,123

Accumulated other comprehensive income	(12,591)	3,262
Total shareholders' equity	951,312	932,389

Total liabilities and shareholders' equity $1,739,692 $1,629,304

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
Cash flows from operating activities:		(In thousands)	
Net income	$ 122,964	$ 109,617	$ 92,284
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net earnings of joint ventures	(43,630)	(42,395)	(36,958)
Distributions from joint ventures	39,453	55,379	30,280
Impairment and non-cash portion of special charges	6,591	11,068	4,769
Depreciation, depletion and amortization	121,091	129,283	123,770
Gains on sales of securities	(4,042)	--	--
Net (gain) loss on sale or abandonment of properties and intangibles, net	(30,467)	(4,729)	2,471
Deferred income taxes	(19,176)	6,870	20,635
Change in operating assets and liabilities:			
Accounts and notes receivable	(836)	21,696	(19,159)
Affiliate accounts receivable	6,986	6,564	(1,877)
Inventories	(5,199)	(3,087)	(4,373)
Prepaid expenses and other assets	(6,024)	3,107	(49,786)
Accounts payable	(36,053)	988	59,082
Affiliate accounts payable	8,509	12,650	(12,565)
Accrued expenses and other liabilities	33,229	(26,280)	2,751
Net cash provided by operating activities	193,396	280,731	211,324
Cash flows from investing activities:			
Purchases of investments	(228,237)	(356,741)	(94,970)
Sales and maturities of investments	268,093	208,176	105,920
Additions to properties and intangible assets	(244,548)	(154,324)	(134,377)
Proceeds from sales of properties and intangible assets	63,529	6,427	3,821
Investment in Molson USA, LLC	(65,000)	--	--
Other	9,414	(1,079)	(1,437)
Net cash used in investing activities	(196,749)	(297,541)	(121,043)
Cash flows from financing activities:			
Issuances of stock under stock plans	10,701	17,232	9,728
Purchases of treasury stock	(72,345)	(19,989)	(20,722)
Dividends paid	(29,510)	(26,564)	(23,745)
Payments of long-term debt	--	--	(40,000)
Overdraft balances	51,551	4,686	(11,256)
Other	759	(2,235)	(1,692)
Net cash used in financing activities	(38,844)	(26,870)	(87,687)
Cash and cash equivalents:			
Net (decrease) increase in cash and cash equivalents	(42,197)	(43,680)	2,594
Effect of exchange rate changes on cash and cash equivalents	(431)	(367)	1,176
Balance at beginning of year	119,761	163,808	160,038
Balance at end of year	$ 77,133	$ 119,761	$ 163,808

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Common stock issued		Paid-in capital	Unvested Restricted Stock	Retained earnings	Accumulated other compre-hensive income	Total
Class A	Class B					

	(In thousands, except per share data)						
Balances at December 27, 1998	$ 1,260	$ 8,428	$ 10,505	$ --	$756,531	$ (1,926)	$774,798
Shares issued under stock plans, including related tax benefit	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 at December 26, 1999	1,260	8,443	5,773	--	825,070	993	841,539
Shares issued under stock plans, including related tax benefit	181	25,465	(129)				25,517
Purchases of stock	(83)	(19,906)					(19,989)
Other comprehensive income						2,269	2,269
Net income					109,617		109,617
Cash dividends- $0.72 per share					(26,564)		(26,564)
Balances at December 31, 2000	1,260	8,541	11,332	(129)	908,123	3,262	932,389
Shares issued under stock plans, including related tax benefit	75	13,463	(651)		780		13,667
Amortization of restricted stock			183		(183)		--
Purchases of stock	(357)	(24,795)			(47,193)		(72,345)
Other comprehensive income						(15,853)	(15,853)
Net income					122,964		122,964
Cash dividends- $0.80 per share					(29,510)		(29,510)
Balances at December 30, 2001	$ 1,260	$ 8,259	$ --	$ (597)	$954,981	$(12,591)	$951,312

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: Our consolidated financial statements include our accounts and our majority-owned and controlled domestic and foreign subsidiaries. All significant intercompany accounts and transactions have been eliminated. The equity method of accounting is used for our investments in affiliates where we have the ability to exercise significant influence (see Note 10, Investments). We have other investments that are accounted for at cost.

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

Fiscal year: Our fiscal year is a 52- or 53-week period ending on the last Sunday in December. Fiscal years ended December 30, 2001, and December 26, 1999, were both 52-week periods. Fiscal year ended December 31, 2000, was a 53-week period.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting

period. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications have been made to the 2000 and 1999 financial statements to conform with the 2001 presentation.

Cash and cash equivalents: Cash equivalents represent highly liquid investments with original maturities of 90 days or less. The fair value of these investments approximates their carrying value.

Investments in marketable securities: We invest our excess cash on hand in interest-bearing marketable securities, which include corporate, government agency and municipal debt instruments that are investment grade. All of these securities were considered to be available-for-sale. These securities have been recorded at fair value, based on quoted market prices, through other comprehensive income. Unrealized gains, recorded in Accumulated other comprehensive income, relating to these securities totaled $6.0 million and $2.0 million at December 30, 2001, and December 31, 2000, respectively. Net gains recognized on sales for available-for-sale securities were $4.0 million in 2001. Net gains realized on sales of available-for-sale securities were immaterial in 2000 and 1999. The cost of securities sold is based on the specific identification method. At December 30, 2001, all $232.6 million of these securities were classified as current assets. In January 2002, all of these securities were sold, at a gain of $4.0 million. Approximately half of the related funds were used in the Carling acquisition and the remaining funds were used to cover general operating cash requirements.

Concentration of credit risk: The majority of our accounts receivable balances are from malt beverage distributors. We secure 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 $41.5 million and $42.9 million at December 30, 2001, and December 31, 2000, respectively.

Properties: Land, buildings and machinery 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 40 years; and machinery and equipment, 3 to 20 years. Certain equipment held under capital lease is classified as equipment and amortized using the straight-line method over the lease term and the related obligation is recorded as a liability. Lease amortization is included in depreciation expense. 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.

Goodwill and other intangible assets: Goodwill and other intangible assets, with the exception of the pension intangible asset and water rights, were amortized on a straight-line basis over the estimated future periods to be benefited, generally 40 years for goodwill and up to 20 years for trademarks, naming and distribution rights whose related weighted average life is 14 years. Please see the Recent accounting pronouncement section below for information regarding the impact of the Financial Accounting Boards' Statement of Financial Accounting Standard (SFAS) No. 142, Goodwill and Other Intangible Assets on this policy.

System development costs: We capitalize certain system development costs that meet established criteria, in accordance with Statement of Position (SOP) 98-1, Accounting for the Costs of Computer Systems Developed or Obtained for Internal Use. Amounts capitalized in Machinery and equipment are amortized to expense on a straight-line basis over three to five years. At December 30, 2001 and December 31, 2000 amounts capitalized were $8.4 million and $3.2 million, respectively. Related amortization expense was $2.2 million and $0.8 million for fiscal years 2001 and 2000, respectively. There were no amounts capitalized in 1999. System development costs not meeting the criteria in SOP 98-1, including system reengineering, are expensed as incurred.

Overdraft balances: Under our cash management system, checks issued pending clearance that result in overdraft balances for accounting purposes are included in the Trade accounts payable balance. The amounts reclassified were $70.5 million and $18.9 million at December 30, 2001 and December 31, 2000, respectively.

Derivative instruments: Our objective in managing our exposure to fluctuations in interest rates, foreign currency exchange rates and production and packaging materials prices is to decrease the volatility of earnings and cash flows associated with changes in the applicable rates and prices. To achieve this objective, we primarily enter into forward contracts, options and swap agreements whose values change in the opposite direction of the anticipated cash flows. Derivative instruments, which we designate as hedges of forecasted transactions and which qualify for hedge accounting treatment under Statement of Financial Accounting Standard (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities (which we adopted on January 1, 1999), are considered cash flows hedges, and the effective portion of any gains or losses are included in Accumulated other comprehensive income until earnings are affected by the variability of cash flows. Any remaining gain or loss is recognized in current earnings. In calculating effectiveness for SFAS 133 purposes, we do not exclude any component of the derivative instruments' gain or loss from the calculation. The cash flows of the derivative instruments are expected to be highly effective in achieving offsetting 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 the 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 earnings over the remaining life of the underlying exposure. If the hedged assets or liabilities are sold or extinguished, we recognize in earnings the gain or loss on the designated financial instruments concurrent with the sale or extinguishment of the hedged assets or liabilities. Cash flows from our derivative instruments are classified in the same category as the hedged item in the Consolidated Statements of Cash Flows. See Note 12, Derivative Instruments, for additional information regarding our

derivative holdings.

Impairment policy: When events or changes in circumstances indicate that the carrying amount of long-lived assets, including goodwill or other intangible assets, may not be recoverable, an evaluation is performed to determine if an impairment exists. We compare the carrying amount of the assets to the undiscounted expected future cash flows. If this comparison indicates that an impairment exists, the assets are written down to fair value. Fair value would typically be calculated using discounted expected future cash flows. All relevant factors are considered in determining whether impairment exits.

Revenue recognition: Revenue is recognized upon shipment of our product to our distributors.

Freight expense: In 2000, the Financial Accounting Standards Board's Emerging Issues Task Force issued a pronouncement stating that shipping and handling costs should not be reported as a reduction to gross sales within the income statement. As a result of this pronouncement, our finished product freight expense, which is incurred upon shipment of our product to our distributors, is now included within Cost of goods sold in our accompanying Consolidated Statements of Income. This expense had previously been reported as a reduction to gross sales; financial statements for all periods presented herein have been reclassified to reflect this change.

Advertising: Advertising costs, included in Marketing, general and administrative, are expensed when the advertising is run. Advertising expense was $465.2 million, $477.3 million and $443.4 million for years 2001, 2000 and 1999, respectively. Prepaid advertising costs of $30.4 million ($5.6 million in current and $24.8 million in long term) and $36.2 million ($7.4 million in current and $28.8 million in long term) were included in the Consolidated Balance Sheets at December 30, 2001, and December 31, 2000, respectively.

Research and development: Research and project development costs, included in Marketing, general and administrative, are expensed as incurred. These costs totaled $16.5 million, $16.9 million and $16.5 million in 2001, 2000 and 1999, respectively.

Environmental expenditures: Environmental expenditures that relate to an existing condition caused by past operations, which contribute to current or future revenue generation, are capitalized; whereas expenditures that 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: During 2001 and 1999, we issued restricted common stock under our management incentive program. The non-cash impact of these issuances, net of forfeitures and tax withholding, was $1.2 million and $0.7 million in 2001 and 1999, respectively. We did not issue any restricted stock under this plan in 2000,however, restricted forfeitures and tax withholding resulted in a non-cash decrease to the equity accounts of $5.8 million. Also during 2001, 2000 and 1999, equity was increased by the tax benefit on the exercise of stock options under our stock plans of $4.4 million, $14.2 million and $7.0 million, respectively. Income taxes paid were $83.2 million in 2001, $49.6 million in 2000 and $42.4 million in 1999. See Note 15, Other Comprehensive Income, for other non-cash items.

Recent accounting pronouncements: In July 2001, the Financial Accounting Standards Board issued SFAS 141, Business Combinations. SFAS 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. In connection with the Carling acquisition, we will adopt SFAS 141 (See Note 17, Subsequent Event).

In July 2001, the Financial Accounting Standards Board issued SFAS No. 142, Goodwill and Other Intangible Assets. SFAS 142, which will be effective for us beginning in the first quarter of fiscal 2002, and requires goodwill and intangible assets that have indefinite lives to not be amortized but to be reviewed annually for impairment, or more frequently if impairment indicators arise. During 2001, we recorded approximately $3 million of amortization related to goodwill and other intangible assets. Although we have yet to complete our analysis of these assets and the related amortization expense under the new rules for 2002, we anticipate that a significant part of the goodwill and other intangible assets on our books at the end of the year will no longer be subject to amortization. Our analysis to date has not identified any goodwill or other intangible assets that will be considered impaired under SFAS 142.

In June 2001, the Financial Accounting Standards Board issued SFAS No. 143, Accounting for Asset Retirement Obligations, which addresses accounting and financial reporting for obligations associated with the retirement of tangible long-lived assets. This statement is effective for us beginning in the second quarter of 2002, and we are evaluating the impact, if any, that the implementation will have on our financial statements.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, Impairment or Disposal of Long-Lived Assets, which addresses accounting and financial reporting for the impairment or disposal of long- lived assets. This statement is effective for us beginning in the first quarter of 2002, and we are evaluating the impact, if any, that the implementation will have on our financial statements.

NOTE 2:

Properties

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

	As of	
	December 30, 2001	December 31, 2000
	(In thousands)	
Land and improvements	$ 94,321	$ 93,507
Buildings	506,537	508,443
Machinery and equipment	1,783,527	1,731,463
Natural resource properties	6,798	7,373
Construction in progress	141,663	91,964
	2,532,846	2,432,750
Less accumulated depreciation, depletion and amortization	(1,663,136)	(1,696,957)
Net properties	$ 869,710	$ 735,793

In 2001, we sold our distribution operations in Anaheim and San Bernardino, California, and Oklahoma City, Oklahoma for total proceeds of $59.4 million, resulting in a net gain, before tax, of approximately $27.7 million. We are in the process of selling the land and buildings associated with these previously owned distributors and in the short-term are leasing these facilities to the buyers of the distributor operations.

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

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands)		
Interest incurred	$ 8,653	$ 9,567	$ 8,478
Interest capitalized	(6,647)	(3,153)	(4,121)
Interest expensed	$ 2,006	$ 6,414	$ 4,357
Interest paid	$ 7,570	$ 7,664	$ 9,981

NOTE 3:

Leases

We lease certain office facilities and operating equipment under cancelable and non-cancelable agreements accounted for as capital and operating leases. In 2001, information and technology equipment, included in properties, totaling $10.2 million was sold and leased back under a non- cash capital lease agreement with EDS Information Services, LLC. Capital lease amortization of $1.8 million for 2001 was included in accumulated amortization. Current and long term capital lease obligations are included in Accrued expenses and other liabilities and Other long term liabilities, respectively, in the Consolidated Balance Sheets. Future minimum lease payments under scheduled capital and operating leases that have initial or remaining non-cancelable terms in excess of one year are as follows (in thousands):

Fiscal year	Capital leases	Operating leases
	(In thousands)	
2002	$ 4,298	$ 7,069
2003	4,688	6,173
2004	391	5,659
2005	--	4,868
2006	--	4,525
Thereafter	--	2,469
Total	9,377	$ 30,763
Amounts representing interest	(986)	
Obligations under capital lease	8,391	
Obligation due within one year	(3,621)	
Long-term obligations under capital leases	$ 4,770	

Total rent expense was (in thousands) $11,763, $11,502 and $10,978 for the years 2001, 2000 and 1999, respectively.

NOTE 4:

Debt

Long-term debt consists of the following:

	As of		
	December 30, 2001		December 31, 2000	
	Carrying	Fair	Carrying	Fair

	value	value	value	value
			(In thousands)	
Senior Notes	$20,000	$20,850	$100,000	$100,300
Industrial development bonds	--	--	5,000	5,000
	$20,000	$20,850	$105,000	$105,300

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

Senior Notes: At December 30, 2001, we had $100 million in 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 outstanding is payable as follows: $80 million in July of 2002, classified as current in Current portion of long- term debt, and $20 million in July of 2005, classified as Long-term debt. The terms of our private placement Notes allow for maximum liens, transactions and obligations. We were in compliance with these requirements at year-end 2001. No principal payments were due or made in 2001 or 2000.

Colorado Industrial Revenue Bonds (IRB): We were obligated to pay the principal, interest and premium, if any, on the $5 million, City of Wheat Ridge, IRB (Adolph Coors Company Project) Series 1993. The bonds were scheduled to mature in 2013 and were secured by a letter of credit. At December 30, 2001, they were variable rate securities with interest payable on the first of March, June, September and December. The interest rate on December 30, 2001, was approximately 3%. We were required to maintain a minimum tangible net worth and a certain debt-to-total capitalization ratio under the bond agreements. At December 30, 2001, we were in compliance with these requirements. In March 2002, all obligations under the terms of the IRB were prepaid and the debt was terminated.

Line of credit: At December 30, 2001, we had an unsecured, committed credit arrangement totaling $200 million, all of which was available as of December 30, 2001. This line of credit had a five-year term which was scheduled to expire in 2003. A facilities fee was paid on the total amount of the committed credit. Under the arrangement, we were required to maintain a certain debt-to-total capitalization ratio and were in compliance at year-end 2001. In February 2002, this credit facility was terminated and replaced by the credit agreements associated with the Carling acquisition.

Financial guarantees: We have a 1.1 million yen financial guarantee outstanding on behalf of our subsidiary, Coors Japan. This subsidiary guarantee is primarily for two working capital lines of credit and payments of certain duties and taxes. One of the lines provides up to 500 million yen and the other provides up to 400 million yen (approximately $6.8 million in total as of December 30, 2001) in short-term financing. As of December 30, 2001, the approximate yen equivalent of $3.0 million was outstanding under these arrangements and is included in Accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

Subsequent event: Please refer to Note 17 for additional information regarding the debt obligations that have resulted from our acquisition of Coors Brewers.

NOTE 5:

Income Taxes

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

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands)		
Current:			
Federal	$ 74,140	$ 29,573	$ 24,088
State	13,841	9,230	5,119
Foreign	1,878	52	1,567
Total current tax expense	89,859	38,855	30,774
Deferred:			
Federal	(16,171)	6,669	19,035
State	(3,005)	283	3,460
Foreign	--	(82)	(1,860)
Total deferred tax (benefit) expense	(19,176)	6,870	20,635
Other:			
Allocation to paid-in capital	4,366	14,183	6,974
Total income tax expense	$ 75,049	$ 59,908	$ 58,383

Our 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 30, 2001	December 31, 2000	December 26, 1999
Expected tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.6	3.7	3.7
Effect of foreign investments	(0.5)	(3.1)	1.1
Non-taxable income	(0.1)	(0.2)	(0.8)
Other, net	(0.1)	(0.1)	(0.2)
Effective tax rate	37.9%	35.3%	38.8%

Our deferred taxes are composed of the following:

	As of	
	December 30, 2001	December 31, 2000
	(In thousands)	
Current deferred tax assets:		
Deferred compensation and other employee related	$ 14,046	$ 14,212
Balance sheet reserves and accruals	11,607	10,467
Write-off of foreign account receivable	7,002	7,002
Valuation allowance	(7,002)	(7,002)
Total current deferred tax assets	25,653	24,679
Current deferred tax liabilities:		
Balance sheet reserves and accruals	2,140	--
Net current deferred tax assets	$ 27,793	$ 24,679
Non-current deferred tax assets:		
Deferred compensation and other employee related	$ 19,106	$ 9,602
Balance sheet reserves and accruals	1,980	8,410
Retirement benefits	10,507	11,365
Environmental accruals	2,200	2,274
Deferred foreign losses	1,087	1,395
Partnership investments	--	3,297
Total non-current deferred tax assets	34,880	36,343
Non-current deferred tax liabilities:		
Depreciation and capitalized interest	96,515	110,225
Deferred tax on foreign investment	--	16,104
Total non-current deferred tax liabilities	96,515	126,329
Net non-current deferred tax liabilities	$ 61,635	$ 89,986

The current deferred tax assets related to the foreign accounts receivable have been reduced by a valuation allowance because management believes it is more likely than not that such benefits will not be fully realized.

In 2000, we realized a tax benefit pertaining to the Spain brewery closure. We also resolved substantially all of the issues raised by the Internal Revenue Service examination of our federal income tax returns through 1998. One issue relating to the tax treatment of a Korean investment is currently being appealed to the Internal Revenue Service appeals office. The Internal Revenue Service is currently examining the federal income tax returns for 1999 through 2000. 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 30, 2001, we had three stock-based compensation plans, which are described in greater detail below. We apply Accounting Principles Board Opinion No. 25 and related interpretations in accounting for our 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 our 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, our net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands, except per share data)		

Net income	As reported	$122,964	$109,617	$ 92,284
	Pro forma	$106,420	$ 96,164	$ 82,222
Earnings per share - basic	As reported	$ 3.33	$ 2.98	$ 2.51
	Pro forma	$ 2.88	$ 2.61	$ 2.24
Earnings per share - diluted	As reported	$ 3.31	$ 2.93	$ 2.46
	Pro forma	$ 2.86	$ 2.57	$ 2.20

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:

	2001	2000	1999
Risk-free interest rate	5.01%	6.72%	5.03%
Dividend yield	0.96%	1.27%	1.09%
Volatility	30.70%	31.41%	30.66%
Expected term (years)	5.40	6.20	7.80
Weighted average fair market value	$ 20.65	$ 20.17	$ 23.28

1990 Plan: The 1990 Equity Incentive Plan (1990 EI Plan) 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, and one-third of the stock option grant vests in each of the three successive years after the date of grant. Total authorized shares of Class B common stock for issuance under the 1990 EI Plan were 10.8 million shares.

A summary of the status of our 1990 EI Plan as of December 30, 2001, December 31, 2000, and December 26, 1999, and changes during the years ending on those dates is presented below:

	Options available for grant	Outstanding options	Weighted-average exercise price	Options exercisable at year-end Shares	Weighted-average exercise price
As of 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		
As of December 26, 1999	3,172,581	2,643,455	36.05	881,161	23.26
Transferred	716,886	--	--		
Granted	(1,179,094)	1,179,094	51.37		
Exercised	--	(900,804)	23.80		
Forfeited	160,148	(160,148)	47.76		
As of December 31, 2000	2,870,521	2,761,597	45.91	910,548	35.21
Authorized	2,033,114	--	--		
Granted	(1,660,150)	1,660,150	67.28		
Exercised	--	(331,758)	32.38		
Forfeited	268,709	(268,709)	59.50		
As of December 30, 2001	**3,512,194**	**3,821,280**	**$55.41**	**1,374,961**	**$43.68**

The following table summarizes information about stock options outstanding at December 30, 2001:

	Options outstanding			Options exercisable	
Range of exercise prices	Shares	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Shares	Weighted-average exercise price
$16.75-$22.00	239,855	4.8	$20.12	239,855	$20.12
$26.88-$33.41	325,468	6.0	$33.35	325,468	$33.35
$37.22-$59.25	1,796,429	7.8	$53.07	792,237	$54.51
$63.16-$75.22	1,459,528	9.1	$69.00	17,401	$68.99
$16.75-$75.22	3,821,280	8.0	$55.41	1,374,961	$43.68

We issued 10,750 shares and 4,953 shares of restricted stock in 2001 and 1999, respectively, under the 1990 EI Plan. No restricted shares were

issued under this plan in 2000. For the 2001 shares, the vesting period is three years from the date of grant. For the 1999 shares, the vesting period is two years from the date of grant. The compensation cost associated with these awards is amortized over the vesting period. Compensation cost associated with these awards was immaterial in 2001, 2000 and 1999.

1991 Plan: The Equity Compensation Plan for Non-Employee Directors (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 or her 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 2001, 2000 and 1999. Common stock reserved for the 1991 plan as of December 30, 2001, was 28,273 shares.

1995 Supplemental Compensation Plan: This supplemental compensation plan covers substantially all our 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 our 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 our Class B common stock. No awards were made under this plan in 2001 or 2000. Awards under the plan in 1999 were immaterial. There are 84,000 shares authorized under this plan. The number of shares of common stock available under this plan as of December 30, 2001, was 83,707 shares.

NOTE 7:

Employee Retirement Plans

We maintain several defined benefit pension plans for the majority of our 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. Our 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 $18.6 million in 2001, $14.7 million in 2000 and $11.6 million in 1999. These amounts include our matching for the savings and investment (thrift) plan of $6.4 million in 2001, $7.3 million in 2000 and $6.1 million in 1999. The increase in pension expense from 2000 to 2001 is primarily due to the decline in the market value of plan investments. In 2001, the funded position of the Coors Retirement Plan declined somewhat due to the combined effects of a lower discount rate and a challenging investment environment. This resulted in the recognition of an additional minimum liability, resulting from the excess of our accumulated benefit obligation over the fair value of plan assets. The amounts recognized in the consolidated statement of financial position for accrued pension liability, additional minimum liability, accumulated other comprehensive loss, prepaid benefit cost and intangible asset in 2001 are $61.9 million, $29.8 million, $8.5 million (net of tax), $21.5 million and $48.3 million, respectively.

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. Pension expense is actuarially calculated 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 30, 2001	December 31, 2000	December 26, 1999
	(In thousands)		
Components of net periodic pension cost:			
Service cost-benefits earned during the year	$ 17,913	$ 16,467	$ 16,456
Interest cost on projected benefit obligation	46,374	44,192	38,673
Expected return on plan assets	(58,342)	(58,108)	(52,173)
Amortization of prior service cost	5,945	5,906	4,161
Amortization of net transition amount	241	(1,690)	(1,690)
Recognized net actuarial loss	110	590	75

Net periodic pension cost $ 12,241 $ 7,357 $ 5,502

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

	As of	
	December 30, 2001	December 31, 2000
	(In thousands)	
Actuarial present value of accumulated benefit obligation:	$567,155	$537,791
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 614,420	$ 548,428
Service cost	17,913	16,467
Interest cost	46,374	44,192

Amendments	--	871
Actuarial loss	10,116	31,974
Benefits paid	(29,717)	(27,512)
Projected benefit obligation at end of year	$ 659,106	$ 614,420
Change in plan assets:		
Fair value of assets at beginning of year	$ 578,500	$ 627,153
Actual return on plan assets	(25,047)	(20,376)
Employer contributions	7,306	2,561
Benefits paid	(29,717)	(27,512)
Expenses paid	(4,042)	(3,326)
Fair value of plan assets at end of year	$ 527,000	$ 578,500
Reconciliation of funded status:		
Funded status -- (shortfall) excess	$(132,106)	$ (35,920)
Unrecognized net actuarial loss (gain)	105,082	7,722
Unrecognized prior service cost	47,841	53,680
Unrecognized net transition amount	722	962
Net amount recognized	$ 21,539	$ 26,444

	As of December 30, 2001	December 31, 2000
	(In thousands)	
Amounts recognized in the statement of financial position consist of:		
Non-current prepaid benefit cost	$ 21,539	$ 26,444
Non-current accrued benefit liability cost	(61,959)	--
Non-current intangible asset	48,291	--
Accumulated other comprehensive income	13,668	--
Net amount recognized	$ 21,539	$ 26,444

	2001	2000	1999
Weighted average assumptions as of year-end:			
Discount rate	7.25%	7.75%	8.00%
Rate of compensation increase	4.10%	4.75%	5.25%
Expected return on plan assets	10.50%	10.50%	10.50%

NOTE 8:

Non-Pension Postretirement Benefits

We have 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 8.50% in 2001 to 5.00% in 2007. The discount rate used in determining the accumulated postretirement benefit obligation was 7.25%, 7.75% and 8.00% at December 30, 2001, December 31, 2000, and December 26, 1999, respectively.

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 30, 2001	December 31, 2000	December 26, 1999
	(In thousands)		
Components of net periodic postretirement benefit cost:			
Service cost -- benefits earned during the year	$ 1,447	$ 1,477	$ 1,404
Interest cost on projected benefit obligation	6,782	5,613	5,112
Recognized net actuarial gain	(19)	(51)	(138)
Net periodic postretirement benefit cost	$ 8,210	$ 7,039	$ 6,378

	As of December 30,	December 31,

	2001	2000
	(In thousands)	
Change in projected postretirement benefit obligation:		
Projected benefit obligation at beginning of year	$ 77,750	$ 72,400
Service cost	1,447	1,477
Interest cost	6,782	5,613
Actuarial loss	21,476	3,264
Benefits paid	(5,300)	(5,004)
Projected postretirement benefit obligation at end of year	$ 102,155	$ 77,750
Change in plan assets:		
Employer contributions	$ 5,300	$ 5,004
Benefits paid	(5,300)	(5,004)
Fair value of plan assets at end of year	$ --	$ --
Funded status -- shortfall	$(102,155)	$(77,750)
Unrecognized net actuarial (gain) loss	16,813	(4,662)
Unrecognized prior service cost	281	261
Accrued postretirement benefits	(85,061)	(82,151)
Less current portion	5,300	5,004
Long-term postretirement benefits	$ (79,761)	$(77,147)

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	$ 528	$ (470)

Effect on postretirement benefit obligation $4,777 $(4,323)

NOTE 9:

Special Charges (Credits)

Our annual results for 2001, 2000 and 1999 include net pretax special charges of $23.2 million, $15.2 million and 5.7 million, respectively. The following is a summary of special charges incurred during those years:

Information technology: We entered into a contract with EDS Information Services (EDS), effective August 1, 2001, to outsource certain information technology functions. We incurred outsourcing transition costs in the year of approximately $14.6 million. These costs were mainly related to a $6.6 million write-down of the net book value of information technology assets that were sold to and leased back from EDS, $5.3 million of one-time implementation costs and $2.7 million of employee transition costs and professional fees associated with the outsourcing project. We believe this arrangement will allow us to focus on our core business while having access to the expertise and resources of a world-class information technology provider.

Restructure charges: In 2001, we incurred total restructuring special charges of $6.0 million. In the third quarter of 2001, we recorded $1.6 million of severance costs for approximately 25 employees, primarily due to the restructuring of our purchasing organization. During the fourth quarter of 2001, we announced plans to restructure certain production areas. These restructurings, which began in October 2001 and have continued through April 2002, will result in the elimination of approximately 90 positions. As a result of these plans, we recorded associated employee termination costs of approximately $4.0 million in the fourth quarter. Similar costs of approximately $0.4 million related to employee terminations in other functions were also recorded in the fourth quarter. We paid $3.8 million of this severance in 2001 and expect the remaining severance to be paid by the second quarter of 2002, out of current cash balances.

In 1999, we recorded a special charge of $5.7 million. The special charge included $3.7 million for severance costs from the restructuring of our engineering and construction units and $2.0 million for distributor network improvements. Approximately 50 engineering and construction employees were severed under this reorganization. During 2001, 2000 and 1999, approximately $0.2 million, $2.3 million and $0.9 million, respectively, of severance costs were paid and no further amounts are due.

Can and end plant joint venture: In the third quarter of 2001, we recorded $3.0 million of special charges related to the dissolution of our existing can and end joint venture as part of the restructuring of this part of our business.

Property abandonment: In 2001, we recorded a $2.3 million charge for a portion of certain production equipment that was abandoned and will

no longer be used.

Spain closure: In 2000, we incurred a total special charge of $20.6 million triggered by our decision to close our Spain brewery and commercial operations. Of the total charge, $11.3 million related to severance and other related closure costs for approximately 100 employees, $4.9 million related to a fixed asset impairment charge and $4.4 million for the write- off of our cumulative translation adjustments previously recorded to equity related to our Spain operations. In 2000, approximately $9.6 million of severance and other related closure costs were paid with the remaining $1.7 million reserve being paid during the first quarter of 2001. These payments were funded from current cash balances. In December 2001, the plant and related fixed assets were sold for approximately $7.2 million resulting in a net gain, before tax, of approximately $2.7 million.

Insurance settlement: In 2000, we received an insurance claim settlement of $5.4 million that was credited to special charges.

NOTE 10:

Investments

Equity method investments

We have investments in affiliates that are accounted for using the equity method of accounting. These investments aggregated $94.8 million and $56.3 million at December 30, 2001, and December 31, 2000, respectively.

Summarized condensed balance sheet information for our equity method investments are as follows:

	As of	
	December 30, 2001	December 31, 2000
	(In thousands)	
Current assets	$59,234	$75,464
Non-current assets	$53,307	$87,353
Current liabilities	$31,031	$34,907
Non-current liabilities	$ 231	$ 264

Summarized condensed income statement information for our equity method investments are as follows:

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands)		
Net sales	$544,341	$490,227	$449,238
Gross profit	$177,211	$132,805	$116,970
Net income	$ 80,127	$ 77,575	$ 68,375
Company's equity in net income	$ 43,630	$ 42,395	$ 36,958

Coors Canada: Coors Canada, Inc. (CCI), one of our wholly owned subsidiaries, formed a partnership, Coors Canada, with Molson, Inc. to market and sell our 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 our 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 our brands less production, distribution, sales and overhead costs related to these sales. CCI received distributions from the partnership of a U.S. dollar equivalent of approximately $27.9 million, $25.8 million and $21.0 million for 2001, 2000 and 1999, respectively. Our share of net income from this partnership, which was approximately $29.2 million, $25.4 million and $21.5 million for 2001, 2000 and 1999, respectively, is included in Sales on the accompanying Consolidated Statements of Income. Also see discussion in Note 14, Segment and Geographic Information.

In December 2000, we entered into a five year brewing and packaging arrangement with Molson in which we will have access to some of Molson's available production capacity in Canada. The Molson capacity available to us under this arrangement in 2001 was 250,000 barrels, none of which was used by us. Starting in 2002, this available capacity increases up to 500,000 barrels. Currently, we pay Molson a fee for holding this capacity aside for our future use. The annual fee, starting in 2002, is 1.5 million Canadian dollars, which results in an annual commitment of approximately $1 million. As of December 30, 2001, we are fully accrued for all fees required under the terms of this agreement.

Molson USA, LLC: In January 2001, we entered into a joint venture partnership agreement with Molson, Inc. and paid $65 million for our 49.9% interest in the joint venture. The joint venture, Molson USA, LLC, has been formed to import, market, sell and distribute Molson's

brands of beer in the United States. Approximately, $63.9 million of our initial investment was considered goodwill, which was being amortized on a straight-line basis over a life of 40 years. Amortization expense in 2001 was $1.6 million. (Please refer to the Recent accounting pronouncement section of Note 1 for discussion regarding changes in accounting for Goodwill and Other Intangible Assets). During 2001, we received no distributions from the partnership and our share of the net loss was approximately $2.2 million. This net loss is included in Other income (expense) on the accompanying Consolidated Statements of Income. As a result of the 2001 operating loss, we considered whether our investment was impaired under Accounting Principles Board Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock, and determined that it was not. Any potential decline in value during the year cannot be determined to be other than temporary based on our short experience with the joint venture and our continuing commitment to its success. The recoverability of our investment in the joint venture will be further evaluated during 2002.

Rocky Mountain Bottle Company: We operate a 50/50 production joint venture with Owens-Brockway Glass Container, Inc. (Owens), the Rocky Mountain Bottle Company (RMBC), to produce glass bottles at our glass manufacturing facility. The initial term of the joint venture expires in 2005 and can be extended for additional two-year periods. RMBC has a contract to supply our bottle requirements and Owens has a contract to supply the majority of our bottles for our bottle requirements not met by RMBC. In 2001, we purchased all of the bottles produced by RMBC, approximately 1.1 billion bottles.

The expenditures under this agreement in 2001, 2000 and 1999 were approximately $92 million, $86 million and $69 million, respectively. Cash distributions received from this joint venture were $9.1 million and $20.3 million in 2001 and 2000, respectively. No distributions were received in 1999. Our share of net income from this partnership was $10.9 million, $9.8 million and $9.0 million in 2001, 2000 and 1999, respectively, and is included within Cost of goods sold on the accompanying Consolidated Statements of Income.

Valley Metal Container Partnership: In 1994, we formed a 50/50 production joint venture with American National Can Company (ANC), called Valley Metal Container Partnership, to produce beverage cans and ends at our manufacturing facilities for sale to us and outside customers. ANC was subsequently acquired by Rexam LLC. We purchased Rexam's interest in the joint venture at the end of its term in August 2001. The aggregate amount paid to the joint venture for cans and ends in 2001, 2000 and 1999 was approximately $149 million, $230 million and $223 million, respectively. The 2001 amount reflects only what was paid to the joint venture prior to its expiration in August. In addition, we received cash distributions from this joint venture of $2.5 million, $8.5 million and $7.5 million in 2001, 2000 and 1999, respectively. Our share of net income from this joint venture was $5.7 million, $7.2 million and $6.0 million for 2001, 2000 and 1999, respectively, and is included within Cost of goods sold on the accompanying Consolidated Statements of Income.

Rocky Mountain Metal Container: Effective January 1, 2002, we became an equal member with Ball Corporation (Ball) in a Colorado limited liability company, Rocky Mountain Metal Container, LLC (RMMC). Also effective on January 1, 2002, we entered into a can and end supply agreement with RMMC (the Supply Agreement). Under that Supply Agreement, RMMC agreed to supply us with substantially all of the can and end requirements for our Golden Brewery. RMMC will manufacture these cans and ends at our existing manufacturing facilities, which RMMC is operating under a use and license agreement. We have the right to purchase Ball's interest in RMMC under certain conditions. If we do not exercise that right, Ball may have the right to purchase our interest in RMMC. RMMC plans to reduce manufacturing costs, and has planned capital improvements to the facilities in the amount of approximately $50 million over the first three years of its operations. RMMC will fund such improvements with third party financing. RMMC's debt will not be included on our financial statements.

Graphic Packaging International Corporation: In 1992, we spun off our wholly owned subsidiary, ACX Technologies, Inc., which has subsequently changed its name to Graphic Packaging International Corporation (GPIC). We are also a limited partner in a real estate development partnership in which a subsidiary of GPIC is the general partner. The partnership owns, develops, operates and sells certain real estate previously owned directly by us. We received cash distributions of $0.8 million and $1.8 million in 2000 and 1999, respectively. We did not receive income in 2001 or 2000. We received income of $0.5 million in 1999.

Cost investments

Colorado Rockies Baseball: In 1991, we entered into an agreement with Colorado Baseball Partnership 1993, Ltd. for an 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. We believe that the carrying amount is not in excess of fair value. 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 Fieldr. This liability is included in the total advertising and promotion commitment discussed in Note 15, Commitments and Contingencies.

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 our Class A and Class B common stock, net of forfeitures, for each of the three years ended December 30, 2001, December 31, 2000, and December 26, 1999, is summarized below:

	Common stock	
	Class A	Class B
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
Shares issued under stock plans	--	817,395
Purchases of stock	--	(408,308)
Balances at December 31, 2000	1,260,000	35,871,121
Shares issued under stock plans	--	324,926
Purchases of stock	--	(1,506,637)
Balances at December 30, 2001	1,260,000	34,689,410

At December 30, 2001, December 31, 2000, and December 26, 1999, 25 million shares of no par value preferred stock were authorized but unissued.

The board of directors authorized the repurchase during 2001, 2000 and 1999 of up to $40 million each year of our outstanding Class B common stock on the open market. In September 2001, the board of directors increased the authorized 2001 expenditure limit for the repurchase of outstanding shares of Class B common stock to $90 million. During 2001, 2000 and 1999, 1,500,000 shares, 308,000 shares and 232,300 shares, respectively, were repurchased for approximately $72.3 million, $17.6 million and $12.2 million, respectively, under this stock repurchase program. In addition to the repurchase program, we purchased 41,845 restricted shares for $2.4 million in 2000 and 164,117 restricted shares for $8.5 million in 1999. Pursuant to our by-laws restricted shares must first be offered to us for repurchase. Even though in November 2001, the board of directors extended the program and authorized the repurchase during 2002 of up to $40 million of stock, we decided to suspend our share repurchases until we reduce debt levels resulting from the acquisition of the Coors Brewers business from Interbrew. See discussion of the Carling acquisition in Note 17, Subsequent Event.

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

	For the years ended		
	December 30, 2001	December 31, 2000	December 26, 1999
	(In thousands, except per share data)		
Net income available to common shareholders	$122,964	$109,617	$92,284
Weighted-average shares for basic EPS	36,902	36,785	36,729
Effect of dilutive securities:			
Stock options	266	606	640
Contingent shares not included in shares outstanding for basic EPS	9	59	88
Weighted-average shares for diluted EPS	37,177	37,450	37,457
Basic EPS	$3.33	$2.98	$2.51
Diluted EPS	$3.31	$2.93	$2.46

The dilutive effects of stock options were arrived at by applying the treasury stock method, assuming we were to repurchase common shares with the proceeds from stock options exercised. Stock options to purchase 2,199,173 and 6,555 shares of common stock were not included in the computation of 2001 and 2000 earnings per share, respectively, because the stock options' exercise prices were greater than the average market price of the common shares.

NOTE 12:

Derivative Instruments

In the normal course of business, we are exposed to fluctuations in interest rates, foreign currency exchange rates and production and packaging materials prices. To manage these exposures when practical, we have established policies and procedures that govern the management of these exposures through the use of a variety of financial instruments, as noted in detail below. By policy, we do not enter into such contracts for the purpose of speculation.

Our derivative activities are subject to the management, direction and control of the Financial Risk Management Committee (FRMC). The FRMC is composed of the chief financial officer and other senior financial management of the company. The FRMC sets forth risk

management philosophy and objectives through a corporate policy; provides guidelines for derivative-instrument usage; and establishes procedures for control and valuation, counterparty credit approval and the monitoring and reporting of derivative activity.

At December 30, 2001, and December 31, 2000, we had certain forward contracts, options and swap agreements outstanding. Substantially all of these instruments have been designated as cash flow hedges and these instruments hedge a portion of our total exposure to the variability in future cash flows relating to fluctuations in foreign exchange rates and certain production and packaging materials prices.

The following table summarizes the aggregate notional principal amounts, fair values and maturities of our derivative financial instruments outstanding on December 30, 2001, and December 31, 2000 (in thousands):

	Notional principal amounts(USD)	Fair values	Maturity
December 30, 2001			
Foreign currency management			
Option(1)	1,705,000	(1,023)	02/02
Forwards	217,370	2,336	01/02-04/03
Commodity pricing management			
Swaps	132,477	(10,563)	02/02-02/04
December 31, 2000			
Foreign currency management			
Forwards	28,958	1,054	01/01-01/02
Commodity pricing management			
Swaps	86,621	4,574	02/01-08/02

(1) The foreign exchange option for $1.7 billion notional was purchased to hedge our exposure to fluctuations in the British pound exchange rate related to acquisition of certain Coors Brewers assets.

Maturities of derivative financial instruments held on December 30, 2001, are as follows (in thousands):

2002(2) 2003 2004

($6,473) ($3,053) ($123)

(2) Amount includes the estimated deferred net loss of $6.1 million that is expected to be recognized over the next 12 months, on certain forward foreign exchange contracts and production and packaging materials derivative contracts, when the underlying forecasted cash flow transactions occur.

In December 2001, we entered into a foreign currency forward sale agreement to hedge our exposure to fluctuations in the British pound exchange rate related to acquisition of certain Coors Brewers assets. Also, in anticipation of the Carling acquisition, we entered into a commitment with a lender for the financing of this transaction. Included within the commitment letter is a foreign currency written option which reduced our exposure on the U.S. dollar borrowing to fund the Coors Brewers transaction. The derivatives resulting from these agreements do not qualify for hedge accounting and, accordingly, were marked to market at year-end. The associated $0.3 million net expense was recorded in other income in the accompanying Consolidated Statements of Income.

Subsequent to year-end, the foreign currency swap settled on January 12, 2002, and the written option included in the loan commitment expired on February 11, 2002, resulting in a combined loss and amortization expense of $1.2 million to be realized during the first quarter of 2002.

During 2000, we had certain interest rate swap agreements outstanding to help manage our exposure to fluctuations in interest rates. These swap agreements were not designated as hedges and accordingly, all gains and losses on these agreements were recorded in interest income in the accompanying Consolidated Statements of Income. We did not have any interest rate swap agreements outstanding during 2001, at December 30, 2001 or at December 31, 2000.

During 2001 and 2000, there were no significant gains or losses recognized in earnings for hedge ineffectiveness or for discontinued hedges as a result of an expectation that the forecasted transaction would no longer occur.

Derivatives are either exchange-traded instruments that are highly liquid, or over-the-counter instruments with highly rated financial institutions. No credit loss is anticipated as the counterparties to over-the-counter instruments generally have long-term ratings from S&P or Moody's, that are no lower than A or A2, respectively. Additionally, most counterparty fair value positions favorable to us and in excess of certain thresholds are collateralized with cash, U.S. Treasury securities or letters of credit. We have reciprocal collateralization responsibilities for fair value positions unfavorable to us and in excess of certain thresholds. At December 30, 2001, we had zero counterparty collateral and had none outstanding.

Note 13:

Other Comprehensive Income

	Foreign currency translation adjustments	Unrealized gain (loss) on available-for-sale securities and derivative instruments	Minimum pension liability adjustment	Accumulated other comprehensive income
		(In thousands)		
Balances, December 27, 1998	$(2,366)	$ 440	$ --	$ (1,926)
Foreign currency translation adjustments	(5,745)			(5,745)
Unrealized loss on available-for-sale securities		(648)		(648)
Unrealized gain on derivative instruments		11,159		11,159
Tax benefit (expense)	2,226	(4,073)		(1,847)
Balances, December 26, 1999	(5,885)	6,878	--	993
Foreign currency translation adjustments	4,460			4,460
Unrealized gain on available-for-sale securities		2,045		2,045
Unrealized loss on derivative instruments		(3,221)		(3,221)
Reclassification adjustment--available-for-sale securities and derivative instruments		(4,058)		(4,058)
Reclassification adjustment--accumulated translation adjustment - closure of Spain operations	4,434			4,434
Tax (expense) benefit	(3,380)	1,989		(1,391)
Balances, December 31, 2000	(371)	3,633	--	3,262
Foreign currency translation adjustments	22			22
Unrealized gain on available-for-sale securities		5,997		5,997
Unrealized loss on derivative instruments		(10,000)		(10,000)
Minimum pension liability adjustment			(13,668)	(13,668)
Reclassification adjustment--available-for-sale securities		(4,042)		(4,042)
Reclassification adjustment--derivative instruments		(3,858)		(3,858)
Tax (expense) benefit	(8)	4,523	5,181	9,696
Balances, December 30, 2001	$ (357)	$(3,747)	$ (8,487)	$(12,591)

NOTE 14:

Segment and Geographic Information

We have one reporting segment relating to the continuing operations of producing, marketing and selling malt-based beverages. Our operations are conducted in the United States, the country of domicile, and several foreign countries, none of which is individually significant to our 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 30, 2001, December 31, 2000, and December 26, 1999, are as follows:

2001 2000 1999
(In thousands)

United States and its territories:

Net revenues	$2,353,843	$2,331,693	$2,177,407
Operating income	$ 133,361	$ 163,563	$ 148,823
Pretax income	$ 182,317	$ 185,082	$ 161,281

Other foreign countries:			
Net revenues	$ 75,619	$ 82,722	$ 59,077
Operating income (loss)	$ 18,244	$ (12,937)	$ (8,288)
Pretax income (loss)	$ 15,696	$ (15,557)	$ (10,614)

Included in 2001, 2000 and 1999 foreign revenues are earnings from CCI, our investment accounted for using the equity method of accounting (see Note 10, Investments). Included in operating income and pretax income are net special charges of $23.2 million, $15.2 million and $5.7 million, for 2001, 2000 and 1999, respectively (see Note 9, Special Charges). The 2001 net special charge included a charge of $25.9 million related to the United States and its territories and a credit of $2.7 million related to other foreign countries. The 2000 net special charge included a credit of $5.4 million related to the United States and its territories and a charge of $20.6 million related to other foreign countries. The special charges recorded in 1999 related entirely to the United States and its territories.

The net long-lived assets, including Property, Goodwill and other intangible assets, located in the United States and its territories and all other foreign countries as of December 30, 2001, December 31, 2000 and December 26, 1999 are as follows:

	2001	2000	1999
		(In thousands)	
United States and its territories	$955,615	$786,966	$758,875
Other foreign countries	384	3,622	8,939
Total	$955,999	$790,588	$767,814

The total net export sales (in thousands) during 2001, 2000 and 1999 were $205,187, $202,832 and $185,260, respectively.

We are currently evaluating the impact the Carling acquisition will have on our number of reporting segments for 2002. At this time, we anticipate having two reportable operating segments: the Americas and Europe. See Note 17, Subsequent Event, for discussion of the Carling acquisition.

NOTE 15:

Commitments and Contingencies

Insurance: It is our policy to be self-insured for certain insurable risks consisting primarily of employee health insurance programs, as well as workers' compensation, general liability and property insurance deductibles. During 2001, we fully insured future risks for long-term disability, and, in most states, workers' compensation, but maintained 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.

Letters of credit: As of December 30, 2001, we had approximately $5.8 million outstanding in letters of credit with certain financial institutions. These letters expire in March 2003. These letters of credit are being maintained as security for performance on certain insurance policies and for operations of underground storage tanks, as well as to collateralize principal and interest on industrial revenue bonds issued by us.

As part of the settlement and indemnification agreement related to the Lowry landfill site with the City and County of Denver and Waste Management of Colorado, Inc., we agreed to post a letter of credit equal to the present value of our share of future estimated costs if estimated future costs exceed a certain amount and our long-term credit rating falls to a certain level. Although future estimated costs now exceed the level provided in the agreement, our credit rating remains above the level that would require this letter of credit to be obtained. Based on our preliminary evaluation, should our credit rating fall below the level stipulated by the agreement, it is reasonably possible that the letter of credit that would be issued could be for as much as $10 million. For additional information see the Environmental section below.

Financial guarantees: We have a 1.1 million yen financial guarantee outstanding on behalf of our subsidiary, Coors Japan. This subsidiary guarantee is primarily for two working capital lines of credit and payments of certain duties and taxes. One of the lines provides up to 500 million yen and the other provides up to 400 million yen (approximately $6.8 million in total as of December 30, 2001) in short-term financing. As of December 30, 2001, the approximate yen equivalent of $3.0 million was outstanding under these arrangements and is included in Accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

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

We have an agreement to purchase the electricity and steam needed to operate the brewery's Golden facilities through 2020 from Trigen. Our financial commitment under this agreement is divided between a fixed, non- cancelable cost of approximately $14.6 million for 2002, which adjusts annually for inflation, and a variable cost, which is generally based on fuel cost and our electricity and steam use. Total purchases, fixed and variable, under this contract in 2001, 2000 and 1999 were $29.8 million, $28.4 million and $26.3 million, respectively.

Supply contracts: We have various long-term supply contracts with unaffiliated third parties and our joint ventures to purchase materials used in production and packaging, such as starch, cans and glass. The supply contracts provide that we purchase certain minimum levels of materials for terms extending through 2005. The approximate future purchase commitments under these supply contracts are:

Fiscal year	Amount (In thousands)
2002	$ 478,800
2003	195,750
2004	195,750
2005	93,500
Total	$ 963,800

Our total purchases under these contracts in 2001, 2000 and 1999 were approximately $243.3 million, $235.0 million and $177.9 million, respectively.

Brewing and packaging contract: In December 2000, we entered into a five year brewing and packaging arrangement with Molson in which we will have access to some of Molson's available production capacity in Canada. The Molson capacity available to us under this arrangement in 2001 was 250,000 barrels, none of which was used by us. Starting in 2002, this available capacity increases up to 500,000 barrels. Currently, we pay Molson a fee for holding this capacity aside for our future use. The annual fee starting in 2002 is 1.5 million Canadian dollars which results in an annual commitment of approximately $1 million. As of December 30, 2001, we are fully accrued for all fees required under the terms of this agreement.

Third-party logistics contract: We are consolidating our California and Colorado finished goods warehouse network and EXEL, Inc. is providing warehouse services in Ontario, California, for us under a seven-year operating agreement. The operating costs which total $2.6 million have been agreed to for the first year of operation. We will be conducting an annual review of the scope of services with EXEL to determine pricing for the following years. Any increases are limited to 3% annually.

Graphic Packaging International Corporation: We have a packaging supply agreement with a subsidiary of Graphic Packaging International Corporation (GPIC) under which we purchase a large portion of our paperboard requirements. We have begun negotiations to extend the term of this contract which expires in 2002. We expect it to be renewed prior to expiration. Our purchases under the packaging agreement in 2001, 2000 and 1999 totaled approximately $125 million, $112 million and $107 million, respectively. We expect purchases in 2002 under the packaging agreement to be approximately $118 million. Related accounts receivable balances included in Affiliates Accounts Receivable on the Consolidated Balance Sheets were immaterial in 2001 and 2000. Related accounts payable balances included in Affiliates Accounts Payable on the Consolidated Balance Sheets were $0.5 million and $1.3 million in 2001 and 2000, respectively. William K. Coors is a trustee of family trusts that collectively own all of our Class A voting common stock, approximately 31% of our Class B common stock, approximately 42% of GPIC's common stock and 100% of GPIC's series B preferred stock, which is currently convertible into 48,484,848 shares of GPIC's common stock. If converted, the trusts would own approximately 78% of GPIC's common stock. Peter H. Coors is also a trustee of some of these trusts.

Advertising and promotions: We have various long-term non-cancelable commitments for advertising and promotions, including marketing at sports arenas, stadiums and other venues and events. At December 30, 2001, the future commitments are as follows:

Fiscal year	Amount (In thousands)
2002	$ 40,909
2003	11,512
2004	10,618
2005	9,221
2006	7,933
Thereafter	11,299
Total	$ 91,492

Environmental: We were one of a number of entities named by the Environmental Protection Agency (EPA) as a potentially responsible party (PRP) at the Lowry Superfund site. This landfill is owned by the City and County of Denver (Denver), and was managed by Waste Management of Colorado, Inc. (Waste). In 1990, we recorded a special pretax charge of $30 million, a portion of which was put into a trust in 1993 as part of an agreement with Denver and Waste to settle the outstanding litigation related to this issue.

Our settlement was based on an assumed cost of $120 million (in 1992 adjusted dollars). It requires us to pay a portion of future costs in excess of that amount.

In January 2002, in response to the EPA's five-year review conducted in 2001, Waste provided us with updated annual cost estimates through 2032. We have reviewed these cost estimates in the assessment of our accrual related to this issue. In determining that the current accrual is adequate, we eliminated certain costs included in Waste's estimates, primarily trust management costs that will be accrued as incurred, certain remedial costs for which technology has not yet been developed and income taxes which we do not believe to be an included cost in the determination of when the $120 million threshold is reached. We generally used a 2% inflation rate for future costs, and discounted certain operations and maintenance costs at the site that we deemed to be determinable, at a 5.46% risk-free rate of return. Based on these assumptions, the present value and gross amount of discounted costs are approximately $1 million and $4 million, respectively. We did not assume any

future recoveries from insurance companies in the estimate of our liability.

There are a number of uncertainties at the site, including what additional remedial actions will be required by the EPA, and what costs are included in the determination of when the $120 million threshold is reached. Because of these issues, the estimate of our liability may change as facts further develop, and we may need to increase the reserve. While we cannot predict the amount of any such increase, an additional accrual of as much as $25 million is reasonably possible based on our preliminary evaluation, with additional cash contributions beginning as early as 2013.

We were one of several parties named by the EPA as a PRP at the Rocky Flats Industrial Park site. In September 2000, the EPA entered into an Administrative Order on Consent with certain parties, including our company, requiring implementation of a removal action. Our projected costs to construct and monitor the removal action are approximately $300,000. The EPA will also seek to recover its oversight costs associated with the project which are not possible to estimate at this time. However, we believe they would be immaterial to our operating results, cash flows and financial position.

In August 2000, an accidental spill into Clear Creek at our Golden, Colorado, facility caused damage to some of the fish population in the creek. A settlement reached in February 2001 with the Colorado Department of Public Health and Environment was modified based on public comment, including comments by the EPA. As a result, permit violations that occurred several years prior to the accidental spill were included in the settlement, as well as economic benefit penalties related to those prior violations. A total civil penalty of $100,000 was assessed in the final settlement with the Department reached in August 2001. In addition, we will undertake an evaluation of our process wastewater treatment plant. On December 21, 2001, we settled with the Colorado Division of Wildlife for the loss of fish in Clear Creek. We have agreed to construct, as a pilot project, a tertiary treatment wetlands area to evaluate the ability of a wetlands to provide additional treatment to the effluent from our waste treatment facilities. We will also pay for the stocking of game fish in the Denver metropolitan area and the cost of two graduate students to assist in the research of the pilot project. The anticipated costs of the project are estimated to be approximately $500,000. The amounts of these settlements have been fully accrued as of December 30, 2001.

From time to time, we have been notified that we are or may be a PRP under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws for the cleanup of other sites where hazardous substances have allegedly been released into the environment. We cannot predict with certainty the total costs of cleanup, our share of the total cost, the extent to which contributions will be available from other parties, the amount of time necessary to complete the cleanups or insurance coverage.

In addition, we are aware of groundwater contamination at some of our properties in Colorado resulting from historical, ongoing or nearby activities. There may also be other contamination of which we are currently unaware.

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

Litigation: We are also named as a defendant in various actions and proceedings arising in the normal course of business. In all of these cases, we are denying the allegations and are vigorously defending ourselves against them and, in some instances, have 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 our financial position, results of operations or cash flows.

Restructuring: At December 30, 2001, we had a $2.2 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 2001, 2000 and 1999, see discussion in Note 9, Special Charges.

Labor: Approximately 8% of our work force, located principally at the Memphis brewing and packaging facility, is represented by a labor union with whom we engage in collective bargaining. A labor contract prohibiting strikes was negotiated in early 2001. The new contract expires in 2005.

NOTE 16:

Quarterly Financial Information (Unaudited)

The following summarizes selected quarterly financial information for each of the two years in the period ended December 30, 2001.

Income in 2001 was decreased by a net special pretax charge of $23.2 million and income in 2000 was decreased by a net special pretax charge of $15.2 million. Refer to Note 9 for a further discussion of special charges.

During the fourth quarter of 2000, we reduced our total expenses by approximately $3.1 million when certain estimates for employee benefits and other liabilities were adjusted based upon updated information that we received in the normal course of business.

2001	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
Gross sales	$637,828	$809,729	$742,654	$652,541	$2,842,752
Beer excise taxes	(94,128)	(117,029)	(107,991)	(94,142)	(413,290)
Net sales	543,700	692,700	634,663	558,399	2,429,462
Cost of goods sold	(351,153)	(424,880)	(402,306)	(359,284)	(1,537,623)
Gross profit	$192,547	$267,820	$232,357	$199,115	$ 891,839
Net income	$ 18,328	$ 49,852	$ 38,916	$ 15,868	$ 122,964
Net income per common share--basic	$ 0.49	$ 1.34	$ 1.05	$ 0.44	$ 3.33
Net income per common share--diluted	$ 0.49	$ 1.33	$ 1.05	$ 0.44	$ 3.31

2000	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
Gross sales	$596,789	$788,921	$773,535	$682,493	$2,841,738
Beer excise taxes	(91,360)	(119,108)	(116,459)	(100,396)	(427,323)
Net sales	505,429	669,813	657,076	582,097	2,414,415
Cost of goods sold	(326,919)	(404,570)	(413,314)	(381,026)	(1,525,829)
Gross profit	$178,510	$265,243	$243,762	$201,071	$ 888,586
Net income	$ 14,819	$ 48,344	$ 34,492	$ 11,962	$ 109,617
Net income per common share--basic	$ 0.40	$ 1.32	$ 0.94	$ 0.32	$ 2.98
Net income per common share--diluted	$ 0.40	$ 1.29	$ 0.92	$ 0.32	$ 2.93

NOTE 17:

Subsequent Event

On February 2, 2002, we acquired 100% of the outstanding shares of Bass Holdings Ltd. and certain other intangible assets from Interbrew S.A. as well as paying off certain intercompany loan balances with Interbrew for a total purchase price of 1.2 billion British pounds sterling (approximately $1.7 billion), plus associated fees and expenses and a restructuring provision. The purchase price is subject to adjustment based on the value of working capital, certain intercompany trade balances and undistributed earnings from joint ventures as of the acquisition date. This acquisition resulted in us obtaining the United Kingdom (U.K.) based Carling business. The Carling Brewers' business, subsequently renamed Coors Brewers Limited, includes the majority of the assets that previously made up Bass Brewers, including the Carling, Worthington and Caffrey's brand beers; the U.K. distribution rights to Grolsch (via a joint venture with Grolsch N.V.); several other beer and flavored-alcoholic beverage brands; related brewing and malting facilities in the U.K.; and a 49.9% interest in the distribution logistics provider, Tradeteam. Coors Brewers is the second-largest brewer in the U.K. and Carling lager is the best-selling beer brand in the U.K. The brand rights for Carling, which is the largest acquired brand by volume, are mainly for territories in Europe. The addition of Coors Brewers reduces our reliance on one product in North America and also creates a broader, more diversified company in a consolidating global beer market.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. We are in the process of obtaining third-party valuations of certain tangible and intangible assets and of pension and other liabilities, and analyzing other market or historical information for certain estimates. We are also finalizing the tax and financing structure of the acquired business and evaluating certain restructuring plans. Accordingly, the allocation of the purchase price is subject to change. Also, as noted above, the purchase price is subject to further adjustments, which have not yet been finalized with Interbrew. These adjustments will result in further change to the purchase price allocation.

	As of February 2, 2002 (In millions)
Current assets	$ 547
Property, plant and equipment	445
Other assets	444
Intangible assets	415
Goodwill	532
Total assets acquired	2,383
Current liabilities	(428)
Non-current liabilities	(238)
Total liabilities assumed	(666)
Net assets acquired	$ 1,717

Of the $415 million of acquired intangible assets, approximately $389 million has been assigned to brand names and distribution rights. The remaining $26 million was assigned to patents and technology and distribution channels. The respective lives of these assets and the resulting amortization is still being evaluated.

In March 2002, we announced plans to close our Cape Hill brewery and Alloa malting facility. A majority of the production at the Cape Hill brewery relates to brands that were retained by Interbrew. The production at the Alloa malting facility will be moved to one of the other existing malting facilities. The plan to close these sites and the associated exit costs have been reflected in the purchase price allocation above.

We funded the acquisition with approximately $150 million of cash on hand and approximately $1.55 billion of combined debt as described below at the prevailing exchange rate:

Term		Facility Currency Denomination	Balance (In millions)
5 year	Amortizing term loan	USD	$ 478
5 year	Amortizing term loan (228 million pounds)	GBP	322
9 month	Bridge facility	USD	750
			$ 1,550

In conjunction with the term loan and bridge facility, we incurred financing fees of approximately $9 million and $500,000, respectively. These fees will be amortized over the respective term of the borrowing. There is an additional financing fee on the bridge facility of approximately $1.1 million if the facility is not repaid by May 15, 2002. We expect to refinance our nine month bridge facility through issuance of long-term financing prior to maturity.

Amounts outstanding under both our term loan and our bridge facility bear interest, at our option, at a rate per annum equal to either an adjusted LIBOR or an alternate rate, in each case plus an additional margin. The additional margin is set based upon our investment grade. If our investment grade changes, the additional margin is subject to adjustment. Interest is payable quarterly unless the selected LIBOR is for a time period less than 90 days, in which case the interest is payable in the time period corresponding to the selected LIBOR.

Our term loan is payable quarterly in arrears beginning March 28, 2003, pursuant to the amortization schedule below, and matures February 1, 2007.

Year of annual payments	Amortization rate of term loans
2003	15%
2004	20%
2005	25%
2006	30%
2007	10%
	100%

We and all of our existing and future, direct and indirect, domestic subsidiaries, other than immaterial domestic subsidiaries, have guaranteed our term loan.

Our term loan requires us to meet certain periodic financial tests, including maximum total leverage ratio and minimum interest coverage ratio. There are also certain restrictions on indebtedness, liens and guarantees; mergers, consolidations and some types of acquisitions and assets sales; dividends and stock repurchases; and certain types of business in which we can engage. We expect to timely repay this facility in accordance with its terms.

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 85) is Chairman of the Board of Adolph Coors Company (ACC) and has served in such capacity since 1970. He has served as a director since 1940. He was President from 1989 until May 11, 2000. He is the Chairman of the Executive Committees of ACC and Coors Brewing Company (CBC). He is also a director of CBC and Graphic Packaging International Corporation. He is the uncle of Peter H. Coors.

PETER H. COORS (Age 55) is President of ACC and chairman of CBC. He was Chief Executive Officer from December 1992 to May 2000. He has been a director of ACC and CBC since 1973. Prior to 1993, he served as Executive Vice President and Chairman of the brewing division, before it was organized as CBC. He served as interim treasurer and Chief Financial Officer of ACC from December 1993 to February 1995. He has served in a number of different executive and management positions for CBC. Since March 1996, he has been a director of U.S. Bancorp. He also has been a director of Energy Corporation of America since March 1996, and was appointed to the board of H.J. Heinz & Co. in 2001. He is the nephew of William K. Coors.

W. LEO KIELY III (Age 55) was appointed President and Chief Operating Officer of CBC as of March 1, 1993, and was named Chief Executive Officer of CBC in May 2000. He also is a vice president of ACC, and has been a director of ACC and CBC since August 1998. Prior to joining CBC, he held executive positions with Frito-Lay, Inc., a subsidiary of PepsiCo in Plano, Texas. He also serves on the board of directors of Sunterra Resorts, Inc. and the SEI Center for Advanced Studies Board for the Wharton School of Finance.

FRANKLIN W. HOBBS (Age 54) was appointed a director of ACC and CBC in 2001 and is a member of the Compensation and Human Resources Committee. He graduated from Harvard College and Harvard Business School and is currently the Chief Executive Officer and director for the investment bank, Houlihan Lokey Howard & Zukin. He served in roles of increasing responsibility at the investment bank, Dillon, Read & Co., Inc. from 1972 through 2000, finally serving as chairman of UBS Warburg following a series of mergers between Dillon Read, and SBC Warburg, and later with Union Bank of Switzerland. He also serves on the board of directors of Lord Abbett Group of Mutual Funds and the Board of Overseers at Harvard College.

PAMELA H. PATSLEY (Age 45) has served as a director of both ACC and CBC since November 1996. She chairs the Audit Committee and is a member of the Compensation and Human Resources Committee. In March 2000, she became Senior Executive Vice President of First Data Corp. and president of First Data Merchant Services, First Data Corp.'s merchant processing enterprise, which also includes the TeleCheck check guarantee and approval business. Prior to joining First Data, She 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, she was with KPMG Peat Marwick.

WAYNE R. SANDERS (Age 54) has served as a director of ACC and CBC since February 1995. He is a member of the Compensation and Human Resources Committee and the Audit Committee. He is Chairman of the Board and since 1991 has been Chief Executive Officer of Kimberly- Clark Corporation in Dallas. He joined Kimberly-Clark in 1975 and has served in a number of positions. He was elected to Kimberly- Clark's board of directors in August 1989. He is also a director of Texas Instruments Incorporated and Chase Bank of Texas.

ALBERT C. YATES (Age 59) has served as a director of ACC and CBC since August 1998. He was appointed chairman of the Compensation and Human Resources Committee in November 2001 and is a member of the Audit Committee. He is President of Colorado State University in Fort Collins, Colorado, and Chancellor of the Colorado State University System. He was a member of the board of the Federal Reserve Board of Kansas City-Denver Branch and has served on the board of First Interstate Bank.

Luis G. Nogales retired from the boards of ACC and CBC in November 2001. Joseph Coors retired from our board in May 2000 and was elected a director emeritus.

(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, 2002:

RONALD G. ASKEW (Age 47) was appointed Chief Marketing Officer of CBC in October 2001. He was a founder and served as chief executive officer of The Integer Group, in Denver, Colorado, a marketing and advertising agency that services large accounts including Coors Brewing Company, from 1993 to October 2001. Before forming The Integer Group, he was director of account services for Tracy-Locke Advertising and DDB Worldwide in Dallas. He also served as a vice president for Frito-Lay, Inc. in marketing and new business development.

DAVID G. BARNES (Age 40) joined us in March 1999 as Vice President and Treasurer of ACC, and Vice President of Finance and Treasurer of CBC. From 1994 to 1999, he was Vice President of Finance and Development for Tricon Global Restaurants. At Tricon, he also held positions as Vice President of Mergers and Acquisitions and Vice President of Planning. From 1990 to 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 five years.

CARL L. BARNHILL (Age 53) joined CBC in May 1994 as Senior Vice President of Sales. He has 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.

PETER M. R. KENDALL (Age 55) joined us in January 1998 as Senior Vice President and Chief International Officer of CBC. In 2002, he was appointed Chief Executive Officer of Coors Brewers Limited, our principal United Kingdom subsidiary, and is also Senior Vice President, U.K. and Europe. He is also a vice president of ACC. 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 to 1996, he was President of

International Book Operations for McGraw Hill Companies. From 1981-1994, he worked in leadership positions for Pepsi International, PepsiCo and PepsiCo Wines and Spirits. Prior to working for Pepsi, he spent six years at McKinsey & Co. in New York.

ROBERT D. KLUGMAN (Age 54) was named our Senior Vice President of Corporate Development of CBC in May 1994. In 2002, he was named Senior Vice President of International and Corporate Development, following the acquisition of the Carling Brewers' business from Interbrew S.A. He also serves as a vice president of ACC. Prior to that, he was Vice President of Brand Marketing, and also served as Vice President of International, Development and Marketing Services. Before joining us, he was a Vice President of Client Services at Leo Burnett USA, a Chicago-based advertising agency.

KATHERINE L. MACWILLIAMS (Age 46) joined Coors Brewing Company in April 1996 as Vice President and Treasurer. In 1999, she was named Vice President, International Finance, and in April 2001, Vice President, International and Control. Prior to joining Coors, she served as Vice President of Capital Markets for UBS Securities in New York. In addition, she has held a wide range of financial positions with The First National Bank of Chicago, Sears Roebuck and Co. and Ford Motor Company. She is a past board member (1989 to 1992) of the International Swaps and Derivatives Association, Inc. and a current director (since January 1997) of the Selected family of mutual funds, where she chairs the Audit Committee.

ROBERT M. REESE (Age 52) joined the company in December 2001 as Vice President and Chief Legal Officer. He also serves as Senior Vice President and Chief Legal Officer of CBC. Prior to joining us, he was associated with Hershey Foods Corporation from 1978 to 2001, serving most recently as Senior Vice President of Public Affairs, General Counsel and Secretary.

MARA SWAN (Age 42) was appointed Senior Vice President and Chief People Officer of CBC in March 2002. She joined Coors in November 1994 as a director of human resources responsible for the sales and marketing area and most recently was Vice President, Human Resources. Prior to that, she worked for 11 years at Miller Brewing Company in Milwaukee where she held various positions in human resources. Her most recent assignments at Miller included human resources manager for operations and personnel services manager for marketing.

RONALD A. TRYGGESTAD (Age 45) was named Vice President and Controller of CBC and Controller of ACC in May 2001. He joined the company in December 1997 as the director of tax. Prior to joining CBC, he was with Total Petroleum, Inc. from 1994 to 1997, serving there as Director of Tax and Internal Audit. He also worked for Shell Oil Company from 1990 through 1993, and Price Waterhouse from 1982 through 1989.

TIMOTHY V. WOLF (Age 48) was named Vice President and Chief Financial Officer of ACC and Senior Vice President and Chief Financial Officer of CBC in February 1995. Prior to CBC, he served as Senior Vice President of Planning and Human Resources for Hyatt Hotels Corporation from 1993 to 1994 and in several executive positions for The Walt Disney Company, including vice president, controller and chief accounting officer, from 1989 to 1993. Prior to Disney, he 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.

Caroline Turner, former Senior Vice President and General Counsel, and William Weintraub, former Senior Vice President of Marketing, both retired from the company in 2001.

Olivia Thompson, former Controller, was named Vice President of Process Development in 2001, reporting to Leo Kiely.

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 of ACC are elected at the annual meeting of the Class A voting shareholder held in May. There are no arrangements or understandings between any officer or director pursuant to which any officer or director was elected.

Based upon our review of Forms 3, 4 and 5 filed by certain beneficial owners of our Class B common stock, we have determined that there was a failure to file a Form 5 on a timely basis with the SEC as required under
Section 16(a) of the Securities Exchange Act of 1934 for one transaction on behalf of Pamela Patsley, Wayne Sanders, Luis Nogales, Albert Yates, David Barnes and Peter Kendall, and a Form 4 for one transaction on behalf of Peter Coors. Forms 5 were filed immediately when the omissions were discovered in March 2002. We are not aware of any failure by the Section 16 reporting persons to file a required form pursuant to Section 16.

ITEM 11. Executive Compensation

I. SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			LONG-TERM COMPENSATION			
					AWARDS	PAYOUTS		
NAME & PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)(1)	OTHER ANNUAL COMP ($)	RESTRICTED STOCK ($)(2)	SECURITIES UNDERLYING OPTIONS (#)(3)	LTIP PAYOUTS ($)	ALL OTHER COMP ($)(4)
Peter H. Coors,	2001	760,500	452,272	0	0	125,000	0	78,699

President of Adolph Coors Company, Chairman of Coors Brewing Company	2000	726,750	563,760	0	0	170,908	0	78,699
	1999	655,765	380,291	0	0	62,751	0	55,504
W. Leo Kiely III, Vice President of Adolph Coors Company & CEO of Coors Brewing Company	2001	686,456	407,423	0	0	120,000	0	57,139
	2000	569,250	428,644	0	0	103,708	0	57,139
	1999	516,750	304,722	0	0	87,429	0	41,723
Timothy V. Wolf, CFO of Adolph Coors Company, Senior VP & CFO of Coors Brewing Company	2001	371,000	163,899	0	0	20,000	0	11,835
	2000	360,500	189,525	0	0	35,024	0	11,835
	1999	343,020	160,022	0	0	28,790	0	11,535
Peter M. R. Kendall, Senior VP of Coors Brewing Company, CEO of Coors Brewers Limited	2001	358,280	133,647	0	0	25,000	0	30,171
	2000	348,140	180,758	0	0	33,823	0	30,171
	1999	331,500	139,317	0	0	27,844	0	29,871
Carl L. Barnhill, Senior VP of Sales of Coors Brewing Company	2001	343,200	128,022	0	0	30,000	0	14,275
	2000	336,600	180,758	0	0	33,022	0	14,275
	1999	311,280	139,317	0	0	25,064	0	19,601
William H. Weintraub(5), Senior VP of Marketing of Coors Brewing Company	2001	364,000	135,781	0	0	25,000	0	21,355
	2000	357,000	186,244	0	0	35,024	0	21,355
	1999	327,376	145,123	0	0	26,109	0	21,055

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

(2) In 2001, the shares of restricted stock which were granted in 1998 vested. The values at the vesting dates were as follows: Peter H. Coors, $285,226; W. Leo Kiely III, $146,594; Timothy V. Wolf, $72,885; Peter M. R. Kendall, $311,287; Carl L. Barnhill, $117,495 and William H. Weintraub, $70,071. No restricted stock grants were made to any of the named executives during 1999 to 2001.

(3) See discussion under Item 11, Part II, for options issued in 2001.

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

(5) William H. Weintraub, former Senior Vice President of Marketing, retired from the company in 2001.

We provide term officer life insurance for all the named active executives. The officer's life insurance provides six times the executive base salary until retirement when the benefit terminates. The 2001 annual benefit for each executive was: Peter H. Coors, $73,599; W. Leo Kiely III, $52,039; Timothy V. Wolf, $6,735; Peter M. R. Kendall, $25,071; Carl L. Barnhill, $9,175 and William H. Weintraub, $16,255.

Our 50% match on the first 6% of salary contributed by the officer to ACC's qualified 401(k) plan was $5,100 each for Peter H. Coors, W. Leo Kiely III, Timothy V. Wolf, Peter M. R. Kendall, Carl L. Barnhill and William H. Weintraub. Peter H. Coors, W. Leo Kiely III, Peter M.R. Kendall and William H. Weintraub exercised stock options in 2001. See discussion in Item 11, Part III, for stock option exercises in 2001.

In response to Code Section 162 of the Revenue Reconciliation Act of 1993, we appointed a special compensation committee of the board to approve and monitor performance criteria in certain performance-based executive compensation plans for 2001.

II. OPTION/SAR GRANTS TABLE

Option Grants in Last Fiscal Year

INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)(1)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SHARE)	EXPIRATION DATE	5%	10%
Peter H. Coors	125,000	7.53%	$69.0950	02/16/11	$5,431,684	$13,764,954
W. Leo Kiely III	120,000	7.23%	$69.0950	02/16/11	$5,214,417	$13,214,356
Timothy V. Wolf	20,000	1.20%	$69.0950	02/16/11	$ 869,069	$2,202,393
Peter M. R. Kendall	25,000	1.51%	$69.0950	02/16/11	$1,086,337	$2,752,991
Carl L. Barnhill	30,000	1.80%	$69.0950	02/16/11	$1,303,604	$3,303,589
William H. Weintraub	25,000	1.51%	$69.0950	02/16/11	$1,086,337	$2,752,991

(1) Grants vest one-third in each of the three successive years after the date of grant. As of December 30, 2001, no 2001 grants were 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

	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END (#) Exercisable	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END (#) Unexercisable	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END Exercisable	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END Unexercisable
Peter H. Coors	7,047	$ 35,253	191,702	244,983	$2,475,341	$ 461,563
W. Leo Kiely III	15,000	$ 468,989	223,973	218,283	$3,977,910	$ 293,723
Timothy V. Wolf	0	$ 0	47,948	52,947	$ 416,833	$ 108,787
Peter M. R. Kendall	17,512	$ 591,314	29,837	56,830	$ 52,531	$ 105,055
Carl L. Barnhill	0	$ 0	58,788	60,369	$ 917,632	$ 102,565
William H. Weintraub	22,074	$ 704,514	23,427	57,053	$ 37,261	$ 108,787

(1) Values stated are the bargain element realized in 2001, which is the difference between the option price and the market price at the time of exercise.

IV. 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	$25,000	$50,000	$75,000	$100,000
150,000	30,000	60,000	90,000	120,000
175,000(1)	35,000	70,000	105,000	140,000
200,000(1)	40,000	80,000	120,000	160,000(1)
225,000(1)	45,000	90,000	135,000	180,000(1)
250,000(1)	50,000	100,000	150,000(1)	200,000(1)
275,000(1)	55,000	110,000	165,000(1)	220,000(1)
300,000(1)	60,000	120,000	180,000(1)	240,000(1)
325,000(1)	65,000	130,000	195,000(1)	260,000(1)
350,000(1)	70,000	140,000	210,000(1)	280,000(1)
375,000(1)	75,000	150,000(1)	225,000(1)	300,000(1)
400,000(1)	80,000	160,000(1)	240,000(1)	320,000(1)
425,000(1)	85,000	170,000(1)	255,000(1)	340,000(1)
450,000(1)	90,000	180,000(1)	270,000(1)	360,000(1)
475,000(1)	95,000	190,000(1)	285,000(1)	380,000(1)
500,000(1)	100,000	200,000(1)	300,000(1)	400,000(1)
525,000(1)	105,000	210,000(1)	315,000(1)	420,000(1)
550,000(1)	110,000	220,000(1)	330,000(1)	440,000(1)
575,000(1)	115,000	230,000(1)	345,000(1)	460,000(1)
600,000(1)	120,000	240,000(1)	360,000(1)	480,000(1)

(1) Maximum permissible benefit under ERISA from the qualified retirement income plan for 2001 was $140,000. Annual compensation exceeding $170,000 is not considered in computing the maximum permissible benefit under the qualified plan. We have a non-qualified

supplemental retirement plan to provide full accrued benefits to all employees in excess of Internal Revenue Service maximums.

Annual compensation covered by the qualified and non-qualified retirement plans and credited years of service for the named executive officers are as follows: William K. Coors, $345,602 and 62 years; Peter H. Coors, $742,500 and 30 years; W. Leo Kiely III, $686,456 and 8 years; Timothy V. Wolf, $371,000 and 7 years; Peter M. R. Kendall, $358,280 and 4 years; Carl L. Barnhill, $343,200 and 7 years; and William H. Weintraub, $364,000 and 8 years.

Our 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. 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 us 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 2001 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 $222,750, paid upon normal retirement.

V. COMPENSATION OF DIRECTORS

We 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. We reserved 50,000 shares of stock to be issued under the EC Plan. The NE directors' annual retainer is $36,000.

In 2001, the NE members of the board of directors, excluding Franklin Hobbs, were paid 50% of the $36,000 annual retainer for the 2000-2001 term and 50% of the $36,000 annual retainer for the 2001-2002 term, as well as reimbursement of expenses incurred to perform their duties as directors. Franklin Hobbs, who joined the board in December 2001, elected to receive his compensation entirely in stock. He received a grant of 278 shares valued at $15,000 which will become unrestricted in May 2002. Directors who are our full-time employees receive $18,000 annually. All directors are reimbursed for any expenses incurred while attending board or committee meetings and in connection with any other company business.

VI. EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Except for agreements with certain of our executive officers, including the named active executive officers, relating to their employment upon a change of control of our company, we have no agreements with executives or employees providing employment for a set period. The change in control agreements, which apply to certain officers of Coors Brewing Company, generally provide that for a period of two years following a change of control as defined in the agreements, the officer will be entitled to certain compensation upon certain triggering events. These events include termination without cause, resignation for good reason or resignation by the officer for any reason during a 30 day window beginning one year after a change of control. Upon a triggering event, officers would be paid a multiple of their annual salary and bonus, plus health, pension and life insurance benefits for additional years. For the chairman and the chief executive officer, the compensation would equal three times annual salary and bonus, plus benefits for the equivalent of three years coverage, plus three years credit for additional service toward pension benefits. All other officers, including named active officers, who are party to these agreements would receive two times annual salary and bonus, plus two years equivalent benefit coverage, plus credit for two years additional service toward pension benefits.

VII. COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Luis G. Nogales, Pamela H. Patsley, Wayne R. Sanders and Albert C. Yates served on the Compensation and Human Resources Committee during 2001.

VIII. AUDIT COMMITTEE REPORT

The Audit Committee of our board of directors is composed of a minimum of three independent directors and operates under a written charter adopted by the board of directors. The Audit Committee's primary duties and responsibilities are to:

- monitor the integrity of our financial reporting process, the system of internal controls and significant legal matters and ethics;

- review and appraise the independence and performance of our internal auditors and independent accountants; and

- provide an open avenue of communication for the independent accountants, financial and senior management, internal auditors and the board of directors.

The committee held eight meetings during the fiscal year ended December 30, 2001. Discussions were held with management and the independent auditors. Management represented to the committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles. The committee has reviewed and discussed the consolidated financial statements with our management and the independent auditors. The committee has discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, Communication with Audit Committees, as amended by SAS 90, Audit Committee Communications.

In addition, the committee has discussed with the independent auditors the auditors' independence, including the matters in the written disclosures and the letter we received from the auditors, as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. The fees billed by the auditors for non-audit services were also considered in the discussions of independence.

In addition to ongoing discussions with management, the committee also held a special meeting on March 22, 2002, to review the audited consolidated financial statements for the year ended December 30, 2001. Based on the committee's reviews and discussions referred to above, the committee recommended that the board of directors include such financial statements in our annual report on Form 10-K for the year ended December 30, 2001.

Submitted by the Audit Committee
Pamela H. Patsley (Chair)
Wayne R. Sanders
Albert C. Yates

IX. INDEPENDENT PUBLIC ACCOUNTANTS' FEES

Audit fees: Aggregate fees for professional services rendered by PricewaterhouseCoopers LLP in connection with its audit of our consolidated financial statements for fiscal year 2001 and the quarterly reviews of our financial statements included in Forms 10-Q were $511,600.

Financial information systems design and implementation fees:
PricewaterhouseCoopers rendered no professional services to us in connection with the design and implementation of financial information systems in fiscal year 2001.

All other fees: Fees of $544,212 were billed for fiscal year 2001. These were primarily for: (1) audit related fees of $99,550 for issuance of consents, audits of our employee benefit plans and financial statements of certain subsidiaries during the year, and audit related accounting projects; (2) income tax compliance and related tax services of $101,207 and (3) other related fees of $343,455 for supply chain consulting and other special project assistance.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

(a)(b) Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of March 8, 2002, as to the beneficial ownership of Class A stock and Class B stock by beneficial owners of more than 5% of our Class A stock and Class B stock, each director, our named executive officers and by all directors and executive officers as a group. Unless otherwise indicated, the person or persons named have sole voting and investment power and that person's address is c/o Adolph Coors Company, 311 10th Street, P.O. Box 4030, Golden, Colorado 80401. Shares of common stock subject to options currently exercisable or exercisable within 60 days following the date of the tables are deemed outstanding for computing the share ownership and percentage of the person holding such options, but are not deemed outstanding for computing the percentage of any other person.

	Amount and nature of beneficial ownership			
Name of beneficial owner	Number of Class A shares	Percent of class(1)	Number of Class B shares	Percent of class(1)
Adolph Coors, Jr. Trust, William K. Coors, Jeffrey H. Coors, Peter H. Coors, J. Bradford Coors and Melissa E. Coors, trustees	1,260,000(2)	100.0%	2,940,000(2)	8.5%
May K. Coors Trust(5)	0	0.0%	2,589,980	7.2%
Capital Research and				

Management Company	0	0.0%	2,035,000(1,11)	5.8%
The Growth Fund of America	0	0.0%	1,785,000(1,11)	5.1%
William K. Coors	0	0.0%	320,807(2,3)	*
Peter H. Coors	0	0.0%	442,454(2,4)	1.3%
W. Leo Kiely III	0	0.0%	342,087(6)	*
Franklin W. Hobbs	0	0.0%	278(7)	*
Pamela H. Patsley	0	0.0%	2,372(7)	*
Wayne R. Sanders	0	0.0%	6,106(7)	*
Albert C. Yates	0	0.0%	1,345(7)	*
Carl L. Barnhill	0	0.0%	92,913(8)	*
Peter M.R. Kendall	0	0.0%	61,447(9)	*
Timothy V. Wolf	0	0.0%	78,327(10)	*
William H. Weintraub	0	0.0%	53,752(12)	*
All directors and executive officers as a group, including persons named above (18 persons)	0	0.0%	1,573,475 (2,4)	4.3%

* Less than 1%.

(1) Except as set forth above and based solely upon reports of beneficial ownership required filed with the Securities and Exchange Commission pursuant to Rule 13d-1 under the Securities and Exchange Act of 1934, we do not believe that any other person beneficially owned, as of March 8, 2002, greater than 5% of our outstanding Class A stock or Class B stock.

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

(3) This does not include 2,589,980 shares of Class B common stock owned by the May K. Coors Trust or 1,260,000 shares of Class A common stock or 2,940,000 shares of Class B common stock owned by the Adolph Coors, Jr. Trust, as to all of which William K. Coors disclaims beneficial ownership. It does not include an aggregate of 5,700,114 shares of Class B common stock owned by a number of other trusts that hold the shares for the benefit of certain Coors family members, as to all of which William K. Coors disclaims beneficial ownership. William K. Coors is a beneficiary of certain of these trusts. The commission does not require disclosure of these shares. If William K. Coors were to be attributed beneficial ownership of the shares held by these trusts, he would beneficially own 100% of the Class A common stock and 33.3% of the Class B common stock

(4) This does not include 2,589,980 shares of Class B common stock owned by the May K. Coors Trust or 1,260,000 shares of Class A common stock or 2,940,000 shares of Class B common stock owned by the Adolph Coors, Jr. Trust, as to all of which Peter H. Coors disclaims beneficial ownership. It does not include an additional aggregate of 5,700,114 shares of Class B common stock owned by a number of other trusts that hold the shares for the benefit of certain Coors family members, as to all of which Peter H. Coors disclaims beneficial ownership. Peter H. Coors is a trustee or beneficiary of certain of these trusts. The commission does not require disclosure of these shares. This includes 2,660 shares held in the names of Peter H. Coors's wife and some of his children, as to which he disclaims beneficial ownership. This number includes options to purchase 303,819 shares of Class B common stock exercisable within 60 days. If Peter H. Coors were to be attributed beneficial ownership of the shares held by these trusts, he would beneficially own 100% of the Class A common stock and 33.4% of the Class B common stock.

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

(6) This number includes currently exercisable options to purchase 324,639 shares of Class B common stock.

(7) These shares were issued as restricted stock under our 1991 Equity Compensation Plan for Non-Employee directors. Vesting in the restricted stock occurs at the end of the one-year term for outside directors. These numbers include the following number of shares which will vest in May 2002:
Franklin W. Hobbs, 278; Pamela H. Patsley, 332; Wayne R. Sanders, 138; Albert C. Yates, 415.

(8) This number includes currently exercisable options to purchase 88,151 shares of Class B common stock.

(9) This number includes currently exercisable options to purchase 58,727 shares of Class B common stock.

(10) This number includes options to purchase 75,887 shares of Class B common stock currently exercisable or exercisable within 60 days.

(11) The shares held by the Capital Research and Management Company include the 1,785,000 shares (5.1% of total outstanding) held by The Growth Fund of America, which is managed by Capital Research and Management Company. The source of this information is a joint Schedule 13 received by us February 14, 2002, filed by Capital Research and Management Company and The Growth Fund of America, Inc.

(12) This number includes options to purchase 52,139 shares of Class B common stock currently exercisable or exercisable within 60 days.

(c) Changes in Control

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

ITEM 13. Certain Relationships and Related Transactions

(a) Transactions with Management and Others

None.

(b) Certain Business Relationships

In 1992, we spun off our wholly owned subsidiary, ACX Technologies, Inc., which has subsequently changed its name to Graphic Packaging International Corporation (GPIC). William K. Coors is a trustee of family trusts that collectively own all of our Class A voting common stock, approximately 31% of our Class B common stock, approximately 42% of GPIC's common stock and 100% of GPIC's series B preferred stock which is currently convertible into 48,484,848 shares of GPIC's common stock. If converted, the trusts would own approximately 78% of GPIC's common stock. Peter H. Coors is also a trustee of some of these trusts.

We have a packaging supply agreement with a subsidiary of GPIC under which we purchase a large portion of our paperboard requirements. We have begun negotiations to extend the term of this contract which expires in 2002. We expect it to be renewed prior to expiration. Our purchases under the packaging agreement in 2001, 2000 and 1999 totaled approximately $125 million, $112 million and $107 million, respectively. We expect purchases in 2002 under the packaging agreement to be approximately $118 million. Related accounts receivable balances included in Affiliates Accounts Receivable on the Consolidated Balance Sheets were immaterial in 2001 and 2000. Related accounts payable balances included in Affiliates Accounts Payable on the Consolidated Balance Sheets were $0.5 million and $1.3 million in 2001 and 2000, respectively.

We are also a limited partner in a real estate development partnership in which a subsidiary of GPC is the general partner. The partnership owns, develops, operates and sells certain real estate previously owned directly by us. In 2001, we received no distributions from this partnership.

(c) Indebtedness of Management

No member of management or another with a direct or indirect interest in us was indebted to us in excess of $60,000 in 2001.

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:

Schedule II - Valuation and Qualifying Accounts

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 Schedule

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 6, 2002, appearing in 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 6, 2002

SCHEDULE II

ADOLPH COORS COMPANY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

	Balance at beginning of year	Additions charged to costs and expenses	Deductions(1)	Balance at end of year
		(In thousands)		
Allowance for doubtful accounts				
Year ended				
December 30, 2001	$ 139	$ 119	($ 167)	$ 91
December 31, 2000	$ 55	$ 84	$ --	$ 139
December 26, 1999	$ 299	$ 53	($ 297)	$ 55
Allowance for certain claims				
Year ended				
December 30, 2001	$ 104	$ 50	($ 43)	$ 111
December 31, 2000	$ 133	$ --	($ 29)	$ 104
December 26, 1999	$ 584	$ 44	($ 495)	$ 133
Allowance for obsolete inventories and supplies				
Year ended				
December 30, 2001	$3,614	$3,361	($2,605)	$4,370
December 31, 2000	$3,170	$2,664	($2,220)	$3,614
December 26, 1999	$4,986	$3,778	($5,594)	$3,170

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

(3) Exhibits:

Exhibit 2.1 -- Share Purchase Agreement between Coors Worldwide, Inc. and Adolph Coors Company and Interbrew, S.A., Interbrew UK Holdings Limited, Brandbrew S.A., and Golden Acquisition Limited dated December 24, 2001 and amended February 1, 2002 (filed by amendment pursuant to confidential treatment request).

Exhibit 3.1 -- Amended and restated Articles of Incorporation of Adolph Coors Company effective May 17, 2001.

Exhibit 3.2 -- By-laws, as amended and restated May 10, 2000. (Incorporated by reference to Exhibit 3.2 to Registration Statement on Form S-3, SEC file No. 333-48194 filed October 27, 2000)

Exhibit 10.1* -- 2001 amendment to Adolph Coors Company 1990 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.20 to Form 10-K for the fiscal year ended December 31, 2000)

Exhibit 10.2 -- 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 10.3 -- 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 10.4 -- 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 10.5* -- 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 10.6* -- 2001 amendment to Adolph Coors Company Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.17 to Form 10-K for the fiscal year ended December 31, 2000)

Exhibit 10.7* -- Coors Brewing Company 2001 Annual Management Incentive Compensation Plan.

Exhibit 10.8 -- 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 10.9 -- Supply Agreement between Coors Brewing Company and Graphic Packaging International Corporation dated September 1, 1998. (Incorporated by reference to Exhibit 10.1 to current report on Form 8-K filed November 2, 1998, by ACX Technologies, Inc., SEC file No. 001-14060)

Exhibit 10.10 -- Form of 2001 change-in-control agreements for Chairman and for Chief Executive Officer. (Incorporated by reference to Exhibit 10.18 to Form 10-K for the fiscal year ended December 31, 2000)

Exhibit 10.11 -- Form of 2001 change-in-control agreements for other officers. (Incorporated by reference to Exhibit 10.19 to Form 10-K for the fiscal year ended December 31, 2000)

Exhibit 10.12 -- Supply agreement between Coors Brewing Company and Ball Metal Beverage Container Corp. dated November 12, 2001 (filed pursuant to confidential treatment request).

Exhibit 10.13 -- Supply Agreement between Rocky Mountain Metal Container, LLC and Coors Brewing Company dated November 12, 2001 (filed pursuant to confidential treatment request).

Exhibit 10.14 -- Agreement between Coors Brewing Company and EDS Information Services, LLC effective August 1, 2001 (filed by amendment pursuant to confidential treatment request).

Exhibit 10.15 -- Credit Agreement dated as of February 1, 2002 among Adolph Coors Company, Coors Brewing Company, Golden Acquisition Limited, the lenders party thereto, Deutsche Bank Alex. Brown Inc., as Syndication Agent, JPMorgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London Agent.

Exhibit 10.16 -- Bridge Credit Agreement dated as of February 1, 2002 among Adolph Coors Company, Coors Brewing Company, the lenders party thereto, Morgan Stanley Senior Funding, Inc., as Syndication Agent, JPMorgan Chase Bank, as Administrative Agent, and J.P. Morgan Europe Limited, as London Agent.

Exhibit 10.17*-- Coors Brewing Company 2002 Coors Incentive Plan.

Exhibit 21 -- Subsidiaries of the Registrant.

Exhibit 23 -- Consent of Independent Accountants.

*Represents a management contract.

(b) Reports on Form 8-K

A current report on Form 8-K dated December 24, 2001, was filed to announce that we had executed a letter of intent with Interbrew S.A. for the purchase of the Carling Brewers' portion of the Bass Brewers business.

A current report on Form 8-K dated February 2, 2002, was filed announcing the close of the acquisition of the Carling Brewers' business.

(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 our significant subsidiaries and the respective jurisdictions of their organization or incorporation as of December 30, 2001. All subsidiaries are included in our consolidated financial statements.

Name	State/country of organization or incorporation
Coors Brewing Company	Colorado
Coors Distributing Company	Colorado
Coors Worldwide, Inc.	Colorado
Coors International Market Development, LLLP	Colorado
Coors Japan Company, Ltd.	Japan
Coors Canada, Inc.	Canada

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-35035, 33-40730, 33-59979, 333-45869 and 333-38378) of Adolph Coors Company of our report dated February 6, 2002, relating to the consolidated financial statements which appear in this Annual Report on Form 10-K.

We also consent to the incorporation by reference of our report dated February 6, 2002, relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Denver, Colorado
March 29, 2002

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 Director

By /s/ Peter H. Coors

Peter H. Coors
President and Director
(Principal Executive Officer)

By /s/ Timothy V. Wolf

Timothy V. Wolf
Vice President and
Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting 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/ W. Leo Kiely III

W. Leo Kiely III
Vice President and
Director

By /s/ Pamela H. Patsley

Pamela H. Patsley
Director

By /s/ Albert C. Yates

Albert C. Yates
Director

By /s/ Franklin W. Hobbs

Franklin W. Hobbs
Director

By /s/ Wayne R. Sanders

Wayne R. Sanders
Director

March 28, 2002

SECOND AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

ADOLPH COORS COMPANY

Pursuant to the provisions of the Colorado Business Corporation Act (the "Act"), the undersigned corporation adopts the following Second Amended and Restated Articles of Incorporation. These articles correctly set forth the provisions of the Articles of Incorporation, as amended, and supersede the first Amended and Restated Articles of Incorporation and all amendments thereto.

FIRST: The name of the Corporation is Adolph Coors Company.

SECOND: The following Second Amended and Restated Articles of Incorporation were adopted on May 17, 2001. The Second Amended and Restated Articles of Incorporation were adopted by a vote of the shareholders. The number of shares voted for the Second Amended and Restated Articles of Incorporation was sufficient for approval.

THIRD: The Articles of Incorporation shall be amended to read in their entirety as follows:

ARTICLE I

Name

The name of the Corporation is Adolph Coors Company.

ARTICLE II

Duration

The Corporation shall have perpetual existence.

ARTICLE III

Purposes and Powers

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

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

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

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

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

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

(5) To do everything necessary, proper, advisable, or convenient for the accomplishment of the Corporation's purposes and all other things

incidental thereto or connected therewith so long as the same shall not be prohibited by law or by these Articles of Incorporation.

ARTICLE IV

Capital; Shareholders

(a) Authorized Capital. The aggregate number of shares of Capital Stock which the Corporation shall have authority to issue is 226,260,000, said shares to consist of the following:

(1) 1,260,000 shares of Class A Common Stock (Voting), without par value ("Class A Stock");

(2) 200,000,000 shares of Class B Common Stock (Non-Voting), without par value ("Class B Stock"); and

(3) 25,000,000 shares of Preferred Stock, without par value ("Preferred Stock").

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

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

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

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

(3) The Board may declare and distribute dividends to the holders of Class A Stock and the holders of Class B Stock in the form of shares of Common Stock of the Corporation. Dividends payable in Common Stock to the holders of Class A Stock may be made in authorized and unissued shares of Class A Stock or in authorized and unissued shares of Class B Stock as the Board determines. Dividends payable in Common Stock to the holders of Class B Stock may be made in authorized and unissued shares of Class B Stock.

(4) Notwithstanding subparagraph (c)(1) of this Article IV, at any time when, and for so long as, the Corporation has no shares of Class A Stock outstanding, the Class B Stock shall automatically, without further action by the Board or shareholders, be converted into voting stock and shall have the right to vote for the election of directors and for all other purposes, and all references in these Articles of Incorporation to required votes of the Class A Stock shall be deemed to refer to the Class B Stock. At such time as the Corporation reissues one or more shares of Class A Stock, the voting rights of the Class B Stock shall be as set forth in subparagraph (c)(1) of this Article IV and not in this subparagraph (c)(5).

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

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

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

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

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

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

(6) Subject to subparagraph (d)(iv) of this Article IV, the terms of voting rights of shares of that series; and

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

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

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

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

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

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

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

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

(e) Vote Required. Except as otherwise required by law or provided in these Articles of Incorporation, any action that, but for this sentence, would require the vote of two-thirds of the votes entitled to be cast on such action, shall require only the approval of a majority of the voting power of the votes to be cast on that action.

ARTICLE V

No Preemptive Rights

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

ARTICLE VI

No Cumulative Voting

Cumulative voting shall not be allowed in the election of directors or for any other purpose.

ARTICLE VII

Registered Office and Agent

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

ARTICLE VIII

Board of Directors

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

(b) Vacancies. Any vacancies on the Board, however occurring, shall be filled by the holders of Class A Stock or the directors elected by holders of Class A Stock.

(c) Removal. Any director may be removed, with or without cause by the vote of the holders of Class A Stock.

ARTICLE VIII

Limitation on Liability

To the fullest extent permitted by the Act, as the same exists or may hereafter be amended, no director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except that this provision shall not eliminate or limit the liability of a director to the Corporation or to its shareholders for monetary damages otherwise existing for (i) any breach of the director's duty of loyalty to the Corporation or to its shareholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) acts specified in Section 7-108-403 of the Act relating to any unlawful distribution; or (iv) any transaction from which the director directly or indirectly derived any improper personal benefit. If the Act is hereafter amended to eliminate or limit further the liability of a director, then, in addition to the elimination and limitation of liability provided by the preceding sentence, the liability of each director shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Article VIII by the shareholders of the Corporation shall be prospective only and shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE IX

Indemnification

Each person who is or was a director or officer of the Corporation, and each such person who is or was serving at the request of the Corporation as a director or officer of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (including the heirs, executors, administrators and estate of such person) shall be indemnified by the Corporation, in accordance with the Bylaws of the Corporation, to the fullest extent permitted from time to time by the Act or any other applicable laws as presently or hereafter in effect. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article IX with respect to the indemnification and advancement of expenses of directors and officers of the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person that provide for indemnification greater or different than that provided in this Article IX. No amendment or repeal of this Article IX shall adversely affect any right or protection existing hereunder or pursuant hereto immediately prior to such amendment or repeal.

ARTICLE X

Bylaws

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

IN WITNESS WHEREOF, Adolph Coors Company has caused these Second Amended and Restated Articles of Incorporation to be duly executed as of the 17th day of May, 2001.

ADOLPH COORS COMPANY

By: /s/ M. Caroline Turner

Name: M. Caroline Turner

Title: Vice President

COORS BREWING COMPANY
2002 COORS INCENTIVE PLAN
(CIP)

PARTICIPANTS:

All Directors and above and employees in salary bands E01 to E07 and N01 to N11 are eligible to participate in the Coors Incentive Plan (the "Plan"). No individual in another incentive plan will be eligible for participation in the Plan.

Participants who are newly hired or promoted into an eligible position during the Plan year will receive a prorated 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.

BONUS PAYOUT PARAMETERS:

All participants will be evaluated based on at least two separate bonus components, including the achievement of Company financial performance goals, individual performance goals, and plant goals, if applicable. Additionally, a multiplier will be applied based on CBC quality, as measured by consumer complaints.

PARTICIPATION LEVELS AND PARAMETERS:

Annual incentive target percents are based on salary bands. The salary band and applicable participation percent, as of January 1, 2002, or the new hire/promotion date if later, is used for incentive calculations as follows:

Position	Target	UK	US	Global	Individual	
CEO/Chairman	100%/80%			100%		
CEO (CBL)	60%		75%			25%
Global Executives	60%/50%			75%	25%	

		Corporate		Brewery Operations & Technology				Container
Salary Band/ Position	Incentive Target %	CBC	Indi-vidual	CBC	Indi-vidual	Plant	Indi-vidual	Plant
Senior VP	50%	75%	25%					
Group VP	45%	75%	25%	37.5%	25%	37.5%	25%	75%
VPs	40%	40%	60%	20%	60%	20%	60%	40%
Director	30%	40%	60%	20%	60%	20%	60%	40%
E07	25%							
E06	20%							
E05	15%	40%	60%	20%	60%	20%	60%	40%
E01-E04	10%							
N01-N11	5%							

All participants will be measured on some combination of Company, Plant (if applicable), Individual and Quality performance goals, depending on their position in the Company, in accordance with the table set forth above. Each individual measurement component constitutes a separate bonus arrangement, but the separate individual bonus components will be payable, to the extent amounts are payable in accordance with the terms hereof, at the same time as a part of one payment.

*The senior officers responsible for Coors Operations and Technology and the senior officer responsible for Human Resources have authority to subdivide the separate Individual bonus component to reflect other performance criteria without the necessity of further board or shareholder approval.

COMPANY FINANCIAL TARGETS:

Annual Company financial goals will be measured based on pre-tax income before special charges or credits for 2002 after incentive plan payouts (in millions). The targeted financial goals based on pre-tax income for 2002 shall be established in writing by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee") within the time parameters required by section 162(m) of the Code and the Regulations thereunder. At the Company's sole discretion, it may choose to use line/operational results as a substitute for certain organizational targets in lieu of the Company financial targets, provided, however, that the Company may not change the Company financial targets in any way with respect to individuals who are subject to the deduction limits of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

Definitions:

Pretax Income - Income before income taxes for external financial reporting purposes as prepared by the Company's outside auditors and as shown on the Company's Annual Report. Income is defined as Revenues (amounts received from the sales of beer) less Costs (manufacturing costs including brewing, packaging, raw materials, and freight, and all other costs required to run the business including marketing, selling,

support costs, interest expense/(income), etc.). This includes both Domestic and International and would also include the revenue and expenses associated with entering an international market.

Special Charges (Credits) - Extraordinary items (one-time unusual events) which are set forth on Schedule A attached hereto and hereby made a part of this Plan or which are otherwise separately identified in the Company's external financial statements as prepared by the Company's outside auditors.

If the Company financial goals are achieved, each eligible participant will receive a separate bonus based on the Company component. None of the Company bonus portion will be paid if pre-tax income falls below a minimum of 75% of the target financial goal. For each 1% the Company pretax income exceeds the target goal, the Company financial target bonus will increase 2% above the target payout level up to the maximum financial target payout of 150%. The amount of the Company financial target bonus will be reduced 2% from target for each 1% that actual results fall below the target pretax income goal.

For calendar year 2002, the Compensation Committee has established specific quality goals, as set forth on Schedule B attached hereto and hereby made a part of this Plan. Achievement of the quality goal will result in an increase in the Company financial bonus by 10% if an Above Target rating is achieved. An On Target rating will have no impact on bonus payouts and Below Target will result in a decrease in the Company financial portion of the payout by 10%. The quality objectives will be measured by percentage reductions in consumer complaints compared to 2001, as specified on Schedule B.

Individuals with Plant responsibility will be linked to performance measures for hourly employees in Operations that includes an additional quality measure, provided, however, that individuals whose compensation is subject to the deduction limits of section 162(m) of the Code shall have their bonuses based solely on a criteria specified herein.

Notwithstanding the foregoing, the maximum bonus that may be paid to any individual under this Plan for calendar 2002 with respect to the Company financial target bonus portion of the Plan shall be $2 million.

Furthermore the maximum bonus that may be paid to the Chairman of Coors Brewing Company (the "Chairman") and to the President and Chief Executive Officer of Coors Brewing Company (the "President") shall not exceed specified percentages of a performance pool for 2002 which shall be equal to 0.9% of the Company's pre-tax earnings as reported in the Company's annual report for the year ending December 31, 2002 (the "Performance Pool"). The share of the Performance Pool that is allocated to the Chairman is 46% and the share of the Performance Pool that is allocated to the President is 54%. The Compensation Committee shall have the discretion to reduce the amount payable to either or both of the Chairman or the President; provided however, that any reduction shall be made in accordance with the requirements of section 162 (m) of the Code and shall not result in the increase in any other bonus payable under the Plan.

INDIVIDUAL PERFORMANCE GOALS:

The individual bonus is independent of Company financial performance and is based on achievement of individual performance goals. The individual incentive opportunity can increase or decrease, based on performance, according to whether an individual is Below Target (BT), On Target (OT), or Above Target (AT), according to guidelines developed by Human Resources.

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. 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.

PLANT PERFORMANCE:

The final portion of the bonus applies to those individuals with plant responsibilities. This piece will be funded separately from the corporate component, according to specific plant performance measures as identified by Human Resources and plant senior management. Payouts will be based on achievement against specifically identified goals.

FORM AND TIMING OF PAYMENTS:

At the end of the plan year final awards will be calculated. The payment of the Company financial target bonus to certain individuals shall be subject to the additional Compensation Committee certification requirements described below. Payments will be made as soon as practicable after the end of the plan year and after any necessary Compensation Committee certification required under this Plan.

FEDERAL, STATE AND FICA TAX WITHHOLDING:

The Company will be required to withhold all applicable federal, state, local and foreign income, employment and other taxes on the awards.

TAX TREATMENT:

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

DISCLAIMER:

The Compensation Committee 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 Coors Incentive Plan.

SHAREHOLDER APPROVAL:

Notwithstanding the foregoing provisions of this Plan, no bonus shall be paid under this Plan to an employee to the extent that such payment would be non- deductible under the provisions of section 162(m) of the Code unless and until the stockholders of the Company have approved this Plan and the material terms of the performance goals established under this Plan in conformity with the requirements of section 162(m) of the Code and the Regulations thereunder.

COMPENSATION COMMITTEE CERTIFICATION:

Prior to the payment of any amounts hereunder to an individual whose compensation is subject to the deduction limitations of section 162(m) of the Code, the Compensation Committee shall certify in writing the extent to which the performance factors established by the Compensation Committee have been satisfied and shall approve the payment of such bonuses to such individuals.

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 affect 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 1-1-2003 to receive payment. Any exceptions must be approved by the CEO, provided, however, that any individual whose compensation is subject to the deduction limitations of section 162(m) of the Code cannot receive an exception to the employment requirement. Participants on LOA (leave of absence) will receive a prorata share based on days worked.

COORS BREWING COMPANY
2001 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 1-1-2001 OR PLAN ENTRY DATE IF LATER:

Position	Bonus	Total On Target Potential
Chairman/CEO	80%	
COO	75%	
Executive Staff	50%	
Vice President	40%	
Other Participants	30%	

BONUS PAYOUT PARAMETERS:
The Chairman, 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*
Chairman/CEO/COO	100%	0%
Executive Staff	75%	25%
Vice President	40%	60%
Other Participants	40%	60%

*The senior officer responsible for Coors Operations and Technology and the senior officer responsible for Human Resources have authority to subdivide the Individual Component to reflect other performance criteria without the necessity of further board or shareholder approval.

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 2001 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 - 6.01% or greater
On Target - 5-6%
Below Target - 4.99% or less

COMPANY FINANCIAL TARGETS:
Annual Company financial goals will be measured based on pre-tax income before special charges or credits for 2001 after incentive plan payouts (in millions).

Minimum Target Maximum $157.5MM $210.0MM $315.0MM

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 1-1-2002 to receive payment. The CEO must approve any exceptions.

EXECUTION VERSION

CREDIT AGREEMENT

dated as of

February 1, 2002

among

ADOLPH COORS COMPANY

COORS BREWING COMPANY

GOLDEN ACQUISITION LIMITED

The Lenders Party Hereto

BANK ONE, N.A.
FIRST UNION NATIONAL BANK
MORGAN STANLEY SENIOR FUNDING, INC.,
as Co-Documentation Agents,

DEUTSCHE BANC ALEX. BROWN INC.,
as Syndication Agent,

JPMORGAN CHASE BANK,
as Administrative Agent

and

J.P. MORGAN EUROPE LIMITED,
as London Agent

JPMORGAN CHASE BANK
DEUTSCHE BANC ALEX. BROWN INC.
BANK ONE, N.A.
LLOYDS BANK
FIRST UNION SECURITIES, INC.
MORGAN STANLEY SENIOR FUNDING, INC.
as Co-Arrangers

and

J.P. MORGAN SECURITIES INC.
DEUTSCHE BANC ALEX. BROWN INC.,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

CREDIT AGREEMENT dated as of February 1, 2002 among ADOLPH COORS COMPANY, a Colorado corporation (the "Company"), COORS BREWING COMPANY, a Colorado corporation ("CBC"), GOLDEN ACQUISITION LIMITED, a company incorporated under the laws of England and Wales (the "UK Borrower"), the LENDERS party hereto, DEUTSCHE BANC ALEX. BROWN INC., as Syndication Agent, J.P. MORGAN EUROPE LIMITED, as London Agent, and JPMORGAN CHASE BANK, as Administrative Agent.

The Company intends to acquire (the "Acquisition") directly or through wholly owned subsidiaries all the outstanding shares of Bass Holdings Limited, a company incorporated under the laws of England and Wales ("BHL"), from Interbrew UK Holdings Limited ("Interbrew UK"), certain intellectual property of Brandbrew S.A. ("Brandbrew") from Brandbrew, certain export assets identified in the business purchase agreement referred to in the Share Purchase Agreement owned by Bass Brewers Worldwide Ltd. ("BBW") from BBW, the Caffreys brand rights identified in the assignment agreement made in connection with the Share Purchase Agreement from BHL (together, the "Acquired Business"). In connection with the Acquisition, the Company intends to loan BHL the funds necessary to repay Indebtedness owed to Interbrew UK as specified in the Share Purchase Agreement and to cause it to repay such Indebtedness. The aggregate consideration for the Acquisition and the repayment of such Indebtedness will be approximately 1,200,000,000 in Sterling. In connection with the Acquisition, the Company will (a) obtain the credit facilities provided for under this Agreement and
(b) establish the Bridge Facility (such term and each other capitalized term used but not otherwise defined herein having the meaning assigned to it in Article I) in an aggregate principal amount not to exceed $825,000,000.

The Borrowers have requested that the Lenders establish the credit facilities provided for herein under which (i) the Borrowers may obtain US Tranche Revolving Loans in US Dollars or Sterling, in an aggregate principal amount of up to $250,000,000, (ii) the UK Borrower may obtain UK Tranche Revolving Loans in Sterling, and the Company, CBC and the UK Borrower may obtain UK Tranche Revolving Loans in US Dollars, Sterling or Euro, in an aggregate principal amount of up to $50,000,000 and (iii) the Company, CBC and the UK Borrower may obtain Term Loans in US Dollars or Sterling, in an aggregate principal amount of up to $800,004,400. The Term Loans will be used to provide a portion of the funds required for the purchase of the Acquired Business and to pay related fees and expenses and the Revolving Loans will be

used for working capital and general corporate purposes (including refinancing the Company's maturing commercial paper) and, if necessary, to fund a portion of the funds required for the Acquisition and to pay related fees and expenses. The Lenders are willing to establish such credit facilities upon the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquired Business" has the meaning assigned to such term in the preamble hereto.

"Acquired Car Leasing Business" means the business carried on by Bass Brewers Car Leasing.

"Acquisition" has the meaning assigned to such term in the preamble hereto.

"Acquisition Loans" means Loans made on the Effective Date the proceeds of which are used to fund the Acquisition or to pay related fees and expenses.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period divided by (b) 1.00 minus the Statutory Reserves applicable to such Eurocurrency Borrowing.

"Administrative Agent" means JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder, or any successor administrative agent appointed in accordance with Article IX.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, collectively, the Administrative Agent and the London Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Agent" means (a) with respect to a Loan, Borrowing or Letter of Credit denominated in US Dollars, and with respect to any payment hereunder that does not relate to a particular Loan or Borrowing, the Administrative Agent and (b) with respect to a Loan, Borrowing or Letter of Credit denominated in Sterling or Euro, the London Agent.

"Applicable Rate" means, for any day, with respect to any ABR Loan or Eurocurrency Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", "Eurocurrency Spread" or "Commitment Fee Rate", as the case may be, based upon the ratings by S&P and Moody's, respectively, applicable on such date to the Index Debt:

Index Debt Ratings (S&P/Moody's):	ABR Spread	Eurocurrency Spread	Commitment Fee Rate
Category 1 BBB+/Baa1 or higher	0.000%	0.875%	0.150%
Category 2 BBB/Baa2	0.000%	1.000%	0.175%
Category 3 BBB-/Baa3	0.250%	1.250%	0.200%
Category 4 BBB-/Ba1 or			

BB+/Baa3		0.500%	1.500%	0.250%
Category 5				
BB+/Ba1	0.750%	1.750%	0.275%	
Category 6				
BB/Ba2 or lower	1.250%	2.250%	0.375%	

For purposes of the foregoing, (i) if either Moody's or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 6; (ii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall fall (A) within different Categories but each such rating shall be within a Category at or above Category 4, the Applicable Rate shall be based on the higher of the two ratings, unless one of the ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings, (B) within Category 4, the Applicable Rate shall be determined by reference to Category 4 and (C) except in the case where Category 4 applies, within different Categories but at least one of such ratings shall be within a Category at or below Category 5, the Applicable Rate shall be determined by reference to the lower of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Agent and the Lenders pursuant to Section 5.01(f) hereof or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Asset Disposition" means (a) any sale, transfer or other disposition of any capital stock of any Subsidiary to any Person other than the Company or any Wholly Owned Subsidiary (including, without limitation, through the merger of any Subsidiary with or into any Person other than the Company or any Wholly Owned Subsidiary), (b) any sale, transfer or other disposition of any other property or asset of the Company or any Subsidiary to any Person other than the Company or any Wholly Owned Subsidiary, other than any sale, transfer or other disposition of: (i) any current asset in the ordinary course of business; (ii) any asset within 180 days after the acquisition, or completion of construction, thereof to a Person other than the Company or a Subsidiary who then leases such property to the Company or a Subsidiary; (iii) the Acquired Car Leasing Business; (iv) any Specified Asset; (v) any property or asset pursuant to a Securitization Transaction permitted under Section 6.01 (h); and (vi) any other property or assets in the ordinary course of business if the total consideration received by the Company and the Subsidiaries in respect of any such sale, transfer or other disposition, or series of related sales, transfers or dispositions, does not exceed $5,000,000, or
(c) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, assets of the Company or any Subsidiary where the total consideration received by the Company and the Subsidiaries in respect of such event or proceeding, or series of events or proceedings, exceeds $5,000,000.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by
Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit B or any other form approved by the Administrative Agent.

"Attributable Debt" means, with respect to any Sale- Leaseback Transaction, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such Sale-Leaseback Transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items which do not constitute payments for property rights) during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease which is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of the Attributable Debt determined assuming termination upon the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the Attributable Debt determined assuming no such termination.

"BHL" has the meaning assigned to such term in the preamble hereto.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means the Company or any Borrowing Subsidiary.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or (b) Term Loans of the same Type made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

"Borrowing Minimum" means (a) in the case of a Borrowing denominated in US Dollars, $5,000,000, (b) in the case of a Borrowing denominated in British pound sterling, 5,000,000 and
(c) in the case of a Borrowing denominated in Euro dollars, 5,000,000.

"Borrowing Multiple" means (a) in the case of a Borrowing denominated in US Dollars, $1,000,000, (b) in the case of a Borrowing denominated in British pound sterling, 1,000,000 and
(c) in the case of a Borrowing denominated in Euro dollars, 1,000,000.

"Borrowing Request" means a request by a Borrower for a Borrowing in accordance with Section 2.03.

"Borrowing Subsidiary" means CBC, the UK Borrower and any other Subsidiary that has been designated as such pursuant to Section 2.19 and that has not ceased to be a Borrowing Subsidiary as provided in such Section.

"Borrowing Subsidiary Agreement" means a Borrowing Subsidiary Agreement substantially in the form of Exhibit A- 1.

"Borrowing Subsidiary Termination" means a Borrowing Subsidiary Termination substantially in the form of Exhibit A-2.

"Bridge Facility" means the senior unsecured bridge credit facility made available to the Company and CBC under the Bridge Credit Agreement dated as of the date hereof among the Company, CBC, the lenders named therein and JPMC, as administrative agent, as amended from time to time. The aggregate amount of the loans borrowed under the Bridge Facility on the Effective Date was $750,000,000.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, (a) when used in connection with (i) a Eurocurrency Loan or (ii) a Letter of Credit denominated in Sterling or Euro, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the applicable currency in the London interbank market, and
(b) when used in connection with a Loan denominated in Euro, the term "Business Day" shall also exclude any day on which the TARGET payment system is not open for the settlement of payments in Euro.

"Calculation Date" means the last Business Day of each fiscal quarter of the Company.

"CAM" means the mechanism for the allocation and exchange of interests in Loans and other extensions of credit under the several Tranches and Term Loans and collections thereunder established under Section 7.02.

"CAM Exchange" means the exchange of the Lender's interests provided for in Section 7.02.

"CAM Exchange Date" means the date on which any event referred to in paragraph (h) or (i) of Section 7.01 shall occur in respect of the Company or the UK Borrower.

"CAM Percentage" means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate US Dollar Equivalent (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the Designated Obligations owed to such Lender (whether or not at the time due and payable) and such Lender's participations in undrawn amounts of Letters of Credit immediately prior to the CAM Exchange Date and (b) the denominator shall be the aggregate US Dollar Equivalent (as so determined) of the Designated Obligations owed to all the Lenders (whether or not at the time due and payable) and the aggregate undrawn amount of undrawn Letters of Credit immediately prior to the CAM Exchange Date.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CBC" means Coors Brewing Company, a Colorado corporation.

"Change in Control" means (a) at any time when the Permitted Holders do not beneficially own Equity Interests representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), other than any Permitted Holder, of Equity Interests representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group, other than any Permitted Holder.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law, but if not having the force of law, being of a type with which such Person would ordinarily comply) of any Governmental Authority made or issued after the date of this Agreement.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are US Tranche Revolving Loans, UK Tranche Revolving Loans or Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is a US Tranche Revolving Commitment, a UK Tranche Revolving Commitment or a Term Loan Commitment.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means a US Tranche Revolving Commitment, a UK Tranche Revolving Commitment or Term Loan Commitment or any combination thereof (as the context requires).

"Company" means Adolph Coors Company, a Colorado corporation.

"Consolidated EBITDA" means, for any period, consolidated net income of the Company and the Subsidiaries for such period plus, without duplication and to the extent deducted in determining such consolidated net income, the sum of
(i) Consolidated Interest Expense for such period,
(ii) consolidated income tax expense for such period,
(iii) all amounts attributable to depreciation and amortization (or other impairment of intangible assets) for such period, (iv) any non-cash charges for such period (provided, that any cash payment made with respect to any such non-cash charge shall be subtracted in computing Consolidated EBITDA during the period in which such cash payment is made), (v) cash charges for such period related to the sale, transfer or other disposition of Specified Assets in an aggregate amount for all periods for all such cash charges not to exceed $50,000,000, and (vi) extraordinary non-cash losses for such period (provided, that any cash payments made in respect of items that are the subject of any such extraordinary non-cash loss shall be subtracted in computing Consolidated EBITDA during the periods in which such cash payments are made), determined without giving effect to any extraordinary gains for such period (other than up to $10,000,000 of extraordinary cash gains realized in such period) to the extent included in determining consolidated net income of the Company and the Subsidiaries, all determined on a consolidated basis in accordance with GAAP; provided that for the purposes of computing the ratios set forth in Sections 6.06 and 6.07 and identifying the Significant Subsidiaries, Consolidated EBITDA in respect of the fiscal quarter ending March 31, 2002, and the fiscal quarters ended December 30, 2001 and September 30, 2001, shall include the consolidated EBITDA of the Acquired Business, which shall be deemed to equal for any such quarter (i) if pro forma quarterly consolidated financial statements of the Acquired Business meeting the requirements of Regulation S-X under the Securities Act of 1933 are available, the actual consolidated quarterly EBITDA of the Acquired Business for such quarter, calculated in the manner set forth above, or (ii) if such pro forma quarterly consolidated financial statements of the Acquired Business meeting the requirements of Regulation S-X under the Securities Act of 1933 are not available, the annual consolidated EBITDA of the Acquired Business, calculated in the manner set forth above on the basis of audited annual consolidated financial statements of the Acquired Business for the four fiscal quarters ended December 30, 2001, divided by four.

"Consolidated Interest Expense" means, for any period, the interest expense of the Company and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (and giving effect on a net basis to payments made or received under interest rate protection agreements or other interest rate hedging arrangements), including (a) the amortization of debt discounts to the extent included in interest expense in accordance with GAAP, (b) the amortization of all fees (including fees with respect to interest rate protection agreements or other interest rate hedging arrangements) payable in connection with the incurrence of Indebtedness to the extent included in interest expense in accordance with GAAP, (c) commissions, discounts and other fees and charges owed in respect of letters of credit to the extent included in interest expense in accordance with GAAP and (d) the portion of any rents payable under capital leases allocable to interest expense in accordance with GAAP. For purposes of determining the ratio set forth in Section 6.07 for the four fiscal quarter periods ended at June 30, 2002, September 29, 2002, and December 29, 2002, Consolidated Interest Expense shall be determined by multiplying Consolidated Interest Expense for the period commencing April 1, 2002 by (i) 4, in the case of the period ended June 30, 2002, (ii) 2, in the case of the period ended September 29, 2002, and (iii) 4/3, in the case of the period ended December 29, 2002.

"Consolidated Net Tangible Assets" means, at any time, the aggregate amount of assets (less applicable accumulated depreciation, depletion and amortization and other reserves and other properly deductible items) of the Company and the Subsidiaries, minus (a) all current liabilities of the Company and the Subsidiaries (excluding (i) liabilities that by their terms are extendable or renewable at the option of the obligor to a date more than 12 months after the date of determination and (ii) current maturities of long-term debt) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other intangible assets of the Company and the Subsidiaries, all as set forth in the most recent consolidated balance sheet of the Company and the Subsidiaries delivered pursuant to Section 5.01, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt" means, on any date, all Indebtedness of the Company and the Subsidiaries on such date (other than obligations referred to in clause (i) of the definition of "Indebtedness" to the extent they support liabilities that do not themselves constitute Indebtedness), determined, without duplication, on a consolidated basis in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would become an Event of Default.

"Designated Obligations" means, in respect of this Agreement, all Obligations of the Loan Parties in respect of

(a) principal of and interest on the Loans, (b) payments required to be made hereunder in respect of Letters of Credit, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (c) commitment fees and Letter of Credit participation fees in respect of this Agreement, in each case regardless of whether then due and payable.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary that is not a Foreign Subsidiary.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.02).

"EMU Legislation" means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states.

"Environmental Laws" means all applicable and legally binding laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to environmental or workplace health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and
Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or
Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Euro" or "_" means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the EMU Legislation.

"Eurocurrency", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in
Section 7.01.

"Exchange Rate" means on any day, for purposes of determining the US Dollar Equivalent of any other currency, the rate at which such other currency may be exchanged into US Dollars, as set forth at approximately 11:00 a.m., London time, on such day on the Bloomberg Index WCR page for such currency, or if such rate does not appear on the Bloomberg Index WCR, on the Reuters World Currency Page for such currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Company, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative

Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., Local Time, on such date for the purchase of US Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may, after consultation with the Company, use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" means, with respect to any Lender, Agent or the Issuing Bank, (a) income or franchise taxes imposed on (or measured by) its net income or net profits by the United States of America (or any political subdivision thereof), or by the jurisdiction under which such recipient is organized or in which its principal office or any lending office from which it makes Loans hereunder is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, (c) any withholding tax that is imposed (other than by operation of the CAM) (i) by the United States of America on payments by any Borrower organized or resident for tax purposes in the United States or (ii) by the United Kingdom on payments by any Borrower organized or resident for tax purposes in the United Kingdom, in either case to the extent such tax is in effect and would apply as of the date such Lender, Agent or the Issuing Bank becomes a party to this Agreement or relates to payments received by a Lender Affiliate or a new lending office designated by such Lender and is in effect and would apply at the time such Lender Affiliate receives such payment or such lending office is designated, (d) any withholding tax that is attributable to such Lender's, Agent's or the Issuing Bank's failure to comply with Section 2.16(e), (e) Taxes imposed by any jurisdiction (i) in which the Borrower is not organized or resident for tax purposes, (ii) through which no payment is made by or on behalf of the Borrower under this Agreement, and (iii) with respect to which there is no other connection between the making of a payment by or on behalf of a Borrower under this Agreement and such jurisdiction that would directly result in the imposition of Taxes by such jurisdiction on that payment, and (f) Taxes imposed by the United Kingdom on a payment under this Agreement to a Lender that was a Qualifying Lender on the date it became a party to this Agreement if such Taxes are imposed solely as a result of the relevant Lender ceasing to be a Qualifying Lender, other than as a result of any change in any law, treaty, published practice or concession by any relevant Governmental Authority after the date such Lender becomes a party to this Agreement.

"Existing Credit Agreement" means the $200,000,000 Revolving Credit Agreement dated as of October 23, 1997, among the Company, Nationsbank of Texas, N.A., as agent and the banks party thereto.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof.

"GAAP" means generally accepted accounting principles in the United States of America, as construed in accordance with Section 1.04.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee Requirement" means, at any time, that the Subsidiary Guarantee Agreement (or a supplement referred to therein) shall have been executed by each Significant Subsidiary (other than a Foreign Subsidiary) existing at such time, shall have been delivered to the Administrative Agent and shall be in full force and effect; provided, however, that, with respect to any Person that becomes a Significant Subsidiary (other than a Foreign Subsidiary) after the date hereof, the Guarantee Requirement shall be satisfied if such Person executes a supplement to the Subsidiary Guarantee Agreement within 15 days of becoming a Significant Subsidiary.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement. The "principal amount" of the obligations of

the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay to the counterparty thereunder in accordance with the terms of such Hedging Agreement if such Hedging Agreement were terminated at such time.

"Indebtedness" of any Person means, without duplication,
(a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds (other than performance bonds), debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (other than customary title retention provisions in supply contacts entered into in the ordinary course of business with payment terms not exceeding 90 days), (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, provided, that the amount of Indebtedness of such Person existing at any time under this clause shall be deemed to be an amount equal to the maximum amount secured by (or with a right to be secured by) such Liens pursuant to the terms of the instruments embodying such Indebtedness of others, (g) all Guarantees by such Person of Indebtedness of others, provided, that the amount of any such Guarantee at any time shall be deemed to be an amount equal to maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations of such Person in respect of Hedging Agreements,
(k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (l) all Securitization Transactions of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Company that is not guaranteed by any other Person or subject to any other credit enhancement.

"Information Memorandum" means the Confidential Information Memorandum dated January 2002 relating to the Company and the Transactions.

"Interest Coverage Ratio" means, for any period, the ratio of (a) Consolidated EBITDA for such period to
(b) Consolidated Interest Expense for such period.

"Interest Election Request" means a request by a Borrower to convert or continue a Revolving Borrowing or a Term Borrowing in accordance with Section 2.06.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months, or, if agreed by the applicable Lenders, nine or twelve months, thereafter, as the applicable Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) the initial Interest Period for the Borrowings made on the Effective Date will be a period of 21 days. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means JPMorgan Chase Bank, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.04(i).
The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"JPMC" means JPMorgan Chase Bank.

"Judgment Currency" has the meaning assigned to such term in
Section 10.14(b).

"LC Disbursement" means a payment made by the Issuing Bank in respect of a Letter of Credit.

"LC Exposure" means at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit denominated in US Dollars at such time, (b) the aggregate of the US Dollar Equivalents of the undrawn amounts of all outstanding Letters of Credit denominated in Sterling at such time, (c) the aggregate amount of all LC Disbursements denominated in US Dollars that have not yet been reimbursed by or on behalf of the relevant Borrower at such time and
(d) the aggregate of the US Dollar Equivalents of the amounts of all LC Disbursements denominated in Sterling that have not yet been reimbursed by or on behalf of the relevant Borrower at such time. The LC Exposure of any US Tranche Lender at any time shall be such Lender's US Tranche Percentage of the aggregate LC Exposure.

"Lender Affiliate" means, (a) with respect to any Lender,
(i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Lenders" means the Persons listed on Schedule 2.01, their successors and any other Person that shall have become a party hereto pursuant to Section 10.04, other than any such Person that ceases to be a party hereto pursuant to Section 10.04.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement on behalf of Lenders holding US Tranche Revolving Commitments.

"Leverage Ratio" means, at any time, the ratio of
(a) Consolidated Total Debt at such time to (b) Consolidated EBITDA for the most recent period of four consecutive fiscal quarters of the Company ended at or prior to such time.

"LIBO Rate" means, for any Interest Period, (a) with respect to (i) any Eurocurrency Borrowing denominated in a currency other than Sterling and (ii) any UK Tranche Revolving Borrowing made by the UK Borrower (or by another Borrowing Subsidiary organized under the laws of England and Wales) and denominated in Sterling, the rate per annum determined by the Applicable Agent at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in the currency of such Borrowing (as reflected on the applicable Telerate screen), for a period equal to such Interest Period, or, if an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the interest rate per annum determined by the Applicable Agent to be the average of the rates per annum at which deposits in the currency of such Borrowing are offered for such Interest Period to major banks in the London interbank market by JPMC at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period, and (b) with respect to any Eurocurrency Borrowing (other than any UK Tranche Revolving Borrowing made by the UK Borrower or by another Borrowing Subsidiary organized under the laws of England and Wales) denominated in Sterling, the interest rate per annum determined by the Applicable Agent to be the average of the rates per annum at which deposits in the currency of such Borrowing are offered for such Interest Period to major banks in the London interbank market by JPMC at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and
(c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, the Subsidiary Guarantee Agreement and each Letter of Credit and promissory note delivered pursuant to this Agreement.

"Loan Parties" means the Borrowers and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Local Time" means (a) with respect to a Loan, Borrowing or Letter of Credit denominated in US Dollars, New York City time and (b) with respect to a Loan, Borrowing or Letter of Credit denominated in Sterling or Euro, as applicable, London time.

"London Agent" means J.P. Morgan Europe Limited, in its capacity as London agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article IX.

"Margin Stock" means "margin stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System.

"Material Adverse Effect" means a material adverse effect on
(a) the business, assets, liabilities or condition, financial or otherwise, of the Company and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under the Loan Documents or (c) the rights of or benefits available to the

Lenders under the Loan Documents.

"Material Indebtedness" means Indebtedness (other than the Loans) of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding $25,000,000.

"Maturity Date" means the fifth anniversary of the Effective Date.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any Asset Disposition or issuance of Indebtedness under Section 6.01(i)(iii),
(a) the cash proceeds received in respect thereof, including
(i) any cash received in respect of any non-cash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all fees, discounts, commissions and out-of-pocket expenses paid by the Company and its Subsidiaries to third parties (other than Affiliates) in connection therewith, (ii) the amount of all payments required to be made by the Company and its Subsidiaries as a result thereof to repay Indebtedness (other than Loans) secured by the assets disposed of or otherwise subject to mandatory prepayment as a result of such event, (iii) the amount of all taxes paid (or reasonably estimated to be payable) by the Company and the Subsidiaries with respect to the year that such Asset Disposition occurred and that are directly attributable to such Asset Disposition (as determined reasonably and in good faith by the chief financial officer of the Company), and
(iv) the amount of any reserves established by the Company and its Subsidiaries to fund contingent liabilities reasonably estimated to be payable in connection with, and directly attributable to, such Asset Disposition (as determined reasonably and in good faith by the chief financial officer of the Company).

"Obligations" means (a) the due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to any Borrower, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by any Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual payment and performance of all obligations of the Company or any Subsidiary, monetary or otherwise, under each interest rate Hedging Agreement relating to Obligations referred to in the preceding clause (a) entered into with any counterparty that was a Lender (or an Affiliate thereof) at the time such hedging agreement was entered into.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, transfer, or similar taxes, charges or levies arising from any payment made hereunder or from the execution, delivery or enforcement of this Agreement or any other Loan Document other than an Assignment and Acceptance that does not require the consent of the Company and a sale of a participation pursuant to Section 10.04.

"Participant" has the meaning set forth in Section 10.04(e).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.01(j);

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of

business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

(g) any interest or title of a lessor in the property subject to any lease other than (A) a capital lease or (B) a lease entered into as part of a sale and leaseback transaction subject to Section 6.03;

(h) Liens in favor of customs or revenue authorities imposed by law and arising in the ordinary course of business in connection with the importation of goods;

(i) interests of suppliers in respect of customary title retention provisions in supply contacts entered into in the ordinary course of business and with payment terms not exceeding 90 days; and

(j) rights of set-off in favor of financial institutions (other than in respect of amounts deposited to secure Indebtedness);

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means (a) the Adolph Coors, Jr. Trust,
(b) any trustee of such Trust acting in its capacity as such, (c) any Person that is a beneficiary of such trust on the date hereof, (d) any other trust or similar arrangement for the benefit of such beneficiaries and (e) the successors of any such Persons.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under
Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Qualifying Lender" means a Lender which is, on the date a payment falls due under this Agreement, (a) beneficially entitled to, and within the charge to United Kingdom corporation tax in respect of, that payment and that is a Lender in respect of an advance made by a person that was a bank for purposes of Section 349 of the Income and Corporation Taxes Act 1988 (as currently defined in section 840A of the Income and Corporation Taxes Act 1988) at the time the advance was made, (b) a person to whom that payment may be made without deduction or withholding for or on account of United Kingdom taxes by reason of an applicable double taxation treaty between the United Kingdom and the country in which that Lender is, or is treated as, resident or carrying on a business pursuant to which there is a valid and extant claim of such person or (c) beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is (i) a company resident in the United Kingdom for United Kingdom tax purposes; (ii) a partnership each member of which is a company resident in the United Kingdom for United Kingdom tax purposes; or (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by Section 11(2) of the Income and Corporation Taxes Act 1988).

"Quotation Day" means, with respect to any Eurocurrency Borrowing and any Interest Period, the day on which it is market practice in the relevant interbank market for prime banks to give quotations for deposits in the currency of such Borrowing for delivery on the first day of such Interest Period. If such quotations would normally be given by prime banks on more than one day, the Quotation Day will be the last of such days.

"Receivables" means accounts receivable (including, without limitation, all rights to payment created by or arising from the sales of goods, leases of goods or the rendition of services, no matter how evidenced and whether or not earned by performance) and payments owing to the Company or any Subsidiary from public house businesses in the United Kingdom in respect of loans made by BHL or any Subsidiary of BHL to such businesses.

"Register" has the meaning set forth in Section 10.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures, outstanding Term Loans and unused Commitments representing more than 50% of the aggregate Revolving Credit Exposures, outstanding Term Loans and unused Commitments at such time.

"Reset Date" has the meaning assigned to such term in

Section 1.05.

"Revolving Availability Period" means the period from and including (i) with respect to Loans the proceeds of which are to be used to fund the Acquisition or to pay related fees and expenses, the Effective Date or (ii) with respect to other extensions of credit hereunder, the date on or after the Effective Date on which the conditions set forth in Section 4.02 have been satisfied (or waived in accordance with Section 10.02), to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

"Revolving Commitment" means a US Tranche Revolving Commitment or a UK Tranche Revolving Commitment, or any combination thereof (as the context requires).

"Revolving Credit Exposure" means a US Tranche Revolving Credit Exposure or a UK Tranche Revolving Credit Exposure.

"Revolving Loan" means a US Tranche Revolving Loan or a UK Tranche Revolving Loan.

"Sale-Leaseback Transactions" means any arrangement whereby the Company or a Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease property that it intends to use for substantially the same purpose or purposes as the property sold or transferred; provided that any such arrangement entered into within 180 days after the acquisition, construction or substantial improvement of the subject property shall not be deemed to be a "Sale-Leaseback Transaction".

"S&P" means Standard & Poor's.

"Securitization Transaction" means (a) any transfer by the Company or any Subsidiary of Receivables or interests therein and all collateral securing such Receiveables, all contracts and contract rights and all guarantees or other obligations in respect of such Receivables, all other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving such Receivables and all proceeds of any of the foregoing (i) to a trust, partnership, corporation or other entity (other than the Company or a Subsidiary other than a SPE Subsidiary), which transfer is funded in whole or in part, directly or indirectly, by the incurrence or issuance by the transferee or any successor transferee of indebtedness or other securities that are to receive payments from, or that represent interests in, the cash flow derived from such Receivables or interests in Receivables, or (ii) directly to one or more investors or other purchasers (other than the Company or any Subsidiary), or (b) any transaction in which the Company or a Subsidiary incurs Indebtedness or other obligations secured by Liens on Receivables. The "amount" or "principal amount" of any Securitization Transaction shall be deemed at any time to be (A) in the case of a transaction described in clause (a) of the preceding sentence, the aggregate principal or stated amount of the Indebtedness or other securities referred to in such clause or, if there shall be no such principal or stated amount, the uncollected amount of the Receivables transferred pursuant to such Securitization Transaction net of any such Receivables that have been written off as uncollectible, and (B) in the case of a transaction described in clause (b) of the preceding sentence, the aggregate outstanding principal amount of the Indebtedness secured by Liens on the subject Receivables.

"Share Purchase Agreement" means the Share Purchase Agreement dated December 24, 2001 among Interbrew S.A., Interbrew UK Holdings Limited, Brandbrew S.A., Bass Holdings Limited, Golden Acquisition Limited, Coors Worldwide, Inc. and the Company.

"Significant Subsidiary" means (a) each Borrowing Subsidiary, (b) any Subsidiary that directly or indirectly owns or Controls any other Significant Subsidiary, (c) each Subsidiary identified as a Significant Subsidiary on Schedule 3.13, (d) any Subsidiary designated from time to time by the Company as a Significant Subsidiary by written notice to the Administrative Agent and (e) any other Subsidiary (other than a SPE) (i) the consolidated EBITDA of which for the most recently ended period of four fiscal quarters for which financial statements have been delivered pursuant to Section 5.01(a) or (b) was more than the lesser of (A) 5% of the Company's Consolidated EBITDA for such period and (B) $25,000,000 or (ii) the consolidated assets of which as of the last day of the most recent period for which financial statements have been delivered pursuant to
Section 5.01(a) or (b) (or, prior to the delivery of any such statements, December 30, 2001) were greater than 5% of the Company's consolidated total assets as of such date as shown on such financial statements (or, prior to the delivery of such financial statements, on the pro forma consolidated balance sheet referred to in Section 3.04(d)). The Company covenants that it will designate Subsidiaries as Significant Subsidiaries as contemplated by clause (d) of the preceding sentence as necessary in order that the total consolidated assets and the consolidated EBITDA of the Significant Subsidiaries (together with the directly owned assets and EBITDA of the Company) will represent not less than 90% of consolidated total assets or Consolidated EBITDA of the Company at any relevant date or for any relevant period referred to above. For purposes of making the determinations required by this definition, the EBITDA and assets of Foreign Subsidiaries shall be converted into US Dollars at the rates used in preparing the consolidated balance sheets of the Company.

"SPE Subsidiary" means any Subsidiary formed solely for the purpose of, and that engages only in, one or more Securitization Transactions.

"Specified Assets" means the Capehill Brewery, the Alton Brewery and any of the malting facilities of BHL or any of its Subsidiaries located in the United Kingdom.

"Specified Event" shall mean an Event of Default specified in paragraph (h) or (i) of Section 7.01.

"Statutory Reserves" means, with respect to any currency, any reserve, liquid asset or similar requirements established by any Governmental

Authority of the United States or of the jurisdiction of such currency or any jurisdiction in which Loans in such currency are made or funded to which banks in such jurisdiction are subject for any category of deposits or liabilities customarily used to fund loans in such currency or by reference to which interest rates applicable to Loans in such currency are determined, in each case expressed as a decimal.

"Sterling" means the lawful money of the United Kingdom.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Company. At all times after the Acquisition, BHL and the subsidiaries of BHL acquired in the Acquisition will constitute Subsidiaries.

"Subsidiary Guarantee Agreement" means a Subsidiary Guarantee Agreement substantially in the form of Exhibit D, made by the Subsidiary Guarantors in favor of the Administrative Agent for the benefit of the Lenders, the Agents and the Issuing Bank.

"Subsidiary Guarantors" means each Person listed on Schedule 3.13 and each other Person that becomes party to a Subsidiary Guarantee Agreement as a Subsidiary Guarantor, and the permitted successors and assigns of each such Person, but excluding any Person that ceases to be a Subsidiary Guarantor in accordance with the provisions of the Loan Documents.

"Syndication Agent" means Deutsche Banc Alex. Brown Inc.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Lender" means a Lender with a Term Loan Commitment or an outstanding Term Loan.

"Term Loan" means a Loan made pursuant to Section 2.01(c).

"Term Loan Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Term Loans hereunder on the Effective Date, expressed as an amount representing the maximum principal amount of the Term Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04.
The initial amount of each Lender's Term Loan Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Term Loan Commitment, as applicable. The initial aggregate amount of the Lenders' Term Loan Commitments is $800,004,400.

"Tranche" means a category of Commitments and extensions of credits thereunder. For purposes hereof, each of the following comprises a separate Tranche: (a) the US Tranche Revolving Commitments and the US Tranche Revolving Loans,
(b) the UK Tranche Revolving Commitments and the UK Tranche Revolving Loans and (c) the Term Commitments and the Term Loans.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and the use of the proceeds thereof, the Acquisition and the other transactions contemplated to be effected on the Effective Date in connection therewith.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"UK Borrower" means Golden Acquisition Limited.

"UK Tranche Lender" means a Lender with a UK Tranche Revolving Commitment or with outstanding UK Tranche Revolving Loans.

"UK Tranche Percentage" means, with respect to any UK Tranche Lender, the percentage of the total UK Tranche Revolving Commitments represented by such Lender's UK Tranche Revolving Commitment. If the UK Tranche Revolving Commitments have terminated or expired, the UK Tranche Percentages shall be determined based upon the UK Tranche Revolving Commitments most recently in effect, giving effect to any assignments.

"UK Tranche Revolving Borrowing" means a Borrowing comprised of UK Tranche Revolving Loans.

"UK Tranche Revolving Commitment" means, with respect to each UK Tranche Lender, the commitment of such UK Tranche Lender to make UK Tranche Revolving Loans pursuant to
Section 2.01(b), expressed as an amount representing the maximum aggregate permitted amount of such UK Tranche Lender's UK Tranche Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender under Section 10.04. The initial amount of each UK Tranche Lender's UK Tranche Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such UK Tranche Lender shall have assumed its UK Tranche Revolving Commitment, as applicable. The aggregate amount of the UK Tranche Revolving Commitments on the date hereof is US$50,000,000.

"UK Tranche Revolving Credit Exposure" means, at any time, the sum of (a) the aggregate principal amount of the UK Tranche Revolving Loans denominated in US Dollars outstanding at such time and (b) the US Dollar Equivalent of the aggregate principal amount of the UK Tranche Revolving Loans denominated in Sterling or Euro outstanding at such time. The UK Tranche Revolving Credit Exposure of any Lender at any time shall be such Lender's UK Tranche Percentage of the total UK Tranche Revolving Credit Exposure at such time.

"UK Tranche Revolving Loan" means a Loan made by a UK Tranche Lender pursuant to Section 2.01(b). Each UK Tranche Revolving Loan denominated in US Dollars shall be a Eurocurrency Loan or an ABR Loan, and each UK Tranche Revolving Loan denominated in Sterling shall be a Eurocurrency Loan.

"US Dollars" or "US$" refers to lawful money of the United States of America.

"US Dollar Equivalent" means, on any date of determination,
(a) with respect to any amount in US Dollars, such amount, and (b) with respect to any amount in Sterling or Euro, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.05 using the Exchange Rate with respect to Sterling or Euro, as the case may be, at the time in effect under the provisions of such Section.

"US Tranche Lender" means a Lender with a US Tranche Revolving Commitment or with outstanding US Tranche Revolving Credit Exposure.

"US Tranche Percentage" means, with respect to any US Tranche Lender, the percentage of the total US Tranche Revolving Commitments represented by such Lender's US Tranche Revolving Commitment. If the US Tranche Revolving Commitments have terminated or expired, the US Tranche Percentages shall be determined based upon the US Tranche Revolving Commitments most recently in effect, giving effect to any assignments.

"US Tranche Revolving Borrowing" means a Borrowing comprised of US Tranche Revolving Loans.

"US Tranche Revolving Commitment" means, with respect to each US Tranche Lender, the commitment of such US Tranche Lender to make US Tranche Revolving Loans pursuant to
Section 2.01(a) and to acquire participations in Letters of credit pursuant to Section 2.04, expressed as an amount representing the maximum aggregate permitted amount of such Lender's US Tranche Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each US Tranche Lender's US Tranche Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such US Tranche Lender shall have assumed its US Tranche Revolving Commitment, as applicable. The aggregate amount of the US Tranche Revolving Commitments on the date hereof is US$250,000,000.

"US Tranche Revolving Credit Exposure" means, at any time, the sum of (a) the aggregate principal amount of the US Tranche Revolving Loans denominated in US Dollars outstanding at such time, (b) the US Dollar Equivalent of the aggregate principal amount of the US Tranche Revolving Loans denominated in Sterling outstanding at such time and
(c) the aggregate LC Exposure at such time. The US Tranche Revolving Credit Exposure of any Lender at any time shall be such Lender's US Tranche Percentage of the total US Tranche Revolving Credit Exposure at such time.

"US Tranche Revolving Loan" means a Loan made by a US Tranche Lender pursuant to Section 2.01(a). Each US Tranche Revolving Loan shall be a Eurocurrency Loan or an ABR Loan.

"Wholly Owned Subsidiary" means any Subsidiary all the Equity Interests in which, other than directors' qualifying shares and/or other nominal amounts of Equity Interests that are required to be held by Persons (other than the Company or its Wholly Owned Subsidiaries, as applicable) under applicable law, are owned, directly or indirectly, by the Company.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "US Tranche Revolving Loan") or by Type (e.g., a "Eurocurrency Loan") or by Class and Type (e.g., a "US Tranche Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "US Tranche Revolving Borrowing") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "US Tranche Eurocurrency Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. References herein to the taking of any action hereunder of an administrative nature by any Borrower shall be deemed to include references to the Company taking such action on such Borrower's behalf and the Agents are expressly authorized to accept any such action taken by the Company as having the same effect as if taken by such Borrower.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith (it being understood that the financial statements delivered under
Section 5.01(a) or (b) shall in all cases be prepared in accordance with GAAP as in effect at the applicable time).

SECTION 1.05. Exchange Rates. (a) Not later than 1:00 p.m., New York City time, on each Calculation Date, the Administrative Agent shall (i) determine the Exchange Rate as of such Calculation Date with respect to Sterling and Euro and (ii) give notice thereof to the Lenders and the Company. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date") or other date of determination, shall remain effective until the next succeeding Reset Date, and shall for all purposes of this Agreement (other than Section 10.14 or any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rates employed in converting any amounts between US Dollars and Sterling or Euro.

(b) Not later than 5:00 p.m., New York City time, on each Reset Date and each date on which Revolving Loans denominated in Sterling or Euro are made, or Letters of Credit denominated in Sterling are issued, the Administrative Agent shall (i) determine the aggregate amount of each of the US Tranche Revolving Credit Exposure and the UK Tranche Revolving Credit Exposure (after giving effect to any Loans made or repaid or Letters of Credit issued, drawn or expired on such date) and (ii) notify the Lenders and the Company of the results of such determination.

ARTICLE II

The Credits

SECTION 2.01. Commitments. (a) Subject to the terms and conditions set forth herein, each US Tranche Lender agrees to make US Tranche Revolving Loans to the Borrowers from time to time during the Revolving Availability Period in US Dollars or Sterling in an aggregate principal amount at any time outstanding that will not result in (i) such Lender's US Tranche Revolving Credit Exposure exceeding its US Tranche Revolving Commitment or (ii) the aggregate amount of the Lenders' US Tranche Revolving Credit Exposures exceeding the aggregate amount of the US Tranche Revolving Commitments.

(b) Subject to the terms and conditions set forth herein, each UK Tranche Lender agrees to make UK Tranche Revolving Loans to the UK Borrower in Sterling and UK Tranche Revolving Loans to the Company, CBC and/or the UK Borrower in US Dollars, Sterling or Euro from time to time during the Revolving Availability Period in an aggregate principal amount at any time outstanding that will not result in (i) such Lender's UK Tranche Revolving Credit Exposure exceeding its UK Tranche Revolving Commitment or
(ii) the aggregate amount of the Lenders' UK Tranche Revolving Credit Exposures exceeding the aggregate amount of the UK Tranche Revolving Commitments.

(c) Subject to the terms and conditions set forth herein, each Lender agrees to make a Term Loan or Term Loans to the Company, CBC and/or the UK Borrower in US Dollars or Sterling on the Effective Date in an aggregate principal amount not greater than its Term Loan Commitment. Amounts prepaid or repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, (i) each US Tranche Revolving Borrowing shall be comprised entirely of (A) in the case of a Borrowing denominated in US Dollars, Eurocurrency Loans or ABR Loans and (B) in the case of a Borrowing denominated in Sterling, Eurocurrency

Loans, in each case as the applicable Borrower may request in accordance herewith; (ii) each UK Tranche Revolving Borrowing shall be comprised entirely of (A) in the case of a Borrowing denominated in Sterling or Euros, Eurocurrency Loans and (B) in the case of a Borrowing denominated in US Dollars, Eurocurrency Loans or ABR Loans, in each case as the applicable Borrower may request in accordance herewith; and (iii) each Term Loan Borrowing shall be comprised entirely of (A) in the case of a Borrowing denominated in US Dollars, Eurocurrency Loans or ABR Loans and (B) in the case of a Borrowing denominated in Sterling, Eurocurrency Loans, in each case as the applicable Borrower may request in accordance herewith. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement and that such Borrower's obligation to make payments pursuant to Section 2.16 shall not increase.

(c) At the commencement of each Interest Period for any Borrowing, such Borrowing shall be in an aggregate amount that is at least equal to the Borrowing Minimum and an integral multiple of the Borrowing Multiple; provided that an ABR Revolving Borrowing may be made in an aggregate amount that is equal to the aggregate available US Tranche Revolving Commitments or UK Tranche Revolving Commitments, or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e), as the case may be. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of (i) ten US Tranche Eurocurrency Revolving Borrowings outstanding, (ii) five UK Tranche Eurocurrency Revolving Borrowings outstanding or (iii) ten Eurocurrency Term Loan Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Revolving Borrowing or a Term Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent of such request by telephone (a) in the case of a Eurocurrency Borrowing (other than a UK Tranche Revolving Borrowing denominated in Sterling by the UK Borrower or by another Borrowing Subsidiary organized under the laws of England and Wales), not later than 2:00 p.m., Local Time, three Business Days before the date of the proposed Borrowing, (b) in the case of a UK Tranche Revolving Borrowing denominated in Sterling by the UK Borrower or by another Borrowing Subsidiary organized under the laws of England and Wales, not later than 10:00 a.m., Local Time, on the Business Day of the proposed Borrowing and (c) in the case of an ABR Borrowing, not later than 2:00 p.m., Local Time, one Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e), or to replace a Eurocurrency Borrowing Request deemed ineffective pursuant to clause (i) of Section 2.13, may be given not later than 12:00 noon, Local Time, on the date of the proposed Borrowing; and provided further that any such notice in respect of any Borrowing to be made on the Effective Date may be given at such later time or on such shorter notice as the Applicable Agent may agree. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Borrowing Request in a form approved by the Applicable Agent and signed by the applicable Borrower, or by the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower requesting such Borrowing (or on whose behalf the Company is requesting such Borrowing);

(ii) whether the requested Borrowing is to be a US Tranche Revolving Borrowing, a UK Tranche Revolving Borrowing or a Term Borrowing;

(iii) the currency and aggregate principal amount of the requested Revolving Borrowing or Term Borrowing;

(iv) the date of the requested Borrowing, which shall be a Business Day;

(v) the Type of the requested Borrowing;

(vi) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05 or other disbursement instructions that shall have been given by the applicable Borrower to the Applicable Agent.

If no currency is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower shall be deemed to have selected US Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (i) in the case of a Borrowing denominated in US Dollars, an ABR Borrowing and (ii) in the case of any other Borrowing, a Eurocurrency Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender that will make a Loan as part of the requested Borrowing of the details thereof and of the amount of the Loan to be made by such Lender as part of the requested Borrowing.

SECTION 2.04. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance (or the amendment, renewal or extension) of Letters of Credit denominated in US Dollars or Sterling, in any case in a form reasonably acceptable

to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Revolving Availability Period.
In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Borrower to, or entered into by such Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. On the first Business Day after the Effective Date, without further action by any party hereto, the Issuing Bank shall be deemed to have granted to each US Tranche Lender and each US Tranche Lender shall be deemed to have purchased from the Issuing Bank a participation in each letter of credit issued by the Issuing Bank on or prior to the Effective Date for the account of the Company or any Subsidiary in accordance with paragraph (d) below, and each such letter of credit shall constitute a Letter of Credit for all purposes hereof.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Applicable Agent (in any case reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount and currency of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to enable the Issuing Bank to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $25,000,000 and (ii) the aggregate US Tranche Revolving Credit Exposures will not exceed the aggregate US Tranche Revolving Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the US Tranche Lenders, the Issuing Bank hereby grants to each US Tranche Lender, and each US Tranche Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such US Tranche Lender's US Tranche Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each US Tranche Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's US Tranche Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the applicable Borrower for any reason. Each US Tranche Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the US Tranche Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Applicable Agent an amount equal to such LC Disbursement, in the currency in which such LC Disbursement shall have been made, not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the applicable Borrower shall have received notice of such LC Disbursement prior to 11:00 a.m., Local Time, on such date, or, if such notice has not been received by the applicable Borrower prior to such time on such date, then not later than 1:00 p.m., Local Time, on (A) the Business Day that the applicable Borrower receives such notice, if such notice is received prior to 11:00 a.m., Local Time, on the day of receipt, or (B) the Business Day immediately following the day that the applicable Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided, however, that if the applicable Borrower shall fail to deliver a timely Borrowing Request to finance the reimbursement of such LC Disbursement (and shall not otherwise reimburse such LC Disbursement pursuant to the provisions of this paragraph), then such Borrower shall be deemed to have delivered a Borrowing Request for an ABR Revolving Borrowing in an amount equal to the US Dollar Equivalent of the LC Disbursement, and the Applicable Agent shall apply the proceeds of any ABR Revolving Borrowing made in response to such Borrowing Request to the reimbursement of such LC Disbursement (after converting such proceeds, if necessary, into the currency of such LC Disbursement). Promptly following receipt by the Applicable Agent of any payment from the applicable Borrower (or by the application of proceeds of an ABR Revolving Borrowing) pursuant to this paragraph, the Applicable Agent shall distribute such payment to the Issuing Bank or, to the extent that US Tranche Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such US Tranche Lenders and the Issuing Bank as their interests may appear. If the applicable Borrower fails to make such payment when due, directly or through the application of an ABR Borrowing, then, upon notice from the applicable Issuing Bank to the applicable Borrower and the Applicable Agent, the Applicable Agent shall notify each US Tranche Lender of the applicable LC Disbursement, the payment then due from the applicable Borrower in respect thereof and such Lender's US Tranche Percentage thereof. Promptly following receipt of such notice, each US Tranche Lender shall pay to the Applicable Agent its US Tranche Percentage of the payment then due from the applicable Borrower in the same manner as provided in Section 2.05 with respect to Loans made by such US Tranche Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the US Tranche Lenders), and the Applicable Agent shall promptly pay to the Issuing Bank the amounts so received by it from the US Tranche Lenders. Any payment made by a US Tranche Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrowers' obligations to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement or any other Loan Document, or any term or provision herein or therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect,
(iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or
(iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of set-off against, the Borrowers' obligations hereunder. None of the Agents, the US Tranche Lenders or the Issuing Bank, or any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the applicable Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the applicable Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of the Issuing Bank (as determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Applicable Agent and the applicable Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the applicable Borrower of its obligation to reimburse the Issuing Bank and the US Tranche Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the applicable Borrower reimburses such LC Disbursement, at (i) in the case of any LC Disbursement denominated in US Dollars, the rate per annum then applicable to ABR Revolving Loans and (ii) in the case of any LC Disbursement denominated in Sterling, a rate per annum determined by the Issuing Bank (which determination will be conclusive absent manifest error) to represent its cost of funds plus the Applicable Rate used to determine interest applicable to Eurocurrency Revolving Loans; provided that, at all times after the applicable Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, Section 2.12(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any US Tranche Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such US Tranche Lender to the extent of such payment.

(i) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section
2.11(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If the US Tranche Revolving Commitments shall have been terminated or an Event of Default shall have occurred and be continuing and the Company shall receive notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, US Tranche Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Company shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the US Tranche Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Specified Event with respect to the Company. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Loan Parties under the Loan Documents. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. At the request of the Company, amounts so deposited shall be invested by the Administrative Agent, at the Company's risk and expense, in high quality overnight or short-term cash equivalent investments of prime financial institutions (which may include the Administrative Agent) maturing prior to the date or dates on which the Administrative Agent anticipates that such amounts will be applied as required by this paragraph. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been

reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of US Tranche Lenders with LC Exposures representing greater than 50% of the total LC Exposure) be applied to satisfy other obligations of the Company under this Agreement. If the Company is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three Business Days after all Events of Default have been cured or waived.

SECTION 2.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 11:00 a.m., Local Time, to the account of the Applicable Agent most recently designated by it for such purpose for Loans of such Class and currency by notice to the applicable Lenders. The Applicable Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower notified by the Borrower to the Applicable Agent (i) in the United States, in the case of Loans denominated in US Dollars and (ii) in the United Kingdom, in the case of Eurocurrency Loans denominated in Sterling or Euro, or otherwise in accordance with disbursement instructions given by such Borrower to the Applicable Agent; provided that US Tranche Revolving Loans made to finance the reimbursement of an LC Disbursement shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and such Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount or (ii) in the case of such Borrower, the interest rate applicable to the subject Loan. If such Lender pays such amount to the Applicable Agent, then such amount shall constitute such Lender's Loan included in such Borrowing and the Applicable Agent shall return to such Borrower any amount (including interest) paid by such Borrower to the Applicable Agent pursuant to this paragraph.

SECTION 2.06. Interest Elections. (a) Each Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this
Section and on terms consistent with the other provisions of this Agreement. A Borrower may elect different options with respect to different portions of an affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Applicable Agent of such election by telephone by the time that a Borrowing Request would be required under
Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or by the Company on its behalf. Notwithstanding any contrary provision herein, this
Section shall not be construed to permit any Borrower to
(i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with
Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) the Type of the resulting Borrowing; and

(iv) if the resulting Borrowing is to be a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Applicable Agent shall advise each Lender holding a Loan to which such request relates of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If a Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Revolving Borrowing, then (i) in the case of a Revolving Borrowing denominated in US Dollars, unless such Borrowing is repaid as provided herein, such Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto, (ii) in the case of any Revolving Borrowing denominated in a currency other than US Dollars (other than a UK Tranche Revolving Borrowing denominated in Sterling by the UK Borrower or another Borrowing Subsidiary organized under the laws of England and Wales), unless the applicable Borrower has advised the Applicable Agent that such Borrowing will be repaid at the end of the Interest Period applicable thereto by 2:00 p.m., Local Time, three Business Days before the end of such Interest Period, such Borrowing shall be continued as a Eurocurrency Borrowing with an Interest Period of one month's duration and (iii) in the case of a UK Tranche Revolving Borrowing denominated in Sterling by the UK Borrower or another Borrowing Subsidiary organized under the laws of England and Wales, unless such Borrowing is repaid as provided herein, such Borrowing shall be continued at the end of the Interest Period applicable thereto as a Eurocurrency Borrowing with an Interest Period of one month's duration. If the Company, CBC or the UK Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Term Borrowing, and does not advise the Applicable Agent that such Borrowing will be repaid at the end of the Interest Period applicable thereto by 2:00 p.m., Local Time, three Business Days before the end of such Interest Period, then at the end of such Interest Period, such Borrowing shall be continued as a Eurocurrency Borrowing with an Interest Period of one month's duration.

SECTION 2.07. Termination and Reduction of Commitments.
(a) Unless previously terminated, (i) the Term Loan Commitments shall terminate at 5:00 p.m., New York City time, on the Effective Date, (ii) the Revolving Commitments shall terminate on the Maturity Date and (iii) all the Commitments shall terminate if the initial borrowing hereunder shall not have occurred by February 28, 2002.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments of any Class; provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum, or the entire amount of the Commitments of such Class, (ii) the Company shall not terminate or reduce the US Tranche Revolving Commitments if, after giving effect to any concurrent prepayment of the US Tranche Revolving Loans in accordance with Section 2.10, the aggregate US Tranche Revolving Credit Exposures would exceed the aggregate US Tranche Revolving Commitments and (iii) the Company shall not terminate or reduce the UK Tranche Revolving Commitments if, after giving effect to any concurrent prepayment of the UK Tranche Revolving Loans in accordance with Section 2.10, the aggregate UK Tranche Revolving Credit Exposures would exceed the aggregate UK Tranche Revolving Commitments.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments of any Class under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying the effective date of such election. Promptly following receipt of any such notice, the Administrative Agent shall advise the London Agent and the applicable Lenders of the contents thereof. Each notice delivered by the Company pursuant to this
Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the applicable Lenders in accordance with their respective Commitments of such Class.

SECTION 2.08. Repayment of Loans; Evidence of Debt.
(a) Each Borrower hereby unconditionally promises to pay to the Applicable Agent for the accounts of the applicable Lenders (i) the then unpaid principal amount of each Revolving Borrowing of such Borrower on the Maturity Date and (ii) the then unpaid principal amount of each Term Loan of such Borrower as provided in Section 2.09. Each Borrower agrees to repay the principal amount of each Loan made to such Borrower and the accrued interest thereon in the currency of such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) Subject to the Register described in Section 10.04, the Administrative Agent shall maintain accounts (including the Register described in Section 10.04) in which it shall record (i) the amount of each Loan made hereunder, the Class, Type and currency thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by any Agent hereunder for the accounts of the Lenders and each Lender's share thereof. The London Agent shall furnish to the Administrative Agent, promptly after the making of any Loan or Borrowing with respect to which it is the Applicable Agent or the receipt of any payment of principal or interest with respect to any such Loan or Borrowing, information with respect thereto that will enable the Administrative Agent to maintain the accounts referred to in the preceding sentence. The Administrative Agent shall notify in writing the London Agent promptly after the making of any Loan or Borrowing with respect to which it is the Applicable Agent or the receipt of payment of any principal with respect to any such Loan or Borrowing.

(d) Subject to the Register described in Section 10.04, the entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it to any Borrower be evidenced by a promissory note. In such event, each

applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent, acting reasonably. Thereafter, the Loans evidenced by each such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

SECTION 2.09. Amortization of Term Loans. (a) Subject to adjustment pursuant to paragraph (c) of this Section, the applicable Borrowers shall repay the principal of the Term Borrowings in 16 consecutive quarterly installments (each of which may consist of payments of one or more Term Borrowings selected by such Borrowers), the aggregate US Dollar Equivalent of each of which on the applicable quarterly installment date shall be the amount (expressed as a percentage of the sum of the US Dollar Equivalents on the fifth Business Day prior to the applicable quarterly installment date of the amounts of the Term Loans made on the Effective Date) set forth opposite the applicable quarterly installment date below:

Date	Amount
March 28, 2003	3.75%
June 27, 2003	3.75%
September 26, 2003	3.75%
December 26, 2003	3.75%
March 26, 2004	5.00%
June 25, 2004	5.00%
September 24, 2004	5.00%
December 22, 2004	5.00%
March 25, 2005	6.25%
June 24, 2005	6.25%
September 23, 2005	6.25%
December 21, 2005	6.25%
March 24, 2006	10.00%
June 23, 2006	10.00%
September 22, 2006	10.00%
Maturity Date	10.00%

The Administrative Agent shall not less than five Business Days prior to each quarterly installment date deliver to the Company a calculation of the aggregate amount of the payment required to be made hereunder on such quarterly installment date.

(b) To the extent not previously repaid, all Term Loans shall be due and payable on the Maturity Date.

(c) Any mandatory prepayment of a Term Borrowing shall be applied to reduce the subsequent scheduled repayments of the Term Borrowings to be made pursuant to this Section ratably in accordance with the amounts thereof. Any voluntary prepayment of a Term Borrowing shall be applied to reduce the next scheduled quarterly repayment of the Term Borrowings to be made pursuant to this Section and thereafter to reduce subsequent scheduled repayments of the Term Borrowings to be made pursuant to this Section ratably in accordance with the amounts thereof. For purposes of determining the amount by which any quarterly installment of principal is to be reduced as a result of any prepayment, the amount of such prepayment (denominated in the currency in which such prepayment shall have been made) shall be allocated as provided above in this paragraph on the next quarterly installment date among the remaining scheduled installments of principal, and the US Dollar Equivalent of the amount so allocated to each scheduled installment shall be determined as of the date of determination under paragraph (a) above of the amount of the payment due on the applicable quarterly installment date.

(d) Prior to any repayment of Term Borrowings, the Company shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York time, three Business Days before the scheduled date of such repayment. Each repayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayments of Term Borrowings shall be accompanied by accrued interest on the amounts repaid.

SECTION 2.10. Prepayment of Loans. (a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing of such Borrower in whole or in part, subject to prior notice in accordance with paragraph (e) of this Section.

(b) If the aggregate Revolving Credit Exposures of any Class shall exceed the aggregate Revolving Commitments of such Class, then (i) on the last day of any Interest Period for any Eurocurrency Revolving Borrowing of such Class and
(ii) on any other date in the event ABR Revolving Borrowings of such Class shall be outstanding, the applicable Borrowers shall prepay Revolving Loans of such Class in an amount equal to the lesser of (A) the amount necessary to eliminate such excess (after giving effect to any other prepayment of Loans on such day) and (B) the amount of the Borrowings referred to in clauses (i) and (ii), as applicable. If, on any Reset Date, the aggregate amount of the Revolving Credit Exposures of any Class shall exceed 105% of the aggregate Commitments of such Class, then the applicable Borrowers shall, not later than the next Business Day, prepay one or more Borrowings of such Class in an aggregate principal amount sufficient to eliminate such excess.

(c)(i) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Company or any Subsidiary in respect of any Asset Disposition, the Company shall, within three Business Days after such Net Proceeds are received, prepay or cause the applicable Borrower to prepay Term Borrowings in an aggregate amount equal to 50% of such Net Proceeds; provided that the Company shall not be subject to such prepayment obligation to the extent that within such period of three Business Days the Company notifies the Administrative Agent that it intends to reinvest such Net Proceeds in capital assets within 12 months after the receipt thereof, and within such 12-month period

the Company delivers to the Administrative Agent a notice certifying that such Net Proceeds have in fact been so invested; provided, further, however, that if the Company gives such a notice of its intention to reinvest such Net Proceeds and such Net Proceeds are not reinvested within the 12-month period referred to above, the Company shall forthwith apply or cause the applicable Borrower to apply such Net Proceeds to prepay Term Borrowings.

(ii) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Company in respect of any Indebtedness issued under Section 6.01(i)(iii), the Company shall, within three Business Days after such Net Proceeds are received, prepay or cause the applicable Borrower to prepay Term Borrowings in an aggregate amount equal to 100% of such Net Proceeds.

(d) Prior to any optional or mandatory prepayment of Borrowings hereunder, the applicable Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (e) of this Section.

(e) The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent by telephone (confirmed by telecopy) of any prepayment of a Borrowing hereunder (i) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of such prepayment and
(ii) in the case of an ABR Borrowing, not later than 11:00
a.m., Local Time, one Business Day before the date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07(c). Promptly following receipt of any such notice, the Applicable Agent shall advise the applicable Lenders of the contents thereof. Except to the otherwise required in connection with any mandatory prepayment, each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(f) In the event the amount of any prepayment required to be made pursuant to this Section shall exceed the aggregate principal amount of the ABR Term Loans or ABR Revolving Loans, as the case may be, outstanding (the amount of any such excess being called the "Excess Amount"), the applicable Borrower shall have the right, in lieu of making such prepayment in full, to prepay all the outstanding ABR Loans of the applicable Class and to deposit an amount equal to the Excess Amount with the Applicable Agent in a cash collateral account maintained (pursuant to documentation reasonably satisfactory to the Applicable Agent) by and in the sole dominion and control of the Applicable Agent, which shall have the exclusive right of withdrawal for application in accordance with this paragraph (f). Any amounts so deposited shall be held by the Applicable Agent as collateral for the Obligations and applied to the prepayment of the applicable Eurocurrency Loans at the ends of the current Interest Periods applicable thereto. At the request of the applicable Borrower, amounts so deposited shall be invested by the Applicable Agent, at the applicable Borrower's risk and expense, in high quality overnight or short-term cash equivalent investments of prime financial institutions (which may include the Administrative Agent) maturing prior to the date or dates on which the Applicable Agent anticipates that such amounts will be applied to prepay Eurocurrency Loans; any interest earned on such Permitted Investments will be for the account of the applicable Borrower, and the applicable Borrower will deposit with the Administrative Agent the amount of any loss on any such investment to the extent necessary in order that the amount of the prepayment to be made with the deposited amounts is not reduced.

SECTION 2.11. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily unused amount of each Commitment of such Lender during the period from and including the date hereof to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears (i) in the case of commitment fees in respect of the Revolving Commitments, on the last day of March, June, September and December of each year, commencing on the first such date to occur after the date hereof, and on the date on which such Commitments terminate and (ii) in the case of commitment fees in respect of the Term Loan Commitments, on the Effective Date or any earlier date on which such Commitments terminate. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of determining the unused portion of the Revolving Commitments, the Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender.

(b) The Company agrees to pay (i) to the Administrative Agent for the account of each US Tranche Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the daily amount of such US Tranche Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date hereof to but excluding the later of the date on which such US Tranche Lender's US Tranche Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date hereof to but excluding the later of the date of termination of the US Tranche Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued under this paragraph through and including the last day of March, June, September and December of each year shall be payable on such last day, commencing on the first such date to occur after the date hereof; provided that all such fees shall be payable on the date on which the US Tranche Revolving Commitments terminate and any such fees accruing after the date on which the US Tranche Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees payable under this paragraph shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of the commitment fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and
(iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest on Borrowings denominated in Sterling and (ii) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Applicable Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing denominated in any currency:

(a) the Applicable Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Applicable Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Applicable Agent shall give notice thereof to the Company and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Applicable Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Borrowing Request that requests a Eurocurrency Borrowing in such currency shall be ineffective and the applicable Borrower may instead request an ABR Borrowing not later than 12:00 noon, Local Time, on the date of the proposed Borrowing and (ii) any Interest Election Request that requests the conversion or continuation of any Revolving Borrowing or Term Borrowing as a Eurocurrency Borrowing in such currency shall be ineffective, and such Borrowing shall be converted to or continued on the last day of the Interest Period applicable thereto (A) if such Borrowing is denominated in US Dollars, as an ABR Borrowing, or (B) if such Borrowing is denominated in any other currency, as a Borrowing bearing interest at such rate as the Lenders and the Company may agree adequately reflects the costs to the Lenders of making or maintaining their Loans (or, in the absence of such agreement, shall be repaid as of the last day of the current Interest Period applicable thereto).

SECTION 2.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or the Issuing Bank (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participations therein, other than a condition related to Taxes, which is governed by Section 2.16;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan (or of

maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or otherwise), then the Company will pay or cause the other Borrowers to pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Company will pay or cause the other Borrowers to pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, and setting forth in reasonable detail the calculations used by such Lender or the Issuing Bank to determine such amount, shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay or cause the other Borrowers to pay to such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 360 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and delivers a certificate with respect thereto as provided in paragraph (c) above; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 360-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan to a Loan of a different Type or Interest Period other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow (including as a result of a return of funds to the Lenders under the last sentence of Section 4.01), convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.07(c) and is revoked in accordance therewith), or (d) the assignment or deemed assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.18 or the CAM Exchange, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the London interbank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, and setting forth in reasonable detail the calculations used by such Lender to determine such amount or amounts, shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.16. Taxes. (a) Subject to all the provisions of this Section 2.16 and except as required by law, any and all payments by or on account of any Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, the London Agent or the applicable Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Loan Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower shall indemnify the Administrative Agent, the London Agent, each Lender and the Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent or such Lender or the Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of any Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (except to the extent such penalties, interest or costs are attributable to the gross negligence or willful misconduct by a Lender, Issuing Bank or Agent), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender or the Issuing Bank, or by an Agent, on its own behalf or on behalf of a Lender

or the Issuing Bank, shall be conclusive absent manifest error. Such Lender, Issuing Bank or Agent shall give the Company written notice of any payment of Indemnified Taxes or Other Taxes to be made hereunder with respect to which the Company has an indemnity obligation, but the failure of such Lender, Issuing Bank or Agent to give such notice shall not limit its right to receive indemnification hereunder, except that a failure to give such notice will constitute gross negligence or wilful misconduct for purposes of the first sentence of this clause (c) to the extent penalties, interest or costs are incurred solely as a result of the failure to give such notice. Such Lender, Issuing Bank or Agent shall use reasonable efforts to cooperate with the Company in seeking a refund of such payment of Indemnified Taxes or Other Taxes.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender, Issuing Bank or Agent that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Company (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate. Such Lender, Issuing Bank or Agent shall indemnify and hold harmless the Company and such Borrower from any penalties, interest or other costs incurred by such Borrower solely as a result of the failure of such Lender, Issuing Bank or Agent to comply properly with such documentation requirements. This Section shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it reasonably deems confidential) to any Borrower or any other Person.

(f) Each Lender, on the date it becomes a Lender hereunder, and the Issuing Bank, on the date it becomes an Issuing Bank, will designate lending offices for the Loans to be made by it and provide documentation to the Company (with a copy to the Administrative Agent) pursuant to Section 2.16(e) such that, on such date, it will not be liable for any withholding tax that is imposed (i) by the United States of America on payments by any Borrower that is organized or resident for tax purposes within such jurisdiction or (ii) by the United Kingdom on payments by any Borrower that is organized or resident for tax purposes within such jurisdiction.

(g) If a Lender, the Issuing Bank, or an Agent (each a "Finance Party") receives a refund or credit in respect of Indemnified Taxes or Other Taxes pursuant to this Section 2.16 and, in the case of a credit, such credit reduces the Tax liability of the Finance Party and is in the good faith opinion of the relevant Finance Party both identifiable and quantifiable without requiring such Finance Party or its professional advisers to expend a material amount of time or incur a material cost in so identifying or quantifying, the Finance Party will pay over the amount of such refund or credit to the relevant Borrower to the extent the Finance Party has received indemnity payments or additional amounts pursuant to this Section 2.16, net of all out-of-pocket expenses incurred in obtaining such refund or credit and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund or credit); provided, however, that the relevant Borrower, upon the request of the Finance Party, agrees to repay the amount it received to the Finance Party within 30 days of such request, plus penalties, interest or other charges imposed by the relevant Governmental Authority (except to the extent such penalties or other charges are incurred solely as a result of the gross negligence or wilful misconduct of the relevant Finance Party), if the refund or credit is subsequently disallowed or cancelled. Amounts payable to a Borrower under this clause (g) with respect to a refund received by a Finance Party will be paid to the relevant Borrower within 30 days of receipt of such refund by the Finance Party. Amounts payable under this clause (g) with respect to a credit realized by a Finance Party will be paid within 30 days of the determination by the Finance Party that the credit reduced the Tax liability of such Finance Party.

SECTION 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) prior to 12:00 noon, Local Time (unless a different time is specified under a particular provision hereof or thereof), on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Applicable Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Applicable Agent to the applicable account specified in Schedule 2.17 or, in any such case, to such other account as the Applicable Agent shall from time to time specify in a notice delivered to the Company; provided that payments to be made directly to the Issuing Bank as expressly provided herein and payments pursuant to Sections 2.14, 2.15, 2.16 and 10.03 shall be made directly to the Persons entitled thereto. The Applicable Agent shall distribute any such payments received by it for the account of any Lender or other Person promptly following receipt thereof to the appropriate lending office or other address specified by such Lender or other Person. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan or LC Disbursement shall be made in the currency of such Loan or LC Disbursement; all other payments hereunder and under each other Loan Document shall be made in US Dollars. Any payment required to be made by an Agent hereunder shall be deemed to have been made by the time required if such Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by such Agent to make such payment. Any amount payable by any Agent to one or more Lenders in the national currency of a member state of the European Union that has adopted the Euro as its lawful currency shall be paid in Euro.

(b) If at any time insufficient funds are received by and available to any Agent from any Borrower to pay fully all amounts of principal, interest and fees then due from such Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with

the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of their respective Loans and participations in LC Disbursements and accrued interest thereon; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Applicable Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due hereunder that such Borrower will not make such payment, the Applicable Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the applicable Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at a rate determined by the Applicable Agent in accordance with banking industry practices on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it to any Agent pursuant to this Agreement, then the Agents may, in their discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by them for the account of such Lender to satisfy such Lender's obligations to the Agents until all such unsatisfied obligations are fully paid.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or if any Borrower is required to pay any additional amount pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign (in accordance with and subject to the restrictions contained in Section 10.04) its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.14, or if any Loan Party is required to pay any additional amount pursuant to Section 2.16, or if any Lender defaults in its obligation to fund Loans hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.19. Designation of Additional Subsidiary Borrowers. The Company may at any time and from time to time designate any Subsidiary as a Borrowing Subsidiary by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company, and upon such delivery such Subsidiary shall for all purposes of this Agreement be a Borrowing Subsidiary and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Borrowing Subsidiary and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Borrowing Subsidiary at a time when any principal of or interest on any Loan to such Borrowing Subsidiary shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Borrowing Subsidiary to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement or Borrowing Subsidiary Termination, the Administrative Agent shall send a copy thereof to each Lender.

SECTION 2.20. Additional Reserve Costs. (a) If and so long as any Lender is required to make special deposits with the Bank of England, to maintain reserve asset ratios or to pay fees, in each case in respect of such Lender's Loans (to the extent not reflected in Statutory Reserves),

such Lender may require the relevant Borrower to pay, contemporaneously with each payment of interest on each of such Loans, additional interest on such Loans at a rate per annum equal to the Mandatory Costs Rate calculated in accordance with the formula and in the manner set forth in Exhibit C hereto.

(b) If and so long as any Lender is required to comply with reserve assets, liquidity, cash margin or other requirements of any monetary or other authority (including any such requirement imposed by the European Central Bank or the European System of Central Banks, but excluding requirements reflected in the Statutory Reserves or the Mandatory Costs Rate) in respect of any of such Lender's Loans, such Lender may require the relevant Borrower to pay, contemporaneously with each payment of interest on each of such Lender's Loans subject to such requirements, additional interest on such Loans at a rate per annum specified by such Lender to be the cost to such Lender of complying with such requirements in relation to such Loans.

(c) Any additional interest owed pursuant to paragraph (a) or (b) above shall be determined by the relevant Lender, which determination shall be conclusive absent manifest error, and notified to the relevant Borrower (with a copy to the Administrative Agent) at least five Business Days before each date on which interest is payable for the relevant Loans, and such additional interest so notified to the relevant Borrower by such Lender shall be payable to the Administrative Agent for the account of such Lender on each date on which interest is payable for such Loans.

SECTION 2.21. Redenomination of Certain Designated Foreign Currencies. (a) Each obligation of any party to this Agreement to make a payment denominated in Sterling shall, in the event that the United Kingdom adopts the Euro as its lawful currency after the date hereof, be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). In such event, if the basis of accrual of interest expressed in this Agreement in respect of Sterling shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which the United Kingdom adopts the Euro as its lawful currency; provided that if any Borrowing in Sterling is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Without prejudice and in addition to any method of conversion or rounding prescribed by any EMU Legislation and (i) without limiting the liability of any Borrower for any amount due under this Agreement or any of the other Loan Documents and (ii) without increasing any Commitment of any Lender, all references in this Agreement to minimum amounts (or integral multiples thereof) denominated in Sterling shall, immediately upon the adoption by the United Kingdom of the Euro as its lawful currency, be replaced by references to such minimum amounts (or integral multiples thereof) as shall be specified herein with respect to Borrowings denominated in Euro.

(c) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent and the Company may from time to time agree to be appropriate to reflect the adoption of the Euro by the United Kingdom and any relevant market conventions or practices relating to the Euro.

ARTICLE III

Representations and Warranties

Each of the Borrowers represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Company and the Subsidiaries is duly organized, validly existing and in good standing (to the extent such concept is applicable) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business, and is in good standing (to the extent such concepts are applicable), in every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate powers and have been duly authorized by all necessary corporate or partnership and, if required, stockholder action. Each of the Loan Documents has been duly executed and delivered by each Loan Party party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon the Company or any of the Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Company or any of the Subsidiaries, (d) will not result in the creation or imposition of any Lien on any asset of the Company or any of the Subsidiaries and (e) will not violate the charter, by-laws or other organizational documents of the Company or any of the Subsidiaries, except, in the case of clause (a), (b), (c) and (d), to the extent that failure to comply could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2000, reported

on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended September 30, 2001, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and the consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) The pro forma unaudited consolidated balance sheet and consolidated statements of income, stockholders equity and cash flows of the Acquired Business (which for these purposes shall include certain immaterial non-acquired assets) for the fiscal years ended September 30, 1999, August 26, 2000, December 31, 2000 and December 31, 2001, certified by the UK Borrower's chief financial officer, when furnished to the Administrative Agent, to the best of the Company's knowledge, will fairly present in all material respects the consolidated financial condition of the Acquired Business and its subsidiaries (exclusive of those assets and operations of BHL not constituting part of the Acquired Business) as at such dates and their consolidated results of operations, shareholders' equity and cash flows for the periods then ended in conformity with GAAP, subject to the absence of footnotes.

(c) The pro forma consolidated balance sheet of the Company as of December 30, 2001, prepared giving effect to the Transactions as if the Transactions had occurred on such date, when furnished to the Lenders (i) will have been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions are believed by the Company to be reasonable), (ii) will be based on the best information available to the Company after due inquiry,
(iii) will accurately reflect all adjustments necessary to give effect to the Transactions and (iv) will present fairly, in all material respects, the pro forma financial position of the Company and its consolidated Subsidiaries as of December 30, 2001, as if the Transactions had occurred on such date. The representations and warranties set forth in clauses (iii) and (iv) are limited to the best of the Company's knowledge to the extent they relate to the Acquired Business and its subsidiaries.

(d) The pro forma consolidated balance sheet of the Company as of December 30, 2001, and the pro forma consolidated statements of income and cash flow of the Company for the fiscal year ended December 30, 2001, prepared giving effect to the Transactions as if the Transactions had occurred on such date, included in the model contained in the Information Memorandum (i) have been prepared in good faith based on assumptions believed by the Company to be reasonable, (ii) are based on the best information available to the Company after due inquiry, (iii) accurately reflect all adjustments necessary to give effect to the Transactions and (iv) present fairly, in all material respects, the pro forma financial position of the Company and its consolidated Subsidiaries as of December 30, 2001, as if the Transactions had occurred on such date. The representations and warranties set forth in clauses (iii) and (iv) are limited to the best of the Company's knowledge at the Effective Date to the extent they relate to the Acquired Business and its subsidiaries.

(e) Since December 31, 2000, there has not occurred or become known any condition or change that has affected or would reasonably be expected to affect materially and adversely the business, assets, liabilities or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Company and the Subsidiaries has good title to, valid leasehold interests in, or valid licenses of, all its real and personal property material to its business, except for defects in title that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Company and the Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except for any intellectual property the failure to own or license which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and the use thereof by the Company and the Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters.
(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of the Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or any other Loan Document or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Company nor any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability,
(iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Company and the Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to result in a

Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status. Neither the Company nor any of the Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. Each of the Company and the Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. The actuarial present value of accumulated plan benefits under each Plan (based on the assumptions used for purposes of FASB Statement 35) multiplied by 115% did not, as of the date of the most recent financial statements reflecting such amounts, exceed the net assets of the Plan available for providing benefits under such Plan.

SECTION 3.11. Disclosure. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other written or formally presented information furnished by or on behalf of the Company to any Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time; and provided further that the representations and warranties set forth in this sentence are limited to the best of the Company's knowledge to the extent they relate to information or materials obtained by the Company from the Acquired Business and its subsidiaries prior to the Effective Date.

SECTION 3.12. Margin Stock. Neither the Company nor any of the Subsidiaries is engaged principally, or as one of its primary activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. None of the Loans will be used to purchase or carry any Margin Stock, to refinance any Indebtedness originally incurred for any such purpose or in any other manner that would violate any provision of Regulation U or X of the Board.

SECTION 3.13. Subsidiaries; Guarantee Requirement. (a) Schedule 3.13 correctly sets forth, as of the date hereof,
(i) the name and jurisdiction of organization of each Domestic Subsidiary that is a Significant Subsidiary and
(ii) the ownership of all the outstanding Equity Interests in each such Domestic Subsidiary (other than any Equity Interests owned by Persons other than the Company and the Subsidiaries).

(b) The Guarantee Requirement has been and remains satisfied.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Acquisition Loans shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent, the London Agent and the Lenders and dated the Effective Date) of (i) Ian Bird, Assistant Secretary of the Company, substantially in the form of Exhibit E-1, (ii) Kirkland & Ellis, special US counsel for the Company, substantially in the form of Exhibit E-2 and (iii) Slaughter & May, special UK counsel for the Company, substantially in the form of Exhibit E-3. The Borrowers hereby request such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Guarantee Requirement shall be satisfied.

(e) The Administrative Agent shall have received (or shall be satisfied that it will receive promptly after the Effective Date) all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder or under any other Loan Document.

(f) The Acquisition shall have been completed in accordance with applicable law and the terms of the Share Purchase Agreement as heretofore provided to the Lenders, without modification or waiver of any material term or condition thereof not approved by the Administrative Agent, or, if the Acquisition will be consummated on a day that is not a Business Day, the Company shall have delivered written notice to the Lenders on the last Business Day prior to the anticipated date of such consummation advising the Lenders that the Company expects that the Acquisition will on such non-Business Day be so completed.

(g) No Specified Event shall have occurred and be continuing.

(h) The representations and warranties set forth in Sections 3.01, 3.02 and 3.03 shall be true and correct in all material respects in respect of each Borrower.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 3:00 p.m., New York City time, on February 28, 2002 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

Each of the parties hereto hereby authorizes and directs the Administrative Agent to deposit the proceeds of the Acquisition Loans into a trust account to be held by ABN Amro Bank N.V. pending the consummation of the Acquisition in accordance with the terms of a Completion Agreement having substantially the terms set forth in the draft thereof dated January 29, 2001, previously made available to the Lenders, and such changes therefrom as may be approved by the Administrative Agent or are not adverse to the interests of the Company or the Lenders. Unless the Acquisition is on or prior to the next succeeding Business Day completed in accordance with applicable law and the terms of the Share Purchase Agreement as heretofore provided to the Lenders, without modification or waiver of any material term or condition thereof not approved by the Administrative Agent, the Company shall ensure that ABN Amro Bank N.V. shall return such funds to the Administrative Agent for return to the Lenders on such Business Day.

SECTION 4.02. Effectiveness of Obligations to Extend Non- Acquisition Credit. The obligations of the Lenders to make Loans other than Acquisition Loans hereunder, and of the Issuing Bank to issue Letters of Credit hereunder, shall not become effective until the date on which each of the conditions set forth in Section 4.01 has been satisfied and the Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.03.

SECTION 4.03. Each Credit Event. The obligation of each Lender to make a Loan other than an Acquisition Loan, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties (other than those set forth in Sections 3.04(e) and 3.06(a) in the case of Borrowings made for the sole purpose of refinancing the Company's maturing commercial paper) of the Loan Parties set forth in the Loan Documents shall be true and correct on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, other than any representation given as of a particular date, which representation shall be true and correct as of that date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Company on the date thereof as to the matters specified in paragraphs
(a) and (b) of this Section.

SECTION 4.04. Initial Credit Event for each Borrowing Subsidiary. The obligation of each Lender to make Loans to any Borrowing Subsidiary, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit for the account of any Borrowing Subsidiary, is subject to the satisfaction of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received such Borrowing Subsidiary's Borrowing Subsidiary Agreement duly executed by all parties thereto.

(b) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the formation, existence and good standing (to the extent such concept is applicable) of such Borrowing Subsidiary, the authorization of the Transactions and the enforceability of this Agreement insofar as they relate to such Borrowing Subsidiary and any other legal matters relating to such Borrowing Subsidiary, its Borrowing Subsidiary Agreement or such Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, the Company covenants and agrees with the Lenders as to itself and its subsidiaries and each Borrowing Subsidiary covenants and agrees with the Lenders as to itself and its subsidiaries that:

SECTION 5.01. Financial Statements and Other Information. The Company will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of the Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company (commencing with the fiscal quarter ending June 30, 2002), its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Company (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.06 and 6.07, (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and, if the effect of such change shall have been deferred under
Section 1.04 for purposes of Section 6.06 or 6.07 or any other provision hereof, reconciling, as applicable, the calculations referred to in clause (ii) above or any calculations required under any other provision with the financial statements delivered under clause (a) or (b) above, and (iv) confirming compliance with the requirements set forth in the definition of "Significant Subsidiary" and attaching a revised form of Schedule 3.13 showing all additions to and removals from the list of Significant Subsidiaries since the date of the most recently delivered Schedule 3.13 (or confirming that there have been no changes from such most recently delivered Schedule 3.13);

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines or in accordance with the normal commercial practices of such accounting firm);

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Securities and Exchange Commission, or any Govern- mental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Company to its shareholders generally, as the case may be;

(f) promptly after Moody's or S&P shall have announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(g) on or prior to June 30, 2002, each of the financial statements referred to in paragraphs (b) and (c) of Section 3.04; and

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of the Loan Documents, as any Agent or any Lender may reasonably request.

Reports required to be delivered pursuant to clauses (a),
(b) and (e) above shall be deemed to have been delivered on the date on which the Company posts such reports on the Company's website on the Internet at www.coors.com (or such other address as the Company shall provide to the Lenders) or when such reports are posted on the SEC's website at www.sec.gov and such posting shall be deemed to satisfy the reporting requirements of clauses (a) and (b) above; provided, that the Company shall deliver paper copies of such reports to any Agent or Lender upon request.

SECTION 5.02. Notices of Material Events. The Company will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the

Company or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the (i) occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect, (ii) receipt of any notice indicating any intention by the Pension Benefit Guaranty Corporation to terminate any Plan, or (iii) receipt of any notice indicating any intention by a multiemployer plan to obtain any withdrawal liability from the Company or any of its Subsidiaries or ERISA Affiliates (provided such withdrawal liability could reasonably be expected to exceed $10,000,000); and

(d) any other development that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Company will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution not prohibited by Section 6.04.

SECTION 5.04. Payment of Obligations. The Company will, and will cause each of the Subsidiaries to, pay its material obligations, including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP (or generally applicable accounting principles in the relevant jurisdiction) and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Company will, and will cause each of the Subsidiaries to,
(a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Company will, and will cause each of the Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Company will, and will cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. All visitation requests by Lenders shall be made through the Administrative Agent, and the Agents and Lenders shall endeavor to coordinate such visits in order to minimize expense and inconvenience to the Company.

SECTION 5.07. Compliance with Laws. The Company will, and will cause each of the Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority, including Environmental Laws and ERISA, applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Term Loans will be used solely to fund the Acquisition and to pay related fees and expenses. The Revolving Loans will be used for working capital and general corporate purposes (including refinancing the Company's maturing commercial paper) and, if necessary, to fund the Acquisition and to pay related fees and expenses.

SECTION 5.09. Guarantee Requirement tc \l2 "SECTION 5.09. Guarantee Requirement . The Company will cause the Guarantee Requirement to be satisfied at all times.

SECTION 5.10. Indebtedness. On or prior to the Effective Date, the Company will (a) terminate the Existing Credit Agreement (which termination may be conditioned on the consummation of the Acquisition) and pay all amounts outstanding thereunder and (b) ensure that, as of the Effective Date, after giving effect to the Transactions, the Company and the Subsidiaries will have no outstanding Indebtedness or preferred stock, other than (i) $80,000,000 in aggregate principal amount of 6.76% Series A Senior Notes due July 15, 2002 of the Company, and Guarantees by Subsidiary Guarantors thereof, (ii) $20,000,000 in aggregate principal amount of 6.95% Series B Senior Notes due July 15, 2005 of the Company, and Guarantees by Subsidiary Guarantors thereof, (iii) Indebtedness under the Bridge Facility or any senior notes of the Company issued in lieu thereof,
(iv) Indebtedness in respect of the $5,000,000 City of Wheat Ridge, Colorado Industrial Development Revenue Bonds (Adolph Coors Company Project) Series 1993, (v) Hedging Agreements in effect on the Effective Date, (vi) the $300,000 letter of credit issued by Wachovia Bank for the benefit of Continental Casualty Company, (vii) the $5,185,754 letter of credit issued by Wachovia Bank for the benefit of Bank One, N.A., as trustee for the bonds referred to in clause (iv) above, (viii) two letters of credit issued by Wells Fargo for the benefit of the State of Colorado Inspector of Oils, each in the amount of $35,000, (ix) the $356,448.40 letter of credit issued by JPMorgan Chase Bank for the benefit of Jefferson County and (x) other Indebtedness listed on Schedule 6.01.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, the Company covenants and agrees with the Lenders as to itself and its subsidiaries and each Borrowing Subsidiary covenants and agrees with the Lenders as to itself and its subsidiaries that:

SECTION 6.01. Subsidiary Indebtedness. tc \l2 "SECTION
6.01. Subsidiary Indebtedness. The Company will not permit any Subsidiary to create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) Indebtedness existing on the date hereof and set forth on Schedule 6.01 or in Section 5.10 and extensions, renewals or replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or add additional Subsidiaries as obligors in respect of such Indebtedness;

(c) Indebtedness of any Subsidiary to the Company or any other Subsidiary; provided that no such Indebtedness shall be assigned to, or subjected to any Lien in favor of, a Person other than the Company or a Subsidiary;

(d) Indebtedness, including Capital Lease Obligations, of any Subsidiary incurred to finance the acquisition, construction or improvement by such Subsidiary of, and secured by, any fixed or capital assets, and extensions, renewals and replacements of any of the foregoing Indebtedness referred to in this paragraph that do not increase the outstanding principal amount thereof and are not secured by any additional assets or Guaranteed by any other Subsidiaries; provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement;

(e) Indebtedness of any Person that becomes a Subsidiary after the date hereof; provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(f) Indebtedness of any Subsidiary as an account party in respect of letters of credit backing obligations (other than Indebtedness) of any Subsidiary;

(g) Indebtedness consisting of (or connected with) industrial development, pollution control or other revenue bonds or similar instruments issued or guaranteed by any Governmental Authority;

(h) Securitization Transactions to the extent that the aggregate amount, without duplication, of all Securitization Transactions do not at any time exceed $100,000,000 in respect of Securitization Transactions relating to loans made to bars, pubs and other similar establishments in the United Kingdom and $200,000,000 in respect of other Securitization Transactions;

(i) (i) Indebtedness created under the Bridge Facility and Guarantees by Subsidiary Guarantors in respect of the Bridge Facility, (ii) senior unsecured notes of the Company or CBC all the proceeds of which are used to repay the Bridge Facility and Guarantees by Subsidiary Guarantors of such notes and (iii) after the repayment in full of the Bridge Facility, additional senior unsecured notes of the Company or CBC in an aggregate principal amount of up to $250,000,000 and Guarantees by Subsidiary Guarantors of such notes, provided that all the Net Proceeds of such notes are applied to prepay Term Borrowings in accordance with Section
2.10(c)(ii) (other than a portion of such proceeds not to exceed $75,000,000, which may be applied to pay amounts due as a result of an appreciation in Sterling against Dollars in respect of currency hedging transactions entered into in connection with the Bridge Facility); and

(j) Other Indebtedness not expressly permitted by clauses
(a) through (i) above; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by this clause (j), (ii) the aggregate principal amount of the outstanding obligations secured by Liens permitted by
Section 6.02(j) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03(b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.02. Liens. tc \l2 "SECTION 6.02. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Company or any Subsidiary existing on the date hereof (or on improvements or accessions thereto or proceeds therefrom) and set forth on Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary other than improvements and accessions to the assets to which it originally applies and proceeds of such assets, improvements and accessions and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary; provided that
(i) such Liens secure Indebtedness permitted by clause (d) of Section 6.01, (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such Liens shall not apply to any other property or assets of the Company or any Subsidiary;

(e) Liens securing (or in connection with) industrial development, pollution control or other revenue bonds or similar instruments issued or guaranteed by any Governmental Authority;

(f) Liens in favor of any Governmental Authority to secure obligations pursuant to the provisions of any contract or statute;

(g) Liens to secure obligations of a Subsidiary to the Company or any other Subsidiary;

(h) sales of Receivables pursuant to, and Liens existing or deemed to exist in connection with, Securitization Transactions; provided that the aggregate amount of all such Securitization Transactions shall not at any time exceed the applicable amount specified in Section 6.01(h);

(i) Rights of first refusal of the Company's joint venture partner with respect to the Company's Equity Interests in the Rocky Mountain Metal Container LLC; and

(j) Liens not expressly permitted by clauses (a) through (i) above; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by Section 6.01(j),
(ii) the aggregate principal amount of the outstanding obligations secured by Liens permitted by this clause (j) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03(b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.03. Sale and Leaseback Transactions. tc \l2 "SECTION 6.03. Sale and Leaseback Transactions. The Company will not, and will not permit any of its Subsidiaries to, enter into any Sale-Leaseback Transaction except:

(a) any Sale-Leaseback Transaction to which the Company or any Subsidiary is a party as of the date hereof; and

(b) other Sale-Leaseback Transactions; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by Section 6.01(j), (ii) the aggregate principal amount of outstanding obligations secured by Liens permitted by Section 6.02(j) and (iii) the aggregate Attributable Debt in respect of Sale-Leaseback Transactions permitted by this clause (b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.04. Fundamental Changes. (a) The Company will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and whether directly or through the merger of one or more Subsidiaries) assets representing all or substantially all the assets of the Company and the Subsidiaries (whether now owned or hereafter acquired), or liquidate or dissolve, except that if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, any Person may merge into the Company in a transaction in which the Company is the surviving corporation.

(b) The Company will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Company and its Subsidiaries on the date of this Agreement or by BHL and its subsidiaries on the date of (and after giving effect to) the Acquisition, businesses reasonably related thereto and Securitization Transactions.

SECTION 6.05. Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties and (b) transactions between or among the Company and its Subsidiaries not involving any other Affiliate.

SECTION 6.06. Leverage Ratio. The Company will not permit the Leverage Ratio at any time during any period set forth below to exceed the ratio set forth below opposite such

period:

Period	Ratio
6/30/02 through 3/30/04	3.80:1.00
3/31/04 and thereafter	3.50:1.00

SECTION 6.07. Interest Coverage Ratio. The Company will not permit the Interest Coverage Ratio for any period of four consecutive fiscal quarters ending on or after June 30, 2002 to be less than 3.50:1.00.

ARTICLE VII

Events of Default and CAM

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Company or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Company or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to any Borrower's existence), 5.08, 5.09 or 5.10 or in Article VI;

(e) the Company or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Company;

(f) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue after any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity, or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (or, in the case of any Securitization Transaction constituting Material Indebtedness, that enables or permits the investors or purchasers to terminate purchases of Receivables or interests therein or to require the repurchase of all outstanding Receivables by the Company or a Subsidiary); provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any Significant Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Significant Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Company or any Significant Subsidiary shall
(i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect,
(ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Significant Subsidiary or for a substan- tial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) take any action for the purpose of effecting any of the foregoing or (vii) become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) one or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution

shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(k) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) the guarantee of any Subsidiary Guarantor under the Subsidiary Guarantee Agreement or the Company's guarantee under Article VIII shall not be (or shall be asserted by the Company or any Subsidiary Guarantor not to be) valid or in full force and effect;

(m) an "Event of Default" shall have occurred and be continuing under and as defined in the Bridge Facility at any time when the Bridge Facility shall remain outstanding; or

(n) a Change in Control shall occur;

then, and in every such event (other than an event described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole or in part (in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower; and in case of any event described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

SECTION 7.02 CAM Exchange tc \l2 "SECTION 7.02 CAM Exchange . On the CAM Exchange Date, (i) the Commitments shall automatically and without further act be terminated as provided in Section 7.01 and (ii) the Lenders shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that, in lieu of the interests of each Lender in the Designated Obligations under each Tranche in which it shall participate as of such date (including the principal, reimbursement, interest and fee obligations of each Borrower in respect of each such Tranche), such Lender shall own an interest equal to such Lender's CAM Percentage in the Designated Obligations under each of the Tranches (including the principal, reimbursement, interest and fee obligations of each Borrower in respect of each such Tranche and each LC Reserve Account established pursuant to Section 7.03). Each Lender, each Person acquiring a participation from any Lender as contemplated by Section 10.04, the Company and each other Borrower hereby consents and agrees to the CAM Exchange. The Company, each other Borrower and each Lender agrees from time to time to execute and deliver to the Agents all such promissory notes and other instruments and documents as the Agents shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and comply with the provisions of Section 2.16(e), and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans hereunder to the Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of the Company or any other Borrower to execute or deliver or of any Lender to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

SECTION 7.03. Letters of Credit tc \l2 "SECTION 7.03. Letters of Credit . (a) In the event that on the CAM Exchange Date any Letter of Credit shall be outstanding and undrawn in whole or in part, each Lender which shall, on such date and before giving effect to the CAM Exchange, have held a participation in such Letter of Credit pursuant to
Section 2.04(d) of this Agreement shall promptly pay over to the Administrative Agent, in immediately available funds, an amount equal to such Lender's US Tranche Percentage of such undrawn face amount, together with interest thereon from the CAM Exchange Date to the date on which such amount shall be paid to the Administrative Agent at the rate that would be applicable at the time to an ABR Loan in a principal amount equal to such amount. The Administrative Agent shall establish a separate account (each an "LC Reserve Account") or accounts for each Lender for the amounts received with respect to each such Letter of Credit from each Lender paying such amounts pursuant to the preceding sentence. Each Lender's LC Reserve Account or Accounts, collectively, shall initially include cash in an amount equal to the product of (x) such Lender's CAM Percentage and (y) the total amount received from the Lenders pursuant to the second preceding sentence. The Administrative Agent shall have sole dominion and control over each such account, and the amounts deposited in each LC Reserve Account shall be held in such LC Reserve Account until withdrawn as provided in paragraph (b), (c), (d) or (e) below. The Administrative Agent shall maintain records enabling it to determine the amounts paid over to it and deposited in the LC Reserve Accounts in respect to each Letter of Credit and the amounts on deposit in respect of each Letter of Credit attributable to each Lender's CAM Percentage. The amounts paid by a Lender to the Administrative Agent pursuant to this paragraph shall be held as a reserve against the LC Exposures, shall be the property of such Lender, shall not constitute Loans to any Borrower and shall not give rise to any obligation on the part of any Borrower to pay interest to such Lender, it being agreed that the Borrowers' reimbursement obligations in respect of Letters of Credit shall arise only at such times as drawings are made thereunder, as provided in Section 2.04 of this Agreement.

(b) In the event that after the CAM Exchange Date any drawing shall be made in respect of a Letter of Credit, the Administrative Agent shall, at the request of the Issuing Bank, withdraw from the LC Reserve Account of each of the Lenders (in accordance with each Lender's CAM Percentage) any amounts, up to the amount of such drawing, deposited in respect of such Letter of Credit and remaining on deposit and deliver such amounts to such Issuing Bank in satisfaction of the reimbursement obligations of the Lenders under Section 2.04(d) of this Agreement

(but not of the Borrowers under Section 2.04 of this Agreement). In the event any Lender shall default on its obligation to pay over any amount to the Administrative Agent in respect of any Letter of Credit as provided in this Section 7.03, the applicable Issuing Bank shall, in the event of a drawing thereunder, have a claim against such Lender to the same extent as if such Lender had defaulted on its obligations under Section 2.04 (d) of this Agreement, but shall have no claim against any other Lender, notwithstanding the exchange of interests in the applicable Borrower's reimbursement obligations pursuant to Section 7.02. Each other Lender shall have a claim against such defaulting Lender for any damages sustained by it as a result of such default, including, in the event such Letter of Credit shall expire undrawn, its CAM Percentage of the defaulted amount of such defaulting Lender.

(c) In the event that after the CAM Exchange Date any Letter of Credit shall expire undrawn, the Administrative Agent shall withdraw from the LC Reserve Account of each Lender the amount remaining on deposit therein in respect of such Letter of Credit and distribute such amount to such Lender.

(d) With the prior written approval of the Administrative Agent and the Issuing Bank (not to be unreasonably withheld), any Lender may withdraw the amount held in its LC Reserve Account in respect of the undrawn amount of any Letter of Credit. Any Lender making such a withdrawal shall be unconditionally obligated, in the event there shall subsequently be a drawing under such Letter of Credit, to pay over to the Administrative Agent, for the account of the Issuing Bank, on demand, its CAM Percentage of such drawing.

(e) Pending the withdrawal by any Lender of any amounts from its LC Reserve Account as contemplated by the above paragraphs, the Administrative Agent will, at the direction of such Lender and subject to such rules as the Administrative Agent may prescribe for the avoidance of inconvenience, invest such amounts in short-term investments selected by the Administrative Agent. Each Lender that has not withdrawn its CAM Percentage of amounts in its LC Reserve Account as provided in paragraph (d) above shall have the right, at intervals reasonably specified by the Administrative Agent, to withdraw the earnings on investments so made by the Administrative Agent with amounts in its LC Reserve Account and to retain such earnings for its own account.

ARTICLE VIII

Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Obligations of such other Borrowers. The Company further agrees that the due and punctual payment of such Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Obligation.

The Company waives presentment to, demand of payment from and protest to any Borrower of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Agent or Lender to assert any claim or demand or to enforce any right or remedy against any Loan Party under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement or any other Loan Document or agreement; (d) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations; or
(e) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by any Agent or Lender to any balance of any deposit account or credit on the books of any Agent or Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Agent or Lender upon the bankruptcy or reorganization of any Borrower or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Agent or Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any other Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by any Agent or Lender, forthwith pay, or cause to be paid, to the Applicable Agent or Lender in cash an amount equal to the unpaid principal amount of such Obligation then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than US Dollars and/or at a place of payment other than New York and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of any Agent or Lender, not consistent with the

protection of its rights or interests, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in US Dollars (based upon the applicable Exchange Rate in effect on the date of payment) and/or in New York, and shall indemnify each Agent and Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Obligations owed by such Borrower to the Agents and the Lenders.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations.

ARTICLE IX

The Agents

In order to expedite the transactions contemplated by this Agreement, the Persons named in the heading of this Agreement are hereby appointed to act as Administrative Agent and London Agent on behalf of the Lenders and the Issuing Bank. Each of the Lenders, each assignee of any Lender and the Issuing Bank hereby irrevocably authorizes the Agents to take such actions on behalf of such Lender or assignee or the Issuing Bank and to exercise such powers as are delegated to the Agents by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent and, to the extent expressly provided herein, the London Agent are hereby expressly authorized by the Lenders and the Issuing Bank, without hereby limiting any implied authority,
(a) to receive on behalf of the Lenders and the Issuing Bank all payments of principal of and interest on the Loans and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender or the Issuing Bank its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Company of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender copies of all notices, financial statements and other materials delivered by the Company or any other Loan Party pursuant to this Agreement or the other Loan Documents as received by the Administrative Agent. Without limiting the generality of the foregoing, the Administrative Agent is hereby expressly authorized to release any Subsidiary Guarantor from its obligations under the Subsidiary Guarantee Agreement in the event that all the capital stock of such Guarantor shall be sold, transferred or otherwise disposed of to a Person other than the Company or an Affiliate of the Company in a transaction not prohibited by Section 6.04.

With respect to the Loans made by it hereunder, each Agent in its individual capacity and not as Agent shall have the same rights and powers as any other Lender and may exercise the same as though it were not an Agent, and the Agents and their Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if it were not an Agent.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise upon receipt of notice in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, and no Agent shall be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the institution serving as Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by a Borrower (in which case such Agent shall give written notice to each other Lender), and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and in good faith believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub- agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

In taking any discretionary action hereunder, or in determining whether any provision hereof is applicable to any event, transaction or circumstance, the Administrative Agent may, in its discretion, but shall not be required (unless required by any other express provision hereof) to, communicate such proposed action or determination to the Lenders prior to taking or making the same, and shall be entitled (subject to any otherwise applicable requirement of
Section 10.02(b)), in the absence of any contrary communication received from any Lender within a reasonable period of time specified in such communication from the Administrative Agent, to assume that such proposed action or determination is satisfactory to such Lender.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, any Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Company. Upon any such resignation, the Required Lenders shall have the right, with (so long as no Default has occurred and is continuing) the consent of the Company (not to be unreasonably withheld or delayed), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Agent which shall be a bank with an office in New York, New York or London, as applicable, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

The institutions named as Syndication Agent and as Co- Documentation Agents in the heading of this Agreement shall not, in their capacities as such, have any duties or responsibilities of any kind under this Agreement.

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Company, to it at Adolph Coors Company, 311 10th Street, Golden, Colorado, Attention of Timothy Wolf and Michael Kruteck (Telecopy No. (303) 277-5692 and (303) 277- 7666);

(ii) if to any Borrowing Subsidiary, to it in care of the Company as provided in paragraph (a) above;

(iii) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention of Janet Belden (Telecopy No. (212) 552-7490), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York 10017, Attention of Buddy Wuthrich (Telecopy No. (212) 270-0998);

(iv) if to the London Agent, to J.P. Morgan Europe Limited, Trinity Tower, 9 Thomas More Street, London, England E19YT Attention of Loans Agency Division (Telecopy No. 011-44-171- 777-2360); with a copy to the Administrative Agent as provided in paragraph (b) above;

(v) if to the Issuing Bank, to it at JPMorgan Chase Bank, One Chase Manhattan Plaza, New York, New York 10081 Attention of Janet Belden (Telecopy No.(212) 552-7490); and

(vi) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by any Agent, the Issuing Bank or any Lender in exercising any right or

power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, the Issuing Bank or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Company and the Required Lenders or by the Company and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender,
(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the date of any scheduled payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such scheduled payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be), (vi) release the Company or all or substantially all the Subsidiary Guarantors from, or limit or condition, its or their obligations under Article VIII or the Subsidiary Guarantee Agreement, without the written consent of each Lender, (vii) change any provisions of Section 7.02 or 7.03 without the written consent of each Lender, or (viii) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those of Lenders holding Loans of any other Class without the written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class; provided further that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent or the Issuing Bank hereunder or under any other Loan Document without the prior written consent of such Agent or the Issuing Bank, as the case may be, and (B) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of the US Tranche Lenders (but not the UK Tranche Lenders or the Term Lenders), the UK Tranche Lenders (but not the Term Lenders or the US Tranche Lenders), or the Term Lenders (but not the US Tranche Lenders or the UK Tranche Lenders) may be effected by an agreement or agreements in writing entered into by the Company and requisite percentage in interest of the affected Class of Lenders.

SECTION 10.03. Expenses; Indemnity; Damage Waiver.
(a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents, the Syndication Agent and their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agents, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for any Agent, the Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Company shall indemnify each Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, other than Taxes, which are governed by Section 2.16, incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of the Subsidiaries, or any Environmental Liability related in any way to the Company or any of the Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are deter- mined by a court of competent jurisdiction to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) To the extent that the Company fails to pay any amount required to be paid by it to any Agent or the Issuing Bank under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent or the Issuing Bank, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against

such Agent or the Issuing Bank in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Revolving Credit Exposures, outstanding Term Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), the Related Parties of each of the Agents, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or a Lender Affiliate, each of the Company and the Administrative Agent (and in the case of an assignment of all or a portion of a US Tranche Revolving Commitment or any Lender's obligations in respect of its LC Exposure, the Issuing Bank) must give their prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent, (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, and
(iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and the documentation required to be delivered under Section 2.16(e) and (f); and provided further that any consent of the Company otherwise required under this paragraph shall not be required if an Event of Default under
Section 7.01(a), (b), (h) or (i) has occurred and is continuing. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph
(e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of and interest on the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Agents, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of any Borrower or the Administrative Agent or the Issuing Bank, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agents, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the

Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to
Section 2.17(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant shall not be entitled to the benefits of
Section 2.16 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Sections 2.16(e), (f) and (g) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC") of such Granting Bank, identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Company, the option to provide to the Borrowers all or any part of any Loan that such Granting Bank would otherwise be obligated to make to the Borrowers pursuant to Section 2.01; provided that (i) nothing herein shall constitute a commitment to make any Loan by any SPC and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall be deemed to utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by the Granting Bank and such Granting Bank shall for all purposes remain the Lender of record hereunder. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Bank makes such payment. No SPC (or any Person receiving a payment through such SPC) shall be entitled to receive any greater payment under Section 2.14 or 2.16 (or any other increased costs protection provision) than the applicable Lender would have been entitled to receive with respect to the interests transferred to such SPC. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this
Section 10.04 other than Section 10.04(d), any SPC may (i) with notice to, but without the prior written consent of, the Company and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to its Granting Bank or to any financial institutions (if consented to by the Company and Administrative Agent) providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans (but not relating to any Borrower, except with the Company's consent) to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

SECTION 10.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 10.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 10.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any fee letters executed by the Company and the Administrative Agent or the Syndication Agent or any of their Affiliates constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. It is agreed that the fee letters referred to in the preceding sentence will remain in full force and effect following the execution of this Agreement, and that any default by the Company in the performance of its obligations thereunder will constitute an Event of Default hereunder. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such

jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in
Section 10.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each Agent, the Issuing Bank and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with (and to the extent necessary for) the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section,
(i) to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company or any Subsidiary and its obligations, (g) with the consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from the Company relating to the Company or its business, other than any such information that is available to any Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.14. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto (including any Borrowing Subsidiary) agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss, and if the amount of the Agreement Currency so purchased exceeds the sum originally due to the Applicable Creditor in the Agreement Currency, the Applicable Creditor shall refund the amount of such excess to the applicable Borrower. The obligations of the parties contained in this Section 10.14 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ADOLPH COORS COMPANY,

by
Name:
Title:

COORS BREWING COMPANY,

by
Name:
Title:

GOLDEN ACQUISITION LIMITED,

by
Name:
Title:

by
Name:
Title:

JPMORGAN CHASE BANK, individually and as Administrative Agent and Issuing Bank,

by
Name:
Title:

J.P. MORGAN EUROPE LIMITED, as London Agent,

by
Name:
Title:

DEUTSCHE BANC ALEX. BROWN
INC., as Syndication Agent,

by
Name:
Title:

by
Name:
Title:

DEUTSCHE BANK AG NEW YORK
BRANCH, as Lender,

by
Name:
Title:

by
Name:
Title:

LENDER:
_____,

by
Name:
Title:

by
Name:
Title:

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EXECUTION VERSION

BRIDGE CREDIT AGREEMENT

dated as of

February 1, 2002

among

ADOLPH COORS COMPANY

COORS BREWING COMPANY

The Lenders Party Hereto

DEUTSCHE BANC ALEX. BROWN INC.
BANK ONE, N.A.
FIRST UNION NATIONAL BANK,
as Co-Documentation Agents,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Syndication Agent,

JPMORGAN CHASE BANK,
as Administrative Agent

and

J.P. MORGAN EUROPE LIMITED,
as London Agent

JPMORGAN CHASE BANK
MORGAN STANLEY SENIOR FUNDING, INC.
DEUTSCHE BANC ALEX. BROWN INC.
BANK ONE, N.A.
FIRST UNION SECURITIES, INC.,
as Co-Arrangers

and

J.P. MORGAN SECURITIES INC.
MORGAN STANLEY SENIOR FUNDING, INC.,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

BRIDGE CREDIT AGREEMENT dated as of February 1, 2002 among ADOLPH COORS COMPANY, a Colorado corporation (the "Company"), COORS BREWING COMPANY, a Colorado corporation ("CBC"), the LENDERS party hereto, MORGAN STANLEY SENIOR FUNDING, INC., as Syndication Agent, J.P. MORGAN EUROPE LIMITED, as London Agent, and JPMORGAN CHASE BANK, as Administrative Agent.

The Company intends to acquire (the "Acquisition") directly or through wholly owned subsidiaries all the outstanding shares of Bass Holdings Limited, a company incorporated under the laws of England and Wales ("BHL"), from Interbrew UK Holdings Limited ("Interbrew UK"), certain intellectual property of Brandbrew S.A. ("Brandbrew") from Brandbrew, certain export assets identified in the business purchase agreement referred to in the Share Purchase Agreement owned by Bass Brewers Worldwide Ltd. ("BBW") from BBW, the Caffreys brand rights identified in the assignment agreement made in connection with the Share Purchase Agreement from BHL (together, the "Acquired Business"). In connection with the Acquisition, the Company intends to loan BHL the funds necessary to repay Indebtedness owed to Interbrew UK as specified in the Share Purchase Agreement and to cause it to repay such Indebtedness. The aggregate consideration for the Acquisition and the repayment of such Indebtedness will be approximately 1,200,000,000 British pound sterling. In connection with the Acquisition, the Company will (a) obtain the credit facility provided for under this Agreement and (b) establish the Five-Year Facility (such term and each other capitalized term used but not otherwise defined herein having the meaning assigned to it in Article I) in an aggregate principal amount not to exceed $1,100,004,400.

The Borrowers have requested that the Lenders establish the credit facility provided for herein under which the Borrowers may obtain Loans in US Dollars or Sterling, in an aggregate principal amount of up to $825,000,000. The Loans will be used to provide a portion of the funds required for the purchase of the Acquired Business and to pay related fees and expenses. The Lenders are willing to establish such credit facility upon the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquired Business" has the meaning assigned to such term in the preamble hereto.

"Acquired Car Leasing Business" means the business carried on by Bass Brewers Car Leasing.

"Acquisition" has the meaning assigned to such term in the preamble hereto.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period divided by (b) 1.00 minus the Statutory Reserves applicable to such Eurocurrency Borrowing.

"Administrative Agent" means JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder, or any successor administrative agent appointed in accordance with Article IX.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, collectively, the Administrative Agent and the London Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Agent" means (a) with respect to a Loan or Borrowing denominated in US Dollars, and with respect to any payment hereunder that does not relate to a particular Loan or Borrowing, the Administrative Agent and (b) with respect to a Loan or Borrowing denominated in Sterling, the London Agent.

"Applicable Rate" means, for any day, with respect to any ABR Loan or Eurocurrency Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", or "Eurocurrency Spread", as the case may be, based upon the ratings by S&P and Moody's, respectively, applicable on such date to the Index Debt:

Index Debt Ratings (S&P/Moody's):	ABR Spread	Eurocurrency Spread
Category 1 BBB+/Baa1 or higher	0.000%	0.875%
Category 2 BBB/Baa2	0.000%	1.000%
Category 3 BBB-/Baa3	0.250%	1.250%
Category 4 BBB-/Ba1 or BB+/Baa3	0.500%	1.500%
Category 5 BB+/Ba1	0.750%	1.750%
Category 6 BB/Ba2 or lower	1.250%	2.250%

For purposes of the foregoing, (i) if either Moody's or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 6; (ii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall fall (A) within different Categories but each such rating shall be within a Category at or above Category 4, the Applicable Rate shall be based on the higher of the two ratings, unless one of the ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined

by reference to the Category next below that of the higher of the two ratings, (B) within Category 4, the Applicable Rate shall be determined by reference to Category 4 and (C) except in the case where Category 4 applies, within different Categories but at least one of such ratings shall be within a Category at or below Category 5, the Applicable Rate shall be determined by reference to the lower of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Agent and the Lenders pursuant to Section 5.01(f) hereof or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit B or any other form approved by the Administrative Agent.

"Attributable Debt" means, with respect to any Sale- Leaseback Transaction, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such Sale- Leaseback Transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items which do not constitute payments for property rights) during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease which is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of the Attributable Debt determined assuming termination upon the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the Attributable Debt determined assuming no such termination.

"BHL" has the meaning assigned to such term in the preamble hereto.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means the Company or CBC.

"Borrowing" means Loans of the same Type made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

"Borrowing Minimum" means (a) in the case of a Borrowing denominated in US Dollars, $5,000,000, and (b) in the case of a Borrowing denominated in Sterling, 5,000,000 British pound sterling.

"Borrowing Multiple" means (a) in the case of a Borrowing denominated in US Dollars, $1,000,000, and (b) in the case of a Borrowing denominated in Sterling, 1,000,000 British pound sterling.

"Borrowing Request" means a request by a Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the applicable currency in the London interbank market.

"Calculation Date" means the last Business Day of each fiscal quarter of the Company.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CBC" means Coors Brewing Company, a Colorado corporation.

"Change in Control" means (a) at any time when the Permitted Holders do not beneficially own Equity Interests representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), other than any Permitted Holder, of Equity Interests representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor
(ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Company by any Person or group, other than

any Permitted Holder.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law, but if not having the force of law, being of a type with which such Person would ordinarily comply) of any Governmental Authority made or issued after the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder on the Effective Date, expressed as an amount representing the maximum principal amount of the Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $825,000,000.

"Company" means Adolph Coors Company, a Colorado corporation.

"Consolidated EBITDA" means, for any period, consolidated net income of the Company and the Subsidiaries for such period plus, without duplication and to the extent deducted in determining such consolidated net income, the sum of (i) Consolidated Interest Expense for such period, (ii) consolidated income tax expense for such period,
(iii) all amounts attributable to depreciation and amortization (or other impairment of intangible assets) for such period, (iv) any non- cash charges for such period (provided, that any cash payment made with respect to any such non-cash charge shall be subtracted in computing Consolidated EBITDA during the period in which such cash payment is made), (v) cash charges for such period related to the sale, transfer or other disposition of Specified Assets in an aggregate amount for all periods for all such cash charges not to exceed $50,000,000, and (vi) extraordinary non-cash losses for such period (provided, that any cash payments made in respect of items that are the subject of any such extraordinary non-cash loss shall be subtracted in computing Consolidated EBITDA during the periods in which such cash payments are made), determined without giving effect to any extraordinary gains for such period (other than up to $10,000,000 of extraordinary cash gains realized in such period) to the extent included in determining consolidated net income of the Company and the Subsidiaries, all determined on a consolidated basis in accordance with GAAP; provided that for the purposes of computing the ratios set forth in Sections 6.06 and 6.07 and identifying the Significant Subsidiaries, Consolidated EBITDA in respect of the fiscal quarter ending March 31, 2002, and the fiscal quarters ended December 30, 2001 and September 30, 2001, shall include the consolidated EBITDA of the Acquired Business, which shall be deemed to equal for any such quarter (i) if pro forma quarterly consolidated financial statements of the Acquired Business meeting the requirements of Regulation S-X under the Securities Act of 1933 are available, the actual consolidated quarterly EBITDA of the Acquired Business for such quarter, calculated in the manner set forth above, or
(ii) if such pro forma quarterly consolidated financial statements of the Acquired Business meeting the requirements of Regulation S-X under the Securities Act of 1933 are not available, the annual consolidated EBITDA of the Acquired Business, calculated in the manner set forth above on the basis of audited annual consolidated financial statements of the Acquired Business for the four fiscal quarters ended December 30, 2001, divided by four.

"Consolidated Interest Expense" means, for any period, the interest expense of the Company and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (and giving effect on a net basis to payments made or received under interest rate protection agreements or other interest rate hedging arrangements), including (a) the amortization of debt discounts to the extent included in interest expense in accordance with GAAP, (b) the amortization of all fees (including fees with respect to interest rate protection agreements or other interest rate hedging arrangements) payable in connection with the incurrence of Indebtedness to the extent included in interest expense in accordance with GAAP, (c) commissions, discounts and other fees and charges owed in respect of letters of credit to the extent included in interest expense in accordance with GAAP and (d) the portion of any rents payable under capital leases allocable to interest expense in accordance with GAAP. For purposes of determining the ratio set forth in Section 6.07 for the four fiscal quarter periods ended at June 30, 2002, September 29, 2002, and December 29, 2002, Consolidated Interest Expense shall be determined by multiplying Consolidated Interest Expense for the period commencing April 1, 2002 by (i) 4, in the case of the period ended June 30, 2002, (ii) 2, in the case of the period ended September 29, 2002, and (iii) 4/3, in the case of the period ended December 29, 2002.

"Consolidated Net Tangible Assets" means, at any time, the aggregate amount of assets (less applicable accumulated depreciation, depletion and amortization and other reserves and other properly deductible items) of the Company and the Subsidiaries, minus (a) all current liabilities of the Company and the Subsidiaries (excluding (i) liabilities that by their terms are extendable or renewable at the option of the obligor to a date more than 12 months after the date of determination and (ii) current maturities of long-term debt) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other intangible assets of the Company and the Subsidiaries, all as set forth in the most recent consolidated balance sheet of the Company and the Subsidiaries delivered pursuant to Section 5.01, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt" means, on any date, all Indebtedness of the Company and the Subsidiaries on such date (other than obligations referred to in clause (i) of the definition of "Indebtedness" to the extent they support liabilities that do not themselves constitute Indebtedness), determined, without duplication, on a consolidated basis in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would become an Event of Default.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary that is not a Foreign Subsidiary.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.02).

"EMU Legislation" means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states.

"Environmental Laws" means all applicable and legally binding laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to environmental or workplace health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Euro" or "_" means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the EMU Legislation.

"Eurocurrency", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Exchange Rate" means on any day, for purposes of determining the US Dollar Equivalent of any other currency, the rate at which such other

currency may be exchanged into US Dollars, as set forth at approximately 11:00 a.m., London time, on such day on the Bloomberg Index WCR page for such currency, or if such rate does not appear on the Bloomberg Index WCR, on the Reuters World Currency Page for such currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Company, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., Local Time, on such date for the purchase of US Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may, after consultation with the Company, use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" means, with respect to any Lender or Agent,
(a) income or franchise taxes imposed on (or measured by) its net income or net profits by the United States of America (or any political subdivision thereof), or by the jurisdiction under which such recipient is organized or in which its principal office or any lending office from which it makes Loans hereunder is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, (c) any withholding tax that is imposed (i) by the United States of America on payments by any Borrower organized or resident for tax purposes in the United States or (ii) by the United Kingdom on payments by any Borrower organized or resident for tax purposes in the United Kingdom, in either case to the extent such tax is in effect and would apply as of the date such Lender or Agent becomes a party to this Agreement or relates to payments received by a Lender Affiliate or a new lending office designated by such Lender and is in effect and would apply at the time such Lender Affiliate receives such payment or such lending office is designated, (d) any withholding tax that is attributable to such Lender's or Agent's failure to comply with Section 2.16(e), (e) Taxes imposed by any jurisdiction (i) in which the Borrower is not organized or resident for tax purposes, (ii) through which no payment is made by or on behalf of the Borrower under this Agreement, and (iii) with respect to which there is no other connection between the making of a payment by or on behalf of a Borrower under this Agreement and such jurisdiction that would directly result in the imposition of Taxes by such jurisdiction on that payment, and (f) Taxes imposed by the United Kingdom on a payment under this Agreement to a Lender that was a Qualifying Lender on the date it became a party to this Agreement if such Taxes are imposed solely as a result of the relevant Lender ceasing to be a Qualifying Lender, other than as a result of any change in any law, treaty, published practice or concession by any relevant Governmental Authority after the date such Lender becomes a party to this Agreement.

"Existing Credit Agreement" means the $200,000,000 Revolving Credit Agreement dated as of October 23, 1997, among the Company, Nationsbank of Texas, N.A., as agent and the banks party thereto.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

"Five-Year Facility" means the $1,100,004,400 senior unsecured credit facilities made available to the Company, CBC and Golden Acquisition Limited under the Credit Agreement dated as of the date hereof among the Company, CBC, Golden Acquisition Limited, the lenders named therein and JPMC, as administrative agent, as amended from time to time.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof.

"GAAP" means generally accepted accounting principles in the United States of America, as construed in accordance with Section 1.04.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof,
(c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee Requirement" means, at any time, that the Subsidiary Guarantee Agreement (or a supplement referred to therein) shall have been executed by each Significant Subsidiary (other than a Foreign Subsidiary) existing at such time, shall have been delivered to the Administrative Agent and shall be in full force and effect; provided, however, that, with respect to any Person that becomes a Significant Subsidiary (other

than a Foreign Subsidiary) after the date hereof, the Guarantee Requirement shall be satisfied if such Person executes a supplement to the Subsidiary Guarantee Agreement within 15 days of becoming a Significant Subsidiary.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement. The "principal amount" of the obligations of the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay to the counterparty thereunder in accordance with the terms of such Hedging Agreement if such Hedging Agreement were terminated at such time.

"Indebtedness" of any Person means, without duplication,
(a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds (other than performance bonds), debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (other than customary title retention provisions in supply contacts entered into in the ordinary course of business with payment terms not exceeding 90 days), (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, provided, that the amount of Indebtedness of such Person existing at any time under this clause shall be deemed to be an amount equal to the maximum amount secured by (or with a right to be secured by) such Liens pursuant to the terms of the instruments embodying such Indebtedness of others, (g) all Guarantees by such Person of Indebtedness of others, provided, that the amount of any such Guarantee at any time shall be deemed to be an amount equal to maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations of such Person in respect of Hedging Agreements, (k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (l) all Securitization Transactions of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Company that is not guaranteed by any other Person or subject to any other credit enhancement.

"Information Memorandum" means the Confidential Information Memorandum dated January 2002 relating to the Company and the Transactions.

"Interest Coverage Ratio" means, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Interest Election Request" means a request by a Borrower to convert or continue a Borrowing in accordance with Section 2.06.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"JPMC" means JPMorgan Chase Bank.

"Judgment Currency" has the meaning assigned to such term in
Section 10.14(b).

"Lender Affiliate" means, (a) with respect to any Lender,
(i) an Affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender and
(b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Lenders" means the Persons listed on Schedule 2.01, their successors and any other Person that shall have become a party hereto pursuant to Section 10.04, other than any such Person that ceases to be a party hereto pursuant to Section 10.04.

"Leverage Ratio" means, at any time, the ratio of
(a) Consolidated Total Debt at such time to (b) Consolidated EBITDA for the most recent period of four consecutive fiscal quarters of the Company ended at or prior to such time.

"LIBO Rate" means, for any Interest Period, (a) with respect to any Eurocurrency Borrowing denominated in US Dollars, the rate per annum determined by the Applicable Agent at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in US Dollars (as reflected on the applicable Telerate screen), for a period equal to such Interest Period, or, if an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the interest rate per annum determined by the Applicable Agent to be the average of the rates per annum at which deposits in US Dollars are offered for such Interest Period to major banks in the London interbank market by JPMC at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period, and (b) with respect to any Eurocurrency Borrowing denominated Sterling, the interest rate per annum determined by the Applicable Agent to be the average of the rates per annum at which deposits in Sterling are offered for such Interest Period to major banks in the London interbank market by JPMC at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and
(c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" this Agreement, the Subsidiary Guarantee Agreement and each promissory note delivered pursuant to this Agreement.

"Loan Parties" means the Borrowers and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Local Time" means (a) with respect to a Loan or Borrowing denominated in US Dollars, New York City time and (b) with respect to a Loan or Borrowing denominated in Sterling, London time.

"London Agent" means J.P. Morgan Europe Limited, in its capacity as London agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article IX.

"Margin Stock" means "margin stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System.

"Material Adverse Effect" means a material adverse effect on
(a) the business, assets, liabilities or condition, financial or otherwise, of the Company and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under the Loan Documents or (c) the rights of or benefits available to the Lenders under the Loan Documents.

"Material Indebtedness" means Indebtedness (other than the Loans) of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding $25,000,000.

"Maturity Date" means the nine month anniversary of the Effective Date.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any issuance of Senior Notes, (a) the cash proceeds received in respect thereof, including any cash received in respect of any non-cash proceeds, but only as and when received, net of (b) the all fees, discounts, commissions and out-of-pocket expenses paid by the Company and its Subsidiaries to third parties (other than Affiliates) in connection therewith.

"Obligations" means (a) the due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to any Borrower, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Loan Parties under this Agreement and the other Loan Documents, and (b) the due and punctual payment and performance of all obligations of the Company or any Subsidiary, monetary or otherwise, under each interest rate Hedging Agreement relating to Obligations referred to in the preceding clause (a) entered into with any counterparty that was a Lender (or an Affiliate thereof) at the time such hedging agreement was entered into.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, transfer, or similar taxes, charges or levies arising from any payment made hereunder or from the execution, delivery or enforcement of this Agreement or any other Loan Document other than an Assignment and Acceptance that does not require the consent of the Company and a sale of a participation pursuant to Section 10.04.

"Participant" has the meaning set forth in Section 10.04(e).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.01(j);

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

(g) any interest or title of a lessor in the property subject to any lease other than (A) a capital lease or (B) a lease entered into as part of a sale and leaseback transaction subject to Section 6.03;

(h) Liens in favor of customs or revenue authorities imposed by law and arising in the ordinary course of business in connection with the importation of goods;

(i) interests of suppliers in respect of customary title retention provisions in supply contacts entered into in the ordinary course of business and with payment terms not exceeding 90 days; and

(j) rights of set-off in favor of financial institutions (other than in respect of amounts deposited to secure Indebtedness);

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means (a) the Adolph Coors, Jr. Trust,
(b) any trustee of such Trust acting in its capacity as such, (c) any Person that is a beneficiary of such trust on the date hereof, (d) any other trust or similar arrangement for the benefit of such beneficiaries and (e) the successors of any such Persons.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Qualifying Lender" means a Lender which is, on the date a payment falls due under this Agreement, (a) beneficially entitled to, and within the charge to United Kingdom corporation tax in respect of, that payment and that is a Lender in respect of an advance made by a person that was a bank for purposes of Section 349 of the Income and Corporation Taxes Act 1988 (as currently defined in section 840A of the Income and Corporation Taxes Act 1988) at the time the advance was made,
(b) a person to whom that payment may be made without deduction or withholding for or on account of United Kingdom taxes by reason of an applicable double taxation treaty between the United Kingdom and the country in which that Lender is, or is treated as, resident or carrying on a business pursuant to which there is a valid and extant claim of such person or (c) beneficially entitled to interest payable to that Lender in respect of an advance under this Agreement and is (i) a company resident in the United Kingdom for United Kingdom tax purposes;
(ii) a partnership each member of which is a company resident in the United Kingdom for United Kingdom tax purposes; or (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by Section 11(2) of the Income and Corporation Taxes Act 1988).

"Quotation Day" means, with respect to any Eurocurrency Borrowing and any Interest Period, the day on which it is market practice in the relevant interbank market for prime banks to give quotations for deposits in the currency of such Borrowing for delivery on the first day of such Interest Period. If such quotations would normally be given by prime banks on more than one day, the Quotation Day will be the last of such days.

"Receivables" means accounts receivable (including, without limitation, all rights to payment created by or arising from the sales of goods, leases of goods or the rendition of services, no matter how evidenced and whether or not earned by performance) and payments owing to the Company or any Subsidiary from public house businesses in the United Kingdom in respect of loans made by BHL or any Subsidiary of BHL to such businesses.

"Register" has the meaning set forth in Section 10.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having outstanding Loans or unused Commitments representing more than 50% of the aggregate outstanding Loans or unused Commitments, as the case may be, at such time.

"Reset Date" has the meaning assigned to such term in
Section 1.05.

"Sale-Leaseback Transactions" means any arrangement whereby the Company or a Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease property that it intends to use for substantially the same purpose or purposes as the property sold or transferred; provided that any such arrangement entered into within 180 days after the acquisition, construction or substantial improvement of the subject property shall not be deemed to be a "Sale- Leaseback Transaction".

"S&P" means Standard & Poor's.

"Securitization Transaction" means (a) any transfer by the Company or any Subsidiary of Receivables or interests therein and all collateral securing such Receiveables, all contracts and contract rights and all guarantees or other obligations in respect of such Receivables, all other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving such Receivables and all proceeds of any of the foregoing (i) to a trust, partnership, corporation or other entity (other than the Company or a Subsidiary other than a SPE Subsidiary), which transfer is funded in whole or in part, directly or indirectly, by the incurrence or issuance by the transferee or any successor transferee of indebtedness or other securities that are to receive payments from, or that represent interests in, the cash flow derived from such Receivables or interests in Receivables, or
(ii) directly to one or more investors or other purchasers (other than the Company or any Subsidiary), or (b) any transaction in which the Company or a Subsidiary incurs Indebtedness or other obligations secured by Liens on Receivables. The "amount" or "principal amount" of any Securitization Transaction shall be deemed at any time to be (A) in the case of a transaction described in clause (a) of the preceding sentence, the aggregate principal or stated amount of the Indebtedness or other securities referred to in such clause or, if there shall be no such principal or stated amount, the uncollected amount of the Receivables transferred pursuant to such Securitization Transaction net of any such Receivables that have been written off as uncollectible, and (B) in the case of a transaction described in clause (b) of the preceding sentence, the aggregate outstanding principal amount of the Indebtedness secured by Liens on the subject Receivables.

"Senior Notes" means senior unsecured notes of the Company or CBC issued on or after the Effective Date.

"Share Purchase Agreement" means the Share Purchase Agreement dated December 24, 2001 among Interbrew S.A., Interbrew UK Holdings

Limited, Brandbrew S.A., Bass Holdings Limited, Golden Acquisition Limited, Coors Worldwide, Inc. and the Company.

"Significant Subsidiary" means (a) each "Borrowing Subsidiary" under the Five-Year Facility (as defined therein), (b) any Subsidiary that directly or indirectly owns or Controls any other Significant Subsidiary, (c) each Subsidiary identified as a Significant Subsidiary on Schedule 3.13, (d) any Subsidiary designated from time to time by the Company as a Significant Subsidiary by written notice to the Administrative Agent and (e) any other Subsidiary (other than a SPE)
(i) the consolidated EBITDA of which for the most recently ended period of four fiscal quarters for which financial statements have been delivered pursuant to Section 5.01(a) or (b) was more than the lesser of
(A) 5% of the Company's Consolidated EBITDA for such period and (B) $25,000,000 or (ii) the consolidated assets of which as of the last day of the most recent period for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, prior to the delivery of any such statements, December 30, 2001) were greater than 5% of the Company's consolidated total assets as of such date as shown on such financial statements (or, prior to the delivery of such financial statements, on the pro forma consolidated balance sheet referred to in Section 3.04(d)). The Company covenants that it will designate Subsidiaries as Significant Subsidiaries as contemplated by clause (d) of the preceding sentence as necessary in order that the total consolidated assets and the consolidated EBITDA of the Significant Subsidiaries (together with the directly owned assets and EBITDA of the Company) will represent not less than 90% of consolidated total assets or Consolidated EBITDA of the Company at any relevant date or for any relevant period referred to above. For purposes of making the determinations required by this definition, the EBITDA and assets of Foreign Subsidiaries shall be converted into US Dollars at the rates used in preparing the consolidated balance sheets of the Company.

"SPE Subsidiary" means any Subsidiary formed solely for the purpose of, and that engages only in, one or more Securitization Transactions.

"Specified Assets" means the Capehill Brewery, the Alton Brewery and any of the malting facilities of BHL or any of its Subsidiaries located in the United Kingdom.

"Specified Event" shall mean an Event of Default specified in paragraph (h) or (i) of Section 7.01.

"Statutory Reserves" means, with respect to any currency, any reserve, liquid asset or similar requirements established by any Governmental Authority of the United States or of the jurisdiction of such currency or any jurisdiction in which Loans in such currency are made or funded to which banks in such jurisdiction are subject for any category of deposits or liabilities customarily used to fund loans in such currency or by reference to which interest rates applicable to Loans in such currency are determined, in each case expressed as a decimal.

"Sterling" or means the lawful money of the United Kingdom.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity
(a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Company. At all times after the Acquisition, BHL and the subsidiaries of BHL acquired in the Acquisition will constitute Subsidiaries.

"Subsidiary Guarantee Agreement" means a Subsidiary Guarantee Agreement substantially in the form of Exhibit D, made by the Subsidiary Guarantors in favor of the Administrative Agent for the benefit of the Lenders and the Agents.

"Subsidiary Guarantors" means each Person listed on Schedule 3.13 and each other Person that becomes party to a Subsidiary Guarantee Agreement as a Subsidiary Guarantor, and the permitted successors and assigns of each such Person, but excluding any Person that ceases to be a Subsidiary Guarantor in accordance with the provisions of the Loan Documents.

"Syndication Agent" means Morgan Stanley Senior Funding, Inc.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and the use of the proceeds thereof, the Acquisition and the other transactions contemplated to be effected on the Effective Date in connection therewith.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"US Dollars" or "US$" refers to lawful money of the United States of America.

"US Dollar Equivalent" means, on any date of determination,
(a) with respect to any amount in US Dollars, such amount, and (b) with respect to any amount in Sterling, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.05 using the Exchange Rate with respect to Sterling at the time in effect under the provisions of such Section.

"Wholly Owned Subsidiary" means any Subsidiary all the Equity Interests in which, other than directors' qualifying shares and/or other nominal amounts of Equity Interests that are required to be held by Persons (other than the Company or its Wholly Owned Subsidiaries, as applicable) under applicable law, are owned, directly or indirectly, by the Company.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Eurocurrency Loan"). Borrowings also may be classified and referred to by Type (e.g., a "Eurocurrency Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. References herein to the taking of any action hereunder of an administrative nature by any Borrower shall be deemed to include references to the Company taking such action on such Borrower's behalf and the Agents are expressly authorized to accept any such action taken by the Company as having the same effect as if taken by such Borrower.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith (it being understood that the financial statements delivered under Section 5.01(a) or (b) shall in all cases be prepared in accordance with GAAP as in effect at the applicable time).

SECTION 1.05. Exchange Rates. Not later than 1:00 p.m., New York City time, on each Calculation Date, the Administrative Agent shall (i) determine the Exchange Rate as of such Calculation Date with respect to Sterling and (ii) give notice thereof to the Lenders and the Company. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date") or other date of determination, shall remain effective until the next succeeding Reset Date, and shall for all purposes of this Agreement (other than Section 10.14 or any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rates employed in converting any amounts between US Dollars and Sterling. The Exchange Rate in effect on the Effective Date shall be deemed to be the Exchange Rate applicable as of the close of business in London on the Business Day immediately preceding the Effective Date.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a Loan or Loans to the Company and/or CBC in US Dollars or Sterling on the Effective Date in an aggregate principal amount not greater than its Commitment. Amounts prepaid or repaid in respect of Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments.
The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, each Borrowing shall be comprised entirely of (A) in the case of a Borrowing denominated in US Dollars, Eurocurrency Loans or ABR Loans and (B) in the case of a Borrowing denominated in Sterling, Eurocurrency Loans, in each case as the

applicable Borrower may request in accordance herewith. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement and that such Borrower's obligation to make payments pursuant to Section 2.16 shall not increase.

(c) At the commencement of each Interest Period for any Borrowing, such Borrowing shall be in an aggregate amount that is at least equal to the Borrowing Minimum and an integral multiple of the Borrowing Multiple. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent of such request by telephone (a) in the case of a Eurocurrency Borrowing, not later than 2:00 p.m., Local Time, three Business Days before the date of the proposed Borrowing, and (b) in the case of an ABR Borrowing, not later than 2:00 p.m., Local Time, one Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Borrowing to replace a Eurocurrency Borrowing Request deemed ineffective pursuant to clause (i) of Section 2.13, may be given not later than 12:00 noon, Local Time, on the date of the proposed Borrowing; and provided further that any such notice in respect of any Borrowing to be made on the Effective Date may be given at such later time or on such shorter notice as the Applicable Agent may agree. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Borrowing Request in a form approved by the Applicable Agent and signed by the applicable Borrower, or by the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower requesting such Borrowing (or on whose behalf the Company is requesting such Borrowing);

(ii) the currency and aggregate principal amount of the requested Borrowing;

(iii) the date of the requested Borrowing, which shall be a Business Day;

(iv) the Type of the requested Borrowing;

(v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05 or other disbursement instructions that shall have been given by the applicable Borrower to the Applicable Agent.

If no currency is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower shall be deemed to have selected US Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (i) in the case of a Borrowing denominated in US Dollars, an ABR Borrowing and (ii) in the case of any other Borrowing, a Eurocurrency Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender that will make a Loan as part of the requested Borrowing of the details thereof and of the amount of the Loan to be made by such Lender as part of the requested Borrowing.

SECTION 2.04. [omitted]

SECTION 2.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 11:00 a.m., Local Time, to the account of the Applicable Agent most recently designated by it for such purpose for Loans of such currency by notice to the applicable Lenders. The Applicable Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower notified by the Borrower to the Applicable Agent (i) in the United States, in the case of Loans denominated in US Dollars and (ii) in the United Kingdom, in the case of Eurocurrency Loans denominated in Sterling, or otherwise in accordance with disbursement instructions given by such Borrower to the Applicable Agent.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and such Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount or
(ii) in the case of such Borrower, the interest rate applicable to the subject Loan. If such Lender pays such amount to the Applicable Agent,

then such amount shall constitute such Lender's Loan included in such Borrowing and the Applicable Agent shall return to such Borrower any amount (including interest) paid by such Borrower to the Applicable Agent pursuant to this paragraph.

SECTION 2.06. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section and on terms consistent with the other provisions of this Agreement. A Borrower may elect different options with respect to different portions of an affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Applicable Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or by the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Commitments.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) the Type of the resulting Borrowing; and

(iv) if the resulting Borrowing is to be a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Applicable Agent shall advise each Lender holding a Loan to which such request relates of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Company or CBC fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing, and does not advise the Applicable Agent that such Borrowing will be repaid at the end of the Interest Period applicable thereto by 2:00 p.m., Local Time, three Business Days before the end of such Interest Period, then at the end of such Interest Period, such Borrowing shall be continued as a Eurocurrency Borrowing with an Interest Period of one month's duration.

SECTION 2.07. Termination and Reduction of Commitments.
(a) Unless previously terminated, the Commitments shall terminate (i) at 5:00 p.m., New York City time, on the Effective Date, or (ii) if the initial borrowing hereunder shall not have occurred by February 28, 2002.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that each reduction of the Commitments shall be in an amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum, or the entire amount of the Commitments.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying the effective date of such election. Promptly following receipt of any such notice, the Administrative Agent shall advise the London Agent and the applicable Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the applicable Lenders in accordance with their respective Commitments.

SECTION 2.08. Repayment of Loans; Evidence of Debt.
(a) Each Borrower hereby unconditionally promises to pay to the Applicable Agent for the accounts of the applicable Lenders the then unpaid principal amount of each Borrowing of such Borrower on the Maturity Date. Each Borrower agrees to repay the principal amount of each Loan made to such Borrower and the accrued interest thereon in the currency of such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) Subject to the Register described in Section 10.04, the Administrative Agent shall maintain accounts (including the Register described in Section 10.04) in which it shall record (i) the amount of each Loan made hereunder, the Type and currency thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by any Agent hereunder for the accounts of the Lenders and each Lender's share thereof. The London Agent shall furnish to the Administrative Agent, promptly after the making of any Loan or Borrowing with respect to which it is the Applicable Agent or the receipt of any payment of principal or interest with respect to any such Loan or Borrowing, information with respect thereto that will enable the Administrative Agent to maintain the accounts referred to in the preceding sentence. The Administrative Agent shall notify in writing the London Agent promptly after the making of any Loan or Borrowing with respect to which it is the Applicable Agent or the receipt of payment of any principal with respect to any such Loan or Borrowing.

(d) Subject to the Register described in Section 10.04, the entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, each applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent, acting reasonably. Thereafter, the Loans evidenced by each such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

SECTION 2.09. [omitted]

SECTION 2.10. Prepayment of Loans. (a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing of such Borrower in whole or in part, subject to prior notice in accordance with paragraph (d) of this Section.

(b) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Company or any Subsidiary in respect of any Senior Notes, the Company shall, within three Business Days after such Net Proceeds are received, prepay or cause CBC to prepay Borrowings in an aggregate amount equal to 100% of such Net Proceeds (or, if less, an amount equal to the outstanding Borrowings).

(c) Prior to any optional or mandatory prepayment of Borrowings hereunder, the applicable Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (d) of this Section.

(d) The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent by telephone (confirmed by telecopy) of any prepayment of a Borrowing hereunder (i) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of such prepayment and
(ii) in the case of an ABR Borrowing, not later than 11:00 a.m., Local Time, one Business Day before the date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice, the Applicable Agent shall advise the applicable Lenders of the contents thereof. Except to the otherwise required in connection with any mandatory prepayment, each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(e) In the event the amount of any prepayment required to be made pursuant to this Section shall exceed the aggregate principal amount of the ABR Loans outstanding (the amount of any such excess being called the "Excess Amount"), the applicable Borrower shall have the right, in lieu of making such prepayment in full, to prepay all the outstanding ABR Loans and to deposit an amount equal to the Excess Amount with the Applicable Agent in a cash collateral account maintained (pursuant to documentation reasonably satisfactory to the Applicable Agent) by and in the sole dominion and control of the Applicable Agent, which shall have the exclusive right of withdrawal for application in accordance with this paragraph (e). Any amounts so deposited shall be held by the Applicable Agent as collateral for the Obligations and applied to the prepayment of the applicable Eurocurrency Loans at the ends of the current Interest Periods applicable thereto. At the request of the applicable Borrower, amounts so deposited shall be invested by the Applicable Agent, at the applicable Borrower's risk and expense, in high quality overnight or short-term cash equivalent investments of prime financial institutions (which may include the Administrative Agent) maturing prior to the date or dates on which the Applicable Agent anticipates that such amounts will be applied to prepay Eurocurrency Loans; any interest earned on such Permitted Investments will be for the account of the applicable Borrower, and the applicable Borrower will deposit with the Administrative Agent the amount of any loss on any such investment to the extent necessary in order that the amount of the prepayment to be made with the deposited amounts is not reduced.

SECTION 2.11. Fees. (a) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(b) All fees payable hereunder shall be paid on the dates due, in immediately available funds. Fees paid shall not be refundable under any circumstances.

SECTION 2.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this
Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest on Borrowings denominated in Sterling and (ii) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Applicable Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing denominated in any currency:

(a) the Applicable Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Applicable Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Applicable Agent shall give notice thereof to the Company and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Applicable Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Borrowing Request that requests a Eurocurrency Borrowing in such currency shall be ineffective and the applicable Borrower may instead request an ABR Borrowing not later than 12:00 noon, Local Time, on the date of the proposed Borrowing and (ii) any Interest Election Request that requests the conversion or continuation of any Borrowing as a Eurocurrency Borrowing in such currency shall be ineffective, and such Borrowing shall be converted to or continued on the last day of the Interest Period applicable thereto (A) if such Borrowing is denominated in US Dollars, as an ABR Borrowing, or (B) if such Borrowing is denominated in Sterling, as a Borrowing bearing interest at such rate as the Lenders and the Company may agree adequately reflects the costs to the Lenders of making or maintaining their Loans (or, in the absence of such agreement, shall be repaid as of the last day of the current Interest Period applicable thereto).

SECTION 2.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender, other than a condition related to Taxes, which is governed by Section 2.16;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Company will pay or cause the other Borrowers to pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then

from time to time the Company will pay or cause CBC to pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or such Lender's holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, and setting forth in reasonable detail the calculations used by such Lender to determine such amount, shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay or cause CBC to pay to such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Company shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 360 days prior to the date that such Lender notifies the Company of the Change in Law giving rise to such increased costs or reductions and delivers a certificate with respect thereto as provided in paragraph (c) above; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 360-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan to a Loan of a different Type or Interest Period other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow (including as a result of a return of funds to the Lenders under the last sentence of Section 4.01), convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.07(c) and is revoked in accordance therewith), or (d) the assignment or deemed assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.18, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the London interbank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, and setting forth in reasonable detail the calculations used by such Lender to determine such amount or amounts, shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.16. Taxes. (a) Subject to all the provisions of this Section 2.16 and except as required by law, any and all payments by or on account of any Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, the London Agent or the applicable Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made,
(ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Loan Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower shall indemnify the Administrative Agent, the London Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of any Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (except to the extent such penalties, interest or costs are attributable to the gross negligence or wilful misconduct by a Lender or Agent), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender, or by an Agent, on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Such Lender or Agent shall give the Company written notice of any payment of Indemnified Taxes or Other Taxes to be made hereunder with respect to which the Company has an indemnity obligation, but the failure of such Lender or Agent to give such notice shall not limit its right to receive indemnification hereunder, except that a failure to give such notice will constitute gross negligence or wilful misconduct for purposes of the first sentence of this clause (c) to the extent penalties, interest or costs are incurred solely as a result of the failure to give such notice. Such Lender or Agent shall use reasonable efforts to cooperate with the Company in seeking a refund of such payment of Indemnified Taxes or Other Taxes.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender or Agent that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a

Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Company (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate. Such Lender or Agent shall indemnify and hold harmless the Company and such Borrower from any penalties, interest or other costs incurred by such Borrower solely as a result of the failure of such Lender or Agent to comply properly with such documentation requirements. This Section shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it reasonably deems confidential) to any Borrower or any other Person.

(f) Each Lender, on the date it becomes a Lender hereunder will designate lending offices for the Loans to be made by it and provide documentation to the Company (with a copy to the Administrative Agent) pursuant to Section 2.16(e) such that, on such date, it will not be liable for any withholding tax that is imposed by the United States of America on payments by any Borrower that is organized or resident for tax purposes within such jurisdiction.

(g) If a Lender or an Agent (each a "Finance Party") receives a refund or credit in respect of Indemnified Taxes or Other Taxes pursuant to this Section 2.16 and, in the case of a credit, such credit reduces the Tax liability of the Finance Party and is in the good faith opinion of the relevant Finance Party both identifiable and quantifiable without requiring such Finance Party or its professional advisers to expend a material amount of time or incur a material cost in so identifying or quantifying, the Finance Party will pay over the amount of such refund or credit to the relevant Borrower to the extent the Finance Party has received indemnity payments or additional amounts pursuant to this Section 2.16, net of all out-of-pocket expenses incurred in obtaining such refund or credit and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund or credit); provided, however, that the relevant Borrower, upon the request of the Finance Party, agrees to repay the amount it received to the Finance Party within 30 days of such request, plus penalties, interest or other charges imposed by the relevant Governmental Authority (except to the extent such penalties or other charges are incurred solely as a result of the gross negligence or wilful misconduct of the relevant Finance Party), if the refund or credit is subsequently disallowed or cancelled. Amounts payable to a Borrower under this clause (g) with respect to a refund received by a Finance Party will be paid to the relevant Borrower within 30 days of receipt of such refund by the Finance Party. Amounts payable under this clause (g) with respect to a credit realized by a Finance Party will be paid within 30 days of the determination by the Finance Party that the credit reduced the Tax liability of such Finance Party.

SECTION 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest or fees, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) prior to 12:00 noon, Local Time (unless a different time is specified under a particular provision hereof or thereof), on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Applicable Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Applicable Agent to the applicable account specified in Schedule 2.17 or, in any such case, to such other account as the Applicable Agent shall from time to time specify in a notice delivered to the Company; provided that payments pursuant to Sections 2.14, 2.15, 2.16 and 10.03 shall be made directly to the Persons entitled thereto. The Applicable Agent shall distribute any such payments received by it for the account of any Lender or other Person promptly following receipt thereof to the appropriate lending office or other address specified by such Lender or other Person. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan shall be made in the currency of such Loan; all other payments hereunder and under each other Loan Document shall be made in US Dollars. Any payment required to be made by an Agent hereunder shall be deemed to have been made by the time required if such Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by such Agent to make such payment.

(b) If at any time insufficient funds are received by and available to any Agent from any Borrower to pay fully all amounts of principal, interest and fees then due from such Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of their respective Loans and accrued interest thereon; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Applicable Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due hereunder that such Borrower will not make such payment, the Applicable Agent may assume that such Borrower has made such payment on such date in

accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the applicable Lenders severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at a rate determined by the Applicable Agent in accordance with banking industry practices on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it to any Agent pursuant to this Agreement, then the Agents may, in their discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by them for the account of such Lender to satisfy such Lender's obligations to the Agents until all such unsatisfied obligations are fully paid.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or if any Borrower is required to pay any additional amount pursuant to
Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign (in accordance with and subject to the restrictions contained in Section 10.04) its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.14, or if any Loan Party is required to pay any additional amount pursuant to Section 2.16, or if any Lender defaults in its obligation to fund Loans hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld,
(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to
Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.19. [omitted].

SECTION 2.20. Additional Reserve Costs. (a) If and so long as any Lender is required to make special deposits with the Bank of England, to maintain reserve asset ratios or to pay fees, in each case in respect of such Lender's Loans (to the extent not reflected in Statutory Reserves), such Lender may require the relevant Borrower to pay, contemporaneously with each payment of interest on each of such Loans, additional interest on such Loans at a rate per annum equal to the Mandatory Costs Rate calculated in accordance with the formula and in the manner set forth in Exhibit C hereto.

(b) If and so long as any Lender is required to comply with reserve assets, liquidity, cash margin or other requirements of any monetary or other authority (including any such requirement imposed by the European Central Bank or the European System of Central Banks, but excluding requirements reflected in the Statutory Reserves or the Mandatory Costs Rate) in respect of any of such Lender's Loans, such Lender may require the relevant Borrower to pay, contemporaneously with each payment of interest on each of such Lender's Loans subject to such requirements, additional interest on such Loans at a rate per annum specified by such Lender to be the cost to such Lender of complying with such requirements in relation to such Loans.

(c) Any additional interest owed pursuant to paragraph (a) or (b) above shall be determined by the relevant Lender, which determination shall be conclusive absent manifest error, and notified to the relevant Borrower (with a copy to the Administrative Agent) at least five Business Days before each date on which interest is payable for the relevant Loans, and such additional interest so notified to the relevant Borrower by such Lender shall be payable to the Administrative Agent for the account of such Lender on each date on which interest is payable for such Loans.

SECTION 2.21. Redenomination of Certain Designated Foreign Currencies. (a) Each obligation of any party to this Agreement to make a payment denominated in Sterling shall, in the event that the United Kingdom adopts the Euro as its lawful currency after the date hereof, be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). In such event, if the basis of accrual of interest expressed in this Agreement in respect of Sterling shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which the United Kingdom adopts the Euro as its lawful currency; provided that if any Borrowing in Sterling is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Without prejudice and in addition to any method of conversion or rounding prescribed by any EMU Legislation and (i) without limiting the liability of any Borrower for any amount due under this Agreement or any of the other Loan Documents and (ii) without increasing any Commitment of any Lender, all references in this Agreement to minimum amounts (or integral multiples thereof) denominated in Sterling shall,

immediately upon the adoption by the United Kingdom of the Euro as its lawful currency, be replaced by references to such minimum amounts (or integral multiples thereof) as shall be specified herein with respect to Borrowings denominated in Euro.

(c) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent and the Company may from time to time agree to be appropriate to reflect the adoption of the Euro by the United Kingdom and any relevant market conventions or practices relating to the Euro.

ARTICLE III

Representations and Warranties

Each of the Borrowers represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Company and the Subsidiaries is duly organized, validly existing and in good standing (to the extent such concept is applicable) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business, and is in good standing (to the extent such concepts are applicable), in every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate powers and have been duly authorized by all necessary corporate or partnership and, if required, stockholder action. Each of the Loan Documents has been duly executed and delivered by each Loan Party party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon the Company or any of the Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Company or any of the Subsidiaries, (d) will not result in the creation or imposition of any Lien on any asset of the Company or any of the Subsidiaries and (e) will not violate the charter, by-laws or other organizational documents of the Company or any of the Subsidiaries, except, in the case of clause (a), (b), (c) and (d), to the extent that failure to comply could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2000, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended September 30, 2001, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and the consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) The pro forma unaudited consolidated balance sheet and consolidated statements of income, stockholders equity and cash flows of the Acquired Business (which for these purposes shall include certain immaterial non-acquired assets) for the fiscal years ended September 30, 1999, August 26, 2000, December 31, 2000 and December 31, 2001, certified by Golden Acquisition Limited's chief financial officer, when furnished to the Administrative Agent, to the best of the Company's knowledge, will fairly present in all material respects the consolidated financial condition of the Acquired Business and its subsidiaries (exclusive of those assets and operations of BHL not constituting part of the Acquired Business) as at such dates and their consolidated results of operations, shareholders' equity and cash flows for the periods then ended in conformity with GAAP, subject to the absence of footnotes.

(c) The pro forma consolidated balance sheet of the Company as of December 30, 2001, prepared giving effect to the Transactions as if the Transactions had occurred on such date, when furnished to the Lenders (i) will have been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions are believed by the Company to be reasonable), (ii) will be based on the best information available to the Company after due inquiry, (iii) will accurately reflect all adjustments necessary to give effect to the Transactions and
(iv) will present fairly, in all material respects, the pro forma financial position of the Company and its consolidated Subsidiaries as of December 30, 2001, as if the Transactions had occurred on such date. The representations and warranties set forth in clauses (iii) and (iv) are limited to the best of the Company's knowledge to the extent they relate to the Acquired Business and its subsidiaries.

(d) The pro forma consolidated balance sheet of the Company as of December 30, 2001, and the pro forma consolidated statements of income and cash flow of the Company for the fiscal year ended December 30, 2001, prepared giving effect to the Transactions as if the Transactions had occurred on such date, included in the model contained in the Information Memorandum (i) have been prepared in good faith based on assumptions believed by the Company to be reasonable, (ii) are based on the best information available to the Company after due inquiry, (iii) accurately reflect all adjustments necessary to give effect to the Transactions and (iv) present fairly, in all material respects, the pro forma financial position of the Company and its consolidated Subsidiaries as of December 30, 2001, as if the Transactions had occurred on such date.

The representations and warranties set forth in clauses (iii) and (iv) are limited to the best of the Company's knowledge at the Effective Date to the extent they relate to the Acquired Business and its subsidiaries.

(e) Since December 31, 2000, there has not occurred or become known any condition or change that has affected or would reasonably be expected to affect materially and adversely the business, assets, liabilities or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Company and the Subsidiaries has good title to, valid leasehold interests in, or valid licenses of, all its real and personal property material to its business, except for defects in title that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Company and the Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except for any intellectual property the failure to own or license which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and the use thereof by the Company and the Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters.
(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of the Subsidiaries (i) as to which there is a reasonable possi- bility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or any other Loan Document or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Company nor any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Company and the Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status.
Neither the Company nor any of the Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. Each of the Company and the Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. The actuarial present value of accumulated plan benefits under each Plan (based on the assumptions used for purposes of FASB Statement 35) multiplied by 115% did not, as of the date of the most recent financial statements reflecting such amounts, exceed the net assets of the Plan available for providing benefits under such Plan.

SECTION 3.11. Disclosure. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other written or formally presented information furnished by or on behalf of the Company to any Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time; and provided further that the representations and warranties set forth in this sentence are limited to the best of the Company's knowledge to the extent they relate to information or materials obtained by the Company from the Acquired Business and its subsidiaries prior to the Effective Date.

SECTION 3.12. Margin Stock. Neither the Company nor any of the Subsidiaries is engaged principally, or as one of its primary activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. None of the Loans will be used to purchase or carry any Margin Stock, to refinance any Indebtedness originally incurred for any such purpose or in any other manner that would violate any

provision of Regulation U or X of the Board.

SECTION 3.13. Subsidiaries; Guarantee Requirement. (a) Schedule 3.13 correctly sets forth, as of the date hereof, (i) the name and jurisdiction of organization of each Domestic Subsidiary that is a Significant Subsidiary and (ii) the ownership of all the outstanding Equity Interests in each such Domestic Subsidiary (other than any Equity Interests owned by Persons other than the Company and the Subsidiaries).

(b) The Guarantee Requirement has been and remains satisfied.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent, the London Agent and the Lenders and dated the Effective Date) of
(i) Ian Bird, Assistant Secretary of the Company, substantially in the form of Exhibit E-1, (ii) Kirkland & Ellis, special US counsel for the Company, substantially in the form of Exhibit E-2 and (iii) Slaughter & May, special UK counsel for the Company, substantially in the form of Exhibit E-3. The Borrowers hereby request such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Guarantee Requirement shall be satisfied.

(e) The Administrative Agent shall have received (or shall be satisfied that it will receive promptly after the Effective Date) all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder or under any other Loan Document.

(f) The Acquisition shall have been completed in accordance with applicable law and the terms of the Share Purchase Agreement as heretofore provided to the Lenders, without modification or waiver of any material term or condition thereof not approved by the Administrative Agent, or, if the Acquisition will be consummated on a day that is not a Business Day, the Company shall have delivered written notice to the Lenders on the last Business Day prior to the anticipated date of such consummation advising the Lenders that the Company expects that the Acquisition will on such non-Business Day be so completed.

(g) No Specified Event shall have occurred and be continuing.

(h) The representations and warranties set forth in Sections 3.01, 3.02 and 3.03 shall be true and correct in all material respects in respect of each Borrower.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 3:00 p.m., New York City time, on February 28, 2002 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

Each of the parties hereto hereby authorizes and directs the Administrative Agent to deposit the proceeds of the Acquisition Loans into a trust account to be held by ABN Amro Bank N.V. pending the consummation of the Acquisition in accordance with the terms of a Completion Agreement having substantially the terms set forth in the draft thereof dated January 29, 2001, previously made available to the Lenders, and such changes therefrom as may be approved by the Administrative Agent or are not adverse to the interests of the Company or the Lenders. Unless the Acquisition is on or prior to the next succeeding Business Day completed in accordance with applicable law and the terms of the Share Purchase Agreement as heretofore provided to the Lenders, without modification or waiver of any material term or condition thereof not approved by the Administrative Agent, the Company shall ensure that ABN Amro Bank N.V. shall return such funds to the Administrative Agent for return to the Lenders on such Business Day.

SECTION 4.02. [omitted]

SECTION 4.03. [omitted]

SECTION 4.04. [omitted]

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Company covenants and agrees with the Lenders as to itself and its subsidiaries and CBC covenants and agrees with the Lenders as to itself and its subsidiaries that:

SECTION 5.01. Financial Statements and Other Information. The Company will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of the Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company (commencing with the fiscal quarter ending June 30, 2002), its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year- end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Company (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.06 and 6.07, (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and, if the effect of such change shall have been deferred under Section 1.04 for purposes of Section 6.06 or 6.07 or any other provision hereof, reconciling, as applicable, the calculations referred to in clause (ii) above or any calculations required under any other provision with the financial statements delivered under clause (a) or (b) above, and (iv) confirming compliance with the requirements set forth in the definition of "Significant Subsidiary" and attaching a revised form of Schedule 3.13 showing all additions to and removals from the list of Significant Subsidiaries since the date of the most recently delivered Schedule 3.13 (or confirming that there have been no changes from such most recently delivered Schedule 3.13);

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines or in accordance with the normal commercial practices of such accounting firm);

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Company to its shareholders generally, as the case may be;

(f) promptly after Moody's or S&P shall have announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(g) on or prior to June 30, 2002, each of the financial statements referred to in paragraphs (b) and (c) of Section 3.04; and

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of the Loan Documents, as any Agent or any Lender may reasonably request.

Reports required to be delivered pursuant to clauses (a), (b) and (e) above shall be deemed to have been delivered on the date on which the Company posts such reports on the Company's website on the Internet at www.coors.com (or such other address as the Company shall provide to the Lenders) or when such reports are posted on the SEC's website at www.sec.gov and such posting shall be deemed to satisfy the reporting requirements of clauses (a) and (b) above; provided, that the Company shall deliver paper copies of such reports to any Agent or Lender upon request.

SECTION 5.02. Notices of Material Events. The Company will furnish to the Administrative Agent and each Lender prompt written notice of

the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Company or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the (i) occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect,
(ii) receipt of any notice indicating any intention by the Pension Benefit Guaranty Corporation to terminate any Plan, or (iii) receipt of any notice indicating any intention by a multiemployer plan to obtain any withdrawal liability from the Company or any of its Subsidiaries or ERISA Affiliates (provided such withdrawal liability could reasonably be expected to exceed $10,000,000); and

(d) any other development that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Company will, and will cause each of the Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution not prohibited by Section 6.04.

SECTION 5.04. Payment of Obligations. The Company will, and will cause each of the Subsidiaries to, pay its material obliga- tions, including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP (or generally applicable accounting principles in the relevant jurisdiction) and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Company will, and will cause each of the Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and
(b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Company will, and will cause each of the Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Company will, and will cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. All visitation requests by Lenders shall be made through the Administrative Agent, and the Agents and Lenders shall endeavor to coordinate such visits in order to minimize expense and inconvenience to the Company.

SECTION 5.07. Compliance with Laws. The Company will, and will cause each of the Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority, including Environmental Laws and ERISA, applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used solely to fund the Acquisition and to pay related fees and expenses.

SECTION 5.09. Guarantee Requirement tc \l2 "SECTION 5.09. Guarantee Requirement . The Company will cause the Guarantee Requirement to be satisfied at all times.

SECTION 5.10. Indebtedness. On or prior to the Effective Date, the Company will (a) terminate the Existing Credit Agreement (which termination may be conditioned on the consummation of the Acquisition) and pay all amounts outstanding thereunder and (b) ensure that, as of the Effective Date, after giving effect to the Transactions, the Company and the Subsidiaries will have no outstanding Indebtedness or preferred stock, other than (i) $80,000,000 in aggregate principal amount of 6.76% Series A Senior Notes due July 15, 2002 of the Company, and Guarantees by Subsidiary Guarantors thereof, (ii) $20,000,000 in aggregate principal amount of 6.95% Series B Senior Notes due July 15, 2005 of the Company, and Guarantees by Subsidiary Guarantors thereof,
(iii) Indebtedness under the Five-Year Facility, (iv) Indebtedness in respect of the $5,000,000 City of Wheat Ridge, Colorado Industrial Development Revenue Bonds (Adolph Coors Company Project) Series 1993 (v) Hedging Agreements in effect on the Effective Date, (vi) Senior Notes in an amount not to exceed the difference between $825,000,000 and the aggregate amount of the Loans outstanding hereunder, (vii) the $300,000 letter of credit issued by Wachovia Bank for the benefit of Continental Casualty Company, (viii) the $5,185,754 letter of credit issued by Wachovia Bank for the benefit of Bank One, N.A., as trustee for the bonds referred to in clause (iv) above, (ix) two letters of credit issued by Wells Fargo for the benefit of the State of Colorado Inspector of Oils, each in the amount of $35,000, (x) the $356,448.40 letter of credit issued by JPMorgan Chase Bank for the benefit of Jefferson County and (xi) other Indebtedness listed on Schedule 6.01.

SECTION 5.11. Senior Notes. (a) The Borrowers shall provide to the Administrative Agent in no event later than 90 days from the Effective Date, all audited and other financial statements (including pro forma financial statements) and schedules of the type that the Securities and Exchange Commission would require in a registered public offering of the Senior Notes. Such financial statements and schedules shall be deemed to have been delivered on the date on which the Company posts such financial statements and schedules on the Company's website on the Internet at www.coors.com (or such other address as the Company shall provide to the Lenders) and such posting shall be deemed to satisfy the reporting requirement of this Section 5.11(a); provided, that the Company shall deliver paper copies of such reports to any Agent or Lender upon request.

(b) The Borrowers shall provide to the Administrative Agent no later than 90 days from the Effective Date, a complete preliminary prospectus or preliminary offering memorandum or preliminary private placement memorandum suitable in the reasonable view of the Borrowers for use in a customary "road show" relating to the Senior Notes and containing or incorporating by reference all financial statements and other data required to be included or incorporated by reference therein (including all audited financial statements, all unaudited financial statements (which in the case of unaudited quarterly financial statements of the Company shall have been reviewed by the independent accountants for the Company as provided in Statement on Auditing Standards No. 71) and all appropriate pro forma financial statements prepared in accordance with, or reconciled to, generally accepted accounting principles in the United States and prepared in accordance with Regulation S-X under the Securities Act of 1933, as amended) and all other data that the Securities and Exchange Commission would require in a registered offering of the Senior Notes on Form S-3 or that would be necessary for an underwriter to receive customary "comfort" (including "negative assurance" comfort) from independent accountants in connection with the offering of the Senior Notes.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Company covenants and agrees with the Lenders as to itself and its subsidiaries and CBC covenants and agrees with the Lenders as to itself and its subsidiaries that:

SECTION 6.01. Subsidiary Indebtedness.

The Company will not permit any Subsidiary to create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) Indebtedness existing on the date hereof and set forth on Schedule 6.01 or in Section 5.10 and extensions, renewals or replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or add additional Subsidiaries as obligors in respect of such Indebtedness;

(c) Indebtedness of any Subsidiary to the Company or any other Subsidiary; provided that no such Indebtedness shall be assigned to, or subjected to any Lien in favor of, a Person other than the Company or a Subsidiary;

(d) Indebtedness, including Capital Lease Obligations, of any Subsidiary incurred to finance the acquisition, construction or improvement by such Subsidiary of, and secured by, any fixed or capital assets, and extensions, renewals and replacements of any of the foregoing Indebtedness referred to in this paragraph that do not increase the outstanding principal amount thereof and are not secured by any additional assets or Guaranteed by any other Subsidiaries; provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement;

(e) Indebtedness of any Person that becomes a Subsidiary after the date hereof; provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary;

(f) Indebtedness of any Subsidiary as an account party in respect of letters of credit backing obligations (other than Indebtedness) of any Subsidiary;

(g) Indebtedness consisting of (or connected with) industrial development, pollution control or other revenue bonds or similar instruments issued or guaranteed by any Governmental Authority;

(h) Securitization Transactions to the extent that the aggregate amount, without duplication, of all Securitization Transactions do not at any time exceed $100,000,000 in respect of Securitization Transactions relating to loans made to bars, pubs and other similar establishments in the United Kingdom and $200,000,000 in respect of other Securitization Transactions;

(i) (i) Indebtedness created under the Five-Year Facility and Guarantees by Subsidiary Guarantors in respect of the Five- Year Facility and (ii) Senior Notes, all the Net Proceeds of which have been used to prepay Loans hereunder, and Guarantees by Subsidiary Guarantors of such Senior Notes; and

(j) Other Indebtedness not expressly permitted by clauses (a) through (i) above; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by this clause (j), (ii) the aggregate principal amount of the outstanding obligations secured by Liens permitted by Section 6.02(j) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03(b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.02. Liens. tc \l2 "SECTION 6.02. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Company or any Subsidiary existing on the date hereof (or on improvements or accessions thereto or proceeds therefrom) and set forth on Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary other than improvements and accessions to the assets to which it originally applies and proceeds of such assets, improvements and accessions and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary; provided that (i) such Liens secure Indebtedness permitted by clause (d) of Section 6.01, (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such Liens shall not apply to any other property or assets of the Company or any Subsidiary;

(e) Liens securing (or in connection with) industrial development, pollution control or other revenue bonds or similar instruments issued or guaranteed by any Governmental Authority;

(f) Liens in favor of any Governmental Authority to secure obligations pursuant to the provisions of any contract or statute;

(g) Liens to secure obligations of a Subsidiary to the Company or any other Subsidiary;

(h) sales of Receivables pursuant to, and Liens existing or deemed to exist in connection with, Securitization Transactions; provided that the aggregate amount of all such Securitization Transactions shall not at any time exceed the applicable amount specified in Section 6.01(h);

(i) Rights of first refusal of the Company's joint venture partner with respect to the Company's Equity Interests in the Rocky Mountain Metal Container LLC; and

(j) Liens not expressly permitted by clauses (a) through (i) above; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by Section 6.01(j), (ii) the aggregate principal amount of the outstanding obligations secured by Liens permitted by this clause (j) and (iii) the Attributable Debt in respect of Sale-Leaseback Transactions permitted by Section 6.03(b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.03. Sale and Leaseback Transactions. tc \l2 "SECTION 6.03. Sale and Leaseback Transactions. The Company will not, and will not permit any of its Subsidiaries to, enter into any Sale- Leaseback Transaction except:

(a) any Sale-Leaseback Transaction to which the Company or any Subsidiary is a party as of the date hereof; and

(b) other Sale-Leaseback Transactions; provided that the sum, without duplication, of (i) the outstanding Indebtedness permitted by Section 6.01(j), (ii) the aggregate principal amount of outstanding obligations secured by Liens permitted by Section 6.02(j) and (iii) the aggregate Attributable Debt in respect of Sale-Leaseback Transactions permitted by this clause (b) does not at any time exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.04. Fundamental Changes. (a) The Company will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and whether directly or through the merger of one or more Subsidiaries) assets representing all or substantially all the assets of the Company and the Subsidiaries (whether now owned or hereafter acquired), or liquidate or dissolve, except that if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, any Person may merge into the Company in a transaction in which the

Company is the surviving corporation.

(b) The Company will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Company and its Subsidiaries on the date of this Agreement or by BHL and its subsidiaries on the date of (and after giving effect to) the Acquisition, businesses reasonably related thereto and Securitization Transactions.

SECTION 6.05. Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties and
(b) transactions between or among the Company and its Subsidiaries not involving any other Affiliate.

SECTION 6.06. Leverage Ratio. The Company will not permit the Leverage Ratio at any time after June 29, 2002, to exceed 3.80:1.00.

SECTION 6.07. Interest Coverage Ratio. The Company will not permit the Interest Coverage Ratio for any period of four consecutive fiscal quarters ending on or after June 30, 2002 to be less than 3.50:1.00.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Company or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Company or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in
Section 5.02, 5.03 (with respect to any Borrower's existence), 5.08, 5.09 or 5.10 or in Article VI;

(e) the Company or any Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent or any Lender to the Company;

(f) the Company or any Subsidiary shall fail to make any payment (whether of principal or interest) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue after any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity, or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (or, in the case of any Securitization Transaction constituting Material Indebtedness, that enables or permits the investors or purchasers to terminate purchases of Receivables or interests therein or to require the repurchase of all outstanding Receivables by the Company or a Subsidiary); provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any Significant Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Significant Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Company or any Significant Subsidiary shall
(i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or

foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Significant Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) take any action for the purpose of effecting any of the foregoing or (vii) become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) one or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(k) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) the guarantee of any Subsidiary Guarantor under the Subsidiary Guarantee Agreement or the Company's guarantee under Article VIII shall not be (or shall be asserted by the Company or any Subsidiary Guarantor not to be) valid or in full force and effect;

(m) an "Event of Default" shall have occurred and be continuing under and as defined in the Five-Year Facility at any time when the Five-Year Facility shall remain outstanding; or

(n) a Change in Control shall occur;

then, and in every such event (other than an event described in clause
(h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole or in part (in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower; and in case of any event described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without present- ment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

SECTION 7.02. [omitted]

SECTION 7.03. [omitted]

ARTICLE VIII

Guarantee

In order to induce the Lenders to extend credit to CBC hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Obligations of CBC. The Company further agrees that the due and punctual payment of such Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Obligation.

The Company waives presentment to, demand of payment from and protest to CBC of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Agent or Lender to assert any claim or demand or to enforce any right or remedy against any Loan Party under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement or any other Loan Document or agreement; (d) any default, failure or delay, wilful or otherwise, in the performance of any of the Obligations; or (e) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by any Agent or Lender to any balance of any deposit account or credit on the books of any Agent or Lender in favor of CBC or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or

unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Agent or Lender upon the bankruptcy or reorganization of CBC or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Agent or Lender may have at law or in equity against the Company by virtue hereof, upon the failure of CBC to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by any Agent or Lender, forthwith pay, or cause to be paid, to the Applicable Agent or Lender in cash an amount equal to the unpaid principal amount of such Obligation then due, together with accrued and unpaid interest thereon.
The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than US Dollars and/or at a place of payment other than New York and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of any Agent or Lender, not consistent with the protection of its rights or interests, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in US Dollars (based upon the applicable Exchange Rate in effect on the date of payment) and/or in New York, and shall indemnify each Agent and Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against CBC arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full of all the Obligations owed by CBC to the Agents and the Lenders.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations.

ARTICLE IX

The Agents

In order to expedite the transactions contemplated by this Agreement, the Persons named in the heading of this Agreement are hereby appointed to act as Administrative Agent and London Agent on behalf of the Lenders. Each of the Lenders, each assignee of any Lender hereby irrevocably authorizes the Agents to take such actions on behalf of such Lender or assignee and to exercise such powers as are delegated to the Agents by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent and, to the extent expressly provided herein, the London Agent are hereby expressly authorized by the Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Company of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender copies of all notices, financial statements and other materials delivered by the Company or any other Loan Party pursuant to this Agreement or the other Loan Documents as received by the Administrative Agent. Without limiting the generality of the foregoing, the Administrative Agent is hereby expressly authorized to release any Subsidiary Guarantor from its obligations under the Subsidiary Guarantee Agreement in the event that all the capital stock of such Guarantor shall be sold, transferred or otherwise disposed of to a Person other than the Company or an Affiliate of the Company in a transaction not prohibited by Section 6.04.

With respect to the Loans made by it hereunder, each Agent in its individual capacity and not as Agent shall have the same rights and powers as any other Lender and may exercise the same as though it were not an Agent, and the Agents and their Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if it were not an Agent.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise upon receipt of notice in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, and no Agent shall be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the institution serving as Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence or wilful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by a Borrower (in which case such Agent shall give written notice to each other Lender), and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein,
(iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the

satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and in good faith believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

In taking any discretionary action hereunder, or in determining whether any provision hereof is applicable to any event, transaction or circumstance, the Administrative Agent may, in its discretion, but shall not be required (unless required by any other express provision hereof) to, communicate such proposed action or determination to the Lenders prior to taking or making the same, and shall be entitled (subject to any otherwise applicable requirement of
Section 10.02(b)), in the absence of any contrary communication received from any Lender within a reasonable period of time specified in such communication from the Administrative Agent, to assume that such proposed action or determination is satisfactory to such Lender.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, any Agent may resign at any time by notifying the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right, with (so long as no Default has occurred and is continuing) the consent of the Company (not to be unreasonably withheld or delayed), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York or London, as applicable, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender agrees (a) to reimburse the Agents, on demand, in the amount of its pro rata share (based on the amount of its Loans and available Commitments hereunder) of any expenses incurred for the benefit of the Lenders by the Agents, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, that shall not have been reimbursed by the Company or any other Loan Party and (b) to indemnify and hold harmless each Agent and any of its Related Parties, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against it in its capacity as Agent or any of them in any way relating to or arising out of this Agreement or any other Loan Document or action taken or omitted by it or any of them under this Agreement or any other Loan Document, to the extent the same shall not have been reimbursed by the Company or any other Loan Party; provided that no Lender shall be liable to an Agent or any such other indemnified Person for any portion of such liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Agent or any of its directors, officers, employees or agents.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

The institutions named as Syndication Agent and as Co- Documentation Agents in the heading of this Agreement shall not, in their capacities as such, have any duties or responsibilities of any kind under this Agreement.

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Company, to it at Adolph Coors Company, 311 10th Street, Golden, Colorado, Attention of Timothy Wolf and Michael Kruteck

(Telecopy No. (303) 277-5692 and (303) 277-7666);

(ii) if to CBC, to it in care of the Company as provided in paragraph (a) above;

(iii) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10081, Attention of Janet Belden (Telecopy No. (212) 552-7490), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York 10017, Attention of Buddy Wuthrich (Telecopy No. (212) 270-0998);

(iv) if to the London Agent, to J.P. Morgan Europe Limited, Trinity Tower, 9 Thomas More Street, London, England E19YT Attention of Loans Agency Division (Telecopy No. 011-44-171-777- 2360); with a copy to the Administrative Agent as provided in paragraph (b) above; and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by any Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether any Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Company and the Required Lenders or by the Company and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall
(i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the date of any scheduled payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such scheduled payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or
(c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, or (vi) release the Company or all or substantially all the Subsidiary Guarantors from, or limit or condition, its or their obligations under Article VIII or the Subsidiary Guarantee Agreement, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent hereunder or under any other Loan Document without the prior written consent of such Agent.

SECTION 10.03. Expenses; Indemnity; Damage Waiver.
(a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents, the Syndication Agent and their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agents, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and
(ii) all out-of-pocket expenses incurred by any Agent or any Lender, including the fees, charges and disbursements of any counsel for any Agent or any Lender, in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Company shall indemnify each Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, other than Taxes, which are governed by Section

2.16, incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of the Subsidiaries, or any Environmental Liability related in any way to the Company or any of the Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) To the extent that the Company fails to pay any amount required to be paid by it to any Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total outstanding Loans or unused Commitments at the time, as the case may be.

(d) To the extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or a Lender Affiliate, each of the Company and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent, (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and the documentation required to be delivered under Section 2.16(e) and
(f); and provided further that any consent of the Company otherwise required under this paragraph shall not be required if an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of and interest on the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Agents and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of any Borrower or the Administrative Agent , sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant shall not be entitled to the benefits of Section 2.16 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Sections 2.16(e), (f) and (g) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC") of such Granting Bank, identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Company, the option to provide to the Borrowers all or any part of any Loan that such Granting Bank would otherwise be obligated to make to the Borrowers pursuant to Section 2.01; provided that (i) nothing herein shall constitute a commitment to make any Loan by any SPC and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall be deemed to utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by the Granting Bank and such Granting Bank shall for all purposes remain the Lender of record hereunder. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Bank makes such payment. No SPC (or any Person receiving a payment through such SPC) shall be entitled to receive any greater payment under Section 2.14 or 2.16 (or any other increased costs protection provision) than the applicable Lender would have been entitled to receive with respect to the interests transferred to such SPC. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 10.04 other than Section 10.04(d), any SPC may (i) with notice to, but without the prior written consent of, the Company and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to its Granting Bank or to any financial institutions (if consented to by the Company and Administrative Agent) providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans (but not relating to any Borrower, except with the Company's consent) to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

SECTION 10.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein or in any other Loan Document and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and any other Loan Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 10.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 10.06. Counterparts; Integration; Effectiveness.
This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any fee letters executed by the Company and the Administrative Agent or the Syndication Agent or any of their Affiliates constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. It is agreed that the fee letters referred to in the preceding sentence will remain in full force and effect following the

execution of this Agreement, and that any default by the Company in the performance of its obligations thereunder will constitute an Event of Default hereunder. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with (and to the extent necessary for) the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, (i) to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company or any Subsidiary and its obligations, (g) with the consent of the Company or (h)

to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Agent or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from the Company relating to the Company or its business, other than any such information that is available to any Agent or any Lender on a nonconfidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.14. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss, and if the amount of the Agreement Currency so purchased exceeds the sum originally due to the Applicable Creditor in the Agreement Currency, the Applicable Creditor shall refund the amount of such excess to the applicable Borrower. The obligations of the parties contained in this Section 10.14 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ADOLPH COORS COMPANY,

by
Name:
Title:

COORS BREWING COMPANY,

by
Name:
Title:

JPMORGAN CHASE BANK, individually
and as Administrative Agent,

by
Name:
Title:

J.P. MORGAN EUROPE LIMITED, as
London Agent,

by
Name:
Title:

MORGAN STANLEY SENIOR FUNDING, INC.,
as Syndication Agent,

by
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, as
Lender,

by
Name:
Title:

by
Name:
Title:

LENDER: _____,

by
Name:
Title:

by
Name:
Title:

Header A is suppressed and there is a Advance to Line 1.5 added.
