
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the Quarterly period ended June 30, 2012

OR

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

For the transition period from _____ to _____ .

Commission File Number: 1-14829



Molson Coors Brewing Company

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

1225 17th Street, Denver, Colorado, USA

1555 Notre Dame Street East, Montréal, Québec, Canada

(Address of principal executive offices)

84-0178360

(I.R.S. Employer Identification No.)

80202

H2L 2R5

(Zip Code)

303-927-2337 (Colorado)

514-521-1786 (Québec)

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of August 2, 2012 :

Class A Common Stock—2,583,694 shares

Class B Common Stock—156,163,295 shares

Exchangeable shares:

As of August 2, 2012, the following number of exchangeable shares were outstanding for Molson Coors Canada, Inc.:

Class A Exchangeable shares—2,939,701 shares

Class B Exchangeable shares—19,260,822 shares

These Class A and Class B exchangeable shares offer substantially the same economic and voting rights as the respective classes of common shares of the registrant. The registrant has outstanding one share each of special Class A and Class B voting stock, through which the holders of Class A exchangeable shares and Class B exchangeable shares of Molson Coors Canada Inc. (a subsidiary of the registrant), respectively, may exercise their voting rights with respect to the registrant. The special Class A and Class B voting stock are entitled to one vote for each of the exchangeable share classes, respectively, excluding shares held by the registrant or its subsidiaries, and generally vote together with the Class A common stock and Class B common stock, respectively, on all matters on which the Class A common stock and Class B common stock are entitled to vote. The trustee holder of the special Class A voting stock and the special Class B voting stock has the right to cast a number of votes equal to the number of then outstanding Class A exchangeable shares and Class B exchangeable shares, respectively.

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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 (the "Exchange Act"). From time to time, we may also provide oral or written forward-looking statements in other materials we release to the public. Such forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995.

Statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements, and include, but are not limited to, statements under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Outlook for 2012 " relating to overall volume trends, consumer preferences, pricing trends, industry forces, cost reduction strategies, anticipated results, anticipated synergies, expectations for funding future capital expenditures and operations, debt service capabilities, shipment levels and profitability, market share and the sufficiency of capital resources. In addition, statements that we make in this report that are not statements of historical fact may also be forward- looking statements. Words such as "expects," "goals," "plans," "believes," "continues," "may," "anticipate," "seek," "estimate," "outlook," "trends," "future benefits," "strategies," and variations of such words and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those indicated (both favorably and unfavorably). These risks and uncertainties include, but are not limited to those described under the heading "Risk Factors," elsewhere throughout this report, and those described from time to time in our past and future reports filed with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2011 . Caution should be taken not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made and we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES **CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS** **(IN MILLIONS, EXCEPT PER SHARE DATA)** **(UNAUDITED)**

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
Sales	\$ 1,440.9	\$ 1,383.1	\$ 2,449.0	\$ 2,380.4
Excise taxes	(441.5)	(449.5)	(758.2)	(756.4)
Net sales	999.4	933.6	1,690.8	1,624.0
Cost of goods sold	(580.1)	(523.9)	(1,018.9)	(951.1)
Gross profit	419.3	409.7	671.9	672.9
Marketing, general and administrative expenses	(304.8)	(272.5)	(553.0)	(510.9)
Special items, net	(21.2)	(11.0)	(22.7)	(11.0)
Equity income in MillerCoors	185.6	171.8	304.5	273.0
Operating income (loss)	278.9	298.0	400.7	424.0
Interest income (expense), net	(84.6)	(27.7)	(108.4)	(54.5)
Other income (expense), net	(70.5)	(1.8)	(71.9)	(2.5)
Income (loss) from continuing operations before income taxes	123.8	268.5	220.4	367.0
Income tax benefit (expense)	(25.9)	(43.2)	(43.2)	(59.3)
Net income (loss) from continuing operations	97.9	225.3	177.2	307.7
Income (loss) from discontinued operations, net of tax	0.8	(1.5)	0.9	(1.2)
Net income (loss) including noncontrolling interests	98.7	223.8	178.1	306.5
Less: Net (income) loss attributable to noncontrolling interests	6.4	(1.0)	6.5	(0.8)
Net income (loss) attributable to Molson Coors Brewing Company	\$ 105.1	\$ 222.8	\$ 184.6	\$ 305.7
Basic net income (loss) attributable to Molson Coors Brewing Company per share:				
From continuing operations	\$ 0.58	\$ 1.20	\$ 1.02	\$ 1.64
From discontinued operations	—	(0.01)	—	(0.01)
Basic net income per share	\$ 0.58	\$ 1.19	\$ 1.02	\$ 1.63
Diluted net income (loss) attributable to Molson Coors Brewing Company per share:				
From continuing operations	\$ 0.57	\$ 1.19	\$ 1.01	\$ 1.63
From discontinued operations	—	(0.01)	—	(0.01)
Diluted net income per share	\$ 0.57	\$ 1.18	\$ 1.01	\$ 1.62
Weighted average shares—basic	180.8	187.1	180.6	187.0
Weighted average shares—diluted	181.6	188.8	181.6	188.8
Amounts attributable to Molson Coors Brewing Company				
Net income (loss) from continuing operations	\$ 104.3	\$ 224.3	\$ 183.7	\$ 306.9
Income (loss) from discontinued operations, net of tax	0.8	(1.5)	0.9	(1.2)
Net income (loss) attributable to Molson Coors Brewing Company	\$ 105.1	\$ 222.8	\$ 184.6	\$ 305.7

See notes to unaudited condensed consolidated financial statements.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN MILLIONS)
(UNAUDITED)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
Net income (loss) including noncontrolling interests	\$ 98.7	\$ 223.8	\$ 178.1	\$ 306.5
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(64.2)	(34.7)	43.6	127.0
Amortization of net prior service costs and net actuarial losses	5.6	(0.1)	15.5	0.8
Unrealized (loss) gain on derivative instruments	7.6	1.4	(10.2)	(6.1)
Reclassification adjustment on derivative instruments	1.7	4.7	3.5	7.2
Ownership share of unconsolidated subsidiaries' other comprehensive income (loss)	(0.1)	(4.0)	9.3	8.9
Total other comprehensive income (loss), net of tax	(49.4)	(32.7)	61.7	137.8
Comprehensive income (loss)	49.3	191.1	239.8	444.3
Less: Comprehensive income (loss) attributable to the noncontrolling interest	6.4	(1.0)	6.5	(0.8)
Comprehensive income (loss) attributable to MCBC	\$ 55.7	\$ 190.1	\$ 246.3	\$ 443.5

See notes to unaudited condensed consolidated financial statements.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)
(UNAUDITED)

	As of	
	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 516.0	\$ 1,078.9
Accounts receivable, net	739.9	588.8
Other receivables, net	136.2	137.2
Inventories:		
Finished, net	175.5	140.7
In process	28.5	15.3
Raw materials	43.6	41.8
Packaging materials, net	21.1	9.4
Total inventories, net	268.7	207.2
Other assets, net	140.4	94.0
Deferred tax assets	32.4	11.6
Discontinued operations	—	0.3
Total current assets	1,833.6	2,118.0
Properties, net	1,977.7	1,430.1
Goodwill	2,288.0	1,453.3
Other intangibles, net	7,125.3	4,586.0
Investment in MillerCoors	2,605.8	2,487.9
Deferred tax assets	154.4	149.9
Notes receivable, net	27.6	32.7
Other assets	224.3	165.9
Total assets	\$ 16,236.7	\$ 12,423.8
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 492.0	\$ 301.2
Accrued expenses and other liabilities	799.4	646.8
Derivative hedging instruments	6.4	107.6
Deferred tax liabilities	171.5	161.3
Current portion of long-term debt and short-term borrowings	802.5	46.9
Discontinued operations	14.3	13.4
Total current liabilities	2,286.1	1,277.2
Long-term debt	4,097.9	1,914.9
Pension and post-retirement benefits	687.2	697.5
Derivative hedging instruments	209.8	212.5
Deferred tax liabilities	883.8	455.6
Unrecognized tax benefits	89.1	76.4
Other liabilities	80.5	77.5
Discontinued operations	20.4	22.0
Total liabilities	8,354.8	4,733.6
Commitments and contingencies (Note 16)		
Molson Coors Brewing Company stockholders' equity		
Capital stock:		
Preferred stock, non-voting, no par value (authorized: 25.0 shares; none issued)	—	—
Class A common stock, voting, \$0.01 par value per share (authorized: 500.0 shares; issued and outstanding: 2.6 shares at June 30, 2012 and December 31, 2011)	—	—
Class B common stock, non-voting, \$0.01 par value per share (authorized: 500.0 shares; issued: 163.7 shares and 162.7 shares at June 30, 2012 and December 31, 2011, respectively)	1.6	1.6
Class A exchangeable shares, no par value (issued and outstanding: 2.9 shares at June 30, 2012 and December 31, 2011)	110.5	110.5
Class B exchangeable shares, no par value (issued and outstanding: 19.3 shares at June 30, 2012 and December 31, 2011)	724.8	724.8
Paid-in capital	3,604.6	3,572.1
Retained earnings	3,758.4	3,689.7
Accumulated other comprehensive income (loss)	(68.0)	(129.7)
Class B common stock held in treasury at cost (7.5 shares at June 30, 2012 and December 31, 2011)	(321.1)	(321.1)

Total Molson Coors Brewing Company stockholders' equity	7,810.8	7,647.9
Noncontrolling interests	71.1	42.3
Total equity	7,881.9	7,690.2
Total liabilities and equity	\$ 16,236.7	\$ 12,423.8

See notes to unaudited condensed consolidated financial statements.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)
(UNAUDITED)

	Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011
Cash flows from operating activities:		
Net income (loss) including noncontrolling interests	\$ 178.1	\$ 306.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	111.8	107.1
Amortization of debt issuance costs and discounts	25.0	10.6
Share-based compensation	10.1	14.4
Loss on sale or impairment of properties and intangibles	21.1	8.6
Deferred income taxes	5.5	1.8
Equity income in MillerCoors	(304.5)	(273.0)
Distributions from MillerCoors	304.5	273.0
Equity in net income of other unconsolidated affiliates	(6.5)	(9.9)
Distributions from other unconsolidated affiliates	11.8	21.7
Excess tax benefits from share-based compensation	(3.5)	(0.9)
Change in current assets and liabilities and other, net of effect of Acquisition	44.9	(189.3)
(Gain) loss from discontinued operations	(0.9)	1.2
Net cash provided by operating activities	397.4	271.8
Cash flows from investing activities:		
Additions to properties	(81.4)	(72.5)
Proceeds from sales of properties and intangible assets	1.3	1.2
Acquisition of businesses, net of cash acquired	(2,257.4)	(41.3)
Change in restricted cash balances	—	2.7
Investment in MillerCoors	(565.7)	(470.4)
Return of capital from MillerCoors	459.9	376.4
Proceeds from settlements of derivative instruments	—	15.4
Payments on settlement of derivative instruments	(110.6)	—
Investment in and advances to an unconsolidated affiliate	(3.7)	(5.7)
Trade loan repayments from customers	9.5	7.6
Trade loans advanced to customers	(4.6)	(5.2)
Net cash used in investing activities	(2,552.7)	(191.8)
Cash flows from financing activities:		
Exercise of stock options under equity compensation plans	20.8	6.3
Excess tax benefits from share-based compensation	3.5	0.9
Dividends paid	(115.9)	(112.1)
Dividends paid to noncontrolling interests holders	(2.9)	(1.5)
Debt issuance costs	(39.2)	(2.2)
Proceeds from issuances of long-term debt	2,195.4	—
Payments on long-term debt and capital lease obligations	(44.8)	—
Payments on debt assumed in acquisition	(424.3)	—
Proceeds from short-term borrowings	2.5	6.8
Payments on short-term borrowings	(13.5)	(15.3)
Payments on settlement of derivative instruments	(4.0)	—
Net (payments) proceeds from revolving credit facilities	3.9	2.6
Change in overdraft balances and other	2.1	(10.8)
Net cash provided by financing activities	1,583.6	(125.3)
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	(571.7)	(45.3)
Effect of foreign exchange rate changes on cash and cash equivalents	8.8	11.9
Balance at beginning of year	1,078.9	1,217.6
Balance at end of period	\$ 516.0	\$ 1,184.2

See notes to unaudited condensed consolidated financial statements. See Note 3, "Acquisition of StarBev" for non-cash activity related to the acquisition.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Summary of Significant Accounting Policies

Unless otherwise noted in this report, any description of "we", "us" or "our" includes Molson Coors Brewing Company ("MCBC" or the "Company"), principally a holding company, and its subsidiaries. On June 15, 2012, we completed our acquisition (the "Acquisition") of StarBev Holdings S.à r.l. ("StarBev"), which we subsequently renamed Molson Coors Central Europe ("MCCE"), operating in Central Europe (which includes Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary, Montenegro, Bosnia-Herzegovina and Slovakia). Our other subsidiaries include: Molson Coors Canada ("MCC"), operating in Canada; MillerCoors LLC ("MillerCoors"), which is accounted for by us under the equity method of accounting, operating in the United States ("U.S."); Molson Coors Brewing Company (UK) Limited ("MCBC-UK"), operating in the United Kingdom ("U.K.") and the Republic of Ireland; Molson Coors International ("MCI"), operating in various other countries; and our other non-operating subsidiaries as further described in Note 1 of the Notes to the Audited Consolidated Financial Statements ("Notes") included in our Annual Report on Form 10-K for the year ended December 31, 2011 ("Annual Report") and as amended and filed with the Securities and Exchange Commission ("SEC") on Form 8-K on April 26, 2012.

Unless otherwise indicated, information in this report is presented in U.S. dollars ("USD" or "\$").

The accompanying unaudited condensed consolidated interim financial statements reflect all adjustments which are necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Such unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

These unaudited condensed consolidated interim financial statements should be read in conjunction with our Annual Report and have been prepared on a consistent basis with the accounting policies described in Note 1 of the Notes included in our Annual Report. Our accounting policies did not change in the second quarter or first half of 2012. The results of operations for the 13 and 26 weeks ended June 30, 2012, are not necessarily indicative of the results that may be achieved for the full fiscal year.

We follow a 52 / 53 week fiscal reporting calendar. Unless otherwise indicated, the second quarter of 2012 and 2011 refers to the 13 weeks ended June 30, 2012, and June 25, 2011, respectively. The first half of 2012 and 2011 refers to the 26 weeks ended June 30, 2012, and June 25, 2011, respectively. Fiscal year 2012 refers to the 52 weeks ending December 29, 2012, and fiscal year 2011 refers to the 53 weeks ended December 31, 2011.

MillerCoors and MCCE follow a monthly reporting calendar. The second quarter and first half of 2012 and 2011 refer to the three and six months ended June 30, 2012, and June 30, 2011, respectively, except for MCCE where the second quarter and first half of 2012 refer to the two week period from the Acquisition date of June 15, 2012 through June 30, 2012.

Consistent with the disclosure in the Annual Report, these significant accounting policies include our treatment of the allowance for credit losses on our MCBC-UK trade loan portfolio. This allowance is maintained to provide for loan losses deemed to be probable related to specifically identified loans and for losses in the loan portfolio that have been incurred at the balance sheet date. We establish our allowance through a provision for loan losses charged against earnings and recorded in Marketing, general and administrative expenses. Loan balances that are written off are recorded against the allowance as a write-off. A rollforward of the allowance for the first half ended June 30, 2012, and June 25, 2011, is as follows (in millions):

	As of	
	June 30, 2012	June 25, 2011
Balance at beginning of the year	\$ 6.2	\$ 9.1
Addition charged to expense, net of recoveries	2.4	(0.6)
Write-offs	(1.3)	(0.5)
Foreign currency and other adjustments	—	0.2
Balance at end of second quarter	<u>\$ 7.3</u>	<u>\$ 8.2</u>

2. New Accounting Pronouncements

Adoption of New Accounting Pronouncements

Fair Value Measurement

In May 2011, the Financial Accounting Standards Board ("FASB") issued authoritative guidance related to fair value measurement and disclosure requirements. The new guidance results in a consistent definition of fair value and convergence between U.S. GAAP and International Financial Reporting Standards ("IFRS") on both how to measure fair value and on what disclosures to provide about fair value measurements. The guidance was effective for our quarter ended March 31, 2012. The adoption of this guidance did not impact our financial position or results from operations.

Presentation of Other Comprehensive Income

In June 2011, the FASB issued authoritative guidance related to the presentation of other comprehensive income, which was later amended in December 2011. Upon adoption of the guidance, as amended, an entity has the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance was effective for our quarter ended March 31, 2012. The adoption of this guidance was limited to a change in the presentation of our results, which we have elected to include as a separate Condensed Consolidated Statement of Comprehensive Income.

Testing Goodwill for Impairment

In September 2011, the FASB issued authoritative guidance related to goodwill impairment testing. The new guidance permits an entity to first assess qualitative factors to whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is concluded that this is the case, it is necessary to perform the two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. This guidance is effective for annual and interim goodwill impairment tests performed for our fiscal years beginning January 1, 2012. This guidance does not have an impact on our financial position or results from operations.

New Accounting Pronouncements Not Yet Adopted

Disclosure about Offsetting Assets and Liabilities

In December 2011, the FASB issued authoritative guidance enhancing the disclosure requirements related to offsetting asset and liability positions. The update creates new disclosure requirements about the nature of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. The new disclosures are designed to better facilitate comparison between financial statements prepared under U.S. GAAP and IFRS by requiring entities to provide financial statement users information about both gross and net exposures. The guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods thereafter. We do not anticipate that this guidance will have an impact on our financial position or results from operations. However, we are currently evaluating the impact of this guidance on our existing disclosures.

Testing Indefinite-lived Intangibles for Impairment

In July 2012, the FASB issued authoritative guidance related to the impairment testing of indefinite-lived intangibles. The new guidance permits an entity to first assess qualitative factors to whether it is more likely than not that the fair value of an indefinite-lived intangible is less than its carrying amount. If it is concluded that this is the case, the annual impairment test is necessary. Otherwise, the annual impairment test is not required. This guidance is effective for annual and interim goodwill impairment tests performed for our fiscal years beginning January 1, 2013, however, we have decided to early adopt and make it effective for our 2012 impairment review, which will take place in the third quarter. This guidance does not have an impact on our financial position or results from operations.

3. Acquisition of StarBev

General

In accordance with our strategy to increase our portfolio of premium brands and deepen our reach into growth markets around the world, we completed the Acquisition of StarBev from StarBev L.P. (the "Seller") on June 15, 2012 for €2.7 billion (or \$3.4 billion), including the assumption and payoff of pre-existing StarBev indebtedness. Headquartered in Amsterdam and Prague, StarBev is one of the largest brewers in Central Europe. StarBev, which we renamed Molson Coors Central Europe ("MCCE"), operates nine breweries in Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary and Montenegro and sold approximately 13.3 million hectoliters of beer in 2011. It also sells its brands in Bosnia-Herzegovina and Slovakia. In 2011,

StarBev held a top-three market share position in each of its markets, and its brand portfolio includes local champions such as *Staropramen*, *Borsodi*, *Kamenitza*, *Bergenbier*, *Ozujsko*, *Jelen*, and *Niksicko*, and it also brews and distributes other brands under license. *Staropramen* is distributed and sold in over 30 countries. The operating results of MCCE are reported in our new Central Europe operating segment. We incurred acquisition-related costs of \$25.3 million and \$31.4 million, included in Marketing general and administrative expenses in the second quarter and first half of 2012, respectively. We also incurred financing-related expenses as further described in Note 8, "Other Income and Expense" and Note 13, "Debt."

Unaudited Pro Forma Financial Information

MCCE contributed Net sales of \$57.3 million and Income from continuing operations before income taxes of \$12.4 million from the Acquisition date of June 15, 2012 through June 30, 2012. The following unaudited pro forma summary presents our Condensed Consolidated Statements of Operations as if MCCE had been acquired on December 26, 2010, the first day of our 2011 fiscal year. These amounts were calculated after conversion to U.S. GAAP, conforming to our accounting policies, and adjusting MCCE's results to reflect the depreciation and amortization that would have been charged assuming the preliminary fair value adjustments to Properties, net and Other intangibles, net resulting from the purchase had been applied from December 26, 2010, together with the consequential tax effects. These adjustments also reflect the removal of StarBev historical interest expense, the addition of interest expense to be prospectively incurred on the debt issued to finance the purchase and the removal of the previously mentioned acquisition-related costs. Additional significant adjustments include the removal of the following non-recurring, transaction-related costs: a \$57.9 million Euro currency loss, a \$39.2 million Treasury Lock loss, and bridge facility costs of \$13.0 million, as further described in Note 8, "Other Income and Expense" and Note 13, "Debt", as well as expense of \$8.6 million related to the fair value adjustment to acquisition date inventory. This unaudited pro forma financial information is not intended to reflect the performance which would have actually resulted had the Acquisition been effected on the dates indicated. Further, the unaudited pro forma results of operations are not necessarily indicative of the results of operations that may be obtained in the future.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions)			
Net sales	\$ 1,200.5	\$ 1,231.5	\$ 2,031.3	\$ 2,069.4
Income from continuing operations before income taxes	279.7	315.8	347.5	395.3
Net income attributable to MCBC	\$ 241.4	\$ 267.3	\$ 299.4	\$ 336.6
Net income per common share attributable to MCBC:				
Basic	\$ 1.33	\$ 1.43	\$ 1.65	\$ 1.80
Diluted	\$ 1.32	\$ 1.41	\$ 1.64	\$ 1.78

Fair Value of the Purchase Price

The following table summarizes the purchase price, inclusive of pre-existing debt assumed and subsequently repaid, to acquire StarBev:

	Fair Value
	(In millions)
Cash consideration to Seller	\$ 1,816.0
Fair value of convertible note issued to Seller(1)	645.9
Senior debt facilities with third-party creditor(2)	585.0
Total consideration	\$ 3,046.9
Cash and bank overdraft acquired(3)	\$ (42.3)
Subordinated deferred payment obligation ("SDPO") with third-party creditors(4)	423.4
Total purchase price, inclusive of pre-existing debt assumed and subsequently repaid	\$ 3,428.0

- (1) We issued a €500 million Zero Coupon Senior Unsecured Convertible Note due 2013 to the Seller upon close of the Acquisition. See Note 13, "Debt" for further discussion.
- (2) According to our agreement with the Seller and in accordance with the terms of the senior debt facility agreement, upon close of the Acquisition, we immediately repaid pre-existing StarBev third-party debt including accrued interest.

- (3) Consists of \$143.6 million of cash acquired and \$101.3 million of bank overdrafts assumed as part of MCCE's cash pool arrangement. See Note 13, "Debt" for further discussion.
- (4) We assumed the pre-existing StarBev \$423.4 million SDPO payable to third-party creditors, which we subsequently repaid on June 29, 2012, in accordance with the terms of the SDPO agreement. The SDPO was held by private investors and accrued interest at 11% . The settlement of the SDPO was not required by our agreement with the Seller.

The following table represents the classifications of the cash flows used, which are included within our Condensed Consolidated Statements of Cash Flows:

		(In millions)
Operating activities(1)	\$	1.4
Investing activities(2)		2,257.4
Financing activities(1)		424.3
Total cash used	\$	2,683.1
Non-cash(3)	\$	645.9

- (1) Includes the SDPO discussed above, which was subsequently repaid on June 29, 2012 for \$425.7 million including the \$1.4 million of interest incurred subsequent to the close of the Acquisition noted as "Operating activities" in the table above.
- (2) Includes \$1,816.0 million of cash consideration to the Seller for shares acquired and release of StarBev's pre-existing obligations to the Seller. Also, included is \$585.0 million of pre-existing third-party debt immediately repaid in accordance with our agreement with the Seller and the terms of the senior debt facility agreement. This amount is presented net of cash acquired of \$143.6 million .
- (3) Reflects the \$645.9 million fair value of the convertible note issued to the Seller upon close of the Acquisition. See Note 13, "Debt" for further discussion.

Preliminary Allocation of Consideration Transferred

The following table represents the preliminary allocation of the total consideration to MCCE's identifiable net assets, fair value of the noncontrolling interest in MCCE, and resulting residual goodwill as of June 15, 2012. These allocated amounts are subject to revision when our valuation and tax-related adjustments are finalized, which we expect to occur during 2012.

		Fair Value (In millions)
Cash and cash equivalents	\$	143.6
Current assets(1)		262.1
Properties, net		555.6
Other intangibles, net(2)		2,525.1
Other assets		44.5
Total assets acquired	\$	3,530.9
Current liabilities(3)		846.0
Non-current liabilities(4)		431.0
Total liabilities assumed	\$	1,277.0
Total identifiable net assets	\$	2,253.9
Noncontrolling interest measured at fair value		38.5
Goodwill(5)		831.5
Total consideration	\$	3,046.9

- (1) Includes trade receivables of \$152.2 million and inventory of \$57.3 million .
- (2) See Note 12, "Goodwill and Intangible Assets" for further discussion.
- (3) Includes the \$423.4 million SDPO assumed, which was subsequently repaid for \$425.7 million on June 29, 2012.
- (4) Includes \$409.9 million of deferred tax liabilities.

- (5) The goodwill resulting from the Acquisition is primarily attributable to MCCE's licensed brand brewing, distribution and import business, anticipated synergies and the assembled workforce. All of the goodwill was preliminarily assigned to the new Central Europe segment and is not expected to be deductible for tax purposes. See Note 12, "Goodwill and Intangible Assets" for further discussion.

4. Segment Reporting

Our reporting segments are based on the key geographic regions in which we operate and consist of Canada, the United States ("U.S."), Central Europe, the United Kingdom ("U.K.") and Molson Coors International ("MCI"). Corporate is not a segment and includes interest and certain other general and administrative costs that are not allocated to any of the operating segments.

The following table sets forth net sales by segment:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
(In millions)				
Canada	\$ 582.9	\$ 564.7	\$ 985.2	\$ 958.5
Central Europe(1)	57.3	—	57.3	—
U.K.	326.2	341.7	589.6	616.4
MCI	37.1	28.2	65.2	49.8
Corporate	0.4	0.3	0.7	0.6
Eliminations(2)	(4.5)	(1.3)	(7.2)	(1.3)
Consolidated	<u>\$ 999.4</u>	<u>\$ 933.6</u>	<u>\$ 1,690.8</u>	<u>\$ 1,624.0</u>

- (1) Represents Central Europe net sales from the Acquisition date of June 15, 2012 through June 30, 2012.

- (2) Represents inter-segment sales from the U.K. segment to the MCI segment.

Across each of our segments, no single customer accounted for more than 10% of our sales. Net sales represent sales to third-party external customers.

The following table sets forth income (loss) from continuing operations before income taxes by segment:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
(In millions)				
Canada	\$ 139.9	\$ 131.8	\$ 183.8	\$ 184.0
U.S.	185.6	171.8	304.5	273.0
Central Europe(1)	12.4	—	12.4	—
U.K.	16.3	32.3	17.6	39.1
MCI	(24.3)	(10.6)	(32.9)	(18.0)
Corporate	(206.1)	(56.8)	(265.0)	(111.1)
Consolidated	<u>\$ 123.8</u>	<u>\$ 268.5</u>	<u>\$ 220.4</u>	<u>\$ 367.0</u>

- (1) Represents Central Europe income from continuing operations before income taxes from the Acquisition date of June 15, 2012 through June 30, 2012.

The following table sets forth total assets by segment:

	As of	
	June 30, 2012	December 31, 2011
	(In millions)	
Canada	\$ 6,347.8	\$ 6,541.6
U.S.	2,605.8	2,487.9
Central Europe	4,464.5	—
U.K.	2,231.9	2,293.4
MCI	136.6	151.7
Corporate	450.1	948.9
Discontinued operations	—	0.3
Consolidated	<u>\$ 16,236.7</u>	<u>\$ 12,423.8</u>

5. Investments

Our investments include both equity method and consolidated investments. Those entities identified as variable interest entities ("VIEs") have been evaluated to determine whether we are the primary beneficiary. The VIEs included under "Consolidated Investments" below are those for which we have concluded that we are the primary beneficiary and accordingly, we consolidate these entities. We have not provided any financial support to any of our VIEs during the quarter that we were not previously contractually obligated to provide. Authoritative guidance related to the consolidation of VIEs requires that we continually reassess whether we are the primary beneficiary of VIEs in which we have an interest. As such, the conclusion regarding the primary beneficiary status is subject to change and we continually evaluate circumstances that could require consolidation or deconsolidation.

Equity Investments

Investment in MillerCoors

Summarized financial information for MillerCoors is as follows:

Condensed Balance Sheets

	As of	
	June 30, 2012	December 31, 2011
	(In millions)	
Current assets	\$ 1,040.0	\$ 810.9
Non-current assets	8,839.9	8,861.7
Total assets	<u>\$ 9,879.9</u>	<u>\$ 9,672.6</u>
Current liabilities	\$ 926.8	\$ 922.7
Non-current liabilities	1,392.3	1,471.3
Total liabilities	2,319.1	2,394.0
Noncontrolling interests	42.5	36.7
Owners' equity	7,518.3	7,241.9
Total liabilities and equity	<u>\$ 9,879.9</u>	<u>\$ 9,672.6</u>

Results of Operations

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	(In millions)			
Net sales	\$ 2,224.0	\$ 2,132.3	\$ 3,983.8	\$ 3,831.4
Cost of goods sold	(1,311.8)	(1,268.8)	(2,381.8)	(2,331.8)
Gross profit	\$ 912.2	\$ 863.5	\$ 1,602.0	\$ 1,499.6
Operating income	\$ 444.4	\$ 406.4	\$ 723.4	\$ 645.1
Net income attributable to MillerCoors	\$ 438.3	\$ 398.7	\$ 713.6	\$ 633.4

The following represents MCBC's proportional share in net income attributable to MillerCoors reported under the equity method:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions, except percentages)			
Net income attributable to MillerCoors	\$ 438.3	\$ 398.7	\$ 713.6	\$ 633.4
MCBC economic interest	42%	42%	42%	42%
MCBC proportionate share of MillerCoors net income	184.1	167.4	299.7	266.0
Amortization of the difference between MCBC contributed cost basis and proportional share of the underlying equity in net assets of MillerCoors(1)	1.5	2.5	1.9	4.9
Share-based compensation adjustment(2)	—	1.9	2.9	2.1
Equity income in MillerCoors	\$ 185.6	\$ 171.8	\$ 304.5	\$ 273.0

- (1) Our net investment in MillerCoors is based on the carrying values of the net assets contributed to the joint venture which is less than our proportional share of underlying equity (42%) of MillerCoors (contributed by both Coors Brewing Company ("CBC") and Miller Brewing Company ("Miller")) by approximately \$587 million as of June 30, 2012 . This difference, with the exception of goodwill and land, is being amortized as additional equity income over the remaining useful lives of the contributed long-lived amortizing assets. The current basis difference combined with the \$35.0 million recorded in 2008 and 2009 related to differences resulting from accounting policy elections must be considered to reconcile MillerCoors equity to our investment in MillerCoors.
- (2) The net adjustment is to record all share-based compensation associated with pre-existing equity awards to be settled in Class B common stock held by former employees now employed by MillerCoors and to eliminate all share-based compensation impacts related to pre-existing SABMiller plc equity awards held by former Miller employees now employed by MillerCoors. As of the end of the second quarter of 2011, the share-based awards granted to former CBC employees now employed by MillerCoors became fully vested. As such, no further adjustments will be recorded related to these awards. We are still recording adjustments to eliminate the impacts related to the pre-existing SABMiller plc equity awards, which represent the amounts recorded in 2012.

During the second quarter of 2012 , we had \$5.3 million of beer sales to MillerCoors and \$3.1 million of beer purchases from MillerCoors. During the second quarter of 2011 , we had \$9.5 million of beer sales to MillerCoors and \$2.2 million of beer purchases from MillerCoors. During the first half of 2012 , we had \$10.2 million of beer sales to MillerCoors and \$5.4 million of beer purchases from MillerCoors. During the first half of 2011 , we had \$17.5 million of beer sales to MillerCoors and \$4.7 million of beer purchases from MillerCoors.

For the second quarter of 2012 , we recorded \$0.9 million of service agreement costs and other charges to MillerCoors and \$0.4 million of service agreement costs from MillerCoors. For the second quarter of 2011 , we recorded \$2.0 million of service agreement costs and other charges to MillerCoors and \$1.9 million of service agreement costs from MillerCoors. For the first half of 2012 , we recorded \$2.0 million of service agreement costs and other charges to MillerCoors and \$0.6 million of service agreement costs from MillerCoors. For the first half of 2011 , we recorded \$3.4 million of service agreement costs and other charges to MillerCoors and \$2.1 million of service agreement costs from MillerCoors.

As of June 30, 2012 , and December 31, 2011 , we had \$1.4 million of net payables due to MillerCoors and \$2.0 million of net receivables due from MillerCoors, respectively.

Consolidated Investments

The following summarizes the assets of our consolidated VIEs, including noncontrolling interests. None of our consolidated VIEs held debt as of June 30, 2012, or December 31, 2011.

	As of	
	June 30, 2012	December 31, 2011
	Total assets (In millions)	
Grolsch	\$ 16.3	\$ 20.4
Cobra U.K.	\$ 29.8	\$ 31.6

The following summarizes the results of operations of our consolidated VIEs (including noncontrolling interests).

	Thirteen Weeks Ended				Twenty-Six Weeks Ended			
	June 30, 2012		June 25, 2011		June 30, 2012		June 25, 2011	
	Revenues	Pre-tax income	Revenues	Pre-tax income	Revenues	Pre-tax income	Revenues	Pre-tax income
	(In millions)							
Grolsch(1)	\$ 6.4	\$ 0.9	\$ 7.7	\$ 1.9	\$ 11.6	\$ 1.7	\$ 12.9	\$ 2.6
Cobra U.K.	\$ 10.8	\$ 1.7	\$ 10.3	\$ 2.1	\$ 19.0	\$ 2.1	\$ 18.6	\$ 3.1

(1) Substantially all such sales for Grolsch are made to us and as such, are eliminated in consolidation.

6. Share-Based Payments

During the first half of 2012 and 2011, we recognized share-based compensation expense related to the following Class B common stock awards to certain directors, officers and other eligible employees, pursuant to the Molson Coors Brewing Company Incentive Compensation Plan ("Incentive Compensation Plan"): restricted stock units ("RSU"), deferred stock units ("DSU"), performance units ("PU"), stock options and stock-only stock appreciation rights ("SOSAR").

The following table summarizes components of the share-based compensation expense:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions)			
Stock options and SOSARs				
Pre-tax compensation expense	\$ 0.7	\$ 1.1	\$ 2.6	\$ 3.9
Tax benefit	(0.2)	(0.3)	(0.8)	(1.1)
After-tax compensation expense	\$ 0.5	\$ 0.8	\$ 1.8	\$ 2.8
RSUs and DSUs				
Pre-tax compensation expense	\$ 2.5	\$ 3.1	\$ 4.6	\$ 5.4
Tax benefit	(0.7)	(0.8)	(1.3)	(1.3)
After-tax compensation expense	\$ 1.8	\$ 2.3	\$ 3.3	\$ 4.1
PUs				
Pre-tax compensation expense	\$ 1.9	\$ 2.0	\$ 2.9	\$ 5.0
Tax benefit	(0.5)	(0.6)	(0.9)	(1.5)
After-tax compensation expense	\$ 1.4	\$ 1.4	\$ 2.0	\$ 3.5
Total after-tax compensation expense	\$ 3.7	\$ 4.5	\$ 7.1	\$ 10.4

During the first half of 2012, we granted 0.2 million stock options, 0.3 million RSUs and 0.7 million PUs, all of which were outstanding, other than an insignificant amount of cancellations, as of June 30, 2012.

The mark-to-market share-based compensation expense before tax, related to our share-based awards granted to former CBC employees now employed by MillerCoors, was an expense of \$0.1 million and a benefit of \$0.1 million during the second quarter of 2011 and first half of 2011, respectively. We did not record an adjustment in the second quarter of 2012 or first half of 2012 as these awards were fully vested as of the end of the second quarter of 2011. No further adjustments will be recorded related to these awards. These amounts are included in the table above.

As of June 30, 2012, there was \$32.5 million of total unrecognized pre-tax compensation expense related to non-vested shares from share-based compensation arrangements granted under the Incentive Compensation Plan. This compensation expense is expected to be recognized over a weighted-average period of approximately 1.6 years.

The following table represents the summary of stock options and SOSARs outstanding as of June 30, 2012, and the activity during the first half of 2012:

	Outstanding options	Weighted-average exercise price per share	Weighted-average remaining contractual life (years)	Aggregate intrinsic value
		(In millions, except per share amounts and years)		
Outstanding as of December 31, 2011	7.1	\$38.69	4.31	\$ 43.1
Granted	0.2	\$42.80		
Exercised	(0.7)	\$30.06		
Forfeited	(0.1)	\$46.86		
Outstanding as of June 30, 2012	6.5	\$39.70	4.28	\$ 26.0
Exercisable at June 30, 2012	5.6	\$39.09	3.63	\$ 26.0

The total intrinsic value of options exercised during the first half of 2012 and 2011 was \$9.6 million and \$2.1 million, respectively. During the first half of 2012, cash received from stock option exercises was \$20.8 million and the total net tax benefit to be realized for the tax deductions from these option exercises was \$3.2 million.

The following table represents non-vested RSUs, DSUs and PUs as of June 30, 2012, and the activity during the first half of 2012:

	RSUs and DSUs		PUs	
	Units	Weighted-average grant date fair value per unit	Units	Weighted-average grant date fair value per unit
		(In millions, except per unit amounts)		(In millions, except per unit amounts)
Non-vested as of December 31, 2011	0.6	\$43.35	2.0	\$11.67
Granted	0.3	\$42.12	0.7	\$14.35
Vested	(0.2)	\$42.46	(0.7)	\$10.92
Forfeited	—	\$43.35	(0.1)	\$11.20
Non-vested as of June 30, 2012	0.7	\$43.20	1.9	\$11.41

The fair value of each option granted in the first half of 2012 and 2011, respectively, was determined on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011
Risk-free interest rate	1.56%	2.55%
Dividend yield	2.98%	2.52%
Volatility range	25.80%-27.56%	25.26%-28.11%
Weighted-average volatility	25.84%	26.37%
Expected term (years)	4.0-7.7	4.0-7.7
Weighted-average fair market value	\$8.18	\$9.66

The risk-free interest rates utilized for periods throughout the contractual life of the options are based on a zero-coupon U.S. Treasury security yield at the time of grant. Expected volatility is based on historical volatility of our stock. The expected term of options is estimated based upon observations of historical employee option exercise patterns and trends. The range on the expected term results from separate groups of employees who exhibit different historical exercise behavior.

As of June 30, 2012, there were 8.0 million shares of our Class B common stock available for the issuance of stock options, SOSARs, RSUs, DSUs, PUs and performance share units under the Incentive Compensation Plan. This reflects the 5.0 million additional shares approved by our shareholders during the second quarter of 2012.

7. Special Items

We have incurred charges or recognized gains that we believe are not indicative of our normal, core operations. As such, we have separately classified these amounts as special operating items.

Summary of Special Items

The table below summarizes special items recorded by segment:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
(In millions)				
Employee related charges				
<i>Restructuring</i>				
Canada	\$ —	\$ 0.6	\$ 1.6	\$ 0.6
U.K.	4.5	2.4	6.3	2.7
Corporate	—	—	1.1	—
<i>Special termination benefits</i>				
Canada(1)	1.4	1.2	1.9	4.0
<i>Impairments or asset abandonment charges</i>				
U.K. - Asset abandonment(2)	7.2	—	7.2	—
MCI - China impairment(3)	10.4	—	10.4	—
<i>Unusual or infrequent items</i>				
Canada - Flood insurance reimbursement(4)	(2.3)	0.7	(2.3)	0.1
Canada - Brewers' Retail, Inc. ("BRI") loan guarantee adjustment(5)	—	(2.0)	—	(2.0)
Canada - Fixed asset adjustment(6)	—	7.6	—	7.6
U.K. - Release of non-income-related tax reserve(7)	—	—	(3.5)	(2.5)
MCI - Costs associated with outsourcing and other strategic initiatives	—	0.5	—	0.5
Total Special items, net	\$ 21.2	\$ 11.0	\$ 22.7	\$ 11.0

- (1) During the second quarters and first halves of 2012 and 2011, we recognized charges related to special termination benefits as eligible employees elected early retirement offered as a result of the ratification of Collective Bargaining Agreements with MCC's brewery groups in 2011 and 2012.
- (2) During the second quarter of 2012, we recognized an asset abandonment charge related to the discontinuation of primary packaging in the U.K. We determined that our Home Draft package was not meeting expectations driven by a lack of demand in the U.K. market and as a result, we recognized a loss related to the write-off of the Home Draft packaging line, tooling equipment and packaging materials inventory.
- (3) See related detail in Note 12 "Goodwill and Intangible Assets."
- (4) In the second quarter and first half of 2012, we received insurance proceeds in excess of expenses incurred related to the flood damages at our Toronto offices. During the second quarter and first half of 2011, we incurred expenses related to these damages, which were partially offset by insurance proceeds.
- (5) During the second quarter of 2011, we recognized a gain resulting from a reduction of our guarantee of BRI debt obligations, which is discussed further in Note 16 "Commitments and Contingencies."

- (6) During the second quarter of 2011, we recognized a loss related to the correction of an immaterial error in prior periods to reduce Properties in the Canada segment, resulting from the performance of a fixed asset count. The impact of the error and the related correction in 2011 is not material to any prior annual or interim financial statements and is not material to the fiscal year results for 2011.
- (7) During 2009, we established a non-income-related tax reserve of \$10.4 million that was recorded as a Special item. Our estimates indicated a range of possible loss relative to this reserve of zero to \$22.3 million, inclusive of potential penalties and interest. The amounts recorded in 2012 and 2011 represent a release of a portion of this reserve as a result of a change in estimate.

The table below summarizes the activity in the restructuring accruals:

	Canada	U.K.	Corporate	Total
	(In millions)			
Total at December 31, 2011	\$ 0.1	\$ 1.8	\$ —	\$ 1.9
Charges incurred	1.6	6.3	1.1	9.0
Payments made	(0.7)	(1.7)	—	(2.4)
Foreign currency and other adjustments	—	(0.3)	—	(0.3)
Total at June 30, 2012	\$ 1.0	\$ 6.1	\$ 1.1	\$ 8.2

8. Other Income and Expense

The table below summarizes other income and expense:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions)			
Bridge facility fees(1)	\$ (13.0)	\$ —	\$ (13.0)	\$ —
Euro currency purchase loss(2)	(57.9)	—	(57.9)	—
Gain (loss) from Foster's total return swap and related financial instruments(3)	—	—	—	0.8
Gain (loss) from other foreign exchange and derivative activity	(0.6)	(3.3)	(2.3)	(4.0)
Environmental reserve	—	0.1	—	(0.1)
Other, net	1.0	1.4	1.3	0.8
Other income (expense), net	\$ (70.5)	\$ (1.8)	\$ (71.9)	\$ (2.5)

- (1) See Note 13, "Debt" for further discussion.
- (2) In connection with the Acquisition, we used the proceeds from our issuance of the \$1.9 billion senior notes to purchase Euros. As a result of a negative foreign exchange movement between the Euro and USD prior to using these proceeds to fund the Acquisition, we realized a foreign exchange loss on our Euro cash holdings.
- (3) During January 2011, we settled our remaining Foster's Group Limited's ("Fosters") total return swap and related financial instruments.

9. Discontinued Operations

In 2006, we sold our entire equity interest in our Brazilian unit, Cervejarias Kaiser Brasil S.A. ("Kaiser") to FEMSA Cerveza S.A. de C.V. ("FEMSA"). The terms of the sale agreement require us to indemnify FEMSA for exposures related to certain tax, civil and labor contingencies arising prior to FEMSA's purchase of Kaiser. In the second quarters of 2012 and 2011, we recognized a gain of \$2.3 million and a loss of \$1.5 million, respectively, from discontinued operations associated with a change in legal reserve, foreign exchange gains and losses related to indemnities we provided to FEMSA with regard to contingent tax and other liabilities. During the first half of 2012 and 2011, we recognized a gain of \$2.4 million and a loss of \$1.2 million, respectively. See further discussion in Note 16, "Commitments and Contingencies."

As of June 30, 2012 , and December 31, 2011 , current liabilities of discontinued operations include current legal reserves of \$6.3 million and \$4.8 million , respectively. During the second quarter of 2012 , we recognized a loss of \$1.5 million related to an increase in the legal reserve to the agreed upon settlement amount in the distributorship litigation. Subsequent to the end of the second quarter 2012, we finalized the settlement for the \$6.3 million accrued at June 30, 2012. See further discussion in Note 16, "Commitments and Contingencies."

10. Income Tax

Our effective tax rates for the second quarters of 2012 and 2011 were approximately 21% and 16% , respectively. For the first half of 2012 and 2011 , our effective tax rates were approximately 20% and 16% , respectively. Our effective tax rate estimate for the full year is based on the preliminary purchase accounting for the Acquisition and may be adjusted as purchase accounting is finalized.

Our tax rate is volatile and may move up or down with changes in, among other things, the amount and source of income or loss, our ability to utilize foreign tax credits, changes in tax laws, and the movement of liabilities established for uncertain tax positions as statutes of limitations expire or positions are otherwise effectively settled. There are proposed or pending tax law changes in various jurisdictions that, if enacted, may have an impact on our effective tax rate.

As of December 31, 2011 , we had Unrecognized tax benefits including interest, penalties and offsetting positions of \$77.4 million of which \$1.0 million was current and included in Accrued expenses and other liabilities and \$76.4 million is non-current. As of June 30, 2012 , Unrecognized tax benefits increased by \$14.7 million from December 31, 2011 . This addition is net of varying items including increases and decreases due to fluctuations in foreign exchange rates, additional uncertain tax benefits, including those from the Acquisition, interest accrued for the current year, certain tax positions closing or being effectively settled, and payments made to tax authorities with regard to uncertain tax benefits during the first half of 2012. This results in Unrecognized tax benefits including interest, penalties and offsetting positions of \$92.1 million as of June 30, 2012 , of which \$3.0 million is current and included in Accrued expenses and other liabilities and \$89.1 million is non-current.

We file income tax returns in most of the federal, state, and provincial jurisdictions in the U.S., Canada, the U.K., and various countries in Central Europe. Tax years through 2006 are closed in the U.S., while exam years 2007 and 2008 have been effectively settled and only remain open pending finalization of an advanced pricing agreement. Tax years through fiscal year ended 2006 are closed or have been effectively settled through examination in Canada. Tax years through 2008 are closed or have been effectively settled through examination in the U.K. Tax years through fiscal year 2004 are closed for most countries in Central Europe jurisdictions with statutes of limitations varying from 3 - 7 years.

11. Earnings Per Share

Basic net income per share was computed using the weighted average number of shares of common stock outstanding during the period. Diluted net income per share includes the additional dilutive effect of our potentially dilutive securities, which include stock options, SOSARs, RSUs, PUs, and DSUs. The dilutive effects of our potentially dilutive securities are calculated using the treasury stock method. Diluted income per share could also be impacted by our convertible debt and related warrants outstanding if they were in the money. The following summarizes the effect of dilutive securities on diluted EPS:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions)			
Amounts attributable to MCBC				
Net income (loss) from continuing operations	\$ 104.3	\$ 224.3	\$ 183.7	\$ 306.9
Income (loss) from discontinued operations, net of tax	0.8	(1.5)	0.9	(1.2)
Net income (loss) attributable to MCBC	\$ 105.1	\$ 222.8	\$ 184.6	\$ 305.7
Weighted average shares for basic EPS	180.8	187.1	180.6	187.0
Effect of dilutive securities:				
Options and SOSARs	0.4	1.0	0.5	1.0
RSUs, PUs and DSUs	0.4	0.7	0.5	0.8
Weighted average shares for diluted EPS	181.6	188.8	181.6	188.8
Basic net income (loss) per share:				
Continuing operations attributable to MCBC	\$ 0.58	\$ 1.20	\$ 1.02	\$ 1.64
Discontinued operations attributable to MCBC	—	(0.01)	—	(0.01)
Net income attributable to MCBC	\$ 0.58	\$ 1.19	\$ 1.02	\$ 1.63
Diluted net income (loss) per share:				
Continuing operations attributable to MCBC	\$ 0.57	\$ 1.19	\$ 1.01	\$ 1.63
Discontinued operations attributable to MCBC	—	(0.01)	—	(0.01)
Net income attributable to MCBC	\$ 0.57	\$ 1.18	\$ 1.01	\$ 1.62
Dividends declared and paid per share	\$ 0.32	\$ 0.32	\$ 0.64	\$ 0.60

The following anti-dilutive securities were excluded from the computation of the effect of dilutive securities on diluted earnings per share:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 30, 2012	June 25, 2011	June 30, 2012	June 25, 2011
	(In millions)			
Stock options, SOSARs and RSUs(1)	2.1	0.7	1.4	0.6
Shares of Class B common stock issuable upon assumed conversion of the 2.5% Convertible Senior Notes(2)	10.9	10.7	10.9	10.7
Warrants to issue shares of Class B common stock(2)	10.9	10.7	10.9	10.7
Shares of Class B common stock issuable upon assumed conversion of the €500 million Convertible Note(3)	0.4	—	0.2	—
	24.3	22.1	23.4	22.0

- (1) Exercise prices exceed the average market price of the common shares or are anti-dilutive due to the impact of the unrecognized compensation cost on the calculation of assumed proceeds in the application of the treasury stock method.
- (2) We issued \$575 million of senior convertible notes in June 2007. The impact of a net share settlement of the conversion amount at maturity will begin to dilute earnings per share if and when our stock price reaches \$52.57. The impact of stock that could be issued to settle share obligations we could have under the warrants we issued simultaneously with the senior convertible notes issuance will begin to dilute earnings per share when our stock price reaches \$67.30. The potential receipt of MCBC stock from counterparties under our purchased call options when and if our stock price is between \$52.57 and \$67.30 would be anti-dilutive and excluded from any calculations of earnings per share.
- (3) Upon closing of the Acquisition in June 2012, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note due 2013 to the Seller. The impact of a net share settlement of the conversion amount at maturity will begin to dilute earnings per share if and when our stock price reaches \$49.12 based on foreign exchange rates at June 30, 2012. See further discussion in Note 13, "Debt."

We have no outstanding equity share awards that contain non-forfeitable rights to dividends on unvested shares.

12. Goodwill and Intangible Assets

The following summarizes the change in goodwill for the second quarter of 2012 (in millions):

Balance at December 31, 2011	\$	1,453.3
Business acquisition(1)		831.5
Impairment related to China reporting unit(2)		(9.5)
Foreign currency translation		12.3
Purchase price adjustment		0.4
Balance at June 30, 2012	\$	2,288.0

(1) On June 15, 2012, we completed the Acquisition. See Note 3, "Acquisition of StarBev" for further discussion.

(2) See further discussion below.

Goodwill was attributed to our segments as follows:

	As of	
	June 30, 2012	December 31, 2011
	(In millions)	
Canada	\$ 692.7	\$ 689.5
Central Europe(1)	833.4	—
United Kingdom	753.9	746.1
MCI	8.0	17.7
Consolidated	\$ 2,288.0	\$ 1,453.3

(1) We have initially attributed the preliminary goodwill arising from the Acquisition to our Central Europe segment. This allocation is subject to change as we finalize purchase accounting, which we expect to occur during 2012.

The following table presents details of our intangible assets, other than goodwill, as of June 30, 2012 :

	Useful life (Years)	Gross	Accumulated amortization (In millions)	Net
Intangible assets subject to amortization:				
Brands(1)	3 - 40	\$ 456.3	\$ (189.6)	\$ 266.7
Distribution rights	2 - 23	343.7	(242.5)	101.2
Patents and technology and distribution channels	3 - 10	34.3	(30.4)	3.9
Favorable contracts, land use rights and other(1)	2 - 42	18.3	(1.2)	17.1
Intangible assets not subject to amortization:				
Brands(1)	Indefinite	5,725.8	—	5,725.8
Distribution networks	Indefinite	995.1	—	995.1
Other	Indefinite	15.5	—	15.5
Total		\$ 7,589.0	\$ (463.7)	\$ 7,125.3

(1) Includes the preliminary fair values of \$135.6 million for brand intangibles with a 30 year useful life, \$2,377.5 million for brand intangibles with an indefinite-life and a preliminary fair value of a favorable supply contract and other intangibles of \$12.0 million with a 2 year useful life as a result of the Acquisition. See Note 3, "Acquisition of StarBev" for total allocation of consideration. The following table presents details of our intangible assets, other than goodwill, as of December 31, 2011 :

	Useful life (Years)	Gross	Accumulated amortization (In millions)	Net
Intangible assets subject to amortization:				
Brands	3 - 40	\$ 316.9	\$ (179.0)	\$ 137.9
Distribution rights	2 - 23	342.0	(234.0)	108.0
Patents and technology and distribution channels	3 - 10	34.9	(28.9)	6.0
Land use rights and other	2 - 42	6.5	(0.8)	5.7
Intangible assets not subject to amortization:				
Brands	Indefinite	3,322.4	—	3,322.4
Distribution networks	Indefinite	990.5	—	990.5
Other	Indefinite	15.5	—	15.5
Total		<u>\$ 5,028.7</u>	<u>\$ (442.7)</u>	<u>\$ 4,586.0</u>

The changes in the gross carrying amounts of intangibles from December 31, 2011 , to June 30, 2012 , are primarily due to the Acquisition. See Note 3, "Acquisition of StarBev" for further discussion. Changes are also driven by the impact of foreign exchange rates, as a significant amount of intangibles are denominated in foreign currencies.

Based on foreign exchange rates as of June 30, 2012 , the following is our estimated amortization expense related to intangible assets for the next five years:

	Amount (In millions)
2012 - remaining	\$ 23.2
2013	\$ 46.4
2014	\$ 38.5
2015	\$ 36.0
2016	\$ 36.0

Amortization expense of intangible assets was \$9.3 million and \$10.5 million for the second quarter of 2012 and 2011 , respectively, and \$18.6 million and \$20.3 million for the first half of 2012 and 2011, respectively.

We are required to perform goodwill and indefinite-lived intangible asset impairment tests on at least an annual basis and more frequently in certain circumstances. We performed the required annual impairment testing as of June 26, 2011, and determined that there were no impairments of goodwill or other indefinite-lived intangible assets. We are in process of performing our annual impairment testing as of July 1, 2012.

As of June 30, 2012, we had \$753.9 million of goodwill and \$315.9 million of indefinite-lived intangibles associated with our U.K. reporting unit and *Carling* brand, respectively, which originated from our acquisition of Coors Brewers Limited in 2002. Our annual impairment testing in 2011 revealed that the fair value of the U.K. reporting unit and the *Carling* brand was more than 25% and 175% , respectively, in excess of their carrying values. In recent quarters our U.K. business, along with other U.K. corporations across all industries, has been adversely impacted by the soft economy both in the U.K. and Europe. If this continues, a future impairment charge may be required.

Through our annual impairment testing in 2011, we determined that the fair value of our China reporting unit, included in MCI, was not significantly in excess of its carrying value. Since its inception, the performance of the Molson Coors Si'hai joint venture (which is included in our China reporting unit with our other operations in China) has not met our expectations due to delays in executing its business plans. As a result, the fair value of our China reporting unit only exceeded its carrying value by 4% . We have held ongoing negotiations with our joint venture partner intended to overcome these business difficulties and other issues affecting the joint venture. As part of the negotiations to resolve these issues with our partner, during the second quarter of 2012, we signed an agreement to acquire our partner's 49% noncontrolling interest in the joint venture. Since the execution of the agreement, there has been a lack of progress by our partner in timely satisfying the closing conditions, as well as delays and new obstacles in gaining government approval for the acquisition of the noncontrolling interest, including a court order in China which prevents our joint venture partner from transferring its equity interest to us. These developments, coupled with the impact of increased competitive pressures in China were the combined trigger to review the future cash flows for the reporting unit. The subsequent testing identified that the full amount of the goodwill was impaired resulting in a charge of \$9.5 million in the second quarter of 2012. Additionally, in the second quarter of 2012, we recognized an impairment charge on the

definite-lived brand and distribution rights intangible assets of \$0.9 million . Both of these charges are classified as Special items in our Condensed Consolidated Statements of Operations. In addition, as a result of the recent developments, we believe there is a substantial likelihood the closing conditions in the agreement with our joint venture partner will not be satisfied, which will result in the closing of the purchase of our joint venture partner's equity interest not occurring on the terms contemplated by the agreement previously signed, or at all. In that scenario, we will consider other alternatives, which may require us to record further costs and potential incremental asset impairment charges in the future related to our China reporting unit.

Regarding definite-lived intangibles, we continuously monitor the performance of the underlying asset for potential triggering events suggesting an impairment review should be performed. No such triggering events were identified in the second quarter of 2012 , except as noted above related to our China reporting unit.

13. Debt

Long-term borrowings

Our total long-term borrowings as of June 30, 2012 , and December 31, 2011 , were composed of the following:

	As of	
	June 30, 2012	December 31, 2011
	(In millions)	
Senior notes:		
\$850 million 6.375% notes due 2012(1)	\$ —	\$ 44.6
\$575 million 2.5% convertible notes due 2013(2)	575.0	575.0
€500 million 0.0% convertible note due 2013(3)	654.2	—
CAD 900 million 5.0% notes due 2015	885.3	881.2
CAD 500 million 3.95% Series A notes due 2017	491.8	489.6
\$300 million 2.0% notes due 2017(4)	300.0	—
\$500 million 3.5% notes due 2022(4)	500.0	—
\$1.1 billion 5.0% notes due 2042(4)	1,100.0	—
\$150 million term loan due 2016(5)	150.0	—
€120 million term loan due 2016(5)	151.6	—
Other long-term debt(6)	0.6	—
Credit facilities(7)	—	—
Less: unamortized debt discounts and other(8)	(27.5)	(30.8)
Total long-term debt (including current portion)	4,781.0	1,959.6
Less: current portion of long-term debt	(683.1)	(44.7)
Total long-term debt	\$ 4,097.9	\$ 1,914.9

- (1) During the second quarter of 2012 , we repaid the remaining outstanding portion of our \$850 million 6.375% 10 -year notes that were due in May 2012.
- (2) The original conversion price for each \$1,000 aggregate principal amount of notes was \$54.76 per share of our Class B common stock, which represented a 25% premium above the stock price on the day of issuance of the notes and corresponded to the initial conversion ratio of 18.263 shares per each \$1,000 aggregate principal amount of notes. The conversion ratio and conversion price are subject to adjustments for certain events and provisions, as defined in the indenture. As of March 2012, our conversion price and ratio are \$52.79 and 18.9441 shares, respectively. Currently, the convertible debt's if-converted value does not exceed the principal.

During the second quarters of 2012 and 2011 , we incurred additional non-cash interest expense of \$4.5 million and \$4.4 million , respectively. For the first half of 2012 and 2011 , the amounts were \$9.0 million and \$8.7 million , respectively. We also incurred interest expense related to the 2.5% convertible coupon rate of \$3.6 million during both the second quarters of 2012 and 2011 . For the first half of 2012 and 2011 , the interest expenses incurred were \$7.3 million and \$7.2 million , respectively. The combination of non-cash and cash interest resulted in an effective interest rate of 5.83% and 5.91% for the second quarters of 2012 and 2011 , respectively. The effective interest rates for the first half of 2012 and 2011 were 5.84% and 5.92% , respectively. In relation to this issuance, paid in capital in the equity section of our balance sheet includes \$103.9 million , (\$64.2 million net of tax), representing the equity component of the convertible debt. Further, as of June 30, 2012 , and December 31, 2011 , \$19.9 million and \$28.9 million , respectively, of the unamortized debt discount and other balance relates to our \$575 million convertible debt.

We expect to record additional non-cash interest expense of approximately \$9 million in 2012 and \$11 million in 2013, thereby increasing the carrying value of the convertible debt to its \$575 million face value at maturity in July 2013.

- (3) On June 15, 2012, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note due 2013 (the "Convertible Note") to the Seller in conjunction with the closing of the Acquisition. The Convertible Note matures on December 31, 2013, and is a senior unsecured obligation guaranteed by MCBC. The Seller may exercise a put right with respect to the Convertible Note beginning on March 14, 2013, (the "First Redemption Date") and ending on December 19, 2013, for the greater of the principal amount of the Convertible Note or the aggregate cash value of 12,894,044 shares of our Class B Common Stock, as adjusted for certain corporate events. The Convertible Note's embedded conversion feature was determined to meet the definition of a derivative required to be bifurcated and separately accounted for at fair value with changes in fair value recorded in earnings. At issuance, we recorded a liability of €12.1 million (or \$15.2 million) related to the conversion feature. See Note 14, "Derivative Instruments and Hedging Activities" for further discussion of the derivative. The Convertible Note was issued at a discount of €1.0 million (or \$1.3 million) which will be recognized as interest expense over the period from issuance to the First Redemption Date.

The carrying value of the Convertible Note and fair value of the conversion feature at June 30, 2012, was \$632.2 million and \$20.8 million, respectively. As of June 30, 2012, we recognized an unrealized loss of \$5.6 million recorded in Interest expense related to changes in the fair value of the conversion feature, and \$0.1 million in non-cash interest expense related to amortization of the debt discount. The non-cash interest, excluding the change in fair value of the convertible feature, resulted in an effective interest rate of 0.25% for the second quarter and first half of 2012.

- (4) On May 3, 2012, we issued \$1.9 billion of senior notes with portions maturing in 2017, 2022 and 2042. The 2017 senior notes were issued in an initial aggregate principal amount of \$300 million at 2.0% interest and will mature on May 1, 2017. The 2022 senior notes were issued in an initial aggregate principal amount of \$500 million at 3.5% interest and will mature on May 1, 2022. The 2042 senior notes were issued in an initial aggregate principal amount of \$1.1 billion at 5.0% interest and will mature on May 1, 2042. The issuance resulted in total proceeds to us, before expenses, of \$1,880.7 million, net of underwriting fees and discounts of \$14.7 million and \$4.6 million, respectively. Total debt issuance costs capitalized in connection with these senior notes, including the \$14.7 million of underwriting fees, are approximately \$18 million and will be amortized over the life of the notes. The issuance adds a number of guarantors to these debt securities as well as to our existing senior obligations, pursuant to requirements of our existing senior debt obligation agreements. These new guarantors consist principally of the U.K. operating entity. See Note 17, "Supplemental Guarantor Information" for further discussion and guarantor financial information reflective of this change.

Concurrent with the announcement of the Acquisition, we entered into a bridge loan agreement, which we terminated upon the issuance of the \$1.9 billion senior notes. In connection with the issuance and subsequent termination of the bridge loan, we incurred costs of \$13.0 million recorded in Other expense. See Note 8, "Other Income and Expense."

Our risk management policy prohibits speculating on specific events, including the direction of interest rates. In advance of our issuance of the \$1.9 billion senior notes, we systematically removed a portion of our interest rate market risk by entering into standard pre-issuance U.S. Treasury interest rate hedges ("Treasury Locks"). This resulted in an increase in the certainty of our yield to maturity when issuing the notes. In the second quarter of 2012, we recognized a cash loss of \$39.2 million on settlement of the Treasury Locks recorded in Interest expense. See Note 14, "Derivative Instruments and Hedging Activities" for further discussion.

- (5) On April 3, 2012, we entered into a term loan agreement (the "Term Loan Agreement") that provides for a 4-year term loan facility of \$300 million, composed of one \$150 million borrowing and one Euro-denominated borrowing equal to \$150 million at issuance (or €120 million borrowing) both of which were funded upon close of the Acquisition on June 15, 2012. The Term Loan Agreement requires quarterly principal repayments on each borrowing equal to 2.5% of the initial principal obligation, commencing on September 30, 2012, with the remaining 62.5% principal balance due at the June 15, 2016 maturity date. The obligations under the Term Loan Agreement are our general unsecured obligations. The Term Loan Agreement contains customary events of default, specified representations and warranties and covenants, including, among other things, covenants that limit our and our subsidiaries' ability to incur certain additional priority indebtedness, create or permit liens on assets or engage in mergers or consolidations. Debt issuance costs capitalized in connection with the Term Loan Agreement will be amortized over the life of the debt and total approximately \$3 million.

- (6) Other long-term debt includes secured bank loans assumed upon the Acquisition and included in the opening balance sheet. See Note 3, "Acquisition of StarBev" for further discussion.
- (7) On April 3, 2012, we also entered into a revolving credit agreement (the "Credit Agreement"). The Credit Agreement provides for a 4 -year revolving credit facility of \$300 million that was subsequently amended to increase the borrowing limit to \$550 million . The Credit Agreement contains customary events of default and specified representations and warranties and covenants, including, among other things, covenants that limit our and our subsidiaries' ability to incur certain additional priority indebtedness, create or permit liens on assets, or engage in mergers or consolidations. Debt issuance costs capitalized in connection with the Credit Agreement will be amortized over the life of the facility and total approximately \$5 million . There were no outstanding borrowings on our \$550 million credit facility as of June 30, 2012 . During the second quarter of 2011, we terminated our \$750 million revolving multicurrency bank credit facility, which was scheduled to expire in August 2011 . Additionally, in connection with this termination, we entered into an agreement for a 4 -year revolving multicurrency credit facility of \$400 million in the second quarter of 2011, which provides a \$100 million sub-facility available for the issuance of letters of credit. We incurred \$2.2 million of issuance costs and up-front fees related to this agreement, which are being amortized over the term of the facility. There were no outstanding borrowings on the \$400 million credit facility as of June 30, 2012 .
- (8) In addition to the unamortized debt discount on the \$575 million convertible notes, we have unamortized debt discounts on the additional debt balances of \$7.6 million and \$1.9 million as of June 30, 2012 , and December 31, 2011 , respectively.

Short-term borrowings

Our short-term borrowings at June 30, 2012 , and December 31, 2011 , were \$119.4 million and \$2.2 million , respectively. MCCE has a notional cross-border, cross-currency cash pool for the majority of its subsidiaries. As of June 30, 2012 , we had \$103.8 million in bank overdrafts and \$116.2 million in bank cash related to the pool for a net positive position of \$12.4 million .

We have short-term borrowings of \$9.3 million related to factoring arrangements at MCCE as of June 30, 2012 . Our remaining short-term borrowings of \$6.3 million and \$2.2 million as of June 30, 2012 , and December 31, 2011 , respectively, relate to outstanding borrowings under the Japanese Yen line of credit.

Debt Fair Value Measurements

We utilize market approaches to estimate the fair value of certain outstanding borrowings by discounting anticipated future cash flows derived from the contractual terms of the obligations and observable market interest and foreign exchange rates. As of June 30, 2012 , and December 31, 2011 , the fair value of our outstanding long-term debt was \$5,052.6 million and \$2,133.6 million , respectively. Our \$575 million convertible notes and \$1.9 billion senior notes are valued based on quoted prices in active markets and would be classified as Level 1 in the fair value hierarchy. These notes had a combined fair value of \$2,602.1 million and \$608.5 million , as of June 30, 2012 , and December 31, 2011 , respectively. All other senior notes and the Convertible Note are valued based on significant observable inputs and would be classified as Level 2 in the fair value hierarchy. These instruments had a fair value of \$2,148.3 million and \$1,525.1 million , as of June 30, 2012 , and December 31, 2011 , respectively. See Note 14, "Derivative Instruments and Hedging Activities" for discussion regarding the fair value of the conversion feature related to the Convertible Note. The carrying values of all other outstanding long-term and borrowings approximate their fair values. The carrying values of all our outstanding short-term borrowings approximate their fair values.

Other

Under the terms of some of our debt facilities, we must comply with certain restrictions. These include restrictions on priority indebtedness (certain threshold percentages of secured consolidated net tangible assets), leverage thresholds, liens, and restrictions on certain types of sale lease-back transactions. As of June 30, 2012 , we were in compliance with all of these restrictions.

14. Derivative Instruments and Hedging Activities

Our risk management and derivative accounting policies are presented in Notes 1 and 18 of the Notes included in our Annual Report and did not significantly change during the first half of 2012 .

Significant Derivative/Hedge Positions

Derivative Activity Related to the Acquisition

In May 2012, in connection with the Acquisition, we issued \$1.9 billion of senior notes with portions maturing in 2017, 2022 and 2042. Prior to the issuance of the notes, we systematically removed a portion of our interest rate market risk by entering into standard pre-issuance U.S. Treasury interest rate hedges ("Treasury Locks"). This resulted in an increase in the certainty of our yield to maturity when issuing the notes. Subsequent to entering into the hedges, market interest rates decreased, resulting in more favorable interest rates for the issued notes. Consequently, we recognized a cash loss of \$39.2 million on settlement of the Treasury Locks recorded in Interest expense. See Note 13, "Debt" for further discussion.

Additionally, in June 2012, we issued a Convertible Note to the Seller simultaneous with the closing of the Acquisition. The Seller may exercise a put right with respect to put the Convertible Note to us during the conversion period for the greater of the principal amount of the Convertible Note or the aggregate cash value of 12,894,044 shares of our Class B Common Stock, as adjusted for certain corporate events. The Convertible Note's embedded conversion feature was determined to meet the definition of a derivative required to be bifurcated and separately accounted for at fair value with changes in fair value recorded in earnings. At issuance, we recorded a liability of €12.1 million (or \$15.2 million) related to the conversion feature. See Note 13, "Debt" for further discussion.

Cross Currency Swaps

We historically designated the cross currency swap contracts as cash flow hedges of the variability of cash flows related to British Pound ("GBP") denominated principal and interest payments on intercompany notes of GBP 530 million . In September 2011 , we cash settled approximately 25% of our GBP 530 million / \$774 million and CAD 1.2 billion /GBP 530 million cross currency swaps. As a result of the settlement, we extinguished \$98.7 million of the outstanding liability. Simultaneously with the settlement of the swaps, we paid down an equal portion of the outstanding principal of the intercompany notes in the amount of GBP 132 million .

In October 2011, we simultaneously extended both the terms of approximately half of the original intercompany notes and cross currency swaps, such that the new maturities are March 2014. The remaining approximate 25% was left unadjusted and continued to be due in May 2012. Following this extension, in November 2011, we dedesignated all of the remaining swaps as cash flow hedges and designated the aggregate swaps as a net investment hedge of our Canadian business.

In March 2012, we cash settled the remaining approximate 25% of our original cross currency swaps that was not refinanced in October 2011 as discussed above. As a result of the settlement, we extinguished \$110.6 million of the outstanding liability. Our outstanding cross currency swaps were in a net liability position of \$208.6 million classified as non-current at June 30, 2012 .

Derivative Fair Value Measurements

We utilize market approaches to estimate the fair value of our derivative instruments by discounting anticipated future cash flows derived from the derivative's contractual terms and observable market interest, foreign exchange and commodity rates. The fair values of our derivatives also include credit risk adjustments to account for our counterparties' credit risk, as well as our own non-performance risk. As of June 30, 2012 , and December 31, 2011 , these adjustments resulted in deferred net gains in AOCI of \$1.3 million and \$1.1 million , respectively, as the fair value of our derivatives were in net liability positions at both period ends. The table below summarizes our derivative assets and liabilities that were measured at fair value as of June 30, 2012 , and December 31, 2011 .

		June 30, 2012		
	Total at June 30, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)		
Cross currency swaps	\$ (208.6)	\$ —	\$ (208.6)	\$ —
Foreign currency forwards	3.5	—	3.5	—
Commodity swaps	(3.9)	—	(3.9)	—
Equity conversion feature of debt	(20.8)	—	—	(20.8)
Total	\$ (229.8)	\$ —	\$ (209.0)	\$ (20.8)

	Total at December 31, 2011	December 31, 2011		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)		
Cross currency swaps	\$ (311.9)	\$ —	\$ (311.9)	\$ —
Foreign currency forwards	2.2	—	2.2	—
Commodity swaps	(6.9)	—	(6.9)	—
Total	\$ (316.6)	\$ —	\$ (316.6)	\$ —

The following tables present additional information about Level 3 assets and liabilities measured at fair value on a recurring basis for the quarter ended June 30, 2012. Both observable and unobservable inputs may be used to determine the fair value of positions that we have classified within the Level 3 category. As a result, the unrealized gains (losses) during the period for assets and liabilities within the Level 3 category presented in the tables below may include changes in fair value during the period that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

The table below summarizes derivative valuation activity using significant unobservable inputs (Level 3) (in millions):

	Rollforward of Level 3 Inputs
Total at December 31, 2011	\$ —
Total gains or losses (realized/unrealized)	
Included in earnings(1)	(5.6)
Included in AOCI	—
Purchases	—
Sales	—
Issuances(1)	(15.2)
Settlements	—
Net transfers In/Out of Level 3	—
Total at June 30, 2012	\$ (20.8)
Unrealized gains or losses for Level 3 assets/liabilities outstanding at June 30, 2012(1)	\$ (5.6)

- (1) At issuance, we recorded a liability of €12.1million or (\$15.2 million) related to the Convertible Note's embedded conversion feature. We recognized a \$5.6 million unrealized loss, recorded in Interest expense, related to changes in fair value of this conversion feature for the quarter ended June 30, 2012.

As of June 30, 2012, we had no significant transfers between Level 1 and 2. As of December 31, 2011, we did not hold derivatives classified as Level 3 due to valuations based upon significant unobservable inputs. We did not have any significant transfers between Level 1 and Level 2 during fiscal year 2011. New derivative contracts transacted during fiscal year 2011 were

all included in Level 2.

Quantitative information regarding significant unobservable inputs used for recurring Level 3 fair value measurements of financial instruments carried at fair value, were as follows (in millions):

	Balance at June 30, 2012	Valuation Technique	Significant Unobservable Input(s)/Sensitivity of the Fair Value to Changes in the Unobservable Inputs	Range
Equity conversion feature of debt	\$ (20.8)	Option model	Implied volatility(1)	24-25%

Sensitivity of the fair value to changes in the unobservable inputs

- (1) Significant increase (decrease) in the unobservable input in isolation would result in a significantly higher (lower) fair value measurement.

Results of Period Derivative Activity

The tables below include the year to date results of our derivative activity in the Condensed Consolidated Balance Sheets as of June 30, 2012 , and December 31, 2011 , and the Condensed Consolidated Statements of Operations for the second quarters and first halves ended June 30, 2012 , and June 25, 2011 .

Fair Value of Derivative Instruments in the Condensed Consolidated Balance Sheet (in millions, except for certain commodity swaps with notional amounts measured in Metric Tonnes, as noted)

June 30, 2012						
	Notional amount		Asset derivatives		Liability derivatives	
			Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:						
Cross currency swaps	CAD	601.3	Other current assets	\$ —	Current derivative hedging instruments	\$ —
			Other assets	—	Long term derivative hedging instruments	(208.6)
Foreign currency forwards	USD	437.3	Other current assets	2.6	Current derivative hedging instruments	(2.6)
			Other assets	3.8	Long term derivative hedging instruments	(0.3)
Commodity swaps	Gigajoules	1.3	Other current assets	0.1	Current derivative hedging instruments	(1.2)
			Other assets	—	Long term derivative hedging instruments	(0.2)
Total derivatives designated as hedging instruments				\$ 6.5		\$ (212.9)
Derivatives not designated as hedging instruments:						
Equity conversion feature of debt	EUR	500.0			Current portion of long-term debt and short-term borrowings	\$ (20.8)
Aluminum swaps	Metric tonnes (actual)	5,150.0	Other current assets	\$ —	Current derivative hedging instruments	\$ (2.6)
			Other assets	—	Long term derivative hedging instruments	(0.7)
Diesel swaps	Metric tonnes (actual)	7,518.0	Other current assets	0.4	Current derivative hedging instruments	—
			Other assets	0.3	Long term derivative hedging instruments	—
Total derivatives not designated as hedging instruments				\$ 0.7		\$ (24.1)

December 31, 2011						
	Notional amount		Asset derivatives		Liability derivatives	
			Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:						
Cross currency swaps	CAD	901.3	Other current assets	\$ —	Current derivative hedging instruments	\$ (103.2)
			Other assets	—	Long term derivative hedging instruments	(208.7)
Foreign currency forwards	USD	464.6	Other current assets	—	Current derivative hedging instruments	(1.3)
			Other assets	3.4	Long term derivative hedging instruments	—
Commodity swaps	Gigajoules	2.2	Other current assets	—	Current derivative hedging instruments	(1.8)
			Other assets	—	Long term derivative hedging instruments	(0.5)
Total derivatives designated as hedging instruments				\$ 3.4		\$ (315.5)
Derivatives not designated as hedging instruments:						
Aluminum swaps	Metric tonnes (actual)	8,825.0	Other current assets	\$ —	Current derivative hedging instruments	\$ (1.3)
			Other assets	—	Long term derivative hedging instruments	(3.3)
Diesel swaps	Metric tonnes (actual)	9,668.0	Other current assets	0.1	Current derivative hedging instruments	—
Total derivatives not designated as hedging instruments				\$ 0.1		\$ (4.6)

MCBC allocates the current and non-current portion of each contract to the corresponding derivative account above.

The following summarizes the change in derivative related Accumulated other comprehensive income within the Condensed Consolidated Balance Sheet for the first half of 2012 (in millions):

Total at December 31, 2011	\$ 1.7
Unrealized gain (loss) on derivative instruments	(15.3)
Reclassification adjustment on derivative instruments	4.9
Tax benefit (expense)	3.7
Total at June 30, 2012	\$ (5.0)

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations (in millions)

For the Thirteen Weeks Ended June 30, 2012					
Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	—	Interest expense, net	(0.4)	Interest expense, net	—
Foreign currency forwards	(5.2)	Other income (expense), net	(0.4)	Other income (expense), net	—
		Cost of goods sold	(1.3)	Cost of goods sold	—
Commodity swaps	0.6	Cost of goods sold	(0.4)	Cost of goods sold	—
Total	\$ (4.6)		\$ (2.5)		\$ —

For the Thirteen Weeks Ended June 30, 2012

Derivatives in net investment hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Cross currency contracts	\$ (7.3)	Other income (expense), net	\$ —	Other income (expense), net	\$ —
Total	<u>\$ (7.3)</u>		<u>\$ —</u>		<u>\$ —</u>

Note: Amounts recognized in AOCI related to cash flow and net investment hedges are presented gross of taxes

During the period we recorded no significant ineffectiveness related to these cash flow and net investment hedges.

For the Thirteen Weeks Ended June 25, 2011

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Cross currency swaps(1)	\$ 1.3	Other income (expense), net	\$ 6.6	Other income (expense), net	\$ —
		Interest expense, net	(3.6)	Interest expense, net	—
Forward starting interest rate swaps	0.3	Interest expense, net	(0.3)	Interest expense, net	—
Foreign currency forwards	8.8	Other income (expense), net	(2.9)	Other income (expense), net	—
		Cost of goods sold	(4.0)	Cost of goods sold	—
Commodity swaps	(1.3)	Cost of goods sold	—	Cost of goods sold	—
Total	<u>\$ 9.1</u>		<u>\$ (4.2)</u>		<u>\$ —</u>

Note: Amounts recognized in AOCI are presented gross of taxes

- (1) The foreign exchange gain (loss) component of these cross currency swaps is offset by the corresponding gain (loss) on the hedged forecasted transactions in Other income (expense), net and Interest expense, net.

During the period we recorded no significant ineffectiveness related to these cash flow hedges.

For the Twenty-Six Weeks Ended June 30, 2012

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	—	Interest expense, net	(0.8)	Interest expense, net	—
Foreign currency forwards	2.8	Other income (expense), net	(1.0)	Other income (expense), net	—
		Cost of goods sold	(2.4)	Cost of goods sold	—
Commodity swaps	(0.7)	Cost of goods sold	(0.7)	Cost of goods sold	—
Total	<u>\$ 2.1</u>		<u>\$ (4.9)</u>		<u>\$ —</u>

For the Twenty-Six Weeks Ended June 30, 2012

Derivatives in net investment hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Cross currency contracts	\$ 13.2	Other income (expense), net	\$ —	Other income (expense), net	\$ —
Total	<u>\$ 13.2</u>		<u>\$ —</u>		<u>\$ —</u>

Note: Amounts recognized in AOCI related to cash flow and net investment hedges are presented gross of taxes

During the period we recorded no significant ineffectiveness related to these cash flow and net investment hedges.

For the Twenty-Six Weeks Ended June 25, 2011

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Cross currency swaps(1)	\$ (1.8)	Other income (expense), net	\$ (16.9)	Other income (expense), net	\$ —
		Interest expense, net	(7.0)	Interest expense, net	—
Forward starting interest rate swaps	0.6	Interest expense, net	(0.6)	Interest expense, net	—
Foreign currency forwards	0.1	Other income (expense), net	(4.6)	Other income (expense), net	—
		Cost of goods sold	(6.4)	Cost of goods sold	—
Commodity swaps	2.6	Cost of goods sold	0.2	Cost of goods sold	—
Total	<u>\$ 1.5</u>		<u>\$ (35.3)</u>		<u>\$ —</u>

Note: Amounts recognized in AOCI are presented gross of taxes

- (1) The foreign exchange gain (loss) component of these cross currency swaps is offset by the corresponding gain (loss) on the hedged forecasted transactions in Other income (expense), net and Interest expense, net.

During the period we recorded no significant ineffectiveness related to these cash flow hedges.

We expect net losses of approximately \$2.1 million (pre-tax) recorded in AOCI at June 30, 2012 will be reclassified into earnings within the next 12 months. The maximum length of time over which forecasted transactions are hedged is three years, and such transactions relate to foreign exchange, interest rate and commodity exposures.

Other Derivatives (in millions)

There was no activity for the thirteen weeks ended June 25, 2011 related to derivatives not in hedging relationships.

For the Thirteen Weeks Ended June 30, 2012

Derivatives Not In Hedging Relationship	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative
Equity conversion feature of debt	Interest expense, net	\$ (5.6)
Commodity swaps	Cost of goods sold	\$ 0.5
		<u>\$ (5.1)</u>

For the Twenty-Six Weeks Ended June 30, 2012

Derivatives Not In Hedging Relationship	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative
Equity conversion feature of debt	Interest expense, net	\$ (5.6)
Commodity swaps	Cost of goods sold	\$ 0.6
		<u>\$ (5.0)</u>

For the Twenty-Six Weeks Ended June 25, 2011

Derivatives Not In Hedging Relationship	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative
Cash settled total return swaps	Other income (expense), net	\$ (0.6)
Option contracts	Other income (expense), net	1.5
Foreign currency forwards	Other income (expense), net	(0.1)
		<u>\$ 0.8</u>

15. Pension and Other Postretirement Benefits

We sponsor defined benefit retirement plans in Canada, the U.K. and MCI. Additionally, we offer other postretirement benefits to the majority of our Canadian, U.S. and Central European employees. We recorded liabilities of \$2.7 million related to other postretirement benefits in connection with the Acquisition. We have not incurred material costs associated with these plans as of the end of the second quarter 2012, however, we expect to incur \$0.2 million during the remainder of 2012.

The net periodic pension costs under retirement plans and other postretirement benefits were as follows:

	Thirteen Weeks Ended June 30, 2012				
	Canada plans	U.S. plans	U.K. plan	MCI plan	Consolidated
	(In millions)				
Defined Benefit Plans					
Service cost	\$ 4.1	\$ —	\$ —	\$ 0.1	\$ 4.2
Interest cost	16.6	—	24.8	—	41.4
Expected return on plan assets	(15.2)	—	(28.5)	—	(43.7)
Amortization of prior service cost	0.2	—	—	—	0.2
Amortization of net actuarial loss	5.4	—	4.4	—	9.8
Less expected participant contributions	(0.4)	—	—	—	(0.4)
Net periodic pension cost (benefit)	<u>\$ 10.7</u>	<u>\$ —</u>	<u>\$ 0.7</u>	<u>\$ 0.1</u>	<u>\$ 11.5</u>
Other Postretirement Benefits					
Service cost—benefits earned during the period	\$ 0.6	\$ 0.1	\$ —	\$ —	\$ 0.7
Interest cost on projected benefit obligation	1.9	—	—	—	1.9
Amortization of prior service cost (gain)	(0.9)	—	—	—	(0.9)
Amortization of net actuarial loss (gain)	(0.1)	—	—	—	(0.1)
Net periodic postretirement benefit cost	<u>\$ 1.5</u>	<u>\$ 0.1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1.6</u>

Thirteen Weeks Ended June 25, 2011

	Fifteen Weeks Ended June 25, 2011				
	Canada plans	U.S. plans	U.K. plan	MCI plan	Consolidated
	(In millions)				
Defined Benefit Plans					
Service cost	\$ 4.8	\$ —	\$ —	\$ —	\$ 4.8
Interest cost	18.5	0.1	27.5	—	46.1
Expected return on plan assets	(18.8)	—	(31.9)	—	(50.7)
Amortization of prior service cost	0.2	—	—	—	0.2
Amortization of net actuarial loss	2.4	—	2.8	—	5.2
Less expected participant contributions	(0.4)	—	—	—	(0.4)
Special termination of benefits	—	—	—	—	—
Net periodic pension cost (benefit)	<u>\$ 6.7</u>	<u>\$ 0.1</u>	<u>\$ (1.6)</u>	<u>\$ —</u>	<u>\$ 5.2</u>
Other Postretirement Benefits					
Service cost—benefits earned during the period	\$ 0.5	\$ 0.1	\$ —	—	\$ 0.6
Interest cost on projected benefit obligation	2.0	—	—	—	2.0
Amortization of prior service cost (gain)	(1.0)	—	—	—	(1.0)
Amortization of net actuarial loss	(0.9)	—	—	—	(0.9)
Net periodic postretirement benefit cost	<u>\$ 0.6</u>	<u>\$ 0.1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.7</u>

Twenty-Six Weeks Ended June 30, 2012

	Twenty Six Weeks Ended June 30, 2012				
	Canada plans	U.S. plans	U.K. plan	MCI plan	Consolidated
	(In millions)				
Defined Benefit Plans					
Service cost	\$ 8.2	\$ —	\$ —	\$ 0.2	\$ 8.4
Interest cost	33.2	—	49.3	—	82.5
Expected return on plan assets	(30.5)	—	(56.7)	—	(87.2)
Amortization of prior service cost	0.4	—	—	—	0.4
Amortization of net actuarial loss	10.8	—	8.8	—	19.6
Less expected participant contributions	(0.8)	—	—	—	(0.8)
Net periodic pension cost (benefit)	\$ 21.3	\$ —	\$ 1.4	\$ 0.2	\$ 22.9
Other Postretirement Benefits					
Service cost—benefits earned during the period	\$ 1.2	\$ 0.2	\$ —	\$ —	\$ 1.4
Interest cost on projected benefit obligation	3.9	—	—	—	3.9
Amortization of prior service cost (gain)	(1.8)	—	—	—	(1.8)
Amortization of net actuarial loss (gain)	(0.2)	—	—	—	(0.2)
Net periodic postretirement benefit cost	\$ 3.1	\$ 0.2	\$ —	\$ —	\$ 3.3

Twenty-Six Weeks Ended June 25, 2011

	Twenty-Six Weeks Ended June 26, 2011				
	Canada plans	U.S. plans	U.K. plan	MCI plan	Consolidated
	(In millions)				
Defined Benefit Plans					
Service cost	\$ 9.5	\$ —	\$ —	\$ —	\$ 9.5
Interest cost	36.6	0.2	54.4	—	91.2
Expected return on plan assets	(37.4)	—	(63.1)	—	(100.5)
Amortization of prior service cost	0.4	—	—	—	0.4
Amortization of net actuarial loss	4.7	—	5.5	—	10.2
Less expected participant contributions	(0.8)	—	—	—	(0.8)
Special termination of benefits	—	—	—	—	—
Net periodic pension cost (benefit)	<u>\$ 13.0</u>	<u>\$ 0.2</u>	<u>\$ (3.2)</u>	<u>\$ —</u>	<u>\$ 10.0</u>
Other Postretirement Benefits					
Service cost—benefits earned during the period	\$ 1.0	\$ 0.2	\$ —	—	\$ 1.2
Interest cost on projected benefit obligation	3.9	—	—	—	3.9
Amortization of prior service cost (gain)	(1.9)	—	—	—	(1.9)
Amortization of net actuarial loss	(1.8)	—	—	—	(1.8)
Net periodic postretirement benefit cost	<u>\$ 1.2</u>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1.4</u>

During the first half of 2012, employer contributions to the defined benefit plans for Canada and MCI were \$21.4 million and \$0.4 million, respectively. There were no contributions to the U.K. plan during the first half of 2012. Expected total fiscal year 2012 employer contributions to the Canada, U.K. and MCI defined benefit plans are approximately \$60 million. MillerCoors, Brewers' Retail, Inc. ("BRI") and Brewers' Distributor Limited ("BDL") contributions to their defined benefit pension and other postretirement benefit plans are not included here, as they are not consolidated in our financial statements.

16. Commitments and Contingencies

Kaiser

As discussed in Note 9, "Discontinued Operations," we sold our entire equity interest in Kaiser during 2006 to FEMSA. The terms of the sale agreement require us to indemnify FEMSA for certain exposures related to tax, civil and labor contingencies arising prior to FEMSA's purchase of Kaiser. We provided an indemnity to FEMSA for losses Kaiser may incur with respect to tax claims associated with certain previously utilized purchased tax credits. The maximum potential claims amount remaining for the purchased tax credits was \$220.1 million as of June 30, 2012. As of June 30, 2012, our total estimate of the indemnity liability was \$20.0 million, \$8.0 million of which was classified as a current liability and \$12.0 million of which was classified as non-current.

Additionally, we provided FEMSA with indemnity related to all other tax, civil, and labor contingencies existing as of the date of sale. Our exposure related to these indemnity claims is capped at the amount of the sales price of the 68% equity interest of Kaiser, which was \$68.0 million. The recorded value of the tax, civil, and labor indemnity liability was \$8.4 million as of June 30, 2012, which is classified as non-current.

Future settlement procedures and related negotiation activities associated with these contingencies are largely outside of our control. The sale agreement requires annual cash settlements relating to the tax, civil, and labor indemnities. Indemnity obligations related to purchased tax credits must be settled upon notification of FEMSA's settlement. Due to the uncertainty involved with the ultimate outcome and timing of these contingencies, significant adjustments to the carrying values of the indemnity obligations have been recorded to date, and additional future adjustments may be required. These liabilities are denominated in Brazilian Reals and are therefore subject to foreign exchange gains or losses, which are recognized in the discontinued operations section of the statement of operations.

The table below provides a summary of reserves associated with the Kaiser indemnity obligations from December 31, 2011 , through June 30, 2012 :

	Indemnity Obligations		
	Purchased tax credits indemnity reserve	Tax, civil and labor indemnity reserve	Total indemnity reserves
	(In millions)		
Balance at December 31, 2011	\$ 21.5	\$ 9.1	\$ 30.6
Changes in estimates	—	—	—
Foreign exchange transaction impact	(1.5)	(0.7)	(2.2)
Balance at June 30, 2012	<u>\$ 20.0</u>	<u>\$ 8.4</u>	<u>\$ 28.4</u>

Guarantees

We guarantee indebtedness and other obligations to banks and other third parties for some of our equity method investments and consolidated subsidiaries. We guaranteed our respective share of the indebtedness of BRI related to its CAD 200 million debt which was settled at maturity on June 15, 2011, at which time we were released from our guarantee. The funding from this settlement was from a new short-term loan maturing in June 2012 for which we became a guarantor and a separate guarantee liability was recorded. Due to the structure of the new BRI debt agreement and related guarantees, our liability was reduced which resulted in a corresponding gain in Special items, net of \$2.0 million in the second quarter of 2011. In September 2011, we made a \$93.6 million capital contribution to BRI. BRI used these funds, along with the capital contributions received from its other shareholders, to repay its CAD 200 million debt. Accordingly, we were released from our guarantee of this debt resulting in the complete elimination of our guarantee liability.

Rocky Mountain Metal Container ("RMMC"), a Colorado limited liability company, is a joint venture with Ball Corporation in which MillerCoors holds and consolidates a 50% interest. RMMC produces cans and ends for MillerCoors. Prior to the formation of MillerCoors on July 1, 2008, we held the 50% interest in RMMC and consolidated the results and financial position of RMMC. As of December 25, 2010, we guaranteed \$29.6 million of RMMC debt. As of December 31, 2011 , MillerCoors had refinanced \$16.0 million of this debt and, as a result of this refinancing, we were released from our guarantee of this debt. We continue to guarantee \$9.1 million of RMMC debt as of June 30, 2012 .

Related to our previous ownership in the Montréal Canadiens we guarantee its obligations under a ground lease for the Bell Centre Arena (the "Ground Lease Guarantee"). Upon sale of our interest, the new owners agreed to indemnify us in connection with the liabilities we may incur under the Ground Lease Guarantee and provided us with a CAD 10 million letter of credit to guarantee such indemnity. This transaction did not materially affect our risk exposure related to the Ground Lease Guarantee, which continues to be recognized as a liability on our balance sheet.

Related to guarantees, Other liabilities in the accompanying Condensed Consolidated Balance Sheets include \$6.1 million as of June 30, 2012 , which is non-current; and \$6.1 million as of December 31, 2011 , which is non-current.

Litigation and Other Disputes and Environmental

Related to litigation, other disputes and environmental issues, we have accrued \$22.2 million as of June 30, 2012 , and \$15.3 million as of December 31, 2011 . We believe that any possible losses in excess of the amounts accrued are immaterial to our consolidated financial statements. As discussed below, subsequent to the end of the second quarter we settled our litigation related to a dispute with a former distributor in Brazil for \$6.3 million , which will result in a corresponding reduction in this liability in the third quarter of 2012.

In addition to the specific cases discussed below, we are involved in other disputes and legal actions arising in the ordinary course of our business. While it is not feasible to predict or determine the outcome of these proceedings, in our opinion, based on a review with legal counsel, none of these disputes and legal actions is expected to have a material impact on our consolidated financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business.

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

Litigation and Other Disputes

In 1999, Molson entered into an agreement for the distribution of Molson products in Brazil. In 2000, before commencing that business, Molson terminated the distribution agreement and paid the distributor \$150,000 in settlement. The distributor then sued Molson to set aside the settlement and to seek additional compensation. The Appellate Court of the State of Rio de Janeiro ("Appellate Court") set aside the settlement agreement and determined that Molson was liable to the distributor, with the amount of damages to be determined through subsequent proceedings. An appeal of the liability decision is currently pending before the Brazilian Superior Court of Justice, which allowed Molson's appeal during the fourth quarter of fiscal year 2009 and agreed to hear the merits of Molson's appeal. With respect to damages, the case was remanded to a Rio de Janeiro trial court to determine the amount of damages. The trial court retained an expert who provided a report adopting the position of the distributor and recommended damages based on a business plan that was never implemented. Molson challenged the irregularity of the expert process, the impartiality of the expert, as well as the report's specific recommendation. The trial court denied Molson's challenges. Molson filed an appeal before the Appellate Court regarding these procedural irregularities, which was denied during the fourth quarter of fiscal year 2009. Following the trial court's procedural ruling during the third quarter of 2009, that court handed down a decision in the distributor's favor granting the full amount of the lost anticipated profits alleged by the distributor, approximately \$42 million, plus attorney's fees and interest to accrue from the termination of the distribution agreement. Molson appealed the judgment to the Appellate Court. During the fourth quarter of 2009, the Appellate Court directed the court-retained expert to explain the basis for his damages calculation. During the first quarter of 2010, the Appellate Court granted Molson's appeal and vacated the \$42 million judgment. The Appellate Court remanded the proceeding to the trial court and ordered that court to select a different expert. The Appellate Court furthermore directed the trial court to use specific criteria in setting damages, the effect of which should be to substantially reduce the award. Molson sought clarification as to the precise criteria to be used. In late April 2010, the Appellate Court denied Molson's motion for clarification, but limited the accrual of interest in this matter. In mid October 2010, the Appellate Court denied the distributor's motion to set aside the vacation of the \$42 million judgment. In July 2011, the trial court selected a new expert to formulate a new calculation of damages. During the second quarter of 2012, we entered into settlement negotiations with the distributor and agreed in principle to settle this litigation for approximately \$6.3 million, including legal fees. Subsequent to the end of the second quarter 2012, we finalized the settlement for the \$6.3 million accrued at June 30, 2012.

Environmental

When we determine it is probable that a liability for environmental matters or other legal actions exists and the amount of the loss is reasonably estimable, an estimate of the future 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.

We have been notified that we are or may be a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act or similar state laws for the cleanup of 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.

Canada

Our Canada brewing operations are subject to provincial environmental regulations and local permit requirements. Our Montréal and Toronto breweries have water treatment facilities to pre-treat waste water before it goes to the respective local governmental facility for final treatment. We have environmental programs in Canada including organization, monitoring and verification, regulatory compliance, reporting, education and training, and corrective action.

We sold a chemical specialties business in 1996. The Company is still responsible for certain aspects of environmental remediation, undertaken or planned, at those chemical specialties business locations. We have established provisions for the costs of these remediation programs.

United States

Lowry

We are one of a number of entities named by the Environmental Protection Agency ("EPA") as a PRP at the Lowry Superfund site. This landfill is owned by the City and County of Denver ("Denver") and is managed by Waste Management of Colorado, Inc. ("Waste Management"). In 1990, we recorded a pretax charge of \$30 million, a portion of which was put into a trust in 1993 as part of a settlement with Denver and Waste Management regarding the then-outstanding litigation. Our settlement was based on an assumed remediation cost of \$120 million (in 1992 adjusted dollars). We are obligated to pay a portion of future costs, if any, in excess of that amount.

Waste Management provides us with updated annual cost estimates through 2032. We review these cost estimates in the assessment of our accrual related to this issue. We use certain assumptions that differ from Waste Management's estimates to assess our expected liability. Our expected liability (based on the \$120 million threshold being met) is based on our best estimates available.

The assumptions used are as follows:

- trust management costs are included in projections with regard to the \$120 million threshold, but are expensed only as incurred;
- income taxes, which we believe are not an included cost, are excluded from projections with regard to the \$120 million threshold;
- a 2.5% inflation rate for future costs; and
- certain operations and maintenance costs were discounted using a 1.69% risk-free rate of return.

Based on these assumptions, the present value and gross amount of the costs at June 30, 2012, are approximately \$4.3 million and \$7.8 million, respectively. We did not assume any future recoveries from insurance companies in the estimate of our liability, and none are expected.

Considering the estimates extend through the year 2032 and the related uncertainties at the site, including what additional remedial actions may be required by the EPA, new technologies and what costs are included in the determination of when the \$120 million is reached, the estimate of our liability may change as further facts develop. We cannot predict the amount of any such change, but additional accruals in the future are possible.

Other

In October 2006, we were notified by the EPA that we are a PRP, along with approximately 60 other parties, at the Cooper Drum site in southern California. Certain former non-beer business operations, which we discontinued and sold in the mid-1990s, were involved at this site. We responded to the EPA with information regarding our past involvement with the site. Potential losses associated with the Cooper Drum site could increase as remediation planning progresses.

During the third quarter of 2008, we were notified by the EPA that we are a PRP, along with others, at the East Rutherford and Berry's Creek sites in New Jersey. Certain former non-beer business operations, which we discontinued and sold in the mid-1990s, were involved at this site. Potential losses associated with the Berry's Creek site could increase as remediation planning progresses.

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.

Central Europe

We are subject to the requirements of governmental and local environmental and occupational health and safety laws and regulations within each of the countries in which we operate. Compliance with these laws and regulations did not materially affect our second quarter of 2012 capital expenditures, results of operations or our financial or competitive position, and we do not anticipate that they will do so during the remainder of the year.

United Kingdom

We are subject to the requirements of government and local environmental and occupational health and safety laws and regulations. Compliance with these laws and regulations did not materially affect our second quarter of 2012 capital expenditures, results from operations or our financial or competitive position, and we do not anticipate that they will do so during the remainder of the year.

17. Supplemental Guarantor Information

For purposes of this Note 17, including the tables, "Parent Guarantor, 2007 and 2012 Issuer" shall mean MCBC.

SEC Registered Securities

On June 15, 2007, MCBC issued \$575 million of 2.5% convertible senior notes due July 30, 2013, in a registered public offering (see Note 13, "Debt"). The convertible notes are guaranteed on a senior unsecured basis by the Subsidiary Guarantors. The guarantees are full and unconditional and joint and several.

On May 3, 2012, MCBC issued \$1.9 billion of senior notes, in a registered public offering, consisting of \$300 million 2.0% senior notes due 2017, \$500 million 3.5% senior notes due 2022, and \$1.1 billion 5.0% senior notes due 2042. These senior notes are guaranteed on a senior unsecured basis by the previously reported Subsidiary Guarantors, and the addition of four new guarantors, specifically, Molson Coors Brewing Company (UK) Limited (our primary U.K. operating entity), Golden Acquisition, Molson Coors Holdings Limited, and Molson Coors HoldCo, Inc. The guarantees are full and unconditional and joint and several. The addition of these entities as guarantors of this debt also required the simultaneous addition of these entities as guarantors to our existing senior unsecured notes, pursuant to requirements of the respective debt agreements. This resulted in a change to the presentation of our guarantor financial statements to include the new guarantor entities as guarantors on all current and future filings, as well as on the historical presentation. See Note 13, "Debt" for further discussion of the senior notes issuance.

Other Debt

On September 22, 2005, MC Capital Finance ULC ("MC Capital Finance") issued \$1.1 billion of senior notes consisting of \$300 million 4.85% U.S. publicly registered notes due 2010 and CAD 900 million 5.0% privately placed notes maturing on September 22, 2015. These CAD 900 million senior notes were subsequently exchanged for substantially identical CAD 900 million senior notes which were quantified by way of a prospectus in Canada. In connection with an internal corporate reorganization, Molson Coors International LP ("MCI LP") was subsequently added as a co-issuer of the CAD 900 million senior notes in 2007. During the third quarter of 2010, the \$300 million 4.85% notes were repaid in full. Following the repayment of our \$ 300 million senior notes in 2010 we were no longer required to present the "2005 and 2010 Issuer" column (historically consisting of MC Capital Finance and MCI LP) and as such have removed that column. Additionally, the continuous disclosure requirements applicable to MC Capital Finance in Canada are satisfied through the consolidating financial information in respect of MC Capital Finance, MCI LP and other subsidiary guarantors of the CAD 900 million senior notes as currently presented. Therefore, the results of MC Capital Finance and MCI LP are now included in the Subsidiary Guarantors column.

On October 6, 2010, MCI LP completed a private placement in Canada of CAD 500 million 3.95% fixed rate Series A Notes due 2017. These notes are not publicly registered in the U.S. nor in Canada.

Both the 2005 CAD 900 million senior notes and the 2010 CAD 500 million are guaranteed on a senior and unsecured basis by MCBC and the Subsidiary Guarantors. The guarantees are full and unconditional and joint and several. Funds necessary to meet the debt service obligations of MCI LP and MC Capital Finance are provided in large part by distributions or advances from MCBC's other subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as our financial condition and operating requirements, could limit the ability of MCI LP and MC Capital Finance to obtain cash for the purpose of meeting its debt service obligation, including the payment of principal and interest on the notes.

There were no outstanding borrowings on our 4 -year revolving \$400 million credit facility as of June 30, 2012, and December 31, 2011, which was issued in the second quarter of 2011.

On April 3, 2012, MCBC entered into a \$300 million term loan agreement, consisting of two tranches, of \$150 million and the Euro equivalent of \$150 million (or €120 million) both of which were funded upon close of the Acquisition on June 15, 2012. Additionally, we entered into a 4 -year revolving \$300 million credit facility that was subsequently amended to increase the borrowing limit to \$550 million. There were no outstanding borrowings on our \$550 million credit facility as of June 30, 2012. These loan facilities are not publicly registered in the U.S. nor in Canada. See Note 13, "Debt" for further discussion related to these agreements.

On June 15, 2012, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note due 2013 (the "Convertible Note") to the Seller in conjunction with the closing of the Acquisition. The Convertible Note matures on December 31, 2013 and is a senior unsecured obligation guaranteed by MCBC. See Note 13, "Debt" for further discussion related to the Convertible Note issuance.

Presentation

On May 7, 2002, CBC completed a public offering of \$850 million principal amount of 6.375% 10 -year senior notes due 2012, which were repaid in full during the second quarter of 2012. Following the repayment, we are no longer required to present the "2002 Issuer" column (historically representing CBC) and as such have removed the column from the current and historical guarantor financial statements. CBC remains a guarantor of our existing senior unsecured notes, as such, the results of CBC are now included in the Subsidiary Guarantors column.

In connection with our adoption in the first quarter of 2012 of new authoritative guidance related to the presentation of other comprehensive income as a component of the consolidating guarantor statement of operations, during the second quarter of 2012 we identified an adjustment to the calculation of Other comprehensive income, as a component of Comprehensive

income attributable to MCBC, as previously disclosed within the first quarter 2012 condensed consolidating guarantor statements of operations ("GSOs"). These corrections are reflected in the GSOs for the twenty-six weeks ended June 30, 2012 and June 25, 2011, respectively. The impact of these changes to the Comprehensive income attributable to MCBC as presented below is limited to the Other comprehensive income component of Comprehensive income. Additionally, the corrections did not have an impact on the historical condensed consolidating guarantor balance sheets or statements of cash flows.

Condensed Consolidating Statements of Operations

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
(In millions)					
Thirteen Weeks Ended March 31, 2012					
Comprehensive income attributable to MCBC - as reported(1)	\$ 56.1	\$ 292.5	\$ (164.6)	\$ 6.6	\$ 190.6
Comprehensive income attributable to MCBC - as adjusted	\$ 190.6	\$ 219.4	\$ (100.6)	\$ (118.8)	\$ 190.6
Thirteen Weeks Ended March 26, 2011					
Comprehensive income attributable to MCBC - as reported(1)	\$ 113.1	\$ 406.4	\$ (163.7)	\$ (102.4)	\$ 253.4
Comprehensive income attributable to MCBC - as adjusted	\$ 253.4	\$ 476.3	\$ (85.9)	\$ (390.4)	\$ 253.4

- (1) Amounts as previously reported within the first quarter 2012 recast GSOs to include Molson Coors Brewing Company (UK) Limited (our primary U.K. operating entity), Golden Acquisition, and Molson Coors Holdings Limited as subsidiary guarantors. Additionally, the corrections to amounts previously reported for the 2002 Issuer are now reflected under the current structure within the subsidiary guarantor activity.

During the third quarter of 2011, we identified necessary changes to our historical treatment of intercompany distributions within the guarantor financial statements. These distributions represented a return of capital and therefore should not have been reflected in our consolidating statements of operations. While consolidated totals were not impacted, the amounts presented in our historical GSOs have been retrospectively adjusted to correct the presentation to allow for comparative information within the GSOs as indicated in the tables below. All adjustments to amounts previously reported for the 2002 Issuer or 2005 and 2010 Issuers are now reflected under the current structure within the subsidiary guarantor activity. Additionally, during the first quarter of 2012, we identified necessary changes to our historical guarantor financial statements related to intercompany transactions.

Condensed Consolidating Statements of Operations

	June 25, 2011				
	As previously reported(1)				
	(In millions)				
	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Equity income (loss) in subsidiaries, 13 weeks ended	\$ 223.2	\$ 7.5	\$ 132.7	\$ (363.4)	\$ —
Equity income (loss) in subsidiaries, 26 weeks ended	\$ 409.1	\$ (120.2)	\$ 176.9	\$ (465.8)	\$ —
Interest income (expense), net, 13 weeks ended	\$ (8.4)	\$ 191.9	\$ (210.9)	\$ (0.3)	\$ (27.7)
Interest income (expense), net, 26 weeks ended	\$ (16.8)	\$ 270.7	\$ (308.1)	\$ (0.3)	\$ (54.5)
Other income (expense), net, 13 weeks ended	\$ (0.1)	\$ (2.3)	\$ 118.6	\$ (118.0)	\$ (1.8)
Other income (expense), net, 26 weeks ended	\$ 1.3	\$ 99.3	\$ 118.9	\$ (222.0)	\$ (2.5)
Income (loss) from continuing operations before income taxes, 13 weeks ended	\$ 190.4	\$ 549.9	\$ 9.9	\$ (481.7)	\$ 268.5
Income (loss) from continuing operations before income taxes, 26 weeks ended	\$ 342.4	\$ 785.1	\$ (72.4)	\$ (688.1)	\$ 367.0
Net income (loss) attributable to MCBC, 13 weeks ended	\$ 222.8	\$ 466.1	\$ 15.6	\$ (481.7)	\$ 222.8
Net income (loss) attributable to MCBC, 26 weeks ended	\$ 305.7	\$ 755.2	\$ (67.1)	\$ (688.1)	\$ 305.7

- (1) Amounts as previously reported within the second quarter 2011 GSOs have been recast to include Molson Coors Brewing Company (UK) Limited (our primary U.K. operating entity), Golden Acquisition, and Molson Coors Holdings Limited as subsidiary guarantors as a result of our May 3, 2012 senior note issuance. Additionally, the corrections to amounts previously reported for the 2002 Issuer and 2005 and 2010 Issuers are now reflected under the current structure within the subsidiary guarantor activity.

June 25, 2011

As adjusted

	(In millions)				
	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Conse
Equity income (loss) in subsidiaries, 13 weeks ended	\$ 223.2	\$ (99.8)	\$ 132.7	\$ (256.1)	\$
Equity income (loss) in subsidiaries, 26 weeks ended	\$ 409.1	\$ (227.5)	\$ 176.9	\$ (358.5)	\$
Interest income (expense), net, 13 weeks ended	\$ (8.4)	\$ 56.5	\$ (75.8)	\$ —	\$
Interest income (expense), net, 26 weeks ended	\$ (16.8)	\$ 135.3	\$ (173.0)	\$ —	\$
Other income (expense), net, 13 weeks ended	\$ (0.1)	\$ (2.3)	\$ 0.6	\$ —	\$
Other income (expense), net, 26 weeks ended	\$ 1.3	\$ (4.7)	\$ 0.9	\$ —	\$
Income (loss) from continuing operations before income taxes, 13 weeks ended	\$ 190.4	\$ 307.2	\$ 27.0	\$ (256.1)	\$
Income (loss) from continuing operations before income taxes, 26 weeks ended	\$ 342.4	\$ 438.4	\$ (55.3)	\$ (358.5)	\$
Net income (loss) attributable to MCBC, 13 weeks ended	\$ 222.8	\$ 223.4	\$ 32.7	\$ (256.1)	\$
Net income (loss) attributable to MCBC, 26 weeks ended	\$ 305.7	\$ 408.5	\$ (50.0)	\$ (358.5)	\$

The following information sets forth the Condensed Consolidating Statements of Operations for the 13 and 26 weeks ended June 30, 2012 , and June 25, 2011 , Condensed Consolidating Balance Sheets as of June 30, 2012 , and December 31, 2011 , and Condensed Consolidating Statements of Cash Flows for the 26 weeks ended June 30, 2012 , and June 25, 2011 . Investments in subsidiaries are accounted for on the equity method; accordingly, entries necessary to consolidate the Parent Guarantor, each of the issuers and all of our guarantor and non-guarantor subsidiaries are reflected in the eliminations column. In the opinion of management, separate complete financial statements of MCBC and the Subsidiary Guarantors would not provide additional material information that would be useful in assessing their financial composition.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THIRTEEN WEEKS ENDED JUNE 30, 2012
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 7.7	\$ 1,328.9	\$ 162.9	\$ (58.6)	\$ 1,440.9
Excise taxes	—	(410.8)	(30.7)	—	(441.5)
Net sales	7.7	918.1	132.2	(58.6)	999.4
Cost of goods sold	—	(508.2)	(120.7)	48.8	(580.1)
Gross profit	7.7	409.9	11.5	(9.8)	419.3
Marketing, general and administrative expenses	(50.9)	(219.7)	(44.0)	9.8	(304.8)
Special items, net	—	(10.8)	(10.4)	—	(21.2)
Equity income (loss) in subsidiaries	205.3	(181.6)	123.7	(147.4)	—
Equity income in MillerCoors	—	185.6	—	—	185.6
Operating income (loss)	162.1	183.4	80.8	(147.4)	278.9
Interest income (expense), net	(55.4)	64.1	(93.3)	—	(84.6)
Other income (expense), net	(19.2)	3.8	(55.1)	—	(70.5)
Income (loss) from continuing operations before income taxes	87.5	251.3	(67.6)	(147.4)	123.8
Income tax benefit (expense)	17.6	(52.8)	9.3	—	(25.9)
Net income (loss) from continuing operations	105.1	198.5	(58.3)	(147.4)	97.9
Income (loss) from discontinued operations, net of tax	—	—	0.8	—	0.8
Net income (loss) including noncontrolling interests	105.1	198.5	(57.5)	(147.4)	98.7
Add back (less): Loss (net income) attributable to noncontrolling interests	—	—	6.4	—	6.4
Net income (loss) attributable to MCBC	\$ 105.1	\$ 198.5	\$ (51.1)	\$ (147.4)	\$ 105.1
Comprehensive income attributable to MCBC	\$ 55.7	\$ 125.6	\$ (4.5)	\$ (121.1)	\$ 55.7

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THIRTEEN WEEKS ENDED JUNE 25, 2011
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 8.0	\$ 1,340.8	\$ 85.5	\$ (51.2)	\$ 1,383.1
Excise taxes	—	(434.3)	(15.2)	—	(449.5)
Net sales	8.0	906.5	70.3	(51.2)	933.6
Cost of goods sold	—	(488.5)	(78.1)	42.7	(523.9)
Gross profit	8.0	418.0	(7.8)	(8.5)	409.7
Marketing, general and administrative expenses	(31.8)	(226.5)	(22.7)	8.5	(272.5)
Special items, net	(0.5)	(10.5)	—	—	(11.0)
Equity income (loss) in subsidiaries	223.2	(99.8)	132.7	(256.1)	—
Equity income in MillerCoors	—	171.8	—	—	171.8
Operating income (loss)	198.9	253.0	102.2	(256.1)	298.0
Interest income (expense), net	(8.4)	56.5	(75.8)	—	(27.7)
Other income (expense), net	(0.1)	(2.3)	0.6	—	(1.8)
Income (loss) from continuing operations before income taxes	190.4	307.2	27.0	(256.1)	268.5
Income tax benefit (expense)	32.4	(84.5)	8.9	—	(43.2)
Net income (loss) from continuing operations	222.8	222.7	35.9	(256.1)	225.3
Income (loss) from discontinued operations, net of tax	—	—	(1.5)	—	(1.5)
Net income (loss) including noncontrolling interests	222.8	222.7	34.4	(256.1)	223.8
Add back (less): Loss (net income) attributable to noncontrolling interests	—	0.7	(1.7)	—	(1.0)
Net income (loss) attributable to MCBC	\$ 222.8	\$ 223.4	\$ 32.7	\$ (256.1)	\$ 222.8
Comprehensive income attributable to MCBC	\$ 190.1	\$ 44.1	\$ 112.4	\$ (156.5)	\$ 190.1

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE TWENTY-SIX WEEKS ENDED JUNE 30, 2012
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 13.2	\$ 2,311.6	\$ 222.6	\$ (98.4)	\$ 2,449.0
Excise taxes	—	(714.7)	(43.5)	—	(758.2)
Net sales	13.2	1,596.9	179.1	(98.4)	1,690.8
Cost of goods sold	—	(924.8)	(175.2)	81.1	(1,018.9)
Gross profit	13.2	672.1	3.9	(17.3)	671.9
Marketing, general and administrative expenses	(85.4)	(421.7)	(63.2)	17.3	(553.0)
Special items, net	(1.1)	(11.2)	(10.4)	—	(22.7)
Equity income (loss) in subsidiaries	290.2	(299.1)	149.7	(140.8)	—
Equity income in MillerCoors	—	304.5	—	—	304.5
Operating income (loss)	216.9	244.6	80.0	(140.8)	400.7
Interest income (expense), net	(55.4)	138.2	(191.2)	—	(108.4)
Other income (expense), net	(7.1)	(8.9)	(55.9)	—	(71.9)
Income (loss) from continuing operations before income taxes	154.4	373.9	(167.1)	(140.8)	220.4
Income tax benefit (expense)	30.2	(90.5)	17.1	—	(43.2)
Net income (loss) from continuing operations	184.6	283.4	(150.0)	(140.8)	177.2
Income (loss) from discontinued operations, net of tax	—	—	0.9	—	0.9
Net income (loss) including noncontrolling interests	184.6	283.4	(149.1)	(140.8)	178.1
Add back (less): Loss (net income) attributable to noncontrolling interests	—	—	6.5	—	6.5
Net income (loss) attributable to MCBC	\$ 184.6	\$ 283.4	\$ (142.6)	\$ (140.8)	\$ 184.6
Comprehensive income attributable to MCBC	\$ 246.3	\$ 345.0	\$ (105.1)	\$ (239.9)	\$ 246.3

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE TWENTY-SIX WEEKS ENDED JUNE 25, 2011
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 13.8	\$ 2,340.7	\$ 111.2	\$ (85.3)	\$ 2,380.4
Excise taxes	—	(736.9)	(19.5)	—	(756.4)
Net sales	13.8	1,603.8	91.7	(85.3)	1,624.0
Cost of goods sold	—	(905.1)	(116.9)	70.9	(951.1)
Gross profit	13.8	698.7	(25.2)	(14.4)	672.9
Marketing, general and administrative expenses	(64.5)	(425.9)	(34.9)	14.4	(510.9)
Special items, net	(0.5)	(10.5)	—	—	(11.0)
Equity income (loss) in subsidiaries	409.1	(227.5)	176.9	(358.5)	—
Equity income in MillerCoors	—	273.0	—	—	273.0
Operating income (loss)	357.9	307.8	116.8	(358.5)	424.0
Interest income (expense), net	(16.8)	135.3	(173.0)	—	(54.5)
Other income (expense), net	1.3	(4.7)	0.9	—	(2.5)
Income (loss) from continuing operations before income taxes	342.4	438.4	(55.3)	(358.5)	367.0
Income tax benefit (expense)	(36.7)	(29.9)	7.3	—	(59.3)
Net income (loss) from continuing operations	305.7	408.5	(48.0)	(358.5)	307.7
Income (loss) from discontinued operations, net of tax	—	—	(1.2)	—	(1.2)
Net income (loss) including noncontrolling interests	305.7	408.5	(49.2)	(358.5)	306.5
Add back (less): Loss (net income) attributable to noncontrolling interests	—	—	(0.8)	—	(0.8)
Net income (loss) attributable to MCBC	\$ 305.7	\$ 408.5	\$ (50.0)	\$ (358.5)	\$ 305.7
Comprehensive income attributable to MCBC	\$ 443.5	\$ 520.4	\$ 26.5	\$ (546.9)	\$ 443.5

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF JUNE 30, 2012
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 80.8	\$ 186.3	\$ 248.9	\$ —	\$ 516.0
Accounts receivable, net	2.0	526.3	211.6	—	739.9
Other receivables, net	48.8	73.3	14.3	(0.2)	136.2
Total inventories, net	—	207.2	61.5	—	268.7
Other assets, net	12.5	84.7	43.2	—	140.4
Deferred tax assets	—	—	32.9	(0.5)	32.4
Intercompany accounts receivable	—	1,488.8	848.0	(2,336.8)	—
Total current assets	144.1	2,566.6	1,460.4	(2,337.5)	1,833.6
Properties, net	28.3	1,298.9	650.5	—	1,977.7
Goodwill	—	1,041.9	1,246.1	—	2,288.0
Other intangibles, net	—	4,531.6	2,593.7	—	7,125.3
Investment in MillerCoors	—	2,605.8	—	—	2,605.8
Net investment in and advances to subsidiaries	11,072.1	2,307.7	5,576.6	(18,956.4)	—
Deferred tax assets	32.6	147.0	9.2	(34.4)	154.4
Other assets, net	42.4	153.0	56.5	—	251.9
Total assets	\$ 11,319.5	\$ 14,652.5	\$ 11,593.0	\$ (21,328.3)	\$ 16,236.7
Liabilities and equity					
Current liabilities:					
Accounts payable	\$ 11.0	\$ 240.2	\$ 240.8	\$ —	\$ 492.0
Accrued expenses and other liabilities, net	67.3	554.5	177.8	(0.2)	799.4
Derivative hedging instruments	—	6.4	—	—	6.4
Deferred tax liability	6.6	165.4	—	(0.5)	171.5
Current portion of long-term debt and short-term borrowings	15.0	653.0	134.5	—	802.5
Discontinued operations	—	—	14.3	—	14.3
Intercompany accounts payable	813.6	846.3	676.9	(2,336.8)	—
Total current liabilities	913.5	2,465.8	1,244.3	(2,337.5)	2,286.1
Long-term debt	2,585.5	1,375.3	137.1	—	4,097.9
Derivative hedging instruments	—	209.8	—	—	209.8
Pension and post-retirement benefits	—	681.3	5.9	—	687.2
Deferred tax liability	—	—	918.2	(34.4)	883.8
Other liabilities, net	9.7	48.7	111.2	—	169.6
Discontinued operations	—	—	20.4	—	20.4
Intercompany notes payable	—	1,103.7	6,712.7	(7,816.4)	—
Total liabilities	3,508.7	5,884.6	9,149.8	(10,188.3)	8,354.8
MCBC stockholders' equity	8,654.3	14,845.4	3,267.5	(18,956.4)	7,810.8
Intercompany notes receivable	(843.5)	(6,077.5)	(895.4)	7,816.4	—
Total stockholders' equity	7,810.8	8,767.9	2,372.1	(11,140.0)	7,810.8
Noncontrolling interests	—	—	71.1	—	71.1
Total equity	7,810.8	8,767.9	2,443.2	(11,140.0)	7,881.9
Total liabilities and equity	\$ 11,319.5	\$ 14,652.5	\$ 11,593.0	\$ (21,328.3)	\$ 16,236.7

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2011
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 601.1	\$ 422.5	\$ 55.3	\$ —	\$ 1,078.9
Accounts receivable, net	0.9	550.8	37.1	—	588.8
Other receivables, net	46.9	84.0	6.3	—	137.2
Total inventories, net	—	193.0	14.2	—	207.2
Other assets, net	9.7	74.2	10.1	—	94.0
Deferred tax assets	—	—	12.1	(0.5)	11.6
Discontinued operations	—	—	0.3	—	0.3
Intercompany accounts receivable	—	1,522.0	1,612.9	(3,134.9)	—
Total current assets	658.6	2,846.5	1,748.3	(3,135.4)	2,118.0
Properties, net	27.6	1,314.0	88.5	—	1,430.1
Goodwill	—	1,033.0	420.3	—	1,453.3
Other intangibles, net	—	4,525.3	60.7	—	4,586.0
Investment in MillerCoors	—	2,487.9	—	—	2,487.9
Net investment in and advances to subsidiaries	7,925.2	1,056.3	5,363.3	(14,344.8)	—
Deferred tax assets	33.1	149.2	2.3	(34.7)	149.9
Other assets	19.8	155.6	23.2	—	198.6
Total assets	<u>\$ 8,664.3</u>	<u>\$ 13,567.8</u>	<u>\$ 7,706.6</u>	<u>\$ (17,514.9)</u>	<u>\$ 12,423.8</u>
Liabilities and equity					
Current liabilities:					
Accounts payable	\$ 7.3	\$ 256.1	\$ 37.8	\$ —	\$ 301.2
Accrued expenses and other liabilities	34.6	579.9	32.3	—	646.8
Derivative hedging instruments	—	107.6	—	—	107.6
Deferred tax liability	6.2	155.6	—	(0.5)	161.3
Short-term borrowings and current portion of long-term debt	—	44.7	2.2	—	46.9
Discontinued operations	—	—	13.4	—	13.4
Intercompany accounts payable	413.8	1,646.6	1,074.5	(3,134.9)	—
Total current liabilities	461.9	2,790.5	1,160.2	(3,135.4)	1,277.2
Long-term debt	546.2	1,368.7	—	—	1,914.9
Pension and post-retirement benefits	—	693.6	3.9	—	697.5
Derivative hedging instruments	—	212.5	—	—	212.5
Deferred tax liability	—	—	490.3	(34.7)	455.6
Other liabilities, net	8.3	53.0	92.6	—	153.9
Discontinued operations	—	—	22.0	—	22.0
Intercompany notes payable	—	1,504.0	4,971.6	(6,475.6)	—
Total liabilities	1,016.4	6,622.3	6,740.6	(9,645.7)	4,733.6
MCBC stockholders' equity	8,267.8	11,917.0	1,807.9	(14,344.8)	7,647.9
Intercompany notes receivable	(619.9)	(4,971.5)	(884.2)	6,475.6	—
Total stockholders' equity	7,647.9	6,945.5	923.7	(7,869.2)	7,647.9
Noncontrolling interests	—	—	42.3	—	42.3
Total equity	7,647.9	6,945.5	966.0	(7,869.2)	7,690.2
Total liabilities and equity	<u>\$ 8,664.3</u>	<u>\$ 13,567.8</u>	<u>\$ 7,706.6</u>	<u>\$ (17,514.9)</u>	<u>\$ 12,423.8</u>

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE TWENTY-SIX WEEKS ENDED JUNE 30, 2012
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 374.8	\$ 664.9	\$ (547.9)	\$ (94.4)	\$ 397.4
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(5.4)	(63.3)	(12.7)	—	(81.4)
Proceeds from sales of properties and intangible assets	—	1.0	0.3	—	1.3
Acquisition of businesses, net of cash acquired	—	—	(2,257.4)	—	(2,257.4)
Investment in MillerCoors	—	(565.7)	—	—	(565.7)
Return of capital from MillerCoors	—	459.9	—	—	459.9
Payments on settlement of derivative instruments	—	(110.6)	—	—	(110.6)
Investment in and advances to an unconsolidated affiliate	—	(2.6)	(1.1)	—	(3.7)
Trade loan repayments from customers	—	9.5	—	—	9.5
Trade loans advanced to customers	—	(4.6)	—	—	(4.6)
Net intercompany investing activity	(2,811.6)	(2,659.9)	—	5,471.5	—
Net cash provided by (used in) investing activities	(2,817.0)	(2,936.3)	(2,270.9)	5,471.5	(2,552.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	20.8	—	—	—	20.8
Excess tax benefits from share-based compensation	3.5	—	—	—	3.5
Dividends paid	(108.6)	(97.5)	(4.2)	94.4	(115.9)
Dividends paid to noncontrolling interests holders	—	(2.9)	—	—	(2.9)
Debt issuance costs	(39.2)	—	—	—	(39.2)
Proceeds from issuances of long-term debt	2,045.4	—	150.0	—	2,195.4
Payments on long-term debt and capital lease obligations	—	(44.8)	—	—	(44.8)
Payments on debt assumed in acquisition	—	—	(424.3)	—	(424.3)
Proceeds from short-term borrowings	—	—	2.5	—	2.5
Payments on short-term borrowings	—	—	(13.5)	—	(13.5)
Payments on settlement of derivative instruments	—	(4.0)	—	—	(4.0)
Net (payments) proceeds from revolving credit facilities	—	—	3.9	—	3.9
Change in overdraft balances and other	—	—	2.1	—	2.1
Net intercompany financing activity	—	2,178.2	3,293.3	(5,471.5)	—
Net cash provided by (used in) financing activities	1,921.9	2,029.0	3,009.8	(5,377.1)	1,583.6
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	(520.3)	(242.4)	191.0	—	(571.7)
Effect of foreign exchange rate changes on cash and cash equivalents	—	6.2	2.6	—	8.8
Balance at beginning of year	601.1	422.5	55.3	—	1,078.9
Balance at end of period	\$ 80.8	\$ 186.3	\$ 248.9	\$ —	\$ 516.0

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE TWENTY-SIX WEEKS ENDED JUNE 25, 2011
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor, 2007 and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Net cash (used in) provided by operating activities	\$ 127.3	\$ (696.5)	\$ 975.5	\$ (134.5)	\$ 271.8
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(1.6)	(50.0)	(20.9)	—	(72.5)
Proceeds from sales of properties and intangible assets	—	—	1.2	—	1.2
Acquisition of businesses, net of cash acquired	—	—	(41.3)	—	(41.3)
Change in restricted cash balance	—	—	2.7	—	2.7
Investment in MillerCoors	—	(470.4)	—	—	(470.4)
Return of capital from MillerCoors	—	376.4	—	—	376.4
Proceeds from settlements of derivative instruments	15.4	—	—	—	15.4
Investment in and advances to an unconsolidated affiliate	—	—	(5.7)	—	(5.7)
Trade loan repayments from customers	—	1.3	6.3	—	7.6
Trade loans advanced to customers	—	(0.1)	(5.1)	—	(5.2)
Other	—	—	—	—	—
Net intercompany investing activity	0.1	2,251.2	1,497.6	(3,748.9)	—
Net cash provided by (used in) investing activities	13.9	2,108.4	1,434.8	(3,748.9)	(191.8)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	6.3	—	—	—	6.3
Excess tax benefits from share-based compensation	0.9	—	—	—	0.9
Dividends paid	(99.1)	—	(147.5)	134.5	(112.1)
Dividends paid to noncontrolling interest holders	—	—	(1.5)	—	(1.5)
Debt issuance costs	(2.2)	—	—	—	(2.2)
Payments on short-term borrowings, net	—	—	(8.5)	—	(8.5)
Net (payments) proceeds from revolving credit facilities	—	—	2.6	—	2.6
Change in overdraft balances and other	—	—	(10.8)	—	(10.8)
Net intercompany financing activity	—	(1,497.8)	(2,251.1)	3,748.9	—
Net cash provided by (used in) financing activities	(94.1)	(1,497.8)	(2,416.8)	3,883.4	(125.3)
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	47.1	(85.9)	(6.5)	—	(45.3)
Effect of foreign exchange rate changes on cash and cash equivalents	—	2.5	9.4	—	11.9
Balance at beginning of year	832.0	349.5	36.1	—	1,217.6
Balance at end of period	\$ 879.1	\$ 266.1	\$ 39.0	\$ —	\$ 1,184.2

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements, the accompanying notes, and the MD&A included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 ("Annual Report"), as well as our unaudited condensed consolidated financial statements and the accompanying notes included in this Form 10-Q. Due to the seasonality of our operating results, quarterly financial results are not an appropriate basis from which to project annual results.

Unless otherwise noted in this report, any description of "we", "us" or "our" includes Molson Coors Brewing Company ("MCBC" or the "Company"), principally a holding company, and its subsidiaries. On June 15, 2012, we completed our acquisition (the "Acquisition") of StarBev Holdings S.à r.l. ("StarBev"), which we have renamed Molson Coors Central Europe ("MCCE"), operating in Central Europe (which includes Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary, Montenegro, Bosnia-Herzegovina and Slovakia). Our other subsidiaries include: Molson Coors Canada ("MCC"), operating in Canada; MillerCoors LLC ("MillerCoors"), which is accounted for by us under the equity method of accounting, operating in the United States ("U.S."); Molson Coors Brewing Company (UK) Limited ("MCBC-UK"), operating in the United Kingdom ("U.K.") and the Republic of Ireland; Molson Coors International ("MCI"), operating in various other countries; and our other non-operating subsidiaries.

Unless otherwise indicated, (a) all \$ amounts are in U.S. Dollars ("USD"), (b) comparisons are to comparable prior periods, and (c) the second quarter of 2012 refers to the 13 weeks ended June 30, 2012, the second quarter of 2011 refers to the 13 weeks ended June 25, 2011, and (d) first half of 2012 refers to the 26 weeks ended June 30, 2012, first half of 2011 refers to the 26 weeks ended June 25, 2011.

MillerCoors and MCCE follow a monthly reporting calendar. The second quarter and first half of 2012 and 2011 refer to the three and six months ended June 30, 2012 and June 30, 2011, respectively, except for MCCE where the second quarter and first half of 2012 refer to the two week period from the Acquisition date of June 15, 2012 through June 30, 2012.

In addition to financial measures presented on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"), we also present pretax and after-tax "underlying income", "underlying income per diluted share", "underlying effective tax rate", "underlying free cash flow" and "proportionate consolidation of 42% of MillerCoors results", which are non-GAAP measures and should be viewed as supplements to—not substitutes for—our results of operations presented under U.S. GAAP. Our management uses underlying income, underlying income per diluted share, underlying effective tax rate, underlying free cash flow and proportionate consolidation of 42% of MillerCoors results as measures of operating performance to assist in comparing performance from period to period on a consistent basis; as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; and in communications with the board of directors, stockholders, analysts and investors concerning our financial performance. We believe that underlying income, underlying income per diluted share, underlying tax rate and underlying free cash flow performance are used by and are useful to investors and other users of our financial statements in evaluating our operating performance because they provide an additional tool to evaluate our performance without regard to special and non-core items, which can vary substantially from company to company depending upon accounting methods and book value of assets and capital structure. Additionally, the proportionate consolidation of 42% of MillerCoors results is used by management and we believe it is useful to investors as it provides a view of key metrics such as net sales, gross profit margin and operating margin as if our U.S. results were consolidated, rather than reported as equity income. We have provided reconciliations of all non-GAAP measures to their nearest U.S. GAAP measure.

Business Overview

Acquisition of StarBev

On June 15, 2012, we completed the Acquisition of StarBev from StarBev L.P. (the "Seller") for €2.7 billion (or \$3.4 billion), including the assumption and payoff of existing StarBev indebtedness. Headquartered in Amsterdam and Prague, StarBev is one of the largest brewers in Central Europe. StarBev, which we renamed Molson Coors Central Europe ("MCCE"), operates nine breweries in Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary and Montenegro and sold approximately 13.3 million hectoliters of beer in 2011. It also sells its brands in Bosnia-Herzegovina and Slovakia. In 2011, StarBev held a top-three market share position in each of its markets, and its brand portfolio includes local champions such as *Staropramen*, *Borsodi*, *Kamenitza*, *Bergenbier*, *Ožujsko*, *Jelen*, and *Nikšicko*, and also brews and distributes other brands under license. *Staropramen* is distributed and sold in over 30 countries. The operating results of MCCE are reported in our new Central Europe operating segment.

The Acquisition fits squarely into our strategy to increase our portfolio of premium brands and deepen our reach into growth markets around the world. We believe the Central European beer market is attractive, with strong historical trends and upside potential as the region returns to its pre-economic-crisis growth rates. We believe MCCE, as a market leader in the Central European region, will provide us with a platform for growth and an excellent foundation from which to extend our key brands, such as *Carling*, into Central Europe. We believe that *Staropramen*, MCCE's international flagship brand, will also enhance our portfolio in some of our current and planned markets.

Second Quarter 2012 Financial Highlights:

Net income from continuing operations attributable to MCBC of \$104.3 million, or \$0.57 per diluted share, decreased 53.5% from a year ago primarily due to financing and acquisition-related costs, unfavorable foreign exchange, input inflation, higher special charges and higher pension costs in Canada and the U.K., partially offset by including the results of our new Central Europe segment and higher equity income in the U.S. Underlying after-tax income of \$250.1 million, or \$1.38 per diluted share, increased 8.0%, driven by including the results of our new Central Europe segment, positive beer pricing and sales mix in the U.S. and Canada, partially offset by lower underlying earnings in the U.K. and MCI and unfavorable foreign exchange. Our second quarter underlying income excludes some special and other non-core gains, losses and expenses that net to a \$178.9 million pretax charge.

Regional highlights include:

- In our Canada segment, income from continuing operations before income taxes and underlying pretax income increased 6.1% to \$139.9 million while underlying pretax income decreased 0.6% to \$139.0 million, driven by unfavorable foreign currency movements, increased marketing and sales investments and cycling lower employee incentive costs in 2011, largely offset by higher volume, positive net pricing, cost reductions, and income from the addition of the contract brewing sales to North American Breweries ("NAB").
- In our U.S. segment, equity income in MillerCoors and underlying equity income in MillerCoors increased 8.0% to \$185.6 million and 7.2% to \$184.6 million, respectively, driven by positive pricing, favorable brand mix and cost management.
- Our newly formed Central Europe segment reported income from continuing operations before income taxes of \$12.4 million, and underlying pretax income of \$19.7 million from the Acquisition date of June 15, 2012 through June 30, 2012.
- In our U.K. segment, income from continuing operations before income taxes decreased \$16.0 million to \$16.3 million. Underlying pretax income of \$28.0 million represents a decrease of \$6.7 million, primarily due to lower volume, higher pension expense and higher marketing investment, partially offset by lower overhead costs.
- In our MCI segment, loss from continuing operations before income taxes increased \$13.7 million to \$24.3 million while underlying pretax loss increased by \$3.3 million to \$13.4 million, due to the addition of costs related to the Molson Coors Cobra India joint venture and infrastructure investments and the effect of asset-value and cost adjustments in our Molson Coors Si'hai joint venture, partially offset by higher volumes.

See "Results of Operations" below for further analysis of our reportable segment results.

The following table highlights summarized components of our condensed consolidated summary of operations for the 13 and 26 weeks ended June 30, 2012 , and June 25, 2011 , and provides a reconciliation of "underlying income" to its nearest U.S. GAAP measure.

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
(In millions, except percentages and per share data)						
Volume in hectoliters	5.799	4.964	16.8 %	9.404	8.642	8.8 %
Net sales	\$ 999.4	\$ 933.6	7.0 %	1,690.8	\$ 1,624.0	4.1 %
Net income attributable to MCBC from continuing operations	\$ 104.3	\$ 224.3	(53.5)%	\$ 183.7	\$ 306.9	(40.1)%
Adjustments:						
Special items(1)	21.2	11.0	92.7 %	22.7	11.0	106.4 %
42% of MillerCoors specials, net of tax(2)	(1.0)	0.4	N/M	(1.0)	1.0	N/M
Acquisition non-financing-related costs(3)	25.3	—	N/M	31.4	—	N/M
Acquisition financing-related costs(4)	62.9	—	N/M	62.9	—	N/M
Acquisition-related inventory step-up(5)	8.6	—	N/M	8.6	—	N/M
Euro currency purchase loss(6)	57.9	—	N/M	57.9	—	N/M
Unrealized loss on convertible note(7)	5.6	—	N/M	5.6	—	N/M
Unrealized foreign exchange gain on Acquisition financing instruments(8)	(0.6)	—	N/M	(0.6)	—	N/M
Unrealized gain on commodity swaps(9)	(1.5)	—	N/M	(2.0)	—	N/M
Molson Coors Si'hai acquisition-related costs(10)	0.5	—	N/M	0.5	—	N/M
Employee related expense(11)	—	—	N/M	(0.7)	—	N/M
Foster's total return swap(12)	—	—	N/M	—	(0.8)	N/M
Changes to environmental litigation provisions(13)	—	(0.1)	N/M	—	0.1	N/M
Noncontrolling interest effect on special items(14)	(5.1)	—	N/M	(5.1)	—	N/M
Tax effect on special items(15)	(28.0)	(4.0)	N/M	(28.4)	(5.0)	N/M
Non-GAAP: Underlying income attributable to MCBC from continuing operations, net of tax	\$ 250.1	\$ 231.6	8.0 %	\$ 335.5	\$ 313.2	7.1 %
Income attributable to MCBC per diluted share from continuing operations	\$ 0.57	\$ 1.19	(52.1)%	\$ 1.01	\$ 1.63	(38.0)%
Non-GAAP: Underlying income attributable to MCBC per diluted share from continuing operations	\$ 1.38	\$ 1.23	12.2 %	\$ 1.85	\$ 1.66	11.4 %

N/M = Not meaningful

(1) See Part I—Item 1. Financial Statements, Note 7 "Special Items" of the unaudited condensed consolidated financial statements for additional information.

- (2) See "Results of Operations", "United States Segment" under the sub-heading "Special Items" for additional information. The tax effect related to our share of MillerCoors special items was zero for the 13 and 26 weeks ended June 30, 2012, and zero for the 13 and 26 weeks ended June 25, 2011. The effect of taxes on the adjustments used to arrive at underlying income, a non-GAAP measure, is calculated based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which each adjustment arises.
- (3) On June 15, 2012, we completed the Acquisition. Related to this transaction, we recognized acquisition-related charges, primarily consulting and legal fees.
- (4) Concurrent with the announcement of the Acquisition, we entered into a bridge loan agreement, which we terminated upon the closing of our issuance of the \$1.9 billion senior notes. In connection with the issuance and subsequent termination of the bridge loan, we incurred debt fees of \$13.0 million recorded as Other expense. Additionally, in advance of our issuance of the \$1.9 billion senior notes, we systematically removed a portion of our interest rate market risk by entering into standard pre-issuance U.S. Treasury interest rate hedges ("Treasury Locks"). This resulted in an increase in the certainty of our yield to maturity when issuing the notes. In the second quarter of 2012, we recognized a cash loss of \$39.2 million on settlement of the Treasury Locks recorded as interest expense. Finally, we recognized \$10.7 million of interest expense on our \$1.9 billion senior notes prior to the closing of the Acquisition. See Part I—Item 1. Financial Statements, Note 8 "Other Income and Expense" and Note 13 "Debt" of the unaudited condensed consolidated financial statements for additional information.
- (5) As part of the allocation of the consideration transferred for the Acquisition, MCCE's inventory value was increased to fair value in accordance with U.S. GAAP. This resulted in a significant decline in MCCE's gross profit after the Acquisition date of June 15, 2012. All of this inventory was subsequently sold by MCCE in the second quarter of 2012.
- (6) In connection with the Acquisition, we used the proceeds from our issuance of the \$1.9 billion senior notes to purchase Euros. As a result of a negative foreign exchange movement between the Euro and USD prior to using these proceeds to fund the Acquisition, we realized a foreign exchange loss on our Euro cash holdings. See Part I—Item 1. Financial Statements, Note 8 "Other Income and Expense" of the unaudited condensed consolidated financial statements for additional information.
- (7) We issued a €500 million Zero Coupon Senior Unsecured Convertible Note ("Convertible Note") to the Seller in conjunction with the closing of the Acquisition. The Convertible Note's embedded conversion feature was determined to meet the definition of a derivative required to be bifurcated and separately accounted for at fair value with changes in fair value recorded in earnings. In the second quarter, we recognized an unrealized loss of \$5.6 million recorded in interest expense related to changes in the fair value of the conversion feature. See Part I—Item 1. Financial Statements, Note 13 "Debt" and Note 14 "Derivative Instruments and Hedging Activities" of the unaudited condensed consolidated financial statements for additional information.
- (8) We recognized a foreign exchange gain related to financing instruments entered into in conjunction with the closing of the Acquisition. This gain consists of a \$3.8 million gain in Central Europe related to unrealized foreign currency movements and a \$3.2 million loss in Corporate related to foreign exchange movements on our newly issued Euro-denominated Convertible Note and €120 million Term Loan. See Part I—Item 1. Financial Statements, Note 13 "Debt" of the unaudited condensed consolidated financial statements for additional information.
- (9) The unrealized gain related to changes in fair value on aluminum and diesel swaps are recorded in cost of goods sold within our Corporate business activities. As the exposure we are managing is realized, we reclassify the gain or loss to the operating segment, allowing our operating segments to realize the economic effects of the derivative without the resulting unrealized mark-to-market volatility. Unlike the majority of our derivative contracts, these swaps are not designated in a hedge accounting relationship.
- (10) We recognized costs in connection with us entering into an agreement to acquire the Molson Coors Si'hai joint venture's 49% noncontrolling interest.
- (11) Under governmental pension arrangements in the U.K., we received tax rebates from 2003 to 2009. Following the identification that some of these rebates for which we previously recognized expense were not related to former employees, we recognized an adjustment. This has resulted in a benefit to employee related expenses of \$0.3 million in cost of goods sold and \$0.4 million in marketing, general and administrative expenses.
- (12) See Part I—Item 1. Financial Statements, Note 8 "Other Income and Expense" of the unaudited condensed consolidated financial statements for additional information.

- (13) See Part I—Item 1. Financial Statements, Note 16 "Commitments and Contingencies" of the unaudited condensed consolidated financial statements under the sub-heading "Environmental" for additional information.
- (14) The effect of noncontrolling interest on the adjustments used to arrive at underlying income, a non-GAAP measure, is calculated based on our ownership percentage of our subsidiaries from which each adjustment arises. This adjustment relates primarily to the goodwill impairment charge in our Molson Coors Si'hai joint venture. See Part I—Item 1. Financial Statements, Note 12 "Goodwill and Intangible Assets" of the unaudited condensed consolidated financial statements for additional information.
- (15) The effect of taxes on the adjustments used to arrive at underlying income, a non-GAAP measure, is calculated based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which each adjustment arises.

The following tables summarize a non-GAAP view of summarized components of our condensed consolidated summary of operations for the 13 weeks ended June 30, 2012, and June 25, 2011, as if 42% of MillerCoors results were proportionately consolidated. This table does not eliminate the sales between MCBC and MillerCoors, which are discussed in Part I—Item 1. Financial Statements, Note 5 "Investments" of the unaudited condensed consolidated financial statements.

Thirteen Weeks Ended June 30, 2012												
U.S. GAAP	% Change vs. prior year	% Change per hectoliter	% of Net sales	Non-GAAP 42% Share of MillerCoors	% Change vs. prior year	% of Net sales	Adjustments	Non-GAAP	% Change vs. prior year	% Change per hectoliter	% of Net sales	
(In millions, except percentages)												
Volumes in hectoliters	5.799	16.8 %		9.113	0.9%			14.912	6.6 %			
Net sales	\$ 999.4	7.0 %	(8.4)%	\$ 934.1	4.3%			\$ 1,933.5	5.7 %	(0.8)%		
Cost of goods sold	(580.1)	10.7 %	(5.2)%	(551.0)	3.4%			(1,131.1)	7.0 %	0.4 %		
Gross profit	419.3	2.3 %	(12.4)%	383.1	5.6%	41.0%		802.4	3.9 %	(2.5)%	41.5%	
Marketing, general and administrative expenses	(304.8)	11.9 %		(197.4)	3.0%			(502.2)	8.2 %			
Specials	(21.2)			1.0				(20.2)				
Equity income in MillerCoors	185.6	8.0 %		—			(186.7)	(1.1)				
Operating income	\$ 278.9	(6.4)%	27.9%	\$ 186.7	9.4%	20.0%	\$ (186.7)	\$ 278.9	(6.4)%		14.4%	
Pretax special items - net	21.2			—				21.2				
42% of MillerCoors specials, net of tax	(1.0)			(1.0)			1.0	(1.0)				
Acquisition non-financing-related costs	25.3							25.3				
Acquisition-related inventory step-up	8.6							8.6				
Unrealized gain on commodity swaps	(1.5)			—				(1.5)				
Integration costs related to Molson Coors Si'hai	0.5			—				0.5				
Underlying operating income	\$ 332.0	7.3 %	33.2%	\$ 185.7	8.5%	19.9%	\$ (185.7)	\$ 332.0	7.3 %		17.2%	

Thirteen Weeks Ended June 25, 2011

	U.S. GAAP	% of Net sales	Non-GAAP 42% Share of MillerCoors	% of Net sales	Adjust-ments	Non-GAAP	% of Net sales
(In millions, except percentages)							
Volumes in hectoliters	4,964		9,031			13,995	
Net sales	\$ 933.6		\$ 895.6			\$ 1,829.2	
Cost of goods sold	(523.9)		(532.9)			(1,056.8)	
Gross profit	409.7	43.9%	362.7	40.5%		772.4	42.2%
Marketing, general and administrative expenses	(272.5)		(191.6)			(464.1)	
Specials	(11.0)		(0.4)			(11.4)	
Equity income in MillerCoors	171.8		—		(170.7)	1.1	
Operating income	\$ 298.0	31.9%	\$ 170.7	19.1%	\$ (170.7)	\$ 298.0	16.3%
Pretax special items - net	11.0		—			11.0	
42% of MillerCoors specials, net of tax	0.4		0.4		(0.4)	0.4	
Underlying operating income	\$ 309.4	33.1%	\$ 171.1	19.1%	\$ (171.1)	\$ 309.4	16.9%

Second Quarter 2012 U.S. GAAP Financial Summary

Total company net sales increased 7.0% in the second quarter of 2012, driven by including the results of our new Central Europe segment. Net sales per hectoliter decreased 8.4% in the second quarter of 2012, driven by foreign currency movements partially offset by positive pricing in Canada, the addition of contract brewing sales to NAB in Canada, and the positive impact of increased sales of factored brands in the U.K. Cost of goods sold per hectoliter decreased 5.2% in the second quarter of 2012, due to foreign currency movements, partially offset by input cost inflation, higher pension expense, the addition of contract brewing sales to NAB in Canada and the impact of increased sales of factored brands in the U.K. Total company gross profit margin was 42.0%, 1.9 percentage points lower than a year ago, primarily due to increased pension expense and input inflation in the U.K. and Canada. Consolidated operating margin decreased 4.0 percentage points to 27.9%, driven by the same gross profit margin factors, as well as higher special charges and increased marketing investments in Canada, U.K. and MCI. Marketing, general and administrative expense increased 11.9% due to acquisition-related costs, including the results of our new Central Europe segment, and increased marketing investments in Canada, U.K. and MCI.

Second Quarter 2012 Non-GAAP Financial Summary

Including 42% of MillerCoors with our consolidated results, total company net sales increased 5.7% in the second quarter of 2012, driven by including the results of our new Central Europe segment, the U.S., Canada and MCI. Net sales per hectoliter decreased 0.8% in the second quarter of 2012, primarily due to the addition of including Central Europe net sales at a lower net sales per hectoliter and foreign currency movements partially offset by positive pricing in Canada and the U.S. and the addition of contract brewing sales in NAB. Cost of goods sold per hectoliter increased 0.4% due to input cost inflation, higher pension expense and the addition of contract brewing sales to NAB in Canada. Total company gross profit margin was 41.5%, 70 basis points lower than a year ago, primarily due to the U.K. and MCI performance. Marketing, general and administrative expense increased 8.2% due to including the results of our new Central Europe segment, higher pension costs, increased brand investments in Canada and MCI, and cycling one-time costs in Canada. Underlying operating margin was 17.2%, up from 16.9% a year ago due to margin growth in the U.S. and including the results of our new Central Europe segment.

Worldwide beer volume

Worldwide beer volume is composed of our financial volume, royalty volume and proportionate share of equity investment sales-to-retail. Financial volume represents owned beer brands sold to unrelated external customers within our geographical markets net of returns and allowances. Royalty beer volume consists of product produced and sold by third parties under various license and contract-brewing agreements. Equity investment sales-to-retail brand volume represents our ownership percentage share of volume in our subsidiaries accounted for under the equity method, including MillerCoors and Modelo Molson Imports, L.P. ("MMI"), our joint venture in Canada with Grupo Modelo S.A.B. de C.V. ("Modelo").

The following table highlights summarized components of our sales volume for the 13 and 26 weeks ended June 30, 2012 , and June 25, 2011 .

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
(In millions, except percentages)						
Volume in hectoliters:						
Financial volume	5.799	4.964	16.8 %	9.404	8.642	8.8 %
Royalty volume(1)	0.203	0.099	105.1 %	0.303	0.167	81.4 %
Owned volume	6.002	5.063	18.5 %	9.707	8.809	10.2 %
Proportionate share of equity investment sales-to-retail (2)	7.904	8.002	(1.2)%	14.120	14.217	(0.7)%
Total worldwide beer volume	13.906	13.065	6.4 %	23.827	23.026	3.5 %

(1) Includes our Central Europe segment volume in Russia and Ukraine, U.K. segment volume in Ireland and our MCI segment volume in Mexico, Ukraine, Spain, Russia, Vietnam and Philippines.

(2) Reflects the addition of our proportionate share of equity method investments sales-to-retail for the periods presented.

Worldwide beer volume for MCBC increased 6.4% and 3.5% in the second quarter and first half of 2012 , respectively, primarily due to including the results of our new Central Europe segment and higher volumes in Canada and MCI. Excluding our Central Europe results, our worldwide beer volume for MCBC declined 1.0% and 0.7% in the second quarter and first half of 2012 , respectively, driven by lower volumes in the U.K and U.S., partially offset by higher volumes in Canada and MCI.

Synergies and other cost savings initiatives

We achieved approximately \$14 million, \$24 million and \$150 million of cost savings in the second quarter of 2012 , the first half of 2012 and program to date, respectively. As a result, we have met our second Resources for Growth, or RFG2, program's three-year goal of \$150 million of annualized cost reductions six months earlier than expected. We anticipate delivering additional cost savings in the balance of 2012, which will allow us to surpass our three-year goal at the end of the year.

In addition to our RFG2 savings, MillerCoors delivered incremental cost savings of \$32 million and \$57 million in the second quarter of 2012 and first half of 2012 , respectively. We benefit from 42% of the MillerCoors cost savings.

Income taxes

Our effective tax rate and underlying effective tax rate for the second quarter of 2012 were approximately 21% and 18%, respectively, compared to approximately 16% and 17%, respectively, for the second quarter of 2011 . Our effective tax rate and underlying effective tax rate for the first half of 2012 were approximately 20% and 18%, respectively, compared to approximately 16% and 17%, respectively, for the first half of 2011 .

	For the Thirteen Weeks Ended	
	June 30, 2012	June 25, 2011
Effective tax rate	21 %	16%
Adjustments:		
Impairment of China reporting unit	(2)%	—
Non-core items	(1)%	—
Canada special items	—	1%
Non-GAAP: Underlying effective tax rate	18 %	17%

Discontinued operations

Discontinued operations are primarily associated with the formerly-owned Cervejarias Kaiser Brasil S.A. ("Kaiser") business in Brazil. See Part I—Item 1. Financial Statements, Note 9 "Discontinued Operations" and Note 16 "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for discussions of the nature of amounts recognized in the Discontinued Operations section of the condensed consolidated statements of operations, which consists primarily of amounts associated with indemnity obligations to FEMSA Cerveza S.A. de C.V. ("FEMSA") related to purchased tax credits and other tax, civil and labor issues.

We recognized a gain of \$2.3 million and a loss of \$1.5 million in the second quarters of 2012 and 2011, respectively, and a gain of \$2.4 million and a loss of \$1.2 million in the first halves of 2012 and 2011, respectively, associated with adjustments to the indemnity liabilities due to foreign exchange gains and losses.

Additionally, during the second quarter of 2012, we recognized a loss of \$1.5 million related to an increase in the legal reserve to the agreed upon settlement amount in the distributorship litigation, which we finalized subsequent to the second quarter of 2012. See Part I—Item 1. Financial Statements, Note 16 "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for further discussion.

Results of Operations

Canada Segment

Our Canada segment consists primarily of our beer business in Canada, including the production and sale of the *Molson* brands, *Coors Light*, and other licensed brands in Canada. The Canada segment also includes MMI, established to import, distribute, and market the Modelo beer brand portfolio across all Canadian provinces and territories. MMI is accounted for under the equity method. In addition, the Canada segment includes our arrangements related to the distribution of beer in Ontario, Brewers' Retail, Inc. ("BRI") and, in Western Canada, Brewers' Distributor Ltd. ("BDL"). Both BRI and BDL are accounted for under the equity method.

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
(In millions, except percentages)						
Volume in hectoliters	2,411	2,368	1.8 %	4,097	4,081	0.4 %
Net sales	\$ 582.9	\$ 564.7	3.2 %	\$ 985.2	\$ 958.5	2.8 %
Cost of goods sold	(301.9)	(291.1)	3.7 %	(544.3)	(516.2)	5.4 %
Gross profit	281.0	273.6	2.7 %	440.9	442.3	(0.3)%
Marketing, general and administrative expenses	(141.4)	(130.8)	8.1 %	(254.4)	(243.3)	4.6 %
Special items, net	0.9	(8.1)	(111.1)%	(1.2)	(10.3)	(88.3)%
Operating income	140.5	134.7	4.3 %	185.3	188.7	(1.8)%
Other income (expense), net	(0.6)	(2.9)	(79.3)%	(1.5)	(4.7)	(68.1)%
Income (loss) from continuing operations before income taxes	\$ 139.9	\$ 131.8	6.1 %	\$ 183.8	\$ 184.0	(0.1)%
Adjusting items:						
Special items	(0.9)	8.1	N/M	1.2	10.3	N/M
Non-GAAP: Underlying pretax income	\$ 139.0	\$ 139.9	(0.6)%	\$ 185.0	\$ 194.3	(4.8)%

N/M = Not meaningful

Foreign currency impact on results

During the second quarter of 2012 , the Canadian Dollar ("CAD") depreciated 4.4% versus the USD, resulting in an approximate \$7 million negative impact to USD income from continuing operations before income taxes and USD underlying pretax income. The CAD depreciated 3.7% versus the USD in the first half of 2012 , resulting in an approximate \$9 million negative impact to USD income from continuing operations before income taxes and USD underlying pretax income.

Assets and liabilities recorded in foreign currencies that are the functional currencies for the respective operations are translated at the prevailing exchange rate at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the period. Translation adjustments resulting from this process are reported as a separate component of other comprehensive income. Gains and losses from foreign currency transactions are included in earnings for the period.

Volume and net sales

Our second quarter and first half of 2012 Canada sales-to-retail ("STRs") increased 1.8% and 0.8%, respectively, due to the change in timing of the Canada Day holiday within our fiscal calendar. Our market share declined approximately a half-share point and a full share point in the second quarter and first half of 2012 , respectively. The Canadian beer industry volume increased approximately 3% in the second quarter and first half of 2012 .

Our Canada sales volume was 2.411 million hectoliters in the second quarter of 2012 , up 1.8% , driven by the increase in STRs. During the first half of 2012 , Canada sales volume was 4.097 million hectoliters, up 0.4%, due to a reduction in import brand inventories in the first quarter of 2012 compared to the first quarter of 2011.

Net sales per hectoliter increased 5.8% in local currency in the second quarter of 2012 , driven by positive pricing and the addition of contract brewing sales to NAB. In the first half of 2012 , net sales per hectoliter increased 5.6% in local currency, due to positive pricing and the addition of contract brewing sales to NAB, partially offset by negative sales mix.

Cost of goods sold

Cost of goods sold per hectoliter increased 6.2% and 8.1% in local currency in the second quarter and first half of 2012 , respectively, due to the cost of brewing beer under our NAB contract, input inflation, higher pension costs and a mix shift toward higher-cost products, partially offset by cost reductions.

Marketing, general and administrative expenses

Marketing, general & administrative expense in the second quarter and first half of 2012 increased 12.9% and 7.7% , respectively, in local currency, driven by higher marketing and sales investments and cycling lower employee incentive costs in 2011.

Special items, net

During the first half of 2012 , we recognized restructuring charges of \$1.6 million. Also, during the second quarter and first half of 2012 , we recognized special termination charges of \$1.4 million and \$1.9 million, respectively. Additionally, during the second quarter of 2012 , we recognized a \$2.3 million benefit related to the receipt of insurance proceeds in excess of expenses incurred related to flood damages at our Toronto offices. During the second quarter of 2011 , we recognized a \$7.6 million loss related to the correction of an immaterial error to adjust fixed assets resulting from the performance of a fixed asset count. Also, we recognized a \$2.0 million gain in the second quarter of 2011 resulting from a reduction of our guarantee of BRI's debt obligations. Additionally, we recognized special termination charges of \$1.2 million and \$4.0 million, respectively, during the second quarter and first half of 2011 . Finally, during the second quarter of 2011 , we recognized restructuring charges of \$0.6 million and we recognized a \$0.7 million charge related to flood damages in our Toronto offices. See Part I—Item 1. Financial Statements, Note 7 "Special Items" to the unaudited condensed consolidated financial statements for further discussion.

Other income (expense), net

Other expense decreased \$2.3 million and \$3.2 million in the second quarter and first half of 2012 , respectively, due to foreign currency movements.

United States Segment

The results and financial position of our U.S. segment operations are fully composed of our interest in MillerCoors and are being accounted for and reported by us under the equity method of accounting. See Part I—Item 1. Financial Statements, Note 5 "Investments" to the unaudited condensed consolidated financial statements for additional information.

The results of operations for MillerCoors for the three and six months ended June 30, 2012, and June 30, 2011, are as follows:

	For the Three Months Ended			For the Six Months Ended		
	June 30, 2012	June 30, 2011	% change	June 30, 2012	June 30, 2011	% change
	(In millions, except percentages)					
Volumes in hectoliters	21.697	21.504	0.9 %	39.056	38.905	0.4 %
Sales	\$ 2,567.2	\$ 2,473.1	3.8 %	\$ 4,601.8	\$ 4,448.4	3.4 %
Excise taxes	(343.2)	(340.8)	0.7 %	(618.0)	(617.0)	0.2 %
Net sales	2,224.0	2,132.3	4.3 %	3,983.8	3,831.4	4.0 %
Cost of goods sold	(1,311.8)	(1,268.8)	3.4 %	(2,381.8)	(2,331.8)	2.1 %
Gross profit	912.2	863.5	5.6 %	1,602.0	1,499.6	6.8 %
Marketing, general and administrative expenses	(470.1)	(456.0)	3.1 %	(880.9)	(852.0)	3.4 %
Special items, net	2.3	(1.1)	N/M	2.3	(2.5)	N/M
Operating income	444.4	406.4	9.4 %	723.4	645.1	12.1 %
Other income (expense), net	1.1	(1.5)	N/M	2.4	(1.9)	N/M
Income from continuing operations before income taxes and noncontrolling interests	445.5	404.9	10.0 %	725.8	643.2	12.8 %
Income tax expense	(1.8)	(2.9)	(37.9)%	(2.5)	(4.4)	(43.2)%
Income from continuing operations	443.7	402.0	10.4 %	723.3	638.8	13.2 %
Less: Net income attributable to noncontrolling interests	(5.4)	(3.3)	63.6 %	(9.7)	(5.4)	79.6 %
Net income attributable to MillerCoors	\$ 438.3	\$ 398.7	9.9 %	\$ 713.6	\$ 633.4	12.7 %
Adjusting items:						
Special items, net	(2.3)	1.1	N/M	(2.3)	2.5	N/M
Non-GAAP: Underlying net income attributable to MillerCoors	\$ 436.0	\$ 399.8	9.1 %	\$ 711.3	\$ 635.9	11.9 %

N/M = Not meaningful

The following represents MCBC's proportional share of MillerCoors net income reported under the equity method:

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
	(In millions, except percentages)					
Net income attributable to MillerCoors	\$ 438.3	\$ 398.7	9.9 %	\$ 713.6	\$ 633.4	12.7 %
MCBC economic interest	42%	42%		42%	42%	
MCBC proportionate share of MillerCoors net income	184.1	167.4	10.0 %	299.7	266.0	12.7 %
Amortization of the difference between MCBC contributed cost basis and proportional share of the underlying equity in net assets of MillerCoors(1)	1.5	2.5	(40.0)%	1.9	4.9	(61.2)%
Share-based compensation adjustment (1)	—	1.9	(100.0)%	2.9	2.1	38.1 %
Equity income in MillerCoors	\$ 185.6	\$ 171.8	8.0 %	\$ 304.5	\$ 273.0	11.5 %
Adjusting items:						
MCBC proportionate share of MillerCoors special items	(1.0)	0.4	N/M	(1.0)	1.0	N/M
Non-GAAP: Underlying net income attributable to MillerCoors	\$ 184.6	\$ 172.2	7.2 %	\$ 303.5	\$ 274.0	10.8 %

- (1) See Part I—Item 1. Financial Statements, Note 5 "Investments" to the unaudited condensed consolidated financial statements for a detailed discussion of these equity method adjustments.

Volume and net sales

Adjusted for trading days, MillerCoors domestic STRs for the second quarter and first half of 2012 declined 1.4% and 1.5%, respectively. Unadjusted STRs for the second quarter and first half of 2012 declined 1.4% and 0.8%, respectively. The premium segment declined slightly while the above premium segment continued its strong growth. Domestic sales-to-wholesalers for the second quarter of 2012 increased 0.3% and domestic sales-to-wholesalers in the first half of 2012 declined 0.3%. Total sales volume increased 0.9% in the second quarter of 2012, due to the domestic sales-to-wholesalers performance and increased contract brewing volume. Total sales volume increased 0.4% in the first half of 2012, due to increased contract brewing volume partially offset by the decline in domestic sales-to-wholesalers.

Domestic net sales per hectoliter increased 3.6% and 3.8% for the second quarter and first half of 2012, respectively, driven by positive pricing and sales mix. Total net sales per hectoliter, including contract brewing and company-owned distributor sales, increased 3.4% and 3.6% for the second quarter and first half of 2012, respectively.

Cost of goods sold

Cost of goods sold per hectoliter increased 2.5% and 1.8% in the second quarter and first half of 2012, driven by packaging innovation, brand premiumization and brewing material costs, partially offset by cost savings initiatives.

Marketing, general and administrative expenses

For the second quarter of 2012, marketing, general and administrative expenses increased 3.1%, due to slightly increased marketing spending related to the Miller64 brand re-launch and increased spending behind new products and packaging innovations, partially offset by lower information systems costs. Marketing, general and administrative expenses in the first half of 2012 increased 3.4%, driven by the one-time receipt of \$14 million from a third party in the first quarter of 2011 and an increase in short-term and long-term employee incentive expenses in the first quarter of 2012.

Special items, net

During the second quarter of 2012, MillerCoors recognized a pension curtailment gain of \$2.3 million. During the second quarter and first half of 2011, MillerCoors recognized restructuring charges of \$1.1 million and \$2.5 million, respectively, due to relocation expense related to the integration of MillerCoors.

Central Europe Segment

As a result of the Acquisition, our new Central Europe segment produces and sells our brands principally in the Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary and Montenegro and also sells our brands in Bosnia-Herzegovina and Slovakia. Results of the segment also include our licensing arrangements in Russia and Ukraine and the export of Central European brands, primarily *Staropramen*, to over 30 countries.

The results of operations for Central Europe for the three and six months ended June 30, 2012, and June 30, 2011, are as follows:

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012(1)	June 30, 2011	% change	June 30, 2012(1)	June 30, 2011	% change
(In millions, except percentages)						
Volume in hectoliters	0.911	—	N/M	0.911	—	N/M
Net sales	\$ 57.3	\$ —	N/M	\$ 57.3	\$ —	N/M
Cost of goods sold	(37.0)	—	N/M	(37.0)	—	N/M
Gross profit	20.3	—	N/M	20.3	—	N/M
Marketing, general and administrative expenses	(12.3)	—	N/M	(12.3)	—	N/M
Special items, net	—	—	N/M	—	—	N/M
Operating income	8.0	—	N/M	8.0	—	N/M
Other income (expense), net	4.4	—	N/M	4.4	—	N/M
Income (loss) from continuing operations before income taxes	\$ 12.4	\$ —	N/M	\$ 12.4	\$ —	N/M
Adjusting items:						
Acquisition-related inventory step-up	8.6	—	N/M	8.6	—	N/M
Acquisition non-financing-related costs	2.5	—	N/M	\$ 2.5		N/M
Unrealized foreign exchange gain on Acquisition financing instruments	(3.8)	—	N/M	(3.8)		N/M
Non-GAAP: Underlying pretax income	\$ 19.7	\$ —	N/M	\$ 19.7	\$ —	N/M

N/M = Not meaningful

(1) Represents Central Europe results from the Acquisition date of June 15, 2012 through June 30, 2012.

Foreign currency impact on results

Assets and liabilities recorded in foreign currencies that are the functional currencies for the respective operations are translated at the prevailing exchange rate at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the period. Translation adjustments resulting from this process are reported as a separate component of other comprehensive income. Gains and losses from foreign currency transactions are included in earnings for the period.

United Kingdom Segment

Our U.K. segment produces and sells our owned brands principally in England and Wales. Results of the segment also include our licensing arrangements in the Republic of Ireland; our consolidated joint venture arrangement to produce, import and distribute the *Grolsch* brands in the U.K. and the Republic of Ireland; our consolidated joint venture agreement to produce and distribute the *Cobra* beer brands in the U.K. and the Republic of Ireland; factored brand sales (beverage brands owned by other companies, but sold and delivered to retail by us) in the U.K.; and our joint venture arrangement with DHL ("Tradeteam") for the distribution of products throughout the U.K. accounted for under the equity method. Additionally, we distribute the Modelo brands pursuant to a distribution agreement.

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
	(In millions, except percentages)					
Volume in hectoliters(1)	2.220	2.371	(6.4)%	3.959	4.142	(4.4)%
Net sales(1)	\$ 326.2	\$ 341.7	(4.5)%	\$ 589.6	\$ 616.4	(4.3)%
Cost of goods sold	(220.9)	(215.5)	2.5 %	(401.9)	(403.5)	(0.4)%
Gross profit	105.3	126.2	(16.6)%	187.7	212.9	(11.8)%
Marketing, general and administrative expenses	(78.2)	(93.2)	(16.1)%	(162.0)	(175.6)	(7.7)%
Special items, net	(11.7)	(2.4)	N/M	(10.0)	(0.2)	N/M
Operating income	15.4	30.6	(49.7)%	15.7	37.1	(57.7)%
Interest income(2)	1.4	1.4	— %	2.9	2.9	— %
Other income (expense), net	(0.5)	0.3	N/M	(1.0)	(0.9)	11.1 %
Income (loss) from continuing operations before income taxes	\$ 16.3	\$ 32.3	(49.5)%	\$ 17.6	\$ 39.1	(55.0)%
Adjusting items:						
Special items	11.7	2.4	N/M	10.0	0.2	N/M
Employee related expense adjustment	—	—	N/M	(0.7)	—	N/M
Non-GAAP: Underlying pretax income (loss)	\$ 28.0	\$ 34.7	(19.3)%	\$ 26.9	\$ 39.3	(31.6)%

N/M = Not meaningful

- (1) Reflects gross segment sales and for the second quarter of 2012 includes intercompany sales to MCI of 0.067 million hectoliters and \$4.5 million of net sales. The first half of 2012 includes intercompany sales to MCI of 0.111 million hectoliters and \$7.2 million of net sales. The first half of 2011 includes intercompany sales to MCI of 0.020 million hectoliters and \$1.3 million of net sales. The offset is included within MCI cost of goods sold. These amounts are eliminated in the consolidated totals.
- (2) Interest income is earned on trade loans to U.K. on-premise customers and is typically driven by note receivable balances outstanding from period-to-period.

Foreign currency impact on results

During the second quarter of 2012, the British Pound ("GBP") depreciated 3.1% versus the USD, resulting in an approximate \$1 million negative impact to USD income from continuing operations before income taxes and USD underlying pretax income. The GBP depreciated 2.6% versus the USD in the first half of 2012, resulting in an approximate \$1 million and \$2 million negative impact to USD income from continuing operations before income taxes and USD underlying pretax income, respectively.

Assets and liabilities recorded in foreign currencies that are the functional currencies for the respective operations are translated at the prevailing exchange rate at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the period. Translation adjustments resulting from this process are reported as a separate component of other comprehensive income. Gains and losses from foreign currency transactions are included in earnings for the period.

Volume and net sales

Our U.K. STRs decreased 7.9% in the second quarter of 2012, due to a weak U.K. off-premise channel impacted by poor weather and increased competitor promotional activity. Our U.K. STRs decreased 6.2% in the first half of 2012, which reflects the adverse impact of the timing of the 53rd week in 2011 and customer buy-in ahead of our January 2012 price increase in addition to the volume drivers in second quarter of 2012 discussed above. Our market share declined in the second quarter and first half of 2012. The total U.K. beer industry volume decreased approximately 5% in the second quarter and first half of 2012.

In the second quarter and first half of 2012, net sales per hectoliter increased 5.3% and 2.6%, respectively, in local currency, due to the positive impact of increased sales of factored brands. Pricing on owned brands was negative, driven by lower pricing in the off-premise channel as a result of continuing competitive market dynamics, partially offset by positive pricing in the on-premise channel.

Cost of goods sold

Cost of goods sold per hectoliter increased 13.1% and 6.8% in local currency in the second quarter and first half of 2012 , respectively, driven by higher sales of factored brands, input inflation, higher pension costs, and fixed cost de-leverage from lower volume.

Marketing, general and administrative expenses

Marketing, general and administrative expense decreased 13.6% and 5.5%, in local currency in the second quarter and first half of 2012 , respectively, due to lower employee incentive costs and cost reduction initiatives, partially offset by higher marketing investments and pension expense.

Special items, net

During the first halves of 2012 and 2011 , we recognized a gain of \$3.5 million and \$2.5 million, respectively, related to a release of a portion of a non-income-related tax reserve recorded as a special item in 2009. Additionally during the second quarter and first half of 2012 , we recognized employee termination costs of \$4.5 million and \$6.3 million, respectively, relating to company-wide efforts to increase efficiency in operations. Also, during the second quarter of 2012, we recognized an asset abandonment charge of \$7.2 million related to the discontinuation of primary packaging. We determined that our Home Draft package was not meeting expectations driven by a lack of demand in the U.K. market and as a result, we recognized a loss related to the write-off of the Home Draft packaging line, tooling equipment and packaging materials inventory. During the second quarter and first half of 2011 , we recognized employee termination costs related to supply chain restructuring activity and company-wide efforts to increase efficiency in certain operations, finance, information technology and human resource activities of \$2.4 million and \$2.7 million, respectively. See Part I—Item 1. Financial Statements, Note 7 "Special Items" to the unaudited condensed consolidated financial statements for further discussion.

Other income (expense), net

During the second quarter and first half of 2012 , we recognized other expense of \$0.5 million and \$1.0 million, respectively, due primarily to foreign currency movements. During the second quarter and first half of 2011, we recognized other income of \$0.3 million and other expense of \$0.9 million, respectively, driven primarily by foreign currency movements.

Molson Coors International Segment

Our MCI segment is focused on growing our business and brand portfolios in our non-core and emerging markets, including Asia, Mexico, Latin America, the Caribbean (not including Puerto Rico, as this is a part of the U.S. segment) and continental Europe. This segment includes our Molson Coors Si'hai joint venture in China and our Molson Coors Cobra India joint venture in India.

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
(In millions, except percentages)						
Volume in hectoliters(1)	0.324	0.245	32.2%	0.548	0.439	24.8%
Net sales	\$ 37.1	\$ 28.2	31.6%	\$ 65.2	\$ 49.8	30.9%
Cost of goods sold(2)	(25.8)	(18.1)	42.5%	(44.3)	(32.0)	38.4%
Gross profit	11.3	10.1	11.9%	20.9	17.8	17.4%
Marketing, general and administrative expenses	(25.4)	(20.2)	25.7%	(43.7)	(35.4)	23.4%
Special items, net	(10.4)	(0.5)	N/M	(10.4)	(0.5)	N/M
Operating loss	(24.5)	(10.6)	131.1%	(33.2)	(18.1)	83.4%
Other income (expense), net	0.2	—	N/M	0.3	0.1	N/M
Income (loss) from continuing operations before income taxes	\$ (24.3)	\$ (10.6)	129.2%	\$ (32.9)	\$ (18.0)	82.8%
Adjusting items:						
Special items	10.4	0.5	N/M	10.4	0.5	N/M
Molson Coors Si'hai acquisition-related costs	\$ 0.5	\$ —	—%	0.5	—	—%
Non-GAAP: Underlying pretax loss(3)	\$ (13.4)	\$ (10.1)	32.7%	(22.0)	(17.5)	25.7%

N/M = Not meaningful

- (1) Excludes royalty volume of 0.102 million hectoliters and 0.060 million hectoliters in the second quarters 2012 and 2011 , respectively, and excludes royalty volume of 0.169 million hectoliters and 0.101 million hectoliters in the first halves of 2012 and 2011 , respectively.
- (2) Reflects gross segment amounts and for the second quarter of 2012 includes intercompany cost of goods sold from the U.K. of \$4.5 million. The first half of 2012 includes intercompany cost of goods sold from the U.K. of \$7.2 million. The first half of 2011 includes intercompany cost of goods sold from the U.K. of \$1.3 million. The offset is included within U.K. net sales. These amounts are eliminated in the consolidated totals.
- (3) Includes loss attributable to noncontrolling interest of \$7.5 million and \$0.8 million in the second quarters 2012 and 2011 , respectively, and includes loss attributable to noncontrolling interest of \$8.0 million and \$1.7 million in the first halves 2012 and 2011 , respectively.

Foreign currency impact on results

Our MCI segment operates in numerous countries around the world, and each country's operations utilize distinct currencies. MCI's second quarter and first half of 2012 results were insignificantly impacted by foreign currency movements. This includes an insignificant effect on both USD losses before income taxes and USD underlying pre-tax loss.

Assets and liabilities recorded in foreign currencies that are the functional currencies for the respective operations are translated at the prevailing exchange rate at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the period. Translation adjustments resulting from this process are reported as a separate component of other comprehensive income. Gains and losses from foreign currency transactions are included in earnings for the period.

Volume and net sales

MCI STRs increased 36.2% and 30.3% in the second quarter and first half of 2012 , respectively, due to the addition of India sales, along with *Carling* growth in the Ukraine and *Coors Light* growth in Latin America. Excluding royalty sales (primarily in Mexico and Europe), MCI reported sales volume grew 32.2% and 24.8% in the second quarter and first half of 2012 , respectively.

Net sales increased 31.6% in the second quarter of 2012 , driven primarily by higher sales volume. In the first half of 2012 , net sales increased 30.9%, driven by higher sales volume and positive sales mix including higher sales of *Zima* and *Modelo* brands in Japan.

Cost of goods sold

Cost of goods sold increased 42.5% in the second quarter, driven primarily by higher sales volume, asset-value and cost adjustments in our Molson Coors Si'hai joint venture and input inflation. In the first half of 2012, cost of goods sold increased 38.4%, driven by higher sales volume and sales mix including higher sales of *Zima* and *Modelo* brands in Japan, and asset-value and cost adjustments in our Molson Coors Si'hai joint venture.

Marketing, general and administrative expenses

Marketing, general and administrative expense increased 25.7% to \$25.4 million and 23.4% to \$43.7 in the second quarter and first half of 2012, respectively, due to incremental brand investments in priority markets, infrastructure investments and asset-value and cost adjustments in our Molson Coors Si'hai joint venture.

Special items, net

During the second quarter of 2012, we recognized a \$10.4 million impairment charge to write-off the goodwill and definite-lived intangibles associated with Molson Coors Si'hai. See Part I—Item 1. Financial Statements, Note 12 "Goodwill and Intangible Assets" to the unaudited condensed consolidated financial statements for further discussion. During the second quarter and first half of 2011, we recognized \$0.5 million of costs associated with other strategic initiatives.

Corporate

Corporate includes corporate interest and certain other general and administrative costs that are not allocated to any of the operating segments. The majority of these corporate costs relate to worldwide administrative functions, such as corporate affairs, legal, human resources, finance and accounting, treasury, insurance and risk management.

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 30, 2012	June 25, 2011	% change	June 30, 2012	June 25, 2011	% change
	(In millions, except percentages)					
Volume in hectoliters	—	—	— %	—	—	— %
Net sales	\$ 0.4	\$ 0.3	33.3 %	\$ 0.7	\$ 0.6	16.7 %
Cost of goods sold	1.0	(0.5)	N/M	1.4	(0.7)	N/M
Gross profit	1.4	(0.2)	N/M	2.1	(0.1)	N/M
Marketing, general and administrative expenses	(47.5)	(28.3)	67.8 %	(80.6)	(56.6)	42.4 %
Special items, net	—	—	— %	(1.1)	—	— %
Operating loss	(46.1)	(28.5)	61.8 %	(79.6)	(56.7)	40.4 %
Interest expense, net	(86.0)	(29.1)	195.5 %	(111.3)	(57.4)	93.9 %
Other income (expense), net	(74.0)	0.8	N/M	(74.1)	3.0	N/M
Income (loss) from continuing operations before income taxes	\$ (206.1)	\$ (56.8)	262.9 %	\$ (265.0)	\$ (111.1)	138.5 %
Adjusting items:						
Special items	—	—	— %	1.1	—	N/M
Acquisition non-financing-related costs	22.8	—	N/M	28.9	—	N/M
Acquisition financing-related costs	62.9	—	N/M	62.9	—	N/M
Euro currency purchase loss	57.9	—	N/M	57.9	—	N/M
Unrealized loss on convertible note	5.6	—	N/M	5.6	—	N/M
Unrealized foreign exchange loss on Acquisition financing instruments	3.2	—	N/M	3.2	—	N/M
Unrealized gain on commodity swaps	(1.5)	—	N/M	(2.0)	0.1	N/M
Foster's total return swap	—	—	N/M	—	(0.8)	N/M
Changes to environmental litigation provisions	—	(0.1)	N/M	—	—	— %
Non-GAAP: Underlying pretax loss	\$ (55.2)	\$ (56.9)	(3.0)%	(107.4)	(111.8)	(3.9)%

N/M = Not meaningful

Marketing, general and administrative expenses

Marketing, general and administrative expenses were \$47.5 million in the second quarter of 2012 , an increase of \$19.2 million, or 67.8%, due to acquisition-related costs. Excluding acquisition-related costs, marketing, general and administrative expenses were \$24.7 million in the second quarter of 2012 , a decrease of \$3.6 million, or 12.7%, driven by lower project expense.

Marketing, general and administrative expenses were \$80.6 million in the first half of 2012 , an increase of \$24.0 million, or 42.4%, due to acquisition-related costs. Excluding acquisition-related costs, marketing, general and administrative expenses were \$51.7 million in the first half of 2012 , a decrease of \$4.9 million, or 8.7%, driven by lower project and overhead costs.

Special items, net

During the first half of 2012 , we recognized restructuring charges of \$1.1 million. There were no special items in the second quarter and first half of 2011. See Part I—Item 1. Financial Statements, Note 7 "Special Items" to the unaudited condensed consolidated financial statements for further discussion.

Interest expense, net

Net interest expense increased \$56.9 million to \$86.0 million in the second quarter of 2012 , and increased \$53.9 million to \$111.3 million in the first half of 2012 , due to acquisition-related financing costs and the new debt issued as part of the

Acquisition. Specifically we recognized a cash loss of \$39.2 million on settlement of standard pre-issuance U.S. Treasury interest rate hedges ("Treasury Locks") we entered into in advance of our issuance of the \$1.9 billion senior notes, which we used to remove a portion of our interest rate market risk. Additionally, we recognized \$10.7 million of interest expense on our \$1.9 billion senior notes prior to the closing of the Acquisition, and we recognized an unrealized loss of \$5.6 million related to changes in the fair value of the conversion feature on the Convertible Note. Excluding these acquisition-related financing costs, net interest expense increased \$1.4 million to \$30.5 million in the second quarter of 2012, primarily driven by the new debt issued to fund the Acquisition. In the first half of 2012 and excluding these acquisition-related financing costs, net interest expense decreased \$1.6 million to \$55.8 million, driven by the net investment hedge designation of our cross currency swap contracts in the fourth quarter of 2011. As a result of this designation, all changes in fair value of the designated swaps, inclusive of the periodic interest incurred, are recorded in accumulated other comprehensive income, partially offsetting the movements resulting from the periodic translation adjustment of our Canadian business.

Other income (expense), net

Other expense was \$74.0 million and \$74.1 million in the second quarter and first half of 2012, due to a \$57.9 million foreign exchange loss on our Euro cash holdings when we used the proceeds from our issuance of the \$1.9 billion senior notes to purchase Euros and experienced a negative foreign exchange movement between the Euro and USD prior to using these proceeds to fund the Acquisition. Additionally, concurrent with the announcement of the Acquisition, we entered into a bridge loan agreement, which we terminated upon the closing of our issuance of the \$1.9 billion senior notes. In connection with the issuance and subsequent termination of the bridge loan, we incurred debt fees of \$13.0 million. Excluding these financing and acquisition-related costs and \$3.2 million of unrealized foreign exchange loss on acquisition financing instruments, other income was \$0.1 million and zero, respectively, in the second quarter and first half of 2012. Other income was \$0.8 million in the second quarter of 2011. In first half of 2011, other income was \$3.0 million driven by a \$0.8 million mark-to-market gain related to final settlement of the remaining total return swaps and related financial instruments we arranged with respect to Foster's common stock, as well as \$1.1 million related to foreign currency movements.

Liquidity and Capital Resources

Our primary sources of liquidity include cash provided by operating activities, access to external borrowings and monetization of assets. We believe that cash flows from operations, including distributions from MillerCoors, and cash provided by short-term and long-term borrowings, when necessary, will be more than adequate to meet our ongoing operating requirements, scheduled principal and interest payments on debt, and anticipated dividend payments and capital expenditures for the next twelve months, and our long-term liquidity requirements.

A significant portion of our cash flows from operating activities are generated outside the U.S., in currencies other than USD. As of June 30, 2012, approximately 83% of our cash and cash equivalents were denominated in foreign currencies. This increase from the prior quarter is driven by using significant U.S. denominated cash to fund the Acquisition. Most of the amounts held outside of the U.S. could be repatriated to the U.S., but, under current law, would be subject to U.S. federal and state income taxes, less applicable foreign tax credits. We have accrued for U.S. federal and state tax liabilities on the earnings of our foreign subsidiaries, except when the earnings are considered indefinitely reinvested outside of the U.S. Repatriation could result in additional U.S. federal and state income tax payments in future years. We utilize a variety of financing strategies in an effort to ensure that our worldwide cash is available in the locations in which it is needed.

Net Working Capital

As of June 30, 2012, December 31, 2011, and June 25, 2011, we had net working capital of \$350.0 million, \$887.7 million and \$567.3 million, respectively, excluding short-term borrowings and current portion of long-term debt. We commonly operate at minimal positive working capital levels or working capital deficits given the relatively quick turnover of our receivables and inventory, the levels of which fluctuate with the seasonality in our business. However, our current working capital level is bolstered by a high level of cash generated from revenue growth, as well as various cost saving initiatives. Our working capital is also sensitive to foreign exchange rates, as a significant majority of our current assets and current liabilities are denominated in CAD, GBP, and our Central European operating currencies such as Euro, Czech Koruna, Croatian Kuna, Serbian Dinar, New Romanian Leu and Bulgarian Lev, while financial results are reported in USD. Below is a table outlining our current and historical net working capital levels (in millions):

	As of		
	June 30, 2012	December 31, 2011	June 25, 2011
Current assets	\$ 1,833.6	\$ 2,118.0	\$ 2,364.7
Less: Current liabilities	(2,286.1)	(1,277.2)	(1,847.8)
Add: Current portion of long-term debt and short-term borrowings	802.5	46.9	50.4
Net working capital	\$ 350.0	\$ 887.7	\$ 567.3

The decrease in net working capital from \$887.7 million at December 31, 2011, is primarily driven by the significant amount of cash used to fund the Acquisition.

Cash Flows

Our business usually generates positive operating cash flow each year, and our debt maturities are of a longer-term nature. However, our liquidity could be impacted significantly by the risk factors we described in Part I—Item 1A. Risk Factors in our Annual Report.

Cash Flows from Operating Activities

Net cash provided by operating activities of \$397.4 million for the first half of 2012 , increased by \$125.6 million compared to the second quarter of 2011 .

- Net income for the first half of 2012 including noncontrolling interest was lower by \$128.4 million driven by financing and acquisition-related costs, input inflation and higher pension costs in Canada and the U.K., partially offset by higher equity income in the U.S., higher amortization of debt issuance costs and higher impairment charges.
- This decrease was offset by improved working capital of \$234.2 million, which includes the impact of 15 days of Central Europe working capital post-acquisition. This is primarily driven by lower accounts receivable balances in the U.K. and timing of accounts payable and accrued liability balances in the U.K., Central Europe, Canada and Corporate.

Cash Flows from Investing Activities

Net cash used in investing activities of \$2,552.7 million for the first half of 2012 , increased by \$2,360.9 million compared to the first half of 2011 .

- Higher net cash used in investing activities was driven by the Acquisition of \$2,257.4 million, net of cash acquired compared to the \$29.4 million acquisition of Sharp's Brewery Ltd. and the \$10.3 million acquisition of a controlling stake of Molson Coors Cobra India in the first half of 2011.
- Higher net cash used in investing activities further relates to the \$110.6 million settlement in the first quarter of 2012 of approximately 33% of our remaining cross currency swaps designated as a net investment hedge. See Part I—Item 1. Financial Statements, Note 14 "Derivative Instruments and Hedging Activities" to the unaudited condensed consolidated financial statements.

Cash Flows from Financing Activities

Net cash provided by financing activities of \$1,583.6 million for the first half of 2012 , increased by \$1,708.9 million from \$125.3 million of net cash used in financing activities in the first half of 2011 .

- Higher net cash provided by financing activities was driven by proceeds from issuances of long-term debt of \$2,195.4 million related to the Acquisition, partially offset by \$37.0 million higher debt issuance costs in the first half of 2012.
- Higher net cash provided by financing activities also increased by \$14.5 million related to the exercise of stock options. The number of options exercised increased by 0.5 million shares and was driven by a significant number of awards nearing expiration.
- This was partially offset by the \$424.3 million repayment of the Subordinated Deferred Payment Obligation in the first half of 2012, which we assumed as part of the Acquisition. Additionally, in the first half of 2012, we repaid the remaining \$44.8 million outstanding of our \$850 million 6.375% 10-year notes that were due in May 2012.

Underlying Free Cash Flow

For the first half of 2012 , we generated \$335.2 million of underlying free cash flow. This represents an increase of \$213.3 million in cash provided from underlying free cash flow from \$121.9 million a year ago, driven by improved working capital and higher underlying net income, partially offset by higher capital expenditures.

The following table provides a reconciliation of Underlying Free Cash Flow to the nearest U.S. GAAP measure (Net Cash Provided by Operating Activities) (in millions):

		For the Twenty-Six Weeks Ended	
		June 30, 2012	June 25, 2011
		(In millions)	
U.S. GAAP:	Net Cash Provided by Operating Activities(1)	\$ 397.4	\$ 271.8
Less:	Additions to properties(1)	(81.4)	(72.5)
Less:	Investment in MillerCoors(1)	(565.7)	(470.4)
Add:	Return of capital from MillerCoors(1)	459.9	376.4
Add:	Proceeds from sale of assets and businesses(1)	1.3	1.2
Add:	Loss related to settlement of Treasury Locks(2)	39.2	—
Add:	Euro currency purchase loss(2)	57.9	—
Add:	Acquisition non-financing related costs(2)	12.2	—
Add:	MillerCoors investments in businesses(3)	14.4	—
Add:	Proceeds from settlements of derivative instruments(1)	—	15.4
Non-GAAP:	Underlying Free Cash Flow (adjusted for special cash sources/uses at MillerCoors)	\$ 335.2	\$ 121.9

(1) Included in net cash used in investing activities.

(2) Costs related to the Acquisition, included in net cash provided by operating activities.

(3) Amounts represent our proportionate 42% share of the cash flow impacts, as determined by management. These items adjust operating cash flow to arrive at our underlying free cash flow for the first two quarters of the year and the comparable prior-year period.

Capital Resources

Cash and Cash Equivalents

As of June 30, 2012 , we had total cash and cash equivalents of \$516.0 million , compared to \$1,078.9 million at December 31, 2011 , and \$1,184.2 million at June 25, 2011 . The decrease versus previous quarters is driven by the use of a significant amount of cash to fund the Acquisition. Our cash and cash equivalents are invested in a variety of highly liquid investments with original maturities of 90 days or less. These investments are viewed by management as low-risk investments and on which there are little to no restrictions regarding our ability to access the underlying cash to fund our operations as necessary.

Borrowings

The majority of our outstanding borrowings as of June 30, 2012 , consisted of publicly traded notes, with maturities ranging from 2013 to 2042. Long-term debt was \$4,097.9 million , \$1,914.9 million and \$1,951.1 million at June 30, 2012 , December 31, 2011 , and June 25, 2011 , respectively. Not included in these amounts are current portions of long-term debt and short-term borrowings. Current portions of long-term debt were \$683.1 million , \$44.7 million , and \$44.9 million as of June 30, 2012 , December 31, 2011 , and June 25, 2011 , respectively. Short-term borrowings were \$119.4 million , \$2.2 million , and \$5.5 million as of June 30, 2012 , December 31, 2011 , and June 25, 2011 , respectively. Our total borrowings increased by \$2.9 billion from December 31, 2011 to June 30, 2012 , primarily due to financing activities in connection with the Acquisition as discussed below.

On April 3, 2012, we entered into a term loan agreement (the "Term Loan Agreement") that provides for a 4 -year term loan facility of \$300 million , composed of one \$150 million borrowing and one Euro-denominated borrowing equal to \$150 million at issuance (or €120 million borrowing) both of which were funded upon close of the Acquisition on June 15, 2012. The

Term Loan Agreement requires quarterly principal repayments on each borrowing equal to 2.5% of the initial principal obligation, commencing on September 30, 2012, with the remaining 62.5% principal balance due at the June 15, 2016 maturity date. The obligations under the Term Loan Agreement are our general unsecured obligations. The Term Loan Agreement contains customary events of default, specified representations and warranties and covenants, including, among other things, covenants that limit our and our subsidiaries' ability to incur certain additional priority indebtedness, create or permit liens on assets or engage in mergers or consolidations.

On May 3, 2012, we issued \$1.9 billion of senior notes with portions maturing in 2017, 2022 and 2042. The 2017 senior notes were issued in an initial aggregate principal amount of \$300 million at 2.0% interest and will mature on May 1, 2017. The 2022 senior notes were issued in an initial aggregate principal amount of \$500 million at 3.5% interest and will mature on May 1, 2022. The 2042 senior notes were issued in an initial aggregate principal amount of \$1.1 billion at 5.0% interest and will mature on May 1, 2042.

On June 15, 2012, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note due 2013 (the "Convertible Note") to the Seller in conjunction with the closing of the Acquisition. The Convertible Note matures on December 31, 2013 and is a senior unsecured obligation guaranteed by MCBC. The Seller may exercise a put right with respect to the Convertible Note beginning on March 14, 2013 (the "First Redemption Date") and ending on December 19, 2013, for the greater of the principal amount of the Convertible Note or the aggregate cash value of 12,894,044 shares of our Class B Common Stock, as adjusted for certain corporate events. See Part I—Item 1. Financial Statements, Note 13 "Debt" to the unaudited condensed consolidated financial statements for further discussion of 2012 financing activities, as well as pre-existing borrowings.

Credit markets in the United States and across the globe have improved significantly since the financial crisis of late 2008. Based on the credit profile of our lenders that are party to our credit facilities, we are confident in our ability to draw on such credit facilities if the need arose. There were no outstanding borrowings on our 4-year revolving \$400 million or 4-year revolving \$550 million credit facilities as of June 30, 2012, which were issued in the second quarter of 2011 and second quarter of 2012, respectively. We also have uncommitted lines of credit with several banks should certain business units need additional short-term liquidity. Under the terms of some of our debt facilities, we must comply with certain restrictions. These include restrictions on priority indebtedness (certain threshold percentages of secured consolidated net tangible assets), leverage thresholds, liens, and restrictions on certain types of sale lease-back transactions. As of June 30, 2012 and December 31, 2011, we were in compliance with all of these restrictions and have met all debt payment obligations.

Use of Cash

With the Acquisition, our cash use will focus primarily on debt repayment for the next few years, along with cash dividends, potential strategic investments and other general corporate uses.

On August 2, 2011, we announced that our Board of Directors approved a new program authorizing the repurchase, of up to \$1.2 billion of our Class B common stock, with an expected program term of three years. This program was later extended to Class A shares although the primary focus has been on Class B shares. There were no repurchases in the first half of 2012 and we do not expect further repurchases until our debt ratios return closer to levels maintained prior to the financing activities related to the Acquisition.

Credit Rating

Following our offering of \$1.9 billion of senior notes in the second quarter of 2012, DBRS and Moody's Investor Service each maintained our stable outlook while reducing our ratings from BBB High to BBB and from Baa1 to Baa2, respectively. Additionally, Fitch initiated their rating of BBB stable. Standard and Poor's maintained our BBB- rating while reducing its outlook from positive to negative. Our BBB- rating from Standard & Poor's is one notch above "below investment grade." A securities rating is not a recommendation to buy, sell or hold securities, and it may be revised or withdrawn at any time by the rating agency.

MillerCoors

MillerCoors distributes its excess cash to its owners, SABMiller and MCBC, on a 58%/42% basis, respectively. MillerCoors does not carry significant debt obligations, and there are no restrictions from external sources on its ability to make cash distributions to its owners.

MillerCoors recognized \$73.0 million and \$72.6 million of depreciation and amortization during the second quarters of 2012 and 2011, respectively, and \$144.1 million and \$144.1 million during the first halves of 2012 and 2011, respectively.

As of June 30, 2012, and December 31, 2011, MillerCoors had cash of \$61.1 million and \$30.4 million, respectively. As of June 30, 2012, and December 31, 2011, total debt was \$28.3 million and \$28.2 million, respectively.

MillerCoors contributed \$77.6 million to its defined benefit pension plans during the first half of 2012. For 2012, MillerCoors' contributions to its defined benefit pension plans are expected to be approximately \$110 million to \$130 million (our 42% share is \$46 million to \$55 million), and are not included in our contractual cash obligations discussion below.

Foreign Exchange

Foreign exchange risk is inherent in our operations primarily due to the significant operating results that are denominated in currencies other than USD, predominantly CAD, GBP, and our Central European operating currencies such as Euro, Czech Koruna, Croatian Kuna, Serbian Dinar, New Romanian Leu and Bulgarian Lev. Our approach is to reduce the volatility of cash flows and reported earnings which result from currency fluctuations rather than business related factors. Therefore, we closely monitor our operations in each country and seek to adopt appropriate strategies that are responsive to foreign currency fluctuations. Our financial risk management policy is intended to offset a portion of the potentially unfavorable impact of exchange rate changes on net income and earnings per share. See Part I—Item 1. Financial Statements, Note 14 "Derivative Instruments and Hedging Activities" to the unaudited condensed consolidated financial statements for further discussion on our financial risk management strategies.

Capital Expenditures

We spent \$81.4 million on capital improvement projects worldwide in the second quarter, excluding capital spending by MillerCoors and other equity method joint ventures, representing an increase from the \$72.5 million of capital expenditures in the second quarter 2011. We now expect to incur capital expenditures for 2012 of approximately \$240 million, including capital spending by Central Europe and excluding capital spending by MillerCoors and other equity method joint ventures.

Contractual Obligations and Commercial Commitments

Contractual Cash Obligations as of June 30, 2012

A summary of our consolidated contractual cash obligations as of June 30, 2012, and based on foreign exchange rates at June 30, 2012, is as follows:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(In millions)				
Debt obligations	\$ 4,907.1	\$ 783.5	\$ 635.3	\$ 1,396.5	\$ 2,091.8
Interest payments on debt obligations	2,134.4	161.8	294.4	210.5	1,467.7
Derivative payments	237.0	27.2	209.8	—	—
Retirement plan expenditures	132.9	45.2	16.8	18.9	52.0
Operating leases	123.4	33.4	47.6	22.6	19.8
Capital leases	1.6	0.5	1.0	0.1	—
Other long-term obligations	2,995.5	894.4	974.8	680.8	445.5
Total obligations	<u>\$ 10,531.9</u>	<u>\$ 1,946.0</u>	<u>\$ 2,179.7</u>	<u>\$ 2,329.4</u>	<u>\$ 4,076.8</u>

See Part I - Item 1. Financial Statements, Note 13 "Debt", Note 14 "Derivative Instruments and Hedging Activities", Note 15 "Pension and Other Postretirement Benefits", and Note 16 "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for additional information. The increase from \$5.9 billion at March 31, 2011 is primarily driven by the Acquisition debt and related interest expense in addition to including MCCE's contractual obligations and commercial commitments.

Other commercial commitments as of June 30, 2012

	Amount of commitment expiration per period				
	Total amounts committed	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(In millions)				
Standby letters of credit	\$ 37.0	\$ 37.0	\$ —	\$ —	\$ —

Contingencies

We enter into contractual arrangements under which we may agree to indemnify third parties from any losses or guarantees incurred relating to pre-existing conditions arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. See Part I—Item 1. Financial Statements, Note 16, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for a discussion of our indemnity and environmental obligations.

We provide indemnities to FEMSA regarding certain tax, civil and labor claims, including cases related to purchased tax credits. See Part I—Item 1. Financial Statements, Note 16, "Commitments and Contingencies—Kaiser and Other Indemnity Obligations," to the unaudited condensed consolidated financial statements, for a detailed discussion.

Off-Balance Sheet Arrangements

As of June 30, 2012, we did not have any material off-balance sheet arrangements (as defined in Item 303(a)(4)(ii) of Regulation S-K).

Outlook for 2012

We expect 2012 to be as challenging as 2011 in all our markets. Additionally in 2012, we anticipate adverse foreign exchange rates and increased pension expense. We expect additional pension expense this year of approximately \$15 million in Canada and \$10 million in the U.K.

For the balance of the year, in addition to focusing on the integration of MCCE, we are investing incrementally in our brands and innovation to drive financial performance. Marketing investments are planned to be higher in Canada, U.K. and MCI. MillerCoors also plans incremental investments in the U.S. for the balance of the year, primarily around innovative brands and packages and business transformation. In Central Europe, after a double-digit increase in marketing and sales spending behind our innovation agenda in the first half, we plan more-moderate local currency increases in the second half of this year.

We also expect higher input costs in all of our businesses, some of which we expect to offset with additional cost-reduction initiatives across our company. Later in 2012, we will be cycling the 53rd week in our fiscal year 2011, which provided approximately \$12 million of pretax income in Canada, partially offset by \$3 million of higher interest and overhead expenses in Corporate.

In Canada, we continue to roll out *Coors Light Iced T* and have launched aluminum pints for *Coors Light* and *Molson Canadian*. We also acquired the license for *Newcastle Brown Ale* and *Strongbow Cider* in Canada and managed the pricing and volume mix in the West to better balance our market share performance. Also, we expect the second quarter volume benefit from the timing of the Canada Day holiday to reverse in the third quarter.

We now expect our 2012 Canada cost of goods sold per hectoliter to increase at a high-single-digit rate in local currency, up from mid-single-digit rate in the previous quarter, due a mix shift toward higher-cost packages and products, including Strongbow and Newcastle, and to the cost of brewing NAB contract volume.

In the U.S., we have strong marketing and sales programming behind our key brands this year in peak season, especially for *Miller Lite*, *Coors Light* and *Miller64*. We are also introducing or testing a range of new brands, and we continue to leverage a full slate of innovative packaging, including the *Miller Lite* Punch Top Can, to help build our existing brands.

We continue to expect MillerCoors cost of goods sold per hectoliter to increase at a low-single-digit rate in 2012, largely due to increases in brewing materials and fuel costs.

In Central Europe, our results were impacted by negative foreign exchange and up-front investments behind innovations and marketing efforts ahead of peak season this year, from which we expect strong returns in the second half. These innovations include lemon and grapefruit extensions of some of our leading brands. These line extensions and new packages have been growing strongly this summer and are pulling volume from inside the beer category and from other types of beverages. Additionally, following expansion last year, *Staropramen* is growing strongly in Central Europe and in our export markets. As a result, we are optimistic that our Central Europe trends in local currency will improve in the second half.

We expect our 2012 Central Europe cost of goods sold per hectoliter to grow at a low-single-digit rate in local currency on a pro forma basis, driven by brewing materials, utilities and fuel inflation.

In the U.K., we plan to invest in marketing and in our Sharp's Brewery to increase capacity in order to support *Doom Bar*, which has been the fastest growing cask ale in the U.K. for the past three years. In the U.K. in the third quarter, we will be

cycling a reduction in employee incentive compensation expense last year. This will have a negative impact on our results in the third quarter of approximately \$6 million.

We now expect our 2012 U.K. cost of goods sold per hectoliter to grow at a high-single-digit rate in local currency, up from mid-single-digit rate in the previous quarter, driven by input inflation, sales mix and one-time expenses related to the U.K. brewery improvements this year.

The 2012 investment in MCI will be moderately higher than last year.

We now expect 2012 marketing, general and administrative expense in Corporate to be approximately \$135 million, which includes approximately \$35 million of acquisition-related costs, which we estimate will be less than \$5 million in the second half of this year.

Interest

We now anticipate 2012 Corporate net interest expense of approximately \$150 million based on current foreign exchange rates and excluding underlying adjustments. The new debt used to fund the Acquisition carries a weighted average interest rate of approximately 3%.

Tax

Our tax rate is volatile and may move up or down with changes in, among other things, the amount and source of income or loss, our ability to utilize foreign tax credits, changes in tax laws, and the movement of liabilities established pursuant to accounting guidance for uncertain tax positions as statutes of limitations expire or positions are otherwise effectively settled. We continue to anticipate that our 2012 effective tax rate on income will be in the range of 17% to 21%. We do not expect the Acquisition to have a substantial impact on the company's 2012 effective tax rate, but we will have a clearer view of this by next quarter. As a result, we are not changing our 2012 tax rate guidance at this time. We continue to expect our normalized long-term tax rate to be in the range of 22% to 26%, but we anticipate that it will take a few years to move up to that range. In addition, there are other pending law changes in the U.S., U.K., Canada and Central Europe that if enacted, may have an impact on our effective tax rate.

Critical Accounting Estimates

Our accounting policies and accounting estimates critical to our financial condition and results of operations are set forth in our Annual Report and did not change during the first half of 2012 .

As of June 30, 2012, we had \$753.9 million of goodwill and \$315.9 million of indefinite-lived intangibles associated with our U.K. reporting unit and *Carling* brand, respectively, which originated from our acquisition of Coors Brewers Limited in 2002. Our annual impairment testing in 2011 revealed that the fair value of the U.K. reporting unit and the *Carling* brand was more than 25% and 175% , respectively, in excess of their carrying values. In recent quarters our U.K. business, along with other U.K. corporations across all industries, has been adversely impacted by the soft economy both in the U.K. and Europe. If this continues, a future impairment charge may be required.

Through our annual impairment testing in 2011, we determined that the fair value of our China reporting unit, included in MCI, was not significantly in excess of its carrying value. Since its inception, the performance of the Molson Coors Si'hai joint venture (which is included in our China reporting unit with our other operations in China) has not met our expectations due to delays in executing its business plans. As a result, the fair value of our China reporting unit only exceeded its carrying value by 4% . We have held ongoing negotiations with our joint venture partner intended to overcome these business difficulties and other issues affecting the joint venture. As part of the negotiations to resolve these issues with our partner, during the second quarter of 2012, we signed an agreement to acquire our partner's 49% noncontrolling interest in the joint venture. Since the execution of the agreement, there has been a lack of progress by our partner in timely satisfying the closing conditions, as well as delays and new obstacles in gaining government approval for the acquisition of the noncontrolling interest, including a court order in China which prevents our joint venture partner from transferring its equity interest to us. These developments, coupled with the impact of increased competitive pressures in China were the combined trigger to review the future cash flows for the reporting unit. The subsequent testing identified that the full amount of the goodwill was impaired resulting in a charge of \$9.5 million in the second quarter of 2012. Additionally, in the second quarter of 2012, we recognized an impairment charge on the definite-lived brand and distribution rights intangible assets of \$0.9 million . Both of these charges are classified as Special items in our Condensed Consolidated Statements of Operations. In addition, as a result of the recent developments, we believe there is a substantial likelihood the closing conditions in the agreement with our joint venture partner will not be satisfied, which will result in the closing of the purchase of our joint venture partner's equity interest not occurring on the terms contemplated by the agreement previously signed, or at all. In that scenario, we will consider other alternatives, which may

require us to record further costs and potential incremental asset impairment charges in the future related to our China reporting unit.

New Accounting Pronouncements Not Yet Adopted

Disclosure about Offsetting Assets and Liabilities

In December 2011, the Financial Accounting Standards Board issued authoritative guidance enhancing the disclosure requirements related to offsetting asset and liability positions. The update creates new disclosure requirements about the nature of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. The new disclosures are designed to better facilitate comparison between financial statements prepared under U.S. GAAP and International Financial Reporting Standards by requiring entities to provide financial statement users information about both gross and net exposures. The guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods thereafter. We do not anticipate that this guidance will have an impact on our financial position or results from operations. However, we are currently evaluating the impact of this guidance on our existing disclosures.

Testing Indefinite-lived Intangibles for Impairment

In July 2012, the FASB issued authoritative guidance related to the impairment testing of indefinite-lived intangibles. The new guidance permits an entity to first assess qualitative factors to whether it is more likely than not that the fair value of an indefinite-lived intangible is less than its carrying amount. If it is concluded that this is the case, the annual impairment test is necessary. Otherwise, the annual impairment test is not required. This guidance is effective for annual and interim goodwill impairment tests performed for our fiscal years beginning January 1, 2013, however, we have decided to early adopt and make it effective for our 2012 impairment review, which will take place in the third quarter. This guidance does not have an impact on our financial position or results from operations.

See Part I—Item 1. Financial Statements, Note 2 "New Accounting Pronouncements" to the unaudited condensed consolidated financial statements for a description of new accounting pronouncements that we have adopted.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we actively manage our exposure to various market risks by entering into various supplier- and market-based hedging transactions, authorized under established risk management policies that place clear controls on these activities. Our objective in managing these exposures is to decrease the volatility of our earnings and cash flows due to changes in underlying rates and costs.

The counterparties to our market-based transactions are generally highly rated institutions. We perform assessments of their credit risk regularly. Our market-based transactions include a variety of derivative financial instruments, none of which are used for trading or speculative purposes.

For details of our derivative instruments that are presented on the balance sheet, including their fair values as of period end, see Part I—Item 1. Financial Statements, Note 14 "Derivative Instruments and Hedging Activities," to the unaudited condensed consolidated financial statements. On a rolling twelve-month basis, maturities of derivative financial instruments held on June 30, 2012, are as follows:

Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
(In millions)				
\$(229.8)	\$ (24.1)	\$ (205.7)	\$ —	\$ —

Sensitivity Analysis

Our market sensitive derivative and other financial instruments, as defined by the Securities and Exchange Commission ("SEC"), are foreign currency forward contracts, commodity swaps, interest rate swaps and cross currency swaps. We monitor foreign exchange risk, interest rate risk, commodity risk, equity price risk and related derivatives using a sensitivity analysis.

The following table presents the results of the sensitivity analysis, which reflects the impact of a hypothetical 10% adverse change in the applicable market interest rates, foreign exchange rates, and commodity prices of our derivative and debt portfolio:

Estimated fair value volatility	As of	
	June 30, 2012	December 31, 2011
	(In millions)	
Foreign currency risk:		
Forwards	\$ (69.6)	\$ (72.6)
Swaps	\$ (56.8)	\$ (46.4)
Foreign currency denominated debt	\$ (187.5)	\$ (106.7)
Equity conversion feature of debt	\$ (9.8)	\$ —
Interest rate risk:		
Debt	\$ (122.5)	\$ (17.5)
Swaps	\$ (32.7)	\$ (44.4)
Commodity price risk:		
Swaps	\$ (1.5)	\$ (2.7)
Equity price risk:		
Equity conversion feature of debt	\$ (18.0)	\$ —

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 above.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures as such item is defined under Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended ("Exchange Act"). We acquired StarBev in the second quarter of 2012. As such, the scope of our assessment of the effectiveness of internal control over financial reporting does not include StarBev. This exclusion is in accordance with the SEC's general guidance that an assessment of a recently acquired business may be omitted from our scope in the year of acquisition. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2012, to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures that, by their nature, can only provide reasonable assurance regarding management's control objectives. Also, we have investments in certain unconsolidated entities that we do not control or manage.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended June 30, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

ITEM 1. Legal Proceedings

We are party to various legal proceedings arising in the ordinary course of business as described in Part I—Item 1. Financial Statements, Note 16, "Commitments and Contingencies—Litigation and Other Disputes" to the unaudited condensed consolidated financial statements, which if decided adversely to or settled by us, may, individually or in the aggregate, be material to our financial condition or results of operations. We may enter into discussions regarding settlement of these and other lawsuits, and may enter into settlement agreements if we believe such settlement is in the best interests of our stockholders.

In 1999, Molson entered into an agreement for the distribution of Molson products in Brazil. In 2000, before commencing distribution in Brazil, Molson terminated the distribution agreement and paid the distributor \$150,000 in

settlement. The distributor sued Molson to set aside the settlement and to seek additional compensation. The Appellate Court of the State of Rio de Janeiro ("Appellate Court") set aside the settlement agreement and determined that Molson was liable to the distributor, with the amount of damages to be determined through subsequent proceedings. An appeal of the liability decision is currently pending before the Brazilian Superior Court of Justice, which allowed Molson's appeal during the fourth quarter of fiscal year 2009 and agreed to hear the merits of Molson's appeal. With respect to damages, the case was remanded to a Rio de Janeiro trial court to determine the amount of damages. The trial court retained an expert who provided a report adopting the position of the distributor and recommended damages based on a business plan that was never implemented. Molson challenged the irregularity of the expert process, the impartiality of the expert, as well as the report's specific recommendation. The trial court denied Molson's challenges. Molson filed an appeal before the Appellate Court regarding these procedural irregularities, which was denied during the fourth quarter of fiscal year 2009. Following the trial court's procedural ruling during the third quarter of 2009, that court handed down a decision in the distributor's favor granting the full amount of the lost anticipated profits alleged by the distributor, approximately \$42 million, plus attorney's fees and accrued interest from the termination of the distribution agreement. Molson appealed the judgment to the Appellate Court. During the fourth quarter of 2009, the Appellate Court directed the court-retained expert to explain the basis for his damages calculation. During the first quarter of 2010, the Appellate Court granted Molson's appeal and vacated the \$42 million judgment. The Appellate Court remanded the proceeding to the trial court and ordered that court to select a different expert. The Appellate Court furthermore directed the trial court to use specific criteria in setting damages, the effect of which should be to substantially reduce the award. Molson sought clarification as to the precise criteria to be used. In April 2010, the Appellate Court denied Molson's motion for clarification, but limited the accrual of interest in this matter. In October 2010, the Appellate Court denied the distributor's motion to set aside the vacation of the \$42 million judgment. In July 2011, the trial court selected a new expert to formulate a new calculation of damages. During the second quarter of 2012, we entered into settlement negotiations with the distributor and agreed in principle to settle this litigation for approximately \$6.3 million, including legal fees. Subsequent to the end of the second quarter 2012, we finalized the settlement for the \$6.3 million accrued at June 30, 2012.

We are involved in other disputes and legal actions arising in the ordinary course of our business. While it is not feasible to predict or determine the outcome of these proceedings, in our opinion, based on a review with legal counsel, none of these disputes and legal actions is expected to have a material impact on our consolidated financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business.

ITEM 1A. Risk Factors

In addition to the factors discussed in Part I—Item 1A. Risk Factors in our Annual Report for the year ended December 31, 2011, we have identified the following additional risk factors related to the completion of our acquisition (the "Acquisition") of StarBev Holdings S.à r.l. ("StarBev") from StarBev L.P. (the "Seller") on June 15, 2012, which we subsequently renamed Molson Coors Central Europe ("MCCE"). You should carefully consider the factors discussed below and in Part I—Item 1A. Risk Factors in our Annual Report, which could materially affect our business, financial condition and/or future results. The risks described herein and in our Annual Report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition and/or future results.

We may not recognize the benefits of the Acquisition.

We may not realize the expected benefits of the Acquisition because of integration difficulties and other challenges. The success of the Acquisition will depend, in part, on our ability to realize all or some of the anticipated synergies and other benefits from integrating MCCE's business with our existing businesses. The integration process may be complex, costly and time-consuming. The difficulties of integrating the operations of MCCE's business include, among others:

- failure to implement our business plan for the combined business;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- possible inconsistencies in standards, controls, procedures and policies, and compensation structures between MCCE's structure and our structure;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in MCCE's business and our business;
- unanticipated issues, expenses and liabilities;
- unfamiliarity with operating in Central Europe; and
- disputes with minority shareholders of MCCE's subsidiary, Trebjesa AD, that may disrupt our integration efforts or cause us to need to buy out their interests.

We may not be able to maintain the levels of revenue, earnings or operating efficiency that each of Molson Coors and MCCE had achieved or might achieve separately. In addition, we may not accomplish the integration of MCCE's business smoothly, successfully or within the anticipated costs or timeframe. Moreover, the markets in which MCCE operates may not experience the growth rates expected and any further economic downturn affecting Europe could negatively impact MCCE's business. These markets are in differing stages of development and may experience more volatility than expected or face more operating risks than in the more mature markets in which Molson Coors has historically operated. If we experience difficulties with the integration process or if the MCCE business or the markets in which it operates deteriorate, the anticipated cost savings, growth opportunities and other synergies of the Acquisition may not be realized fully, or at all, or may take longer to realize than expected. In such case, our business, financial condition and results of operations may be negatively impacted.

We face risks associated with the Sale and Purchase Agreement ("SPA") in connection with the Acquisition.

In connection with the Acquisition, we assumed substantially all the liabilities of MCCE that were not satisfied on or prior to the closing date. There may be liabilities that we underestimated or did not discover in the course of performing our due diligence investigation of MCCE. Under the SPA and a management warranty deed (the "Management Warranty Deed"), the Seller has agreed to provide us with a limited set of representations and warranties. Our sole remedy from the Seller for any breach of those representations and warranties is an action for indemnification, not to exceed €100 million under the SPA and €50 million under the Management Warranty Deed. Damages resulting from a breach of a representation or warranty could have a material and adverse effect on our financial condition and results of operations.

Impacts of the Acquisition on our financial position.

As a result of the Acquisition, the already significant amount of goodwill and other intangible assets on our consolidated financial statements increased. Such amounts are subject to impairment based upon future adverse changes in our business or prospects. In addition, we incurred a significant amount of additional indebtedness in connection with the Acquisition. After giving effect to our \$1.9 billion senior notes offering, borrowings under the new credit and term loan agreements in connection with the Acquisition and the issuance of the Convertible Note to the Seller, we have outstanding \$4,781 million of indebtedness as of June 30, 2012, the ability to incur up to an additional \$550 million of indebtedness under our new revolving credit facility and the ability to incur up to an additional \$400 million of indebtedness under our existing revolving credit facility. We may incur significantly more indebtedness in the future. As a result of the debt that we incurred in connection with the Acquisition, we have suspended share repurchases until our credit metrics are closer to pre-MCCE acquisition levels, and there can be no assurance that our credit ratings will remain at an investment grade level or that they will improve. We also intend to use cash from operations to reduce our debt level, which will reduce funds available for other purposes and may increase our vulnerability to adverse economic or industry conditions. In addition, our indebtedness also subjects us to financial and operating covenants, which may limit our flexibility in responding to our business needs. If we are not able to maintain compliance with stated financial ratios or if we breach any of the other covenants in any debt agreement, we could be in default under such agreement. Such a default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities for Quarter Ended June 30, 2012

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1, 2012 - April 28, 2012	—	\$ —	—	\$ 878,855,139
April 29, 2012 - May 26, 2012	—	—	—	878,855,139
May 27, 2012 - June 30, 2012	—	—	—	878,855,139
Total	—	\$ —	—	\$ 878,855,139

(1) - On August 2, 2011, we announced that our Board of Directors approved and authorized a new program to repurchase up to \$1.2 billion of our Class B common stock. The program has an expected term of three years and we plan to repurchase our Class B common stock from time to time, principally in the open market or through private transactions. The number, price, and timing of the repurchases will be at our sole discretion and will be evaluated depending on market conditions, liquidity needs or other factors. Our Board of Directors may suspend, modify, or terminate the program at any time without prior notice. During the third quarter of 2011, our Board of Directors expanded this program to include the repurchase of our Class A common stock.

ITEM 3. Defaults upon Senior Securities

None

ITEM 5. Other Information

As previously disclosed, on April 3, 2012, the Company entered into a Credit Agreement (as amended, the "Credit Agreement") by and among the Company, Molson Canada, Molson Coors International LP, Molson Coors Canada Inc. and Molson Coors Brewing Company (UK) Limited, the Lenders party thereto, Deutsche Bank AG New York Branch, as Administrative Agent, and Deutsche Bank AG, Canada Branch, as Canadian Administrative Agent. The Credit Agreement was amended April 23, 2012 to increase the borrowing limit to \$550,000,000.

ITEM 6. Exhibits

The following are filed as a part of this Quarterly Report on Form 10-Q:

(a) Exhibits

Exhibit Number	Document Description
2.1	Agreement, dated as of April 3, 2012, by and among Molson Coors Brewing Company, Molson Coors Holdco - 2 Inc. and Starbev L.P. (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on April 3, 2012).
2.2	Amendment and Novation Agreement, dated as of June 14, 2012, by and between Molson Coors Holdco 2 LLC, Molson Coors Netherlands B.V., Molson Coors Brewing Company, Starbev L.P. and the other individuals party thereto (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed on June 18, 2012).
2.3	Management Warranty Deed, dated as of April 3, 2012, by and among the management warrantors named therein, Starbev L.P. and Molson Coors Holdco - 2 Inc. (incorporated by reference to Exhibit 2.2 to our Current Report on Form 8-K filed on April 3, 2012).
4.1	Indenture, dated as of May 3, 2012, by and among Molson Coors Brewing Company, the Guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on May 3, 2012).
4.2	First Supplemental Indenture, dated as of May 3, 2012, to the Indenture dated May 3, 2012, by and among Molson Coors Brewing Company, the Guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on May 3, 2012).
4.3	Registration Rights Agreement, dated as of June 15, 2012, among Molson Coors Brewing Company, Molson Coors Holdco Inc. and Starbev L.P. (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on June 18, 2012).
4.4	€500,000,000 Zero-Coupon Senior Unsecured Convertible Bond due 2013 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 18, 2012).
4.5	Twelfth Supplemental Indenture, dated as of June 15, 2012, to the Indenture dated September 22, 2005, by and among Molson Coors Capital Finance, the Guarantors party thereto and Computershare Trust Company of Canada, as Canadian, as Trustee.
4.6	Eleventh Supplemental Indenture, dated as of June 15, 2012, to the Indenture dated June 15, 2007, by and among Molson Coors Brewing Company, the Guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee.
4.7	Sixth Supplemental Indenture, dated as of June 15, 2012, to the Indenture dated October 6, 2010, by and among Molson Coors International LP, the Guarantors party thereto, and Computershare Trust Company of Canada, as Trustee.
4.8	Second Supplemental Indenture, dated as of June 15, 2012, to the Indenture dated May, 3, 2012, by and among Molson Coors BREWING Company, the Guarantors party thereto, and Deutsche Bank Trust Company Americas, as Trustee.
10.1	Term Loan Agreement, dated as of April 3, 2012, by and among Molson Coors Brewing Company, the Lenders party thereto, and Deutsche Bank AG New York Branch, as Administrative Agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on April 3, 2012).

10.2	Term Loan Subsidiary Guarantee Agreement, dated as of April 3, 2012, by and among Molson Coors Brewing Company, each subsidiary listed on Schedule I thereto and Deutsche Bank AG New York Branch, as Administrative Agent (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on April 3, 2012).
10.3	Credit Agreement, dated as of April 3, 2012, by and among Molson Coors Brewing Company, Molson Coors Brewing Company (UK) Limited, Molson Canada 2005, Molson Coors Canada Inc. and Molson Coors International LP, the Lenders party thereto, Deutsche Bank AG New York Branch, as Administrative Agent, and Deutsche Bank AG, Canada Branch, as Canadian Administrative Agent (incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K filed on April 3, 2012).
10.4	Amendment No. 1 (to the April 3, 2012 Credit Agreement), dated as of April 23, 2012, by and among Molson Coors Brewing Company, Molson Coors Brewing Company (UK) Limited, Molson Canada 2005, Molson Coors Canada Inc. and Molson Coors International LP, the Lenders party thereto and Deutsche Bank AG New York Branch, as Administrative Agent (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on June 18, 2012).
10.5	Credit Agreement Subsidiary Guarantee Agreement, dated as of April 3, 2012, by and among Molson Coors Brewing Company, Molson Coors Brewing Company (UK) Limited, Molson Canada 2005, Molson Coors Canada Inc., Molson Coors International LP, each other subsidiary listed on Schedule I thereto and Deutsche Bank AG New York Branch, as Administrative Agent (incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K filed on April 3, 2012).
10.6*	Amendment No. 1 to Molson Coors Brewing Company Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on June 4, 2012).
10.7*	Amended and Restated Directors' Stock Plan.
10.8*	Molson Coors Brewing Company Change in Control Protection Program.
10.9	Amendment No. 2 (to the April 12, 2011 Credit Agreement), dated as of June 29, 2012, by and among Molson Coors Brewing Company, Molson Coors Brewing Company (UK) Limited, Molson Canada 2005, Molson Coors Canada Inc., and Molson Coors International LP, the lenders party thereto and Deutsche Bank AG New York Branch, as Administrative Agent.
10.10	Amendment No. 2 (to the April 3, 2012 Term Loan Agreement), dated as of June 29, 2012, by and among Molson Coors Brewing Company, Molson Coors European Finance Company S.ar.l, the lenders party thereto and Deutsche Bank AG New York Branch, as Administrative Agent.
10.11	Amendment No. 2 (to the April 3, 2012 Credit Agreement), dated as of June 29, 2012, by and among Molson Coors Brewing Company, Molson Coors Brewing Company (UK) Limited, Molson Canada 2005, Molson Coors Canada Inc., and Molson Coors International LP, the lenders party thereto and Deutsche Bank AG New York Branch, as Administrative Agent.
10.12*	Offer letter between Molson Coors Brewing Company and Stewart Glendinning.
10.13*	Offer letter between Molson Coors Brewing Company and Gavin Hattersley.
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32	Written Statement of Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC. Section 1350).
101.INS	XBRL Instance Document.**
101.SCH	XBRL Taxonomy Extension Schema Document.**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.**

* Represents a management contract or compensatory plan or arrangement.

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Unaudited Condensed Consolidated Statements of Operations for the 13 and 26 weeks ended June 30, 2012, and June 25, 2011, (ii) the Unaudited Condensed Consolidated Statements of Other Comprehensive Income for the 13 and 26 weeks ended June 30, 2012, and June 25, 2011, (iii) the Unaudited Condensed Consolidated Balance Sheets at June 30, 2012, and December 31, 2011, (iii) the Unaudited Condensed Consolidated Statements of Cash Flows for the 26 weeks ended June 30, 2012, and June 25, 2011, (iv) the Notes to Unaudited Condensed Consolidated Financial Statements, and (v) document and entity information.

SIGNATURE

By: /s/ ZAHIR IBRAHIM

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TWELFTH SUPPLEMENTAL INDENTURE

DATED AS OF JUNE 15, 2012

to

INDENTURE

dated as of September 22, 2005

among

MOLSON COORS CAPITAL FINANCE ULC,

as Issuer,

THE GUARANTORS NAMED THEREIN,

as Guarantors,

and

COMPUTERSHARE TRUST COMPANY OF CANADA

as Canadian Trustee

THIS TWELFTH SUPPLEMENTAL INDENTURE, dated as of June 15, 2012 (this “ **Supplemental Indenture** ”), to the Indenture dated as of September 22, 2005, as supplemented by the First Supplemental Indenture and Second Supplemental Indenture thereto, each dated as of September 22, 2005, the Third Supplemental Indenture thereto dated as of April 10, 2007, the Fourth Supplemental Indenture thereto dated as of February 1, 2008, the Fifth Supplemental Indenture thereto dated as of May 23, 2008, the Sixth Supplemental Indenture thereto dated as of June 27, 2008, the Seventh Supplemental Indenture thereto dated as of June 30, 2008, the Eighth Supplemental Indenture thereto dated as of December 25, 2010, the Ninth Supplemental Indenture thereto dated as of March 8, 2011, the Tenth Supplemental Indenture thereto dated November 11, 2011 and the Eleventh Supplemental Indenture thereto dated May 3, 2012 (collectively, the “ **Original Indenture** ” and, together with this Supplemental Indenture (the “ **Indenture** ”), among Molson Coors Capital Finance ULC, a Nova Scotia unlimited liability company (the “ **Company** ”), Molson Coors Brewing Company, a Delaware corporation (the “ **Parent** ”), Coors Brewing Company, a Colorado corporation, Molson Coors International LP, a Delaware limited partnership, CBC Holdco LLC, a Colorado limited liability company, MCBC International Holdco, Inc., a Colorado corporation, Molson Coors International General, ULC, a Nova Scotia unlimited liability company, Coors International Holdco, ULC, a Nova Scotia unlimited liability company, Molson

Coors Callco ULC, a Nova Scotia unlimited liability company, Molson Canada 2005, a Canadian partnership, MC Holding Company LLC, a Colorado limited liability company, CBC Holdco 2 LLC, a Colorado limited liability company, Newco3, Inc., a Colorado corporation, Molson Coors Brewing Company (UK) Limited, an English private limited company, Molson Coors Holdings Limited, an English private limited company, Golden Acquisition, an English private unlimited company and Molson Coors Holdco, Inc., a Delaware corporation (collectively, the “**Guarantors**”), and Computershare Trust Company of Canada, a trust company duly incorporated and existing under the laws of Canada, as successor to The Canada Trust Company, as Canadian Trustee (the “**Canadian Trustee**”).

WHEREAS, the Company, the Guarantors and the Canadian Trustee are authorized to enter into this Supplemental Indenture pursuant to Section 9.01 of the Original Indenture.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That the parties hereto hereby agree as follows:

Section 1. *Defined Terms; Rules of Interpretation. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture. The rules of interpretation set forth in the Indenture shall be applied hereto as if set forth in full herein.*

Additional Subsidiary Guarantors. Molson Coors Holdco, Inc. hereby agrees to guarantee payment of the Securities as a Subsidiary Guarantor, on the same terms and conditions as those set forth in Article 10 of the Original Indenture.

Ratification of Original Indenture: Supplemental Indentures Part of Original Indenture. Except as expressly amended or supplemented hereby, the Original Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Original Indenture for all purposes, and every Holder of any Securities heretofore or hereafter authenticated and delivered pursuant thereto shall be bound hereby. Except only insofar as the Original Indenture may be inconsistent with the express provisions of this Supplemental Indenture, in which case the terms of this Supplemental Indenture shall govern and supersede those contained in the Original Indenture, this Supplemental Indenture shall henceforth have effect so far as practicable as if all the provisions of the Original Indenture were contained in one instrument.

Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Concerning the Canadian Trustee. In carrying out the Canadian Trustee’s responsibilities hereunder, the Canadian Trustee shall have all of the rights, protections, and immunities which the Canadian Trustee possesses under the Indenture. The recitals contained herein shall be taken as the statements of the Company, and the Canadian Trustee assumes no responsibility for their correctness. The Canadian Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MOLSON COORS CAPITAL FINANCE ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

GUARANTORS:

COORS BREWING COMPANY

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS BREWING COMPANY

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President ,Treasurer, Tax & Strategic Finance

CBC HOLDCO LLC

By: **CBC HOLDCO 2 LLC,
Managing Member**
By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL LP

By: MOLSON COORS INTERNATIONAL GENERAL, ULC, Its General Partner

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS CALLCO ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON CANADA 2005

By: /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer

MC HOLDING COMPANY LLC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

CBC HOLDCO 2 LLC

**By: COORS BREWING COMPANY,
Managing Member**

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

NEWCO3, INC.

By: /s/ Julio Ramirez

Name: Julio Ramirez
Title: Treasurer

MOLSON COORS HOLDCO INC.

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS BREWING COMPANY (UK) LIMITED

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON COORS HOLDINGS LIMITED

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

GOLDEN ACQUISITION

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

CANADIAN TRUSTEE:

COMPUTERSHARE TRUST COMPANY OF CANADA, as Canadian Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

ELEVENTH SUPPLEMENTAL INDENTURE

DATED AS OF JUNE 15, 2012

To

INDENTURE

dated as of June 15, 2007

among

MOLSON COORS BREWING COMPANY, as Issuer

THE GUARANTORS NAMED THEREIN, as Guarantors

and

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

THIS TENTH SUPPLEMENTAL INDENTURE, dated as of June 15, 2012 (this “**Supplemental Indenture**”), to the Indenture dated as of June 15, 2007, as supplemented by the First Supplemental Indenture thereto dated as of June 15, 2007, the Second Supplemental Indenture thereto dated as of January 31, 2008, the Third Supplemental Indenture thereto dated as of February 1, 2008, the Fourth Supplemental Indenture dated as of May 23, 2008, the Fifth Supplemental Indenture thereto dated as of June 27, 2008, the Sixth Supplemental Indenture thereto dated as of June 30, 2008, the Seventh Supplemental Indenture thereto dated as of December 25, 2010, the Eighth Supplemental Indenture thereto dated as of March 8, 2011, the Ninth Supplemental Indenture thereto dated as of November 11, 2011 and the Tenth Supplemental Indenture thereto dated as of May 3, 2012 (collectively, the “**Original Indenture**” and, together with this Supplemental Indenture, the “**Indenture**”), is among Molson Coors Brewing Company, a Delaware corporation (the “**Company**”), Coors Brewing Company, a Colorado corporation, Molson Coors Capital Finance ULC, a Nova Scotia unlimited liability company, Molson Coors International LP, a Delaware limited partnership, CBC Holdco, Inc., a Colorado corporation, Molson Coors International General, ULC, a Nova Scotia unlimited liability company, Coors International Holdco, ULC, a Nova Scotia unlimited liability company, Molson Coors Callco ULC, a Nova Scotia unlimited liability company, Molson Canada 2005, a Canadian partnership, MC Holding Company LLC, a Colorado limited liability company, CBC Holdco 2, Inc., a Colorado corporation, Newco3, Inc., a Colorado corporation, Molson Coors Brewing Company (UK) Limited, an English private limited company, Molson Coors Holdings Limited, an English private limited company, Golden Acquisition, an English private unlimited company and Molson Coors Holdco, Inc. (collectively, the “**Guarantors**”), and Deutsche Bank Trust Company Americas, a New York banking corporation, as Trustee (the “**Trustee**”).

WHEREAS, the Company, the Guarantors and the Trustee are authorized to enter into this Supplemental Indenture pursuant to Section 9.01 of the Original Indenture.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That the parties hereto hereby agree as follows:

Section 1. *Defined Terms; Rules of Interpretation. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture. The rules of interpretation set forth in the Indenture shall be applied hereto as if set forth in full herein.*

Additional Guarantors. Molson Coors Holdco, Inc. hereby agrees to guarantee payment of the Securities as a Guarantor, on the same terms and conditions as those set forth in Article 10 of the Original Indenture.

Ratification of Original Indenture: Supplemental Indentures Part of Original Indenture. Except as expressly amended or supplemented hereby, the Original Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Original Indenture for all purposes, and every Holder of any Securities heretofore or hereafter authenticated and delivered pursuant thereto shall be bound hereby. Except only insofar as the Original Indenture may be inconsistent with the express provisions of this Supplemental Indenture, in which case the terms of this Supplemental Indenture shall govern and supersede those contained in the Original Indenture, this Supplemental Indenture shall henceforth have effect so far as practicable as if all the provisions of the Original Indenture were contained in one instrument.

Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Concerning the Trustee. In carrying out the Trustee's responsibilities hereunder, the Trustee shall have all of the rights, protections, and immunities which the Trustee possesses under the Indenture. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MOLSON COORS BREWING COMPANY

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President, Treasurer, and Tax & Strategic Finance

GUARANTORS:

MOLSON COORS CAPITAL FINANCE ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

COORS BREWING COMPANY

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

CBC HOLDCO LLC

**By: CBC HOLDCO 2 LLC,
Managing Member**

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL LP

**By: MOLSON COORS INTERNATIONAL GENERAL, ULC, Its General
Partner**

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS CALLCO ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON CANADA 2005

By: /s/ Kelly L. Brown
Name: Kelly L. Brown
Title: Chief Legal Officer

MC HOLDING COMPANY LLC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

CBC HOLDCO 2 LLC

By: **COORS BREWING COMPANY,
Managing Member**
By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

NEWCO3, INC.

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS HOLDCO INC.

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS BREWING COMPANY (UK) LIMITED

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON COORS HOLDINGS LIMITED

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

GOLDEN ACQUISITION

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

**DEUTSCHE BANK TRUST COMPANY AMERICAS by DEUTSCHE BANK
NATIONAL TRUST COMPANY, as Trustee**

By: _____
Name:
Title:

By: _____
Name:
Title:

SIXTH SUPPLEMENTAL INDENTURE

DATED AS OF JUNE 15, 2012

to

INDENTURE

dated as of October 6, 2010

among

MOLSON COORS INTERNATIONAL LP, as Issuer

THE GUARANTORS NAMED THEREIN, as Guarantors

and

COMPUTERSHARE TRUST COMPANY OF CANADA, as Trustee

THIS SIXTH SUPPLEMENTAL INDENTURE, dated as of June 15, 2012 (this “**Supplemental Indenture**”), to the Indenture dated as of October 6, 2010, as supplemented by the First Supplemental Indenture thereto dated as of October 6, 2010, as supplemented by the Second Supplemental Indenture dated December 25, 2010, as supplemented by the Third Supplemental Indenture dated March 8, 2011, as supplemented by the Fourth Supplemental Indenture dated November 11, 2011 and the Fifth Supplemental Indenture dated May 3, 2012 (the “**Original Indenture**”), is entered into among MOLSON COORS INTERNATIONAL LP, a Delaware limited partnership (the “**Issuer**”), MOLSON COORS BREWING COMPANY, a Delaware corporation (the “**Parent Guarantor**”), COORS BREWING COMPANY, a Colorado corporation, MOLSON CANADA 2005, an Ontario partnership, CBC HOLDCO LLC, a Colorado corporation, COORS INTERNATIONAL HOLDCO ULC, a Nova Scotia unlimited liability company, MOLSON COORS CALLCO ULC, a Nova Scotia unlimited liability company, MOLSON COORS INTERNATIONAL GENERAL ULC, a Nova Scotia unlimited liability company, MOLSON COORS CAPITAL FINANCE ULC, a Nova Scotia unlimited liability company, MC HOLDING COMPANY LLC, a Colorado limited liability company, CBC HOLDCO 2, LLC, a Colorado corporation, NEWCO3, INC., a Colorado corporation, MOLSON COORS BREWING COMPANY (UK) LIMITED, an English private limited company, MOLSON COORS HOLDINGS LIMITED, an English private limited company, GOLDEN ACQUISITION, an English private unlimited company, and MOLSON COORS HOLDCO, INC. (collectively, the “**Subsidiary Guarantors**” and, together with the Parent Guarantor, the “**Guarantors**”), and COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company duly existing under the laws of Canada (the “**Trustee**”).

WHEREAS, the Company, the Guarantors and the Trustee are authorized to enter into this

Supplemental Indenture pursuant to Section 9.01 of the Original Indenture;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That the parties hereto hereby agree as follows:

Section 1. *Defined Terms; Rules of Interpretation. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture. The rules of interpretation set forth in the Indenture shall be applied hereto as if set forth in full herein.*

Additional Subsidiary Guarantors. Molson Coors Holdco, Inc. hereby agrees to guarantee payment of the Securities as a Subsidiary Guarantor, on the same terms and conditions as those set forth in Article 10 of the Original Indenture.

Ratification of Original Indenture: Supplemental Indentures Part of Original Indenture. Except as expressly amended or supplemented hereby, the Original Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Original Indenture for all purposes, and every Holder of any Securities heretofore or hereafter authenticated and delivered pursuant thereto shall be bound hereby. Except only insofar as the Original Indenture may be inconsistent with the express provisions of this Supplemental Indenture, in which case the terms of this Supplemental Indenture shall govern and supersede those contained in the Original Indenture, this Supplemental Indenture shall henceforth have effect so far as practicable as if all the provisions of the Original Indenture were contained in one instrument.

Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Concerning the Trustee. In carrying out the Trustee's responsibilities hereunder, the Trustee shall have all of the rights, protections, and immunities which the Trustee possesses under the Indenture. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

IN WITNESS WHEREOF , the parties have caused this Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MOLSON COORS INTERNATIONAL LP

By: MOLSON COORS INTERNATIONAL GENERAL, ULC, Its General Partner

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

GUARANTORS:

MOLSON COORS BREWING COMPANY

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President, Treasurer, Tax & Strategic Finance

COORS BREWING COMPANY

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

MOLSON CANADA 2005

By: /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer

CBC HOLDCO LLC

**By: COORS BREWING COMPANY,
Managing Member**

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS CALLCO ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS CAPITAL FINANCE ULC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MC HOLDING COMPANY LLC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

CBC HOLDCO 2 LLC

**By: COORS BREWING COMPANY,
Managing Member**

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

NEWCO3, INC.

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS HOLDCO INC.

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

**MOLSON COORS BREWING COMPANY (UK)
LIMITED**

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON COORS HOLDINGS LIMITED

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

GOLDEN ACQUISITION

By: /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

COMPUTERSHARE TRUST COMPANY OF CANADA, as Canadian Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

SECOND SUPPLEMENTAL INDENTURE

DATED AS OF JUNE 15, 2012

To

INDENTURE

dated as of May 3, 2012

among

MOLSON COORS BREWING COMPANY, as Issuer

THE GUARANTORS NAMED THEREIN, as Guarantors

and

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

THIS SECOND SUPPLEMENTAL INDENTURE, dated as of June 15, 2012 (this “ **Supplemental Indenture** ”), to the Indenture dated as of May 3, 2012, as supplemented by the First Supplemental Indenture thereto dated as of May 3, 2012 (collectively, the “ **Original Indenture** ” and, together with this Supplemental Indenture, the “ **Indenture** ”), is among Molson Coors Brewing Company, a Delaware corporation (the “ **Company** ”), Coors Brewing Company, a Colorado corporation, Molson Coors Capital Finance ULC, a Nova Scotia unlimited liability company, Molson Coors International LP, a Delaware limited partnership, CBC Holdco, Inc., a Colorado corporation, Molson Coors International General, ULC, a Nova Scotia unlimited liability company, Coors International Holdco, ULC, a Nova Scotia unlimited liability company, Molson Coors Calco ULC, a Nova Scotia unlimited liability company, Molson Canada 2005, a Canadian partnership, MC Holding Company LLC, a Colorado limited liability company, CBC Holdco 2, Inc., a Colorado corporation, Newco3, Inc., a Colorado corporation, Molson Coors Brewing Company (UK) Limited, an English private limited company, Molson Coors Holdings Limited, an English private limited company, Golden Acquisition, an English private unlimited company and Molson Coors Holdco, Inc., a Delaware corporation (collectively, the “ **Guarantors** ”), and Deutsche Bank Trust Company Americas, a New York banking corporation, as Trustee (the “ **Trustee** ”).

WHEREAS, the Company, the Guarantors and the Trustee are authorized to enter into this Supplemental Indenture pursuant to Section 14.1 of the Original Indenture.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That the parties hereto hereby agree as follows:

Section 1. *Defined Terms; Rules of Interpretation. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture. The rules of interpretation set forth in the Indenture shall be applied hereto as if set forth in full herein.*

Additional Guarantors. Molson Coors Holdco, Inc. hereby agrees to guarantee payment of the Securities as a Guarantor, on the same terms and conditions as those set forth in Article 16 of the Original Indenture.

Ratification of Original Indenture: Supplemental Indentures Part of Original Indenture. Except as expressly amended or supplemented hereby, the Original Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Original Indenture for all purposes, and every Holder of any Securities heretofore or hereafter authenticated and delivered pursuant thereto shall be bound hereby. Except only insofar as the Original Indenture may be inconsistent with the express provisions of this Supplemental Indenture, in which case the terms of this Supplemental Indenture shall govern and supersede those contained in the Original Indenture, this Supplemental Indenture shall henceforth have effect so far as practicable as if all the provisions of the Original Indenture were contained in one instrument.

Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Concerning the Trustee. In carrying out the Trustee's responsibilities hereunder, the Trustee shall have all of the rights, protections, and immunities which the Trustee possesses under the Indenture. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MOLSON COORS BREWING COMPANY

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President, Treasurer, Tax & Strategic Finance

GUARANTORS:

MOLSON COORS CAPITAL FINANCE ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

COORS BREWING COMPANY

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

CBC HOLDCO LLC

By: **CBC HOLDCO 2 LLC,
Managing Member**

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL LP

By: **MOLSON COORS INTERNATIONAL GENERAL, ULC, Its General
Partner**

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Vice President – Taxation and Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON COORS CALLCO ULC

By: /s/ Julio Ramirez
Name: Julio Ramirez
Title: Treasurer

MOLSON CANADA 2005

By: /s/ Kelly L. Brown
Name: Kelly L. Brown

Title: Chief Legal Officer

MC HOLDING COMPANY LLC

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

CBC HOLDCO 2 LLC

By: **COORS BREWING COMPANY,
Managing Member**

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Vice President – Taxation and Treasurer

NEWCO3, INC.

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS HOLDCO, INC.

By: /s/ Julio Ramirez

Name: Julio Ramirez

Title: Treasurer

MOLSON COORS BREWING COMPANY (UK) LIMITED

By: /s/ Susan Albion

Name: Susan Albion

Title: Legal Director

MOLSON COORS HOLDINGS LIMITED

By: /s/ Susan Albion

Name: Susan Albion

Title: Legal Director

GOLDEN ACQUISITION

By: /s/ Susan Albion

Name: Susan Albion

Title: Legal Director

**DEUTSCHE BANK TRUST COMPANY AMERICAS by DEUTSCHE BANK
NATIONAL TRUST COMPANY, as Trustee**

By:

Name:

Title:

By:

Name:

Title:

**AMENDED AND RESTATED
MOLSON COORS BREWING COMPANY
DIRECTORS' STOCK PLAN**

1. *Establishment; Purpose* . Molson Coors Brewing Company ("MCBC") establishes this Molson Coors Brewing Company Directors' Stock Plan (the "Plan") as a Non-Employee Director award under the Company's Incentive Compensation Plan subject to the terms and provisions thereof effective July 26, 2006. This plan shall be administered by the Global Chief People Officer of MCBC (the "Administrator"). The purpose of the Plan is to provide an incentive to certain MCBC directors who are not employees of MCBC to own additional shares of Common Stock of MCBC ("Common Stock"), thereby aligning their interests more closely with the interests of the stockholders of MCBC. The effective date of this amended and restated Plan (the "Amended and Restated Plan") shall be May 31, 2012.
2. *Election to Participate* . Any director of MCBC who is not an employee of MCBC or any of its subsidiaries may elect to participate in the Plan by filing an election with the Administrator. Notwithstanding the foregoing, neither the Chairman nor Vice Chairman of the Board shall be eligible to participate in the Plan. Elections to participate shall apply to the calendar year commencing after the date the election is filed. Once an election has been filed with the Administrator, the director shall participate in the Plan for the entire year for which he or she has elected to participate and to the extent provided by the Administrator, for all subsequent years until the director timely files a new election for such subsequent year. To be effective, any election under this paragraph 2 must be filed by the November 30th preceding the year (or such other deadline in such preceding year established by the Administrator) for which it is to take effect. Such election shall become irrevocable on the applicable deadline. In the case of an individual who first becomes an eligible director during a calendar year, such individual may irrevocably elect to participate for the remainder of such year by filing an election within 30 days of becoming eligible, provided such election shall apply only to cash retainer amounts earned after the election is filed.
3. *Cash Retainer Paid in Stock* . Commencing as of the first day of the year a director elects to participate, all or 50% (as elected) of the cash retainer amount payable to the director shall be paid in shares of Common Stock until the director shall cease to serve as a member of the MCBC board of directors or until a subsequent year in which the director shall file a timely new election, whichever first occurs. Cash retainers for this purpose shall be the fixed amount payable to a director by reason of his or her being a member of the board of directors of MCBC and any committee thereof, including amounts payable due to chairmanship of the board or a committee, but exclusive of amounts payable on a per meeting basis. The number of shares of Common Stock to be paid to a director shall be computed by dividing the cash retainer amount payable to the director on a given date by the fair market value of one share of Common Stock on that date as determined under the MCBC Incentive Compensation Plan. Fair market value as of any date means the closing price of one share of Common Stock as reported by the New York Stock Exchange. Shares paid to a director shall be issued as promptly as practicable as the Administrator shall determine.
4. *Deferred Stock Units* . Subject to the timing requirements of paragraph 2, directors who participate in the Plan may elect to defer receipt of their shares of Common Stock otherwise payable under the Plan and, in lieu thereof, MCBC shall maintain on its books deferred stock units ("DSUs") representing an obligation to issue shares of Common Stock. DSUs shall be credited to the director at the time and in the amount that shares of Common Stock would otherwise have been paid in the absence of an election to defer. As of each of the Company's dividend payment dates after the effective date of the Amended and Restated Plan, each director who has been credited with DSUs shall be credited with a cash amount (a "cash dividend equivalent") equal to the aggregate amount of cash dividends, if any, that would have been payable on the number of shares of Common Stock that equals the number of DSUs credited to the director (as determined on the applicable dividend payment date), including, for the avoidance of doubt, DSUs credited to the director prior to the effective date of the Amended and Restated Plan. Upon the termination of service as a director, MCBC shall pay to the director in a lump sum (i) one share of Common Stock for each DSU and (ii) an amount of cash equal to the total amount of the director's accrued cash dividend equivalents credited with respect to the DSUs, without interest (the "cash amount"). The lump sum payment of one share of Common Stock for each DSU and the cash amount shall be made no later than the thirtieth (30th) day after the director ceases to be a director of MCBC. "Ceases to be a director" or words of similar import, as used in this Plan mean, for purposes of any payments under this Plan that are payments of deferred compensation subject to Code Section 409A, the director's "separation from service" as defined in Treasury Regulation Section 1.409A-1 (h)(2) with regard to independent contractors.
5. *Shares* . Shares paid to directors under the Plan shall be paid with newly issued shares of Common Stock of MCBC, or treasury shares of Common Stock held by MCBC. No fractional shares shall be issued. Whenever the

computation of the number of shares to be paid results in a fractional amount, such amount shall be rounded up to the next greater whole number of shares.

6. *Adjustment in Capitalization* . In the event that any change in the outstanding shares of Common Stock occurs by reason of a stock dividend, stock split, recapitalization, merger, consolidation, combination, share exchange or similar corporate change, the number of shares of Common Stock which may be issued under this Plan shall be appropriately adjusted. Any adjustments made to any DSUs shall be made in accordance with the terms of the Company's Incentive Compensation Plan.

7. *Nonassignment* . Neither a director nor his or her duly designated beneficiary shall have any right to assign, transfer, pledge or otherwise convey the right to receive any Common Stock or DSUs hereunder, and any such attempted assignment, transfer, other conveyance shall not be recognized by MCBC.

8. *Designation of Beneficiary* . A director may designate a beneficiary which is to receive any unpaid Common Stock or Common Stock payable with respect to DSUs credited at the director's death. Such designation shall be effective by filing a written notification with the Administrator and may be changed from time to time by similar action. If no such designation is made by a director, any such balance shall be paid to the director's surviving spouse, and in the absence of a surviving spouse, to the director's estate.

9. *Administrator* . The Administrator shall establish the procedures and maintain all books and records in connection with the Plan.

10. *Amendment* . The Plan may be amended or terminated at any time by action of the Board of Directors of MCBC, but no amendment shall adversely affect a director's rights with respect to cash retainer payments earned but not yet paid in Common Stock or any DSUs without the director's written consent.

MOLSON COORS BREWING COMPANY
AMENDED AND RESTATED
CHANGE IN CONTROL PROTECTION PROGRAM

1. **PURPOSE OF PROGRAM.** The purpose of the Molson Coors Brewing Company Amended and Restated Change in Control and Protection Program (the “Program”) is to retain well-qualified individuals as executives and key personnel of Molson Coors Brewing Company and/or its Subsidiaries, and to provide a benefit to each such individual if his/her employment is terminated under qualifying circumstances, in connection with a Change in Control (as defined below). The Program is intended to qualify as a “top-hat” plan under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), in that it is intended to be an “employee benefit plan” (as such term is defined under Section 3(3) of ERISA) which is unfunded and provides benefits only to a select group of management or highly compensated employees of the Company and/or its Subsidiaries.

2. **DEFINITIONS.** The following terms shall have the following meanings unless the context indicates otherwise:

(a) “AAA” shall have the meaning ascribed to such term in Section 12(m).

(b) “Applicable Benefits Schedule” with respect to a Participant shall mean the Benefits Schedule designated by the Committee as applicable to the Participant.

(c) “Beneficial Owner” or “Beneficial Ownership” shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

(d) “Beneficiary” shall mean a beneficiary designated in writing by a Participant to receive Change in Control Severance Benefits which have become payable at the time of Participant’s death, and if no beneficiary is designated by the Participant, then the Participant’s estate shall be deemed to be the Participant’s designated Beneficiary.

(e) “Benefits Schedule” shall mean a separate Benefits Schedule, if any, adopted as part of the Program, which Schedule sets forth certain provisions relating to the determination of eligibility for and/or the amount of Change in Control Severance Benefits payable under the Program.

(f) “Board” shall mean the Board of Directors of the Company.

(g) “Cause” means (i) the Participant is convicted of a felony or of any crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety; or (ii) a reasonable determination by the Committee or Board that, (A) the Participant has willfully and continuously failed to perform substantially his/her duties (other than such failure resulting from incapacity due to physical or mental illness), after a written demand for corrected performance is delivered to the Participant which specifically identifies the manner(s) in which the Participant has not substantially performed his/her duties, (B) the Participant has engaged in illegal conduct, an act of dishonesty or gross misconduct injurious to the Company, or (C) the Participant has knowingly violated a material requirement of the Company’s ethical code of conduct, or Participant’s fiduciary duty to the Company. Notwithstanding the foregoing, if the Participant and the Company have entered into an employment or service agreement which defines “Cause” (or words of similar import), such definition and any procedures relating to the determination thereof set forth in such agreement shall govern the determination of whether “Cause” has occurred for purposes of the Program.

(h) “Change in Control” means the occurrence of any of the following events after the Effective Date:

(i) The acquisition or holding by any Person of Beneficial Ownership of combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of a majority of the Board of Directors (the “Outstanding Company Voting Securities”) in excess of the Outstanding Company Voting Securities held by the Voting Trust; provided, that for purposes of this Section 2(h), the acquisition or holding by any of the following entities shall not by itself constitute a Change in Control: (A) a Person who on the Effective Date is the Beneficial Owner of twenty percent (20%) or more of the Outstanding Company Voting Securities, (B) the Company or any Subsidiary or (C) any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries;

(ii) Molson/Coors Nominees cease for any reason to constitute at least fifty percent (50%) of the Controlling Block of Directors elected by vote of Outstanding Company Voting Securities held by the Voting Trust;

(iii) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case unless, following such Business Combination: (A) the Voting Trust continues to hold, directly or indirectly, Outstanding Company Voting Securities of the Company or a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more direct or indirect subsidiaries (the Company or such other entity resulting from the Business Combination, the “Successor Entity”) entitled to elect a Controlling Block of Directors and (B) at least fifty percent (50%) of the members of the Controlling Block of Directors are Molson/Coors Nominees;

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company; or

(v) Any other event, including a merger or other transaction, which the Committee designates as a Change in Control with respect to any or all of the Participants.

(i) “Change in Control Date” shall mean the date that a Change in Control first occurs.

(j) “Change in Control Severance Benefits” shall mean the compensation and benefits provided to a Terminated Participant pursuant to Section 5 of the Program.

(k) “Change in Control Severance Multiplier” shall mean the multiplier used to determine cash Severance Benefits paid to a specific Terminated Participant, as determined by the Committee with respect to the Participant’s participation herein and set forth on the Applicable Benefits Schedule.

(l) “Code” means the Internal Revenue Code of 1986, as amended.

(m) “Committee” shall mean (i) the Board or (ii) a committee or subcommittee of the Board as from time to time appointed by the Board from among its members. The initial Committee shall be the Board’s Compensation and Human Resources Committee. In the absence of an appointed Committee, the Board shall function as the Committee under the Program. On a Change in Control

Date, and during any Protection Period following such Change in Control Date, the Committee shall be comprised of such persons, whether or not such persons are members of the Board, as appointed by the Board prior to the Change in Control Date, with any additions or changes to the Committee following such Change in Control Date to be made and/or approved by all Committee members then in office.

(n) “Company” shall mean Molson Coors Brewing Company, a Delaware corporation, including any successor entity or any successor to the assets of the Company. Where the context requires, references to “Company” shall also mean a Subsidiary or Subsidiaries which employs a Participant.

(o) “Controlling Block of Directors” as of any date shall mean that number of members of the Board constituting not less than a majority of the authorized number of directors (including vacancies).

(p) “Coors Family Group” shall have the meaning ascribed to such term under the Voting Trust Agreement.

(q) “Effective Date” shall mean January 1, 2008.

(r) “ERISA” shall have the meaning ascribed to such term in Section 1.

(s) “Excise Tax” shall have the meaning ascribed to such term in Section 9(b).

(t) “Good Reason” shall exist upon the occurrence, without the Participant’s consent, of any one or more of the following circumstances:

(i) any material reduction of the Participant’s base compensation which is in effect immediately prior to the Effective Date (and as increased from time to time thereafter); provided that any reduction that is as part of a general reduction in the base compensation of executives of the same grade level which occurs prior to a Change in Control Date shall not be “Good Reason;

(ii) any action or inaction by the Company that constitutes a material breach by the Company of any applicable plan, program or agreement under which the Participant provides services;

(iii) the material reduction or material adverse modification of the Participant’s title, status, position, responsibilities or authority from those in effect immediately prior to the Change in Control Date (and as such authorities and duties may be increased from time to time after the Change in Control Date), such that the Participant’s title, status, position, authority or responsibilities are inconsistent with, or commonly considered to be of lesser stature than, those in effect prior to the reduction or modification, as the same may, for example, be evidenced by (A) a material diminution in the authority, duties or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that the Participant report to a corporate officer or employee instead of to the Board, or (B) a material diminution in the budget over which the Participant has authority; or

(iv) any requirement that the Participant relocate his principal place of employment by more than a fifty (50)-mile radius from its location immediately prior to the Change in Control Date;

Notwithstanding the foregoing, any of the circumstances described above may not serve as a basis for resignation for “Good Reason” by the Participant unless (a) the Participant has provided written notice to the Company that such circumstance exists within ninety (90) days of the initial existence of such circumstance and the Company has failed to cure such circumstance within thirty (30) days following such notice; and (b) the Participant’s Separation from Service due to such circumstance occurs within the two (2) year period following the initial existence of such circumstance and in no event later than the last day of the Protection Period.

(u) “Molson/Coors Nominees” shall mean those individuals who are members of the Board as of the Effective Date and whose election, or nomination for election, by the holders of the Company’s Class A common stock was approved by the Class A-M Nominating Subcommittee of the Board or the Class A-C Nominating Subcommittee of the Board in accordance with the provisions of the Company’s Restated Certificate of Incorporation and By-laws, or any similar or successor provisions, agreements or arrangements having the effect of enabling members of the Coors Family Group and members of the Molson Family Group to elect or nominate for election individuals to the Board; provided that any individual becoming a member of the Board subsequent to the Effective Date whose election or nomination for election was approved by members of the Coors Family Group or members of the Molson Family Group pursuant to the process and provisions described above shall be considered to be a Molson/Coors Nominee.

(v) “Molson Family Group” shall have the meaning ascribed to such term under the Voting Trust Agreement.

(w) “Participant(s)” shall have the meaning set forth in Section 3.

(x) “Payments” shall have the meaning set forth in Section 9(b).

(y) “Payroll Date” shall mean each regularly scheduled date during Participant’s employment on which base salary payments are made and after a Termination Date, each regularly scheduled date on which such payments would be made if employment continued.

(z) “Person” shall have the meaning given in Section 3(a)(9) of the Securities Exchange Act of 1934 (as amended from time to time), as modified and used in Sections 13(d) and 14(d) thereof.

(aa) “Program” shall have the meaning ascribed to such term in Section 1.

(bb) “Protection Period” shall mean the period after the Change in Control Date set forth on the Applicable Benefits Schedule.

(cc) “Qualifying Termination” shall mean (i) any involuntary Separation from Service of the Participant for any reason other than death, disability or Cause, or (ii) voluntary Separation from Service of the Participant for Good Reason.

(dd) “Reference Base Salary” with respect to a Participant means the annual base salary of such Participant as in effect immediately prior to the Termination Date (determined without regard to any reduction which would constitute a basis for a Participant’s resignation for Good Reason, if such Participant’s Applicable Benefits Schedule contains a right to terminate for Good Reason), or if greater as in effect immediately prior to the Change in Control Date.

(ee) “Separation from Service” shall mean a Participant’s “separation from service” as defined in Treasury Regulation Section 1.409A-1(h)(1). For this purpose, a “Separation from Service” is deemed to occur on the date that the Company and the Participant reasonably anticipate that the level of bona fide services the Participant would perform after that date (whether as an employee or independent contractor) would permanently decrease to a level that, based on the facts and circumstances would constitute a Separation from Service; provided that a decrease to a level that is 50% or more of the average level of bona fide services provided over the prior 36 months shall not be a Separation from Service, and a decrease to a level that is 20% or less of the average level of such bona fide services shall be a Separation from Service. The bona-fide services taken into account in determining whether there has been a Separation from Service shall be bona-fide services for the Company and any Subsidiary. The Committee retains the right and discretion to specify, and may specify, whether a Separation from Service occurs for individuals providing services to the Company or a Subsidiary immediately prior to an asset purchase transaction in which the Company or a Subsidiary is the seller who provide services to a buyer after and in connection with such asset purchase transaction; provided, such specification is made in accordance with the requirements of Treasury Regulation Section 1.409A-1(h)(4).

(ff) “Subsidiary” shall mean any business entity in which the Company directly or indirectly has an ownership interest of at least fifty percent (50%); provided that, at any time prior to the date the time and form of payment of deferred compensation is set, with respect to any business entity in which the Company has less than a fifty percent (50%) interest, “at least twenty percent (20%)” may be substituted for “at least fifty percent (50%)” where based on legitimate business criteria.

(gg) “Target Bonus” with respect to a Participant means the target bonus of such Participant under the annual bonus or incentive plan of the Company in which the Participant participates as in effect immediately prior to the Termination Date, or if greater as in effect immediately prior to the Change in Control Date.

(hh) “Terminated Participant” shall mean a Participant whose Separation from Service constitutes a Qualifying Termination as described in Section 5 below.

(ii) “Termination Date” shall mean the date a Terminated Participant incurs a Qualifying Termination as described in Section 5 below.

(jj) “Vested Benefits” shall mean any base salary or prior year’s bonus or incentive compensation earned, but unpaid prior to the Date of Termination (other than as a result of deferral made at the Participant’s election) and any amounts which are or become vested or which the Participant is otherwise entitled to under the terms of any other plan, policy, practice or program of, or any contract or agreement with, the Company or any Subsidiary, at or subsequent to the Termination Date without regard to the performance of further services by the Participant or the resolution of a contingency.

(kk) “Voting Trust” shall mean the voting trust established under the Voting Trust Agreement, and any successor voting trust to which the members of the Coors Family Group and members of the Molson Family Group who are Beneficiaries under the Voting Trust Agreement become parties.

(ll) “Voting Trust Agreement” shall mean the Class A Common Stock Voting Trust Agreement, made and entered into as of February 9, 2005, as such Agreement may be amended from time to time.

3. **PARTICIPATION.** Only those executives and key personnel as the Committee in its sole discretion may designate, from time to time, shall participate in the Program. At the time the Committee designates an individual as a Participant, the Committee shall also designate the Applicable Benefits Schedule for such Participant's participation in the Program, which Schedules need not be uniform among Participants.

4. **ADMINISTRATION.**

(a) Responsibility. The Committee shall have the responsibility, in its sole discretion, to control, operate, manage and administer the Program in accordance with its terms.

(b) Authority of the Committee. The Committee shall have the maximum discretionary authority permitted by law that may be necessary to enable it to discharge its responsibilities with respect to the Program, including but not limited to the following:

(i) to determine eligibility for participation in the Program;

(ii) to designate Participants and the Applicable Benefits Schedule;

(iii) to establish the terms and provisions of, and to adopt as part of the Program, one or more Benefits Schedules setting forth, among other things, the Change in Control Severance Multiplier, Protection Period, and such other terms and provisions as the Committee shall determine;

(iv) to determine a Participant's eligibility for and to calculate the amount of a Participant's Change in Control Severance Benefits;

(v) to correct any defect, supply any omission, or reconcile any inconsistency in the Program in such manner and to such extent as it shall deem appropriate in its sole discretion to carry the same into effect;

(vi) to issue administrative guidelines as an aid to administer the Program and make changes in such guidelines as it from time to time deems proper;

(vii) to make rules for carrying out and administering the Program and make changes in such rules as it from time to time deems proper;

(viii) to the extent permitted under the Program, grant waivers of Program terms, conditions, restrictions, and limitations;

(ix) to construe and interpret the Program and make reasonable determinations as to a Participant's eligibility for benefits under the Program, including determinations as to Change in Control of the Company, Qualifying Termination and disability; and

(x) to take any and all other actions it deems necessary or advisable for the proper operation or administration of the Program.

(c) Action by the Committee. Except as may otherwise be required or permitted under an applicable charter, the Committee may (i) act only by a majority of its members (provided that any determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee), and (ii) may authorize any one or more of its members

to execute and deliver documents on behalf of the Committee.

(d) Delegation of Authority. The Committee may delegate to the Company's Chief Executive Officer some or all of the Committee's authority to act with respect to this Program, including the designation of Participants and the Applicable Benefits Schedule and the determination of "Cause"; provided, however that any actions of the Chief Executive Officer shall be limited to the extent of such authorization. Any such grant of authority shall be consistent with the Company's By-laws and, in accordance therewith, such delegation shall not extend to any actions or decisions relating to the participation of the Chief Executive Officer, Chief Financial Officer or Chief Legal Officer. The Committee may delegate administrative duties to one or more of its members to one or more of the Company's officers, or to one or more agents, as it may deem advisable; provided, however, that any such delegation shall be in writing. In addition, the Committee, or any person to whom it has delegated duties as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Program. The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Program and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company, or the Subsidiary whose employees have benefited from the Program, as determined by the Committee.

(e) Determinations and Interpretations by the Committee. All determinations and interpretations made by the Committee or by its delegates shall be binding and conclusive to the maximum extent permitted by law on all Participants and their heirs, successors, and legal representatives.

(f) Information. The Company shall furnish to the Committee in writing all information the Committee may deem appropriate for the exercise of its powers and duties in the administration of the Program. Such information may include, but shall not be limited to, the full names of all Participants, their earnings and their dates of birth, employment, retirement, death or other termination of employment. Such information shall be conclusive for all purposes of the Program, and the Committee shall be entitled to rely thereon without any investigation thereof.

(g) Self-Interest. No member of the Committee may act, vote or otherwise influence a decision of the Committee specifically relating to his/her benefits, if any, under the Program.

5. **TERMINATION OF EMPLOYMENT ON OR AFTER A CHANGE IN CONTROL DATE.** If a Participant incurs a Qualifying Termination on or after a Change in Control Date and prior to expiration of the Protection Period, such Terminated Participant shall be entitled to receive Change in Control Severance Benefits on or after the Termination Date.

6. **CHANGE IN CONTROL SEVERANCE BENEFITS.** In the event a Participant is entitled to receive Change in Control Severance Benefits pursuant to Section 5 above, the Terminated Participant shall receive the Change in Control Severance Benefits determined in accordance with the Applicable Benefits Schedule.

7. **PARTICIPANT COVENANTS.** As a condition of participation in the Program and to the receipt of any benefits hereunder, each Participant shall enter into or shall have entered into a Confidentiality and Noncompete Agreement with the Company, substantively in the form of Exhibit A hereto.

8. CLAIMS.

(a) Claims Procedure. If any Participant or Beneficiary, or their legal representative, has a claim for benefits which is not being paid, such claimant may file a written claim with the Committee setting forth the amount and nature of the claim, supporting facts, and the claimant's address. A claimant must file any such claim within sixty (60) days after a Participant's Termination Date. Written notice of the disposition of a claim by the Committee shall be furnished to the claimant within ninety (90) days after the claim is filed. In the event of special circumstances, the Committee may extend the period for determination for up to an additional ninety (90) days, in which case it shall so advise the claimant. If the claim is denied, the reasons for the denial shall be specifically set forth in writing, pertinent provisions of the Program shall be cited, including an explanation of the Program's claim review procedure, and, if the claim is perfectible, an explanation as to how the claimant can perfect the claim shall be provided.

(b) Claims Review Procedure. If a claimant whose claim has been denied wishes further consideration of his/her claim, he/she may request the Committee to review his/her claim in a written statement of the claimant's position filed with the Committee no later than sixty (60) days after receipt of the written notification provided for in Section 9(a) above. The Committee shall fully and fairly review the matter and shall promptly advise the claimant, in writing, of its decision within the next sixty (60) days. Due to special circumstances, the Committee may extend the period for determination for up to an additional sixty (60) days.

9. TAXES.

(a) Withholding Taxes. The Company shall be entitled to withhold from any and all payments made to a Participant under the Program all federal, state, local and/or other taxes or imposts which the Company determines are required to be so withheld from such payments or by reason of any other payments made to or on behalf of the Participant or for his/her benefit hereunder.

(b) Excise Tax. In the event any payments or benefits received or to be received by the Participant in connection with the Participant's employment (whether pursuant to the terms of the Program or any other plan, arrangement or agreement with the Company, or any person affiliated with the Company, and whether or not the Participant incurs a Qualifying Termination) (the "Payments"), are or will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed),

(i) then, subject to the immediately following paragraph (ii), the Company shall pay subject to Section 12(q), an additional amount (the "Gross-Up Payment") such that the net amount retained by the Participant, after deduction of any Excise Tax on the Payments and any federal, state and local income or other applicable tax and Excise Tax upon the payment provided for by this paragraph, shall be equal to the Payments.

(ii) Notwithstanding anything in the foregoing paragraph (i) to the contrary, the foregoing provision shall not apply (therefore no Gross-Up Payment will be made) and any Change in Control Severance Benefits otherwise payable to the Terminated Participant shall be reduced (but not below zero) such that no amounts paid or payable to the Terminated Participant as Change in Control Severance Benefits shall be deemed excess parachute payments subject to Excise Tax, in the event the amount of such reduction does not exceed ten percent (10%) of the amount of such Change in Control Severance Benefits deemed to be parachute payments. The Company shall reduce or eliminate the Change in Control Severance Benefits by first reducing or eliminating the portion of

such benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination made by the independent public accountants selected under the preceding paragraph.

(iii) For purposes of determining the amount of the Gross-Up Payment, the Participant shall be deemed to pay federal income taxes at the Participant's actual rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the Participant's actual rate of taxation in the state and locality of the Participant's residence on the date on which the Excise Tax is determined, net of the reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iv) The computations required by this Section 9(b) shall be made by independent public accountants not then regularly retained by the Company, in consultation with tax counsel selected by them and acceptable to the Committee. The Company shall provide the Participant with sufficient tax and compensation data to enable the Participant or his/her tax advisor to verify such computations and shall reimburse the Participant for reasonable fees and expenses incurred with respect thereto.

(v) In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder, the Participant shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal and state and local income tax imposed on the Gross-Up Payment being repaid by the Participant) plus interest on the amount of such repayment from the date the Gross-Up Payment was initially made to the date of repayment at the rate provided in Section 1274(b)(2)(B) of the Code (the "Applicable Rate"). In the event that the Excise Tax is determined by the Internal Revenue Service or by such independent public accountants to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties, fines or additions to tax payable with respect to such excess) at the time that the amount of such excess is finally determined.

(vi) Any payment to be made under this section shall be subject to the provisions of Section 12(q) of this Program.

(c) No Guarantee of Tax Consequences. No person connected with the Program in any capacity, including, but not limited to, the Company and any Subsidiary and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to amounts deferred under the Program, or paid to or for the benefit of a Participant under the Program, or that such tax treatment will apply to or be available to a Participant on account of participation in the Program.

10. **TERM OF PROGRAM.** The amended and restated Program shall be effective as of the Effective Date and shall remain in effect until the Board terminates the Program in accordance with Section 11(b) below.

11. **AMENDMENT AND TERMINATION.**

(a) Amendment of Program. The Program may be amended by the Board at any time with or without prior notice; provided, however, that any amendment of the Program during the twenty-four (24)-month period immediately following the Change in Control Date, shall not be effective as to any Participant unless the Participant shall have consented thereto in writing. In the event the Program was amended within the six (6)-month period immediately preceding a Change in Control Date, to the extent such amendments were less favorable to Participants generally, such amendment shall automatically become of no further force and effect unless consented to, in writing, by the Participant.

(b) Termination of Program. The Program may be terminated or suspended by the Board in whole or in part at any time with or without prior notice; provided, however, that any termination or suspension to be effective during the twenty-four (24)-month period immediately following the Change in Control Date shall not be effective with respect to any Participant unless such Participant shall have consented thereto in writing. In the event the Program was terminated within the six (6)-month period immediately preceding a Change in Control Date, such termination shall not be effective as to a Participant unless the Participant shall have consented thereto in writing.

(c) No Adverse Affect. If the Program is amended, terminated, or suspended in accordance with Section 11(a) or 11(b) above, such action shall not adversely affect the benefits under the Program to which any Terminated Participant (as of the date of amendment, termination or suspension) is entitled.

12. MISCELLANEOUS.

(a) Actions in Anticipation of a Change in Control. In the event a Participant's employment is terminated without Cause or a participant resigns following an event constituting Good Reason within six months prior to a Change in Control and such event occurred at the request of a third party who had indicated an intention to take steps or had taken steps to effect a Change in Control or otherwise arose in connection with or in anticipation of a Change in Control, then such Participant shall be treated for purposes of this Program to have been terminated without Cause immediately following such Change in Control. In such instance the Participant's Termination Date shall be the Change in Control Date and determinations of Reference Base Salary, Target Bonus and unvested awards shall be based upon circumstances in effect immediately prior to the Participant's termination of employment.

(b) Offset; No Duplication. Change in Control Severance Benefits shall be reduced by any severance or similar payment or benefit made or provided by the Company or any Subsidiary to the Participant pursuant to (i) any severance plan, program, policy or similar arrangement of the Company or any Subsidiary of the Company not otherwise referred to in the Program, (ii) any employment agreement between the Company or any Subsidiary and the Participant, and (iii) any federal, foreign, state or local statute, rule, regulation or ordinance.

(c) Participants Outside the United States. Notwithstanding any provision of the Program to the contrary, in order to comply with the laws outside the United States which may be applicable to a Participant, the Committee may, in its sole discretion, make such modifications to the terms and conditions of this Program (including, but not limited to, any Applicable Benefits Schedule and the agreement described in Section 7 and the general release described in Section 12(n)) and the Change in Control Severance Benefits payable hereunder as the Committee deems necessary or appropriate to comply with, reflect the requirements of, or take into account the differences between such laws and United States laws, while preserving as close as reasonably possible the intent of this

Program.

(d) No Right, Title, or Interest in Company Assets . Participants shall have no right, title, or interest whatsoever in or to any assets of the Company or any investments that the Company may make to aid it in meeting its obligations under the Program. Nothing contained in the Program, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, Beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of an unsecured general creditor of the Company. Subject to this Section 12(b), all payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts.

(e) No Right to Continued Employment . The Participant's rights, if any, to continue to serve the Company as an employee shall not be enlarged or otherwise affected by his/her designation as a Participant under the Program, and the Company or the applicable Subsidiary reserves the right to terminate the employment of any employee at any time. The adoption of the Program shall not be deemed to give any employee, or any other individual any right to be selected as a Participant or to continued employment with the Company or any Subsidiary.

(f) Vested Benefits; Other Rights . The Program shall not affect or impair the rights or obligations of the Company or a Participant with respect to any Vested Benefits or otherwise under any other written plan, contract, arrangement, or pension, profit sharing or other compensation plan; provided, however, that each Participant must agree in writing, as a condition to his/her participation in the Program and the receipt of any benefits hereunder, that any previously existing change in control agreement between such Participant and the Company and/or a Subsidiary shall be superseded in its entirety by the Program and be of no further force and effect.

(g) Governing Law . The Program shall be governed by and construed in accordance with the laws of the State of Colorado without reference to principles of conflict of laws, except as superseded by applicable federal or foreign law (including, without limitation, ERISA).

(h) Severability . If any term or condition of the Program shall be invalid or unenforceable to any extent or in any application, then the remainder of the Program, with the exception of such invalid or unenforceable provision (but only to the extent that such term or condition cannot be appropriately reformed or modified), shall not be affected thereby and shall continue in effect and application to its fullest extent.

(i) Incapacity . If the Committee determines that a Participant or a Beneficiary is unable to care for his/her affairs because of illness or accident or because he or she is a minor, any benefit due the Participant or Beneficiary may be paid to the Participant's spouse or to any other person deemed by the Committee to have incurred expense for such Participant (including a duly appointed guardian, committee or other legal representative), and any such payment shall be a complete discharge of the Company's obligation hereunder.

(j) Transferability of Rights . The Company shall have the unrestricted right to transfer its obligations under the Program with respect to one or more Participants to any person, including, but not limited to, any purchaser of all or any part of the Company's business. No Participant or Beneficiary shall have any right to commute, encumber, transfer or otherwise dispose of or alienate any present or future right or expectancy which the Participant or Beneficiary may have at any time

to receive payments of benefits hereunder, which benefits and the right thereto are expressly declared to be non-assignable and nontransferable, except to the extent required by law. Any attempt to transfer or assign a benefit, or any rights granted hereunder, by a Participant or the spouse of a Participant shall, in the sole discretion of the Committee (after consideration of such facts as it deems pertinent), be grounds for terminating any rights of the Participant or Beneficiary to any portion of the Program benefits not previously paid.

(k) Interest. In the event any payment to a Participant under the Program is not paid within thirty (30) days after it is due and Participant notifies the Company and the Company fails to make such payment (to the extent such payment is undisputed), such payment shall thereafter bear interest at the prime rate from time to time as published in The Wall Street Journal, Midwest Edition and such interest shall be paid to the Participant on last day of each month until the full amount due plus such interest has been paid to the Participant.

(l) No Obligation to Mitigate Damages. The Participants shall not be obligated to seek other employment in mitigation of amounts payable or arrangements made under the provisions of the Program and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations under the Program.

(m) Arbitration of Disputes and Reimbursement of Legal Costs. In the event of any dispute between the Company and the Participant, whether arising out of or relating to the Program, or otherwise, the Participant and the Company hereby agree that such dispute shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration shall be held before a single arbitrator who shall be selected by the mutual agreement of the Company and the Participant, unless the parties are unable to agree to an arbitrator, in which case, the arbitrator will be selected under the procedures of the AAA. The arbitrator shall be experienced in the resolution of disputes under employment agreements or plans or programs similar to the Program maintained by major corporations and shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, the issuance of an injunction, and the parties hereby agree to the emergency procedures of the AAA. However, either party may, without inconsistency with this arbitration provision, apply to any court having jurisdiction over such dispute or controversy and seek interim provisional, injunctive or other equitable relief until the arbitration award is rendered or the controversy is otherwise resolved. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, neither a party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Company and the Participant. The arbitration proceeding shall be conducted in the Denver, Colorado metropolitan area, or if applicable, the metropolitan area in which the Participant's primary office is located or was located immediately prior to such Participant's Termination Date. In the event of any such proceeding, the costs of the arbitration shall be borne by the Company and, subject to the limitations of Section 12(q) below, the Company shall also reimburse the Participant for his/her reasonable legal fees and expenses incurred with respect to such proceeding on a current basis (either directly or by reimbursing the Participant) within thirty (30) days of presentment of each invoice; provided, that the Participant shall repay any such legal fees or expenses paid or advanced within ten (10) days of any determination by the arbitrator that the Participant did not have a reasonable basis for at least one material claim or issue in the dispute. In the event the Participant fails to repay any legal fees or expenses paid or advanced under the circumstance and within the period set forth in the preceding sentence, the Participant shall be obligated to pay all attorneys' fees and costs incurred by

the Company for any litigation and collection proceedings necessary to secure such repayment and the Company shall be entitled to pre and post-judgment interest at a rate of 10% per annum. Otherwise, each party shall be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses). Notwithstanding the foregoing, the Participant shall be required to exhaust his/her rights under Section 8 prior to proceeding with any arbitration hereunder.

(n) Condition Precedent to Receipt of Payments or Benefits under the Program. Except as otherwise provided in this subsection, a Terminated Participant will not be eligible to receive Change in Control Severance Benefits or any other payments or benefits under the Program unless (i) such Terminated Participant timely executes and returns a general release of all claims arising out of said Participant's employment with, and termination of employment from, the Company in substantially the form attached hereto as Exhibit B (adjusted as necessary to conform to then existing legal requirements) (the "General Release"); and (ii) the revocation period specified in such General Release expires without such Terminated Participant exercising his/her right of revocation as set forth in the General Release. The Company shall tender the General Release to the Participant for execution within ten (10) business days of the Participant's Termination Date.

(o) Assumption by Successor to the Company. The Company shall cause any successor to its business or assets to assume this Program and the obligations arising hereunder and to maintain this Program without modification or alteration for the period required herein.

(p) Code Section 409A.

(i) *Six Month Delay*. It is intended that any amounts payable under this Program, and the Company's and Participant's exercise of authority or discretion hereunder, shall comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject Participant to the payment of any interest or additional tax imposed under Section 409A of the Code. In furtherance of this intent, if, due to the circumstances in existence at the time of the Participant's Qualifying Termination, the date of payment or the commencement of such payments or benefits in accordance with Sections 6 and 12(n) must be delayed for six months in order to meet the requirements of Code Section 409A(a)(2)(B) applicable to "specified employees," then any such payment or payments or benefits to which Participant would otherwise be entitled during the first six months following the Separation from Service shall be accumulated without interest and shall be paid within fifteen (15) days after the end of the six-month period beginning on the date of such Qualifying Termination or, if earlier, within fifteen (15) days after the appointment of the personal representative or executor of the Participant's estate following his death.

(ii) *Date of Payment*. Unless otherwise specified in the Benefits Schedule, change in control severance benefits shall be paid no later than the second payroll date following the Termination Date; provided that any "deferred compensation" (as defined in Section 409A of the Code after giving effect to the exemptions thereunder) shall be paid on the fifty-third (53) day following the Termination Date. Any payment required to be made on a specified date or a specified number of days after an event shall be deemed timely made (including for purposes of Section 12(k)) if it is made within the time period permitted under Treasury Regulation Section 1.409A-3(d).

(q) Reimbursements. With respect to any reimbursement of expenses (including taxes) of the Participant as specified under this Program, such reimbursement of expenses shall be subject to the following conditions: (i) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year

in which such expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

BENEFITS SCHEDULE - LO1

Participant []

Change in Control Severance Multiplier 3.0

Protection Period 2 years

Change in Control Severance Benefits

If, during the Protection Period, Participant's employment with the Company shall terminate under circumstances described in Section 5, Participant shall receive the following Change in Control Severance Benefits:

(a) Cash Severance Payment. Subject to Section 12(p) of the Program, the Company shall pay to the Participant in a lump sum in cash an amount equal to (i) a pro rata bonus for the fiscal year in which the Termination Date occurs based on the Participant's Target Bonus and the number of days elapsed during the fiscal year through the Termination Date; plus (ii) the Change in Control Severance Multiplier multiplied by the sum of (A) the Participant's Reference Base Salary and (B) the Participant's Target Bonus;

(b) Continued Medical/Dental/Health Benefits. The opportunity to maintain COBRA (or equivalent) coverage for the Participant and eligible dependents under the applicable Company medical/dental/health insurance plan for a reduced monthly premium determined on the same cost sharing basis applicable to active employees;

(c) Outplacement Services. Subject to Section 12(n) of the Program, for twelve months following the Termination Date, the Company shall provide outplacement services, the scope and provider of which shall be selected by the Company; and

(d) Unvested Awards. Any unvested options, stock appreciation rights, restricted stock, restricted stock units, performance shares or units or other stock-based awards held by the Participant under the Company's Incentive Compensation Plan, or any successor or similar plan, on the Termination Date, shall vest in full and stock options and stock appreciation rights so vested shall become exercisable and remain exercisable until the earlier of (x) the expiration of the term or (y) one (1) year after the Termination Date.

In the event of death, all Change in Control Severance Benefits that have become payable due to a Qualifying Termination prior to the date of death shall be paid to the Participant's Beneficiary.

Additional Payments and Benefits

Vested Benefits. Subject to Section 12(p) of the Program, the Company shall pay all Vested Benefits to a Terminated Participant; provided that any Vested Benefits attributable to a plan, policy practice, program, contract or agreement shall be payable in accordance with the terms thereof under which the amounts have accrued.

Withholding; Gross-Up Payment; Possible Reduction. All payments shall be subject to withholding taxes, and the Participant will be entitled to the Gross-Up Payment or the payments and benefits to which the Participant is otherwise entitled may be subject to reduction, in each instance as

required by Section 9.

Additional Provisions . Notwithstanding anything contained in the Program to the contrary, the Company or the Committee may, in its sole discretion provide benefits in addition to the benefits described under this Benefit Schedule, which benefits may, but are not required to be, uniform among Participants.

BENEFITS SCHEDULE - LO1B

Participant []

Change in Control Severance Multiplier 3.0

Protection Period 2 years

Change in Control Severance Benefits

If, during the Protection Period, Participant's employment with the Company shall terminate under circumstances described in Section 5, Participant shall receive the following Change in Control Severance Benefits:

(e) Cash Severance Payment. Subject to Section 12(p) of the Program, the Company shall pay to the Participant in a lump sum in cash an amount equal to (i) a pro rata bonus for the fiscal year in which the Termination Date occurs based on the Participant's Target Bonus and the number of days elapsed during the fiscal year through the Termination Date; plus (ii) the Change in Control Severance Multiplier multiplied by the sum of (A) the Participant's Reference Base Salary and (B) the Participant's Target Bonus;

(f) Continued Medical/Dental/Health Benefits. The opportunity to maintain COBRA (or equivalent) coverage for the Participant and eligible dependents under the applicable Company medical/dental/health insurance plan for a reduced monthly premium determined on the same cost sharing basis applicable to active employees;

(g) Outplacement Services. Subject to Section 12(n) of the Program, for twelve months following the Termination Date, the Company shall provide outplacement services, the scope and provider of which shall be selected by the Company; and

(h) Unvested Awards. Any unvested options, stock appreciation rights, restricted stock, restricted stock units, performance shares or units or other stock-based awards held by the Participant under the Company's Incentive Compensation Plan, or any successor or similar plan, on the Termination Date, shall vest in full and stock options and stock appreciation rights so vested shall become exercisable and remain exercisable until the earlier of (x) the expiration of the term or (y) one (1) year after the Termination Date.

In the event of death, all Change in Control Severance Benefits that have become payable due to a Qualifying Termination prior to the date of death shall be paid to the Participant's Beneficiary.

Withholding; Possible Reduction

(a) All payments shall be subject to withholding taxes.

(b) Notwithstanding Section 9 or any provision in the Program to the contrary, the Participant shall not be eligible to receive a Gross-Up Payment as provided under Section 9 of the Program. The following provisions shall replace Section 9(b) of the Program.

(b) Excise Tax

(i) Notwithstanding any provision in the Program to the contrary, in the event any payments or benefits received or to be received by the Participant in connection with the Participant's employment (whether pursuant to the terms of the Program or any other plan, arrangement or agreement with the Company, or any person affiliated with the Company, and whether or not the Participant incurs a Qualifying Termination) (collectively, the "**Payments**"), are or will be subject to the tax (the "**Excise Tax**") imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed), the Company shall pay to the Participant either (A) the full amount of the Change in Control Severance Benefits or (B) an amount equal to the Change in Control Severance Benefits, reduced by the minimum amount necessary to prevent any portion of the Change in Control Severance Benefits from being an "excess parachute payment" (within the meaning of Section 280G) (the "**Capped Payments**"), whichever of the foregoing amounts results in the receipt by the Participant, on an after-tax basis, of the greatest amount of Change in Control Severance Benefits notwithstanding that all or some portion of the Change in Control Severance Benefits may be subject to the Excise Tax. For purposes of determining whether the Participant would receive a greater after-tax benefit from the Capped Payments than from receipt of the full amount of the Change in Control Severance Benefits, (x) there shall be taken into account any Excise Tax and all applicable federal, state and local taxes required to be paid by the Participant in respect of the receipt of such payments and (y) such payments shall be deemed to be subject to federal income taxes at the Participant's highest marginal rate of federal income taxation on the date the computations required by this paragraph are made and state and local income taxes at the Participant's highest marginal rate of taxation in the date and locality of the Participant's residence on such date, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(ii) In the event the Change in Control Severance Benefits are required to be reduced under the immediately preceding paragraph, the Company shall reduce or eliminate the Change in Control Severance Benefits by first reducing or eliminating the portion of such benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date the computations required in the immediately preceding paragraph are made.

(iii) The computations required in the immediately preceding paragraphs shall be made by independent public accountants not then regularly retained by the Company, in consultation with tax counsel selected by them and acceptable to the Committee. The Company shall provide the Participant with sufficient tax and compensation data to enable the Participant or the Participant's tax advisor to verify such computations and shall reimburse the Participant for reasonable fees and expenses incurred with respect thereto subject to and in accordance with the procedures under the Company's normal expense reimbursement policies.

Additional Payments and Benefits .

Vested Benefits . Subject to Section 12(p) of the Program, the Company shall pay all Vested Benefits to a Terminated Participant; provided that any Vested Benefits attributable to a plan, policy practice, program, contract or agreement shall be payable in accordance with the terms thereof under which the amounts have accrued.

Additional Provisions . Notwithstanding anything contained in the Program to the contrary, the Company or the Committee may, in its sole discretion provide benefits in addition to the benefits

described under this Benefit Schedule, which benefits may, but are not required to be, uniform among Participants.

BENEFITS SCHEDULE - LO2

Participant []

Change in Control Severance Multiplier 2.0

Protection Period 2 years

Change in Control Severance Benefits

If, during the Protection Period, Participant's employment with the Company shall terminate under circumstances described in Section 5, Participant shall receive the following Change in Control Severance Benefits:

(a) Cash Severance Payment. Subject to Section 12(p) of the Program, the Company shall pay to the Participant in a lump sum in cash an amount equal to (i) a pro rata bonus for the fiscal year in which the Termination Date occurs based on the Participant's Target Bonus and the number of days elapsed during the fiscal year through the Termination Date; plus (ii) the Change in Control Severance Multiplier multiplied by the sum of (A) the Participant's Reference Base Salary and (B) the Participant's Target Bonus;

(b) Continued Medical/Dental/Health Benefits. The opportunity to maintain COBRA (or equivalent) coverage for the Participant and eligible dependents under the applicable Company medical/dental/health insurance plan for a reduced monthly premium determined on the same cost sharing basis applicable to active employees;

(c) Outplacement Services. Subject to Section 12(n) of the Program, for twelve months following the Termination Date, the Company shall provide outplacement services, the scope and provider of which shall be selected by the Company; and

(d) Unvested Awards. Any unvested options, stock appreciation rights, restricted stock, restricted stock units, performance shares or units or other stock-based awards held by the Participant under the Company's Incentive Compensation Plan, or any successor or similar plan, on the Termination Date, shall vest in full and stock options and stock appreciation rights so vested shall become exercisable and remain exercisable until the earlier of (x) the expiration of the term or (y) one (1) year after the Termination Date.

In the event of death, all Change in Control Severance Benefits that have become payable due to a Qualifying Termination prior to the date of death shall be paid to the Participant's Beneficiary.

Additional Payments and Benefits

Withholding; Gross-Up Payment; Possible Reduction. All payments shall be subject to withholding taxes, and the Participant will be entitled to the Gross-Up Payment or the payments and benefits to which the Participant is otherwise entitled may be subject to reduction, in each instance as required by Section 8.

Additional Provisions. Notwithstanding anything contained in the Program to the contrary, the Company or the Committee may, in its sole discretion provide benefits in addition to the benefits described under this Benefit Schedule, which benefits may, but are not required to be, uniform among

Participants.

BENEFITS SCHEDULE - LO3

Participant []

Change in Control Severance Multiplier 1.5

Protection Period 2 years

Change in Control Severance Benefits

If, during the Protection Period, Participant's employment with the Company shall terminate under circumstances described in Section 5, Participant shall receive the following Change in Control Severance Benefits:

(a) Cash Severance Payment . Subject to Section 12(p) of the Program, the Company shall pay to the Participant in a lump sum in cash an amount equal to (i) a pro rata bonus for the fiscal year in which the Termination Date occurs based on the Participant's Target Bonus and the number of days elapsed during the fiscal year through the Termination Date; plus (ii) the Change in Control Severance Multiplier multiplied by the sum of (A) the Participant's Reference Base Salary and (B) the Participant's Target Bonus;

(b) Continued Medical/Dental/Health Benefits . The opportunity to maintain COBRA (or equivalent) coverage for the Participant and eligible dependents under the applicable Company medical/dental/health insurance plan for a reduced monthly premium determined on the same cost sharing basis applicable to active employees;

(c) Outplacement Services . Subject to Section 12(n) of the Program, for twelve months following the Termination Date, the Company shall provide outplacement services, the scope and provider of which shall be selected by the Company; and

(d) Unvested Awards . Any unvested options, stock appreciation rights, restricted stock, restricted stock units, performance shares or units or other stock-based awards held by the Participant under the Company's Incentive Compensation Plan, or any successor or similar plan, on the Termination Date, shall vest in full and stock options and stock appreciation rights so vested shall become exercisable and remain exercisable until the earlier of (x) the expiration of the term or (y) one (1) year after the Termination Date.

In the event of death, all Change in Control Severance Benefits that have become payable due to a Qualifying Termination prior to the date of death shall be paid to the Participant's Beneficiary.

Additional Payments and Benefits .

Withholding; Gross-Up Payment; Possible Reduction . All payments shall be subject to withholding taxes, and the Participant will be entitled to the Gross-Up Payment or the payments and benefits to which the Participant is otherwise entitled may be subject to reduction, in each instance as required by Section 8.

Additional Provisions . Notwithstanding anything contained in the Program to the contrary, the Company or the Committee may, in its sole discretion provide benefits in addition to the benefits described under this Benefit Schedule, which benefits may, but are not required to be, uniform among

Participants.

EXHIBIT A

FORM OF CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

CONFIDENTIALITY AND NONCOMPETE AGREEMENT

This Confidentiality and Noncompete Agreement (this "Agreement"), dated _____, 20____ is between Molson Coors Brewing Company (the "Company") and _____ (the "Employee")(collectively the "Parties").

Employee desires to be employed or to continue to be employed by MCBC as an officer of the Company and/or one of its subsidiaries (collectively "MCBC"). In this role, Employee will be a manager and executive for MCBC, will have access to Confidential Information, or both. Employee also desires to be eligible to and/or participate in certain employee benefit, incentive and/or compensation plans or programs maintained by MCBC.

Entry into this Agreement is a condition of such employment or continued employment and/or eligibility to participate in and/or receive compensation or benefits under such plans or programs.

NOW THEREFORE, in consideration of Employee's employment or continued employment with MCBC and/or eligibility to participate in and/or receive compensation or benefits under such plans or progress, the Parties agree as follows:

1. Covenants Not to Compete or Interfere .

a. During the term of Employee's employment and for a period of 12 months thereafter, and regardless of the reason for Employee's termination, Employee shall not, within the United States, Canada, the United Kingdom, Europe or Asia, directly or indirectly own, manage, operate, control, be employed by, serve as a consultant to or otherwise participate in any business that has services or products competitive with those of MCBC, or develop products or services competitive with those of MCBC.

b. Employee acknowledges that MCBC conducts its business on a national and international level and has customers throughout the United States, Canada, the United Kingdom, Europe or Asia, and that the geographic restriction on competition is therefore fair and reasonable.

c. During the term of Employee's employment with MCBC and for a period of 12 months thereafter, and regardless of the reason for Employee's termination, Employee shall not (i) cause or attempt to cause any employee of MCBC to leave the employ of MCBC, (ii) actively recruit any employee of MCBC to work for any organization of, or in which Employee is an officer, director, employee, consultant, independent contractor or owner of an equity interest; or (iii) solicit, divert or take away, or attempt to take away, the business or patronage of any client, customer or account, or prospective client, customer or account, of MCBC which were contacted, solicited or served by Employee while employed by MCBC.

d. Employee acknowledges this is a contract for the protection of trade secrets and/or that Employee will be considered executive and management personnel under the following sections of Colorado Revised Statute § 8-2-113(2):

Any covenant not to compete which restricts the right of any person to receive compensation for performance of skilled or unskilled labor for any employer shall be void, but this subsection (2) shall not apply to:

(b) Any contract for the protection of trade secrets;

(d) Executive and management personnel and officers and employees who constitute professional staff to executive and management personnel.

2. **Confidential Information.**

a. For purposes of this Agreement, "Confidential Information" includes any and all information and trade secrets, whether written or otherwise, relating to MCBC's business, property, products, services, operations, sales, prospects, research, customers, business relationships, business plans and finances.

b. Employee acknowledges that while employed at MCBC, Employee will have access to Confidential Information. Employee further acknowledges that the Confidential Information is of great value to MCBC and that its improper disclosure will cause MCBC to suffer damages, including loss of profits.

c. Except in connection with and in furtherance of Employee's official duties with and on behalf of MCBC, Employee shall not at any time or in any manner use, copy, disclose, divulge, transmit, convey, transfer or otherwise communicate any Confidential Information to any person or entity, either directly or indirectly, without the Company's prior written consent.

d. Employee agrees, upon employment with MCBC, not to disclose to MCBC any confidential information or trade secrets of former employers or other entities Employee has been associated with.

3. **Injunctive Relief; Damages.** Employee acknowledges that any breach of this Agreement will cause irreparable injury to MCBC and that money damages alone would be inadequate to compensate it. Upon a breach or threatened breach by Employee of any of this Agreement, the Company shall be entitled to a temporary restraining order, preliminary injunction, permanent injunction or other relief restraining Employee from such breach without posting a bond. Nothing herein shall be construed as prohibiting MCBC from pursuing any other remedies for such breach or threatened breach, including recovery of damages from Employee.

4. **Severability.** It is the desire and intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible. Accordingly, if any provision of this Agreement shall prove to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and in lieu, a provision as similar in terms as possible shall be added.

5. **Entire Agreement; Governing Law.** This Agreement embodies the entire agreement between the Parties concerning the subject matters hereof and replaces and supersedes any prior or contemporaneous representations or agreements. This Agreement and all related obligations shall be governed by the laws of the State of Colorado.

6. **Representation by Counsel.** Employee acknowledges that he/she has had an opportunity to consult with independent counsel prior to executing this Agreement.

7. **Survival**. Employee's obligations under this Agreement shall survive the termination of Employee's employment and shall thereafter be enforceable whether or not such termination is later claimed or found to be wrongful or to constitute or result in a breach of any contract or of any other duty owed to Employee.

8. **Amendments; Waiver**. This Agreement may not be altered or amended, and no right hereunder may be waived, except by an instrument executed by each of the Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

COMPANY:

Molson Coors Brewing Company, for itself and its subsidiaries

By:

Its:

EMPLOYEE:

Name:

EXHIBIT B

FORM OF RELEASE

GENERAL RELEASE

1. For valuable consideration, the adequacy of which is hereby acknowledged, the undersigned ("Participant"), for himself, his spouse, heirs, administrators, children, representatives, executors, successors, assigns, and all other persons claiming through Participant, if any (collectively, "Releasers"), knowingly and voluntarily releases and forever discharges Molson Coors Brewing Company, its affiliates, subsidiaries, divisions, successors and assigns and the current, future and former employees, officers, directors, trustees and agents thereof (collectively referred to throughout this General Release as "Company") from any and all claims, causes of action, demands, fees and liabilities of any kind whatsoever, whether known and unknown, against Company, Participant has, has ever had or may have as of the date of execution of this General Release, including, but not limited to, any alleged violation of:

- The National Labor Relations Act, as amended;
- Title VII of the Civil Rights Act of 1964, as amended;
- The Civil Rights Act of 1991;
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- The Employee Retirement Income Security Act of 1974, as amended;
- The Immigration Reform and Control Act, as amended;
- The Americans with Disabilities Act of 1990, as amended;
- The Age Discrimination in Employment Act of 1967, as amended;
- The Older Workers Benefit Protection Act of 1990;
- The Worker Adjustment and Retraining Notification Act, as amended;
- The Occupational Safety and Health Act, as amended;
- The Family and Medical Leave Act of 1993;
- Any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance; or
- Any public policy, contract, tort, or common law.

Notwithstanding anything herein to the contrary, this General Release shall not apply to: (i) Participant's rights of indemnification and directors and officers liability insurance coverage to which he was entitled immediately prior to DATE with regard to his service as an officer of Company; (ii) Participant's rights under any tax-qualified pension or claims for accrued vested benefits under any

other employee benefit plan, policy or arrangement maintained by Company or under COBRA; (iii) Participant's rights under the provisions of the Company's Change in Control Protection Program which are intended to survive termination of employment; or (iv) Participant's rights as a stockholder. Excluded from this General Release are any claims which cannot be waived by law.

[**For Current/Former California Residents Only:**] This General Release is intended to constitute a release of all of the claims referenced herein, known or unknown, suspected or unsuspected. Participant hereby expressly waives any rights and benefits conferred by Section 1542 of the California Civil Code which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

2. Participant acknowledges and recites that:

(a) Participant has executed this General Release knowingly and voluntarily;

(b) Participant has read and understands this General Release in its entirety, including the waiver of rights under the Age Discrimination in Employment Act;

(c) Participant has been advised and directed orally and in writing (and this subparagraph (c) constitutes such written direction) to seek legal counsel and any other advice he wishes with respect to the terms of this General Release before executing it;

(d) Participant has sought such counsel, or freely and voluntarily waives the right to consult with counsel, and Participant has had an opportunity, if he so desires, to discuss with counsel the terms of this General Release and their meaning;

(e) Participant enters into this General Release knowingly and voluntarily, without duress or reservation of any kind, and after having given the matter full and careful consideration; and

(f) Participant has been offered 21 calendar days after receipt of this General Release to consider its terms before executing it.

3. This General Release shall be governed by the internal laws (and not the choice of law principles) of the State of [Colorado], except for the application of pre-emptive federal law.

4. Participant shall have 7 days from the date hereof to revoke this General Release by providing written notice of the revocation to Company's General Counsel, in which event this General Release shall be unenforceable and null and void.

Date: [Participant's Name]

Form of Participation Agreement

[], 20__

[Name]

[Address]

[Address]

Re: Amended and Restated Change in Control Protection Program

Dear :

As authorized by the Compensation Committee of the Board of Directors of Molson Coors Brewing Company (the “Company”), I am pleased to inform you that you have been selected to become a Participant in the Molson Coors Brewing Company Amended and Restated Change in Control Protection Program (the “Program”). The Program is intended to provide benefits to Participants under certain circumstances if a Change in Control of the Company occurs and a Participant’s employment is terminated within a certain period of time after such Change in Control.

Your Applicable Benefits Schedule (as defined in the Program) is Benefits Schedule - LO__, a copy of which is attached along with a copy of the Program document.

To become a Participant in the Program, you must sign one copy of this letter and [, unless you have previously entered into a similar agreement with the Company,] the enclosed Confidentiality and Noncompetition Agreement, and return them to me within thirty (30) days of the date of this letter. If you elect to become a Participant, you and the Company will be subject to the terms of the Program and the Agreement. In the event of any difference between this letter and the terms of the Program and Agreement, the terms of those documents will govern.

If you have questions about this letter, the Program please contact me. Congratulations on becoming a Participant in the Program.

Very truly yours,

Global Chief People Officer

If you accept participation in the Program, please sign and date a copy of this letter and [, if applicable,] the enclosed agreement and return it as indicated above:

I have reviewed the Program, including the Confidentiality and Noncompete Agreement, (the “CNA”), and I understand that, as a condition of being a Program Participant, I must agree to the restrictions and agreements set forth in the Program and CNA [or have previously entered into an agreement similar to the CNA with the Company]. By signing and returning this copy of the letter and the Agent, I indicate my agreement to the terms of the Program and CNA [or reconfirm my obligations under the similar agreement I previously-executed].

Date: [], 20__

AMENDMENT NO. 2

AMENDMENT NO. 2 (this “*Amendment*”) dated as of June 29, 2012 among MOLSON COORS BREWING COMPANY (the “*Company*”), MOLSON COORS BREWING COMPANY (UK) LIMITED, MOLSON CANADA 2005, MOLSON COORS CANADA INC. AND MOLSON COORS INTERNATIONAL LP (together with the Company, collectively, the “*Borrowers*”), the Lenders that are signatories to this Amendment and DEUTSCHE BANK AG NEW YORK BRANCH, in its capacity as Administrative Agent under the Credit Agreement referred to below (the “*Administrative Agent*”).

The Borrowers, the lenders parties thereto and the Administrative Agent are parties to a Credit Agreement dated as of April 12, 2011 (as amended, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Amendment, the “*Credit Agreement*”).

The Company has requested that the “Guarantee Requirement” be amended to exclude Molson Coors European Holdco Limited from the requirement to Guarantee the Obligations of the UK Borrowing Subsidiaries specified in clause (iv) of the definition of “Guarantee Requirement”.

The parties hereto wish now to amend the Credit Agreement in certain respects, and, accordingly, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment, terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Amendments. Subject to the receipt by Administrative Agent of counterparts of this Amendment executed by Company and each Guarantor, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

2.01. References Generally. References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein” and “hereof”) shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Certain Defined Terms. The definition of “Guarantee Requirement” set forth in Section 1.01 of the Credit Agreement shall be amended by adding the following sentence immediately at the end thereof:

“Notwithstanding the provisions of clause (iv) of the foregoing sentence, Molson Coors European Holdco Limited shall not be required to execute a Subsidiary Guarantee Agreement.”

Section 3. Representations and Warranties. Each Borrower represents and warrants to the Agents and the Lenders that (a) the representations and warranties set forth in Article III of the Credit Agreement (after giving effect to the amendments contemplated herein), other than those set forth in Sections 3.04(b) and 3.06(a) thereof, and in each of the other Loan Documents are true and correct on and as of the date hereof as if made on and as of the date hereof unless such representations and warranties expressly relate to an earlier date, in which case they are true on and as of such date, and as if each reference in said Article III to “this Agreement” included reference to this Amendment, and (b) no Default shall have occurred and be continuing.

Section 4. Conditions Precedent. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon satisfaction of the following conditions: (a) the Administrative Agent shall have received counterparts of this Amendment signed by each of the Borrowers, the Subsidiary Guarantors and the Required Lenders and (b) each Agent and the Lenders shall have received payment of all reasonable fees and expenses (including fees and disbursements of special counsel for the Administrative Agent) payable under the Credit Agreement in respect of this Amendment and invoiced two days prior to the date hereof.

Section 5. Confirmation of Guarantee. The Company (a) confirms its obligations under the guarantee set forth in Article VIII of the Credit Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of such guarantee, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute "Obligations" (as defined in the Credit Agreement) and (d) agrees that the Credit Agreement as amended hereby is the Credit Agreement under and for all purposes of such guarantee.

Section 6. Effect of the Amendment. Each of the Company and each Subsidiary Guarantor acknowledges and agrees that the amendment set forth in Section 2 above shall be limited as written and nothing contained herein shall, by implication or otherwise, be deemed to constitute a waiver, amendment or consent to any other term, provision or condition of the Credit Agreement or any other Loan Document or limit, impair or prejudice any right or remedy that any party hereto may have or may in the future have under the Credit Agreement or any other Loan Document, which shall remain in full force and effect, and the Lenders hereby reserve all such rights and remedies. Except as set forth herein, the terms, provisions and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

Section 7. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of a counterpart by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

MOLSON COORS BREWING COMPANY

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez

Title: VP, Treasurer, Tax & Strategic Finance

MOLSON CANADA 2005

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer

Title: Chief Financial Officer

By /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer

MOLSON COORS INTERNATIONAL LP

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP, Treasurer, Tax & Strategic Finance

MOLSON COORS CANADA INC.

By /s/ Wouter Vosmeer

Name: Wouter Vosmeer

Title: Chief Financial Officer

By /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer

/s/ Susan Albion

MOLSON COORS BREWING COMPANY (UK) LIMITED

Name: Susan Albion

By

Title: Legal Director

ADMINISTRATIVE AGENT:

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent

By: /s/ Hans-Josef Thiel

Title: Director

By: _____

Title:

Lenders:

DEUTSCHE BANK AG NEW YORK BRANCH

By /s/ Heidi Sandquist

Name: Heidi Sandquist

Title: Director

By /s/ Ming K. Chu

Name: Ming K. Chu

Title: Vice President

CoBank, ACB

By /s/ Hal Nelson

Name: Hal Nelson
Title: Vice President

Bank of America, N.A.

By /s/ John H. Schmidt

Name: John H. Schmidt
Title: Director

UBS AG, Stamford Branch

By /s/ Irja R. Otsa

Name: Irja R. Otsa
Title: Associate Director

By s/s Mary E. Evans

Mary E. Evans
Title: Associate Director

Morgan Stanley Bank, N.A.

By /s/ Brendan MacBride

Name: Brendan MacBride
Title: Authorized Signatory

Wells Fargo Bank, National Association

By: /s/ Mark Holm

Name: Mark Holm
Title : Managing Director

BMO Harris Financing Inc.,

By: /s/ Robert H. Wolohan

Name: Robert H. Wolohan
Title : Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD

By: /s/ Christine Howatt

Name: Christine Howatt
Title : Authorized Signatory

Lloyds TSB Bank PLC, as Lender

By: /s/ Candi Obrentz
Name: Candi Obrentz
Title : Vice President – 0013

By: Julia R. Franklin
Name: Julia R. Franklin
Title: Vice President – F014

Cooperative Centrale Raiffeisen-
Boerenleenbank, B.A. “Rabobank Nederland”,
New York Branch

By: /s/ Pamela Beal
Name: Pamela Beal
Title : Executive Director

By: /s/ Sue Chen- Holmes
Name: Sue Chen-Holmes
Title : Vice President

Toronto Dominion (New York) LLC

By: /s/ Debbi L. Brito
Name: Debbi L. Brito
Title : Authorized Signatory

BARCLAYS BANK PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title : Vice President

JPMORGAN CHASE BANK N.A.

By: /s/ Tony Yung
Name: Tony Yung
Title : Executive Director

Northern Trust Company

By: /s/ Brandon Rolek
Name: Brandon Rolek
Title : Vice President

Canadian Imperial Bank of Commerce, New York Agency

By: /s/ Dominic Sorresso
Name: Dominic Sorresso

Title : Authorized Signatory

By: /s/ Jonathan Kim

Name: Jonathan Kim

Title : Authorized Signatory

Royal Bank of Canada

By: /s/ David Cole

Name: David Cole

Title : Authorized Signatory

Credit Suisse AG, Cayman Islands Branch

By: /s/ Karl Studer

Name: Karl Studer

Title : Director

By: /s/ Stephan Brechtbuehl

Name: Stephan Brechtbuehl

Title : Assistant Vice President

HSBC Bank USA, National Association

By: /s/ Hans Y. Lin

Name: Hans Y. Lin

Title : Senior Vice President

UNICREDIT BANK AG, NEW YORK BRANCH

By: /s/ Annett Guderian

Name: Annett Guderian

Title : Director

By: /s/ Betsy Hudson

Name: Betsy Hudson

Title : Associate

Bank of the West

By: /s/ Terry A. Switz, Jr.

Name: Terry A. Switz, Jr.

Title : Senior Relationship Manager

Each undersigned Subsidiary Guarantor (a) confirms its obligations under the guarantee set forth in the Subsidiary Guarantee Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of the Subsidiary Guarantee Agreement, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute "Obligations" (as defined in the Subsidiary Guarantee Agreement) and (d) agrees that the Credit Agreement as amended hereby is the

Credit Agreement under and for all purposes of the Subsidiary Guarantee Agreement.

MOLSON COORS BREWING COMPANY (UK) LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON CANADA 2005

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer
Title: Chief Financial Officer

By /s/ Kelly L. Brown
Name: Kelly L. Brown
Title: Chief Financial Officer

MOLSON COORS INTERNATIONAL LP

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP, Taxation and Treasurer

COORS BREWING COMPANY

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer

CBC HOLDCO LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer

CBC HOLDCO 2 LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasure

MC HOLDING COMPANY LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP, Taxation and Treasurer

MOLSON COORS CAPITAL FINANCE ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS CALLCO ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON Inc.

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer
Title: Chief Financial Officer

MOLSON COORS HOLDINGS LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Director

GOLDEN ACQUISITION

By /s/ Susan Albion
Name: Susan Albion
Title: Director

NEWCO3, INC.

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS HOLDCO, INC.

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP - Taxation and Treasurer

AMENDMENT NO. 2

AMENDMENT NO. 2 (this “*Amendment*”) dated as of June 29, 2012 among MOLSON COORS BREWING COMPANY (the “*Company*”), Molson Coors European Finance Company S. à.r.l., a private limited liability company (société à responsabilité limitée) governed by the laws of Luxembourg, with a share capital of EUR 12,400 having its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under section B number 168466 (together with the Company, collectively, the “*Borrowers*”), the Lenders that are signatories to this Amendment and DEUTSCHE BANK AG NEW YORK BRANCH, in its capacity as Administrative Agent under the Credit Agreement referred to below (the “*Administrative Agent*”).

The Borrowers, the lenders parties thereto and the Administrative Agent are parties to a Term Loan Agreement dated as of April 3, 2012 (as amended, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Amendment, the “*Credit Agreement*”).

The Company has requested that the “Guarantee Requirement” be amended to exclude Molson Coors Lux 2 and Starbev Holdings S. à r.l. from the requirement to Guarantee the Obligations of the Additional Borrower specified in clause (iii) of the definition of “Guarantee Requirement”.

The parties hereto wish now to amend the Credit Agreement in certain respects, and, accordingly, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment, terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Amendments. Subject to the receipt by Administrative Agent of counterparts of this Amendment executed by Company and each Guarantor, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

2.01. References Generally. References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein” and “hereof”) shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Certain Defined Terms. The definition of “Guarantee Requirement” set forth in Section 1.01 of the Credit Agreement shall be amended by adding the following sentence immediately at the end thereof:

“Notwithstanding the provisions of clause (iii) of the foregoing sentence, Molson Coors Lux 2 and Starbev Holdings S. à.r.l shall each not be required to execute a Subsidiary Guarantee Agreement.”

Section 3. Representations and Warranties. Each Borrower represents and warrants to the Agents and the Lenders that (a) the representations and warranties set forth in Article III of the Credit Agreement (after giving effect to the amendments contemplated herein), other than those set forth in Sections 3.04(b) and 3.06(a) thereof, and in each of the other Loan Documents are true and correct on and as of the date hereof as if made on and as of the date hereof unless such representations and warranties expressly relate to an earlier date, in which case they are true on and as of such date, and as if each reference in said

Article III to “this Agreement” included reference to this Amendment, and (b) no Default shall have occurred and be continuing.

Section 4. Conditions Precedent . The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon satisfaction of the following conditions: (a) the Administrative Agent shall have received counterparts of this Amendment signed by each of the Borrowers, the Subsidiary Guarantors and the Required Lenders and (b) each Agent and the Lenders shall have received payment of all reasonable fees and expenses (including fees and disbursements of special counsel for the Administrative Agent) payable under the Credit Agreement in respect of this Amendment and invoiced two days prior to the date hereof.

Section 5. Confirmation of Guarantee . The Company (a) confirms its obligations under the guarantee set forth in Article VIII of the Credit Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of such guarantee, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute “Obligations” (as defined in the Credit Agreement) and (d) agrees that the Credit Agreement as amended hereby is the Credit Agreement under and for all purposes of such guarantee.

Section 6. Effect of the Amendment . Each of the Company and each Subsidiary Guarantor acknowledges and agrees that the amendment set forth in Section 2 above shall be limited as written and nothing contained herein shall, by implication or otherwise, be deemed to constitute a waiver, amendment or consent to any other term, provision or condition of the Credit Agreement or any other Loan Document or limit, impair or prejudice any right or remedy that any party hereto may have or may in the future have under the Credit Agreement or any other Loan Document, which shall remain in full force and effect, and the Lenders hereby reserve all such rights and remedies. Except as set forth herein, the terms, provisions and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

Section 7. Miscellaneous . Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of a counterpart by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

MOLSON COORS BREWING COMPANY

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez

Title: VP, Treasurer, Tax & Strategic Finance

MOLSON COORS EUROPEAN FINANCE COMPANY

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: Category "A" Manager (gerant de categorie A)

ADMINISTRATIVE AGENT:

DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent

By: /s/ Heidi Sandquist _____ Title: Director

By:

Title:

LENDERS:

DEUTSCHE BANK AG NEW YORK BRANCH

By /s/ Heidi Sandquist

Name: Heidi Sandquist

Title: Director

By /s/ Ming K. Chu

Name: Ming K. Chu

Title: Vice President

Bank of America, N.A.

By /s/ John H. Schmidt

Name: John H. Schmidt

Title: Director

UBS AG, Stamford Branch

By /s/ Irja R. Otsa

Name: Irja R. Otsa

Title: Associate Director

By s/s Mary E. Evans

Mary E. Evans

Title: Associate Director

Morgan Stanley Bank, N.A.

By /s/ Brendan MacBride

Name: Brendan MacBride

Title: Authorized Signatory

Wells Fargo Bank, National Association

By: /s/ Mark Holm

Name: Mark Holm

Title : Managing Director
BMO Harris Financing Inc.,

By: /s/ Robert H. Wolohan

Name: Robert H. Wolohan

Title : Vice President

Wells Fargo Bank, National Association

By: /s/ Mark Holm

Name: Mark Holm

Title : Managing Director

The Bank of Tokyo- Mitsubishi UFJ, LTD.

By: /s/ Christine Howatt

Name: Christine Howatt

Title : Authorized Signatory

Lloyds TSB Bank PLC, as Lender

By: /s/ Candi Obrentz

Name: Candi Obrentz

Title : Vice President – 0013

By: /s/ Julia R. Franklin

Name: Julia R. Franklin

Title: Vice President – F014

Cooperative Centrale Raiffeisen-
Boerenleenbank, B.A. “Rabobank Nederland”,
New York Branch

By: /s/ Pamela Beal

Name: Pamela Beal

Title : Executive Director

By: /s/ Sue Chen- Holmes

Name: Sue Chen-Holmes

Title : Vice President

Toronto Dominion (New York) LLC

By: /s/ Debbi L. Brito
Name: Debbi L. Brito
Title : Authorized Signatory

Barclays Bank PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title : Vice President
JP Morgan Chase Bank N.A.

By: /s/ Tony Yung
Name: Tony Yung
Title : Executive Director

The Northern Trust Company

By: /s/ Brandon Rolek
Name: Brandon Rolek
Title : Vice President

Canadian Imperial Bank of Commerce, New York

Agency

By: /s/ Dominic Sorresso
Name: Dominic Sorresso
Title : Authorized Signatory

By: /s/ Jonathan Kim
Name: Jonathan Kim
Title : Authorized Signatory

Royal Bank of Canada

By: /s/ David Cole
Name: David Cole
Title : Authorized Signatory

Credit Suisse AG, Cayman Islands Branch

By: /s/ Karl Studer
Name: Karl Studer
Title : Director

By: /s/ Stephan Brechtbuehl
Name: Stephan Brechtbuehl
Title : Assistant Vice President

HSBC Bank USA, National Association

By: /s/ Hans Y. Lin
Name: Hans Y. Lin
Title : Senior Vice President

UNICREDIT BANK AG, NEW YORK BRANCH

By: /s/ Annett Guderian
Name: Annett Guderian
Title : Director

By: /s/ Betsy Hudson
Name: Betsy Hudson
Title : Associate

Bank of the West

By: /s/ Terry A. Switz, Jr.
Name: Terry A. Switz, Jr.
Title : Senior Relationship Manager

Credit Suisse AG, Cayman Islands Branch

By: /s/ Karl Studer
Name: Karl Studer
Title : Director

Each undersigned Subsidiary Guarantor (a) confirms its obligations under the guarantee set forth in the Subsidiary Guarantee Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of the Subsidiary Guarantee Agreement, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute “Obligations” (as defined in the Subsidiary Guarantee Agreement) and (d) agrees that the Credit Agreement as amended hereby is the Credit Agreement under and for all purposes of the Subsidiary Guarantee Agreement.

MOLSON COORS BREWING COMPANY (UK) LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON CANADA 2005

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer
Title: Chief Financial Officer

By /s/ Kelly L. Brown
Name: Kelly L. Brown
Title: Chief Financial Officer

MOLSON COORS INTERNATIONAL LP

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP, Taxation and Treasurer

COORS BREWING COMPANY

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer

CBC HOLDCO LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer

CBC HOLDCO 2 LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer

MC HOLDING COMPANY LLC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP, Taxation and Treasurer

MOLSON COORS CAPITAL FINANCE ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS CALLCO ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS HOLDINGS LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Director

GOLDEN ACQUISITION

By /s/ Susan Albion
Name: Susan Albion
Title: Director

NEWCO3, INC.

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS HOLDCO, INC.

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez

Title: VP - Taxation and Treasurer

MOLSON COORS LUX 1

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: Category A Manager

AMENDMENT NO. 2

AMENDMENT NO. 2 (this “*Amendment*”) dated as of June 29, 2012 among MOLSON COORS BREWING COMPANY (the “*Company*”), MOLSON COORS BREWING COMPANY (UK) LIMITED, MOLSON CANADA 2005, MOLSON COORS CANADA INC. AND MOLSON COORS INTERNATIONAL LP (together with the Company, collectively, the “*Borrowers*”), the Lenders that are signatories to this Amendment and DEUTSCHE BANK AG NEW YORK BRANCH, in its capacity as Administrative Agent under the Credit Agreement referred to below (the “*Administrative Agent*”).

The Borrowers, the lenders parties thereto and the Administrative Agent are parties to a Credit Agreement dated as of April 3, 2012 (as amended, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Amendment, the “*Credit Agreement*”).

The Company has requested that the “Guarantee Requirement” be amended to exclude Molson Coors European Holdco Limited from the requirement to Guarantee the Obligations of the UK Borrowing Subsidiaries specified in clause (iv) of the definition of “Guarantee Requirement”.

The parties hereto wish now to amend the Credit Agreement in certain respects, and, accordingly, the parties hereto hereby agree as follows:

Section 1. Definitions. Except as otherwise defined in this Amendment, terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Amendments. Subject to the receipt by Administrative Agent of counterparts of this Amendment executed by Company and each Guarantor, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

2.01. References Generally. References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein” and “hereof”) shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Certain Defined Terms. The definition of “Guarantee Requirement” set forth in Section 1.01 of the Credit Agreement shall be amended by adding the following sentence immediately at the end thereof:

“Notwithstanding the provisions of clause (iv) of the foregoing sentence, Molson Coors European Holdco Limited shall not be required to execute a Subsidiary Guarantee Agreement.”

Section 3. Representations and Warranties. Each Borrower represents and warrants to the Agents and the Lenders that (a) the representations and warranties set forth in Article III of the Credit Agreement (after giving effect to the amendments contemplated herein), other than those set forth in Sections 3.04(b) and 3.06(a) thereof, and in each of the other Loan Documents are true and correct on and as of the date hereof as if made on and as of the date hereof unless such representations and warranties expressly relate to an earlier date, in which case they are true on and as of such date, and as if each reference in said Article III to “this Agreement” included reference to this Amendment, and (b) no Default shall have occurred and be continuing.

Section 4. Conditions Precedent. The amendments set forth in Section 2 hereof shall become effective, as of the date hereof, upon satisfaction of the following conditions: (a) the Administrative Agent shall have received counterparts of this Amendment signed by each of the Borrowers, the Subsidiary Guarantors and the Required Lenders and (b) each Agent and the Lenders shall have received payment of all reasonable fees and expenses (including fees and disbursements of special counsel for the Administrative Agent) payable under the Credit Agreement in respect of this Amendment and invoiced two days prior to the date hereof.

Section 5. Confirmation of Guarantee. The Company (a) confirms its obligations under the guarantee set forth in Article VIII of the Credit Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of such guarantee, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute "Obligations" (as defined in the Credit Agreement) and (d) agrees that the Credit Agreement as amended hereby is the Credit Agreement under and for all purposes of such guarantee.

Section 6. Effect of the Amendment. Each of the Company and each Subsidiary Guarantor acknowledges and agrees that the amendment set forth in Section 2 above shall be limited as written and nothing contained herein shall, by implication or otherwise, be deemed to constitute a waiver, amendment or consent to any other term, provision or condition of the Credit Agreement or any other Loan Document or limit, impair or prejudice any right or remedy that any party hereto may have or may in the future have under the Credit Agreement or any other Loan Document, which shall remain in full force and effect, and the Lenders hereby reserve all such rights and remedies. Except as set forth herein, the terms, provisions and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

Section 7. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of a counterpart by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

MOLSON COORS BREWING COMPANY

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez

Title: VP, Treasurer, Tax & Strategic Finance

MOLSON CANADA 2005

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer

Title: Chief Financial Officer

By /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer
MOLSON COORS INTERNATIONAL LP

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez

Title: VP, Treasurer, Tax & Strategic Finance

MOLSON COORS CANADA INC.

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer

Title: Chief Financial Officer

By /s/ Kelly L. Brown

Name: Kelly L. Brown

Title: Chief Legal Officer
/s/ Susan Albion

MOLSON COORS BREWING COMPANY (UK) LIMITED

Name: Susan Albion

By

Title: Legal Director

ADMINISTRATIVE AGENT:

as Administrative Agent

DEUTSCHE BANK AG NEW YORK BRANCH,

By: /s/ Heidi Sandquist
Title: Director

By: _____
Title:

Lenders

Canadian Imperial Bank of Commerce, New York Agency

By: /s/ Dominic Sorresso
Name: Dominic Sorresso
Title : Authorized Signatory

By: /s/ Jonathan Kim
Name: Jonathan Kim
Title : Authorized Signatory

Royal Bank of Canada

By: /s/ David Cole
Name: David Cole
Title : Authorized Signatory

Credit Suisse AG, Cayman Islands Branch

By: /s/ Karl Studer
Name: Karl Studer
Title : Director

By: /s/ Stephan Brechtbuehl
Name: Stephan Brechtbuehl
Title : Assistant Vice President

HSBC Bank USA, National Association

By: /s/ Hans Y. Lin
Name: Hans Y. Lin
Title : Senior Vice President

UNICREDIT BANK AG, NEW YORK BRANCH

By: /s/ Annett Guderian
Name: Annett Guderian
Title : Director

By: /s/ Betsy Hudson
Name: Betsy Hudson
Title : Associate

Bank of the West

By: /s/ Terry A. Switz, Jr.
Name: Terry A. Switz, Jr.
Title : Senior Relationship Manager

Credit Suisse AG, Cayman Islands Branch

By: /s/ Karl Studer
Name: Karl Studer
Title : Director

DEUTSCHE BANK AG NEW YORK BRANCH

By /s/ Heidi Sandquist
Name: Heidi Sandquist
Title: Director

By /s/ Ming K. Chu
Name: Ming K. Chu
Title: Vice President

Bank of America, N.A.
By /s/ John H. Schmidt
Name: John H. Schmidt
Title: Director

UBS AG, Stamford Branch

By /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By s/s Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

Morgan Stanley Bank, N.A.

By /s/ Brendan MacBride
Name: Brendan MacBride
Title: Authorized Signatory

Wells Fargo Bank, National Association

By: /s/ Mark Holm
Name: Mark Holm
Title : Managing Director

BMO Harris Financing Inc.,

By: /s/ Robert H. Wolohan
Name: Robert H. Wolohan
Title : Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD

By: /s/ Christine Howatt
Name: Christine Howatt
Title : Authorized Signatory

Lloyds TSB Bank PLC, as Lender

By: /s/ Candi Obrentz
Name: Candi Obrentz
Title : Vice President – 0013

By: Julia R. Franklin
Name: Julia R. Franklin
Title: Vice President – F014

Cooperative Centrale Raiffeisen-Boerenleenbank, B.A. “Rabobank Nederland”, New York Branch

By: /s/ Pamela Beal
Name: Pamela Beal
Title : Executive Director

By: /s/ Sue Chen- Holmes
Name: Sue Chen-Holmes
Title : Vice President

Toronto Dominion (New York) LLC

By: /s/ Debbi L. Brito
Name: Debbi L. Brito
Title : Authorized Signatory

Citibank N.A.

By: /s/ Nicholas Pateros
Name: Nicholas Pateros
Title : Vice President

Each undersigned Subsidiary Guarantor (a) confirms its obligations under the guarantee set forth in the Subsidiary Guarantee Agreement, (b) confirms that its obligations under the Credit Agreement as amended hereby are entitled to the benefits of the Subsidiary Guarantee Agreement, (c) confirms that its obligations under the Credit Agreement as amended hereby constitute “Obligations” (as defined in the Subsidiary Guarantee Agreement) and (d) agrees that the Credit Agreement as amended hereby is the Credit Agreement under and for all purposes of the Subsidiary Guarantee Agreement.

MOLSON COORS BREWING COMPANY (UK) LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Legal Director

MOLSON CANADA 2005

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer
Title: Chief Financial Officer

By /s/ Kelly L. Brown
Name: Kelly L. Brown

Title: Chief Financial Officer

MOLSON COORS INTERNATIONAL LP

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP, Taxation and Treasurer

COORS BREWING COMPANY

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP - Taxation and Treasurer

CBC HOLDCO LLC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP - Taxation and Treasurer

CBC HOLDCO 2 LLC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP - Taxation and Treasurer

MC HOLDING COMPANY LLC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: VP, Taxation and Treasurer

MOLSON COORS CAPITAL FINANCE ULC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: Treasurer

MOLSON COORS INTERNATIONAL GENERAL, ULC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: Treasurer

COORS INTERNATIONAL HOLDCO, ULC

By /s/ Julio O. Ramirez

Name: Julio O. Ramirez

Title: Treasurer

MOLSON COORS CALLCO ULC

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON Inc.

By /s/ Wouter Vosmeer
Name: Wouter Vosmeer
Title: Chief Financial Officer

MOLSON COORS HOLDINGS LIMITED

By /s/ Susan Albion
Name: Susan Albion
Title: Director

GOLDEN ACQUISITION

By /s/ Susan Albion
Name: Susan Albion
Title: Director

NEWCO3, INC.

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: Treasurer

MOLSON COORS HOLDCO, INC.

By /s/ Julio O. Ramirez
Name: Julio O. Ramirez
Title: VP - Taxation and Treasurer



May 7, 2012

Mr. Stewart Glendinning
27991 Hidden Village Drive
Evergreen, Colorado 80439

Dear Stewart:

I am pleased to confirm the terms of your upcoming assignment as President and Chief Executive Officer of Molson Coors UK, subject to approval by the Molson Coors Board of Directors. This assignment will be effective as of the closing date of Molson Coors purchase of Starbev and will be subject to the following terms as well as approval by the Compensation and Human Resources Committee:

- Your base salary as well as your short- and long-term incentive targets will continue at their current level.
 - The individual and business unit components of your annual MCIP award will be based on criteria to be agreed between you and me.
- On the first trading day of the month following the commencement of this assignment, you will be granted Molson Coors restricted stock units in the amount of \$300,000, vesting in two equal installments on the first and second anniversary of the grant date.
- This assignment is located in Burton-on-Trent, and will be subject to the terms of the Molson Coors Short-Term International Assignment Policy with certain enhancements, including but not limited to the following:
 - Continued participation in all US benefits and perquisites;
 - A housing and utilities allowance based on a furnished, executive-quality three bedroom home in the assignment location;
 - A cost of living allowance or per diem;
 - A car in the assignment location; and
 - Tax return preparation and tax equalization for the duration of the assignment and

for the US tax year immediately following the conclusion of the assignment.

It is anticipated that this assignment will last for approximately one year.

Stewart, I am very excited with the prospect of your assuming this key leadership role. Please let me know if you have any questions.

Congratulations!

Regards,

/s/ Peter Swinburn
Peter Swinburn

cc: Sam Walker

1555 Notre-Dame Street East, Montreal, Quebec H2L 2R5 CANADA T. +1 514 521 1786 F. +1 514 598 6866 www.molsoncoors.com T. +1 303 927 2416 F. +1 303 927 2416



May 10, 2012

Mr. Gavin Hattersley
316 West Trillium Road
Mequon, Wisconsin 53092

Dear Gavin,

It is with great pleasure that I offer you the position of **Chief Financial Officer**, Molson Coors Brewing Company, reporting to me as soon as practicable.

Base Compensation: Your monthly base compensation will be \$46,366, which represents an annualized amount of \$556,400.

Annual Molson Coors Incentive Plan (MCIP): You are eligible to participate in the annual Molson Coors Incentive Plan (MCIP) subject to the plan rules. MCIP rewards employees for the achievement of Corporate and Individual Results Objectives on a fiscal year basis (i.e. January 1 to December 31). Your participation in the plan will commence on your first day of employment. The bonus target for your position is currently 75% of your eligible earnings. The incentive plan is reviewed on an annual basis and details of the plan are subject to change to align with and support ongoing business needs. Key highlights and specific terms of this program are located in the program brochure.

Long-Term Incentive: You are eligible to participate in the Molson Coors Long-Term Incentive (LTI) Plan according to your grade level in the Company. The current annual LTI target for your role is \$1 million. The annual target LTI value is reviewed on an annual basis and set by the Board of Directors. The annual grant of LTI is based on the manager's assessment of individual performance to determine the participation and level of grant within a determined range.

You will receive two special long-term incentive awards, to be granted on the first trading day of the month following the effective date of this role, as follows:

- A grant valued at \$250,000, consisting of one-half Molson Coors restricted stock units and one-half Molson Coors stock options (based on the grant date Black-Scholes value), vesting in two equal annual installments on the first and second anniversaries of the grant date; and
- A grant valued at \$500,000, consisting of one-half Molson Coors restricted stock units and one-half Molson Coors stock options (based on the grant date Black-Scholes value), where the RSUs vest in full on the third anniversary of the grant date, and the stock options vest in three equal annual installments on the first, second and third anniversaries of the grant date.

Executive compensation is reviewed annually and adjustments can be made to targets and ranges for base pay, short-term incentive or long term incentive components of the total compensation package. Additionally, the types of vehicles used by Molson Coors to fulfill the annual target compensation of the LTI component of pay are typically reviewed annually and may be modified.

Benefits: You will be eligible to participate in the Molson Coors Benefit plan, details of which will be shared with you upon your commencement of employment. The benefit plan includes comprehensive coverage in Medical, Dental, Short and Long Term Disability, Group Life Insurance and Accident Insurance effective on your date of hire. You will also be immediately eligible to participate in the 401(k) plan upon your date of hire.

Vacation: You will be eligible to receive 200 hours of paid vacation per calendar year, which will be prorated for

your year of hire.

Transportation Benefit: Molson Coors is currently offering a free RTD EcoPass for your public transportation needs and pre-tax parking funds to help off-set some of the transportation costs you may incur. Your position entitles you to \$100. You will receive enrollment instructions in your new packet.

Executive Financial Planning : You are eligible for a maximum reimbursement of \$10,000 per year to cover financial and tax planning. This amount is paid to you in equal monthly installments.

Executive Life Insurance: You will be provided with life insurance for four times your base pay (details of the benefit are attached). This is in addition to the two times life insurance that you may elect under our annually enrollment as part of our employee benefits program.

Relocation: The Company will cover your relocation costs pursuant to the Company's US relocation policy, including a guaranteed buyout offer on your Chicago-area home.

Details will be forthcoming from our Relocation Consultant. Upon your acceptance of this offer, a Relocation Consultant will be assigned to assist you in finding your permanent and temporary living accommodations. In order to receive the full benefits of the relocation policy, do not make contact with a real estate agent in either the old or new location before speaking with your Relocation Consultant (do not execute a listing agreement or a home purchase contract).

Your service at MillerCoors and its predecessors will be treated as Molson Coors service for purpose of Company programs that take into account seniority or years of service.

Your acceptance of this offer serves as acknowledgement that the Company has paid or will pay certain expenses resulting from your relocation. In exchange for the payment of such expenses, you agree that, if you voluntarily terminate your employment with the Company within 24 months after your hire date, you will repay the Company for any relocation expenses it advanced or paid on your behalf.

In the event it is necessary to reclaim any relocation benefit payments, you understand that you have authorized the Company to set off the amount(s) you owe against any compensation or other sums the Company owes you. If such deductions are not sufficient to cover the full amount of the sign-on bonus or relocation benefit payments, you promise to pay to the company the remaining balance within 10 working days of your departure from Molson Coors Brewing Company.

Your appointment, which has been approved by our Board of Directors, is contingent upon closing of the StarBev transaction. The terms of your appointment as set forth in this letter are subject to approval by the Compensation and Human Resources Committee. As is customary, the offer also is contingent upon the successful completion of a pre-employment drug screen and an acceptable background verification report. In addition, should you accept this offer; you will be required, on or about your commencement date, to sign a Company non-compete and confidentiality agreement. You will also be required to complete the Molson Coors Brewing Company Code of Business Ethics and Conduct Program and a Form I-9 verifying your identity and employment eligibility.

We hope for a mutually rewarding relationship. You should know, however, that your employment is "at will". That means you may terminate your employment at any time, with or without cause or notice, and we reserve the same right. This "at-will" relationship may not be modified except in writing signed by the Global Chief People Officer of Molson Coors Brewing Company. Finally, Molson Coors Brewing Company reserves the right to modify its policies and the terms of your employment as it deems appropriate.

We look forward to your joining Molson Coors Brewing Company.

Sincerely,

/s/ Peter Swinburn
Peter Swinburn
Chief Executive Officer

cc: Sam Walker

Please acknowledge your acceptance of this offer by signing below and returning this letter along with the

completed new hire forms in the enclosed envelope by May 15, 2012.

Offer Accepted: /s/ Gavin Hattersley
Gavin Hattersley

Date: May 10, 2012

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter Swinburn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Molson Coors Brewing Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PETER SWINBURN

Peter Swinburn
President and Chief Executive Officer
(Principal Executive Officer)
 August 7, 2012

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Gavin Hattersley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Molson Coors Brewing Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GAVIN HATTERSLEY

Gavin Hattersley
Chief Financial Officer
(Principal Financial Officer)
August 7, 2012

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934.**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Molson Coors Brewing Company (the "Company") respectively, each hereby certifies that to his knowledge on the date hereof:

- (a) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2012 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PETER SWINBURN

Peter Swinburn
President and Chief Executive Officer
(Principal Executive Officer)
August 7, 2012

/s/ GAVIN HATTERSLEY

Stewart Hattersley
Chief Financial Officer
(Principal Financial Officer)
August 7, 2012

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.