RKY: Adolph Coors….And Twins!

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RATING: HOLD

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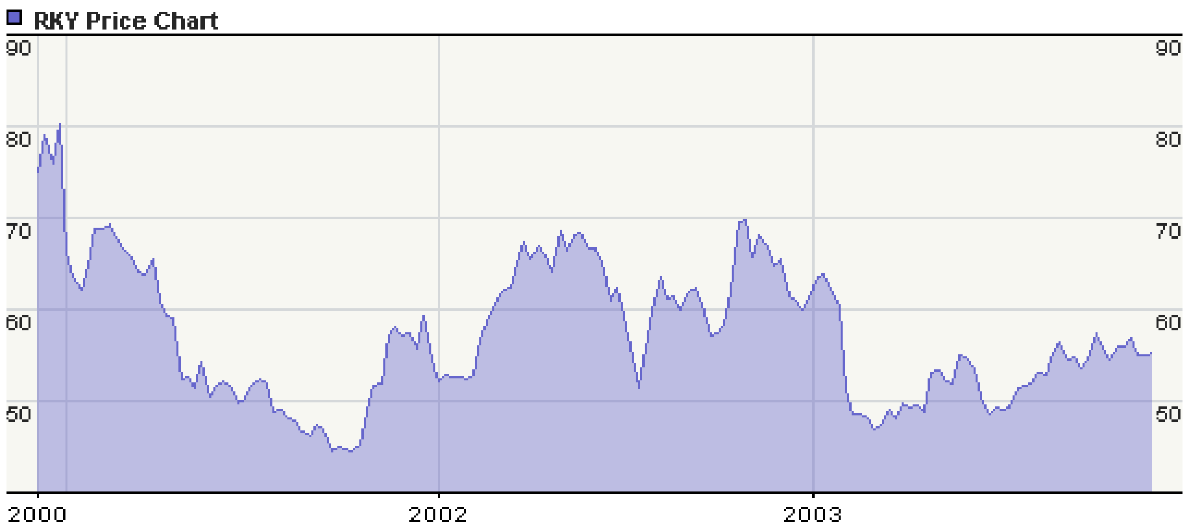
Price (12/02/03)	**$55.05**	**Dividend:**	**$0.82**			
S&P Index:	**1066.62**	**Yield**	**1.5%**			
52 Week Range	**$66-46**					
Market Cap(mm)	**$2,033.93**	**Earnings**	**2002**	**2003**	**2004E**	
Shares Out (mm)	**36.4**	**1Q**	**$0.80A**	**$0.02A**		
Enterprise Value:	**$3,309.55**	**2Q**	**$1.83A**	**$2.09A**		
Avg. Daily Volume:	**368,500**	**3Q**	**$1.28A**	**$1.62A**		
LT Debt/Total Capital:	**52.60**	**4Q**	**$0.63A**	**$0.71E**		
Net Cash/Share:	**$0.86**	**Fiscal Year**				
Book Value/Share	**$31.57**	**P/E**	**$4.53A**	**$4.44E**	**$4.77E**	

- **RKY is currently fully valued, in our view.** Shares of Coors are currently trading at 11.5x the consensus 2004 EPS estimate of $4.77 and 10.3x the consensus 2005 EPS estimate of $5.35. This implies a blended P/E/G ratio of 1.1. A more significant premium to a standard P/E/G ratio of 1.0 is not justified, in our view, considering RKY's trailing market position and inferior ROE relative to its primary competitors.
- **Taking on the giants, and losing.** RKY is the #3 US beer supplier behind industry leader Budweiser (NYSE: BUD) and Miller (LSEDT: SAB.L). Despite spending a forecasted industry-high $21.81 per barrel in advertising for 2003 (vs. $5.89 for BUD and $14.91 for SAB.L) Coors has been losing market share; net revenue per barrel is estimated to increase 1.3% in 2003 compared to a more than 3.0% increase for Budweiser and Miller. RKY is far inferior to its primary competitors in terms of efficiency; a survey of US wholesale distributors indicates that Coors marketplace execution has not improved since the beginning of the year despite a new SAP system which has failed to effect results. In addition, conversations with industry insiders reveal that RKY's newly implemented SAP system has been a failure to this point.
- **Competitive landscape of the domestic market is changing for the worse.** Total US beer consumption has been declining over the last twenty years (from 35 million barrels to less than 30 million; *See figure 10*), as spirits consumption has been steadily increasing (from 137 million 9-liter cases to roughly 155 million). Although beer suppliers have been fighting the trend with low-carb and low-calorie product offerings, an ever widening product range of hard-liquor products continue to target a broad range of customer types. In March 2004, RKY will launch Aspen Edge, a low-carbohydrate beer. This is RKY's response to BUD's success as a first mover in this segment with Michelob Light. It is not likely that this will stem RKY's loss of market share in the US.[1]

[1] Bloomberg, 11/19 "Coors to Introduce Low-Carbohydrate Beer in 2004"

- **RKY lacks pricing power.** As we discussed in the industry report, the pricing environment today for brewers is favorable, but benefits accruing to RKY from this is offset the company's struggle to increase year-on-year volume[2]. Budwieser has historically functioned as the first-mover in terms of price increases in the industry and did so again this year with increases instituted earlier this year. Given its entrenched 2nd mover position and Budweiser's dominant market share, we think it unlikely that RKY will gain significant pricing power although the company has been successful in passing through past increases.
- **We rate share of RKY HOLD.** We think RKY is fairly valued at its current level of $55. Our DCF derives a 12-month price target of $50 which implies an earnings multiple of 10.6x consensus 2004 EPS. Given RKY's current trailing market position, anticipated share losses to Miller, internal efficiency problems and likely discounting in the United Kingdom which could threaten its Carling unit's operating results we view the stock as a HOLD.



Company Description. Adolph Coors Company ("Coors", "RKY"), parent company to Coors Brewing Company, was incorporated in 1913. RKY is the third largest US brewer with an 11% share and also holds an 18.5% share of the UK market with its Carling unit purchased in 2001 ($1.7 billion, $189 per barrel) from Interbrew. RKY is primarily engaged in the manufacture, marketing and sale of beer and other beverage products. Coors divides its operations into two distinct segments categorized geographically: the Americas and Europe. The Americas segment primarily consists of production, marketing and sales of the Coors family of brands in the United States and its territories. This segment also includes the Coors Light business in Canada that is conducted through a partnership investment with Molson, Inc. and the sale of Molson products in the United States that is conducted through a joint venture investment with Molson. The Americas segment also includes the small amount of RKY products that are exported and sold outside of the United States and its territories, excluding the Europe segment. The Europe segment consists of RKY's production and sale of the Coors Brewers Limited (CBL) brands principally in the United Kingdom, but also in other parts of the world, and its joint venture arrangement relating to the production and distribution of Grolsch in the United Kingdom and Republic of Ireland. The Europe segment was

[2] UBS, 10/24/2003

established when Coors completed its acquisition of CBL in February 2002.

The Americas Segment. Coors Canada is RKY's partnership with Molson that manages all marketing activities for Coors products in Canada. Coors owns 50.1% of this partnership and Molson owns 49.9%. The partnership contracts with a Molson subsidiary for the brewing, distribution and sale of products. Coors Light has an approximately 8% market share.

In Puerto Rico, RKY markets and sells Coors Light through an independent local distributor. A local team of Coors employees manages marketing and promotional efforts throughout this market. Coors also sells its products in several other Caribbean markets (e.g. the United States Virgin Islands) through local distributors.

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

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

RKY's Coors Light brand, a premium beer, and its other products in the United States include an additional 11 brands. RKY's other premium beers include Coors Original and Coors Non-Alcoholic. Coors also offers a selection of above-premium beers including George Killian's Irish Red Lager and Blue Moon Belgian White Ale. Additionally, it offers Zima and Zima Citrus alternative malt-based beverages that have competed extensively in the flavored-alcohol beverage (FAB) brands category. Coors also offers products for the lower-priced segment of the beer market such as Extra Gold and its Keystone family of beers, including Keystone Light, Keystone Premium and Keystone Ice. Coors Light accounted for more than 70% of RKY's Americas sales volume in each of the last four years (from 1998 to 2002), while premium and above-premium products accounted for more than 85% of total Americas volume. RKY's Americas segment primarily competes with Anheuser-Busch and Miller.

The European Segment. CBL had volume sales of approximately 9.2 million United States barrels in 2002. The CBL sales are primarily in England and Wales, with the Carling brand (a mainstream lager) representing approximately two-thirds of CBL's total beer volume. CBL also manufactures FABs, which it sells in the United Kingdom and export markets. Total FABs volume is less than 4% of its overall volume. CBL's products are exported to over 25 countries, with these exports accounting for less than 3% of total CBL volume.

RKY's United Kingdom brand portfolio consists of 21 domestic beer brands and six non-beer brands. Coors has representation in each of its product categories. Caffrey's, a premium ale, makes up approximately 3% of RKY's volume and Worthington makes up approximately 11% of total volume. Grolsch's volume has increased more than six times since 1994. In addition, Coors has a successful range of FAB brands that it owns, including Reef. During 2002, CBL launched Worthington's 1744, a premium cask ale; Breaker Superbrew Lager, an extra strong lager, and Screamers, a vodka-based shots drink. RKY's primary competitors are Scottish Courage Ltd., Interbrew U.K. Ltd. and Carlsberg-Tetley Ltd in the European market.

2002 Operating Results. In 2002 RKY's total unit volume was 31.8 million U.S. barrels (22.7 million domestic, 9.2 million Europe). Total gross revenues (before excise taxes) were $5.0 billion; total net revenues (excluding excise taxes) were $3.8 billion. 2002 operating results include the impact of RKY's acquisition of U.K.'s Carling Lager (CBL) which was completed in early February. As a result, operating income surged 97% to $298 million, net income increased 32%, and diluted earnings per share increased 34% year-over-year. In the U.S. sales volume increased 0.1% year-over-year as declines in Zima, Killian's and Coors Light export to Puerto Rico negatively impacted results. Excluding Zima and Coors Light export domestic beer volume increased 1.7%. The Europe segment increased low single-digit volume growth in 2002 and increased market share by 0.4%. The U.S. pricing environment remained steady during the year. In Canada, Coors Light continued to achieve strong growth. RKY's Molson USA joint venture halted a seven-year double-digit decline, delivering double-digit growth in its flagship Molson Canadian brand. Meanwhile, U.S. operations succeeded in reducing costs per barrel substantially. These and other factors contributed to an increase in gross margin of 1.6% and pretax income by 3.6% in the Americas segment.

RKY is far inferior to its primary competitors in terms of efficiency. A recent survey of US wholesale distributors (*see* below) indicates that Coors marketplace execution has not improved since the beginning of the year. 71% of distributors claim that RKY has not improved execution since the beginning of year, versus 33% for Budweiser and 36% for Miller. Conversations with industry insiders reveal that RKY's newly implemented SAP system has failed been a failure to this point. Order tracking has been sub-par to industry standards and distributors have been generally dissatisfied. This will do little to help Coors gain the market share it so desperately desires, and firmly entrench the firm in its third market share position. It also serves to highlight the fact that Miller has quickly closed the gap and surpassed Coors in market presence, and RKY has significant ground to gain to catch up to its primary competitors in execution and overall standing with distributors.

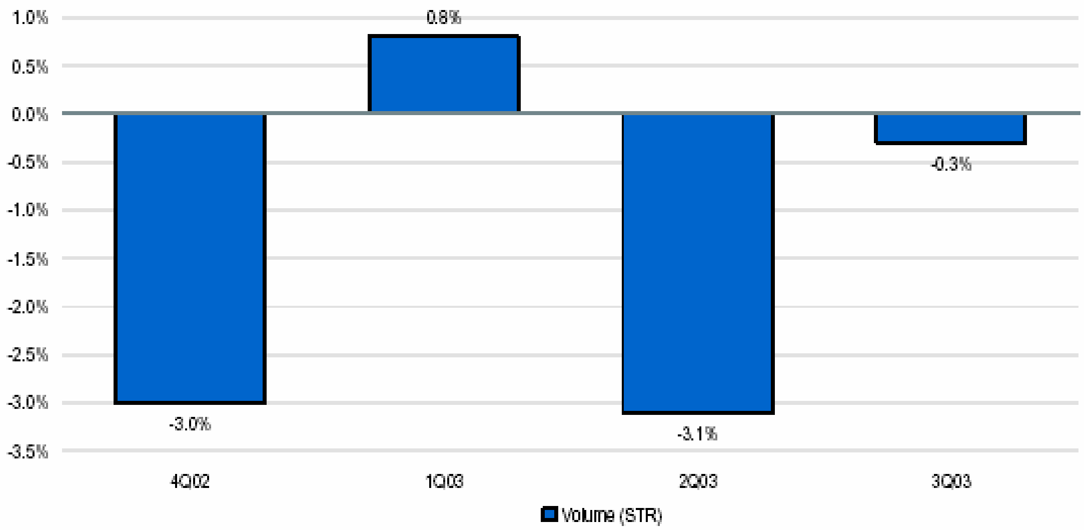
Table 5: Has Coors's Marketplace Execution Improved Since the Beginning of the Year?

	Yes	No
Total	58%	42%
A-B	67%	33%
SABMiller	64%	36%
Coors	29%	71%
SABMiller/Coors	51%	49%

Source: UBS Semi-Annual Beer Distributor Survey

As BUD and SABMiller have been able to gain market share, RKY is struggling to grow its volume, and the graph below clearly indicates it. Over the last 12 months, RKY has seen negative growth in volume (defined by Shipment to Retailers – STRs) :

Coors' North America STRs: 4Q02 – 3Q03



Source: Company reports.

As we had mentioned in our industry report, US brewers face competition for the customer's share of wallet from non-US brewers and makers of non-beer alcoholic beverages. RKY is faced with secular trends of shrinkage in market share of major brews. This bodes ill for RKY considering that they achieve 70% of their volume from Coors Light. Also, total US beer consumption has been declining over the last twenty years as spirits consumption has been steadily increasing.

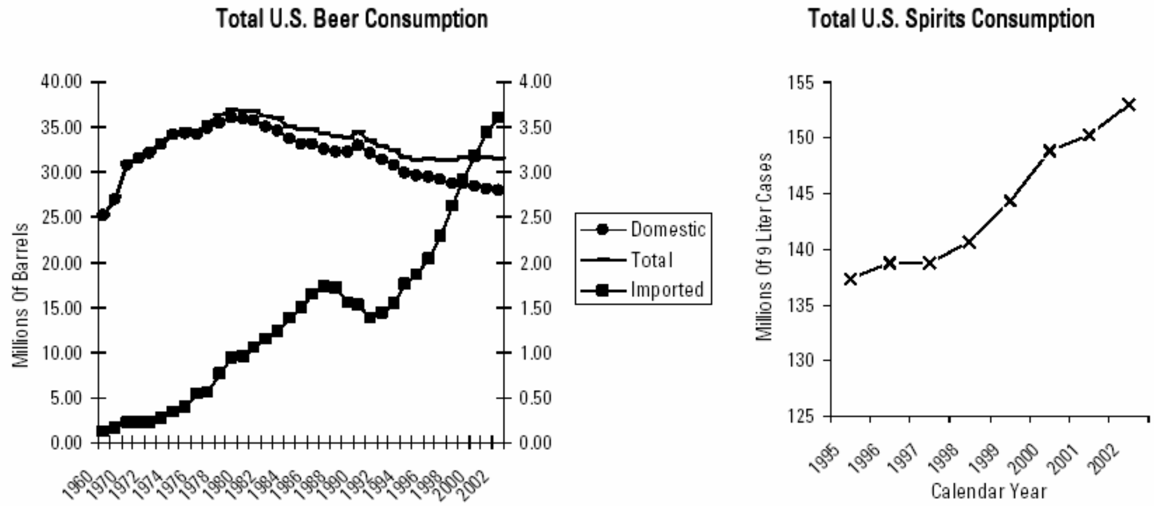
Figure 9 Beer Industry Volume By Segment

A total of 2.8 billion cases of beer are sold annually in the U.S.

	2001		2002		2003 (P)*	
	Trend	Share	Trend	Share	Trend	Share
Major Brewers	-1.3%	85.5%	0.8%	85.1%	-0.9%	84.8%
Specialty	1.0%	2.6%	1.0%	2.6%	1.0%	2.6%
Imports	8.8%	10.4%	6.5%	11.1%	3.0%	11.5%
Malternatives	231.0%	1.5%	-7.4%	1.2%	-10.0%	1.1%
Total	0.6%	100.0%	1.3%	100.0%	-0.5%	100.0%
Exports	-3.3%		-3.1%		5.5%	
U.S. Market	0.7%		1.4%		-0.4%	

*Based on 6-month estimates.
Source: Constellation Brands, Inc.

Figure 10 Total Beer Consumption Has Been Declining, But Spirits Consumption Is On The Rise



Source: Constellation Brands, Inc.

Weather and Beer. In the traditionally slow-growth domestic beer industry, one percentage point of volume growth can often skew the investor community's perception of overall industry health. Since one selling day in quarter can be equal to over 1% of that quarter's total volume, we believe weather – particularly precipitation – can play a significant role in sales of a given quarter. We theorize that beer consumption is more vulnerable to weather variability than soft drinks, due to the fact that roughly 25% of beer sales come from on-premise sources (e.g. bars or restaurants) and an additional 30% is sold in convenience stores. Alternatively, 55%-60% of soft drink sales are sold through take-home channels, particularly supermarkets.

Devising a trading strategy based on perfect predictions of anticipated precipitation on a monthly basis does not generate superior excess returns. We ran a regression on precipitation in five major US cities from 1994-1997 and developed a trading strategy of buying when less precipitation was expected and selling when more precipitation was expected. In all observed years except for a year when returns were negative simply holding the stock for the entire year was more profitable than trading. Although the trading strategy proved to be unprofitable the impact on investor sentiment and sales is unquestionable.

Risks. Domestic brewers operate in a heavily regulated industry. Future changes in policy regarding taxation, restrictions on advertising and distribution could have positive or negative consequences for the industry. We also note that short-term consumption trends can be influenced by weather trends, although utilizing an investment strategy based on this premise will not generate superior returns. Weather forecasts, particularly for precipitation can be a reliable harbinger for volume oscillations. Finally, the domestic beer industry is a low volume growth industry that has benefited from strong pricing trends over the past several years. Although there is no guarantee of price realization for the long-term outlook, the relative inelasticity of domestic demand for beer leaves us fairly comfortable that future price increases will indeed be realized.

RKY also faces significant concentration risks. Its revenue streams come from US and UK. In each of the two mature beer markets, their success is heavily dependent on one product – Coors Light in the US and Carling in the UK. In the US, close to half of its sales take place in only five states (New York, New Jersey, Texas, California, and Pennsylvania). Their production could be vulnerable to any stoppages in production because brewing operations in the US and the UK are highly centralized (90% of US brewing from one Colorado brewery, 70% of UK brewing from one brewery there). In addition, RKY may find resistance in implementation of cost cutting measures at its newly acquired UK facility because 26% of its labor force there is unionized (compared to 8% in Colorado).

Income Statement. After completing its acquisition of Carling in 2001 RKY revenue decreased 2% to $3.8 billion in 2002 due to a 250,000 decline in beer shipments (to 31.75 million). The consensus forecast assumes approximately a 3% increase in shipments to 32.7 million in 2003 and a further 1% increase in 2004, leading to $3.9 billion and $4.0 billion revenue estimates for each respective year. Estimates also assume $1.4 billion and $1.5 billion in gross profits in 2003 and 2004 with a gross margin of 35.6% and 37.1% respectively. However, due to increased marketing, general and administrative expense the operating margin will likely contract to 7.0% in 2003 and increase to 8.0% in 2004. Accordingly the consensus assumes net income of roughly $157 million in 2003 and $175 million in 2004 (vs. $166 million in 2002) and EPS of $4.44 and $4.77 respectively (vs. $4.53 in 2002).

Balance Sheet. As of the most recent quarter RKY had a quick ratio of 0.71 and a current ratio of 1.03. Cash per share totaled $0.86. Long-term debt stood at $1.3 billion or 52.6% of total capital (1.11x equity). Book value per share totaled $31.57 with a ROE 14.75% (TTM) and an ROA of 3.77% (TTM). TTM ROI is roughly 4.97%.

Valuation. In our valuation, we employed the DCF method and simulation to arrive at our estimate of RKY's stock value. Considering the weak competitive position that RKY is in, we chose to be very conservative in our assumptions. We believe that RKY's revenues will grow slower than industry sales would[3]. RKY derives more than half of its revenues from the US, which is a mature market. They are a small, concentrated player compared to BUD and SABMiller. We observed in our last report that BUD has been taking market share in the US. These competitors have substantially greater financial, marketing, production and distribution resources than RKY has. In addition, the other market in which RKY now has a presence – the UK – is also a mature one. As a result, we do not see much future growth opportunities there, either.

Below are probability tables that we have constructed to account for a range of scenarios in variables that we believe are key drivers to valuing RKY - COGS, MG&A, and revenue growth. These tables serve as basis for our Monte Carlo simulation. For COGS and MG&A as percentages of sales, the range of possible values were obtained from examining RKY's income statement from the last 10 years on these variables. We arrived at the probabilities from examining the frequency of these values over the time period.

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[3] In the beverage industry report we assumed the beer industry to grow at about 1~1.5%. This led to our belief, with all things considered, that RKY's revenues would grow less than that.

COGS		
	Estimate of	
Marginal	*COGS as %*	
Probability	*Of Sales*	*Description*
0.3	65.0%	Case of rising COGS as % of sales
0.3	64.0%	Current COGS level
0.4	63.0%	Case of Improved COGS

MG&A				
	Estimate of			
Marginal	*MG&A as %*		*Associated Revenue*	
Probability	*of Sales*	*Description*	*Growth*	*Description*
0.3	29%	Case of rising MG&A as % of sales	0.75%	Expectation of sales growth yielding from higher MG&A
0.5	28%	Current MG&A level	0.50%	Base Case - Little sales growth contribution
0.2	27%	Case of Improved MG&A	0.25%	Lower MG&A - no contribution to sales growth

Revenue Growth = f(MG&A expenses)
Expectation of more MG&A spending to yield a degree of sales growth

Another major consideration we made in the DCF was the shareholder structure. RKY has two classes of shares, A and B. The former is 100% owned by the Coors family and other insiders. Outside investors can participate only in Class B shares. Before arriving at RKY's price per share, we adjusted the equity valuation downward by excluding the value of A shares.

The tables below represent our inputs and outputs from DCF and simulation analysis.

Forecast – Sales to EBIT				
	2003	2004	2005	2006
Net sales	3,786	3,795	3,805	3,814
yoy change	0.25%	0.25%	0.25%	0.25%
Cost of goods sold	-2,385	-2,391	-2,387	-2,393
% of sales	63.00%	**63.00%**	**62.75%**	**62.75%**
Gross profit	1,401	1,404	1,417	1,421
MG&A	-1,022	-1,025	-1,018	-1,020
% of sales	27.00%	**27.00%**	**26.75%**	**26.75%**
Operating income (EBIT)	379	380	399	400

DCF: EBIT to Free Cash Flows	2002	2003E	2004E	2005E	2006E
EBIT	312	379	380	399	400
% change		*21.2%*	*0.3%*	*5.3%*	*0.2%*
NOPLAT	198	240	241	254	254
tax rate	*37%*	*37%*	*37%*	*37%*	*37%*
Depreciation and Amortization		243	250	258	266
Inc (Dec) in Net WC		5	15	20	50
Capex		225	225	234	243
Free Cash Flow		253	251	257	226
% change			*-0.8%*	*2.5%*	*-12.0%*
Terminal Value					3,767
FCF incl. Term Value		253	251	257	3,993
Discounted FCF		249	231	222	3,213

WACC Calculation

Cost of Debt		Cost of Equity	
Risk Free rate (30 year T Bond)	5.38%	Risk Free rate (30 year T Bond)	5.38%
Market Risk Premium	6%	Market Risk Premium	6%
Beta of Debt	0.17	Beta of Equity	0.59
Current cost of debt	6.38%	Cost of Equity	8.9%
		Total Debt (as of 9/30/2003)	1,370
		Market Value of Equity (as of 11/28/2003)	2,006
WACC	**6.91%**	Debt/Equity Ratio	0.68

Price per share calculation

WACC	6.9%	
Implied Perpetual Growth Rate	0.85%	
Present Value (end '03)	3,915.1	
Net Debt (end '03)	1,370.2	
Total Equity	2,544.8	
minus: Book Value of Class A stock	1.26	(Only insiders own Class A Stock)
Adjusted total Equity	2,543.6	
Shares OS (millions)	35.1	
Price per Share, solely using above inputs	$72.51	
Average Price per Share from 1000 simulations with probability tables of revenue growth, COGS, and SG&A	**$51.22**	

DCF and simulation gives us an estimate of RKY's stock valuation to be $51.22. Considering that the stock is currently trading around $55, we consider it to be already fairly valued to slightly richly valued.

Investment Thesis. Recently RKY reported 3Q:03 EPS of $1.62, well ahead of the consensus forecast. Total revenue increased 3.9% to $1.041 bn, largely on the strength of European volume which rose 6.2%. RKY also indicated that 4Q:03 total revenue growth, which was essentially flat in the Americas in 3Q:03, is likely to decelerate. In addition, implementation of RKY's new SAP system is bringing unintended costs. RKY's comment on 4Q:03 is not particularly surprising, since they had previously indicated that destocking would occur in 4Q:03. RKY has generated incremental 4Q:03 costs of roughly $0.02-$0.05 thus far for 4Q:03 due to the implementation of a new SAP system. RKY may be at the front of a sustained period of downward earnings revisions due to a deteriorating competitive position and anticipated 4Q:03 results which are unlikely to inspire sustained incremental buying above current prices over the near-term. We believe the likelihood is that the stock is heading into the $40s again over the coming months and expect to find support in the upper $40s, again due to valuation. Accordingly we rate shares of RKY HOLD.

Appendix: Brewer Per Barrel Comparison between RKY and Its Peers[4]

Figure 6 Brewer Per Barrel Analysis

	Year 1998	Year 1999	Year 2000	Year 2001	Year 2002	Year 2003E	Year 2004E
Net Revenue Per Barrel							
Anheuser-Busch	$92.37	$94.88	$97.23	$100.29	$103.97	$107.09	$109.77
year-over-year change		2.7%	2.5%	3.1%	3.7%	3.0%	2.5%
Coors Brewing	$88.75	$94.72	$103.90	$105.73	$104.19	$105.55	$107.66
year-over-year change		6.7%	9.7%	1.8%	-1.5%	1.3%	2.0%
Miller Brewing	$80.56	$82.38	$86.54	$95.43	$101.56	$105.32	$107.43
year-over-year change		2.3%	5.1%	10.3%	6.4%	3.7%	2.0%
Boston Beer Company	$149.51	$150.58	$153.55	$160.42	$167.36	$168.35	$173.40
year-over-year change		0.7%	2.0%	4.5%	4.3%	0.6%	3.0%
Operating Costs Per Barrel							
Anheuser-Busch	$70.62	$71.19	$71.90	$73.42	$75.27	$76.72	$77.49
year-over-year change		0.8%	1.0%	2.1%	2.5%	1.9%	1.0%
Coors Brewing	$83.83	$89.04	$97.79	$99.18	$96.20	$97.06	$97.08
year-over-year change		6.2%	9.8%	1.4%	-3.0%	0.9%	0.0%
Miller Brewing	$69.74	$69.91	$73.13	$82.78	$90.89	$98.16	$101.11
year-over-year change		0.2%	4.6%	13.2%	9.8%	8.0%	3.0%
Boston Beer Company	$137.61	$136.21	$140.56	$146.91	$158.39	$156.51	$160.66
year-over-year change		-1.0%	3.2%	4.5%	7.8%	-1.2%	2.7%
Operating Income Per Barrel							
Anheuser-Busch	$21.75	$23.69	$25.33	$26.87	$28.70	$30.37	$32.28
year-over-year change		8.9%	6.9%	6.1%	6.8%	5.8%	6.3%
Coors Brewing	$5.80	$7.04	$6.88	$7.45	$8.90	$9.39	$11.47
year-over-year change		21.4%	-2.3%	8.3%	19.4%	5.6%	22.2%
Miller Brewing	$10.82	$12.47	$13.41	$12.65	$10.67	$7.16	$6.32
year-over-year change		15.3%	7.5%	-5.6%	-15.7%	-32.9%	-11.7%
Boston Beer Company	$11.90	$14.37	$12.99	$13.52	$8.97	$11.84	$12.74
year-over-year change		20.8%	-9.6%	4.1%	-33.6%	32.0%	7.6%
Operating Margin							
Anheuser-Busch	23.5%	25.0%	26.1%	26.8%	27.6%	28.4%	29.4%
year-over-year point change		1.4	1.1	0.7	0.8	0.7	1.0
Coors Brewing	5.5%	6.0%	5.9%	6.2%	7.7%	8.0%	9.8%
year-over-year point change		0.5	-0.1	0.3	1.5	0.4	1.8
Miller Brewing	13.4%	15.1%	15.5%	13.3%	10.5%	6.8%	5.9%
year-over-year point change		1.7	0.4	-2.2	(2.8)	(3.7)	(0.9)
Boston Beer Company	8.0%	9.5%	8.5%	8.4%	5.4%	7.0%	7.3%
year-over-year point change		1.6	-1.1	0.0	-3.1	1.7	0.3
Advertising Costs Per Barrel*							
Anheuser-Busch	$5.27	$5.85	$5.75	$5.61	$6.30	$5.89	$6.04
year-over-year change		11.0%	-1.8%	-2.4%	12.2%	-6.5%	2.5%
Coors Brewing	$18.68	$20.20	$20.76	$20.44	$21.40	$21.81	$22.46
year-over-year change		8.1%	2.8%	-1.5%	4.7%	1.9%	3.0%
Miller Brewing	$10.09	$10.82	$12.41	$12.64	$13.21	$14.91	$15.98
year-over-year change		7.2%	14.7%	1.9%	4.5%	12.9%	7.2%
Boston Beer Company	$28.52	$33.73	$33.44	$37.79	$48.34	$43.28	$46.40
year-over-year change		18.3%	-0.9%	13.0%	27.9%	-10.5%	7.2%

*estimated
Source: Prudential Equity Group, Inc., company reports.

[4] Per barrel metrics allow for true comparisons ("apples to apples") between brewers in terms of profitability.

Sources

1. UBS Equity Research.
2. Prudential Equity Research.
3. Legg Mason Equity Research.
4. Constellation Brands Inc.
5. RKY’s 10-K and 10-Q.
6. RKY’s Annual Report.

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