

MOLSON COORS BREWING CO

FORM 10-K405

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

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

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 29, 1996

OR

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

For the transition period from _____ to _____
Commission file number 0-8251

ADOLPH COORS COMPANY
(Exact name of registrant as specified in its charter)

Colorado 84-0178360
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

Golden, Colorado 80401
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (303)279-6565

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

Title of each class Name of each exchange on which registered

None None

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

Class B Common Stock (non-voting), no par value
(Title of class)

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

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

State the aggregate market value of the voting stock held by non-affiliates of the registrant: All voting shares are held by

Adolph Coors, Jr. Trust.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of March 15, 1997:

Class A Common Stock - 1,260,000 shares Class B Common Stock - 36,141,116 shares

PART I

ITEM 1. Business

(a) General Development of Business

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

CBC owns Coors Distributing Company (CDC) and several smaller subsidiaries, including Coors Transportation Company; Coors Energy Company (CEC); The Wannamaker Ditch Company and The Rocky Mountain Water Company, which carry process water from nearby Clear Creek to various CBC reservoirs in the Golden area; Coors Brewing Company International, Inc. (CBCI); Coors Global, Inc. (Global); Coors Intercontinental, Inc. (Intercontinental); and Coors Japan Company, Ltd. (Coors Japan).

CDC owns and operates distributorships in several markets across the United States. CDC's 1996 operations accounted for approximately 5.6% of CBC's total beer sales.

Through a subsidiary, CEC continues to operate a gas transmission pipeline that provides energy to CBC's Shenandoah facility.

CBC, CBCI, Global, and Intercontinental own Coors Brewing International C.V. (the CV), which in turn owns Coors Brewing Iberica, S.A. (Coors Iberica) and Coors Services, S.A. Established in 1995, Coors Services, S.A. provides management and administrative services to CBC. The CV acts as a holding company and a finance subsidiary.

Some of the following statements describe the Company's expectations of future products and business plans, financial results, performance, and events. Actual results may differ materially from these forward-looking statements.

(b) Financial Information About Industry Segments

The Company has continuing operations in a single industry segment, the production and marketing of malt-based beverages.

(c) Narrative Description of Business

Coors Brewing Company - General

CBC produces and markets high-quality malt-based beverages. CBC concentrates on distinctive premium and above-premium brands that provide higher-than-average margins. Most of CBC's sales are in U.S. markets; however, the Company is committed to building profitable sales in international markets. Sales of malt beverages totaled 20 million barrels in 1996, 20.3 million barrels in 1995, and 20.4 million barrels in 1994. (See Item 7 for discussion of changes in volume.)

Marketing

Principal products and services: CBC currently has 26 brands in its portfolio, of which seven are premium products which make up the Coors family of beers: Coors Light; Original Coors; Coors Artic Ice; Coors Artic Ice Light; Coors Extra Gold; Coors Dry; and Coors Cutter, a non-alcoholic brew.

CBC also produces and markets Zima, an innovative malt-based, above-premium beverage, and Herman Joseph's, a special premium beer with a craft-brewed flavor without the heavy taste or high price of craft-brewed beers.

Through UniBev, Ltd. (UniBev), an operating unit focusing on specialty and import beers, CBC offers specialty, above-premium beers, including Winterfest; Blue Moon Honey Blonde Ale; Blue Moon Nut Brown Ale; Blue Moon Belgian White Ale; Blue Moon Raspberry Cream Ale; Blue Moon Abbey Ale; and Blue Moon Harvest Pumpkin Ale, a seasonal product. Also through UniBev, CBC sells several imported and/or licensed products, including George Killian's Irish Red, George Killian's Irish Brown Ale, George Killian's Irish Honey Ale, and Steinlager. Steinlager is New Zealand's number-one premium beer and is distributed under license from Lion Nathan International of New Zealand.

Through a foreign joint venture, CBC also produces Cass Fresh, which is distributed in South Korea.

CBC also sells popular-priced products, including Keystone, Keystone Light, Keystone Dry, Keystone Ice, and Keystone Amber Light.

CBC's beverages are sold in most states, except for Coors Dry which is in limited distribution. CBC exports or produces and sells many products overseas, which are described in greater detail below.

In 1995, CBC celebrated the grand opening of Coors Field baseball park in Denver, Colorado, by opening The SandLot Brewery at Coors Field, the first brewery in a ballpark. This brewery, which is open year-round, makes a variety of specialty beers and has an annual capacity of approximately 4,000 barrels.

New products/opportunities: In 1996, CBC introduced Killian's Irish Honey Ale, which joined Killian's Irish Red and Killian's Irish Brown Ale in establishing the Irish family of brands.

Blue Moon Brewing Company (Blue Moon), an operating unit within UniBev created during 1995, supports a product line of unique specialty brews that are contract-brewed by Hudepohl Schoenling and marketed by UniBev. Blue Moon introduced one new products in 1996, Blue Moon Raspberry Cream Ale, and one in early 1997, Blue Moon Abbey Ale.

During 1996, Memphis Brown (which was introduced in early 1996), Coors Red Light, Coors Special Lager, and Castlemaine XXXX were discontinued because the market performances of these products did not meet expectations.

Brand names, trademarks, patents, and licenses: CBC owns trademarks on all brands it produces and recognizes that consumer knowledge of and loyalty to its brand names and trademarks are vital to CBC's long-term success. It also holds several patents, with expiration dates ranging from 1997 to 2017, on innovative processes related to product formulae, can making, can decorating, and certain other technical operations. CBC receives revenue from royalties and licenses, but its business is not substantially dependent upon such revenue.

Brand performance: Coors Light is CBC's best-selling brand and has generated approximately two-thirds of its total sales volume for the past three years. CBC's second-most-popular brand is Original Coors. Premium and above-premium beers account for approximately 88% of CBC's total sales volume.

Domestic sales: The Company's highest-volume states are California, Texas, Pennsylvania, New York, and New Jersey, comprising 45% of total domestic volume.

Eight geographic field business areas manage domestic sales. This geographic segmentation allows CBC to better anticipate and respond quickly to wholesaler and consumer needs.

International business: CBC is committed to increasing its international presence through export sales, licensing agreements, joint ventures, and foreign production facilities.

Through its U.S. and foreign production facilities, CBC markets its products to approximately 40 international markets and to U.S. military bases worldwide. Export sales are significantly more profitable, on a per-barrel-basis, than domestic sales.

Under an interim agreement, Molson Breweries of Canada Limited (Molson) brews and distributes Original Coors and Coors Light in Canada (see below). After Molson permitted Miller Brewing Company (Miller) to purchase a 20% ownership interest in Molson in 1993, CBC initiated two legal actions regarding its licensing arrangement with Molson. These actions have not impacted the success of CBC's brands in Canada, where Coors Light is the best-selling light beer. On October 18, 1996, an arbitration panel ruled that the licensing agreement terminated in 1993 when Miller acquired its ownership interest in Molson. This ruling returns Canadian rights to all CBC brands to CBC and requires Molson to compensate CBC for the period beginning April 2, 1993. Although CBC believes the compensation awarded will be significant, that compensation cannot be quantified until the next phase of arbitration is completed during 1997.

Also in its ruling, the arbitration panel found that Molson had underpaid royalties from January 1, 1991, to April 1, 1993. Thus, Molson paid CBC \$6.1 million in cash (net of \$680,000 of withholding taxes) during 1996 to cover the unpaid royalties plus interest. In January 1997, Molson filed an appeal to this phase of the arbitration. Management believes the appeal is without merit.

CBC and Molson have agreed that Molson will continue to brew and distribute CBC's products for an interim period ending no earlier than July 1, 1997. Income from the interim agreement is based upon actual CBC brand sales volume in Canada and is reported as gross sales in the accompanying financial statements. Management continues to work on CBC's options for future business in Canada and believes these opportunities could provide greater financial returns than were available under the terminated licensing agreement with Molson.

Coors Japan, the exclusive importer of Coors products into Japan and based in Tokyo, distributes, markets, and sells CBC's products in Japan, where the Coors brand has been one of the top three foreign premium brands for nine years.

Since September 1992, a joint venture between CBC and Scottish Courage has brewed and/or distributed Coors Extra Gold in the United Kingdom and Ireland. Coors Extra Gold was rated overall Best Draught Lager at the 1994 Brewing Industry International Awards in England.

Beginning in 1991, CBC formed Jinro-Coors Brewing Company (JCBC), a joint venture with Jinro Limited of the Republic of Korea. CBC owns one-third of JCBC, while Jinro Limited owns the remaining two-thirds. JCBC began production of Cass Fresh in its South Korean brewery in the second quarter of 1994. JCBC's brewing capacity was expanded to approximately 3.6 million barrels in 1995. Currently, Cass Fresh represents 20% of the South Korean market. JCBC's financial results are not included in CBC's financial statements, as CBC's investment is accounted for under the cost basis of accounting, since it does not have the ability to significantly influence JCBC's business operations. CBC holds a put option on its \$22 million investment in JCBC, which entitles CBC to require Jinro Limited to purchase CBC's investment at the greater of cost or market value through March 1999. JCBC began production of Cass Fresh in its brewery in the second quarter of 1994 and achieved a 20% share of the Korean market by the end of 1996. JCBC also achieved positive operating income in 1996 but has not yet been profitable due to debt service costs.

In March 1994, Coors Iberica purchased a 500,000-hectoliter brewery in Zaragoza, Spain, from El Aguila S.A. of Madrid, Spain, which is owned 51% by Amsterdam-based Heineken, N.V. (the world's second-largest brewer). CBC's total investment in Spain is expected to exceed \$50 million, including the initial purchase price and future operations and marketing expenditures. CBC will contract-brew El Aguila products through 1998.

Coors Iberica brews Coors Gold for sale in Spain and the Coors Extra Gold brand for export to approximately 20 international markets. Coors Iberica also brews Coors Light for export to the United Kingdom and Ireland. El Aguila distributes Coors products in Spain, while Coors Iberica and El Aguila jointly manage sales and marketing. This arrangement provides advantages over exporting products directly from U.S. facilities. Financial results of the Zaragoza brewery are included in ACC's financial statements.

In early 1996, ACC established a foreign sales corporation, Coors Export Ltd., to take advantage of favorable U.S. tax laws involving foreign sales.

Product distribution: A national network of 571 independent distributors and four distributorships owned and operated by CDC deliver CBC products to U.S. retail markets. Some distributors operate multiple branches, bringing the total number of U.S. distributor/branch locations to 625. Independent distributors deliver CBC products to some export/international markets under certain licensing and distribution agreements.

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

Transportation

Given the location of its three production facilities in the U.S., CBC must ship its products a greater distance than most competitors. By packaging some products in the Memphis and Shenandoah facilities, CBC achieves more efficient product distribution and reduced freight costs to certain markets. Major competitors have multiple breweries from which to deliver products, thereby incurring lower transportation costs than CBC.

Burlington Northern, Inc. transports approximately 68% of the products packaged at CBC's Golden facility to Denver. From there, various railroads ship the products to satellite redistribution centers and distributors throughout the country. The railcars assigned to CBC are specially built and insulated to keep Coors products cold en route.

CBC currently uses 18 strategically located satellite redistribution centers to transfer its products from railcars to trucks for shipment to distributors. In 1996, approximately 73% of total railcar volume of packaged product from Golden moved through the satellite redistribution centers.

As noted above, CBC relies heavily upon rail distribution of its products. Any disruption by strike would impact CBC more than its major competitors, but, in management's opinion, the risk of such disruption appears very low.

The remaining 32% of products packaged in Golden is shipped by truck and intermodal (piggyback) directly to distributors. Transportation vehicles are also refrigerated or insulated to keep CBC's malt beverages at proper temperatures while in transit.

Operations

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

The Golden brewery is the source location for all brands with the Coors name except for Coors Cutter. Approximately 65% of CBC's beer is packaged in Golden; substantially all of the remainder is shipped in bulk from the Golden brewery to the Memphis and Shenandoah facilities for blending, finishing, and packaging.

The Memphis facility currently packages all products exported from the United States and brews and packages Zima, Killian's Irish Honey Ale, and Coors Cutter. Depending on product mix and market opportunities, the full utilization of brewing capacity in Memphis may or may not require additions to plant and equipment.

The Shenandoah facility currently packages certain CBC products for distribution to Eastern markets and could be expanded, if necessary.

At the end of 1996, CBC had approximately 25 million barrels of annual brewing capacity and 30 million barrels of annual packaging capacity. Current capacity depends upon product mix and may change with shifting consumer preferences for specific brands and/or packages. CBC's three facilities provide sufficient brewing and packaging capacity to meet foreseeable consumer demand. The proliferation of products and packages creates logistical challenges for CBC, as well as for the industry.

Most of CBC's aluminum can, end, glass bottle, and malt requirements are produced in owned facilities or facilities operated by joint ventures in which CBC is a partner. CBC has arranged for sufficient container supplies with its joint venture partners and has sufficient malting facilities to fulfill its current and projected requirements.

Container manufacturing facilities: CBC owns a can manufacturing facility, which produces approximately 3.6 billion aluminum cans per year, and an aluminum can end manufacturing facility, which provides CBC aluminum ends and tabs. Total container assets comprise approximately 10.2% of CBC's properties. In 1994, CBC and American National Can Company (ANC) formed a joint venture to produce beverage cans and ends at CBC's manufacturing facilities for sale to CBC and outside customers. The joint venture's initial term is seven years but can be extended for two additional three-year terms. The joint venture has improved the technology and utilization of both facilities and has enhanced this investment's return. In 1996, CBC purchased approximately 96% of the cans produced. The joint venture is committed to supplying 100% of the Golden facility's can and end requirements.

In June 1995, CBC and Anchor Glass Container Corporation (Anchor) established a joint venture partnership, the Rocky Mountain Bottle Company (RMBC), to produce glass bottles at the CBC glass manufacturing facility. The joint venture has lowered unit costs, increased output, and created efficiencies at the glass plant. CBC contributed approximately \$16.2 million in machinery, equipment, and certain personal property to RMBC. The partnership's initial term is 10 years and can be extended for additional two-year periods.

In 1996, RMBC produced approximately 783 million bottles; CBC purchased approximately 97% of the bottles produced. To assist in its goal of manufacturing bottles with recycled material, CBC constructed a glass recycling facility in Wheat Ridge, Colorado, in 1994 and doubled the amount of glass the facility can recycle annually. RMBC operates the recycling facility.

Anchor declared bankruptcy in September 1996. Effective February 5, 1997, Owens-Brockway Glass Container, Inc. (Owens) replaced Anchor as CBC's partner in RMBC as a result of Anchor's bankruptcy declaration and the related sale of certain Anchor assets to Owens and Consumers Packaging, Inc. Further, Owens has replaced Anchor as the 100% preferred supplier of bottles to CBC for bottle requirements not met by RMBC.

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

In September 1995, CBC sold its power plant equipment and support facilities to Trigen-Nations Energy Corporation, L.L.P. (Trigen) for approximately \$22 million. CBC has agreed to purchase from Trigen the electricity and steam needed to operate its Golden facilities. This 25-year agreement also requires that significant capital improvements be made by Trigen.

CBC continues to improve asset utilization by divesting non-core assets and by continuing to improve capacity utilization through joint ventures and alliances. Joint venture partnerships and certain other outsourcing arrangements for malting operations are being explored. If appropriate outsourcing arrangements are not made, CBC may have to invest in significant capital improvements for its malting operations.

Capital expansion: In 1996, the Company spent approximately \$63 million in capital expenditures. While management plans to invest appropriately in order to ensure ongoing productivity and efficiency of CBC assets, priority will be given to those projects the Company believes offer returns in excess of CBC's cost of capital. The Company expects its capital expenditures for 1997 to be approximately \$85 million.

Raw Materials/Sources and Availability

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

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

Rice and refined cereal starch (which are interchangeable in CBC's brewing process) and foreign and domestic hops are purchased from outside suppliers. Adequate inventories are maintained to continue production through any foreseeable disruption in supply.

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

CBC continually monitors the quality of all the water used in its brewing and packaging processes for compliance with its own stringent quality standards as well as applicable federal and state water standards. CBC owns water rights believed to be adequate to meet all of its present requirements for both brewing and industrial uses; however, it continues to acquire water rights and add water reservoir capacity, as appropriate, to provide for long-term strategic growth plans and to sustain brewing operations in the event of a prolonged drought.

Packaging materials: During 1996, approximately 58% of CBC's malt beverages were packaged in aluminum cans. Approximately 39% of the cost of malt beverages packaged in cans is the cost of the aluminum can. CBC purchases most of its cans and ends from the joint venture with ANC. Aluminum cans for products packaged at the Memphis plant are purchased from an outside supplier.

Glass bottles were used to package approximately 30% of CBC's beverages in 1996; about half of these bottles were produced by RMBC.

The remainder (12%) of the malt beverages sold during 1996 was packaged in quarter- and half-barrel stainless steel kegs and two different sizes of a plastic sphere called "The Party Ball," a packaging innovation introduced by CBC in 1988.

Graphic Packaging Corporation, a subsidiary of ACX Technologies, Inc. (ACX), supplies much of the secondary packaging for CBC's products, including bottle labels and paperboard products.

Supply contracts with ACX companies: When ACX was spun off from ACC in 1992, CBC negotiated long-term supply contracts with certain ACX subsidiaries for aluminum, starch, and packaging materials. These contracts, negotiated at market prices, were to be in effect through 1997. The aluminum contracts were canceled in 1995, and the starch contract was extended in 1997 to run through 1999. The contract for packaging materials was modified in 1997 and extended until at least 1999. See Item 11, Compensation Committee Interlocks and Insider Participation for further details.

Energy: CBC purchases electricity and steam for its Golden manufacturing facilities from Trigen. CEC supplies Trigen with coal for its steam generator system. CBC does not anticipate future energy supply problems.

Seasonality of the Business

The beer industry is subject to seasonal sales fluctuation. CBC's sales volumes are normally at their lowest in the first and fourth quarters and highest in the second and third quarters. The Company's fiscal year is a 52- or 53-week year that ends on the last Sunday in December. The 1996 fiscal year was 52 weeks long, while fiscal 1995 was 53 weeks long.

Research and Project Development

CBC's research and project development expenditures relate primarily to new products and packages; brewing processes, ingredients, and equipment; packaging supplies; and environmental improvements and cost reductions in processes and packaging materials. These activities are meant to improve the quality and value of CBC's products while reducing costs through more efficient processing and packaging techniques and equipment design, as well as improved varieties of raw materials. Approximately \$12.8 million, \$15.4 million, and \$13.3 million were spent on research and development in 1996, 1995, and 1994, respectively. The Company expects to spend approximately \$13 million on research and project development in 1997.

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

Regulations

Federal laws and regulations govern the operations of breweries; the federal government and all states regulate trade practices, advertising and marketing practices, distributor relationships, and related matters. Governmental entities also levy various taxes, license fees, and other similar charges and may require bonds to ensure compliance with applicable laws and regulations.

A number of emerging regulatory issues could impact the Company's business operations over the next few years, including potential increases in state and federal excise taxes, restrictions on the advertising and sale of alcohol beverages, new packaging regulations and taxes, and others.

Federal excise taxes on malt beverages are currently \$18 per barrel. State excise taxes also are levied at rates that ranged in 1996 from a high of \$32.65 per barrel in Alabama to a low of \$0.62 per barrel in Wyoming, with an average of \$7.67 per barrel. In 1996, CBC paid approximately \$379 million in federal and state excise taxes. A substantial increase in federal or state excise taxes would have a negative impact on sales and profitability of the entire industry, including CBC. CBC is vigorously opposed to any increases in federal and/or state excise taxes and will work diligently to ensure that its view is represented adequately.

Environmental

Compliance with federal, state, and local environmental laws and regulations did not materially affect the Company's 1996 capital expenditures, earnings, or competitive position.

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

and waste.

Employees and Employee Relations

The Company has approximately 5,800 full-time employees. Of CBC's three domestic production facilities, only the Memphis plant workers have union representation (Teamsters). In general, relations with employees have been satisfactory.

Competitive Conditions

Known trends and competitive conditions: Industry and competitive information was compiled from the following industry sources: Beer Marketer's Insights and The Maxwell Consumer Report. While management believes these sources are reliable, the Company cannot guarantee the absolute accuracy of these numbers and estimates.

1996 industry overview: The beer industry in the United States is highly competitive. Industry volume growth has averaged less than 1% a year since 1991. Domestic beer industry shipments in 1996 increased an estimated 1.4%. By contrast, 1995 domestic shipments were down 1.1% from the year before. In recent years, brewers have attempted to gain market share through competitive pricing, marketing, promotions, and innovative packaging. In 1996, price promotions and price discounting continued to limit growth in net price realizations for brewers, although not as much as in 1995. It is estimated that more than 60% of the beer sold for consumption off-premise in 1996 was sold on promotion.

Early indications point toward smaller growth in net price realizations in 1997 than in 1996. It is possible that competitors will concentrate primarily on market share gains in 1997 instead of profitability, which will place additional downward pressure on pricing. Unit volume growth for major U.S. brewers continues to depend on growth in light beer sales, introductions of new products, and expansion into international markets.

A number of important trends continued in the U.S. beer market in 1996. The first was a trend toward "trading up." Consumers continued to move away from lower-priced brands to higher-priced brands, including specialty products and imports in the above- premium category. While microbreweries continued to benefit from this trend, their growth rate as a group slowed in the second half of 1996.

To capitalize on the trend toward specialty products and craft- brewed beers, brewers continued to introduce new specialty brands, but at a slower rate than in 1995. At the end of 1996, there were nearly 1,100 brands of beer in the United States, up from 675 in 1991. This proliferation of products creates unique challenges in operations, logistics, and marketing for all brewers, distributors, and retailers.

The U.S. brewing industry also continues to consolidate. In 1996, the Stroh Brewery Company acquired the brands and assets of G. Heileman Brewing Company Inc., moving Stroh closer to CBC in total unit sales. It is important to note, however, that Stroh competes primarily in the subpremium category of the industry, unlike CBC, which among major U.S. brewers has the highest volume percentage in the premium and above-premium categories.

CBC competitive position: CBC's malt beverages compete with numerous above-premium, premium, low-calorie, popular-priced, non- alcohol, and imported brands produced by national, regional, local, and international brewers. Nearly 88% of domestic volume is attributable to the top five domestic brewers: Anheuser- Busch, Inc. (AB); Philip Morris, Inc., through its subsidiary Miller Brewing Company (Miller); CBC; The Stroh Brewery Company (now including G. Heileman Brewing); and S & P Company. CBC competes most directly with AB and Miller, the dominant companies in the industry. CBC is the nation's third-largest brewer and, according to Beer Marketer's Insights estimates, accounted for approximately 9.9% of the total 1996 U.S. brewing industry shipments of malt beverages (including exports and U.S. shipments of imports). This compares to AB's 45.2% share and Miller's 21.8% share.

Given its industry position, CBC continues to face significant competitive disadvantages related to economies of scale. Besides lower transportation costs achieved by competitors with multiple breweries, these larger brewers also recognize economies of scale in advertising expenditures because of their greater volume. CBC, in an effort to achieve and maintain national advertising exposure, must spend substantially more per barrel of beer sold than its major competitors. Significant levels of advertising are necessary for CBC to hold and increase its U.S. market share. This, coupled with ongoing price competition, puts more pressure on CBC's margins in comparison to those of CBC's principal competitors.

ITEM 2. Properties

The Company's major facilities are:

Facility	Location	Product
Brewery/packaging	Golden, CO	Malt beverages/packaged malt beverages
Packaging	Elkton, VA	Packaged malt beverages
Brewery/packaging	Memphis, TN	Malt beverages/packaged malt beverages
Brewery/packaging	Zaragoza, Spain	Malt beverages/packaged malt beverages
Can and end plants	Golden, CO	Aluminum cans and ends

Bottle plant	Wheat Ridge, CO	Glass bottles
Distribution warehouse	Anaheim, CA	Wholesale beer distribution
	Meridian, ID	
	Denver, CO	
	Oklahoma City, OK	
	Tulsa, OK	
	San Bernardino, CA*	

* Leased.

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

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

CBC's bottle plant is operated by a joint venture between CBC and Owens-Brockway Glass Container, Inc.

The distribution warehouses are held by CDC.

The Company owns 2,700 acres of land in Rockingham County, Virginia, where the Shenandoah facility is located, and 132 acres in Shelby County, Tennessee, where the Memphis facility is located.

All of the Company's facilities are well-maintained and suitable for their respective operations. In 1996, CBC estimates that its brewing facilities operated at approximately 79% of the 1997 brewing capacity and its packaging facilities operated at approximately 66% of the 1997 packaging capacity. Annual production capacity can vary due to product and packaging mix and seasonality.

ITEM 3. Legal Proceedings

See the Environmental section of Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations for a discussion of the Company's obligation for potential remediation costs at the Lowry Landfill Superfund site and related legal proceedings.

The Company is party to numerous other legal proceedings arising from its business operations. In each proceeding, the Company is vigorously defending the allegations. Although the eventual outcome of the various proceedings cannot be predicted, no single such proceeding and no group of such similar matters are expected to result in liability that would be material to the Company's financial position or results of operations.

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

None.

PART II

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

Stockholder Matters

Adolph Coors Company's (ACC's) Class B common stock is traded over the counter and is included in the NASDAQ National Market listings with the ticker symbol "ACCOB." Daily stock prices are listed in major newspapers, generally alphabetically under "CoorsB."

The approximate number of record security holders by class of stock at March 15, 1997 is as follows:

Title of class	Number of record holders
Class A common stock, voting, \$1 par value	All shares of this class are held by the Adolph Coors, Jr. Trust
Class B common stock, non-voting, no par value	4,943
Preferred stock, non-voting, \$1 par value	None issued

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

	1996		
	Market price		Dividends
	High	Low	
First quarter	24 1/4	17 3/4	\$ 0.125
Second quarter	19 7/8	16 3/4	\$ 0.125
Third quarter	23 3/4	17 1/2	\$ 0.125
Fourth quarter	22 3/4	17 1/2	\$ 0.125

	1995		
	Market price		Dividends
	High	Low	
First quarter	17 1/4	15 1/2	\$ 0.125
Second quarter	18 1/8	15 1/8	\$ 0.125
Third quarter	18 3/8	15 1/8	\$ 0.125
Fourth quarter	23 1/4	17	\$ 0.125

ITEM 6. Selected Financial Data

Following is ACC's selected financial data for 10 years ended December 29, 1996:

(In thousands, except per share)	1996	1995	1994	1993	1992
Barrels of malt beverages sold	20,045	20,312	20,363	19,828	19,569
Summary of Operations:					
Net sales	\$1,732,233	\$1,679,586	\$1,667,208	\$1,586,370	\$1,555,243
Cost of goods sold	1,117,866	1,095,520	1,067,326	1,041,423	1,039,999
Marketing, general and administrative	514,246	503,503	492,403	454,130	429,573
Research and project development	12,761	15,385	13,265	13,008	12,370
Special charges (credits)	6,341	(15,200)	(13,949)	122,540	--
Total operating expenses	1,651,214	1,599,208	1,559,045	1,631,101	1,481,942
Operating income (loss)	81,019	80,378	108,163	(44,731)	73,301
Other expense					
- net	6,044	7,100	3,943	12,099	14,672
Income (loss) before income taxes	74,975	73,278	104,220	(56,830)	58,629
Income tax expense (benefit)	31,550	30,100	46,100	(14,900)	22,900
Income (loss) from continuing operations	\$ 43,425	\$ 43,178	\$ 58,120	\$ (41,930)	\$ 35,729
Per share of common stock	\$ 1.14	\$ 1.13	\$ 1.52	\$ (1.10)	\$ 0.95
Income (loss) from continuing operations as a percentage of net sales	2.5%	2.6%	3.5%	(2.6%)	2.3%
Financial Position:					
Working capital	\$ 124,194	\$ 36,530	\$ (25,048)	\$ 7,197	\$ 112,302
Properties - net	\$ 814,102	\$ 887,409	\$ 922,208	\$ 884,102	\$ 904,915
Total assets*	\$1,362,536	\$1,384,530	\$1,371,576	\$1,350,944	\$1,373,371
Long-term debt	\$ 176,000	\$ 195,000	\$ 131,000	\$ 175,000	\$ 220,000
Other long-term liabilities	\$ 32,745	\$ 33,435	\$ 30,884	\$ 34,843	\$ 52,291
Shareholders' equity*	\$ 715,487	\$ 695,016	\$ 674,201	\$ 631,927	\$ 685,445
Net book value per share of common stock*	\$ 18.83	\$ 18.21	\$ 17.59	\$ 16.54	\$ 18.17
Total debt to total capitalization	21.2%	24.9%	20.6%	26.3%	24.3%
Return on average shareholders' equity	6.2%	6.3%	8.9%	(6.4%)	(0.2%)
Other Information:					
Dividends	\$ 18,983	\$ 19,066	\$ 19,146	\$ 19,003	\$ 18,801
Per share of common stock	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Average number of common shares outstanding	37,991	38,170	38,283	37,989	37,561
Gross profit	\$ 614,367	\$ 584,066	\$ 599,882	\$ 544,947	\$ 515,244
Capital expenditures	\$ 64,799	\$ 145,797	\$ 160,314	\$ 120,354	\$ 115,450
Depreciation, depletion, and amortization	\$ 121,121	\$ 122,830	\$ 120,793	\$ 118,955	\$ 114,780
Full-time employees	5,800	6,200	6,300	6,200	7,100
Total taxes	\$ 459,502	\$ 466,740	\$ 472,854	\$ 401,667	\$ 437,089
Market price range of common stock:					
High	\$ 24 1/4	\$ 23 1/4	\$ 20 7/8	\$ 23 1/8	\$ 22 7/8
Low	\$ 16 3/4	\$ 15 1/8	\$ 14 3/4	\$ 15	\$ 15 1/2
	1991	1990	1989	1988	1987
Barrels of malt					

beverages sold	19,521	19,297	17,698	16,534	15,658
Summary of Operations:					
Net sales	\$1,534,948	\$1,482,422	\$1,371,406	\$1,277,619	\$1,172,546
Cost of goods sold	1,044,169	984,901	913,027	828,945	753,504
Marketing, general and administrative	434,141	398,889	386,991	369,006	329,313
Research and project development	14,252	10,196	10,853	11,125	11,105
Special charges	29,599	30,000	41,670	--	--
Total operating expenses	1,522,161	1,423,986	1,352,541	1,209,076	1,093,922
Operating income	12,787	58,436	18,865	68,543	78,624
Other expense (income) - net	4,403	5,903	2,546	(6,471)	(6,022)
Income before income taxes	8,384	52,533	16,319	75,014	84,646
Income tax (benefit) expense	(8,700)	20,300	9,100	28,700	33,500
Income from continuing operations	\$ 17,084	\$ 32,233	\$ 7,219	\$ 46,314	\$ 51,146
Per share of common stock	\$ 0.46	\$ 0.87	\$ 0.20	\$ 1.26	\$ 1.40
Income from continuing operations as a percentage of net sales	1.1%	2.2%	0.5%	3.6%	4.4%
Financial Position:					
Working capital	\$ 110,443	\$ 201,043	\$ 193,590	\$ 196,687	\$ 242,406
Properties - net	\$ 933,692	\$1,171,800	\$1,012,940	\$1,033,012	\$ 975,781
Total assets*	\$1,844,811	\$1,761,664	\$1,530,783	\$1,570,765	\$1,456,493
Long-term debt	\$ 220,000	\$ 110,000	--	--	--
Other long-term liabilities	\$ 53,321	\$ 58,011	\$ 16,138	\$ 19,367	\$ 26,376
Shareholders' equity*	\$1,099,420	\$1,091,547	\$1,060,900	\$1,062,064	\$1,031,811
Net book value per share of common stock*	\$ 29.33	\$ 29.20	\$ 28.75	\$ 29.00	\$ 28.19
Total debt to total capitalization	19.5%	9.2%	2.0%	1.7%	0.4%
Return on average shareholders' equity	2.3%	3.6%	1.2%	4.5%	4.8%
Other Information:					
Dividends	\$ 18,718	\$ 18,591	\$ 18,397	\$ 18,311	\$ 18,226
Per share of common stock	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Average number of common shares outstanding	37,413	37,148	36,781	36,621	36,497
Gross profit	\$ 490,779	\$ 497,521	\$ 458,379	\$ 448,674	\$ 419,042
Capital expenditures	\$ 241,512	\$ 183,368	\$ 149,616	\$ 157,995	\$ 199,541
Depreciation, depletion, and amortization	\$ 108,367	\$ 98,081	\$ 122,439	\$ 111,432	\$ 99,422
Full-time employees	7,700	7,000	6,800	6,900	6,800
Total taxes	\$ 405,789	\$ 251,606	\$ 236,740	\$ 236,683	\$ 234,352
Market price range of common stock:					
High	\$ 24 1/4	\$ 27 3/8	\$ 24 3/8	\$ 21	\$ 30
Low	\$ 17 3/8	\$ 17 1/8	\$ 17 3/8	\$ 16 1/2	\$ 16 1/4

Note: Numbers in italics include results of discontinued operations. *Reflects the dividend of ACX Technologies, Inc. to shareholders during 1992.

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

INTRODUCTION

ACC is the holding company for Coors Brewing Company (CBC), which produces and markets high-quality malt-based beverages.

This discussion summarizes the significant factors affecting ACC's consolidated results of operations, liquidity, and capital resources for the three-year period ended December 29, 1996, and should be read in conjunction with the financial statements and the notes thereto included elsewhere in this report.

ACC's fiscal year is a 52- or 53-week year that ends on the last Sunday in December. The 1996 fiscal year was 52 weeks long, while fiscal 1995 was 53 weeks long.

Certain unusual or nonrecurring items impacted ACC's financial results for 1996, 1995, and 1994, making clear evaluation of its ongoing operations somewhat complicated. These items are summarized below.

Summary of operating results:

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
	(In thousands, except earnings per share)		
Operating income:			
As reported	\$81,019	\$80,378	\$108,163
Excluding special items	87,360	65,178	94,214
Net income:			
As reported	43,425	43,178	58,120
Excluding special items	47,299	33,944	49,720
Earnings per share:			
As reported	\$1.14	\$1.13	\$1.52
Excluding special items	\$1.24	\$0.89	\$1.30

1996: For the 52-week fiscal year ended December 29, 1996, ACC reported net income of \$43.4 million, or \$1.14 per share. During 1996, the Company received royalties and interest from Molson Breweries of Canada Limited (Molson) in response to the October 1996 arbitration ruling that Molson had underpaid royalties from January 1, 1991, to April 1, 1993. Further, ACC recorded a gain from the 1995 curtailment of certain postretirement benefits, charges for Molson-related legal expenses, and severance expenses for a limited work force reduction. The net effect of these special items was a pretax charge of \$6.3 million, or \$0.10 per share, after tax. Without this net special charge, ACC would have reported net earnings of \$47.3 million, or \$1.24 per share.

1995: For the 53-week fiscal year ended December 31, 1995, ACC reported net income of \$43.2 million, or \$1.13 per share. In the fourth quarter, the Company recorded a gain from the curtailment of certain postretirement benefits and a severance charge for a limited work force reduction. The net effect of these special items was a pretax credit of \$15.2 million, or \$0.24 per share, after tax. ACC would have reported net income of \$33.9 million, or \$0.89 per share, without this net special credit.

1994: For the 52-week fiscal year ended December 25, 1994, ACC reported net income of \$58.1 million, or \$1.52 per share. During 1994, the Company recovered some of the costs associated with the Lowry Landfill Superfund site and wrote down certain distributor assets. The net effect of these special items was a pretax credit of \$13.9 million, or \$0.22 per share, after tax. Without this net special credit, ACC would have reported net income of \$49.7 million, or \$1.30 per share.

Trend summary - percentage increase (decrease) for 1996, 1995, and 1994:

The following table summarizes trends in operating results, excluding special items.

	1996	1995	1994
Volume	(1.3%)	(0.3%)	2.7%
Net sales	3.1%	0.7%	5.1%
Average price increase	2.1%	1.0%	0.3%
Gross profit	5.2%	(2.6%)	10.1%
Operating income	34.0%	(30.8%)	21.1%
Advertising expense	0.5%	0.9%	20.1%
General and administrative	13.5%	2.2%	(9.7%)

CONSOLIDATED RESULTS OF CONTINUING OPERATIONS - 1996 VS. 1995 AND 1995 VS. 1994 (EXCLUDING SPECIAL ITEMS)

1996 vs. 1995: Even though unit volume decreased 1.3%, net sales increased 3.1% in 1996 from 1995. The decrease in unit volume is caused by a shorter fiscal year in 1996; 1996 consisted of 52 weeks versus 53 weeks in 1995. On a comparable-calendar basis, 1996 sales volume was essentially unchanged from 1995. Net sales increased in 1996 from 1995 due to price increases; lower price promotion expenses; reduced freight charges as a result of direct shipments to certain markets; increased international sales, which generate higher revenue per barrel than domestic sales; the impact of CBC's interim agreement with Molson; and the slight reductions in excise taxes with the increase in export sales. Lower Zima and Artic Ice volumes and greater proportionate Keystone volumes negatively impacted net sales per barrel in 1996.

Gross profit in 1996 rose 5.2% to \$614.4 million from 1995 due to the 3.1% increase in net sales, as discussed above, offset in part by a 2.0% increase in cost of goods sold. Cost of goods sold increased due to cost increases in paper and glass packaging materials; abandonments of certain capital projects; cost increases for certain new contract- brewing arrangements; and cost increases for Japanese operations, which began in the fourth quarter of 1995. Total gross profit was impacted positively in 1996 by decreases in brewing material costs; changes in brand mix (specifically, increases in Coors Light volume offset in part by decreases in Zima volume and increases in Keystone volume); and slightly favorable labor costs. Additionally, 1995 gross profit included the cost of the Zima Gold termination and withdrawal.

Operating income increased 34.0% to \$87.4 million in 1996 from 1995 primarily due to the 5.2% increase in gross profit, as discussed earlier; the 17.1% decrease in research and development expenses; offset partially by the 13.5% increase in general and administrative (G&A) expenses. Although marketing expenses were relatively unchanged from 1995, the focus of such spending was redirected from Zima and Artic Ice to Original Coors and Coors Light. G&A expenses increased due to continued investments made in domestic and foreign sales organizations; incentive compensation increases; increases in officers' life insurance expenses; increases in costs of operating distributorships

(a distributorship was acquired in 1995); and increases in administrative costs for certain foreign operations. Research and development expenses decreased due to the planned reduction in the number of capital projects in 1996.

Net non-operating expenses in 1996 declined 14.9% from 1995 because of a 47.5% increase in net miscellaneous income offset in part by a 5.4% increase in net interest expense. Increased royalties earned on certain can-decorating technologies caused the increase in miscellaneous income. Additionally, even though the Company repaid \$38 million in principal on its medium-term notes and incurred no interest charges on its line of credit (no amounts were borrowed against the line of credit during 1996), net interest expense increased due to interest incurred on the private placement Senior Notes and reductions in the amount of interest capitalized on capital projects.

The Company's effective tax rate increased to 41.8% in 1996 from 41.6% in 1995 primarily due to changes in cash surrender values of officers' life insurance. Further, the 1996 effective tax rate exceeded the statutory rate because of the effects of certain non-deductible expenses and foreign investments.

Net earnings for 1996 were \$47.3 million, or \$1.24 per share, compared to \$33.9 million, or \$0.89 per share, for 1995, representing a 39.3% increase in earnings per share.

1995 vs. 1994: Although total unit volume declined 0.3%, 1995 net sales increased 0.7% from 1994 because of fourth quarter price increases in a few high volume states and, to a lesser extent, because of volume increases in higher-priced international markets. Lower Zima volumes negatively impacted net sales; Zima volumes declined approximately 49% in 1995 versus 1994's national rollout volumes.

In 1995, gross profit decreased \$15.8 million and also decreased as a percentage of net sales, down to 34.8% from 36.0% in 1994. This decrease was primarily due to significant increases in aluminum and other packaging costs and reduced Zima sales volume, which has a higher gross profit margin than other brands. Non-recurring costs from the sale of the power plant equipment and support facilities, the operation of the RMBC plant, and the write-off of obsolete packaging supplies also impacted gross profit unfavorably; however, container joint venture income partially offset these costs (see Note 10 to the financial statements in Item 8).

From 1994 to 1995, operating income declined 30.8% because of the decrease in gross profit, as discussed previously; a 2.3% increase in marketing expenses, including advertising; a 2.2% increase in G&A expenses; and a 16.0% increase in research and development expenses. The Company's efforts to strengthen the domestic and international sales organizations increased marketing expenses. Total advertising expense was relatively unchanged from 1994; however, the focus was redirected from Zima, Artic Ice, and Artic Ice Light to Coors Light and new brand introductions. Labor cost increases and continuing efforts to develop and execute ACC's performance initiatives caused the increase in G&A expenses. The increase in the numbers of new products and packages being considered increased research and development expenses.

Net non-operating expense increased \$3.2 million in 1995 compared to 1994. Although ACC paid \$44 million in principal on its medium-term notes, interest expense increased 3.5% in 1995 over 1994 due to the additional \$100 million placement of Senior Notes in the third quarter of 1995. Further, miscellaneous income decreased 42.8% in 1995 due to non-recurring gains recognized in 1994 on sales of a distributorship and certain other investments.

The Company's effective tax rate declined in 1995 to 41.6% from 45.0% in 1994, primarily due to the effect of a valuation allowance for a tax loss carryforward and some non-recurring, non-taxable income items in 1995. The 1995 effective tax rate exceeded the statutory rate because of certain non-deductible expenses.

Net earnings for 1995 were \$33.9 million, or \$0.89 per share, compared to \$49.7 million, or \$1.30 per share, for 1994, representing a 31.5% decline in earnings per share.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity are cash provided by operating activities and external borrowings. As of December 29, 1996, ACC had working capital of \$124.2 million, and its net cash position was \$110.9 million compared to \$32.4 million as of December 31, 1995, and \$27.2 million as of December 25, 1994. The Company believes that cash flows from operations and short-term borrowings will be sufficient to meet its ongoing operating requirements; scheduled principal and interest payments on indebtedness; dividend payments; and anticipated capital expenditures of approximately \$85 million for production equipment, information systems, repairs and upkeep, and environmental compliance.

Operating activities: Net cash provided by operating activities was \$195.1 million for 1996, \$90.1 million for 1995, and \$186.4 million for 1994. The increase in cash flows provided by operating activities in 1996 compared to 1995 was primarily attributable to decreases in inventories; moderate decreases (relative to significant decreases in 1995) in accounts payable and accrued expenses and other liabilities; and decreases in accounts and notes receivable. The decrease in inventories primarily resulted from a higher proportion of shipments directly to distributors rather than shipments through its satellite redistribution centers. The moderate decreases in accounts payable and accrued expenses and other liabilities relative to 1995 reflects the significant payment of obligations to various suppliers, including advertising agencies, in 1995. Accounts and notes receivable declined because sales were lower during the last 12 to 16 days of 1996 than during the same period of 1995. CBC's credit terms are generally 12 to 16 days.

The 1995 decrease in cash flows from operations was primarily due to lower net income, significantly lower accounts payable and other

liabilities, and increases in accounts and notes receivable and other assets. The reduction in accounts payable reflects the payment of obligations to various suppliers, including advertising agencies. Some of these amounts were particularly high at the end of 1994 due to new or markedly different supplier relationships, such as the new container joint venture between CBC and ANC. Other liabilities declined in 1995 primarily due to the payment of obligations for the Lowry site and 1993 restructuring accruals. Accounts and notes receivable increased in 1995 because of an increase in international credit sales, which was partially offset by decreased receivables from the container joint venture. Other assets increased primarily due to increased investments and equity in the container joint ventures.

Investing activities: During 1996, ACC spent \$56.9 million on investing activities compared to \$116.2 million in 1995 and \$174.7 million in 1994. Capital expenditures decreased to \$64.8 million in 1996 from \$145.8 million in 1995 and \$160.3 million in 1994. In 1996, capital expenditures focused on information systems and expansion of packaging capacity, while 1995 expenditures focused on upgrades and expansion of Golden-based facilities - particularly bottling capacity. In 1994, capital expenditures focused on expansion of facilities (primarily bottling capacity) and the purchase of a brewery in Zaragoza, Spain. Proceeds from property sales were \$8.1 million in 1996, compared to \$44.4 million in 1995 and \$4.4 million in 1994. The Company primarily sold distribution rights in 1996. Proceeds from property sales in 1995 were unusually high because of the sale of the power plant equipment and support facilities for \$22.0 million and certain bottling machinery and equipment, under a sale-leaseback transaction, for \$17.0 million. Intangible assets and other items declined \$0.2 million in 1996 compared to increases of \$14.8 million in 1995 and \$18.7 million in 1994. Purchases of distributorships increased intangible assets in 1995 and 1994.

Financing activities: ACC spent \$59.3 million on financing activities during 1996 due primarily to principal payments on its medium-term notes of \$38.0 million, purchases of Class B common stock for \$3.0 million, and dividend payments of \$19.0 million.

During 1995, the Company generated \$31.0 million of cash from financing activities due to the receipt of \$100 million from a private placement of Senior Notes, which was offset by principal payments on medium-term notes of \$44 million, purchases of Class B common shares of \$9.9 million, and dividend payments of \$19.1 million.

ACC spent \$67.0 million on financing activities in 1994. These activities included principal repayments on medium-term notes of \$50 million and dividend payments of \$19.1 million.

Debt obligations: As of December 29, 1996, ACC had \$88 million outstanding in medium-term notes. With cash on hand, the Company repaid principal of \$38 million on these notes in 1996. Principal payments of \$44 million in 1995 and \$50 million in 1994 were funded by a combination of cash on hand and borrowings. Fixed interest rates on these notes range from 8.63% to 9.05%. Aggregate annual maturities on outstanding notes are \$17 million in 1997, \$31 million in 1998, and \$40 million in 1999.

In the third quarter of 1995, ACC completed a \$100 million private placement of Senior Notes at fixed interest rates ranging from 6.76% to 6.95% per annum. The repayment schedule is \$80 million in 2002 and \$20 million in 2005. The proceeds from this borrowing were used primarily to reduce debt under the revolving line of credit and to repay principal on the medium-term notes.

The Company's debt-to-total capitalization ratio was 21.2% at the end of 1996, 24.9% at the end of 1995, and 20.6% at the end of 1994.

Revolving line of credit: In addition to the medium-term notes and the private placement Senior Notes, the Company has an unsecured, committed revolving line of credit totaling \$144 million. From time to time, this line of credit is used for working capital requirements and general corporate purposes. As of December 29, 1996, the full \$144 million was available. For 1996, ACC met the two financial covenants under this line of credit: a minimum tangible net worth requirement and a debt-to-total capitalization requirement.

Hedging activities: As of December 29, 1996, hedging activities consisted exclusively of hard currency forward contracts to directly offset hard currency exposures. These irrevocable contracts eliminated the risk to financial position and results of operations of changes in the underlying foreign exchange rate. Any variation in the exchange rate accruing to the contract would be directly offset by an equal change in the related obligation. Therefore, after execution of the contract, variations in exchange rates would not impact the Company's financial statements. ACC's hedging activities and hard currency exposures are minimal. The Company does not enter into derivative financial instruments for speculation or trading purposes.

Stock repurchase plan: On December 20, 1996, the board of directors authorized the repurchase of up to \$40 million of ACC's outstanding Class B common stock during 1997. Repurchases will be financed by funds generated from operations or short-term borrowings.

OUTLOOK 1997

Following industry pricing trends, CBC raised prices in the first quarter of 1997 in the majority of its U.S. markets. The increases in 1997 were smaller than those achieved in 1996. Additionally, several key markets, most notably Texas, did not absorb a 1997 price increase. CBC continues to be pressured by the industry pricing environment; 1997 price increases are expected to be smaller than those in 1996. There is also uncertainty as to the degree to which these increases may be eroded by price discounting and the degree to which these increases may impact volume.

International income is expected to be up in 1997 primarily due to the Company's Canadian business. The Company's interim agreement with Molson, which expires no earlier than July 1, 1997, provides for greater earnings to the Company than royalties recognized under the terminated licensing agreement with Molson. Management continues to work on CBC's options for future business in Canada.

For fiscal 1997, raw material costs are expected to be up slightly. CBC continues to pursue improvements in its operations and technology functions to deliver cost reductions over time.

Total net interest expense is expected to be lower in 1997 resulting from CBC's more favorable cash position and its lower outstanding debt relative to its 1996 financial position. Additional outstanding common stock may be repurchased in 1997 as approved by the ACC board of directors in December 1996.

Overall, sales, marketing, and G&A expenses are likely to be up slightly in 1997. Management continues to monitor CBC's market opportunities and invest behind its brands and its sales efforts accordingly. Incremental sales and marketing spending will be determined on an opportunity-by-opportunity basis.

The effective tax rate for 1997 is not expected to deviate materially from the 1996 rate.

In 1997, CBC has planned capital expenditures (including contributions to its container joint ventures for capital improvements) of approximately \$85 million. In addition to CBC's 1997 capital expenditures, incremental strategic investments will be considered on a case-by-case basis.

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

This report contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning the Company's outlook for 1997; overall and brand-specific volume trends; pricing trends and industry forces; cost reduction strategies and their results; targeted goals for return on invested capital; the Company's expectations for funding its 1997 capital expenditures and operations; and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements.

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

- - the inability of the Company and its distributors to develop and execute effective marketing and sales strategies for Coors products;
- - the Company's inability to develop its Canadian business more profitably than under previous arrangements;
- - the potential erosion of recent price increases through discounting or a higher proportion of sales in multi-packs;
- - a potential shift in consumer preferences toward lower-priced products in response to price increases;
- - a potential shift in consumer preferences away from the premium light beer category including Coors Light;
- - the intensely competitive, slow-growth nature of the beer industry;
- - demographic trends and social attitudes that can reduce beer sales;
- - the continued growth in the popularity of microbrews and other specialty beers;
- - increases in the cost of aluminum, paper packaging, and other raw materials;
- - the Company's inability to reduce manufacturing, freight, and overhead costs to more competitive levels;
- - changes in significant government regulations affecting environmental compliance, income taxes, and advertising or other marketing efforts for the Company's products;
- - increases in federal or state beer excise taxes;
- - increases in rail transportation rates or interruptions of rail service;
- - potential impact of industry consolidation; and
- - risks associated with investments and operations in foreign countries, including those related to foreign regulatory requirements; exchange rate fluctuations; and local political, social, and economic factors.

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

ENVIRONMENTAL

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

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

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

In 1991, the Company filed suit against certain of its former and current insurance carriers, seeking recovery of past defense costs and investigation, study, and remediation costs. Settlements were reached during 1993 and 1994 with all defendants, and, as a result, the Company recognized a special pretax credit of \$18.9 million in the fourth quarter of 1994.

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

While it is impossible to predict the Company's eventual aggregate cost for environmental and related matters, management believes that any payments, if required, for these matters would be made over a period of time in amounts that would not be material in any one year to the Company's results of operations or its financial or competitive position. The Company believes adequate disclosures have been provided for losses that are reasonably possible. Further, as the Company continues to focus on resource conservation, waste reduction, and pollution prevention, it believes that potential future liabilities will be reduced.

ITEM 8. Financial Statements and Supplementary Data

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Report of Independent Accountants

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

In our opinion, the accompanying consolidated balance sheets and related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Adolph Coors Company and its subsidiaries at December 29, 1996, and December 31, 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 29, 1996,

in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

Denver, Colorado

February 18, 1997

ADOLPH COORS COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
	(In thousands, except per share data)		
Sales - domestic and international	\$2,111,544	\$2,064,802	\$2,044,867
Less beer excise taxes	379,311	385,216	377,659
Net sales	1,732,233	1,679,586	1,667,208
Costs and expenses:			
Cost of goods sold	1,117,866	1,095,520	1,067,326
Marketing, general and administrative	514,246	503,503	492,403
Research and project development	12,761	15,385	13,265
Special charges (credits) (Note 9)	6,341	(15,200)	(13,949)
Total	1,651,214	1,599,208	1,559,045
Operating income	81,019	80,378	108,163
Other income (expense):			
Interest income	2,821	1,345	1,546
Interest expense	(13,907)	(11,863)	(11,461)
Miscellaneous - net	5,042	3,418	5,972
Total	(6,044)	(7,100)	(3,943)
Income before income taxes	74,975	73,278	104,220
Income tax expense (Note 5)	31,550	30,100	46,100
Net income	\$ 43,425	\$ 43,178	\$ 58,120
Net income per common share	\$ 1.14	\$ 1.13	\$ 1.52
Weighted average number of outstanding common shares	37,991	38,170	38,283

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	December 29, 1996	December 31, 1995
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 110,905	\$ 32,386
Accounts and notes receivable:		
Trade, less allowance for doubtful accounts of \$275 in 1996 and \$30 in 1995	86,421	89,579
Affiliates	14,086	16,329
Other	13,836	10,847
Inventories:		
Finished	43,477	58,486
In process	23,157	28,787
Raw materials	40,737	37,298

Packaging materials, less allowance for obsolete inventories of \$1,046 in 1996 and \$1,000 in 1995	13,699 121,070	14,854 139,425
Other supplies, less allowance for obsolete supplies of \$2,273 in 1996 and \$1,942 in 1995	36,103	39,364
Prepaid expenses and other assets	24,794	13,634
Deferred tax asset (Note 5)	9,427	18,629
Total current assets	416,642	360,193
Properties, at cost less accumulated depreciation, depletion, and amortization of \$1,313,709 in 1996 and \$1,219,473 in 1995 (Note 2)	814,102	887,409
Excess of cost over net assets of businesses acquired, less accumulated amortization of \$4,778 in 1996 and \$4,097 in 1995	21,374	26,470
Other assets (Note 10)	110,418	110,458
Total assets	\$1,362,536	\$1,384,530
	December 29, 1996	December 31, 1995
Liabilities and Shareholders' Equity	(In thousands)	
Current liabilities:		
Current portion of long-term debt (Note 4)	\$ 17,000	\$ 36,000
Accounts payable:		
Trade	110,696	118,207
Affiliates	12,424	14,142
Accrued salaries and vacations	39,482	37,178
Taxes, other than income taxes	30,976	39,788
Federal and state income taxes (Note 5)	8,983	9,091
Accrued expenses and other liabilities	72,887	69,257
Total current liabilities	292,448	323,663
Long-term debt (Note 4)	176,000	195,000
Deferred tax liability (Note 5)	76,083	67,589
Postretirement benefits (Note 8)	69,773	69,827
Other long-term liabilities	32,745	33,435
Total liabilities	647,049	689,514
Commitments and contingencies (Notes 3, 4, 5, 6, 7, 8, 10, and 12)		
Shareholders' equity (Notes 6 and 11):		
Capital stock:		
Preferred stock, non-voting, \$1 par value (authorized: 25,000,000 shares; issued: none)	--	--
Class A common stock, voting, \$1 par value, (authorized and issued: 1,260,000 shares)	1,260	1,260
Class B common stock, non-voting, no par value, \$0.24 stated value (authorized: 100,000,000 shares; issued: 36,662,404 in 1996 and 36,736,512 in 1995)	8,729	8,747
Total capital stock	9,989	10,007
Paid-in capital	31,436	33,719
Retained earnings	671,972	647,530
Foreign currency translation adjustment	2,090	3,760
Total shareholders' equity	715,487	695,016
Total liabilities and shareholders' equity	\$1,362,536	\$1,384,530

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	December 29, 1996	For the years ended December 31, 1995 December 25, 1994 (In thousands)	
Cash flows from operating activities:			
Net income	\$ 43,425	\$ 43,178	\$ 58,120
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion, and amortization	121,121	122,830	120,793
Deferred income taxes	17,696	3,610	20,071
Loss on sale or abandonment of properties and intangibles	12,535	1,274	808
Change in operating assets and liabilities:			
Accounts and notes receivable	2,232	(9,952)	(30,264)
Inventories	18,076	2,135	5,627
Other assets	(8,086)	(16,659)	(5,899)
Accounts payable	(8,175)	(32,180)	43,054
Accrued expenses and other liabilities	(3,712)	(24,139)	(25,884)
Net cash provided by operating activities	195,112	90,097	186,426
Cash flows from investing activities:			
Additions to properties	(64,799)	(145,797)	(160,314)
Proceeds from sale of properties and intangibles	8,098	44,448	4,382
Additions to intangible assets	(313)	(11,802)	(16,876)
Other	102	(3,021)	(1,863)
Net cash used in investing activities	(56,912)	(116,172)	(174,671)
Cash flows from financing activities:			
Proceeds from long-term debt	--	100,000	--
Principal payment of long-term debt	(38,000)	(44,000)	(50,000)
Issuance of stock under stock plans	649	4,117	2,102
Purchase of stock	(2,950)	(9,936)	--
Dividends paid	(18,983)	(19,066)	(19,146)
Other	--	(116)	24
Net cash (used in) provided by financing activities	(59,284)	30,999	(67,020)
Cash and cash equivalents:			
Net increase (decrease) in cash and cash equivalents	78,916	4,924	(55,265)
Effect of exchange rate changes on cash and cash equivalents	(397)	294	222
Balance at beginning of year	32,386	27,168	82,211
Balance at end of year	\$ 110,905	\$ 32,386	\$ 27,168

plans		59	4,058			4,117
Purchase of stock		(137)	(9,799)			(9,936)
Other				2,522		2,522
Net income				43,178		43,178
Cash dividends-\$0.50 per share				(19,066)		(19,066)
Balances, December 31, 1995	1,260	8,747	33,719	647,530	3,760	695,016
Shares issued under stock						
plans		16	633			649
Purchase of stock		(34)	(2,916)			(2,950)
Other				(1,670)		(1,670)
Net income				43,425		43,425
Cash dividends-\$0.50 per share				(18,983)		(18,983)

Balances, December 29, 1996 \$ 1,260 \$ 8,729 \$31,436 \$671,972\$2,090 \$715,487

See notes to consolidated financial statements.

ADOLPH COORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:

Summary of Significant Accounting Policies

Principles of consolidation: The consolidated financial statements include the accounts of Adolph Coors Company (ACC), its principal subsidiary, Coors Brewing Company (CBC), and the majority-owned and controlled domestic and foreign subsidiaries of both ACC and CBC (collectively referred to as "the Company"). All significant intercompany accounts and transactions have been eliminated. The equity method of accounting is used for the Company's 50% or less owned affiliates over which the Company has the ability to exercise significant influence (see Note 10). The Company has other investments which are accounted for at cost.

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

Fiscal year: The fiscal year of the Company is a 52- or 53-week period ending on the last Sunday in December. Fiscal years for the financial statements included herein ended December 29, 1996, a 52-week period; December 31, 1995, a 53-week period; and December 25, 1994, a 52-week period.

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

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

Current cost, as determined principally on the first-in, first-out method, exceeded LIFO cost by \$43.1 million and \$42.2 million at December 29, 1996, and December 31, 1995, respectively. During 1996 and 1995, total inventory costs and quantities were reduced resulting in LIFO liquidations, the effects of which were not material.

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

The Company continually evaluates its assets to assess their recoverability from future operations using undiscounted cash flows. Impairment would be recognized in operations if permanent diminution in value occurs.

Hedging transactions: The Company periodically enters into short-term forward, future, and option contracts for foreign currency and commodities to hedge its exposure to exchange rates and price fluctuations for raw materials and fixed assets used in the production of beer. The gains and losses on these contracts are deferred and recognized in cost of sales as part of the product cost.

As of December 29, 1996, hedging activities consisted exclusively of hard currency forward contracts to directly offset hard currency exposures. These irrevocable contracts eliminated the risk to financial position and results of operations of changes in the underlying foreign

exchange rate. Any variation in the exchange rate accruing to the contract would be directly offset by an equal change in the related obligation. Therefore, after the execution of the contract, variations in exchange rates would not impact the Company's financial statements. The Company's hedging activities and hard currency exposures are minimal. The Company does not enter into derivative financial instruments for speculation or trading purposes.

Excess of cost over net assets of businesses acquired: The excess of cost over the net assets of businesses acquired in transactions accounted for as purchases is being amortized on a straight-line basis, generally over a 40-year period.

Advertising: Advertising costs, included in marketing, general and administrative, are expensed when the advertising first takes place. Advertising expense was \$331.9 million, \$330.4 million, and \$327.6 million for years 1996, 1995, and 1994, respectively. The Company had \$10.9 million and \$8.9 million of prepaid advertising production costs reported as assets at December 29, 1996, and December 31, 1995, respectively.

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

Net income per common share: Net income per common share is based on the weighted average number of shares of common stock outstanding during each year.

Statement of Cash Flows: The Company defines cash equivalents as highly liquid investments with original maturities of 90 days or less. The fair value of these investments approximate their carrying value. The Company's 1995 investment in the Rocky Mountain Bottle Company was a \$16.2 million non-cash transaction that is not reflected as an investing activity in the Statement of Cash Flows. Income taxes paid were \$13.2 million in 1996, \$15.8 million in 1995, and \$31.0 million in 1994.

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

Reclassifications: Certain reclassifications have been made to the 1995 and 1994 financial statements to conform with the 1996 presentation.

NOTE 2:

Properties

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

	December 29, 1996 (In thousands)	As of December 31, 1995
Land and improvements	\$ 98,666	\$ 98,404
Buildings	477,184	470,677
Machinery and equipment	1,511,665	1,436,254
Natural resource properties	10,423	10,954
Construction in progress	29,873	90,593
	2,127,811	2,106,882
Less accumulated depreciation, depletion, and amortization	1,313,709	1,219,473
Net properties	\$ 814,102	\$ 887,409

At December 29, 1996 and December 31, 1995, properties included \$21.5 million and \$7.5 million in unamortized internally- developed and purchased software costs, respectively. Amortization expense related to this software totaled \$5.0 million, \$2.2 million, and \$1.1 million for 1996, 1995, and 1994, respectively.

Interest capitalized, expensed, and paid was as follows:

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994

(In thousands)

Interest costs	\$17,057	\$18,433	\$17,761
Interest capitalized	(3,150)	(6,570)	(6,300)
Interest expensed	\$13,907	\$11,863	\$11,461
Interest paid	\$17,711	\$16,613	\$21,169

NOTE 3:

Leases

The Company leases certain office facilities and operating equipment under cancelable and non-cancelable agreements accounted for as operating leases. At December 29, 1996, the minimum aggregate rental commitment under all non-cancelable leases was (in thousands): 1997, \$9,684; 1998, \$5,290; 1999, \$3,242; 2000, \$1,906; and \$13,734 for years thereafter. Total rent expense was (in thousands) \$11,680, \$10,376, and \$11,231 for years 1996, 1995, and 1994, respectively.

NOTE 4:

Debt

Long-term debt consists of the following:

	December 29, 1996	As of	December 31, 1995	
	Carrying	Fair	Carrying	Fair
	value	value	value	value
		(In thousands)		
Medium-term notes	\$ 88,000	\$ 94,000	\$126,000	\$134,000
Senior notes	100,000	101,000	100,000	106,000
Industrial development bonds	5,000	5,000	5,000	4,000
Total	193,000	200,000	231,000	244,000
Less current portion	17,000	17,000	36,000	37,000
	\$176,000	\$183,000	\$195,000	\$207,000

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

As of December 29, 1996, the Company had outstanding \$88 million of unsecured medium-term notes. Interest is due semiannually in April and October at fixed interest rates ranging from 8.63% to 9.05% per annum. Aggregate annual maturities for the notes issued are \$17 million in 1997, \$31 million in 1998, and \$40 million in 1999.

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

The Company is obligated to pay the principal, interest, and premium, if any, on the \$5 million, City of Wheat Ridge, Colorado Industrial Development Bonds (Adolph Coors Company Project) Series 1993. The bonds mature in 2013 and are secured by a letter of credit. They are currently variable rate securities with interest payable on the first of March, June, September, and December. The interest rate on December 29, 1996 was 4.3%.

The Company has an unsecured, committed credit arrangement totaling \$144 million and as of December 29, 1996, had all \$144 million available. This line of credit has a three-year term through December 12, 1998. Fees paid under this line of credit include a facilities fee on the total amount of the committed credit and a commitment fee, which is based on the undrawn portion of the line of credit. The only restriction for withdrawal is that the Company meet specific covenant criteria. The Company was in compliance with the covenants for all years presented. As of December 29, 1996, the Company also had approximately \$100 million of uncommitted credit arrangements available, of which none was outstanding. The Company pays no commitment fees for these uncommitted arrangements, which are on a funds-available basis. Interest rates are negotiated at the time of borrowing.

NOTE 5:

Income Taxes

Income tax expense includes the following current and deferred provisions:

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
	(In thousands)		
Current:			
Federal	\$ 8,878	\$ 24,275	\$ 19,875
State and foreign	4,976	2,215	6,154
Total current tax expense	13,854	26,490	26,029
Deferred:			
Federal	12,154	6,062	16,804
State and foreign	5,542	(2,452)	3,267
Total deferred tax expense	17,696	3,610	20,071
Total income tax expense	\$ 31,550	\$ 30,100	\$ 46,100

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

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
Expected tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	4.3	4.7	5.1
Revaluation of deferred income tax liability	--	--	0.8
Effect of foreign investments	1.6	.6	(0.2)
Non-deductible expenses and losses	1.9	.8	1.3
Other, net	(0.8)	--	2.2
Effective tax rate	42.0%	41.1%	44.2%

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

	As of	
	December 29, 1996	December 31, 1995
	(In thousands)	
Current deferred tax assets:		
Deferred compensation and other employee related	\$ 11,865	\$ 11,491
Change in balance sheet reserves and accruals	9,051	8,216
Other	2,054	1,583
Total current deferred tax assets	22,970	21,290
Current deferred tax liabilities:		
Change in balance sheet reserves and accruals	4,545	2,398
Other	8,998	263
Total current deferred tax liabilities	13,543	2,661
Net current deferred tax assets	\$ 9,427	\$ 18,629
Non-current deferred tax assets:		
Book in excess of tax depreciation and amortization	\$ 7,895	\$ 7,848
Loss on sale or write-down of assets	6,297	4,851
Deferred compensation and other employee related	7,077	7,066
Change in balance sheet reserves and accruals	9,006	8,851
Other employee postretirement benefits	27,724	29,239
Environmental accruals	2,308	2,327
Deferred foreign losses	--	4,779
Other	3,403	2,841
Total non-current deferred tax assets	63,710	67,802
Non-current deferred tax liabilities:		
Tax in excess of book depreciation and amortization	132,339	130,091
Capitalized interest	5,708	3,002
Other	1,746	2,298
Total non-current deferred tax liabilities	139,793	135,391

The Internal Revenue Service currently is examining the federal income tax returns for fiscal years 1991 through 1995. In the opinion of management, adequate accruals have been provided for all income tax matters and related interest.

The Company and ACX are parties to a tax sharing agreement that provides for, among other things, the treatment of tax matters for periods prior to the distribution of ACX stock and the assignment of responsibility for adjustments as a result of audits by taxing authorities and is designed to preserve the status of the distribution as tax-free (see Note 12).

NOTE 6:

Stock Option, Restricted Stock Award, and Employee Award Plans

At December 29, 1996, the Company has four stock-based compensation plans, which are described in greater detail below. The Company applies APB Opinion No. 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for the stock option portion of the plans. Had compensation cost been determined for the Company's stock option portion of the plans based on the fair value at the grant dates for awards under those plans consistent with the alternative method set forth under FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

		1996	1995
		(In thousands, except per share data)	
Net income	As reported	\$ 43,425	\$ 43,178
	Pro forma	\$ 42,793	\$ 41,799
Net income per common share	As reported	\$ 1.14	\$ 1.13
	Pro forma	\$ 1.13	\$ 1.10

The weighted-average fair value of options granted under the 1990 Equity Incentive Plan during the year is: \$ 7.21 \$ 6.21

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1996 and 1995, respectively: dividend yield of 2.535% and 2.78%; expected volatility of 26.7% for both years, risk-free interest rates of 5.74% and 7.93% for the 1990 Plan options, and expected lives of 10 and nine years for the 1990 Plan options.

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

A summary of the status of the Company's 1983 Plan as of December 29, 1996, December 31, 1995, and December 25, 1994, and changes during the years ending on those dates is presented below:

	Shares	Weighted-average exercise price	Options exercisable at year end	
			Shares	Weighted-average exercise price
Outstanding at December 26, 1993	538,568	\$15.84		
Exercised	109,630	15.21		
Forfeited	17,837	18.06		
Outstanding at December 25, 1994	411,101	15.92	411,101	\$15.92
Exercised	228,636	15.24		
Forfeited	13,811	18.02		
Outstanding at December 31, 1995	168,654	16.66	168,654	16.66
Exercised	100,231	16.54		
Forfeited	18,908	21.97		
Outstanding at December 29, 1996	49,515	14.85	49,515	14.85

Common stock reserved for options under the 1983 Plan as of December 29, 1996, December 31, 1995, and December 25, 1994 was 712,998 shares, 694,090 shares, and 680,279 shares, respectively.

1990 Plan: The 1990 Equity Incentive Plan (1990 EI Plan) that became effective January 1, 1990, as amended, provides for two types of grants: stock options and restricted stock awards. The stock options have a term of 10 years with exercise prices equal to fair market value on the day of the grant. Prior to 1994, one-third of the stock option grant was vested in each of the three successive years after the date of grant. Effective January 1, 1994, stock options vest at 10% for each \$1 increase in fair market value of ACC stock from date of grant, with a one-year holding period, or vest 100% after nine years. Once a portion has vested, it is not forfeited even if the fair market value drops.

A summary of the status of the Company's 1990 EI Plan as of December 29, 1996, December 31, 1995, and December 25, 1994, and changes during the years ending on those dates is presented below:

		Weighted- average exercise price	Options exercisable at year end Shares	Weighted- average exercise price
Outstanding at December 26, 1993	309,698	\$15.57		
Granted	530,693	16.25		
Exercised	17,288	15.08		
Forfeited	47,855	16.07		
Outstanding at December 25, 1994	775,248	16.02	232,635	\$15.44
Granted	600,561	16.75		
Exercised	25,190	14.98		
Forfeited	64,567	16.57		
Outstanding at December 31, 1995	1,286,052	16.35	512,708	15.95
Granted	614,674	21.27		
Exercised	107,327	16.26		
Forfeited	70,035	18.84		
Outstanding at December 29, 1996	1,723,364	18.01	846,273	16.30

Common stock reserved for options under the 1990 EI Plan as of December 29, 1996, December 31, 1995, and December 25, 1994 was 3,105,844 shares, 3,650,483 shares, and 1,186,477 shares, respectively.

In 1996, 45,390 shares of restricted stock were issued under the 1990 EI Plan. Vesting in the restricted stock awards is over a three-year period from the date of grant. The compensation cost associated with these awards is amortized to expense over the vesting period. Compensation cost associated with these awards was immaterial in 1996 and 1995.

1991 Plan: In 1991, the Company adopted the Equity Compensation Plan for Non-Employee Directors (EC Plan). The EC Plan provides for two grants of the Company's stock: the first grant is automatic and equals 20% of the director's annual retainer, and the second grant is elective and covers all or any portion of the balance of the retainer. A director may elect to receive his remaining 80% retainer in cash, restricted stock, or any combination of the two. Grants of stock vest after completion of the director's annual term. The compensation cost associated with the EC Plan is amortized over the director's term. Compensation cost associated with this plan was immaterial in 1996 and 1995.

1995 Supplemental Compensation Plan: In 1995, the Company adopted a supplemental compensation plan that covers substantially all its employees. Under the plan, management is allowed to recognize employee achievements through awards of Coors Stock Units (CSUs) or cash. CSUs are a measurement component equal to the fair market value of the Company's Class B common stock. CSUs have a six-month holding period after which the recipient may redeem the CSUs for cash, or, if the holder has 100 or more CSUs, shares of the Company's Class B common stock. Awards under the plan in 1996 and 1995 were immaterial.

Common stock reserved for this plan as of December 29, 1996, and December 31, 1995, was 83,707 shares and 84,000 shares, respectively.

NOTE 7:

Employee Retirement Plans

The Company maintains several defined benefit pension plans for the majority of its employees. Benefits are based on years of service and average base compensation levels over a period of years. Plan assets consist primarily of equity, interest-bearing investments, and real estate. The Company's funding policy is to contribute annually not less than the ERISA minimum funding standards, nor more than the maximum amount that can be deducted for federal income tax purposes. Total expense for all these plans was \$24.8 million in 1996, \$22.7 million in 1995, and \$29.5 million in 1994. These amounts include the Company's matching for the savings and investment (thrift) plan of \$5.7 million for 1996, \$5.7 million for 1995, and \$5.8 million for 1994. The increase in 1996 pension expense versus 1995 was caused primarily by a decrease in the discount rate (settlement rate) from the 1995 rate of 8.5% to the 1996 rate of 7.25%. The decrease in pension expense in 1995 versus 1994 was caused primarily by an increase in the discount rate (settlement rate) from the 1994 rate of 7.25% to the 1995 rate of 8.5%. Pension expense in years 1994 and 1996 were calculated at the same 7.25% discount (settlement) rate, but expense in 1996 was significantly lower than 1994 because consistent contributions and strong investment returns have boosted asset levels, which results in higher actuarially assumed returns and lower pension expense.

Note that the settlement rates shown in the table were selected for use at the end of each of the years shown. Actuaries calculate pension expense annually based on data available at the beginning of each year, which includes the settlement rate selected and disclosed at the end of the previous year.

	For the years ended		
December 29,	December 31,	December 25,	
1996	1995	1994	
	(In thousands)		

Service cost-benefits earned during the year	\$ 12,729	\$ 9,858	\$ 12,517
Interest cost on projected benefit obligations	31,162	29,285	28,377
Actual gain on plan assets	(65,504)	(69,346)	(872)
Net amortization and deferral	40,691	47,005	(16,351)
Net pension expense	\$ 19,078	\$ 16,802	\$ 23,671

The funded status of the pension plans and amounts recognized in the accompanying balance sheets are as follows:

	As of	
	December 29, 1996	December 31, 1995
	(In thousands)	
Actuarial present value of accumulated plan benefits, including vested benefits of \$332,444 in 1996 and \$311,366 in 1995	\$350,506	\$341,595
Projected benefit obligations for services rendered to date	\$422,516	\$423,614
Plan assets available for benefits	394,206	330,823
Plan assets less than projected benefit obligations	28,310	92,791
Unrecognized net gain (loss)	2,359	(62,492)
Prior service cost not yet recognized	(18,851)	(20,897)
Unrecognized net assets being recognized over 15 years	5,800	7,491
Net accrued pension liability	\$ 17,618	\$ 16,893

Significant assumptions used in determining the valuation of the projected benefit obligations as of the end of 1996, 1995, and 1994 were:

	1996	1995	1994
Settlement rate	7.75%	7.25%	8.50%
Increase in compensation levels	5.00%	5.00%	5.00%
Rate of return on plan assets	10.25%	9.75%	9.50%

NOTE 8:

Non-Pension Postretirement Benefits

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

The obligation under these plans was determined by the application of the terms of medical and life insurance plans, together with relevant actuarial assumptions and health care cost trend rates ranging ratably from 10.0% in 1996 to 5.0% in the year 2007. The effect of an annual 1% increase in trend rates would increase the accumulated postretirement benefit obligation by approximately \$1.9 million and \$4.7 million in 1996 and 1995, respectively. The effect of a 1% increase in trend rates also would have increased the ongoing annual cost by \$0.6 million and \$0.7 million in 1996 and 1995, respectively. The discount rate used in determining the accumulated postretirement benefit obligation was 7.75% and 7.25% at December 29, 1996, and December 31, 1995, respectively.

Net periodic postretirement benefit cost included the following:

	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
	(In thousands)		
Service cost-benefits attributed to service during the period	\$ 2,065	\$ 2,281	\$ 3,097

Interest cost on accumulated postretirement benefit obligation	5,082	6,426	6,698
Amortization of net loss (gain)	(310)	(560)	78

Net periodic postretirement benefit cost \$ 6,837 \$ 8,147 \$ 9,873

Effective November 29, 1995, changes were made to postretirement life insurance and medical benefits which resulted in a curtailment gain of \$3.3 million and \$18.6 million in 1996 and 1995, respectively. The 1996 decrease in plan expense resulted principally from the curtailment of these benefits. The status of the postretirement benefit plan was as follows:

	December 29, 1996 (In thousands)	As of December 31, 1995
Retirees	\$ 39,780	\$ 35,465
Fully eligible active plan participants	5,014	11,146
Other active plan participants	17,883	22,935
Accumulated postretirement obligation	62,677	69,546
Unrecognized net gain	8,452	975
Unrecognized prior service cost	2,209	2,871
Accrued postretirement benefit obligation	73,338	73,392
Less current portion	3,565	3,565
	\$ 69,773	\$ 69,827

NOTE 9:

Special Charges (Credits)

The annual results for 1996 include a pretax net special charge of \$6.3 million which resulted in expense of \$0.10 per share after tax. Second quarter results include a \$5.2 million pretax charge for the ongoing Molson legal proceedings and severance costs for restructuring the Company's engineering and construction operations. Results of the third quarter include a \$6.7 million pretax credit for underpaid past royalties and interest from Molson (net of related legal expenses) and income from the continuing effect of changes made in payroll-related practices during 1995. Fourth quarter results include a \$7.9 million pretax charge for Molson-related legal expenses, partially offset by underpaid past royalties from Molson and the continuing effect of changes made in payroll-related practices during 1995.

Fourth quarter results for 1995 include a pretax net special credit of \$15.2 million which resulted in income of \$0.24 per share after tax. The net credit was primarily the result of a gain for the curtailment of certain postretirement benefits other than pensions (see Note 8). Offsetting a portion of this curtailment gain are severance charges for limited reductions of the Company's work force.

Fourth quarter results for 1994 include a pretax net special credit of \$13.9 million and resulted in income of \$0.22 per share after tax. Two nonrecurring items contributed to the net credit. First, the Company reached a settlement with a number of its insurance carriers which enabled it to recover a portion of the costs associated with the Lowry Landfill Superfund site. Offsetting this was a write-down for impairment of certain distributor assets.

In 1993, the Company restructured certain of its operations. This restructuring charge and subsequent activity are summarized as follows:

	Personnel	Workplace redesign	Total
Balance as of December 26, 1993	\$ 12,316	\$ 18,400	\$ 30,716
1994 payments	3,045	16,480	19,525
Balance as of December 25, 1994	9,271	1,920	11,191
1995 payments	4,623	1,920	6,543
Balance as of December 31, 1995	4,648	--	4,648
1996 payments	647	--	647
Balance as of December 29, 1996	\$ 4,001	\$ --	\$ 4,001

The majority of the remaining personnel accruals relate to obligations under deferred compensation arrangements and postretirement benefits other than pensions.

NOTE 10:

Investments

Equity investments: The Company has 50% or less owned investments in affiliates that are accounted for using the equity method of accounting. The Company's investments aggregated \$47.6 million and \$42.3 million at December 29, 1996, and December 31, 1995, respectively. These investment amounts are included in other assets on the Company's consolidated balance sheets.

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

Summarized condensed balance sheet			
	As of		
	December 29, 1996	December 31, 1995	
	(In thousands)		
Current assets	\$ 69,975	\$ 61,370	
Non-current assets	79,162	58,011	
Current liabilities	38,186	37,432	
Non-current liabilities	4,236	2,228	
Summarized condensed statement of operations			
	For the years ended		
	December 29, 1996	December 31, 1995	December 25, 1994
	(In thousands)		
Net sales	\$ 357,273	\$ 363,864	\$ 49,187
Gross profit	37,372	44,890	4,032
Operating income (loss)	19,289	32,039	(1,383)
Company's equity in operating income	11,630	13,687	1,112

The Company's share of operating income of these non-consolidated affiliates is primarily included in cost of goods sold on the Company's consolidated statements of income.

In 1995, CBC and Anchor Glass Container Corporation (Anchor) formed a 50/50 joint venture to produce glass bottles at the CBC glass manufacturing facility for sale to CBC and outside customers. In 1996, Owens-Brockway Glass Container, Inc. (Owens) purchased certain Anchor assets and assumed Anchor's role in the partnership. The agreement has an initial term of 10 years and can be extended for additional two-year periods. Under the terms of the agreement, CBC agreed to contribute machinery, equipment, and certain personal property with an approximate net book value of \$16.2 million and Owens agreed to contribute technology and capital, which would be used to modernize and expand the capacity of the plant. Also under the agreement, CBC agreed to reimburse certain annual operating costs of the facility and to purchase an annual quantity of bottles, which together represent a 1997 commitment of approximately \$59 million. The expenditures under this agreement in 1996 and 1995 were approximately \$54 million and \$23 million, respectively. Additionally, the companies entered into another agreement that made Owens a long-term, preferred supplier for CBC, satisfying 100% of CBC's other glass requirements.

In 1994, CBC and American National Can Company (ANC) formed a 50/50 joint venture to produce beverage cans and ends at CBC manufacturing facilities for sale to CBC and outside customers. The agreement has an initial term of seven years and can be extended for two additional three-year periods. Additionally, the agreement requires CBC to purchase 100% of its can and end needs from the joint venture at contracted unit prices and to pay an annual fee for certain operating costs. The aggregate amount paid to the joint venture for cans and ends in 1996 and 1995 was approximately \$217 million and \$238 million, respectively. In 1994, the aggregate amount paid to the joint venture for ends was approximately \$31 million. The estimated cost in 1997 under this agreement for cans and ends is \$205 million. Additionally, during 1996, CBC received a \$5 million distribution from this joint venture.

Cost investments: CBC invested approximately \$22 million in Jinro- Coors Brewing Company (JCBC) in 1992 for a 33% interest. At that time and thereafter, it has accounted for this investment under the cost basis of accounting given that CBC does not have the ability to exercise significant influence over JCBC and that CBC's investment in JCBC is considered temporary. This investment includes a put option, whereby Jinro Limited, the 67% owner of JCBC guarantees CBC's investment. The put option, which is held for other than trading purposes, entitles CBC to require Jinro Limited to purchase CBC's investment at the greater of cost or market value in Korean Won through March 1999. JCBC achieved positive operating income in 1996 but has not yet been profitable due to debt service costs.

NOTE 11:

Stock Activity

Common stock: Both classes of common stock have the same rights and privileges, except for voting, which is the sole right of the holder of Class A stock.

The revised Colorado Business Corporation Act, which became effective in July 1994, eliminated the concept of treasury stock for Colorado corporations. Pursuant to that revision, shares that were previously classified as treasury shares were restored to status of "authorized but unissued." This elimination of treasury stock in the Company's consolidated balance sheets reduced the balances of Class B common stock and paid-in capital. At December 31, 1995, the Class B common stock was reduced by \$2.3 million to a stated value of \$0.24 per share, and paid-in capital was reduced by \$26.6 million.

Activity in the Company's Class A and Class B common stock for each of the three years ended December 29, 1996, December 31, 1995, and December 25, 1994, is summarized below:

	Common stock	
	Class A	Class B
Balances at December 26, 1993	1,260,000	36,939,221
Shares issued under stock plans	--	127,719
Balances at December 25, 1994	1,260,000	37,066,940
Shares issued under stock plans	--	248,778
Purchase of stock	--	(579,206)
Balances at December 31, 1995	1,260,000	36,736,512
Shares issued under stock plans	--	256,897
Purchase of stock	--	(331,005)
Balances at December 29, 1996	1,260,000	36,662,404

At December 29, 1996, December 31, 1995, and December 25, 1994, 25,000,000 shares of \$1 par value preferred stock were authorized but unissued.

On December 20, 1996, the board of directors authorized the repurchase of up to \$40 million of ACC's outstanding Class B common stock during 1997. As of March 14, 1997, the Company has repurchased 413,000 shares for approximately \$8.9 million under this stock repurchase program. Additionally, subsequent to year end, the Company purchased 150,000 shares of Class B common stock for \$3.2 million from a director of the Company.

NOTE 12:

Commitments and Contingencies

Molson: On October 18, 1996, an arbitration panel ruled that the licensing agreement terminated in 1993 when Miller acquired its ownership interest in Molson. This ruling returns Canadian rights to all CBC brands to CBC and requires Molson to compensate CBC for the period beginning April 2, 1993. Although CBC believes the compensation awarded will be significant, that compensation cannot be quantified until the next phase of arbitration is completed during 1997. Accordingly, no such compensation has been reflected in the 1996 financial statements.

Also in its ruling, the arbitration panel found that Molson had underpaid royalties from January 1, 1991, to April 1, 1993. Thus, Molson paid CBC \$6.1 million in cash (net of \$680,000 of withholding taxes) during 1996 to cover the unpaid royalties plus interest. In January 1997, Molson filed an appeal to this phase of the arbitration. Management believes the appeal is without merit.

CBC and Molson have agreed that Molson will continue to brew and distribute CBC's products for an interim period ending no earlier than July 1, 1997. Income from the interim agreement is based upon actual CBC brand sales volume in Canada and is reported as gross sales in the accompanying financial statements.

Insurance: It is the Company's policy to act as a self-insurer for certain insurable risks consisting primarily of employee health insurance programs, workers' compensation, and general liability contract deductibles.

In 1991, the Company became aware that Mutual Benefit Life Insurance Company (MBLIC) had been placed under the control of the State of New Jersey. The Company is a holder of several life insurance policies and annuities through MBLIC. The cash surrender value under these policies is approximately \$7.5 million. Policyholders have been notified that all claims, benefits, and annuity payments will continue to be paid in full; however, at this time, policyholders are unable to redeem the full value of their policies for cash. A moratorium charge would be applied to policies that are redeemed.

Letters of credit: As of December 29, 1996, the Company has approximately \$5.5 million outstanding in letters of credit with certain financial institutions. They generally expire within 12 months from the date of issuance, which range from March 1997 to October 1997. These letters of credit are being maintained as security for performance on certain insurance policies, operations of underground storage tanks, and payments of liquor and duty taxes and energy billings.

Additionally, the product distributor for Coors Japan advances certain funds to Coors Japan under a contractual arrangement between the parties. As of December 29, 1996, such advances totaled approximately \$4.3 million.

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

In September 1995, CBC concluded the sale of its power plant and support facilities to Trigen. In conjunction with this sale, CBC agreed to purchase the electricity and steam needed to operate the brewery's Golden facilities. CBC's financial commitment under this agreement is divided between a fixed, non-cancelable cost of approximately \$12.5 million for 1997, which adjusts annually for inflation, and a variable cost, which is generally based on fuel cost and CBC's electricity and steam use.

ACX Technologies, Inc.: At the end of 1992, the Company distributed to its shareholders the common stock of ACX. ACX was formed in late 1992 to own the ceramics, aluminum, packaging, and technology-based development businesses which were then owned by ACC. Joseph Coors, Peter H. Coors, and William K. Coors, directors of both ACC and ACX during 1996, are trustees of one or more family trusts that collectively own all of ACC's voting stock and approximately 47% of ACX's common stock. Joseph Coors resigned as director of ACX in July 1996. ACC and ACX, or their subsidiaries, have certain business relationships and have engaged, or proposed to engage, in certain transactions with one another, as described below.

CBC is a limited partner in a partnership in which a subsidiary of ACX Technologies, Inc. (ACX) is the general partner. The partnership owns, develops, operates, and sells certain real estate previously owned directly by CBC or ACC. Each partner is obligated to make additional contributions of up to \$500,000 upon call of the general partner. Distributions are allocated equally between the partners until CBC recovers its investment, and thereafter 80% to the general partner and 20% to CBC.

When ACX was spun off in 1992, CBC entered into market-based, long-term supply agreements with certain ACX subsidiaries to provide CBC packaging, aluminum, and starch products. Under the packaging supply agreement, CBC agreed to purchase all of its paperboard (including composite packages, labels, and certain can wrappers) from an ACX subsidiary through 1997. In early 1997, this contract was modified and extended until at least 1999. In early 1997, ACX's aluminum manufacturing business was sold to a third party. The aluminum contracts were canceled in 1995. Since late 1994, ANC has been the purchasing agent for the joint venture between ANC and CBC and has ordered limited quantities of can, end, and tab stock from the now-former ACX subsidiary. Additionally, ANC purchased a small quantity of tab stock for the joint venture in early 1997. Under the starch supply agreement, CBC agreed to purchase 100 million pounds of refined corn starch annually from an ACX subsidiary through 1997. In early 1997, this agreement was renegotiated, at slightly higher rates, and extended through 1999. CBC's total purchases under these agreements in 1996 were approximately \$145 million. Purchases in 1997 under the packaging and starch supply agreements are estimated to be approximately \$120 million.

Investments: In 1991, CBC entered into an agreement with Colorado Baseball Partnership 1993, Ltd. for an equity investment and multiyear signage and advertising package. This commitment, totaling approximately \$30 million, was finalized upon the awarding of a National League baseball franchise to Colorado in 1991. The initial investment as a limited partner has been paid. The carrying value of this investment approximates its fair value at December 29, 1996 and December 31, 1995. The recognition of liability under the multiyear signage and advertising package began in 1995 with the opening of Coors Field.

Environmental: In 1991, the City and County of Denver, Waste Management of Colorado, Inc., and Chemical Waste Management, Inc. brought litigation in U.S. District Court against the Company and 37 other "potentially responsible parties" (PRPs) to determine the allocation of costs of Lowry site remediation. In 1993, the Court approved a settlement agreement between the Company and the plaintiffs, resolving the Company's liabilities for the site. The Company agreed to initial payments based on an assumed present value of \$120 million in total site remediation costs. Further, the Company agreed to pay a specified share of costs if total remediation costs exceeded this amount. The Company remitted its agreed share, based on the \$120 million assumption, to a trust for payment of site remediation, operating, and maintenance costs. None of these payments were material to the Company's results of operations or financial position.

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

In 1991, the Company filed suit against certain of its former and current insurance carriers, seeking recovery of past defense costs and investigation, study, and remediation costs. Settlements were reached during 1993 and 1994 with all defendants, and, as a result, the Company recognized a special pretax credit of \$18.9 million in the fourth quarter of 1994 (see Note 9).

Litigation: The Company also is named as defendant in various actions and proceedings arising in the normal course of business. In all of these cases, the Company is denying the allegations and is vigorously defending itself against them and, in some instances, has filed counterclaims.

Although the eventual outcome of the various lawsuits cannot be predicted, it is management's opinion that these suits will not result in liabilities that would materially affect the Company's financial position or results of operations.

NOTE 13:

Quarterly Financial Information (Unaudited)

The following summarizes selected quarterly financial information for each of the two years in the period ended December 29, 1996. During 1996 and 1995, the first, second, and third quarters were 12 weeks. During 1996, the fourth quarter was 12 weeks; during 1995, the fourth quarter was 13 weeks.

In the second, third, and fourth quarters of 1996 and the fourth quarter of 1995, certain adjustments were made which were of a normal and recurring nature. As described in Note 9, income in 1996 was decreased by a special pretax charge of \$6.3 million, or \$0.10 per share, and income in the fourth quarter of 1995 was increased by a special pretax credit of \$15.2 million, or \$0.24 per share.

**ADOLPH COORS COMPANY AND SUBSIDIARIES
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)**

1996	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
Net sales without international income	\$368,729	\$502,426	\$453,513	\$396,498	\$1,721,166
International income	1,258	1,092	1,093	7,624	11,067
Net sales, as currently reported	\$369,987	\$503,518	\$454,606	\$404,122	\$1,732,233
Gross profit	\$107,952	\$194,959	\$164,156	\$147,300	\$ 614,367
Net (loss) income	(\$ 3,007)	\$ 23,796	\$ 18,675	\$ 3,961	\$ 43,425
Net (loss) income per common share	(\$ 0.08)	\$ 0.63	\$ 0.49	\$ 0.10	\$ 1.14
	First	Second	Third	Fourth	Year
	(In thousands, except per share data)				
1995					
Net sales without international income	\$348,393	\$457,440	\$455,352	\$414,194	\$1,675,379
International income	686	1,055	1,095	1,371	4,207
Net sales, as currently reported	\$349,079	\$458,495	\$456,447	\$415,565	\$1,679,586
Gross profit	\$111,429	\$174,476	\$166,257	\$131,904	\$ 584,066
Net (loss) income	(\$ 917)	\$ 21,444	\$ 16,492	\$ 6,159	\$ 43,178
Net (loss) income per common share	(\$ 0.02)	\$ 0.56	\$ 0.43	\$ 0.16	\$ 1.13

ITEM 9. Disagreements on Accounting and Financial Disclosure

None.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

(a) Directors

JOSEPH COORS (Age 79) is vice chairman of Adolph Coors Company (ACC or the Company) and has served in that capacity since 1975. He has served as a director since 1942. He retired from day-to-day operations in December 1987. He is a member of the Executive Committee and the Audit Committee. He is also a director of Coors Brewing Company (CBC). He was a director of ACX Technologies, Inc. (ACX) from October 1992 until his resignation in July 1996 and now is director emeritus.

PETER H. COORS (Age 50) is vice president of ACC and chief executive officer and vice chairman of CBC and has served in that capacity since 1993. He has served as a director of ACC since 1973. Prior to 1993, he served as executive vice president of ACC and chairman of the brewing group. He served as interim treasurer and chief financial officer from December 1993 to February 1995. He is also a director of CBC.

He is a member of the Executive Committee. In his career at CBC, he has served in a number of different positions, including divisional president of sales, marketing, and administration and secretary (1982-1985), senior vice president, sales and marketing (1978-1982), vice president (1976-1978), and assistant secretary and assistant treasurer (1974-1976). Since March 1996, he has been a director of First Bank System.

WILLIAM K. COORS (Age 80) is chairman of the board and president of ACC and has served in such capacities since 1970 and 1989, respectively. He has served as a director since 1940. He is the chairman of the Executive Committee. He is also a director and chairman of the board of CBC and ACX.

J. BRUCE LLEWELLYN (Age 69) has served as a director since 1989.

He was a member of the Audit Committee until May 1996 and is the chairman of the Compensation Committee. He is also a director of CBC. He is an attorney and is involved in the management of several businesses in which he is an investor. He is currently the chairman of the board and chief executive officer of Philadelphia Coca Cola Bottling Co., Inc. He is also a director of Chase Manhattan Bank and Teleport Communications Group, Inc.

LUIS G. NOGALES (Age 53) has served as a director since 1989. He is a member of the Audit Committee and was a member of the Compensation Committee until May 1996. He is also a director of CBC. He is president of Nogales Partners, a media acquisition firm (1990-present). In the past, he was chairman and chief executive officer of Embarcadero Media (1994-1996); general partner of Nogales Castro Partners (1989-1990); president of Univision, the nation's largest Spanish language television network (1986-1988); and chairman and chief executive officer of United Press International (1983-1986). He is also a director of Southern California Edison Company, International, and Kaufman and Broad Home Corporation.

PAMELA H. PATSLEY (Age 40) joined the Company as a director in November of 1996. She is also a director of CBC. She is a member of the Audit Committee and the Compensation Committee. She is president, chief executive officer and a director of First USA Paymentech, Inc. in Dallas. She began her career with First USA, Inc. in 1985 as a founding officer of the company. Before joining First USA, Patsley was with KPMG Peat Marwick. She is also a director of First Virtual Holdings, Inc.

WAYNE R. SANDERS (Age 49) joined the Company as a director in February of 1995. He is a member of the Compensation Committee and is chairman of the Audit Committee. He is also a director of CBC. He is chairman of the board and chief executive officer of Kimberly-Clark (K-C) Corporation in Dallas. Sanders joined K-C in 1975 as a senior financial analyst. For the past 20 years, he has served in a number of positions with K-C. He was named to his current position in 1992. Prior to that, he served as president and chief executive officer (1991); and as president, World Consumer, Nonwovens and Service and Industrial Operations (1990). He was elected to K-C's board of directors in August 1989. He is also a director of Texas Commerce Bank.

(b) Executive Officers

Of the above directors, Peter H. Coors and William K. Coors are executive officers of ACC. The following also were executive officers of ACC (as defined by Securities and Exchange Commission (SEC) rules) at March 1, 1997:

CARL L. BARNHILL (Age 48) joined CBC in May 1994 as senior vice president of sales. Barnhill brings more than 20 years of marketing experience with consumer goods companies. Most recently, he was vice president of selling systems development for the European and Middle East division of Pepsi Foods International. Prior to joining Pepsi in 1993, he spent 16 years with Frito-Lay in various upper-level sales and marketing positions.

L. DON BROWN (Age 51) joined CBC in July 1996 as senior vice president of operations and technology. Prior to joining CBC, he served as senior vice president of manufacturing and engineering at Kraft Foods where his responsibilities included manufacturing, engineering, and operations quality functions. During his years at Kraft from 1971- 1996, he held several positions of increasing responsibility in the manufacturing and operations areas.

ROBERT W. EHRET (Age 52) joined CBC in May 1994 as senior vice president, human resources. Prior to joining CBC, Ehret served as senior vice president of human resources for A.C. Nielsen. From 1983 to 1989, Ehret worked for PepsiCo Inc. as director of employee relations and personnel director for two of PepsiCo's international divisions based in Tokyo and London.

W. LEO KIELY, III (Age 50) became president and chief operating officer of CBC as of March 1, 1993. Prior to joining CBC, he served as division vice president and then division president of the Frito-Lay, Inc. subsidiary of PepsiCo in Plano, Texas. From 1989-1991, he served as senior vice president of field operations, overseeing the operations of Frito-Lay's four regional business teams. He is a director of Bell Sports Corporation and Signature Resorts, Inc.

ROBERT D. KLUGMAN (Age 49) was named CBC's senior vice president of corporate development in May 1994. In 1993, he was vice president of corporate development. Prior to that, he was vice president of brand marketing, a position he held from 1981-1987 and again from 1990-1993. From 1987 to 1990, he was vice president of international, development, and marketing services. Before joining CBC, Klugman was a vice president of client services at Leo Burnett USA, a Chicago- based advertising agency.

MICHAEL A. MARRANZINO (Age 49) has served as CBC's senior vice president and chief international officer since 1994. Prior to that, he served as vice president and director of international marketing. He has been with CBC since 1976 and has held positions in the sales and marketing area, including director of development, director for Coors and Coors Extra Gold brands, director of sales and marketing operations, director of field sales, and director of sales operations.

M. CAROLINE TURNER (Age 47) was named senior vice president and general counsel for CBC in February 1997. She has served as vice president and assistant secretary of ACC and assistant secretary of CBC since January 1993. In the past, she served as vice president, general counsel and chief legal officer of CBC (1993-1996) and vice president, chief legal officer (1991-1992) and director, legal affairs (1986-1991) of ACC. Prior to joining the Company, she was a partner with the law firm of Holme Roberts & Owen (1983-1986), an associate for Holme Roberts and Owen (1977-1982), and a clerk in the U.S. 10th Circuit Court of Appeals (1976-1977).

WILLIAM H. WEINTRAUB (Age 54) was named CBC's senior vice president of marketing in 1994. He joined CBC as vice president of marketing in July 1993. Prior to joining CBC, he directed marketing and advertising for Tropicana Products as senior vice president. From 1982-1991, Weintraub was with the Kellogg Company, with responsibility for marketing and sales.

TIMOTHY V. WOLF (Age 43) was named vice president and chief financial officer of ACC and senior vice president and chief financial officer of CBC in February 1995. Wolf came to CBC from Hyatt Hotels Corporation, where he served as senior vice president of planning and human resources from 1993 to 1994. From 1989 to 1993, he served in several executive positions for The Walt Disney Company including vice president, controller, and chief accounting officer.

ACC and CBC employ other officers who are not considered executive officers under SEC regulations.

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

(c) Significant Employees

None.

(d) Family Relationships

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

(e) Business Experience

See discussion above in (a) and (b).

(f) Involvement in Legal Proceedings

None.

(g) Section 16 Disclosures

None.

ITEM 11. Executive Compensation

I. SUMMARY COMPENSATION TABLE

NAME & PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG TERM COMPENSATION					
		SALARY (\$)	BONUS (\$)(a)	AWARDS		PAYOUTS			
				OTHER ANNUAL COMP (\$)(b)	RESTRICTED STOCK (\$)(c)	SECURI- TIES UNDER LYING OPTIONS (#)(d)	LTIP PAY- OUTS (\$)(e)	ALL OTHER COMP (\$)(f)	
William K. Coors,	1996	288,624	0	0	0	0	0	0	0
Adolph Coors Company		16,168	Chairman of the	1995	285,028	0	0	0	0
		34,095	Board, CEO of	1994	275,020	2,714	0	0	0
Peter H. Coors,	1996	507,090	0	0	0	22,330	0	22,678	

Vice Chairman & CEO of Coors Brewing Company	1995	506,248	0	0	0	29,328	0	89,976
	1994	483,328	281,262	0	0	28,820	0	9,102
W. Leo Kiely III, President & COO of Coors Brewing Company	1996	400,218	0	0	0	18,154	0	8,705
	1995	399,376	0	0	0	23,843	0	8,458
	1994	384,400	230,858	0	0	23,655	0	5,151
L. Don Brown, Senior VP, Operations & Technology of Coors Brewing Company	1996	180,346	580,000	0	800,000	58,333	0	3,467
	1995	0	0	0	0	0	0	0
	1994	0	0	0	0	0	0	0
Timothy V. Wolf, Senior VP, & CFO of Coors Brewing Company	1996	314,346	0	0	0	10,568	0	6,778
	1995	280,000	124,000	304,130	0	13,881	0	3,900
	1994	0	0	0	0	0	0	0

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

(b) In 1996 and 1994, none of the named executives received perquisites in excess of the lesser of \$50,000 or 10% of salary plus bonus. In 1995, Timothy V. Wolf received perquisites including moving and relocation expenses of \$293,450.

(c) In 1996, 45,390 shares of restricted stock were granted to L. Don Brown valued at \$873,758 on December 29, 1996. The restricted stock award granted in 1996 to L. Don Brown has a three-year vesting period from the date of grant and is based on continuous services during the vesting period. Dividends are paid to the holder of the grant during the vesting period. Restricted stock granted in 1993 to Peter H. Coors and W. Leo Kiely III vested in 1996.

No restricted stock grants were made in 1995 or 1994 to any of the other named executives.

(d) See discussion under Item 11, Part II, for options issued in 1996.

(e) See discussion under Item 11, Part IV, for the long-term incentive plan.

(f) The amounts shown in this column are attributable to the officer life insurance other than group life, 401(k) plans, and the excess of fair market value over option price for stock options exercised in 1996.

Of the named executives, Peter H. Coors receives officer life insurance provided by the Company until retirement. At the time of retirement, the officer's life insurance program terminates and the salary continuation agreement becomes effective. The officer's life insurance provides six times the executive base salary until retirement, at which time the Company becomes the beneficiary. The Company provides term life insurance for W. Leo Kiely III, L. Don Brown, and Timothy V. Wolf. The officer's life insurance provides six times the executive base salary until retirement when the benefit terminates. The 1996 annual benefit for each executive for both programs was: William K. Coors - \$16,168; Peter H. Coors - \$5,933; W. Leo Kiely III - \$4,205; and Timothy V. Wolf - \$2,278.

The Company's 50% match on the first 6% of salary contributed by the officer to ACC's qualified 401(k) plan was \$4,500 for Peter H. Coors; \$4,500 for W. Leo Kiely III; \$3,467 for L. Don Brown; and \$4,500 for Timothy V. Wolf. Peter H. Coors exercised stock options in 1996. See discussion in Item 11, Part III for stock option exercises in 1996.

In response to Code Section 162 of the Revenue Reconciliation Act of 1993, the Company appointed a special compensation committee to approve and monitor performance criteria in certain performance- based executive compensation plans for 1996.

II. OPTION/SAR GRANTS TABLE

Option Grants in Last Fiscal Year

NAME	INDIVIDUAL GRANTS			POTENTIAL REALIZABLE VALUE AT ASSUMED RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM		
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL	EXERCISE OR BASE PRICE	EXPIRATION DATE	5%	10%
	(#) (a)	YEAR	(\$/SHARE)			

Peter H. Coors	22,330	4%	\$22.00	01/02/06	\$208,924	\$ 623,667
W. Leo Kiely III	18,154	3%	\$22.00	01/02/06	\$169,853	\$ 507,033
L. Don Brown	58,333	10%	\$18.00	06/25/06	\$779,108	\$1,862,546
Timothy V. Wolf	10,568	2%	\$22.00	01/02/06	\$ 98,877	\$ 295,159

(a) Grants vest one year from the date of grant and at a rate of one-tenth for each \$1 increment in fair market value (FMV) of the stock over the exercise price. For example, when the FMV reaches \$23.00, or \$19.00 for L. Don Brown, 10% of the grant is vested; when it reaches \$24.00, or \$20.00 for L. Don Brown, 20% is vested; etc... FMV is calculated by averaging the high and low stock price for each day. Once a portion has vested, it is not forfeited even if the FMV drops. If not sooner, the grant is 100% vested after 9 years. At December 29, 1996, the 1996 grants were 0% vested because of the one year vesting requirement; however, they were 20% vested on January 2, 1997.

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

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

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (a)(\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END (\$)	
			Exercis- able	Unexercis- able	Exercis- able	Unexercis- able
Peter H. Coors	5,000	12,245	188,536	39,774	\$656,436	\$47,932
W. Leo Kiely III	0	0	43,246	32,404	118,892	39,173
L. Don Brown	0	0	0	58,333	0	72,916
Timothy V. Wolf	0	0	9,716	14,733	24,290	10,412

(a) Values stated are the bargain element recognized in 1996, which is the difference between the option price and the market price at the time of exercise.

IV. LONG-TERM INCENTIVE PLAN AWARDS TABLE

The Long-Term Incentive Plan (LTIP) was canceled by the board of directors at the November 1996 board meeting. During 1996, there were two cycles in effect. The following describes the awards for those cycles before cancellation.

1994-1996 Plan			POTENTIAL FUTURE PAYOUTS UNDER NON-STOCK PRICE-BASED PLANS		
NAME	NUMBER OF SHARES, UNITS OR OTHER RIGHTS (#)	PERFORMANCE OR OTHER PERIOD UNTIL MATURATION OR PAYOUT	THRESHOLD (\$ or #)	TARGET (\$ or #)	MAXIMUM (\$ or #)
Peter H. Coors	150% of 1-1-94 salary at target	1994 - 1996	8,646(a)	129,691(a)	259,382(a)
W. Leo Kiely III	140% of 1-1-94 salary at target	1994 - 1996	7,097(a)	99,353(a)	198,706(a)
Timothy V. Wolf	100% of 2-7-95 salary at target	1994 - 1996 (prorated)	3,418(b)	34,184(b)	68,367(b)

(a) Number of options to be granted at \$16.25.

(b) Number of options to be granted at \$16.4375.

1996-1998 Plan			POTENTIAL FUTURE PAYOUTS UNDER NON-STOCK PRICE-BASED PLANS		
NAME	NUMBER OF SHARES, UNITS OR OTHER RIGHTS (#)	PERFORMANCE OR OTHER PERIOD UNTIL MATURATION OR PAYOUT	THRESHOLD (\$ or #)	TARGET (\$ or #)	MAXIMUM (\$ or #)
Peter H. Coors	150% of 1-1-96 salary at target	1996 - 1998	6,699(a)	100,484(a)	200,968(a)
W. Leo Kiely III	140% of 1-1-96 salary at target	1996 - 1998	5,446(a)	76,246(a)	152,492(a)
L. Don Brown	100% of 7-29-96 salary at target	1996 - 1998 (prorated)	6,293(b)	62,933(b)	125,865(b)
Timothy V. Wolf	100% of 1-1-96 salary at target	1996 - 1998	\$31,000(c)	\$310,008(c)	\$620,016(c)

- (a) Number of options to be granted at \$22.00.
- (b) Number of options to be granted at \$17.625.
- (c) Award of 1/2 restricted shares and 1/2 cash.

Under the LTIP, payout targets were dependent on cumulative return on invested capital (ROIC), which is defined as earnings before interest expense and after tax, divided by debt plus equity. The LTIP cycle was three years, with any payout at the beginning of the fourth year. Under the first cycle, the earliest potential payout was for 1994-1996. There was no payout for the 1994-1996 plan, as the Company did not achieve the required cumulative ROIC.

Participants elected the form of payout from three options. The first option was to receive one-half of the payout in cash and one-half in shares of restricted stock. Restricted shares were fully vested but were restricted from sale for a period of five years. The second option allowed the participant to use the cash portion of payout to purchase discounted shares of stock (based on 75% of the fair market value of the stock at the time of payout). Shares purchased under this option were fully vested but could not be sold for a period of three years. The third option allowed the participant to elect a percentage (a multiple of 10, but not more than 100) of the total award amount to be received in the form of stock options; the number of options to be three times the total award amount divided by the fair market value of the stock at the time the participant enters the LTIP. The options were fully vested and had a 10-year term. The remainder of the award, if the percentage elected was less than 100%, was to be awarded one-half in cash and one-half in restricted shares of stock. All shares were to receive dividends during the restriction period.

V. PENSION PLAN TABLE

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

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

(a) Maximum permissible benefit under ERISA from the qualified retirement income plan for 1996 was \$120,000. Annual compensation exceeding \$150,000 is not considered in computing the maximum permissible benefit under the qualified plan. The Company has a non-qualified supplemental retirement plan to provide full accrued benefits to all employees in excess of IRS maximums.

Annual average compensation covered by the qualified and non-qualified retirement plans and credited years of service for individuals named in Item 11(a) are as follows: William K. Coors

- - \$267,891 and 57 years; Peter H. Coors - \$483,889 and 25 years; W. Leo Kiely III - \$394,665 and 3 years; L. Don Brown - \$424,685 and 1 year; and Timothy V. Wolf - \$313,492 and 2 years.

The Company's principal retirement income plan is a defined benefit plan. The amount of contribution for officers is not included in the above table since total plan contributions cannot be readily allocated to individual employees. The Company's most recent actuarial valuation was as of January 1, 1996, in which the ratio of plan contributions to total compensation covered by the plan was approximately 7.5%. Covered compensation is defined as the total base salary (average of three highest consecutive years out of the last 10) of employees participating in the plan, including commissions but excluding bonuses and overtime pay. Compensation also includes amounts deferred by the individual under Internal Revenue Code Section 401(k) and any amounts deferred into a plan under Internal Revenue Code Section 125. Normal retirement age under the plan is 65. An employee with at least 5 years of vesting service may retire as early as age 55. Benefits are reduced for early retirement based on an employee's age and years of service at retirement; however, benefits are not reduced if: (1) the employee is at least age 62 when payments commence; or (2) the employee's age plus years of service equal at least 85 and the employee has worked for CBC at least 25 years. The amount of pension actually accrued under the pension formula is in the form of a straight life annuity.

In addition to the annual benefit from the qualified retirement plan, one of the named executives is covered by a salary continuation agreement. This agreement provides for a lump sum cash payment to the officer upon normal retirement in an amount actuarially equivalent in value to 30% of the officer's last annual base salary, payable for the remainder of the officer's life, but not less than 10 years. If the officer should die

after age 55, the surviving spouse receives the remaining amount in a lump sum. The interest rate used in calculating the lump sum is determined using 80% of the annual average yield of the 10-year Treasury constant maturities for the month preceding the month of retirement. Using 1996 eligible salary amounts as representative of the last annual base salary, the estimated annual benefit upon normal retirement for Peter H. Coors would be \$148,000.

VI. COMPENSATION OF DIRECTORS

The Company adopted the Equity Compensation Plan for Non-Employee Directors (EC Plan) effective May 16, 1991. The EC Plan provides for two grants of ACC's Class B (non-voting) common stock to non-employee (NE) directors. The first grant is automatic and equals 20% of the annual retainer. The second grant is elective and allows the NE directors to take a portion, or all, of the remaining annual retainer in stock. Amounts of both grants are determined by the fair market value of the shares on the date of grant. Shares received under either grant may not be sold or disposed of before completion of the annual term. The Company reserved 50,000 shares of stock to be issued under the EC Plan. The NE directors' annual retainer is \$32,000.

In 1996, the NE members of the board of directors were paid 50% of the \$32,000 annual retainer for the 1995-1996 term and 50% of the \$32,000 annual retainer for the 1996-1997 term, as well as reimbursement of expenses incurred to perform their duties as directors. Directors who are full-time employees of the Company receive \$15,000 annually. All directors are reimbursed for any expenses incurred while attending board or committee meetings and in connection with any other CBC business. In addition, Joseph Coors, as a director and retired executive officer, is provided an office, transportation, and secretarial support from CBC.

VII. EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

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

Timothy V. Wolf had an agreement providing a guaranteed bonus of 40% of his base salary in 1995. If he is terminated without cause within the first two years, he would receive 18 months of his total current annual salary (base plus bonus). This termination agreement expired February 7, 1997.

L. Don Brown has an agreement providing a guaranteed bonus of 80% of his base salary in 1996 and 1997. In addition, he received a \$200,000 signing bonus and a \$100,000 transitional bonus in 1996. If he is terminated without cause during the first two years, he would receive 12 months of his total current annual salary (base plus bonus).

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

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

VIII. COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the board of directors has furnished the following report on executive compensation for CBC. This report represents the Company's compensation philosophy for fiscal year 1996. J. Bruce Llewellyn and Wayne R. Sanders served on the Compensation Committee for all of 1996. Luis G. Nogales served on the Compensation Committee until May 1996. Pamela Patsley joined the committee in November 1996.

Overview of compensation strategy for executives: Under the supervision of the 1996 Compensation Committee of the board of directors, the Company continued to support the philosophy that compensation policies, plans, and programs developed must enhance the profitability of the Company by linking financial incentives of senior CBC management with the Company's financial performance. Base salary philosophy remained the same, and all incentive programs continued to focus on increasing shareholder value and profitability.

Annual base salaries were targeted to be competitive with the median levels found in the external market. The Company tied incentive compensation plans to superior corporate and business unit performance. An aggressive posture for base salaries for senior executives who have accountability for major functions was continued. Incentive compensation strategies were tied to Company performance and shareholder return to encourage a greater ROIC and to increase share price.

The Compensation Committee's compensation strategy for CBC's CEO and other executive officers consisted of:

- - targeting the aggregate of base salary to the 50th percentile of relevant, broadly defined external markets;
- - providing an annual cash incentive award targeted at the 75th percentile of the same external markets;
- - providing annual stock grants designed to increase shareholder return; and
- - continuing an LTIP designed to increase ROIC.

Relationship of performance to specific elements of the compensation strategy: Following are brief descriptions that outline details and performance measures of each component of the 1996 executive compensation strategy.

Base salary: The Company used compensation survey data to determine salaries competitive at the 50th percentile for like positions in similar-sized manufacturing companies. Company size was determined by total net sales.

Salary ranges were established for executives by using the 50th percentile market data as the midpoint, with a 50% spread between minimum and maximum. Where the executive was paid within the range was determined by individual performance.

Annual cash incentive award: In 1996, the annual Management Incentive Award program continued with the intent to drive both Company profitability and individual performance. Executive officers and other key management personnel were measured based on pretax profit and written individual performance plans tied to CBC objectives. Payout may occur only after profit objectives are realized. The Compensation Committee approved annual pretax profit objectives as well as minimum and maximum payout levels within the program. There was no payout under the cash incentive award program in 1996. However, the board approved a special bonus, paid in restricted stock, to recognize superior performance by select participants in the plan.

Annual stock option grants: In 1996, the Committee approved granting of stock options to the executive officers and to other key management personnel. Options were granted as a percentage of base salary and based on the individual's level in the organization. Options were granted with a 10-year term. Option vesting is based on a one-year holding period and an increase in share value. Options vest 10% for each \$1 increase in fair market value. All options vest after nine years regardless of share value increase. Options were granted through the 1990 Equity Incentive Plan (1990 EI Plan).

The 1990 EI Plan was administered by the Compensation Committee. That committee was composed of NE, independent directors. The 1990 EI Plan provides that options be granted at exercise prices equal to the fair market value on the date the option was granted.

Long-term incentive plan: The LTIP was canceled by the board of directors at the November 1996 board meeting. During 1996, there were two cycles in effect. See discussion under Item 11, Part IV, for a description of this plan.

CEO compensation for 1996: The CEO's compensation for 1996 did not reflect any of the incentive elements of the Company's compensation strategy. While fully supportive of the executive compensation strategy and fully committed to the Company goal of improved profitability and an increase in shareholder value, CEO William K. Coors has elected not to participate in the incentive programs. It is Mr. Coors' belief that his compensation, although low relative to market and industry standards, is adequate to support his needs and that, given his strong commitment to corporate goals and objectives, financial incentives would not enhance his motivation to achieve superior performance. Mr. Coors did, however, receive a minimal 2.0% increase in base salary.

IX. COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

J. Bruce Llewellyn, Luis G. Nogales, Pamela H. Patsley, and Wayne R. Sanders served on the Compensation Committee during 1996.

Joseph Coors and William K. Coors, directors of both ACC and ACX during 1996, along with Peter H. Coors, are trustees of one or more family trusts that collectively own all of ACC's voting stock and approximately 47% of ACX's common stock (see Security Ownership of Certain Beneficial Owners and Management in Item 12). Joseph Coors resigned as director of ACX in July 1996. ACC and ACX, or their subsidiaries, have certain business relationships and have engaged or proposed to engage in certain transactions with one another, as described below.

When ACX was spun off in 1992, CBC entered into market-based, long-term supply agreements with certain ACX subsidiaries to provide CBC packaging, aluminum, and starch products. Under the packaging supply agreement, CBC agreed to purchase all of its paperboard (including composite packages, labels, and certain can wrappers) from an ACX subsidiary through 1997. In early 1997, this contract was modified and extended until at least 1999. In early 1997, ACX's aluminum manufacturing business was sold to a third party. The aluminum contracts were canceled in 1995. Since late 1994, American National Can Company (ANC) has been the purchasing agent for the joint venture between ANC and CBC and has ordered limited quantities of can, end, and tab stock from the now-former ACX subsidiary. Additionally, ANC purchased a small quantity of tab stock for the joint venture in early 1997. Under the starch supply agreement, CBC agreed to purchase 100 million pounds of refined corn starch annually from an ACX subsidiary through 1997. In early 1997, this agreement was renegotiated, at slightly higher rates, and extended through 1999. CBC's total purchases under these agreements in 1996 were approximately \$145 million. Purchases in 1997 under the packaging and starch supply agreements are estimated to be approximately \$120 million.

CBC sold small quantities of aluminum scrap to the now-former ACX subsidiary in the amount of \$240,000. CBC also agreed to sell brewery by-products to an ACX subsidiary for resale under a contract through 1997. In early 1997, this agreement was extended through 1999. CBC received approximately \$10 million in 1996 under this contract and estimates that 1997 receipts will be approximately \$10 million.

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

Certain ACC and ACX subsidiaries are parties to other miscellaneous market-based transactions. In 1996, CBC provided water and waste water treatment services to an ACX ceramics facility located on property leased from CBC, CBC purchased some ceramic tooling from an ACX subsidiary, and CBC received real estate management and other services from the ACX real estate brokerage subsidiary through the summer of 1996. During 1996, CBC received approximately \$310,000 in total and paid approximately \$370,000 in total under these agreements and transactions. In 1997, CBC expects to pay \$70,000 and receive \$370,000 under these agreements and transactions.

CBC is a limited partner in a partnership in which an ACX subsidiary is the general partner. The partnership, which was formed at the time of the spin-off, owns, develops, operates, and sells certain real estate previously owned directly by CBC or ACC. Distributions of \$1.5 million were made to both partners in 1996. Each partner is obligated to make additional cash contributions of \$500,000 upon call of the general partner. Distributions are allocated equally between the partners until CBC recovers its investment, and thereafter 80% to the general partner and 20% to CBC.

X. PERFORMANCE GRAPH

TOTAL SHAREHOLDER RETURNS (Dividends Reinvested)

		Annual return percentage (Years ending)					
Company/index		Dec 92(a)	Dec 93	Dec 94	Dec 95	Dec 96	
ACC Class B		19.24	1.28	5.90	35.89	(11.90)	
Beverages (alcoholic) - 500		(4.79)	(5.19)	9.93	27.80	19.96	
S & P 500 index		7.62	10.08	1.32	37.58	22.96	
		Indexed returns (Years ending)					
Company/index	Base period	Dec 92	Dec 93	Dec 94	Dec 95	Dec 96	
ACC Class B	100	119.24	120.77	127.89	173.79	153.11	
Beverages (alcoholic) - 500	100	95.21	90.27	99.24	126.83	152.15	
S & P 500 index	100	107.62	118.47	120.03	165.14	203.05	

(a) Results for 1992 include \$7.92 for the spin-off occurring in December 1992.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

The following table sets forth stock ownership of persons holding in excess of 5% of any class of voting securities as of March 15, 1997:

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

In May 1996, Peter H. Coors, a director and executive officer of ACC, was reappointed trustee of Adolph Coors, Jr. Trust, replacing May Coors Tooker.

In addition, certain officers and directors hold interests in other family trusts, as indicated in Item 12, Section (b)(1).

(b) Security Ownership of Management

The following table sets forth stock ownership of the Company's directors and all executive officers and directors as a group as of March 15, 1997:

Exercisable
options/

Title of class	Name of beneficial owner	Shares beneficially owned	restricted stocks awards (b)	Total	Percent of class
Class B common stock (non-voting)	Joseph Coors	1,844 (a)	339	2,183(a)	(a)
	Peter H. Coors	50,035 (a)	190,224	240,259(a)	(a)
	William K. Coors	320,807 (a)	--	320,807(a)	(a)
	J. Bruce Llewellyn	5,197	987	6,184	
	Luis G. Nogales	1,511	339	1,850	
	Pamela H. Patsley	--	356	356	
	Wayne R. Sanders	3,632	1,635	5,267	
	L. Don Brown	--	45,390	45,390	
	W. Leo Kiely III	11,000	46,876	57,876	
	Timothy V. Wolf	2,000	11,828	13,828	
	All executive officers and directors as a				

group (15 persons) 18,136,246 441,853 18,578,099 51%

(a) William K. Coors and Peter H. Coors are two of the trustees of the Adolph Coors Foundation, which owns 732,413 shares of Class B common stock. William K. Coors, Joseph Coors, and Peter H. Coors are trustees, in addition to other trustees and beneficiaries, or contingent beneficiaries in certain cases, of various trusts that own an aggregate of 16,737,111 shares of Class B common stock. These individuals, and others, are trustees of three other trusts owning 267,100 shares of Class B common stock. In certain of these trusts, they act solely as trustees and have no vested or contingent benefits. The total of these trust shares, together with other management shares shown above, represents 51% of the total number of shares of such class outstanding.

(b) This column represents exercisable options to purchase shares under the Company's 1983 non-qualified Adolph Coors Company Stock Option Plan and 1990 EI Plan (as amended in 1995) that could be exercised as of March 15, 1997. It reflects restricted stock awards granted under the 1990 EI Plan. Vesting in the restricted stock is over a three-year period from date of grant for employee/officers and at the end of the term for outside directors. In the event of a change in control of the Company, the options and restricted shares vest immediately. It also reflects a special restricted stock award made in February 1997. This restricted stock has a one-year vesting period.

(c) Changes in Control

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

ITEM 13. Certain Relationships and Related Transactions

(a) Transactions with Management and Others

There were no transactions that exceeded \$60,000 with management or others related to the Company.

(b) Certain Business Relationships

For a description of certain business relationships and related transactions, see the discussion within Compensation Committee Interlocks and Insider Participation in Item 11.

(c) Indebtedness of Management

Employee loans are made with the exercise of stock options granted under the 1983 non-qualified Adolph Coors Company Stock Option Plan. No such loans were made or outstanding in 1996.

No member of management or another with a direct or indirect interest in ACC was indebted to the Company in excess of \$60,000 in 1996.

PART IV

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

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

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

(2) Financial Statement Schedules:

SCHEDULE II

ADOLPH COORS COMPANY AND SUBSIDIARIES VALUATION AND QUALIFYING ACCOUNTS

	Balance at beginning of year	Additions charged to costs and expenses	Other additions	Deductions		Balance at end of year
			(In thousands)			
Allowance for doubtful accounts (deducted from accounts receivable)						
Year ended						
December 29, 1996	\$ 30	\$ 393	\$ --	(\$ 148)	(a)	\$ 275
December 31, 1995	\$ 24	\$ 198	\$ --	(\$ 192)	(a)	\$ 30
December 25, 1994	\$ 409	\$ --	\$ --	(\$ 385)	(a)	\$ 24
Allowance for obsolete inventories and supplies						
Year ended						
December 29, 1996	\$2,942	\$4,941	\$ 3	(\$4,567)	(a)	\$3,319
December 31, 1995	\$2,210	\$2,814	\$ --	(\$2,082)	(a)	\$2,942
December 25, 1994	\$2,777	\$2,198	\$ --	(\$2,765)	(a)	\$2,210

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

(3) Exhibits:

Exhibit 3.1 - Amended Articles of Incorporation.

(Incorporated by reference to Exhibit 3.1 to Form 10-K for the fiscal year ended December 30, 1990)

Exhibit 3.2 - Amended By-laws. (Incorporated by reference to Exhibit 3.2 to Form 10-Q for the fiscal quarter ended October 1, 1995)

Exhibit 4.1 - Form of Indenture for Adolph Coors Company Senior Debt Securities. (Incorporated by reference to Exhibit 4 to Registration Statement on Form S-3 filed March 14, 1990, and amended on March 26, 1990, file No. 33- 33831). Upon request, the Company agrees to provide a copy of any debt instrument as applicable under Regulation S-K, Item 601, (b)(4)(iii).

Exhibit 10.1 - Officers' Life Insurance Program.

(Incorporated by reference to Exhibit 10 to Form 10-K for the fiscal year ended December 28, 1980)

Exhibit 10.2* - Officers and Directors Salary Continuation Agreement. (Incorporated by reference to Exhibit 10 to Form 10-K for the fiscal year ended December 26, 1982)

Exhibit 10.3* - 1983 non-qualified Adolph Coors Company Stock Option Plan, as amended effective February 13, 1992. (Incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 29, 1991)

Exhibit 10.4* - Coors Brewing Company 1996 Annual Management Incentive Compensation Plan.

Exhibit 10.5* - Coors Brewing Company Long-Term Incentive Plan, 1994-1996 Plan Cycle. (Incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 25, 1994)

Exhibit 10.6* - Adolph Coors Company 1990 Equity Incentive Plan. (Amended as of February 13, 1997)

Exhibit 10.7* - Coors Brewing Company Employee Profit Sharing Program. (Incorporated by reference to Exhibit 10.7 to Form 10-K for the fiscal year ended December 31, 1995)

Exhibit 10.8 - Adolph Coors Company Non-Employee Director Compensation Deferral Plan. (Incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 1989)

Exhibit 10.9 - Agreement between Adolph Coors Company and a Former Executive Officer and Current Director. (Incorporated by reference to Exhibit 10.10 to Form 10-K for the fiscal year ended December 31, 1989)

Exhibit 10.10 - Form of Coors Brewing Company Distributorship Agreement. (Introduced 1989) (Incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 1989)

Exhibit 10.11 - Adolph Coors Company Water Augmentation Plan. (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 1989)

Exhibit 10.12 - Adolph Coors Company Equity Compensation Plan for Non- Employee Directors. (Incorporated by reference to Exhibit 10.12 to Form 10-Q for the fiscal quarter ended June 11, 1995)

Exhibit 10.13 - Distribution Agreement, dated as of October 5, 1992, between the Company and ACX Technologies, Inc. (Incorporated herein by reference to the Distribution Agreement included as Exhibits 2, 19.1 and 19.1A to the Registration Statement on Form 10 filed by ACX Technologies, Inc. (file No. 0-20704) with the Commission on October 6, 1992, as amended)

Exhibit 10.14* - Employment Contracts and Termination of Employment Agreements for W. Leo Kiely III, Alvin C. Babb, and William H. Weintraub. (Incorporated by reference to Exhibit 10.17 to Form 10-K for the fiscal year ended December 26, 1993)

Exhibit 10.15 - Revolving Credit Agreement, dated as of December 12, 1994.

Exhibit 10.16* - Employment Contract and Termination Agreement for Timothy V. Wolf. (Incorporated by reference to Exhibit 10.16 to Form 10-K for the fiscal year ended December 31, 1995)

Exhibit 10.17 - Adolph Coors Company Stock Unit Plan.
(Incorporated by reference to Registration Statement on Form S-8 filed on June 6, 1995)

Exhibit 10.18* - Employment Contract and Termination Agreement for L. Don Brown.

Exhibit 10.19* - Coors Brewing Company 1997 Annual Management Incentive Compensation Plan.

Exhibit 10.20 - Form of Coors Brewing Company Distributorship Agreement. (Introduced 1996)

Exhibit 21 - Subsidiaries of the Registrant.

Exhibit 23 - Consent of Independent Accountants.

*Represents a management contract.

(b) Reports on Form 8-K

A report on Form 8-K dated October 28, 1996, was submitted announcing an arbitration panel's ruling in the Company's legal proceedings against Molson and related parties. See further discussion in Item 1 Business of this filing.

(c) Other Exhibits

None

(d) Other Financial Statement Schedules

None

Other Matters

To comply with the July 13, 1990, amendments governing Form S-8 under the Securities Act of 1933, ACC offers as follows, which is incorporated by reference into ACC's Registration Statements on Form S-8 No. 33-2761 (filed January 17, 1986); No. 33-35035 (filed May 24, 1990); No. 33-40730 (filed May 21, 1991); and No. 33-59979 (filed June 6, 1995); and on Form S-3 No. 33-33831 (filed March 14, 1990):

Even though ACC could indemnify its directors, officers, and controlling persons for liabilities arising under the Securities Act of 1933 under SEC regulations, the SEC has indicated that such indemnification is against public policy and unenforceable. If a director, officer, or controlling person requests indemnification for liabilities arising from securities being registered (other than for reimbursements of amounts paid for the successful defense of any lawsuit), ACC will ask a court if such indemnification is against public policy and will follow that court's ruling.

EXHIBIT 21

ADOLPH COORS COMPANY AND SUBSIDIARIES SUBSIDIARIES OF THE REGISTRANT

The following table lists ACC's subsidiaries and the respective jurisdictions of their organization or incorporation as of December 29, 1996. All subsidiaries are included in ACC's consolidated financial statements.

Name	State/country of organization or incorporation
Coors Brewing Company	Colorado
Coors Brewing Company International, Inc.	Colorado
Coors Brewing International C.V.(a)	The Netherlands
Coors Brewing Iberica, S.A.	Spain
Coors Services, S.A.	Switzerland
Coors Distributing Company	Colorado
Coors Energy Company	Colorado
Gap Run Pipeline Company	Colorado
Coors Global, Inc.	Colorado
Coors Intercontinental, Inc.	Colorado
CBC International, Inc.	Delaware
Coors Transportation Company	Colorado
The Rocky Mountain Water Company	Colorado
The Wannamaker Ditch Company	Colorado
Coors Japan Company, Ltd.	Japan
Coors Export Ltd.	Barbados, West Indies

(a) Organized as a partnership for foreign purposes and as a corporation for U.S. purposes.

EXHIBIT 23

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-33831) and in the Registration Statements on Form S-8 (No. 33-2761), (No. 33-35035), (No. 33-40730), and (No. 33-59979) of Adolph Coors Company of our report dated February 18, 1997 appearing on page 27 of this Form 10-K.

PRICE WATERHOUSE LLP

Denver, Colorado
March 25, 1997

SIGNATURES

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

ADOLPH COORS COMPANY

By /s/ William K. Coors

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

By /s/ Timothy V. Wolf

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

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

By /s/ Joseph Coors

Joseph Coors
Vice Chairman

By /s/ J. Bruce Llewellyn

J. Bruce Llewellyn

By /s/ Peter H. Coors

Peter H. Coors
Chief Executive Officer
Coors Brewing Company

By /s/ Luis G. Nogales

Luis G. Nogales

By /s/ Wayne R. Sanders

Wayne R. Sanders

By /s/ Pamela H. Patsley

Pamela H. Patsley

March 25, 1997

ARTICLE 5

CIK: 0000024545

NAME: ADOLPH COORS COMPANY

MULTIPLIER: 1000

CURRENCY: USD

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 29 1996
PERIOD START	JAN 01 1996
PERIOD END	DEC 29 1996
EXCHANGE RATE	1
CASH	110905
SECURITIES	0
RECEIVABLES	114343
ALLOWANCES	0
INVENTORY	121070
CURRENT ASSETS	416642
PP&E	814102
DEPRECIATION	0
TOTAL ASSETS	1362536
CURRENT LIABILITIES	292448
BONDS	176000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	9989
OTHER SE	705498
TOTAL LIABILITY AND EQUITY	1362536
SALES	2111544
TOTAL REVENUES	1732233
CGS	1117866
TOTAL COSTS	1651214
OTHER EXPENSES	(7863)
LOSS PROVISION	0
INTEREST EXPENSE	13907
INCOME PRETAX	74975
INCOME TAX	31550
INCOME CONTINUING	43425
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	43425
EPS PRIMARY	1.14
EPS DILUTED	1.14

This Agreement between Coors Brewing Company ("Coors") and LEGAL NAME, DBA TYPE DBA NAME of MARKET AREA, STATE ("Distributor"), a TYPE OF LEGAL ENTITY organized under the laws of the State of _____, is made effective as of January 1, 1997.

1. PURPOSE

1.1 This Agreement sets forth the respective obligations of Coors and Distributor regarding the sale by Coors to Distributor of only those Coors products listed on Exhibit A (the "Products") and Distributor's resale of the Products to retailers. Coors may amend Exhibit A from time to time to add new products. The purpose of this Agreement is to support and promote the acceptance and popularity of the Products with consumers resulting in the success of Distributor and Coors.

1.2 Distributor and Coors agree that this Agreement includes by reference the terms of the Coors Distributor Standards Manual (the "Standards Manual"), as amended from time to time, but no more frequently than annually, by Coors, and the terms of the letter confirming the appointment of Distributor (the "Appointment Letter"). The implementation, performance and enforcement of the terms of this Agreement and the Standards Manual shall be subject to the duty of good faith and fair dealing.

2. APPOINTMENT

2.1 Coors hereby appoints Distributor as its sole wholesale distributor of, and grants Distributor the right to sell the Products only in the Market Area described in Exhibit B (the "Market Area"). The purpose of designating the Market Area is to establish geographic boundaries within which Distributor is accountable for quality control of Products and within which Coors can evaluate Distributor's performance of its obligations under this Agreement. Except as indicated below, Coors will not grant to any other distributor the right to sell the Products in the Market Area.

2.2 Distributor shall not sell, deliver or transfer any Product to any retail account outside the Market Area or to any person Distributor knows or has reason to believe will sell or transfer any of the Products outside the Market Area. Notwithstanding the foregoing and where permitted by law, Distributor may, with the prior written approval of Coors, sell one or more Products outside the Market Area to the extent and so long as Coors shall authorize. Nothing herein shall prohibit Distributor from selling Products to, or purchasing Products from, another Coors distributor for the purposes of eliminating product shortages or inventory imbalances. Distributor shall not supply Products to any retail account that sells, delivers or transfers Products to other retail accounts without Coors' prior written approval and compliance with such conditions as Coors shall require.

2.3 If the exclusive rights granted in section 2.1 are or shall become prohibited under federal law or the laws of the state in which the Market Area is located, then such provision shall not apply. In that event, Coors appoints Distributor as a non-exclusive distributor of, and grants Distributor the right to sell the Products in, the Market Area, which shall be Distributor's primary area of responsibility for sale of the Products. In the event applicable law shall require appointment of Distributor pursuant to this provision, Distributor shall provide to Coors all information required by the Standards Manual for sales outside of Distributor's Market Area.

2.4 Distributor hereby accepts such appointment. Distributor acknowledges that it has paid no consideration to Coors in exchange for this appointment.

2.5 Notwithstanding the provisions of section 2.1, if applicable, Coors may, after giving notice to Distributor, permit another person or persons to sell, or Coors may sell one or more Products within the Market Area to the extent and so long as Distributor is unable or unwilling to provide uninterrupted service to accounts within all or any part of the Market Area, provided, where required, permission to do so is obtained from the appropriate state regulatory authorities.

3. TERM

3.1 This Agreement shall continue in effect from the effective date hereof until terminated or amended pursuant to the terms hereof.

3.2 Due to the advisability of changes being made in this Agreement from time to time, this Agreement may be amended, as follows:

3.2.1 Concurrently with the submission of a proposed amendment of this Agreement to the Distributor, Coors will submit to all other Coors distributors in the United States that have signed a distributorship agreement in substantially similar form, an amendment identical to the amendment submitted to the Distributor, except for any change necessary in Coors' opinion to comply with the requirements of state law and the provisions contained in any distributor's Appointment Letter.

3.2.2 Distributor shall indicate its acceptance of all of the terms of the proposed amendment by signing and returning to Coors four (4) copies of the executed amendment. If four (4) copies of the executed amendment shall not have been received by Coors within 90 days after receipt by the Distributor, this Agreement shall automatically terminate and both Coors and the Distributor shall have no further right or obligation hereunder, except under those terms which explicitly survive the termination hereof.

4. DUTIES OF DISTRIBUTOR

Distributor shall actively and aggressively solicit business from every licensed retail account in the Market Area in order to accomplish the purposes of this Agreement and to achieve and maintain the highest practicable distribution of the Products in the Market Area. In particular, Distributor shall:

- 4.1 Diligently perform quality control practices and procedures throughout the Market Area, in accordance with the Standards Manual.
- 4.2 Achieve such reasonable performance goals as Coors, with input from Distributor, may establish for Distributor from time to time and communicate in writing to Distributor.
- 4.3 Maintain wholesale inventories at levels recommended by Coors.
- 4.4 Maintain sufficient working capital to operate Distributor's business so as to comply with Distributor's obligations under this Agreement.
- 4.5 Know and adhere to all local, state and federal laws and regulations applicable to Distributor's business. Distributor shall promptly report to Coors any notice of change, suspension or expiration of any permit or license required by any federal, state or municipal agency.
- 4.6 Provide accurate and timely Product forecasts in accordance with the terms of the Standards Manual.
- 4.7 Actively promote and market all Coors recommended packages of each Product by following such standards for Product distribution and execution as Coors may from time to time provide, as found in the Standards Manual, and by cooperating in Coors' distributor sales and marketing promotions.
- 4.8 Provide adequate warehouse area to receive, ship and store Products handled by Distributor, refrigerated to the standards set forth in the Standards Manual; and implement and maintain delivery procedures to minimize temperature increases of the Products.
- 4.9 Provide uninterrupted sales and services to all retail accounts in the Market Area except as precluded by acts of God, war or conditions of national, state or local emergencies. Distributor shall diligently attempt to prevent any service interruption and to restore service as quickly as practicable after any interruption.
- 4.10 Furnish to Coors, as Coors may from time to time request during the term of this Agreement, by a date specified by Coors reasonably in advance, a detailed business/marketing plan, in the form and covering the matters directed by Coors.
- 4.11 Maintain adequate information and records of sales and service calls and deliveries; maintain sales and inventory reports; and maintain such other books and records as requested by Coors for purposes of internal operational control. Maintain and submit to Coors such marketing and sales data, organizational and other operational records and reports as may be requested by Coors from time to time.
- 4.12 Maintain and submit to Coors at least annually, no later than 120 days after the end of Distributor's fiscal year, and more frequently as requested by Coors, complete and accurate financial statements, including a balance sheet as of the end of such year or other period and related statements of income and cash flows for the year or other such period then ended. Such statements shall be compiled, reviewed or audited by a certified public accountant, shall be signed by an officer of Distributor, which signature shall constitute a representation that to the best of the officer's knowledge and belief, the statements fairly and accurately reflect the financial condition of Distributor's business as of the end of the fiscal year or other period and the results of its operations for the year or other period then ended; and to the extent practicable, shall be prepared in accordance with generally accepted accounting principles. If such financial statements are not signed by an officer of Distributor, delivery of the statements to Coors shall constitute Distributor's representation that the financial statements conform to these standards. Upon request, Distributor shall provide Coors with accurate financial statements in similar form and with the same representations for any parent entity owning an 80% or more interest in Distributor. Distributor recognizes that provision of such information is based upon Coors' continuing interest in the financial soundness and viability of Distributor's business. Except when requested by Distributor,

Coors shall maintain in confidence all financial information submitted by Distributor under this section, provided that Coors may use such information internally and with its consultants, provided said consultants similarly agree to maintain the information in confidence. Coors may also use such information in preparing composite financial information for groups of distributors and such information may be disclosed to other distributors, provided the identity of any distributor whose financial information is a part of the composite shall not be disclosed and is not ascertainable from the composite information. All financial information submitted by Distributor under this section shall be maintained in the Coors "Credit Department," in Golden, Colorado. All requests to review such information shall be presented for approval by the "Wholesaler Network Department." Any such information released to a "Field Business Area" ("FBA") office shall be given only to the Area Vice President ("AVP") or other FBA employees at the "Director" level or above.

- 4.13 Permit Coors' representatives to inspect all aspects of Distributor's operations relating to the Products, including all books and sales records at such times as Coors may reasonably request. Distributor shall respond promptly and in good faith to all requests by Coors for the information required under sections 4.11 and 4.12 and such additional information as shall be reasonably requested by Coors.
- 4.14 Maintain a "Coverage Ratio" of no less than 1.1 to 1, unless in the reasonable opinion of Coors, based upon factors published by Coors from time to time, there are sound operational or financial reasons why such ratio need not be maintained. The "Coverage Ratio," at any point in time, is defined to be earnings before interest expense, taxes, dividends (or additional salaries, if applicable, e.g., for S corporations), depreciation and amortization, all for the 12-month period ending on the last day of the preceding month, divided by the sum of interest expense for such preceding 12-month period and capital lease and principal payments on debt due during the next 12-month period commencing on the first day of the current month; all as determined from Distributor's annual or periodic financial statements prepared in accordance with section 4.12.

5. REPRESENTATIONS AND WARRANTIES OF DISTRIBUTOR

5.1 The representations and warranties made by Distributor in connection with its application for the distributorship rights granted hereunder are material inducements upon which Coors has relied in selecting Distributor for the appointment made pursuant to this Agreement. Distributor hereby represents and warrants that all information contained in its application and in the Appointment Letter are true, complete and accurate. Distributor shall promptly notify Coors in writing of any material change in such information.

5.2 Coors shall continually rely upon the information referred to in section 5.1 and upon the financial, sales, statistical and other information previously and hereafter provided by Distributor to Coors hereunder. Distributor warrants the continuing accuracy and completeness of all such information.

5.3 Distributor represents that it has all federal, state and municipal permits and licenses necessary to distribute the Products in the Market Area as contemplated hereby.

6. TERMS OF SALE

6.1 Distributor shall have the sole and exclusive right to establish the price for resale of the Products.

6.2 All sales of Products by Coors to Distributor shall be at such prices and on such cash or credit terms as Coors shall establish from time to time. Coors may, from time to time, in its sole discretion, change prices and terms and conditions of sales, delivery and payment.

6.3 Coors reserves the right to modify or discontinue the sale of any Product, package or container on a national, regional, state or other basis.

6.4 Coors shall have the right to place the Distributor on allocation when the supply of any Product is for any reason insufficient to meet the demands of all distributors. Coors shall not be liable to Distributor for failure to make any delivery to Distributor or delay in any delivery if caused by lack of supply or by any circumstances beyond the reasonable control of Coors.

6.5 Products sold to Distributor hereunder shall be shipped from the locations designated by Coors from time to time, and Coors may at any time change the designated source brewery.

7. CHANGES IN MANAGEMENT

7.1 The parties acknowledge that this is a personal services contract entered into in reliance upon and in consideration of the personal qualifications of the "Principal Manager," "Operating Manager," or any "Manager" identified in Distributor's Appointment Letter. If any person so identified as a Principal Manager, Operating Manager or any other Manager in Distributor's Appointment Letter, or any other person hereafter approved as a successor to such person, ceases to serve in that capacity or to devote full time to that function, Distributor shall give immediate written notice to the Coors' field sales office.

7.2 Coors may, in its discretion, disapprove any proposed successor Principal Manager, Operating Manager, or Manager if, in its reasonable judgment, the proposed successor does not meet the management standards established and published by Coors from time to time. Any failure by Coors to disapprove a proposed successor Manager shall not be construed as Coors' determination with respect to the qualifications of such successor. Distributor and Coors shall cooperate to identify a person meeting the management standards and accomplishing the purposes of this Agreement.

7.3 Distributor shall prepare and update, as applicable, a succession plan for the ownership and management of Distributor's business.

8. CHANGES IN CONTROL AND OWNERSHIP OF DISTRIBUTOR

8.1 If Distributor is a corporation, limited liability company ("LLC"), partnership or other entity, Coors' written approval shall be obtained prior to (A) any change in the record or beneficial ownership of 10 percent or more of Distributor's outstanding stock, membership interests, partnership interests or other ownership or equity interests, determined on a cumulative basis from the effective date of the last approved ownership change of this Agreement; (B) any change in such ownership that results in a change in majority control of Distributor; (C) any change in any of Distributor's principal officers, directors or managing partners (or managers if Distributor is an LLC); or (D) any resignation, removal or admission of any additional or substitute general partner of Distributor or of any general partner of a Distributor partnership.

8.2 Distributor shall not, without the prior written approval of Coors, assign, pledge, hypothecate or otherwise encumber this Agreement or any rights hereunder. Distributor shall not cause or permit the assignment, pledge, encumbrance or hypothecation of any ownership interest in Distributor, whether in the form of stock, membership interests or otherwise. In the event Distributor shall assign, pledge or hypothecate this Agreement or the rights hereunder without Coors' consent, such assignment shall be void.

8.3 Distributor shall not, without the prior written approval of Coors, change the form of business entity or permit the occurrence of any merger, consolidation or event or series of events that have the effect of transferring the ownership, control or management of Distributor.

8.4 Distributor may, without Coors' consent, acquire the rights to sell other brands of beer or other beverages in the Market Area or elsewhere, provided the transaction by which such brands are acquired does not involve a transaction requiring Coors' consent or review under sections 8.1, 8.2, 8.3, 8.5 or 8.6. The acquisition of such other brands shall not reduce Distributor's obligations to Coors. At least 30 days prior to the closing of an acquisition relating to other brands or products, which acquired brands or products are likely to result in Distributor revenues greater than 25% of Distributor's prior year total revenues from the sale of beer or other beverages, Distributor shall provide the applicable Coors' AVP with information and assurances for performance in efforts, resources and manpower such that there will be no dilution of effort as to the Products.

8.5 The sale, transfer or disposition of any portion of Distributor's business that includes the purchase and sale of Products (the "Sale Transaction"), whether in the form of sale of assets, stock, membership interests or partnership interests, merger or otherwise, including transfers by operation of law, except as provided in section 8.9, shall be subject to Coors' prior approval of the prospective purchaser or successor as provided in sections 8.6 and 8.7 and to the terms of this section 8.5.

8.5.1 If Distributor desires to pursue a Sale Transaction regardless of the form of such proposed transaction, Distributor shall meet with Coors to discuss Distributor's plans and shall give Coors written notice (a "Sale Notice") of Distributor's intent to effect a Sale Transaction prior to conducting discussions with any third party, including another of Distributor's suppliers. If Distributor receives an unsolicited offer for a Sale Transaction, no meeting with or notice to Coors shall be required unless and until Distributor has the intent to sell the business. Coors shall not be obligated to review any request for approval of a Sale Transaction under section 8.6 until Distributor meets with Coors to discuss such matter, gives Coors a Sale Notice and permits Coors to exercise its rights under section 8.5.2.

8.5.2 Upon receipt of a Sale Notice from Distributor, Coors or any affiliate or assignee of Coors (for purposes of this Article 8 referred to as "Coors") shall have the right to negotiate exclusively with Distributor for a Sale Transaction that is contemplated by a Sale Notice. If, for the most recent prior year, the Products represent less than 20% of Distributor's total revenues attributable to beverage sales, Coors may elect to negotiate to purchase that portion of Distributor's business relating to the sale of Products (the "Coors' Business"). In the event that the proposed Sale Transaction shall have created a right in another of Distributor's suppliers (or its assignee) to purchase all or a portion of the Distributor's business that is the subject of the proposed Sale Transaction (such that Coors cannot purchase the entire Sale Transaction), Coors shall also have the right to negotiate for the Coors' Business. Within 30 days after receipt of the Sale Notice, Coors shall notify the Distributor in writing whether or not Coors will exercise its right to negotiate exclusively for the Sale Transaction or the Coors' Business. If Coors elects not to so negotiate, or if Coors fails within such 30-day period to notify Distributor of its intent to so negotiate, then Coors' right to negotiate exclusively shall be deemed waived. If Coors notifies Distributor of its intent to negotiate for the Sale Transaction or only the Coors' Business, Distributor and Coors shall negotiate exclusively and in good faith for a period of 120 days, commencing on Distributor's receipt of Coors' notice of its election to negotiate. If such negotiations result in an agreement between Distributor and Coors, the parties shall promptly

consummate closing of the transaction pursuant to such agreement. If Coors and Distributor fail to reach an agreement to purchase within such 120-day period, or if Coors waives its right to negotiate, then Distributor may proceed to negotiate with a third party; provided, however, that if, for the most recent prior year, the Products represent less than 20% of Distributor's total revenues attributable to beverage sales or if the third party is another of Distributor's suppliers (or its assignee), Coors may elect to purchase (and close contemporaneously with the closing of a third party Sale Transaction) the Coors' Business at its fair market value, determined according to the appraisal process set forth in section 8.5.3.1; and, provided that completion of any such third-party transaction shall be subject to the terms of sections 8.5.3, 8.6 and 8.7. If the resulting Sale Transaction with a third party does not close within one year after termination or waiver of the 120-day negotiation period, Coors shall be entitled to a new Sale Notice under section 8.5.1 and the provisions of this section 8.5.2 shall again apply.

8.5.3 If, after Distributor and Coors have negotiated as provided in section 8.5.2, they have not reached an agreement under such provision, and if, within a period of one year after the termination of the 120-day negotiation period, Distributor receives a bona fide offer for a Sale Transaction from a third party and such offer is (A) at a purchase price that is valued as provided herein at equal to or less than any purchase price previously offered by Coors, in writing, pursuant to the negotiations under section 8.5.2; or (B) for a Sale Transaction that is substantially different, either in form or as to the extent of the Distributor's business being sold, from the Sale Transaction contemplated by the Sale Notice, then, for a period of 30 days after receipt of Distributor's written request for Coors' approval of the proposed transfer to such third party under section 8.6 (the "Approval Request"), Coors shall have the right to purchase that portion of Distributor's business subject to the proposed third party Sale Transaction at the purchase price applicable to the proposed Sale Transaction. Coors may exercise such right by giving written notice to Distributor within such 30-day period (the "Exercise Period"), whereupon Distributor shall promptly execute such documents as shall be reasonably required by Coors to complete the Sale Transaction with Coors.

8.5.3.1 In the event that the terms of the Sale Transaction to the third party provide for a portion of the purchase price to be paid in property, services or other consideration other than cash (the "Non-Cash Consideration"), then the purchase price shall be calculated including the fair market value of such property, services or other consideration. Failing agreement by Distributor and Coors, the fair market value shall be determined by a single independent appraiser appointed as hereafter described. Within 30 days after the Approval Request, Distributor and Coors shall each appoint an independent appraiser knowledgeable as to the valuation of such property and within 15 days thereafter those two persons shall select the independent appraiser. The independent appraiser shall promptly determine the fair market value of the Non-Cash Consideration. The Non-Cash Consideration shall be paid in cash at closing by Coors in the event Coors shall exercise the right to purchase granted by this section 8.5.3. The costs and expenses of the three appraisers shall be shared equally by Distributor and Coors.

8.5.3.2 The Exercise Period shall be extended until 30 days after the completion of the reports of the independent appraiser. If Coors fails to exercise its purchase right within the Exercise Period or extension thereof, Distributor may proceed with the Sale Transaction to the third party, provided that completion of such transaction shall be subject to the terms of sections 8.6 and 8.7. If the proposed third party Sale Transaction is not closed within one year after the termination of Coors' right to purchase under this section 8.5.3, Coors shall be entitled to a new Sale Notice and the provisions of section 8.5.2 and this section 8.5.3 shall again apply.

8.6 Prior to effecting any Sale Transaction, subject to the other provisions of this Article 8, Distributor will submit to Coors a copy of the proposed agreement for transfer and shall cause the prospective purchaser to submit to Coors a completed distributorship application and such other forms and information as may be requested by Coors. Coors shall review the application in light of the then current market conditions in the Market Area. Completion of the Sale Transaction shall be effected only after: Coors has approved, in writing to Distributor, the prospective purchaser and the terms of the Sale Transaction; the prospective purchaser has agreed in writing to assume all of the terms and conditions of this Agreement; all accounts between Distributor and Coors have been settled, or adequate security has been posted by Distributor or Coors, as the case may be, to secure any account that is disputed; and a complete and absolute mutual release between Distributor and Coors, covering all matters other than product liability, shall have been executed and delivered by each party to the other in a form satisfactory to Distributor and Coors.

8.7 Coors has the right to do business with persons of its own choosing and shall have complete discretion to approve any prospective purchaser of Distributor's business. From time to time, Coors will promulgate guidelines regarding the criteria for evaluation of distributor candidates.

8.8 If Coors disapproves a Sale Transaction under section 8.6, then for a period of 30 days after it gives notice to Distributor of such disapproval, Coors or its assignee shall have the right to purchase that portion of Distributor's business relating to the Sale Transaction at the purchase price of the disapproved Sale Transaction. Non-Cash Consideration shall be valued under the procedures set forth in section 8.5.3.1. In the event that the sale transaction involves Non-Cash Consideration, the period within which Coors may exercise its right to purchase shall be extended until 30 days after the completion of the report of the independent appraiser.

8.8.1 In the alternative, if, for the most recent prior year, the Products represent less than 20% of Distributor's total revenues attributable to beverage sales, Coors may elect within the same 30-day period to purchase from Distributor the Coors Business at fair market value determined according to the appraisal procedures set forth in section 8.5.3.1. Coors may purchase such other assets and portion of Distributor's business as Coors and Distributor may agree.

8.8.2 Coors shall not be entitled to exercise the purchase rights under this section if the proposed purchaser under the Sale Transaction is a member of Distributor's immediate family (as defined in section 8.9) and the proposed price is substantially below fair market value as determined by the appraisal process under section 8.5.3.1.

8.8.3 As promptly as practicable after notice of exercise of the purchase rights under this section, Distributor shall execute and deliver to Coors

such documents as shall be required to complete the Sale Transaction or alternate purchase transaction.

8.9 Notwithstanding any provision of this Article 8, no approval by Coors shall be required for any transfer of ownership in the distributorship upon the death or incompetence of the Distributor or its principal owner to or for the benefit of a member of Distributor's or such principal owner's immediate family. For the purposes of this provision and section 8.8.2, immediate family shall be limited to parent, spouse, sibling, adult child and adopted adult child. The provisions of Article 7 shall apply to any change in Manager regardless of the application of this section 8.9.

9. TRADEMARKS

9.1 Distributor acknowledges that the trademarks, trade names, service marks and other trade designations Coors uses in connection with all Products and other products sold or licensed to be sold by Coors are and shall remain the sole and exclusive property of Coors. Coors reserves all rights with respect thereto, including without limitation the right to license the use of its trademarks and trade names, designs, brand names, labels, promotional slogans and service marks on merchandise, goods, items and services.

9.2 Coors hereby grants Distributor, for the term of this Agreement only, a limited, non-assignable and non-transferable right to use those Coors' trademarks and trade names associated with the Products in distributing, advertising and promoting the sale of the Products. All such usage shall be in accordance with the policies set forth in the Distributor Standard on Trademark Licensing contained in the Standards Manual.

9.3 Unless Distributor was operating under a name including the name "Coors" prior to July 1, 1989, Distributor shall not include in its business or corporate name the name "Coors" or any other trademark or trade name of Coors without Coors' prior written consent. If any such name is used as part of Distributor's business or corporate name, regardless of when such usage commenced, upon termination of this Agreement, or sale of the distributorship or sale of the rights granted under this Agreement, Distributor shall, at its own expense, immediately change its name and discontinue all use and display thereof. Upon termination of this Agreement, upon sale of the distributorship or sale of the rights granted under this Agreement or upon written request from Coors, all rights conferred under this Article 9 shall terminate and Distributor shall discontinue the display and use of any trademark or trade name of Coors or any other name resembling such trademark or trade name. Prior to leasing, selling or transferring any vehicle, facility, equipment, office supplies or other property bearing any trademark or trade name of Coors, Distributor shall remove or cause the removal of such trademark or trade name.

10. TERMINATION OF AGREEMENT

- 10.1 This Agreement may be terminated at any time by mutual agreement of the parties or by Distributor upon 90 days' prior written notice to Coors.
- 10.2 Upon the occurrence of any of the following events, Coors may, by giving written notice to Distributor, immediately terminate this Agreement, without obligation to comply with the provisions of section 10.3 and without paying any amount to Distributor except with respect to the repurchase of Distributor's inventory pursuant to section 10.5:
 - 10.2.1 Revocation or non-renewal of Distributor's federal, state or local license or permit to sell or distribute beer.
 - 10.2.2 Suspension for a period of 14 calendar days of the Distributor's federal, state or local license or permit to sell or distribute beer.
 - 10.2.3 The inability of Distributor to pay its debts as they mature; or Distributor's liabilities exceed the fair market value of its assets; or the filing by Distributor of a voluntary petition seeking relief under any provision of any bankruptcy or other law for the relief of debtors; or the filing of a petition seeking to have distributor declared bankrupt or seeking any reorganization or recapitalization of distributor, unless such petition shall have been vacated within 30 days from the filing thereof prior to the effective date of the termination of this Agreement; or the appointment of a receiver or trustee for a substantial portion of the property or assets of Distributor, unless such appointment shall have been vacated within 30 days from the date thereof and prior to the effective date of the termination of this Agreement; or the execution by Distributor of an assignment for the benefit of creditors; or the dissolution or liquidation of Distributor.
 - 10.2.4 Conviction of Distributor, any owner of Distributor or any Manager of a felony or other crime that, in Coors' reasonable judgment, may adversely affect the goodwill of Distributor or Coors.
 - 10.2.5 Fraudulent conduct or misrepresentation on the part of Distributor, any owner of Distributor, any Manager or any supervisory employee of Distributor in dealing with Coors or the Products.

- 10.2.6 Distributor's failure to pay Coors for Products purchased from Coors, when such payment is due under the terms and conditions of sale established by Coors from time to time.
- 10.2.7 Intentional conduct by the managers or employees of Distributor in permitting the Sale of Products outside the quality standards set forth in the Standards Manual.
- 10.2.8 Completion of any transaction requiring Coors' prior approval under Article 8 without obtaining such approval.
- 10.2.9 The cessation of the Distributor's business for five consecutive days, unless such cessation is the result of acts of God, war or conditions of national, state or local emergencies.

10.3 The following shall be considered "Deficiencies":

- 10.3.1 Failure by Distributor to comply with any of the requirements of the Standards Manual;
- 10.3.2 The failure of any representation or warranty under Article 5 hereof;
- 10.3.3 Failure by Distributor to comply with any of the commitments of the Appointment Letter;
- 10.3.4 Failure by Distributor to achieve reasonable performance requirements established pursuant to sections 4.1 and 4.2 of this Agreement and the procedures set forth in the Standards Manual;
- 10.3.5 Failure by Distributor to make timely payment of any other obligation owing to Coors;
- 10.3.6 Conduct unbecoming a reputable business person, which, in the reasonable opinion of Coors, may adversely affect the reputation of Coors or the reputation of the Products;
- 10.3.7 Failure by Distributor to submit to Coors a succession plan, as provided in section 7.3;
- 10.3.8 Failure by Distributor to perform any of the other obligations, duties or responsibilities under this Agreement.

10.4 Coors may, at any time, give Distributor written notice of a Deficiency.

- 10.4.1 If the Deficiency is the Distributor's failure to achieve any sales performance requirement established by Coors pursuant to section 4.2 and the system set forth in the Standards Manual, then within 30 days of the Distributor's receipt of notice thereof, a representative of Coors shall communicate with the Distributor Manager(s) to discuss a process by which such sales performance deficiency will be cured. Coors shall provide assistance to the Distributor in formulating a plan and timetable for corrective action, including participation by representatives of Coors in the performance improvement plan described in the Standards Manual. No later than 60 days after the initial discussions with Coors following the notice of sales performance deficiency, the Distributor shall provide to Coors a completed plan, in form reasonably acceptable to Coors, describing the process and timetable for corrective action. Thereafter, for the duration of the time period of the cure process, Coors shall provide special assistance to the Distributor pursuant to the performance improvement plan described in the Standards Manual.
- 10.4.2 If the Deficiency relates to other than sales performance, Coors shall specify the reasons for such notice, the items to be corrected and the time period within which each Deficiency must be corrected. To the extent that such Deficiency cannot reasonably be corrected within 30 days of the receipt of Coors' written notice of Deficiency, Distributor shall have a period of 30 days from such notice to submit a detailed plan and timetable of corrective action for Coors' review. Coors and Distributor shall agree upon a reasonable timetable to correct to Coors' satisfaction each Deficiency set forth in Distributor's plan of corrective action, but in no event shall such period exceed 120 days from Coors' notice of Deficiency. Distributor shall not be permitted to cure any Deficiency which has been the subject of a previous notice of deficiency and cure on two or more prior occasions within the 24-month period prior to the subject deficiency.

- 10.4.3 If Distributor fails to cure any Deficiency set forth in the notice from Coors under either section 10.4.1 or section 10.4.2 to Coors' reasonable satisfaction within the appropriate period provided in section 10.4.1 or section 10.4.2 or if the subject deficiency has been the subject of a previous notice of deficiency and cure on two or more prior occasions within the prior 24-month period, Coors may, by giving written notice to Distributor, immediately terminate this Agreement. In lieu of termination and notwithstanding the provisions of section 2.1, Coors may elect to alter Exhibit B so as to reduce Distributor's Market Area and/or alter Exhibit A so as to remove one or more of the Products that the Distributor may buy and resell under this Agreement.
- 10.5 Promptly upon expiration or termination of this Agreement for any reason, Distributor will sell and deliver to Coors, or as directed by Coors, at Distributor's laid-in costs, Distributor's inventory of Products complying with Coors' quality standards as of the date of termination. "Laid-in costs" shall mean the delivered purchase price paid by Distributor to Coors for such Products, plus deposits, plus the amount of any state and local taxes paid by Distributor in connection with the purchase of such Products. Distributor shall separate all inventory not complying with Coors' quality standards ("Noncomplying Inventory") and follow Coors' instructions for disposition of such Products. Payment by Coors shall be conditioned on Distributor's compliance with the terms of this paragraph. All of Distributor's Noncomplying Inventory shall be destroyed by Distributor. All Products in the retail market more than 14 days "out of code" shall also be destroyed and replaced by Distributor from Distributor's remaining inventory or shall be repurchased from the affected retailer by Distributor and destroyed, all at Distributor's cost. If Distributor fails to locate and destroy such Products in the retail market, Coors, at its option, may do so and reduce the amount paid for Distributor's inventory by the reasonable cost of such actions. Distributor shall immediately surrender and deliver to Coors, or as directed by Coors, all barrels, pallets, bottles, cases and supplies acquired by Distributor from Coors, and Coors shall promptly refund Distributor's deposits for such items to Distributor. Distributor shall immediately surrender and deliver to Coors, or as directed by Coors, all of Coors' signs and advertising displays in Distributor's possession, and Coors shall reimburse Distributor's actual costs, plus cost of delivery as directed by Coors. Distributor and Coors shall, as promptly as practicable, adjust all outstanding accounts, and Distributor or Coors, as the case may be, shall immediately pay to the other any remaining balances due. Upon termination, all unfilled orders placed by Distributor shall be deemed canceled.

11. RESOLUTION OF DISPUTES

- 11.1 Except as set forth below, if any dispute between Distributor and Coors shall occur, including without limitation a dispute as to whether Coors has grounds to terminate this Agreement, such dispute shall be submitted by Distributor for informal mediation ("Mediation") of the dispute by the president of Coors (or his designee) within 60 days of the date the dispute shall first arise. Coors, but not Distributor, shall be bound by the decision of the president of Coors (or his designee) concerning the dispute. Mediation shall be a condition precedent to Distributor's right to pursue any other remedy available under this Agreement or otherwise available under law. Coors shall not be required to mediate any claim against Distributor for nonpayment of Distributor's outstanding account.
- 11.2 Any and all disputes between Distributor and Coors, except nonpayment of Distributor's account, including without limitation a dispute as to whether Coors has grounds to terminate this Agreement, which disputes are not resolved by Mediation, shall be submitted to binding arbitration in the city nearest to Distributor in which there is a regional office of the American Arbitration Association, before a single arbitrator, in accordance with the Commercial Arbitration Rules and procedures of the American Arbitration Association. Any and all disputes shall be submitted to arbitration hereunder within one year from the date the dispute first arose or shall be forever barred. Arbitration hereunder shall be in lieu of all other remedies and procedures, provided that either party hereto may seek preliminary injunctive relief prior to the commencement of such Arbitration proceedings.

12. MISCELLANEOUS PROVISIONS

- 12.1 The provisions of this Agreement are subject to and shall be governed by the laws of the State and other subordinate jurisdictions in which Distributor's principal place of business is located. The laws, rules and regulations of such jurisdiction are hereby incorporated in this Agreement and made a part hereof to the extent that such laws, rules and regulations are required to be so incorporated and, to such extent, shall supersede any conflicting provision of this Agreement, including, but not limited to, the requirement for or length of any notice period.
- 12.2 The illegality or unenforceability of any provision of this Agreement will not impair the legality or enforceability of any other provision of this Agreement.
- 12.3 Failure by Coors or Distributor to enforce any term or provision in this Agreement in any specific instance shall not constitute a waiver by such party of any such term or provision, and Coors and Distributor may enforce such term or provision in any subsequent instance without limitation or penalty.
- 12.4 Unless otherwise indicated herein, any notice provided for herein may be served by personal service upon either party or by facsimile, followed by certified mail, if to Coors, to the attention of its Senior Vice President of Sales or, should there be a title change, the senior sales executive, at the address indicated on the signature line hereof, and, if to Distributor, to its Principal Manager or Operating Manager, at such address as provided to Coors by Distributor's as its corporate address of record.
- 12.5 Except as stated herein, this Agreement may be amended only by a writing executed by both parties, except that Coors may unilaterally amend this Agreement at any time if such amendment does not materially and adversely affect distributor and is effective as to all distributors in its distributor network bound by an agreement similar to this Agreement.
- 12.6 This Agreement, the Standards Manual, and the Appointment Letter contain the entire agreement of the parties with respect to the subject matter hereof; there are no other representations, inducements, promises or agreements, oral or otherwise, between the parties. In the event of an inconsistency between this Agreement and any document incorporated herein, the terms of this Agreement shall control.
- 12.7 Nothing herein shall be construed to make Distributor the joint venturer, partner, agent, servant or employee of Coors, and Distributor shall not have the power to bind or obligate Coors except as specifically set forth in this Agreement.

This Agreement is executed by Distributor on the _____ day of _____, 1997, effective as of January 1, 1997.

LEGAL NAME
DBA TYPE DBA NAME

By _____
SIGNOR

Coors Brewing Company
311 10th Street - NH511
Golden, CO 80401

By _____
Carl L. Barnhill
Senior Vice President, Sales

DISTRIBUTOR NO

ADOLPH COORS COMPANY
EQUITY INCENTIVE PLAN
Amended and restated,

effective February 13, 1997

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ADOLPH COORS COMPANY
EQUITY INCENTIVE PLAN

Amended and restated,
effective February 13, 1997

Section 1

Introduction

1.1 Establishment and Amendment. Adolph Coors Company, a Colorado corporation (hereinafter referred to, together with its Affiliated Corporations (as defined in subsection 2.1(a)) as the "Company" except where the context otherwise requires), established the Adolph Coors

Company Equity Incentive Plan (the "Plan") for certain key employees of the Company. The Plan, which permits the grant of stock options and restricted stock awards to certain key employees of the Company, was originally effective January 1, 1990. Pursuant to the power granted in Section 16 (Section 14 prior to the Plan's amendment and restatement), the Company hereby amends and restates the Plan in its entirety, effective February 13, 1997.

1.2 Purposes. The purposes of the Plan are to provide the key management employees selected for participation in the Plan with added incentives to continue in the service of the Company and to create in such employees a more direct interest in the future success of the operations of the Company by relating incentive compensation to the achievement of long-term corporate economic objectives, so that the income of the key management employees is more closely aligned with the income of the Company's shareholders. The Plan is also designed to attract key employees and to retain and motivate participating employees by providing an opportunity for investment in the Company.

1.3 Effective Date. The original effective date of the Plan (the "Effective Date") was January 1, 1990. The Plan, each amendment to the Plan, and each option or other award granted hereunder is conditioned on and shall be of no force or effect until approval of the Plan by the holders of the shares of voting stock of the Company unless the Company, on the advice of counsel, determines that shareholder approval is not necessary.

Section 2

Definitions

2.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Affiliated Corporation" means any corporation or other entity (including but not limited to a partnership) which is affiliated with Adolph Coors Company through stock ownership or otherwise and is treated as a common employer under the provisions of Sections 414(b) and (c) of the Internal Revenue Code.

(b) "Award" means an Option or a Restricted Stock Award issued hereunder, an offer to purchase Stock made hereunder, or a grant of Stock made hereunder.

(c) "Board" means the Board of Directors of the Company.

(d) "Committee" means a committee consisting of members of the Board who are empowered hereunder to take actions in the administration of the Plan. The Committee shall be so constituted at all times as to permit the Plan to comply with Rule 16b-3 or any successor rule promulgated under the Securities Exchange Act of 1934 (the "1934 Act"). Members of the Committee shall be appointed from time to time by the Board, shall serve at the pleasure of the Board and may resign at any time upon written notice to the Board.

(e) "Effective Date" means the original effective date of the Plan, January 1, 1990.

(f) "Eligible Employees" means those key management employees (including, without limitation, officers and directors who are also employees) of the Company or any division thereof, upon whose judgment, initiative and efforts the Company is, or will become, largely dependent for the successful conduct of their business.

(g) "Fair Market Value" means the average of the highest and lowest prices of the Stock as reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on a particular date. If there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions. If the price of the Stock is not reported on NASDAQ, the Fair Market Value of the Stock on the particular date shall be as determined by the Committee using a reference comparable to the NASDAQ system. If, upon exercise of an Option, the exercise price is paid by a broker's transaction as provided in section 7.2(g)(ii)(D), Fair Market Value, for purposes of the exercise, shall be the price at which the Stock is sold by the broker.

(h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

(i) "Option" means a right to purchase Stock at a stated price for a specified period of time. All Options granted under the Plan shall be "non-qualified stock options" whose grant is not intended to fall under the provisions of Section 422A of the Internal Revenue Code.

(j) "Option Price" means the price at which shares of Stock subject to an Option may be purchased, determined in accordance with subsection 7.2(b).

(k) "Participant" means an Eligible Employee designated by the Committee from time to time during the term of the Plan to receive one or more of the Awards provided under the Plan.

(l) "Restricted Stock Award" means an award of Stock granted to a Participant pursuant to Section 8 that is subject to certain restrictions imposed in accordance with the provisions of such Section.

(m) "Stock" means the no par value Class B (non-voting) Common Stock of the Company.

(n) "Voting Stock" means the \$1.00 par value Class A Common Stock of the Company.

2.2 Gender and Number. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

Section 3

Plan Administration

3.1 General. The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, select the Participants from among the Eligible Employees, determine the Options, Restricted Stock Awards and other Awards to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder and the time at which such Options and Restricted Stock Awards are to be granted, fix the Option Price, period and manner in which an Option becomes exercisable, establish the duration and nature of Restricted Stock Award restrictions, establish the terms and conditions on which an offer to purchase Stock will be made, and establish such other terms and requirements of the various compensation incentives under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants which shall evidence the particular provisions, terms, conditions, rights and duties of the Company and the Participants with respect to Awards granted pursuant to the Plan, which provisions need not be identical except as may be provided herein. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement entered into hereunder in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

3.2 Claims.

(a) A Participant who wishes to appeal any determination of the Committee concerning an Award granted pursuant to the Plan shall notify the Committee in a writing, which shall state the basis for the appeal. The appeal shall be filed with the Committee within 30 days after the date the Participant received the notice from the Committee. The written appeal may be filed by the Participant's authorized representative. The Committee shall review the appeal and issue its decision within 90 days after it receives the Participant's appeal. If the Committee needs additional time to review the appeal, it shall notify the Participant in writing and specify when it expects to render its decision. After completion of its review, the Committee shall notify the Participant of its decision in writing, which shall state the reasons for the Committee's decision.

(b) If, after the completion of the procedure set forth in the preceding paragraph, the Participant wishes to further pursue the appeal, the appeal shall be submitted to, and determined through, binding arbitration in Denver, Colorado in accordance with the arbitration procedures of the American Arbitration Association ("AAA") existing at the time the arbitration is conducted, before a single arbitrator chosen in accordance with AAA procedures. The decision of the arbitrator shall be enforceable as a court judgment.

Section 4

Stock Subject to the Plan

4.1 Number of Shares. Five Million (5,000,000) shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. This authorization may be increased from time to time by approval of the Board and by the shareholders of the Company if, in the opinion of counsel for the Company, such shareholder approval is required. Shares of Stock that may be issued upon exercise of Options, that are issued as Restricted Stock Awards, that are purchased under the Plan, and that are used as incentive compensation under the Plan shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Options are outstanding retain as authorized and unissued Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to an Option that expires or for any reason is terminated unexercised, any shares of Stock that are subject to an Award (other than an Option) and that are forfeited, any shares of Stock withheld for the payment of taxes or received by the Company as payment of the exercise price of an Option and any shares of Stock that for any other reason are not issued to an Eligible Employee or are forfeited shall automatically become available for use under the Plan. However, any shares of Stock that are subject to an Award (other than an Option) and that are forfeited and any shares of Stock that are withheld for the payment of taxes or received by the Company as payment of the exercise price of an Option shall be available for use under the Plan.

4.3 Adjustments for Stock Split, Stock Dividend, Etc. If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a stock dividend or any other distribution upon such shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and

nonassessable at the time of such occurrence: (i) the shares of Stock as to which Awards may be granted under the Plan; and (ii) the shares of the Stock then included in each outstanding Award granted hereunder.

4.4 Other Distributions and Changes in the Stock. If

(a) the Company shall at any time distribute with respect to the Stock assets or securities of persons other than the Company (excluding cash or distributions referred to in Section 4.3),

(b) the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company, or

(c) there shall be any other change (except as described in Section 4.3), in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that the event described in subsection (a), (b), or (c) above equitably requires an adjustment in the number or kind of shares subject to an Option or other Award, an adjustment in the Option Price or the taking of any other action by the Committee, including without limitation, the setting aside of any property for delivery to the Participant upon the exercise of an Option or the full vesting of an Award, then such adjustments shall be made, or other action shall be taken, by the Committee and shall be effective for all purposes of the Plan and on each outstanding Option or Award that involves the particular type of stock for which a change was effected. Notwithstanding the foregoing provisions of this Section 4.4, pursuant to Section 8.3 below, a Participant holding Stock received as a Restricted Stock Award shall have the right to receive all amounts, including cash and property of any kind, distributed with respect to the Stock upon the Participant's becoming a holder of record of the Stock.

4.5 General Adjustment Rules. No adjustment or substitution provided for in this Section 4 shall require the Company to sell a fractional share of Stock under any Option, or otherwise issue a fractional share of Stock, and the total substitution or adjustment with respect to each Option and other Award shall be limited by deleting any fractional share. In the case of any such substitution or adjustment, the total Option Price for the shares of Stock then subject to the Option shall remain unchanged but the Option Price per share under each such Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of shares of Stock or other securities into which the Stock subject to the Option may have been changed, and appropriate adjustments shall be made to Restricted Stock Awards to reflect any such substitution or adjustment.

4.6 Determination by the Committee, Etc. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

Section 5

Reorganization or Liquidation

If the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 50% of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code), including a divisive reorganization under Section 355 of the Code, or liquidation of the Company, and if the provisions of Section 12 do not apply, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Options and other Awards, either (i) make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any such outstanding Options and other Awards by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation that will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Participants holding such Options and other Awards as a result of such substitution, and the excess of the aggregate Fair Market Value of the shares subject to the Options immediately after such substitution over the Option Price thereof is not more than the excess of the aggregate Fair Market Value of the shares subject to such Options immediately before such substitution over the Option Price thereof, or (ii) upon written notice to the Participants, provide that all unexercised Options must be exercised within a specified number of days of the date of such notice or they will be terminated. In the latter event, the Committee shall accelerate the exercise dates of outstanding Options and accelerate the restriction period and modify the performance requirements for any outstanding Awards so that all Options and other Awards become fully vested prior to any such event.

Section 6

Participation

6.1 In General. Participants in the Plan shall be those Eligible Employees who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation and development of the Company or an Affiliated Corporation, and significantly contribute, or are expected to significantly contribute, to the achievement of long-term corporate economic objectives. Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee, and receipt of one such Award shall not result in automatic receipt of any other Award. Upon determination by the Committee that an Award is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the

Company, in such form as the Committee shall determine and that is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

6.2 Restriction on Award Grants to Certain Individuals. Notwithstanding the foregoing provisions of Section 6.1, no Awards shall be granted to any lineal descendant of Adolph Coors, Jr. without the prior written approval of counsel to the Company as to the effect of any such grant on the possible status of the Company as a "personal holding company" within the meaning of Section 542 of the Internal Revenue Code.

6.3 General Restrictions on Awards. Awards covering no more than 1,000,000 shares of Stock may be granted to any Participant under this Plan during the term of this Plan.

Section 7

Stock Options

7.1 Grant of Stock Options. Coincident with or following designation for participation in the Plan, a Participant may be granted one or more Options. In no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of shares of Stock for which any other Option may be exercised, except as provided in subsection 7.2(j).

7.2 Stock Option Certificates. Each Option granted under the Plan shall be evidenced by a written stock option certificate. A stock option certificate shall be issued by the Company in the name of the Participant to whom the Option is granted (the "Option Holder") and shall incorporate and conform to the conditions set forth in this Section 7.2, as well as such other terms and conditions, not inconsistent herewith, as the Committee may consider appropriate in each case.

(a) Number of Shares. Each stock option agreement shall state that it covers a specified number of shares of the Stock, as determined by the Committee.

(b) Price. The price at which each share of Stock covered by an Option may be purchased shall be determined in each case by the Committee and set forth in the stock option certificate.

(c) Duration of Options; Restrictions on Exercise. Each stock option agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Option Holder (the "Option Period"), and shall also set forth any installment or other restrictions on Option exercise during such period, if any, as may be determined by the Committee.

(d) Termination of Employment, Death, Disability, Etc. Each stock option agreement shall provide as follows with respect to the exercise of the Option upon termination of the employment or the death of the Option Holder:

(i) If the employment of the Option Holder is terminated within the Option Period for cause, as determined by the Company, the Option shall thereafter be void for all purposes. As used in this subsection 7.2(d), "cause" shall mean a gross violation, as determined by the Company, of the Company's established policies and procedures, provided that the effect of this subsection 7.2(d) shall be limited to determining the consequences of a termination and that nothing in this subsection 7.2(d) shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any employee.

(ii) If the Option Holder retires from employment by the Company or its affiliates during the Option Period pursuant to the Company's retirement policy, or if the Option Holder becomes disabled (as determined pursuant to the Company's Long-Term Disability Plan), the Option may be exercised by the Option Holder, or in the case of death by the persons specified in subsection (iii) of this subsection 7.2(d), within thirty-six months following his or her retirement or disability (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Option Holder's termination of employment.

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

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

(e) Transferability. Each stock option agreement shall provide that the Option granted therein is not transferable by the Option Holder except by will or pursuant to the laws of descent and distribution, and that such Option is exercisable during the Option Holder's lifetime only by him or her, or in the event of disability or incapacity, by his or her guardian or legal representative.

(f) Agreement to Continue in Employment. Each stock option agreement shall contain the Option Holder's agreement to remain in the employment of the Company, at the pleasure of the Company, for a continuous period of at least one year after the date of such stock option agreement, at the salary rate in effect on the date of such agreement or at such changed rate as may be fixed, from time to time, by the Company.

(g) Exercise, Payments, Etc.

(i) Each stock option agreement shall provide that the method for exercising the Option granted therein shall be by delivery to the Corporate Secretary of the Company of written notice specifying the number of shares with respect to which such Option is exercised and payment of the Option Price. Such notice shall be in a form satisfactory to the Committee and shall specify the particular Option (or portion thereof) which is being exercised and the number of shares with respect to which the Option is being exercised. The exercise of the Stock Option shall be deemed effective upon receipt of such notice by the Corporate Secretary and payment to the Company. If requested by the Company, such notice shall contain the Option Holder's representation that he or she is purchasing the Stock for investment purposes only and his or her agreement not to sell any Stock so purchased in any manner that is in violation of the Securities Act of 1933, as amended, or any applicable state law. Such restrictions, or notice thereof, shall be placed on the certificates representing the Stock so purchased. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the purchase price of the Stock shall be paid in full by any of the methods or any combination of the methods set forth in (ii) below. A properly executed certificate or certificates representing the Stock shall be issued by the Company and delivered to the Option Holder. If certificates representing Stock are used to pay all or part of the exercise price, separate certificates for the same number of shares of Stock shall be issued by the Company and delivered to the Option Holder representing each certificate used to pay the Option Price, and an additional certificate shall be issued by the Company and delivered to the Option Holder representing the additional shares, in excess of the Option Price, to which the Option Holder is entitled as a result of the exercise of the Option.

(ii) The exercise price shall be paid by any of the following methods or any combination of the following methods:

(A) in cash;

(B) by certified or cashier's check payable to the order of the Company;

(C) by delivery to the Company of certificates representing the number of shares then owned by the Option Holder, the Fair Market Value of which equals the purchase price of the Stock purchased pursuant to the Option, properly endorsed for transfer to the Company; provided however, that no Option may be exercised by delivery to the Company of certificates representing Stock, unless such Stock has been held by the Option Holder for more than six months; for purposes of this Plan, the Fair Market Value of any shares of Stock delivered in payment of the purchase price upon exercise of the Option shall be the Fair Market Value as of the exercise date; the exercise date shall be the day of delivery of the certificates for the Stock used as payment of the Option Price; or

(D) by delivery to the Company of a properly executed notice of exercise together with irrevocable instructions to a broker to deliver to the Company promptly the amount of the proceeds of the sale of all or a portion of the Stock or of a loan from the broker to the Option Holder necessary to pay the exercise price.

(h) Date of Grant. An option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

(i) Notice of Sale of Stock; Withholding. Each stock option agreement shall provide that, upon exercise of the Option, the Option Holder shall make appropriate arrangements with the Company to provide for the amount of additional withholding required by Sections 3102 and 3402 of the Internal Revenue Code and applicable state income tax laws, including payment of such taxes through delivery of shares of Stock or by withholding Stock to be issued under the Option, as provided in Section 17.

(j) Issuance of Additional Option. If an Option Holder pays all or any portion of the exercise price of an Option with Stock, or pays all or any portion of the applicable withholding taxes with respect to the exercise of an Option with Stock which has been held by the Option Holder for more than six months, the Committee shall grant to such Option Holder a new Option covering the number of shares of Stock used to pay such exercise price and/or withholding tax. The new Option shall have an Option Price per share equal to the Fair Market Value of a share of Stock on the date of the exercise of the Option and shall have the same terms and provisions as the Option, except as otherwise determined by the Committee in its sole discretion. Effective for Options granted on and after January 1, 1994, this section 7.2(j) shall be null and void.

7.3 Shareholder Privileges. No Option Holder shall have any rights as a shareholder with respect to any shares of Stock covered by an Option until the Option Holder becomes the holder of record of such Stock, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Option Holder becomes the holder of record of such Stock, except as provided in Section 4.

Restricted Stock Awards

8.1 Grant of Restricted Stock Awards. Coincident with or following designation for participation in the Plan, the Committee may grant a Participant one or more Restricted Stock Awards consisting of shares of Stock. The number of shares granted as a Restricted Stock Award shall be determined by the Committee.

8.2 Restrictions. A Participant's right to retain a Restricted Stock Award granted to him under Section 8.1 shall be subject to such restrictions, including but not limited to his continuous employment by the Company or an Affiliated Corporation for a restriction period specified by the Committee or the attainment of specified performance goals and objectives, as may be established by the Committee with respect to such Award. The Committee may in its sole discretion require different periods of employment or different performance goals and objectives with respect to different Participants, to different Restricted Stock Awards or to separate, designated portions of the Stock shares constituting a Restricted Stock Award. In the event of the death or disability (as defined in subsection 7.2(d)) of a Participant, or the retirement of a Participant in accordance with the Company's established retirement policy, all employment period and other restrictions applicable to Restricted Stock Awards then held by him shall lapse with respect to a pro rata part of each such Award based on the ratio between the number of full months of employment completed at the time of termination of employment from the grant of each Award to the total number of months of employment required for such Award to be fully nonforfeitable, and such portion of each such Award shall become fully nonforfeitable. The remaining portion of each such Award shall be forfeited and shall be immediately returned to the Company. In the event of a Participant's termination of employment for any other reason, any Restricted Stock Awards as to which the employment period or other restrictions have not been satisfied (or waived or accelerated as provided herein) shall be forfeited, and all shares of Stock related thereto shall be immediately returned to the Company.

8.3 Privileges of a Stockholder, Transferability. A Participant shall have all voting, dividend, liquidation and other rights with respect to Stock in accordance with its terms received by him as a Restricted Stock Award under this Section 8 upon his becoming the holder of record of such Stock; provided, however, that the Participant's right to sell, encumber, or otherwise transfer such Stock shall be subject to the limitations of Sections 9 and 11.2.

8.4 Enforcement of Restrictions. The Committee shall cause a legend to be placed on the Stock certificates issued pursuant to each Restricted Stock Award referring to the restrictions provided by Sections 8.2 and 8.3 and, in addition, may in its sole discretion require one or more of the following methods of enforcing the restrictions referred to in Sections 8.2 and 8.3:

- (a) Requiring the Participant to keep the Stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect; or
- (b) Requiring that the Stock certificates, duly endorsed, be held in the custody of a third party while the restrictions remain in effect.

Section 9

Purchase of Stock

9.1 General. From time to time the Company may make an offer to certain Participants, designated by the Committee in its sole discretion, to purchase Stock from the Company. The number of shares of Stock offered by the Company to each selected Participant shall be determined by the Committee in its sole discretion. The purchase price for the Stock shall be as determined by the Committee in its sole discretion and may be less than the Fair Market Value of the Stock. The Participants who accept the Company's offer shall purchase the Stock at the time designated by the Committee. The purchase shall be on such additional terms and conditions as may be determined by the Committee in its sole discretion.

9.2 Other Terms. The Committee may, in its sole discretion, grant Options, Restricted Stock, or any combination thereof, on terms and conditions determined by the Committee, in its sole discretion, to the Participants who purchase Stock pursuant to Section 9.1.

Section 10

Other Common Stock Grants

From time to time during the duration of this Plan, the Board may, in its sole discretion, adopt one or more incentive compensation arrangements for Participants pursuant to which the Participants may acquire shares of Stock, whether by purchase, outright grants, or otherwise. Any such arrangements shall be subject to the general provisions of this Plan and all shares of Stock issued pursuant to such arrangements shall be issued under this Plan.

Section 11

Company Right To Purchase Stock

11.1 Right of First Refusal. (a) In the event of the death of a Participant, or if a Participant at any time proposes to transfer any of the Stock acquired pursuant to the Plan to a third party, the Participant (or his personal representative or estate, as the case may be) shall make a written

offer (the "Offer") to sell all of the Stock acquired pursuant to the Plan then owned by the Participant (or thereafter acquired by the Participant's estate or personal representative pursuant to any Award hereunder) to the Company at the "purchase price" as hereinafter defined. In the case of a proposed sale of any of the Stock to a third party, the Offer shall state the name of the proposed transferee and the terms and conditions of the proposed transfer. In a case of a proposed sale through or to a registered broker/dealer, the Offer shall state the name and address of the broker. The Company shall have the right to elect to purchase all (but not less than all) of the shares of Stock. The Company shall have the right to elect to purchase the shares of Stock for a period of ten (10) days after the receipt by the Company of the Offer. The provisions of this Section 11 shall apply to proposed sales through or to a registered broker/dealer at the prevailing market price, even if the prevailing market price should fluctuate between the date the Company receives the Offer and the date the Company elects to purchase the shares of Stock. In all cases, the purchase price for the Stock shall be determined pursuant to subsection 11.1(d).

(b) The Company shall exercise its right to purchase the Stock by given written notice of its exercise to the Participant (or his personal representative or estate, as the case may be). If the Company elects to purchase the Stock, payment for the shares of Stock shall be made in full by Company check. Any such payments shall be made within ten (10) days after the election to purchase has been exercised.

(c) If the Stock is not purchased pursuant to the foregoing provisions, the shares of Stock may be transferred by the Participant to the proposed transferee named in the Offer to the Company, in the case of a proposed sale to a third party. However, if such transfer is not made within 120 days following the termination of the Company's right to purchase, a new offer must be made to the Company before the Participant can transfer any portion of his shares and the provisions of this Section 11 shall again apply to such transfer. If the Company's right of first refusal under this Section 11 is created by an event other than a proposed transfer to a third party, the shares of Stock shall remain subject to the provisions of this Section 11 in the hands of the registered owner of the Stock.

(d) The purchase price for each share of Stock purchased by the Company pursuant to this Section 11 shall be equal to the Fair Market Value of the Stock on the date the Company receives the Offer under subsection 11.1(a).

11.2 Marking of Certificates. Each certificate representing shares of Stock acquired pursuant to this Plan shall bear the following legend:

The shares of stock represented by this Certificate are subject to all the terms of the Adolph Coors Company Equity Incentive Plan, as the Plan may be amended from time to time (the "Plan") and to the terms of a

[Non-Qualified Stock Option Agreement] [Restricted Stock Agreement] [Stock Purchase Agreement] between the Company and the Participant (the "Agreement"). Copies of the Plan and the Agreement are on file at the office of the Company. The Plan and the Agreement, among other things, limit the right of the Owner to transfer the shares represented hereby and provides that in certain circumstances the shares may be purchased by the Company.

Section 12

Change in Control

12.1 In General. In the event of a change in control of the Company as defined in Section 12.3, then (a) all Options shall become immediately exercisable in full during the remaining term thereof, and shall remain so, whether or not the Participants to whom such Options have been granted remain employees of the Company or an Affiliated Corporation; and (b) all restrictions with respect to outstanding Restricted Stock Awards shall immediately lapse.

12.2 Limitation on Payments. If the provisions of this Section 12 would result in the receipt by any Participant of a payment within the meaning of Section 280G of the Internal Revenue Code and the regulations promulgated thereunder and if the receipt of such payment by any Participant would, in the opinion of independent tax counsel of recognized standing selected by the Company, result in the payment by such Participant of any excise tax provided for in Sections 280G and 4999 of the Internal Revenue Code, then the amount of such payment shall be reduced to the extent required, in the opinion of independent tax counsel, to prevent the imposition of such excise tax; provided, however, that the Committee, in its sole discretion, may authorize the payment of all or any portion of the amount of such reduction to the Participant.

12.3 Definition. For purposes of the Plan, a "change in control" shall mean any of the following:

(i) The acquisition of or the ownership of fifty percent or more of the total Voting Stock of the Company then issued and outstanding, by any person, or group of affiliated persons, or entities not affiliated with the Company as of the Effective Date of this Plan, without the consent of the Board of Directors, or

(ii) The election of individuals constituting a majority of the Board of Directors who were not either (A) members of the Board of Directors prior to the election or (B) recommended to the shareholders by management of the Company, or

(iii) A legally binding and final vote of the shareholders of the Company in favor of selling all or substantially all of the assets of the Company.

Section 13

Rights of Employees; Participants

13.1 Employment. Nothing contained in the Plan or in any Option or Restricted Stock Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her employment by the Company or any Affiliated Corporation, or interfere in any way with the right of the Company or any Affiliated Corporation, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Option or Restricted Stock Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of employment shall be determined by the Committee at the time.

13.2 Nontransferability. No right or interest of any Participant in an Option or a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), granted pursuant to the Plan, shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Participant's rights and interests in Options and Restricted Stock Awards shall, to the extent provided in Sections 7, 8 and 9, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options may be made by, the Participant's legal representatives, heirs or legatees. If in the opinion of the Committee a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

Section 14

General Restrictions

14.1 Investment Representations. The Company may require any person to whom an Option, Restricted Stock Award, Stock is granted, or to whom Stock is sold, as a condition of exercising such Option or receiving such Restricted Stock Award or Stock, or purchasing such Stock, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Option, Restricted Stock Award, Stock grant, or purchase of Stock, for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with Federal and applicable state securities laws.

14.2 Compliance with Securities Laws. Each Option and Restricted Stock Award, and Stock grant or purchase shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares subject to such Option, Restricted Stock Award, Stock grant or purchase upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares thereunder, such Option, Restricted Stock Award, or Stock grant or purchase may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.

14.3 Changes in Accounting Rules. Notwithstanding any other provision of the Plan to the contrary, if, during the term of the Plan, any changes in the financial or tax accounting rules applicable to Options or Restricted Stock Awards shall occur that, in the sole judgment of the Committee, may have a material adverse effect on the reported earnings, assets or liabilities of the Company, the Committee shall have the right and power to modify as necessary, any then outstanding and unexercised Options and outstanding Restricted Stock Awards as to which the applicable employment or other restrictions have not been satisfied.

Section 15

Other Employee Benefits

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option, the sale of shares received upon such exercise, the vesting of any Restricted Stock Award, or the purchase or grant of Stock, shall not constitute "earnings" with respect to which any other employee benefits of such employee are determined, including without limitation benefits under any pension, profit sharing, life insurance or salary continuation plan.

Section 16

Plan Amendment, Modification and Termination

The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that shareholder approval is otherwise necessary or desirable.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Options, Restricted Stock Awards or Stock theretofore granted or purchased under the Plan, without the consent of the Participant holding such Options Restricted Stock Awards, or Stock.

Section 17

Withholding

17.1 Withholding Requirement. The Company's obligations to deliver shares of Stock upon the exercise of any Option, the vesting of any Restricted Stock Award, or the grant or purchase of Stock shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements.

17.2 Withholding With Stock. The withholding obligation with respect to the grant of Restricted Stock shall be satisfied by the Company's withholding from the shares otherwise issuable to the Participant shares of Stock having a value equal to the amount required to be withheld. The value of shares of Stock to be withheld shall be based on the Fair Market Value of the Stock on the date that the amount of tax to be withheld is to be determined.

Section 18

Requirements of Law

18.1 Requirements of Law. The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

18.2 Federal Securities Law Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16, Awards granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule promulgated under the 1934 Act, to qualify the Award for any exception from the provisions of Section 16(b) of the 1934 Act available under that Rule. Such conditions shall be set forth in the agreement with the Participant which describes the Award.

18.3 Governing Law. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Colorado.

Section 19

Duration of the Plan.

The Plan shall terminate at such time as may be determined by the Board of Directors, and no Option or Restricted Stock Award, or Stock shall be granted or purchased after such termination. Options and Restricted Stock Awards outstanding at the time of the Plan termination may continue to be exercised, or become free of restrictions, or paid, in accordance with their terms.

Dated: _____

ADOLPH COORS COMPANY

ATTEST:

By:_____

Revised
June 20, 1996

Mr. L. Don Brown
4468 Kettering Dr.
Long Grove, IL 60047

Dear Don,

It is with great pleasure that we confirm your acceptance of the position Senior Vice President, Operations and Technology for Coors Brewing Company. In this position, you will be a Company Officer. You will be reporting to me at an annual base salary of \$350,000. In addition, you will receive a sign on bonus of \$200,000 payable within 30 days of your start date and a transitional bonus of \$100,000 payable by December 31, 1996. Your salary will be reviewed annually each year. You will participate in the Executive Compensation Program subject to Board approval which currently consists of the following components:

Annual Management Incentive Compensation Plan(MIC): This program involves a cash payout based upon company pre-tax earnings and individual performance. Your 1996 payout target will be 40% of base salary. The potential payout range is 0-80%. We will guarantee you a payout of 80% of your annual salary for 1996 and 1997.

You will participate in the 1996 Long Term Incentive Plan. This plan provides you with three choices for payout: 1) the normal form is on-half in cash, one-half in restricted shares; 2) the next option is to receive the cash portion in discounted shares; and 3) the last option is to receive three times your payout amount in stock options. Attached is an example of all the payout options.

1996 Long Term Incentive Plan: This is a three year plan with payout based on cumulative return on invested capital. The current plan covers 1996, 1997, 1998 with payout in 1999. The 1999 payout target for your level is currently 125% of salary. Your actual target will be based on your starting salary and pro-rated based on your start date. The potential payout range is 0-250% of salary.

Stock Options: Currently, stock options are granted annually and at each Board meeting to eligible new hires. In your case, we will provide you with a one-time mega grant determined by accelerating the next three years annual grants into one grant of options to purchase Coors stock. The number of options granted will be determined by dividing 300% of your annual salary by \$18 a share effective the day you begin work with us. Vesting is based on an increase in share price, 10% for each one dollar increase in share value. Beginning January 1, 1997, you will participate in the annual stock option program.

You will also be granted the equivalent of \$800,000 in Restricted Shares based on the Fair Market Value (average of the high and low) of the Stock on the date of grant. The grant date will be the next scheduled Board meeting on August 16, 1996. These shares will be restricted for a period of three years from the date of grant and based upon your continued employment at Coors. You will receive quarterly dividends on these shares when the Board authorizes dividend payments to all shareholders.

In addition you will receive a monthly perquisite allowance of \$2,500 (\$30,000 annual) for a vehicle, financial counseling, tax preparation, legal fees, organization membership dues for the Executive Leadership Council and country club fees. Sponsorship of a table at the Executive Leadership council is allowable as a company expense. Also, we will pay up to \$22,000 for initiation fees at the country club of your choice. Enclosed is a summary of Officer benefits that are available to you and details of our relocation program.

Based on business necessity, computer and fax equipment is available at your home as a business expense within your operating budget.

We anticipate a long and mutually rewarding relationship. However, you should know that your employment is "at will" with no obligation on either you or the Company to continue for a set length of time. In addition, as an Officer of the Company, our relationship will be regulated by the Company bylaws.

In the very unlikely event that your employment with the Company should be terminated for reasons other than cause during the first two years of employment, 12 months of total salary (base plus 40% annual bonus) will be paid to you. After your first two years of employment, you will be covered by the standard Officer severance package, which is currently one year of base salary.

I look forward to an anticipated start date as soon as practicable and we are enthusiastic about you joining the Coors leadership team. (This offer is contingent upon you successful completion of our pre-employment drug screen, which can be scheduled at your convenience when you report to work). If you have any question, please contact me at 303-277-3151.

Best regards,

W. Leo Kiely III
President and Chief Operating Officer

Offer accepted: Date:

pc: Bob Ehret

Enclosures: 1996 Annual Incentive Plan (MIC) 1996 Long Term Incentive Plans Stock Option Plan
Incentive Plan Documents and Descriptions Benefit Summary (including Officer benefits) Relocation Summary
Inventions and Non-Disclosure Agreement

**COORS BREWING COMPANY
EXECUTIVE COMPENSATION**

1996 ANNUAL MANAGEMENT INCENTIVE COMPENSATION PLAN

PARTICIPANTS:

All employees in Paygroup 90 will participate in an annual incentive program. Payments will be made in cash.

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

FINANCIAL TARGETS:

Annual Company goals will be measured based on pre-tax income for 1996 after incentive plan payouts (in millions).

Minimum	Target	Maximum
103.5	115	172.5

ANNUAL INCENTIVE PROGRAM AWARD LEVELS AS A PERCENT OF BASE SALARY AS OF 1-1-96 OR PLAN ENTRY DATE IF LATER:

Position	Minimum	Target	Maximum
CEO/COO	10%	50%	100%
EXEC. STAFF	10%	40%	80%
VP	10%	30%	60%
OTHER	10%	25%	50%

(Maximum payouts are at two times the percent of salary at target.)

ANNUAL INCENTIVE PROGRAM MEASUREMENT MIX:

Position	Corporate Parameters	Individual/Parameters
CEO/COO	100%	0%
EXEC. STAFF	100%	0%
VP/OTHER PG90	50%	50%

Company financial objectives must be met before any payout occurs. The CEO, COO, and the Executive Staff will be measured based on corporate financial performance. All other participants will be evaluated based on two components, the achievement of Company performance goals and individual performance goals.

Achievement of Company financial goals pays each individual the portion of the bonus based on the Company measurement. The other portion of the bonus is based on achievement of individual performance goals. Individual performance payouts, to reward exceptional individual contributions, will be based on an individual incentive multiplier of between 0 and 150% multiplied by the bonus.

Individual performance goals will be agreed upon before the Plan year starts. Each participant will meet with their immediate supervisor to develop individual goals in support of the Company strategies. These goals will be written and signed off by the participant and the supervisor before implementation. All individual goals must be reviewed and approved by the COO or the CEO. At the end of the Plan year each supervisor must submit in writing the results of each individual performance goal and the individual performance multiplier.

FORM AND TIMING OF PAYMENTS:

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

FEDERAL, STATE AND FICA TAX WITHHOLDING:

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

TAX TREATMENT:

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

DISCLAIMER:

Coors Brewing Company reserves the right to change, amend or terminate this Plan at any time, for any reason.

NOT EMPLOYMENT CONTRACT:

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

TERMINATION PROVISIONS:

Participants must be on the payroll as of 1-1-97 to receive payment. Any exceptions must be approved by the CEO.

COORS BREWING COMPANY

1997 ANNUAL MANAGEMENT INCENTIVE COMPENSATION PLAN (MIC)

PARTICIPANTS:

All employees in Paygroup 90 will participate in an annual incentive program known as the Management Incentive Compensation Plan (the "Plan").

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

ANNUAL INCENTIVE PROGRAM TARGET LEVELS AS A PERCENT OF BASE SALARY AS OF 1-1-97 OR PLAN ENTRY DATE IF LATER:

Position	Total Bonus	On Target Potential
CEO/COO		50%
Sr. VP Staff *		40%
Sr. VP Line**		40%
Vice President		30%
Other PG90		25%

* Staff = Sr. VP, HR; Sr. VP, Corporate Development; Sr. VP, CFO, Sr. VP, CLO

** Line = Sr. VP, Sales; Sr. VP O&T; General Manager Unibev; Sr. VP, Chief International Officer; Sr. VP, Marketing

BONUS PAYOUT PARAMETERS:

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

Position	Company Component	Individual Component
CEO/COO	100%	0%
Sr. VP Staff	60%	40%
Sr. VP Line	50%	50%
Vice President	40%	60%
Other PG90	40%	60%

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

COMPANY FINANCIAL TARGETS:

Annual Company financial goals will be measured based on pre-tax income for 1997 after incentive plan payouts (in millions).

Minimum Target Maximum
\$59.25 \$79 \$118.5

INDIVIDUAL PERFORMANCE GOALS:

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

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

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

FORM AND TIMING OF PAYMENTS:

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

FEDERAL, STATE AND FICA TAX WITHHOLDING:

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

TAX TREATMENT:

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

DISCLAIMER:

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

NOT EMPLOYMENT CONTRACT:

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

TERMINATION PROVISIONS:

Participants must be on the payroll as of 1-1-98 to receive payment. Any exceptions must be approved by the CEO.

End of Filing

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