

COORS ADOLPH CO  
Form PRER14A  
November 12, 2004

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14(a)-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**ADOLPH COORS COMPANY**

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(Name of Registrant as Specified in its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:  
Class A non-voting shares of Molson Inc. (including associated options)

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Class B common shares of Molson Inc.

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(2)

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Aggregate number of securities to which transaction applies:

113,606,907 Class A non-voting shares of Molson Inc. (including shares issuable upon exercise of outstanding options to purchase Class A non-voting shares), which represents the number of such shares to be exchanged, in a series of transactions, for shares representing interests in the combined company pursuant to the Combination Agreement (the "Combination Agreement"), dated July 21, 2004, by and among Adolph Coors Company, Molson Coors Canada Inc. and Molson Inc.

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19,986,022 Class B common shares of Molson Inc., which represents the number of such shares to be exchanged, in a series of transactions, for shares representing interests in the combined company pursuant to the Combination Agreement

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- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\$25.71 per Class A non-voting share of Molson Inc., which is the average of the high and low sales prices reported on the Toronto Stock Exchange for such shares on September 13, 2004, converted to U.S. dollars by applying the exchange rate on such date, which was 0.7692 U.S. dollars for each Canadian dollar (the "Exchange Rate")

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\$25.79 per Class B common share of Molson Inc., which is the average of the high and low sales prices reported on the Toronto Stock Exchange for such shares on September 13, 2004, converted to U.S. dollars by applying the Exchange Rate

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- (4) Proposed maximum aggregate value of transaction:

\$3,436,728,815, which is the maximum value calculated pursuant to Rule 0-11 of the Exchange Act of 1934, as amended

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- (5) Total fee paid:  
\$435,434
- 

ý Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount previously paid:

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- (2) Form, Schedule or Registration Statement No.:

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- (3) Filing Party:

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- (4) Date Filed:

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, 2004

Dear Molson shareholders and optionholders and Coors stockholders:

Enclosed are proxy materials with important facts about the proposed merger of equals of Molson Inc. and Adolph Coors Company and why we believe the merger is the right decision for both companies. Since the completion of the merger transaction requires approval of Molson shareholders and Coors stockholders, YOUR VOTE IS IMPORTANT. Molson optionholders will vote separately on the exchange of their options for options of the combined company and not on the merger transaction itself. We urge you to read the enclosed materials carefully and to promptly vote by following the instructions shown on the appropriate enclosed proxy card.

The Molson and Coors boards of directors have concluded that this combination offers significant achievable benefits to our shareholders and builds on the solid existing business relationship between Molson and Coors. Each board recommends that you vote **FOR** the merger transaction.

The merger will create one of the world's largest brewers, Molson Coors Brewing Company, with the operational scale and financial strength necessary to compete more effectively in today's consolidating market. Together, we would be the world's fifth largest brewing company by volume, with combined beer sales of 60 million hectoliters, or 51 million barrels, and a strong foundation of established brands in four of the world's top ten beer markets. We estimate that Molson's former shareholders and Coors' stockholders will own approximately 55% and 45%, respectively, of the outstanding economic interest in the combined company upon completion of the merger transaction. In addition, Molson Class A non-voting and Class B common shareholders, excluding Pentland Securities (1981), Inc., a company owned by Eric Molson and Stephen Molson, will receive a special dividend of Cdn.\$3.26 per share, or a total of approximately Cdn.\$381 million (U.S.\$316 million), payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend. Had Pentland not waived participation in the special dividend, the special dividend to be declared would have been Cdn.\$3.00 per share instead of Cdn.\$3.26 per share.

We expect annual cost savings resulting from the merger of approximately U.S.\$50 million and U.S.\$90 million in the first and second years, respectively, following the merger. Thereafter, we expect annual cost savings resulting from the merger of approximately U.S.\$175 million.

We will build an enhanced growth platform, balance sheet and cash flow to fund future investment. The combined company will be able to make targeted investments in support of key brands and key markets, renewed investments in product innovations and disciplined capital improvements to drive productivity growth.

Both Molson and Coors have long-standing heritages in the brewing industry, but more is needed in today's increasingly global and highly dynamic brewing market. Together we can build a stronger, more adaptable company with the necessary scope, scale and financial strength to meet the challenges of a fast-changing industry.

**We urge you to vote FOR the merger by promptly submitting your proxy by signing, dating and returning the appropriate enclosed proxy card in the postage-paid envelope provided, or voting by telephone or via the Internet as described in the easy instructions included on your proxy card.** Returning the proxy does not deprive you of your right to attend the special meeting and to vote your shares in person. Thank you for your consideration of this matter and your continued support.

Sincerely,

Daniel J. O'Neill  
President and Chief Executive Officer

W. Leo Kiely III  
President and Chief Executive Officer

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Molson Inc.

Adolph Coors Company

If you are a Molson shareholder or optionholder with questions about the merger transaction or about how to submit your vote, please call Innisfree M&A Incorporated toll-free at:

(English speakers)

(French speakers)

(Banks and brokers may call collect at       ).

If you are a Coors stockholder with questions about the merger transaction or about how to submit your vote, please call Georgeson Shareholder Communications Inc. toll-free at:

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**MOLSON INC.**  
**1555 NOTRE DAME STREET EAST**  
**4<sup>th</sup> FLOOR**  
**MONTRÉAL, QUÉBEC, CANADA, H2L 2R5**  
**( )**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF MOLSON INC.**  
**TO BE HELD ON \_\_\_\_\_, 2004**

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A special meeting of the holders of Class A non-voting shares and Class B common shares of Molson Inc. ("Molson") will be held at \_\_\_\_\_, 2004 at \_\_\_\_\_ (Montréal time) for the following purposes:

1. To consider, pursuant to an interim order of the Superior Court, District of Montréal, Province of Québec dated \_\_\_\_\_, 2004, and, if deemed advisable, to pass, with or without variation, a special resolution to approve an arrangement under Section 192 of the Canada Business Corporations Act to effect the combination of Molson and Adolph Coors Company ("Coors").
2. To transact other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

The arrangement is described in the attached document, which serves as (i) a management information circular in connection with Molson management's solicitation of proxies, and (ii) a proxy statement in connection with Coors' solicitation of proxies for the amendment of Coors' certificate of incorporation and the issuance of shares of common stock in connection with the arrangement. The full text of the Molson shareholders resolution is set forth as Annex A-I to the attached document. Molson's notice of application for the interim order and for a final order approving the arrangement and the full text of the interim order are set forth as Annex C to the attached document.

In accordance with the interim order referred to above, registered holders of Class A non-voting shares or Class B common shares of Molson may dissent from the arrangement. If the arrangement becomes effective, dissenting Molson shareholders will be entitled to be paid the fair value of their shares. Failure to comply strictly with the applicable dissent procedures may result in the loss or unavailability of any right to dissent.

The record date for receiving notice of, and voting securities at, the Molson special meeting is \_\_\_\_\_, 2004. If you were a registered shareholder of Molson at the close of business on the record date, you are entitled to vote at the special meeting. If you are a non-registered holder of Molson shares, please read the instructions from your broker or other intermediary regarding how to vote your Molson shares.

Your vote is important. Whether or not you plan to attend the special meeting in person, you are urged to complete, sign, date and return the appropriate enclosed form of proxy to Molson or vote by telephone or via the Internet as indicated in your proxy form.

By Order of the Board of Directors

Eric H. Molson  
Chairman of the Board  
, 2004

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**MOLSON INC.**  
**1555 NOTRE DAME STREET EAST**  
**4<sup>th</sup> FLOOR**  
**MONTRÉAL, QUÉBEC, CANADA, H2L 2R5**  
**( )**

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**NOTICE OF MEETING OF OPTIONHOLDERS OF MOLSON INC.**  
**TO BE HELD ON \_\_\_\_\_, 2004**

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A meeting of the holders of options to purchase Class A non-voting shares of Molson Inc. ("Molson") will be held in the John Molson Room located at 1670 Notre-Dame Street East, Montréal, Québec, on \_\_\_\_\_, 2004 at \_\_\_\_\_ (Montréal time) for the following purposes:

1. To consider, pursuant to an interim order of the Superior Court, District of Montréal, Province of Québec dated \_\_\_\_\_, 2004, and, if deemed advisable, to pass, with or without variation, a Molson optionholders resolution to approve those provisions of the arrangement under Section 192 of the Canada Business Corporations Act which effect the exchange of options to purchase Class A non-voting shares of Molson for options to purchase shares of Class B common stock of Molson Coors Brewing Company.
2. To transact other business that may properly come before the meeting or any adjournment or postponement of the meeting.

The arrangement is described in the attached document, which serves as (i) a management information circular in connection with Molson management's solicitation of proxies, and (ii) a proxy statement in connection with Coors' solicitation of proxies for the amendment of Coors' certificate of incorporation and the issuance of shares of common stock in connection with the arrangement. The full text of the Molson optionholders resolution is set forth as Annex A-II to the attached document. Molson's notice of application for the interim order and for a final order approving the arrangement and the full text of the interim order are set forth as Annex C to the attached document.

The record date for receiving notice of, and voting securities at, the meeting of optionholders is \_\_\_\_\_, 2004. If you were an optionholder of Molson at the close of business on the record date, you are entitled to vote at the meeting.

Your vote is important. Whether or not you plan to attend the meeting in person, you are urged to complete, sign, date and return the appropriate enclosed form of proxy to Molson or vote by telephone or via the Internet as indicated in your proxy form.

By Order of the Board of Directors

Eric H. Molson  
Chairman of the Board  
\_\_\_\_\_, 2004

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**ADOLPH COORS COMPANY**

311 10<sup>th</sup> Street  
Golden, Colorado 80401  
( )

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON \_\_\_\_\_, 2004**

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To our stockholders:

You are cordially invited to attend a special meeting of stockholders of Adolph Coors Company ("Coors"), which will be held at \_\_\_\_\_ (local time), on \_\_\_\_\_, 2004 at Coors Brewing Company in the Sixth Floor Auditorium in the Brewery Complex, 1<sup>st</sup> and Ford Streets, Golden, Colorado 80401 to consider and vote on:

a proposal to adopt a restated certificate of incorporation of Coors in the form attached as Annex G to the enclosed document, which we refer to as the charter amendment proposal, such approval to include, among other things, the following proposals:

1. to change the company's name to "Molson Coors Brewing Company" from "Adolph Coors Company";
2. to increase the number of authorized shares of Class A common stock and Class B common stock to 500,000,000 for each class;
3. to authorize the creation of one share each of special Class A voting stock and special Class B voting stock, through which the holders of Class A exchangeable shares and Class B exchangeable shares described in this proxy statement, respectively, will exercise their voting rights with respect to the combined company;
4. to provide that holders of Class B common stock and special Class B voting stock may not take action by written consent;
5. to include additional governance and corporate actions among the actions requiring the approval of the holders of the Class A common stock and the special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting as a single class;
6. to provide that no dividend may be declared or paid on the Class A common stock or Class B common stock unless an equal dividend is declared or paid on the Class B common stock or Class A common stock, as applicable;
7. to provide that shares of Class A common stock will be convertible at the election of the holder into shares of Class B common stock;
8. to provide that shares of Class B common stock will be convertible into shares of Class A common stock in limited circumstances relating to specified offers which are not made to holders of Class B common stock;
9. to provide that holders of the Class B common stock and the special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), voting as a single class, will be entitled to elect three members of the Molson

Coors board of directors;

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10. to provide for a nominating committee, related nominating procedures and procedures for filling vacancies on the Molson Coors board of directors not previously provided for in the existing Coors certificate of incorporation;
  11. subject to the right of the holders of Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares) to vote on any charter amendment to increase or decrease the authorized number of shares of Class B common stock, to provide that the number of authorized shares of any class of stock of Molson Coors may be increased or decreased by the affirmative vote of the holders of Class A common stock and special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting together as a single class;
  12. to provide that the size of the Molson Coors board of directors shall be determined by resolution of the Molson Coors board of directors in accordance with the bylaws;
  13. to provide that (i) any director may be removed, with cause, by a vote of holders of a majority of the voting power of the Class A common stock, special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), voting together as a single class and (ii) any director may be removed, without cause, by a vote of the holders of a majority of the voting power of the class or classes that elected the director;
  14. to provide that the power of the Molson Coors board of directors to amend the Molson Coors bylaws may be limited by a provision of the bylaws in effect as of the date of the filing of the restated certificate of incorporation of Molson Coors; and
  15. to provide that, except as otherwise provided in the bylaws, Molson Coors shall be required to indemnify a person otherwise entitled to indemnification pursuant to the Molson Coors restated certificate of incorporation in connection with a proceeding commenced by such person only if the commencement of such proceeding was authorized by the Molson Coors bylaws, any written agreement between such person and Molson Coors, or in the specific case by the Molson Coors board of directors;
- a proposal to approve the issuance, which we refer to in this document as the Coors share issuance, of shares of Class A common stock, Class B common stock, special Class A voting stock and special Class B voting stock (and any shares convertible into or exchangeable for shares of that stock) as contemplated by the combination agreement, dated as of July 21, 2004, as amended, by and among Coors, Molson Coors Canada Inc. and Molson Inc., which agreement is attached as Annex B to the attached document, and the plan of arrangement referred to in that agreement, a form of which is attached as Annex D to the attached document; and
- any other matters as may properly come before the special meeting and any adjournment or postponement of the special meeting, including any proposal to adjourn the meeting to solicit additional proxies in favor of the foregoing proposals.

All of the proposed amendments to the certificate of incorporation and the Coors share issuance are described in the attached document, which serves as (i) a proxy statement under applicable U.S. securities laws in connection with Coors' solicitation of proxies, and (ii) a management information circular for Molson in connection with the combination of Molson and Coors.

The record date for receiving notice of, and voting shares at, the Coors special meeting is November 22, 2004. At the special meeting or any adjournment or postponement of the special meeting, holders of record of shares of Class A common stock and Class B common stock of Coors at the close of business on the record date are entitled to vote, as separate classes, with respect to the charter amendment proposals set forth in the first bullet point and proposal nos. 2 to 9, 11 and 13. The holders of record of shares of Class A common stock of Coors at the close of business on the record

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date are entitled to vote with respect to proposal nos. 1, 10, 12, 14, 15, the Coors share issuance and other matters as may come before the special meeting and/or any adjournment or postponement thereof.

None of the proposed amendments to the existing certificate of incorporation of Coors or the proposed Coors share issuance will be implemented unless all are approved and the merger transaction is completed.

Your vote is important. Whether or not you plan to attend the special meeting, you are urged to complete, date, sign and return the enclosed proxy in the accompanying envelope or submit your proxy by telephone or via the Internet in accordance with the instructions included with the proxy card. If your shares are held by a broker or other intermediary, please read the instructions from your broker or other intermediary regarding how to vote your Coors shares.

By Order of the Board of Directors

Peter H. Coors  
Chairman

Golden, Colorado  
, 2004

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MOLSON INC.  
1555 NOTRE DAME STREET EAST  
4<sup>th</sup> FLOOR  
MONTRÉAL, QUÉBEC H2L 2R5  
(514)

ADOLPH COORS COMPANY  
311 10<sup>th</sup> STREET  
GOLDEN, COLORADO 80401  
(303)

JOINT PROXY STATEMENT/MANAGEMENT INFORMATION CIRCULAR

, 2004

This document is being furnished to shareholders and optionholders of Molson Inc., a corporation incorporated under the laws of Canada, in connection with the solicitation of proxies by management of Molson for use at the special meeting of the Molson shareholders, to be held at \_\_\_\_\_, on \_\_\_\_\_, 2004 at \_\_\_\_\_ (Montréal time), the separate meeting of Molson optionholders, to be held in the John Molson Room located at 1670 Notre-Dame Street East, Montréal, Québec, on \_\_\_\_\_, 2004 at \_\_\_\_\_ (Montréal time) and any adjournment or postponement of these meetings.

This document is also being furnished to holders of common stock of Adolph Coors Company, a Delaware corporation, in connection with the solicitation of proxies by the board of directors of Coors for use at the special meeting of Coors stockholders to be held at Coors Brewing Company in the Sixth Floor Auditorium in the Brewery Complex, 12<sup>th</sup> and Ford Streets, Golden, Colorado 80401, on \_\_\_\_\_, 2004 at \_\_\_\_\_ (local time), and any adjournment or postponement of the special meeting.

Our respective boards of directors unanimously recommend a merger-of-equals transaction between Molson and Coors under which, among other things:

Adolph Coors Company will change its name to "Molson Coors Brewing Company" and amend its certificate of incorporation and bylaws to implement the proposed merger transaction, including amending the terms of Coors common stock and adding a right for the holders of Molson Coors Class B common stock to elect three directors;

Molson Class A non-voting and Class B common shareholders, other than Pentland Securities (1981), Inc., a company owned by Eric Molson and Stephen Molson, and its subsidiaries, which we refer to collectively as Pentland in this document, will receive a special dividend of Cdn.\$3.26 per share, payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend;

each Molson share will, through a series of exchanges, be exchanged for the equivalent of 0.360 of a share of Molson Coors common stock and/or exchangeable shares of Molson Coors Canada Inc., a subsidiary of Molson Coors, as described in the enclosed document; and

Coors stockholders will retain their shares, which will remain outstanding as shares of Molson Coors.

This document and the accompanying form of proxy and letter of transmittal will first be mailed to shareholders and optionholders of Molson and stockholders of Coors on or about \_\_\_\_\_, 2004 and is dated \_\_\_\_\_, 2004. You should not assume that the information contained in this document is accurate as of any date other than that date, and the mailing of this document to you does not create any implication to the contrary.

***Please see the section entitled "Risk Factors" beginning on page 46 for considerations relevant to approval of the resolution and proposals to be considered at the Molson and Coors special meetings and an investment in the securities referred to in this document.***

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*The securities to be issued in connection with the merger transaction described in this document have not been approved or disapproved by the U.S. Securities and Exchange Commission or any securities regulatory authority of any state of the United States or province or territory of Canada, nor has the U.S. Securities and Exchange Commission or any securities regulatory authority of any state of the United States or province or territory of Canada passed on the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.*

The information concerning Coors contained or incorporated by reference in this document, including the attached annexes, has been provided by Coors, and the information concerning Molson contained or incorporated by reference in this document, including the attached annexes, has been provided by Molson. The information concerning Coors and Molson after the completion of the combination of the two companies and the information used to derive the pro forma financial information has been provided jointly by Coors and Molson.

You should rely only on the information contained or incorporated by reference in this document to vote your securities at your special meeting. No person is authorized to give any information or to make any representation not contained in this document and, if given or made, that information or representation should not be relied upon as having been authorized. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

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**SUMMARY VOTING INSTRUCTIONS**

**IF YOU ARE A MOLSON SHAREHOLDER AND YOU SUPPORT THE PROPOSED MERGER OF MOLSON INC. AND ADOLPH COORS COMPANY, YOU SHOULD:**

**Ensure that your shares can be voted at the Molson meeting by submitting your proxy or contacting your broker.**

*If your Molson shares are registered in the name of your broker:* contact your broker in order to (a) obtain directions as to how to ensure that your shares are voted in favor of the proposed merger, and (b) confirm that your broker has instructions from you as to whether you wish to receive Molson Coors common stock or, if you are eligible to receive exchangeable shares, exchangeable shares, or a combination of both, pursuant to the merger.

*If your Molson shares are registered in your name:* submit your proxy on or prior to [ ] by telephone, via the Internet or by signing, dating and returning the appropriate enclosed form of proxy in the envelope provided (which must be received on or prior to [ ]), so that your shares can be voted in favor of the proposed merger (instructions regarding telephone and Internet voting are included on the appropriate form of proxy).

Innisfree M&A Incorporated is acting as proxy solicitor for Molson. If you have any questions about the merger transaction or about how to vote your shares, please call Innisfree toll free at the following number: (English speakers) (French speakers).

**IF YOU ARE A COORS CLASS B COMMON STOCKHOLDER AND YOU SUPPORT SOME OR ALL OF THE PROPOSALS THAT ARE NECESSARY FOR THE MERGER TRANSACTION AND THAT ARE DESCRIBED ON PAGES 13-14 (THE APPROVAL OF EACH OF WHICH IS A CONDITION TO THE COMPLETION OF THE PROPOSED MERGER OF MOLSON INC. AND ADOLPH COORS COMPANY), YOU SHOULD:**

**Ensure that your shares can be voted at the Coors meeting by submitting your proxy or contacting your broker.**

*If your shares of Coors Class B common stock are registered in the name of your broker:* contact your broker in order to obtain directions as to how to ensure that your shares are voted in favor of the proposals you wish to vote for.

*If your shares of Coors Class B common stock are registered in your name:* submit your proxy on or prior to [ ] by telephone, via the Internet or by signing, dating and returning the enclosed form of proxy in the envelope provided (which must be received on or prior to [ ]), so that your shares can be voted in favor of the proposals you wish to vote for (instructions regarding telephone and Internet voting are included on the attached form of proxy).

Georgeson Shareholder Communications Inc. is acting as proxy solicitor for Coors. If you have any questions about the merger transaction or about how to vote your shares, please call Georgeson toll free at .

**All shareholders should review the information contained in this document, including the annexes. This document contains important information about Molson, Coors and the merger transaction.**

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**Reporting Currencies and Accounting Principles**

The financial information regarding Molson, including Molson's audited consolidated financial statements, Molson's unaudited consolidated financial statements and the summaries of those consolidated financial statements, contained in this document are reported in Canadian dollars, unless otherwise indicated, and have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), which differs from U.S. generally accepted accounting principles ("U.S. GAAP") in certain significant respects. See Note 24 of the Molson audited consolidated financial statements and Note 12 of the Molson unaudited financial statements set forth in Annex R to this document for a reconciliation of Molson's shareholders' equity and net earnings to U.S. GAAP.

The financial information regarding Coors, including Coors' audited financial statements, Coors' unaudited financial statements and the summaries of those financial statements, contained in this document are reported in U.S. dollars and have been prepared in accordance with U.S. GAAP. The unaudited pro forma financial statements of Molson Coors contained in this document are reported in U.S. dollars and have been prepared in accordance with U.S. GAAP. These financial statements have not been prepared in accordance with Canadian GAAP and may not be comparable to financial statements of Canadian issuers.

In this document, unless otherwise stated, dollar amounts are expressed in either Canadian dollars (Cdn.\$) or U.S. dollars (U.S.\$).

## Exchange Rates

**Exchanging Canadian Dollars.** The following table sets forth, for each period indicated, the high and low exchange rates for one Canadian dollar during that period, the average of the exchange rates during that period, and the exchange rate at the end of that period, in each case expressed in U.S. dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

	Nine months ended September 30, 2004	Year ended December 31,				
		2003	2002	2001	2000	1999
(In U.S.\$ per Cdn.\$1)						
High	0.791	0.774	0.662	0.670	0.697	0.693
Low	0.716	0.635	0.620	0.624	0.641	0.654
Average	0.753	0.714	0.637	0.646	0.673	0.673
Period End	0.791	0.774	0.633	0.628	0.667	0.693

On July 21, 2004, the last trading day prior to the announcement of the merger transaction, the exchange rate for one Canadian dollar expressed in U.S. dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, was U.S.\$0.7616. On \_\_\_\_\_, 2004, the exchange rate for one Canadian dollar expressed in U.S. dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, was U.S.\$ \_\_\_\_\_.

**Exchanging U.S. Dollars.** The following table sets forth, for each period indicated, the high and low exchange rates for one U.S. dollar during that period, the average of the exchange rates during that period, and the exchange rate at the end of that period, in each case expressed in Canadian dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

	Nine months ended September 30, 2004	Year ended December 31,				
		2003	2002	2001	2000	1999
(In Cdn.\$ per U.S.\$1)						
High	1.397	1.575	1.613	1.602	1.560	1.530
Low	1.265	1.292	1.511	1.493	1.435	1.444
Average	1.329	1.401	1.570	1.549	1.486	1.486
Period End	1.265	1.292	1.580	1.593	1.500	1.444

On July 21, 2004, the last trading day prior to the announcement of the merger transaction, the exchange rate for one U.S. dollar expressed in Canadian dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, was Cdn.\$1.32. On \_\_\_\_\_, 2004, the exchange rate for one U.S. dollar expressed in Canadian dollars, based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, was Cdn.\$ \_\_\_\_\_.

**Recent Exchange Rates.** The following table sets forth, for each period indicated, the high and low exchange rates for one U.S. dollar during that period, expressed in Canadian dollars and for one Canadian dollar during that period, expressed in U.S. dollars, respectively. The rates are based upon

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the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York.

2004	November 1- November 8	October	September	August	July	June	May
<b>(In U.S.\$ per Cdn.\$1)</b>							
High	0.839	0.820	0.791	0.772	0.764	0.746	0.737
Low	0.815	0.786	0.765	0.750	0.748	0.726	0.715
<b>(In Cdn.\$ per U.S.\$1)</b>							
High	1.226	1.273	1.307	1.332	1.337	1.377	1.398
Low	1.193	1.219	1.265	1.296	1.309	1.341	1.357

**Questions and Answers About the Merger Transaction and the Special Meetings**

When we use the term "merger transaction" throughout this document, it means the transactions contemplated by the combination agreement and the other documents referred to in the combination agreement. When we refer to "Molson Coors" in this document, we are referring to the combined company following the completion of the merger transaction, which will be named Molson Coors Brewing Company. When we use the term "we" or "us", we are referring to Molson Coors after the merger transaction or, collectively, to Molson and Coors before the merger transaction. "Molson Coors Exchangeco" or "Exchangeco" refers to Molson Coors Canada Inc., a subsidiary of Molson Coors.

**GENERAL QUESTIONS AND ANSWERS**

**Q: What are Molson and Coors proposing?**

A: Molson and Coors are proposing to combine the two companies in a merger of equals to create Molson Coors Brewing Company. We refer to the merger transaction as a merger of equals because each company's controlling shareholder will share governance of the combined company through voting trust agreements, the companies have relatively equivalent market capitalization, and each company's shareholders will collectively have relatively equal ownership of the combined company. The merger transaction will feature the following steps:

Coors, a Delaware corporation, will change its name to "Molson Coors Brewing Company" and amend its certificate of incorporation and bylaws to implement various features of the merger transaction, including changing some of the terms of Coors' common stock and adding a right for the holders of Molson Coors Class B common stock to elect three directors, all as described in this document.

Molson Class A non-voting and Class B common shareholders, excluding Pentland, will receive a special dividend of Cdn.\$3.26 per share, payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend.

All of Molson's shares will, through a series of exchanges, be exchanged for shares of Molson Coors common stock and/or exchangeable shares of Molson Coors Canada Inc., a subsidiary of Molson Coors, as described under "What will I receive in the merger transaction?" below.

The Coors stockholders will retain their shares, which will remain outstanding as shares of Molson Coors.

The combination will be carried out in accordance with a combination agreement, dated as of July 21, 2004, as amended, by and among Molson, Coors and Molson Coors Exchangeco, and the documents referred to in that agreement.

**Q: How do the Molson and Coors boards of directors recommend that I vote?**

A: Molson's board of directors unanimously recommends that Molson's shareholders vote **FOR** the Molson shareholders resolution to approve the merger transaction and that Molson's optionholders vote **FOR** the Molson optionholders resolution. Coors' board of directors unanimously recommends that Coors stockholders vote **FOR** Coors' amendment of its certificate of incorporation and its share issuance necessary to implement the merger transaction.

**Q: Why are Molson and Coors proposing to combine?**

A: We believe that the trend toward consolidation in the international brewing industry will continue and that scale and ability to operate internationally will be increasingly essential to compete effectively. The proposed merger transaction builds on the strategic and cultural fit between the two companies and provides us with the added scale, resources and geographic coverage necessary to compete more effectively in this changing competitive environment. It leverages the solid existing business relationship between the two companies.

We expect the merger transaction to deliver immediate tangible benefits to shareholders through substantial synergies, including estimated annual cost savings resulting from the merger of approximately U.S.\$50 million in the first year after the merger transaction, an incremental U.S.\$40 million in the second year after the merger transaction (for a total savings of U.S.\$90 million in the second year), and an incremental U.S.\$85 million in the third year after the merger transaction (for a total savings of U.S.\$175 million in the third year). Thereafter, we expect total annual cost savings resulting from the merger of approximately U.S.\$175 million. While these cost savings estimates are based on management's estimates, information available currently and assumptions which we believe to be reasonable, there is no assurance that these cost savings and other benefits of the merger will be attained. We believe that the enhanced financial strength expected to result from the anticipated cost savings will provide the combined company with the opportunity to grow revenue through added investments in marketing and other support for key brands. We also believe that our larger operating scale and enhanced financial strength resulting from the merger transaction will create a platform for our continued value-added participation in the global brewing industry consolidation.

**Q: Are there risks I should consider in deciding whether to vote for the proposed merger transaction?**

A: Yes. The proposed merger is subject to a number of risks and uncertainties. We may not realize the benefits we currently anticipate, including the annual estimated cost savings described above, due to the challenges associated with integrating the companies. We may be unable to coordinate sales, distribution and marketing efforts to effectively promote the products of the combined company. Molson has recorded impairment charges and may have to take further impairment charges as a result of its Brazilian operations. The proposed governance arrangements of the combined company, which provide that voting control would be shared by Pentland and the Adolph Coors Jr. Trust dated September 12, 1969, which we refer to as the Coors Trust in this document, may result in stalemates between them. In addition, the proposed merger transaction is subject to the receipt of consents and approvals from government entities that could delay completion of the merger transaction or impose conditions on the combined company. Certain, but not all, of these regulatory approvals have already been received. See "Regulatory Matters" beginning on page 98 and other information included in this document.

Before deciding whether to vote for or against the proposed transaction, you should carefully consider these and other risks as well as the more detailed discussion of "Risk Factors" beginning on page 46 and other information included in this document.

**Q: What will I receive in the merger transaction?**

A: **Molson Class A Shareholders.** A holder of Molson Class A non-voting shares who is a Canadian resident for Canadian income tax purposes may elect to receive for each of those shares:

0.360 of a Class B exchangeable share of Molson Coors Exchangeco (and ancillary rights),

through a series of exchanges, 0.360 of a share of Class B common stock of Molson Coors, or

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a combination of Class B exchangeable shares (and ancillary rights) and, through a series of exchanges, shares of Class B common stock.

A holder of Molson Class A non-voting shares with an address in Canada, as recorded on Molson's share register, who does not make any election will receive Class B exchangeable shares. A holder of Molson Class A non-voting shares with an address outside of Canada, as recorded on Molson's share register, who does not make any election will receive, through a series of exchanges, for each of those shares, 0.360 of a share of Class B common stock of Molson Coors.

**Molson Class B Shareholders.** A holder of Molson Class B common shares who is a Canadian resident for Canadian income tax purposes may elect to receive for each of those shares:

0.126 of a Class A exchangeable share and 0.234 of a Class B exchangeable share of Molson Coors Exchangeco (and ancillary rights),

through a series of exchanges, an aggregate of 0.360 of a share of Molson Coors common stock, comprised of 0.126 of a share of Class A common stock and 0.234 of a share of Class B common stock, or

a combination of exchangeable shares (and ancillary rights) and, through a series of exchanges, shares of Molson Coors common stock.

A holder of Molson Class B common shares with an address in Canada, as recorded on Molson's share register, who does not make any election will receive exchangeable shares. A holder of Molson Class B common shares with an address outside of Canada, as recorded on Molson's share register, who does not make any election will receive, through a series of exchanges, for each of those shares, an aggregate of 0.360 of a share of Molson Coors common stock comprised of 0.126 of a share of Class A common stock of Molson Coors and 0.234 of a share of Class B common stock of Molson Coors.

Molson shareholders will be paid cash in lieu of any fractional shares. Dissenting shareholders who properly exercise their dissent rights will be entitled to be paid the fair value of their shares.

**Special Dividend to Molson Shareholders.** Molson Class A non-voting and Class B common shareholders, excluding Pentland, will receive a special dividend of Cdn.\$3.26 per share, or a total of approximately Cdn.\$381 million (U.S.\$316 million), payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. Molson will issue a news release announcing the record date and closing date once they have been determined. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend. Had Pentland not waived participation in the special dividend, the special dividend to be declared would have been Cdn.\$3.00 per share instead of Cdn.\$3.26 per share.

**Molson Optionholders.** Options to purchase Class A non-voting shares of Molson will be exchanged for options to purchase shares of Molson Coors Class B common stock. The number of shares issuable upon the exercise of these options, and their applicable exercise prices, will be adjusted to take into account the 0.360 exchange ratio applicable to the merger transaction.

**Coors Stockholders.** Holders of shares of Class A common stock and Class B common stock of Coors will retain their shares, which will remain outstanding as shares of Molson Coors Class A common stock and Molson Coors Class B common stock, respectively, following the merger transaction. Some terms of the Coors common stock are being amended as a result of an amendment and restatement of Coors' certificate of incorporation, as described in this document, including adding a right for the holders of Molson Coors Class B common stock to vote as a class, together with a trustee holder of the special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), to elect three directors.



**Coors Optionholders.** Options to purchase shares of Class B common stock of Coors will remain outstanding as options to acquire shares of Class B common stock of Molson Coors.

**Q: Why are exchangeable shares being offered to Canadian residents in the merger transaction?**

A: The exchangeable share structure will provide an opportunity for shareholders of Molson who are eligible Canadian residents to make a tax election to defer Canadian income tax on any capital gain otherwise arising on the exchange of their Molson shares. In this document we refer to these exchangeable shares of Molson Coors Exchangeco as "exchangeable shares".

Each exchangeable share of Molson Coors Exchangeco is substantially the economic equivalent of a share of the corresponding class of Molson Coors common stock and is exchangeable at any time on a one-for-one basis for a share of the corresponding class of Molson Coors common stock. In addition, each holder of an exchangeable share will, through a trust agreement and special Molson Coors voting stock, effectively have the ability to cast votes along with holders of shares of the corresponding class of Molson Coors common stock.

**Q: What is the difference between Class A and Class B shares of Molson Coors common stock?**

A: Molson Coors Class A common stock will entitle holders to the right to vote for the election of 12 of the 15 members of the board of directors of the combined company and will otherwise be voting shares under Delaware law and the Molson Coors certificate of incorporation. Molson Coors Class B common stock will entitle holders the right to vote for the election of three of the 15 directors of the combined company and will be non-voting stock under Delaware law and the Molson Coors certificate of incorporation.

**Q: What percentage of the combined company will the shareholders of Molson and Coors own?**

A: Upon completion of the merger transaction, we estimate that Molson's former shareholders and Coors' stockholders will own approximately 55% and 45%, respectively, of the outstanding economic interest in the combined company. To reduce the dilution from the companies' stock option programs, we intend that Molson Coors will adopt a policy of purchasing, from time to time, subject to market conditions and when permitted by applicable law, shares of its Class B common stock in the open market following the completion of the merger transaction. We expect the number of shares purchased from time to time to have an aggregate market value approximately equal to the aggregate cash proceeds received in respect of exercised stock options (including replacement options issued in exchange for Molson options).

**Q: What will be the effects of the amendments to Coors' certificate of incorporation?**

A: As a result of the amendments to the certificate of incorporation of Coors in connection with the merger transaction, the number of authorized shares of Class A common stock and Class B common stock each will be amended to 500,000,000, and the relative rights, privileges and preferences of each class of common stock will be amended as described in this document, including to provide that:

holders of the Class B common stock, together with a trustee holder of the special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), will be entitled to elect three of the 15 members of the board of directors of Molson Coors;

holders of Class A common stock, together with a trustee holder of the special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), will elect 12 of the 15 members of the board of directors and have the right to vote as a class regarding corporate actions on which they are entitled to vote;

shares of Class A common stock will be convertible at the election of the holder into shares of Class B common stock; and



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shares of Class B common stock will be convertible into shares of Class A common stock in limited circumstances relating to specified offers which are not made to holders of Class B common stock.

**Q: What will be the quarterly dividend payable on the Molson Coors common stock and the exchangeable shares after the closing of the merger transaction?**

A: Coors and Molson have agreed that Molson Coors will increase its dividend by adopting a policy of paying, subject to applicable law, a quarterly dividend on Molson Coors common stock equal to the quarterly dividend payable on the Molson shares in effect on July 21, 2004, subject to adjustment for (i) the exchange rate of U.S.\$0.7616 per Canadian dollar on that date and (ii) the 0.360 exchange ratio. As a result, following completion of the merger transaction, Molson Coors' quarterly dividend rate is expected to be U.S.\$0.317 per share. Coors' current dividend rate is U.S.\$0.205 per share.

The quarterly dividend on exchangeable shares will be equal to the dividend on Molson Coors common stock and will be payable at the option of the holder in either U.S. dollars or Canadian dollars.

**Q: Where will the shares of Molson Coors and the exchangeable shares be listed?**

A: Coors and Molson have agreed to apply to the New York Stock Exchange and the Toronto Stock Exchange for the listing of the following classes of shares under the symbols set forth below:

<u>Class of Securities</u>	<u>NYSE Symbol</u>	<u>TSX Symbol</u>
Molson Coors Class A common stock	" "	"TAP.A"
Molson Coors Class B common stock	" "	"TAP.NV.B"
Class A exchangeable shares		"TPX.A"
Class B exchangeable shares		"TPX.NV.B"

**Q: When do Molson and Coors expect to complete the merger transaction?**

A: Molson and Coors will complete the merger transaction when all of the conditions to completion of the merger transaction have been satisfied or waived. Molson and Coors are working toward satisfying these conditions and completing the merger transaction as quickly as possible. Molson and Coors currently plan to complete the merger transaction during the fourth calendar quarter of 2004 or early in 2005. Because the merger transaction is subject to a number of other conditions, some of which are beyond Coors' and Molson's control, the exact timing cannot be predicted.

### MOLSON SECURITYHOLDER QUESTIONS AND ANSWERS

**Q: On what am I being asked to vote?**

A: If you are a Molson shareholder, you are being asked to approve the Molson shareholders resolution relating to the merger transaction between Molson and Coors. If you are a Molson optionholder, you are being asked to approve the Molson optionholders resolution relating to the exchange of your options for options to purchase shares of Class B common stock of Molson Coors. The Molson shareholders resolution and the Molson optionholders resolution are attached as Annex A-I and A-II, respectively.

**Q:**

**What vote is required to approve the Molson shareholders resolution?**

A:

Approval of the Molson shareholders resolution will require the affirmative votes of not less than:

66<sup>2</sup>/<sub>3</sub>% of the votes cast at the Molson special meeting by holders of Molson Class A non-voting shares voting as a class, and

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66<sup>2</sup>/<sub>3</sub>% of the votes cast at the Molson special meeting by holders of Molson Class B common shares voting as a class.

Each Molson Class A non-voting share and Class B common share is entitled to one vote on all matters scheduled to come before the Molson special meeting.

Pentland has committed to vote all of the Molson shares held by it in favor of the Molson shareholders resolution. As of the record date, Pentland (which is indirectly controlled by Eric H. Molson) owned 50.1% of the Molson Class B common shares.

**Q: What vote is required to approve the Molson optionholders resolution?**

A: Approval of the Molson optionholders resolution will require the affirmative votes of not less than 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the Molson optionholders meeting by holders of Molson options.

Each holder of options to purchase Molson Class A non-voting shares will be entitled to one vote for each Molson Class A non-voting share that would be received upon a valid exercise of that holder's Molson options regardless of whether the options are currently exercisable.

All of the directors and executive officers of Molson have committed to vote all of the Molson options they hold in favor of the Molson optionholders resolution. As of the record date, Molson's directors and executive officers owned \_\_\_\_\_ % of the outstanding Molson options.

**Q: If I am a shareholder, how do I vote on the Molson shareholders resolution and what do I do now?**

A: First, please review the information contained in this document, including the annexes. This document contains important information about Molson, Coors and the merger transaction. It also contains important information about what the boards of directors of Molson and Coors considered in evaluating the merger transaction.

Second, please submit your proxy promptly by telephone, via the Internet or by signing, dating and returning the appropriate enclosed form of proxy in the envelope provided, so that your shares can be voted at the Molson special meeting. You may also attend in person and vote at the Molson special meeting, even if you have already submitted a proxy.

There are two forms of Molson proxies applicable to Molson shareholders: a [color] proxy applicable to Molson Class A non-voting shares and a [color] proxy applicable to Molson Class B common shares. If you hold more than one type of Molson shares, or if you hold shares in both registered and non-registered name, you will receive more than one form of proxy. **To ensure that all your shares are represented at the meeting, please submit a vote by telephone, via the Internet or by mail for each proxy form you receive.**

**Q: If I am a Canadian resident, how do I get tax-deferred treatment?**

A: If you are an eligible Canadian resident receiving exchangeable shares in the merger transaction, we will send you a tax election package by mail after completion of the merger transaction if you so elect in your letter of transmittal and election form. The tax election package will also be made available via the Internet on Molson's website at [www.molson.com/investors](http://www.molson.com/investors). You must provide to Molson Coors Exchangeco, at the address indicated in the tax election package, two completed and signed copies of the applicable tax election forms on or before the 75<sup>th</sup> day after the effective date of the arrangement. For more information see "Material Income Tax Consequences Material Canadian Federal Income Tax Consequences to Molson Shareholders" beginning on page 144.

**Q: Do I need to send in my share certificates now?**

A: You are not required to send your share certificates to validly cast your vote in respect of the merger transaction or to elect to receive exchangeable shares if you are a Canadian resident.



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However, you must send in your share certificates in addition to the letter of transmittal and election form in order to receive certificates representing shares of Molson Coors common stock and/or exchangeable shares, which you will need in order to settle any trades of these shares or to receive dividends in respect of these shares. If you hold Molson shares that are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for instructions about how to deliver your Molson shares.

**Q: If I am an optionholder, how do I vote on the Molson optionholders resolution and what do I do now?**

A: As an optionholder, you are entitled to vote on the Molson optionholders resolution relating to those provisions of the plan of arrangement which effect the exchange of your options for options to purchase shares of Molson Coors Class B common stock.

First, please review the information contained in this document, including the annexes. This document contains important information about Molson, Coors and the merger transaction.

Second, please submit your proxy promptly by telephone, via the Internet or by signing, dating and returning the appropriate enclosed form of proxy in the envelope provided, so that your options can be voted at the Molson optionholders meeting. You may also attend in person and vote at the Molson optionholders meeting, even if you have already submitted a proxy.

You should have received a [color] form of proxy applicable to Molson options. If you hold more than one type of Molson security, you will receive more than one form of proxy. **To ensure that all of your options are represented at the Molson optionholders meeting, please submit a vote by telephone, via the Internet or by mail for each proxy form you receive.**

**Q: If I want to exercise my options, what do I do?**

A: You are under no obligation to exercise your Molson options before the completion of the merger transaction. Molson options that have not been exercised prior to the effective time will be exchanged in the merger transaction for replacement options to acquire shares of Molson Coors Class B common stock, subject to passage of the Molson optionholders resolution. If you hold exercisable Molson options and wish to exercise them to acquire Molson Class A non-voting shares in order to receive exchangeable shares and/or Molson Coors common stock and the special dividend payable to Molson shareholders in connection with the plan of arrangement, you should exercise your options through your Solium E-SOAP account at [www.solium.com](http://www.solium.com) or by telephone at the following toll-free number:

**Q: What happens if I don't indicate how to vote on my proxy?**

A: If you sign and send in your proxy but do not include instructions on how to vote your properly signed form, your securities will be voted FOR the Molson shareholders resolution or Molson optionholders resolution, as the case may be, and in accordance with management's recommendation with respect to amendments or variations of the matters set forth in the applicable notice of meeting or any other matters that may properly come before the Molson special meeting or the Molson optionholders meeting, as the case may be.

**Q: Can I change my vote after I have mailed my signed proxy?**

A. Yes. You can change your vote at any time before your proxy is voted at the Molson special meeting, if your proxy relates to the Molson shareholders resolution, or the Molson optionholders meeting, if your proxy relates to the Molson optionholders resolution. If you are a registered holder, you can do this in one of three ways:

First, before the meeting, you can deliver a signed notice of revocation of proxy to the Secretary of Molson or to the offices of CIBC Mellon Trust Company at the addresses

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specified below at any time up to and including the last business day before the meeting or deposit the revocation with the chairman of the meeting.

Second, you can complete and submit a later-dated proxy form no later than 5:00 p.m. (Montréal time) on the last business day before the meeting.

Third, you can attend the meeting and vote in person. Your attendance at the meeting alone will not revoke your proxy; rather you must also vote at the meeting in order to revoke your previously submitted proxy.

If you want to change your proxy directions by mail, you should send any notice of revocation or your completed new form of proxy, as the case may be, to Molson at either of the following addresses:

Molson Inc. c/o Marie Giguère, Senior Vice-President, Chief Legal Officer and Secretary 1555 Notre Dame Street East, 4 <sup>th</sup> Floor Montréal (QC) H2L 2R5 (Fax):	CIBC Mellon Trust Company 200 Queen's Quay East, Unit 6 Toronto (ON) M5A 4K9 (Fax):
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You may also revoke or change your proxy by telephone or via the Internet by following the instructions set forth below under "Can I submit my proxy by telephone or electronically?"

If a broker holds your shares in "street name" and you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

**Q:**

**Can I submit my proxy by telephone or electronically?**

**A:**

Yes, in most cases. To vote by telephone, please call the number shown on your proxy form from a touch-tone phone and follow the easy instructions. To vote via the Internet, please go to the website shown on your proxy form and follow the easy instructions on the screen.

Please note that you will need to refer to the control number indicated on your proxy form to identify yourself in the electronic voting system. Please also refer to the instructions on your proxy form for information regarding the deadline for voting your shares electronically.

**Q:**

**If my broker holds my shares in "street name", will my broker vote my shares for me?**

**A:**

Your broker will not vote your shares unless it receives your specific instructions. After carefully reading and considering the information contained in this document, including the annexes, please follow the directions provided by your broker with respect to voting procedures. Please ensure that your instructions are submitted to your broker in sufficient time to ensure that your votes are received by Molson on or before 5:00 p.m., Montréal time, on \_\_\_\_\_, 2004.

If you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

**Q:**

**Am I entitled to dissent or appraisal rights?**

**A:**

Molson shareholders who properly exercise their dissent rights will be entitled to be paid the fair value of their shares. If you wish to dissent, you must provide to Molson, at the address specified above, a dissent notice prior to 5:00 p.m. (Montréal time) on the business day preceding the Molson special meeting. It is important that you strictly comply with this requirement, otherwise your dissent right may not be recognized. You must also strictly comply with the other requirements of the dissent procedure. Molson optionholders are not entitled to dissent rights unless they exercise their options and submit a dissent notice prior to this deadline.





**Q: Are there risks I should consider in deciding whether to vote for the Molson resolutions?**

**A:** Yes. As in any significant merger transaction, there are a number of risk factors to consider in connection with the merger transaction that are described in the section of this document entitled "Risk Factors" beginning on page 46.

**Q: What are the Canadian and U.S. federal income tax consequences of the merger transaction to holders of Molson common stock?**

**A:** **Canadian Residents.** The exchange of Molson shares for Molson Coors common stock, through a series of exchanges, and/or exchangeable shares will generally be a taxable event to a Canadian resident shareholder. However, if you are an eligible Canadian resident and exchange all or a portion of your Molson shares for consideration that includes exchangeable shares (and ancillary rights) and you make a valid tax election with Molson Coors Exchangeco, you may obtain a full or partial tax deferral (rollover) of any capital gain otherwise arising upon the exchange of those shares. For more information see "Material Income Tax Consequences Material Canadian Federal Income Tax Consequences to Molson Shareholders" beginning on page 144.

**United States Residents.** The exchange of Molson shares for Molson Coors common stock, through a series of exchanges, in the merger transaction will be fully taxable for United States federal income tax purposes. For more information see "Material Income Tax Consequences Material U.S. Federal Income Tax Consequences to Molson Shareholders" beginning on page 165.

**Optionholders.** The exchange of options to purchase Molson Class A non-voting shares for options to purchase shares of Molson Coors Class B common stock generally will not be a taxable event for a Canadian resident optionholder.

**Q: What are the Canadian and U.S. federal income tax consequences of receiving the special dividend on Molson Shares?**

**A:** **Canadian residents.** For Canadian resident individuals, the special dividend received on Molson shares will be required to be included in computing income and will be subject to the gross-up and dividend tax credit rules. For Canadian resident corporations, subject to the potential application of subsection 55(2) of the Canadian Tax Act, the special dividend received on Molson shares will generally be required to be included in computing income and will normally be deductible in computing taxable income. For more information see "Material Income Tax Consequences Material Canadian Federal Income Tax Consequences to Molson Shareholders" beginning on page 144.

**United States Residents.** Molson intends to take the position that the gross amount of the special dividend paid to U.S. holders of Molson shares (including amounts withheld to reflect Canadian withholding taxes) will be treated as dividend income for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. It is possible the special dividend could instead be treated as consideration paid by Molson in exchange for a portion of such U.S. holders' Molson shares for U.S. federal income tax purposes. Generally, the special dividend paid to U.S. holders of Molson shares will be subject to a 15% withholding tax under the Canadian Tax Act. For more information see "Material Income Tax Consequences Material Canadian Federal Income Tax Consequences to Molson Shareholders" beginning on page C-7 and "Material Income Tax Consequences Material U.S. Federal Income Tax Consequences to Molson Shareholders" beginning on page 165.

**Q: Who can help answer my questions about the merger transaction?**

**A:** Innisfree M&A Incorporated is acting as the proxy solicitor for Molson. If you have any questions about the merger transaction or about how to vote your shares or options, please call Innisfree toll

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free at the following numbers: (English speakers) (French speakers). Banks and brokers may call collect at .

**Q: Are shareholder rights under Delaware law in respect of Molson Coors the same as under Canadian law in respect of Molson?**

**A:** Although the rights and privileges of stockholders of a Delaware corporation, such as Molson Coors, are in many instances comparable to those of shareholders of a corporation organized under the Canada Business Corporations Act, such as Molson, there are certain differences. For more information, see "Comparison of Shareholders' Rights" at page 329.

### COORS STOCKHOLDER QUESTIONS AND ANSWERS

**Q: On what am I being asked to vote?**

**A:** If you are a Coors stockholder, you are being asked to approve the following proposals:

a proposal to adopt a restated certificate of incorporation of Coors in the form attached as Annex G to the enclosed document, such approval to include, among other things, the following proposed amendments, which we collectively refer to in this document as the Coors charter amendments:

1. to change the company's name to "Molson Coors Brewing Company" from "Adolph Coors Company";
2. to increase the number of authorized shares of Class A common stock and Class B common stock to 500,000,000 for each class;
3. to authorize the creation of one share of special Class A voting stock and special Class B voting stock of Molson Coors, through which the holders of Class A exchangeable shares and Class B exchangeable shares, respectively, will exercise their voting rights with respect to the combined company;
4. to provide that holders of Class B common stock and special Class B voting stock may not take action by written consent;
5. to include additional governance and corporate actions among the actions requiring the approval of the holders of the Class A common stock and the special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting as a single class;
6. to provide that no dividend may be declared or paid on the Class A common stock or Class B common stock unless an equal dividend is declared or paid on the Class B common stock or Class A common stock, as applicable;
7. to provide that shares of Class A common stock will be convertible at the election of the holder into shares of Class B common stock;
8. to provide that shares of Class B common stock will be convertible into shares of Class A common stock in limited circumstances relating to specified offers which are not made to holders of Class B common stock;
9. to provide that holders of the Class B common stock and the special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), voting as a single class, will be entitled to elect three

members of the Molson Coors board of directors;

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10. to provide for a nominating committee, related nominating procedures and procedures for filling vacancies on the Molson Coors board of directors not previously provided for in the existing Coors certificate of incorporation for the Molson Coors board of directors;
11. subject to the right of the holders of Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares) to vote on any charter amendment to increase or decrease the authorized number of shares of Class B common stock, to provide that the number of authorized shares of any class of stock of Molson Coors may be increased or decreased by the affirmative vote of the holders of Class A common stock and special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting together as a single class;
12. to provide that the size of the Molson Coors board of directors shall be determined by resolution of the Molson Coors board of directors in accordance with the bylaws;
13. to provide that (i) any director may be removed, with cause, by a vote of holders of a majority of the voting power of the Class A common stock, special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), voting together as a single class, and (ii) any director may be removed, without cause, by a vote of the holders of a majority of the voting power of the class or classes that elected the director;
14. to provide that the power of the Molson Coors board of directors to amend the Molson Coors bylaws may be limited by a provision of the bylaws in effect as of the date of the filing of the restated certificate of incorporation of Molson Coors; and
15. to provide that, except as otherwise provided in the bylaws, Molson Coors shall be required to indemnify a person otherwise entitled to indemnification pursuant to the Molson Coors restated certificate of incorporation in connection with a proceeding commenced by such person only if the commencement of such proceeding was authorized by the Molson Coors bylaws, any written agreement between such person and Molson Coors, or in the specific case by the Molson Coors board of directors;

a proposal to approve the issuance of shares of Class A common stock, Class B common stock, special Class A voting stock and special Class B voting stock (and any shares convertible into or exchangeable for shares of that stock) as contemplated by the combination agreement. The issuance of these shares is referred to in this document as the Coors share issuance.

any other matters as may properly come before the special meeting and any adjournment or postponement of the special meeting, including any proposal to adjourn the meeting to solicit additional proxies in favor of the foregoing proposals.

All stockholders of Coors are being asked to vote with respect to approval of the proposed Coors charter amendments set forth in the first bullet point above and each of the individual amendments to the existing certificate of incorporation of Coors comprising the Coors charter amendments, except proposed amendments nos. 1, 10, 12, 14 and 15, which are collectively referred to throughout the document as the Class A certificate amendments. Only the Coors Trust, as sole holder of the Class A common stock of Coors, is entitled to vote with respect to the Coors share issuance, the Class A certificate amendments and any other matters as may come before the special meeting or any adjournment or postponement of the special meeting. A separate vote of the Coors stockholders on the combination agreement or the plan of arrangement is not required under Delaware law or Coors' certificate of incorporation.

**NONE OF THE PROPOSED AMENDMENTS TO THE EXISTING CERTIFICATE OF INCORPORATION OF COORS OR THE PROPOSED COORS SHARE ISSUANCE WILL BE IMPLEMENTED UNLESS ALL ARE APPROVED AND THE MERGER TRANSACTION IS COMPLETED.**

**Q: What is the purpose of the amendment and restatement of the Coors certificate of incorporation?**

A: Coors is proposing to amend and restate its certificate of incorporation to effect various features of the merger transaction as further described in this document.

**Q: What vote is required to approve the Coors share issuance and each of the Coors charter amendments?**

A: Approval of the Coors share issuance requires the affirmative vote of a majority of the votes cast on the proposal by holders of shares of Coors Class A common stock at the Coors special meeting at which the total votes cast by holders of Coors Class A common stock represent at least a majority of the issued and outstanding shares of Coors Class A common stock. Holders of shares of Class B common stock of Coors are not entitled to vote with respect to the Coors share issuance.

Approval of the Coors charter amendments proposal, including each of the amendments included therein (other than the Class A certificate amendments) requires both:

the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock, voting as a separate class, and

the affirmative vote of the holders of a majority of the outstanding shares of Class B common stock, voting as a separate class.

Approval of the Class A certificate amendments requires the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock.

All of the Coors Class A common stock is held by the Coors Trust. The Coors Trust has agreed to vote all of its shares of Coors Class A common stock (which represents 100% of the Class A common stock) in favor of the Coors share issuance and each of the Coors charter amendments. As a result of this agreement, the Coors share issuance is assured of approval at the Coors special meeting. In addition, the Coors Trust, Peter H. Coors and Keystone Financing LLC have agreed to vote all of their shares of Coors Class B common stock (which represents approximately % of the total Class B common stock as of the record date) in favor of each of the Coors charter amendments (other than the Class A certificate amendments).

**Q: How do I vote on the proposed Coors share issuance and the Coors charter amendments?**

A: First, please review the information contained in this document, including the annexes. It contains important information about Molson, Coors and the merger transaction. It also contains important information about what the boards of directors of Molson and Coors considered in evaluating the merger transaction.

Second, please submit your proxy promptly by telephone, via the Internet or by signing, dating and returning the enclosed appropriate proxy card in the envelope provided, so that your shares can be voted at the Coors special meeting. You may also attend the Coors special meeting in person and vote at the Coors special meeting, even if you have already submitted a proxy.

**Q: What happens if I don't indicate how to vote on my proxy?**

A: If you are a record holder of Coors common stock and sign and send in your proxy, but do not include instructions on how to vote your properly signed proxy card, your shares will be voted FOR approval of the Coors share issuance and Coors charter amendments.



**Q: What happens if I don't return a proxy card?**

**A:** If you are a holder of Coors Class B common stock, not returning your proxy card and not voting at the special meeting will have the same effect as a vote AGAINST the Coors charter amendments because a majority of the outstanding shares of Coors Class B common stock is required to approve the Coors charter amendments. If you are a holder of Coors Class B common stock, not returning your proxy card and not voting at the special meeting will have no direct effect on the vote for the Coors share issuance because only holders of Coors Class A common stock are entitled to vote on the Coors share issuance (and the Coors Trust has agreed to vote in favor of the Coors share issuance). Please note, however, that none of the proposals will be implemented unless all are approved by the required vote of Coors stockholders and the merger transaction is completed. As a result, not returning your proxy card and not voting at the special meeting with respect to the Coors charter amendments could cause the Coors share issuance and the merger transaction not to occur.

Not returning your proxy card may also contribute to a failure to obtain a quorum at the special meeting. Under Coors' bylaws, a majority of the total issued and outstanding shares of each class entitled to vote on a matter as a separate class, present in person or represented by proxy, constitutes a quorum to take action with respect to that matter at the special meeting.

**Q: Can I change my vote after I have mailed my signed proxy card?**

**A:** Yes. You can change your vote at any time before your proxy is voted at the Coors special meeting. If you are a registered holder, you can do this in one of three ways:

First, before the Coors special meeting, you can deliver a signed notice of revocation of proxy to the Secretary of Coors at the address specified below.

Second, you can complete and submit a later-dated proxy card or, if you submitted your proxy by telephone or through the Internet, you can change your proxy by telephone or through the Internet.

Third, if you are a holder of record you can attend the Coors special meeting and vote in person. Your attendance at the Coors special meeting alone will not revoke your proxy; rather, you must also vote at the Coors special meeting in order to revoke your previously submitted proxy.

If you want to change your proxy directions by mail, you should send any notice of revocation or your completed new proxy card, as the case may be, to Coors at the following address:

Adolph Coors Company  
c/o Corporate Secretary  
Mail No. NH311  
P.O. Box 4030  
Golden, Colorado 80401  
Telephone:  
Facsimile:

You may also revoke or change your proxy directions by telephone or via the Internet by following the instructions set forth below under "Can I submit my proxy by telephone or electronically?"

If you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

**Q: Can I submit my proxy by telephone or electronically?**



A:

Yes, in most cases. Coors stockholders of record and many stockholders who hold their shares through a broker or bank will have the option to submit their proxy or voting instructions

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electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your shares are registered in Coors' stock records in your name or in the name of a broker, bank or other holder of record. If you are a registered stockholder of Coors, you may submit your proxy electronically through the Internet or by telephone by following the instructions on the attached [color] proxy card. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card or voting instruction card forwarded by your broker, bank or other holder of record to see which options are available.

**Q: If my broker holds my shares of Coors Class B common stock in "street name", will my broker vote my shares for me?**

**A:** Yes, if you direct your broker to vote your shares on your behalf. If your shares of Coors Class B common stock are held in "street name" and you do not provide voting instructions to your broker or bank, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. Your broker does not have discretionary authority to vote on the Coors charter amendments. Accordingly, if you do not provide your broker with voting instructions, your shares may be considered present at the Coors special meeting for purposes of determining a quorum, but will not be considered to have been voted in favor of approval of the Coors charter amendments. Shares not voted in favor of the Coors charter amendments proposal (or any of the separate amendment proposals included therein) will have the effect of a vote AGAINST that proposal. An abstention will therefore have the same effect as a vote against a necessary requirement of the merger transaction, although it will be counted in the determination of a quorum at the Coors special meeting.

If a broker holds your shares of Coors Class B common stock in "street name" and you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

**Q: Am I entitled to dissenters' or appraisal rights?**

**A:** No. Holders of Coors common stock do not have dissenters' or appraisal rights in connection with the merger transaction.

**Q: Are there risks I should consider in deciding whether to vote for the Coors share issuance and Coors charter amendments?**

**A:** Yes. As in any significant merger transaction, there are a number of risk factors to consider in connection with the merger transaction that are described in the section of this document entitled "Risk Factors" beginning on page 46.

**Q: Who can help answer my questions about the merger transaction?**

**A:** Georgeson Shareholder Communications Inc. is acting as the proxy solicitor for Coors. If you have any questions about the merger transaction or about how to vote your shares, please call Georgeson toll free at .

## Summary

This summary highlights the key aspects of the matters to be considered at the Molson special meeting, Molson optionholders meeting and Coors special meeting but does not contain all of the information that is important to you. You should carefully read this entire document and the other documents we refer you to for a more complete understanding of the matters being considered at the special meetings.

### **Our Reasons for the Merger Transaction (See page 77)**

We believe that the trend toward consolidation in the international brewing industry will continue and that scale and the ability to operate internationally will be increasingly important. The proposed merger transaction builds on the strategic and cultural fit between Molson and Coors and provides us with the added scale, resources and geographic coverage necessary to compete more effectively in this changing competitive environment. It leverages the solid existing business relationship between Molson and Coors.

In particular, we believe that the merger transaction will:

create the world's fifth largest brewing company by volume, with combined beer sales of 60 million hectoliters, or 51 million barrels, and a strong foundation of established brands in four of the world's top ten beer markets;

provide significant value for shareholders through estimated cost savings of U.S.\$50 million and U.S.\$90 million in the first and second years, respectively, after the merger transaction, and U.S.\$175 million in annual cost savings thereafter, primarily resulting from procurement and network optimization; and

build an enhanced growth platform, balance sheet and cash flow to fund future investment in key brands.

Some of the potentially negative factors concerning the merger include:

the proposed governance arrangements of the combined company, which would provide that voting control would be shared by the two principal shareholders, and the associated risk of a stalemate between them;

the risk that the estimated cost savings will not be achieved; and

the challenge and costs of combining the businesses of two major international companies.

### **The Companies**

#### ***Molson Inc. (See page 176)***

Molson is Canada's largest brewer and one of the world's leading brewers of quality beer with operations in Canada, Brazil and the United States. A global brewer with Cdn.\$3.5 billion in gross sales for the fiscal year ended March 31, 2004, Molson traces its roots back to 1786, making it North America's oldest beer company. Committed to brewing excellence, Molson produces an award-winning portfolio of beers including Molson Canadian®, Molson Export, Molson Dry®, Rickard's, A Marca Bavaria, Kaiser® and Bavaria®. Molson is authorized to brew, distribute and sell Coors brands in Canada under agreements between Molson and Coors and currently brews, distributes and sells the Coors Light® brand in Canada.

Molson's principal executive offices are located at 1555 Notre Dame Street East, 4<sup>th</sup> Floor, Montréal, Québec, Canada, H2L 2R5.

*Adolph Coors Company (See page 234)*

Coors is the third-largest brewer in the United States and the second-largest brewer in the United Kingdom. Since Coors' founding in 1873, it has been committed to producing high quality beers with a portfolio of brands designed to appeal to a wide range of consumer tastes, styles and price preferences. Coors had U.S.\$5.4 billion in sales for the fiscal year ended December 28, 2003. In the United States, Coors owns or licenses the following brands: Coors Light®, Coors Original®, Coors® Edge, Coors® Non-Alcoholic, Aspen Edge®, Extra Gold®, Zima®, George Killian's® Irish Red Lager, Keystone®, Keystone Light®, Keystone Ice®, Blue Moon® Belgian White Ale and Mexicali®. Coors also sells the Molson family of brands in the United States through a joint venture. Outside of the United States, Coors sells Carling®, Worthington®, Caffrey's®, Reef®, Screammers®, Stones® and, through a United Kingdom joint venture, Grolsch®.

Coors' principal executive offices are located at 311 10th Street, P.O. Box 4030, Golden, Colorado 80401.

*Molson Coors Exchangeco (See page 310)*

Molson Coors Canada Inc. (formerly known as Coors Canada Inc.) is a Canadian subsidiary of Coors through which Coors currently conducts its Canadian operations. Molson Coors Exchangeco's registered office is located at 120 Adelaide Street West, Suite 1202, Toronto, Ontario M5H 1T1, Canada.

**The Proposed Merger Transaction**

*Molson and Coors will combine in a merger of equals to form "Molson Coors Brewing Company" (See page 69)*

Molson and Coors have entered into a combination agreement, dated as of July 21, 2004, as amended on November 11, 2004, under which the businesses of the two companies will be combined in a merger of equals transaction. The merger transaction will form the world's fifth largest brewing company by volume.

The combination agreement provides that:

Coors will change its name to "Molson Coors Brewing Company" and amend its certificate of incorporation and bylaws to implement the proposed merger transaction, including adding a right for the holders of Molson Coors Class B common stock to elect three members of the board of directors, all as described in this document.

Molson Class A non-voting and Class B common shareholders, excluding Pentland, will receive a special dividend of Cdn.\$3.26 per share, or a total of approximately Cdn.\$381 million (U.S.\$316 million), payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. Molson will issue a news release announcing the record date and the date of closing once they have been determined. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend.

All of Molson's shares (other than shares of dissenting holders) will, through a series of exchanges, be exchanged for shares of Molson Coors common stock and/or exchangeable shares of Molson Coors Exchangeco, as described under "Description of the Merger Transaction General" beginning on page 69.

The Coors stockholders will retain their shares, which will remain outstanding as shares of Molson Coors.

The combination agreement and amendment dated November 11, 2004 are attached to this document as Annexes B-I and B-II. Please read the combination agreement, the form of plan of

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arrangement referred to in the combination agreement and the other transaction agreements carefully, as they are the principal legal documents that govern the merger transaction.

### *Molson shareholders will receive Molson Coors common stock or exchangeable shares (see page 61)*

*Molson Class A Shareholders.* A holder of Molson Class A non-voting shares who is a Canadian resident for Canadian income tax purposes may elect to receive for each of those shares:

0.360 of a Class B exchangeable share of Molson Coors Exchangeco (and ancillary rights),

through a series of exchanges, 0.360 of a share of Class B common stock of Molson Coors, or

a combination of Class B exchangeable shares (and ancillary rights) and, through a series of exchanges, shares of Class B common stock.

A holder of Molson Class A non-voting shares with an address in Canada, as recorded on Molson's share register, who does not make any election will receive Molson Coors Exchangeco Class B exchangeable shares. A holder of Molson Class A non-voting shares with an address outside of Canada, as recorded on Molson's share register, who does not make any election will receive, through a series of exchanges, for each of those shares, 0.360 of a share of Class B common stock of Molson Coors. For more information see "Elections Available to Molson Securityholders" beginning on page 170.

*Molson Class B Shareholders.* A holder of Molson Class B common shares who is a Canadian resident for Canadian income tax purposes may elect to receive for each of those shares:

0.126 of a Class A exchangeable share and 0.234 of a Class B exchangeable share of Molson Coors Exchangeco (and ancillary rights),

through a series of exchanges, an aggregate of 0.360 of a share of Molson Coors common stock comprised of 0.126 of a share of Class A common stock and 0.234 of a share of Class B common stock, or

a combination of exchangeable shares (and ancillary rights) and, through a series of exchanges, shares of Molson Coors common stock.

A holder of Molson Class B common shares with an address in Canada, as recorded on Molson's share register, who does not make any election will receive Molson Coors Exchangeco exchangeable shares. A holder of Molson Class B common shares with an address outside of Canada, as recorded on Molson's share register, who does not make any election will receive, through a series of exchanges, for each of those shares, an aggregate of 0.360 of a share of Molson Coors common stock comprised of 0.126 of a share of Class A common stock of Molson Coors and 0.234 of a share of Class B common stock of Molson Coors. For more information see "Elections Available to Molson Securityholders", beginning on page 170.

*Fractional Shares; Dissenting Shareholders.* Molson shareholders will be paid cash in lieu of any fractional shares. Dissenting shareholders who properly exercise their dissent rights will be entitled to be paid the fair value of their shares (for more information see "Dissenting Shareholder's Rights" beginning on page 92).

*Fixed Exchange Ratio.* The exchange ratio is fixed and neither Molson nor Coors has the right to terminate the combination agreement based on changes in either party's stock price. You cannot be sure of the market value of the Molson Coors common stock or the exchangeable shares that will be outstanding following the completion of the merger transaction. This value may vary significantly from the current market value of shares of Coors common stock. Furthermore, none of the shares of Coors Class A common stock or the exchangeable shares is currently traded on a stock exchange and, as a result, no market value is available for this class of shares, except by reference to the publicly traded shares of Coors Class B common stock and the Molson shares.

***Molson shareholders who are Canadian residents may elect to receive exchangeable shares (See page 69)***

Molson shareholders who are Canadian residents or who hold Molson shares on behalf of Canadian residents may elect to receive an equivalent number of exchangeable shares of Molson Coors Exchangeco (and ancillary rights) in lieu of Molson Coors common stock. Exchangeable shares will be exchangeable at the option of the holder at any time on a one-for-one basis for shares of the corresponding class of Molson Coors common stock. Holders of the exchangeable shares will be entitled to dividends and other rights that are substantially economically equivalent to those of holders of shares of the corresponding class of Molson Coors common stock. Through a voting trust arrangement, holders of the exchangeable shares will be entitled to vote at meetings of holders of the corresponding class of Molson Coors common stock.

The exchangeable share structure, which is frequently used in transactions between U.S. and Canadian companies, provides the opportunity for eligible Canadian resident shareholders of Molson to make a valid tax election to defer Canadian income tax on any capital gain that would otherwise arise on the exchange of their Molson shares.

***Molson shareholders other than Pentland will receive a special dividend (see page 79)***

Molson Class A non-voting and Class B common shareholders, excluding Pentland, will receive a special dividend of Cdn.\$3.26 per share, or a total of approximately Cdn.\$381 million (U.S.\$316 million), payable by Molson in connection with the plan of arrangement to Molson shareholders of record as of the last trading day immediately prior to the date of closing of the merger transaction. Molson will issue a news release announcing the record date and date of closing once they have been determined. In the interest of demonstrating its support for the merger transaction, Pentland has waived any participation in the special dividend. Had Pentland not waived its participation in the special dividend, the special dividend to be declared would have been Cdn.\$3.00 per share instead of Cdn.\$3.26 per share.

***Molson options to be exchanged for Molson Coors options (See page 87)***

Options to purchase Class A non-voting shares of Molson will be exchanged for options to purchase shares of Molson Coors Class B common stock. The number of shares issuable upon the exercise of these options, and their applicable exercise prices, will be adjusted to take into account the 0.360 exchange ratio applicable to the merger transaction.

***Coors stockholders will keep their shares (See page 70)***

Holders of shares of Coors Class A common stock and Class B common stock will retain their shares, which will remain outstanding as shares of Molson Coors Class A common stock and Class B common stock, respectively, following the merger transaction. Some of the terms governing the Coors shares will be amended in connection with the merger transaction, as described below.

***Molson Coors to adopt the Molson dividend policy (See page 100)***

Coors and Molson have agreed that Molson Coors will increase its dividend by adopting a policy of paying, subject to applicable law, a quarterly dividend on Molson Coors common stock equal to the quarterly dividend on the Molson shares in effect on July 21, 2004, subject to adjustment for (i) the exchange rate of U.S.\$0.7616 per Canadian dollar on that date and (ii) the 0.360 exchange ratio. As a result, following completion of the merger transaction, Molson Coors' quarterly dividend rate is expected to be U.S.\$0.317 per share. Coors' current dividend rate is U.S.\$0.205 per share. Following completion of the merger transaction, the quarterly dividend on exchangeable shares will be equal to the dividend on Molson Coors common stock and will be payable at the option of the holder in either U.S. dollars or Canadian dollars.

**Pro Forma Economic Ownership of Molson Coors; Stock Buyback Program (See page 88)**

Upon the completion of the merger transaction, we estimate that Molson's former shareholders and Coors' stockholders will own approximately 55% and 45%, respectively, of the outstanding economic interest in the combined company.

To reduce dilution from the companies' stock option programs, we intend that Molson Coors will adopt a policy of purchasing, from time to time, subject to market conditions and when permitted by applicable law, shares of its Class B common stock in the open market following the completion of the merger transaction. We expect the number of shares purchased from time to time to have an aggregate market value approximately equal to the aggregate cash proceeds received in respect of exercised stock options (including replacement options issued in exchange for Molson options).

**Recommendations of the Boards of Directors**

***Molson Board of Directors Recommendation (See page 49)***

Molson's board of directors believes that the terms of the combination agreement, the arrangement and related transactions and agreements are in the best interest of Molson and are advisable and fair to the holders of each class of Molson shares and Molson options. The Molson board of directors unanimously recommends that Molson securityholders vote "**FOR**" the Molson resolutions at the Molson special meeting.

***Molson Independent Committee Conclusion (See page 69)***

Molson's board of directors formed an independent committee to review the terms and conditions of the proposed merger and make a recommendation as to the fairness of the transaction to the Molson shareholders other than Pentland and Eric H. Molson. The Molson independent committee concluded that the proposed merger transaction is fair to, and in the best interests of, the shareholders of Molson, other than Pentland and Eric H. Molson, from a financial and non-financial point of view. The independent committee was comprised of Francesco Bellini, John Cleghorn, Daniel Colson, Robert Ingram, David O'Brien and H. Sanford Riley, as chairman. On July 26, 2004, Mr. Ingram resigned as director of Molson and therefore as member of the independent committee.

***Coors Recommendation (See page 56)***

Coors' board of directors believes that the combination agreement and related transactions and agreements, including the Coors share issuance and the Coors charter amendments, are advisable and fair to, and in the best interests of, Coors and the holders of each class of Coors common stock. The Coors board of directors unanimously recommends that Coors stockholders vote "**FOR**" the Coors share issuance and Coors charter amendments at the Coors special meeting.

***Factors Considered by Our Boards (See pages 69 and 77)***

In determining whether to approve the merger transaction, our boards of directors each consulted with our respective senior managements and legal and financial advisors and considered the respective strategic, financial and other considerations referred to in "Description of the Merger Transaction Our Reasons for the Merger Transaction" beginning on page 68.

**Opinions of Financial Advisors**

***Molson Financial Advisors (See page 71)***

In connection with the merger transaction, the Molson board of directors received the following separate written opinions, which opinions confirmed earlier opinions dated July 21, 2004:

the opinion of Citigroup Global Markets Inc., dated November 11, 2004, the full text of which is attached as Annex M, to the effect that, as of the date of the opinion and based on and subject





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to the matters described in the opinion, the 0.360 exchange ratio provided for in the merger transaction was fair, from a financial point of view, to the holders of Molson shares.

the opinion of BMO Nesbitt Burns Inc., dated November 11, 2004, the full text of which is attached to this document as Annex N, to the effect that, as of the date of the opinion and based on and subject to the matters described in the opinion, the 0.360 exchange ratio provided for in the merger transaction was fair, from a financial point of view, to the holders of Molson shares.

the opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated, dated November 10, 2004, the full text of which is attached to this document as Annex O, addressed to the Molson

independent committee as well as the Molson board of directors to the effect that, as of the date of the opinion and based on and subject to the matters described in the opinion, the 0.360 exchange ratio was fair, from a financial point of view, to holders of Molson shares other than Pentland and Eric H. Molson.

We encourage you to read these opinions carefully in their entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the reviews undertaken. The opinions were provided to the Molson board of directors (and the Molson independent committee in the case of Merrill Lynch's opinion) in connection with the board's evaluation of the 0.360 exchange ratio. They do not address any other aspect of the merger transaction and do not constitute a recommendation to any securityholder as to the shares that a securityholder should elect to receive in the merger transaction or how a securityholder should vote or act on any other matters relating to the merger transaction.

### ***Coors Financial Advisor (See page 89)***

In connection with the merger transaction, the Coors board of directors received a written opinion from Deutsche Bank Securities Inc., dated as of July 21, 2004, to the effect that, as of the date of the opinion, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the 0.360 exchange ratio was fair, from a financial point of view, to holders of the Coors Class A common stock and holders of the Coors Class B common stock. We refer to this opinion as the first opinion. The full text of Deutsche Bank's first written opinion is attached to this document as Annex P. Coors subsequently requested that Deutsche Bank prepare an opinion to reflect a special dividend to be paid by Molson to its shareholders in connection with the plan of arrangement. On November 4, 2004, Deutsche Bank delivered its oral opinion to the Coors board of directors, subsequently confirmed in writing as of the same date, to the effect that, as of that date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to holders of the Coors Class A common stock and holders of the Coors Class B common stock. We refer to this opinion, which supersedes the first opinion, as the final opinion. The full text of Deutsche Bank's final written opinion is attached to this document as Annex Q. We encourage you to read the final opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. Deutsche Bank's opinion was provided to the Coors board of directors in connection with the evaluation by a special committee of the board of directors of the 0.360 exchange ratio, giving effect to the special dividend to be paid to Molson shareholders. Deutsche Bank's final opinion does not address any aspect of the merger transaction other than the 0.360 exchange ratio (giving effect to the special dividend to Molson shareholders) and does not constitute a recommendation as to how a Coors stockholder should vote or act on any matters relating to the merger transaction.

### **Molson Coors Board of Directors (See page 120)**

The combination agreement and related documents provide that, after the merger transaction, the board of directors of Molson Coors will consist of 15 members. Twelve of the 15 directors will be elected by the holders of shares of Molson Coors Class A common stock, voting together with holders

of the Class A exchangeable shares through a voting trust arrangement. Three of the 15 directors will be elected by holders of shares of Molson Coors Class B common stock, voting together with holders of the Class B exchangeable shares through a voting trust arrangement.

A committee of two Molson family directors will nominate five persons to stand for election to the Molson Coors board of directors, and a committee of two Coors family directors will similarly nominate five nominees. A nominating committee comprised of an independent director, the two Molson family directors and the two Coors family directors will nominate two additional directors to stand for election to the board of directors. These nominees, subject to the committee's fiduciary duties, will be the chief executive officer of Molson Coors, who will initially be W. Leo Kiely III, and another specified management member, initially Daniel J. O'Neill, who will be the vice-chairman, synergies and integration of Molson Coors. These nominees together with the five nominees of each family will stand for election by holders of shares of Molson Coors Class A common stock, voting together with holders of the Class A exchangeable shares through a voting trust arrangement. The full board of directors of Molson Coors will select three additional nominees, for a total of 15, to stand for election by holders of shares of Molson Coors Class B common stock voting together with holders of the Class B exchangeable shares through a voting trust arrangement.

Initially, Eric H. Molson will be the chairman of the board of directors of Molson Coors.

#### **Molson Coors Executive Officers and Headquarters (See pages 128 and 132)**

Molson Coors executive officers will be selected from Molson and Coors management.

Molson Coors will have dual executive offices and dual operational headquarters following the merger transaction. Executive offices will be located in the metropolitan areas of Denver, Colorado and Montréal, Québec. The Canadian operational headquarters will be located in Toronto, Ontario, the U.S. operational headquarters will be in Golden, Colorado, the U.K. headquarters will be in Burton on Trent, and the Brazilian headquarters will be in São Paulo, Brazil.

#### **Interests of Directors and Management in the Merger Transaction**

##### ***Molson Directors and Management (See page 86)***

In considering the recommendation of the Molson board of directors with respect to the merger transaction, Molson shareholders should be aware that certain members of the management and board of directors of Molson have interests in connection with the merger transaction that will present them with actual or potential conflicts of interest in connection with the merger transaction.

Under circumstances specified in his February 22, 1999 employment agreement, Daniel J. O'Neill, president and chief executive officer of Molson, would become entitled to 36 months of salary (Cdn.\$1,000,000 per year) as a result of the merger transaction. In the interest of facilitating the timely approval and success of the merger transaction, Mr. O'Neill has agreed that he will not receive this payment upon completion of the merger transaction. Rather, in the event of his resignation or termination from Molson Coors within 24 months of the merger transaction, Mr. O'Neill will be entitled to receive this payment in lieu of a severance payment. Mr. O'Neill has also recommended, and the board of directors of Molson has agreed, that his performance-based options and restricted share units be converted into Molson Coors options and restricted share units, respectively, and be subject to similar performance-related triggers. The other terms of Mr. O'Neill's employment agreement will remain unchanged when he assumes his role as vice-chairman, synergies and integration of Molson Coors.

In the event of a change of control, which will occur as a result of the merger transaction, Molson is obligated to pay Robert Coallier, executive vice president, corporate strategy and international operations of Molson, 18 months of salary, annual bonus, benefits and pension accrual. In the interest of facilitating the timely approval and success of the merger transaction, Mr. Coallier has agreed to waive his right to receive this payment upon completion of the merger transaction. Rather, Mr. Coallier

will only be entitled to this payment upon his resignation or termination in lieu of a severance payment.

Upon completion of the merger transaction, all Molson options, other than Mr. O'Neill's performance-based options, will vest and will be exercisable at the option of the holders.

Molson has put in place an employee retention program under which 37 employees will receive, in early 2005, cash payments of Cdn.\$1.8 million in the aggregate.

The Molson independent committee was aware of these interests and considered them along with the other matters described in "Description of the Merger Transaction Factors Considered by the Molson Independent Committee" beginning on page 79.

***Coors Directors and Management (See page 96)***

In considering the recommendation of the Coors board of directors with respect to the merger transaction, Coors stockholders should be aware that certain members of the management and board of directors of Coors have interests in connection with the merger transaction that will present them with actual or potential conflicts of interest in connection with the merger transaction. For instance, the named executive officers would be entitled to change of control payments and other benefits upon direct or constructive termination without cause, resignation for good reason, or resignation by the officer during the 30 day period one year after the merger transaction. In addition, under the Coors Equity Incentive Plan, all unvested options will automatically vest upon completion of the merger transaction. The Coors board of directors was aware of these interests and considered them along with the other matters described in "Description of the Merger Transaction Factors Considered by Coors' Board of Directors" beginning on page 87.

**Securities to be Issued by Molson Coors**

***Molson Coors Stock (See page 280)***

Coors' certificate of incorporation will be amended to provide a sufficient number of authorized shares of Molson Coors Class A and Class B common stock for any share issuances required by the combination agreement and for other corporate purposes. Molson Coors Class A common stock will be voting stock and Molson Coors Class B common stock will be non-voting stock (but holders of Molson Coors Class B common stock will have the right to elect three of the 15 members of the Molson Coors board of directors and to vote with respect to specified corporate actions).

Coors' certificate of incorporation will also be amended to change the name of the company to "Molson Coors Brewing Company" and to provide for the authorization of two new classes of stock, special Class A voting stock and special Class B voting stock, through which holders of Class A exchangeable shares and Class B exchangeable shares, respectively, will exercise their voting rights with respect to Molson Coors, as further described in this document. The trustee holder of the special Class A and Class B voting stock will cast a number of votes equal to the number of then outstanding Class A and Class B exchangeable shares, respectively, for which the trustee holder has received voting instructions. The trustee holder of the special Class A and Class B voting stock will vote together as a single class with holders of the Molson Coors Class A and Class B common stock, respectively.

***Exchangeable Shares (See page 310)***

Exchangeable shares will be securities of Molson Coors Exchangeco that, together with the ancillary rights described in this document, are substantially economically equivalent to shares of Molson Coors common stock. The holders of exchangeable shares will have the following rights:

the right to exchange those shares, at the holders' option, for shares of the corresponding class of Molson Coors common stock on a one-for-one basis;

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the right to receive dividends, on a per share basis, in amounts (or property in the case of non-cash dividends), which are the same as, or economically equivalent to, and which are payable at the same time as, dividends declared on the corresponding class of Molson Coors common stock;

the right to vote, through the trustee holder of the Molson Coors special voting shares, at all stockholder meetings at which holders of the corresponding class of Molson Coors common stock are entitled to vote;

the right to participate on a pro rata basis with the corresponding class of Molson Coors common stock in the distribution of assets of Molson Coors, upon specified events relating to the voluntary or involuntary liquidation, dissolution, winding-up or other distribution of the assets of Molson Coors through the mandatory exchange of exchangeable shares for shares of Molson Coors common stock; and

Class B exchangeable shares will be convertible into Class A exchangeable shares in limited circumstances relating to specified offers which are not made to holders of Molson Coors Class B common stock or Class B exchangeable shares.

Holders of exchangeable shares will be entitled generally to require Molson Coors Exchangeco to redeem any of their exchangeable shares for corresponding shares of Molson Coors common stock for a purchase price per share of one share of Molson Coors common stock plus declared and unpaid dividends on each redeemed share. However, if a holder of exchangeable shares delivers notice of exercise of its redemption right, a Canadian subsidiary of Molson Coors will have the right to purchase, in lieu of Molson Coors Exchangeco redeeming, the holder's shares on payment of the redemption price. We refer to this Canadian subsidiary as "Calco."

Subject to applicable law and the purchase right described above, if fewer than 5% of the initial number of Class A exchangeable shares or Class B exchangeable shares (other than exchangeable shares held by Molson Coors or its affiliates) are outstanding, the board of directors of Molson Coors Exchangeco may elect to have Molson Coors Exchangeco redeem the applicable class of exchangeable shares.

Subject to applicable law and the purchase right described above, on a date on or after the fortieth anniversary of the effective date of the arrangement, as established by Molson Coors Exchangeco's board of directors, all of the outstanding exchangeable shares (other than those held by Molson Coors or its affiliates) will be redeemed by Molson Coors Exchangeco for a redemption price per share of one share of the corresponding class of Molson Coors common stock plus declared and unpaid dividends on the share.

### Stock Exchange Listings (See page 101)

Coors and Molson have agreed to apply to the New York Stock Exchange and the Toronto Stock Exchange for the listing of the following classes of shares under the following trading symbols:

Class of Securities	NYSE Symbol	TSX Symbol
Molson Coors Class A common stock	" "	"TAP.A"
Molson Coors Class B common stock	" "	"TAP.NV.B"
Class A exchangeable shares		"TPX.A"
Class B exchangeable shares		"TPX.NV.B"

**Transaction Structure**

The following diagrams illustrate the current structure of Molson and Coors and their shareholders and the structure of Molson Coors following the merger transaction (disregarding, in certain cases, intermediate subsidiaries). For a more complete description of the merger transaction, please see "Description of the Merger Transaction General" beginning on page 69.

**Current Molson and Coors Structures\***

\*  
Percentages indicate voting power as of November 10, 2004.

**Molson Coors Structure Following the Merger Transaction\***

\*

Based on the exchange ratio, we estimate that Molson's former shareholders and Coors' stockholders will own approximately 55% and 45%, respectively, of the outstanding economic interest in Molson Coors upon completion of the merger transaction. We estimate that Molson's former Class B common shareholders other than Pentland will hold 33.3% of the combined voting power of the Molson Coors Class A common stock and the

Class A exchangeable shares.

**Dissent Rights (See page 104)**

Molson shareholders have the right to dissent from the Molson shareholders resolution to be voted upon at the Molson special meeting. Registered Molson shareholders who properly exercise their dissent rights under the interim order issued by the Superior Court of Québec will be entitled to be paid the fair value of their Molson shares. The dissent procedures require that a registered Molson shareholder who wishes to dissent must provide Molson a dissent notice prior to 5:00 p.m. (Montréal time) on the business day preceding the Molson special meeting. It is important that Molson shareholders strictly comply with this requirement, which is different from the statutory dissent provisions of the Canada Business Corporations Act, which would permit a dissent notice to be provided at or prior to the Molson special meeting. Molson shareholders who wish to dissent must also strictly comply with the other requirements of the dissent procedure. Molson optionholders are not entitled to dissent rights unless they exercise their options and submit a dissent notice prior to this deadline. We refer to the Canada Business Corporations Act in this document as the "CBCA."

**Accounting Treatment (See page 100)**

Molson Coors will account for the merger transaction using the purchase method of accounting under U.S. GAAP. Although the combination of Molson and Coors is a merger of equals, generally accepted accounting principles require that one of the two companies in the transaction be designated as the "acquiror" for accounting purposes. Based on a review of the applicable accounting rules, we have determined that Coors is the "acquiror" solely for accounting purposes.

**Material Canadian and U.S. Federal Income Tax Consequences for Molson Shareholders**

*Canada (See page 144)*

McCarthy Tétrault LLP has opined on the accuracy of the summary of material Canadian federal income tax consequences under the *Income Tax Act* (Canada) contained in this document.

**Special Dividend.** For Canadian resident individuals, the special dividend received on Molson shares will be required to be included in computing income and will be subject to the gross-up and dividend tax credit rules. For Canadian resident corporations, subject to the potential application of subsection 55(2) of the Canadian Tax Act, the special dividend received on Molson shares will generally be required to be included in computing income and will normally be deductible in computing taxable income. For U.S. residents, the special dividend received on Molson shares will generally be subject to a 15% withholding tax under the Canadian Tax Act.

**Exchange of Molson Shares.** The exchange of Molson shares for exchangeable shares (and ancillary rights) and/or Molson Coors common stock, through a series of exchanges, will generally be a taxable event to a Canadian resident holder of Molson shares. However, an eligible Canadian resident who exchanges his or her Molson shares for consideration that includes exchangeable shares (and ancillary rights) and who makes a valid tax election with Molson Coors Exchangeco, may obtain a full or partial tax deferral (rollover) of any capital gain otherwise arising upon the exchange of those shares. A non-resident shareholder for which shares of Molson are not "taxable Canadian property" will not be subject to tax under the *Income Tax Act* (Canada) on the disposition of those shares.

**Eligibility for Investment.** The exchangeable shares will be "qualified investments" and will not be "foreign property" for deferred income plans for Canadian income tax purposes. Shares of Molson Coors Class A common stock and Molson Coors Class B common stock will be "qualified investments" that are "foreign property" for Canadian income tax purposes.



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**Exchange of Molson Options.** The exchange of Molson options for options to acquire shares of Molson Coors common stock will generally not be a taxable event to a Canadian resident holder of Molson options.

### **United States (See page 165)**

The exchange of Molson shares for Molson Coors common stock, through a series of exchanges, will be fully taxable for United States federal income tax purposes. Molson intends to take the position that the gross amount of the special dividend paid to U.S. holders of Molson shares (including amounts withheld to reflect Canadian withholding taxes) will be treated as dividend income for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. It is possible the special dividend could instead be treated as consideration paid by Molson in exchange for a portion of such U.S. holders' Molson shares for U.S. federal income tax purposes. For more information see "Material Income Tax Consequences Material U.S. Federal Income Tax Consequences to Molson Shareholders" beginning on page 165.

### **Court Approval Will Be Required to Complete the Merger Transaction (See page 97)**

Under the CBCA, a Canadian court must approve the arrangement set forth in the form of plan of arrangement. Prior to the mailing of this document, Molson will have obtained an interim order from the Superior Court, District of Montréal, Province of Québec providing for the calling and holding of the Molson special meeting and the Molson optionholders meeting and other procedural matters. If the Molson shareholders approve the Molson shareholders resolution and the Coors stockholders approve the Coors share issuance and the Coors charter amendments, the court will hold a hearing regarding a final order. The court will consider, among other things, the fairness and reasonableness of the arrangement. The court may approve the arrangement in any manner the court may direct, subject to compliance with such terms and conditions, if any, as the court deems fit. Subject to the approval of the Molson shareholders resolution at the Molson special meeting and approval of the Coors share issuance and the Coors charter amendments at the Coors special meeting, the hearing to obtain the final order of the Superior Court of Québec is scheduled to take place on or about , 2004 at .m. (Montréal time) at the Montréal courthouse located at 1 Notre-Dame Street East, Montréal, Québec, Canada.

### **Conditions to Closing (See page 114)**

Molson's and Coors' obligations to complete the merger transaction are subject to conditions that must be satisfied or waived before the completion of the merger transaction, including:

the approval of the Molson shareholders resolution by the Molson shareholders and the approval of the Coors share issuance and the Coors charter amendments by the Coors stockholders;

receipt of interim and final orders approving the plan of arrangement from the Superior Court of Québec in form and terms reasonably acceptable to Coors and Molson, and those orders having not been set aside or modified in a manner unacceptable to Coors and Molson;

receipt of orders required from the applicable Canadian securities regulatory authorities permitting the issuance and first resale of the shares issuable as part of the merger transaction and the issuance from time to time of Molson Coors common stock in exchange for the exchangeable shares or on the exercise of replacement options;

absence of injunctions, orders or laws restraining, enjoining or making illegal the completion of the merger transaction;

receipt of necessary regulatory approvals referred to under "Regulatory Matters" below;

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receipt of the Toronto Stock Exchange's conditional approval for listing of the shares to be issued by Molson Coors Exchangeco;

receipt of New York Stock Exchange approval for listing of Molson Coors common stock;

availability of the exemption for the issuance of the shares of Molson Coors common stock to be issued under the arrangement from registration and qualification requirements under applicable U.S. federal and state securities laws;

effectiveness of a registration statement registering the issuance of shares of Molson Coors common stock issuable upon exchange of exchangeable shares;

holders of no more than 5% of all Molson shares having exercised dissent rights in respect of the arrangement; and

Coors' certificate of incorporation and bylaws having been amended and restated in accordance with the combination agreement.

Each party's obligation to complete the merger transaction is subject to the satisfaction of the following additional conditions by the other party:

the material truth of representations and warranties and material compliance with covenants by the other party;

the absence of events or changes that have or would reasonably be expected to have a material adverse effect on the other party; and

the execution and delivery by the other party of the voting trust agreements referred to under "Governance and Management of Molson Coors Other Governance Matters Voting Trust Agreements Among Principal Shareholders" beginning on page 134.

Molson's obligation to complete the merger transaction is also subject to the satisfaction by Coors of the following additional conditions:

the absence of developments that would (i) prevent tax deferred treatment for validly electing Canadian resident shareholders receiving consideration that includes exchangeable shares or (ii) cause the exchangeable shares to be "foreign property" under the *Income Tax Act* (Canada);

Molson shareholders generally having been permitted to take advantage of the holding company alternative on agreed-upon terms and conditions;

Coors having executed and delivered a registration rights agreement for the benefit of parties to the voting trust agreements referred to under "Governance and Management of Molson Coors Other Governance Matters Voting Trust Agreements Among Principal Shareholders" beginning on page 134;

Coors having taken all actions necessary to cause the board of directors of Molson Coors to be constituted as described under "Governance and Management of Molson Coors Board of Directors of Molson Coors"; and

Molson Coors Exchangeco not having been liquidated, dissolved or wound up and having remained solvent, and no bankruptcy, insolvency, receivership or similar proceeding having been commenced against Molson Coors Exchangeco.



**Non-Solicitation (See page 113)**

The combination agreement contains detailed provisions prohibiting the parties from seeking an alternative transaction. Under these "non-solicitation" provisions, each of Molson and Coors has agreed that it will not, directly or indirectly:

initiate, solicit, encourage or otherwise knowingly facilitate any inquiries or the making by any third party of any acquisition proposal (as defined on page 113);

engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an acquisition proposal, or otherwise knowingly facilitate any effort or attempt to make or implement an acquisition proposal;

approve or recommend, or propose publicly to approve or recommend, any acquisition proposal; or

execute or enter into, or publicly propose to accept or enter into, any agreement with respect to an acquisition proposal.

The combination agreement provides for circumstances under which the board of directors of Molson or Coors, as applicable, may share information with third parties, withdraw their recommendation or engage in discussions with third parties regarding acquisition proposals. The combination agreement also provides that each party, under specified circumstances, may enter into an agreement with respect to an acquisition proposal.

**Regulatory Matters (See page 97)**

In addition to the court approval described above, other regulatory approvals are required as conditions to the completion of the merger transaction, including the expiration or early termination of the waiting period under the HSR Act in the United States, the expiration or early termination of the waiting period under the Competition Act in Canada and receipt of a letter from the Commissioner of Competition stating that the Commissioner has determined not to make an application for an order under Section 92 of the Competition Act in respect of the merger transaction. The conditions relating to the HSR Act and the Competition Act have been satisfied.

**Termination (See page 116)**

The combination agreement may be terminated at any time prior to completion of the merger transaction, whether before or after approval of the merger transaction by the shareholders of Molson and Coors, as summarized below.

***Mutual Termination Rights***

Molson and Coors may terminate the combination agreement by mutual agreement. In addition, either Molson or Coors may terminate the combination agreement prior to the completion of the merger transaction if any of the following occurs:

the merger transaction is not completed on or before January 31, 2005, subject to specified exceptions;

any law is passed that makes the arrangement illegal or otherwise prohibited or a governmental authority in the United States or Canada issues a final, non-appealable order restraining, enjoining or otherwise prohibiting consummation of the merger transaction;

the shareholders of Molson fail to approve the Molson shareholders resolution, or the stockholders of Coors fail to approve the Coors share issuance or the Coors charter amendments;



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the other party breaches any representation, warranty, covenant or agreement in the combination agreement such that the conditions to complete the arrangement are incapable of being satisfied on or before January 31, 2005;

the board of directors of the other party withdraws, modifies or qualifies its recommendation in favor of the transactions contemplated by the combination agreement; or

the other party intentionally and materially breaches the "non-solicitation" provisions of the combination agreement or its obligation to convene its stockholder meeting.

In addition, either Molson or Coors may terminate the combination agreement under specified circumstances to accept a superior proposal (as defined on page 116 of this document), upon satisfaction of various other conditions.

### ***Termination Fees and Expenses***

If the combination agreement is terminated by either party in specified circumstances, either Molson or Coors may be required to pay to the other party expenses incurred by the other party in connection with the merger transaction up to a maximum amount of U.S.\$15 million and, upon specified termination relating to competing acquisition proposals, a termination fee of U.S.\$75 million including expenses. The termination fee and expense reimbursement are required to be paid at different times, depending on the basis for the termination of the combination agreement.

### **Amendment of Coors' Certificate of Incorporation (See page 137)**

Coors is proposing to amend and restate its certificate of incorporation to effect various features of the merger transaction. Among other changes, the Coors charter amendments will effect the following amendments to the existing certificate of incorporation of Coors, in each case as further described on pages 137-140 in this document:

the change of the company's name from "Adolph Coors Company" to "Molson Coors Brewing Company";

the amendment of the authorized number of shares of Class A common stock and Class B common stock from 1,260,000 shares of Class A common stock and 200,000,000 shares of Class B common stock to 500,000,000 for each class;

the creation of special Class A voting stock and special Class B voting stock of Molson Coors not previously provided for in the existing Coors certificate of incorporation, through which the holders of Class A exchangeable shares and Class B exchangeable shares, respectively, will exercise their voting rights;

an amendment providing that holders of the Class B common stock and the special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares), voting as a single class, will be entitled to elect three members of the Molson Coors board of directors;

an amendment to include governance and corporate actions requiring the approval of the holders of the Class A common stock and the special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting as a single class;

an amendment to provide that shares of Class A common stock will be convertible at the election of the holder into shares of Class B common stock;

an amendment to provide that shares of Class B common stock will be convertible into shares of Class A common stock in limited circumstances relating to specified offers which are not made to holders of Class B common stock;



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the provision for a nominating committee and related nominating procedures, and procedures for filling vacancies on the Molson Coors board of directors;

an amendment to provide that holders of Class B common stock and special Class B voting stock may not take action by written consent;

an amendment to provide that no dividend may be declared or paid on the Molson Coors Class A common stock or Class B common stock unless an equal dividend is declared or paid on the Molson Coors Class B common stock or Class A common stock, as applicable;

an amendment subject to the right of the holders of Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares) to vote on any charter amendment to increase or decrease the authorized number of shares of Class B common stock, to provide that the number of authorized shares of any class of stock of Molson Coors may be increased or decreased by the affirmative vote of the holders of Class A common stock and special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), voting together as a single class;

an amendment to provide that the size of the Molson Coors board of directors shall be determined by resolution of the Molson Coors board of directors in accordance with the bylaws;

an amendment to provide that (i) any director may be removed, with cause, by a vote of holders of a majority of the voting power of the Class A common stock, special Class A voting stock (acting upon the instructions of the holders of Class A exchangeable shares), Class B common stock and special Class B voting stock (acting upon the instructions of the holders of Class B exchangeable shares),

voting together as a single class, and (ii) any director may be removed, without cause, by a vote of the holders of a majority of the voting power of the class or classes that elected the director;

to provide that the power of the Molson Coors board of directors to amend the Molson Coors bylaws may be limited by a provision of the bylaws in effect as of the date of the filing of the restated certificate of incorporation of Molson Coors; and

to provide that, except as otherwise provided in the bylaws, Molson Coors shall be required to indemnify a person otherwise entitled to indemnification pursuant to the Molson Coors restated certificate of incorporation in connection with a proceeding commenced by such person only if the commencement of such proceeding was authorized by the Molson Coors bylaws, any written agreement between such person and Molson Coors, or in the specific case by the Molson Coors board of directors.

The proposed restated certificate of incorporation of Molson Coors is attached to this document as Annex G. Please read the restated certificate of incorporation as it, together with the amended bylaws of Molson Coors (attached to this document as Annex H), is the principal legal document that will govern the rights of stockholders of Molson Coors after the merger transaction.

### **Amendment of Coors' Bylaws (See page 141)**

In connection with the Coors charter amendments and related merger transaction, Coors is amending and restating its bylaws. Among other changes, the amendment to the bylaws will effect the following changes, in each case as further described in this document:

the change in the size of the Molson Coors board of directors to 15;

the addition of various governance and corporate actions requiring approval of two-thirds of the directors rather than a majority;





the appointment of a chairman and vice chairman of the board of directors and specified officers of Molson Coors; and

the revision of specified provisions relating to the calling of and conduct at stockholder meetings and the making of stockholder nominations and proposals.

The restated bylaws are attached to this document as Annex H. Please read the bylaws as they, together with the proposed restated certificate of incorporation, are the principal legal documents that will govern the rights of stockholders of Molson Coors after the merger transaction.

#### **Pentland and Coors Trust Voting Trust Agreements (See page 134)**

The Coors Trust, the sole holder of the Coors Class A common stock, and Pentland, the principal holder of Molson Class B common shares, will enter into voting trust agreements upon completion of the merger transaction in order to combine their voting power over any Molson Coors Class A common stock and Class A exchangeable shares that they will own following completion of the merger transaction.

Based on their stockholdings as of November 10, 2004 and giving effect to the merger transaction, the Coors Trust and Pentland will have 33.3% and 33.4%, respectively, of the combined voting power of the Molson Coors Class A common stock and special Class A voting stock (the votes of which are directed by holders of Class A exchangeable shares). Peter H. Coors, chairman of Coors, is a trustee for the Coors Trust, and Eric H. Molson, chairman of the Molson board of directors, indirectly controls Pentland.

#### **The Meetings**

*Molson will hold a special meeting of its shareholders to approve the arrangement and a separate meeting of its optionholders to approve the Molson optionholders resolution (See page 54)*

Molson will hold a special meeting of the holders of Class A non-voting shares and Class B common shares on \_\_\_\_\_, 2004, at \_\_\_\_\_ .m. (Montréal time), at \_\_\_\_\_, Montréal, Québec. At the Molson special meeting, in accordance with an interim order of the Superior Court of Québec dated \_\_\_\_\_, 2004, Molson shareholders will be asked to consider and vote upon the Molson shareholders resolution to approve the arrangement under section 192 of the CBCA to effect the combination of Molson and Coors.

Molson will also hold a separate meeting of the holders of options to purchase Class A non-voting shares on \_\_\_\_\_, 2004, at \_\_\_\_\_ .m. (Montréal time), in the John Molson Room located at 1670 Notre-Dame Street East, Montréal, Québec. At the Molson optionholders meeting, in accordance with an interim order of the Superior Court of Québec dated \_\_\_\_\_, 2004, Molson optionholders will be asked to approve the exchange of their options to purchase Molson Class A non-voting shares for options to purchase shares of Molson Coors Class B common stock.

*Molson shareholder approvals will be required to complete the merger transaction (See page 54)*

Each holder of Molson Class A non-voting shares and Molson Class B common shares as of the close of business on November 22, 2004 is entitled to one vote per share on any matter to be considered at the Molson special meeting. The required approvals for the Molson shareholders resolution to approve the arrangement are (i) 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the Molson special meeting by holders of Molson Class A non-voting shares voting as a class, and (ii) 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the Molson special meeting by holders of Molson Class B common shares voting as a class. At the separate meeting of Molson optionholders, each holder of Molson options to purchase Class A non-voting shares at the close of business November 22, 2004, is entitled to one vote for each Molson Class A non-voting share that the holder would have received upon a valid exercise of the holder's Molson

options regardless of whether they are currently exercisable. The required approval for the Molson optionholders resolution is  $66\frac{2}{3}\%$  of the votes cast at the Molson optionholders meeting by holders of options to purchase Class A non-voting shares of Molson voting as a class.

***Ownership of Securities of Directors and Executive Officers of Molson (See page 220)***

On the record date, directors and executive officers of Molson and their affiliates beneficially owned and had the right to vote:

Molson Class A non-voting shares, representing approximately \_\_\_\_\_ % of that class outstanding on the record date.

Molson Class B common shares, representing approximately \_\_\_\_\_ % of that class outstanding on the record date.

options to purchase \_\_\_\_\_ Molson Class A non-voting shares representing approximately \_\_\_\_\_ % of the options outstanding on the record date.

All of the directors and executive officers of Molson have irrevocably undertaken to vote all of the Molson options they hold in favor of the Molson optionholders resolution.

In addition, Pentland has entered into a voting agreement with Coors and the Coors Trust, under which Pentland has committed to vote all of its Molson Class B common shares in favor of the Molson shareholders resolution. As of the date of this document, Pentland, which is indirectly controlled by Eric H. Molson, owns 50.1% of the Molson Class B common shares.

***Coors will hold a special meeting of its stockholders to approve the Coors share issuance and the Coors charter amendments (See page 60)***

Coors will hold a special meeting of stockholders on \_\_\_\_\_ at \_\_\_\_\_ .m. (local time) at Coors Brewing Company, Sixth Floor Auditorium, Brewery Complex, 12<sup>th</sup> and Ford Streets, Golden, Colorado. At the Coors special meeting:

holders of shares of Coors Class A common stock will be asked to consider and vote on the Coors share issuance and the Coors charter amendments (including all of the proposed amendments described in this document); and

holders of shares of Coors Class B common stock will be asked to consider and vote on the Coors charter amendments (including all of the proposed amendments described in this document other than the Class A certificate amendments).

***Coors stockholder approvals will be required to complete the merger transaction (See page 60)***

Each holder of shares of Coors Class A common stock as of the close of business on November 22, 2004 is entitled to one vote per share on any matter to be considered at the Coors special meeting. Each holder of shares of Coors Class B common stock as of the close of business on November 22, 2004 is entitled to one vote per share on the Coors' charter amendments (other than the Class A certificate amendments) at the Coors special meeting.

To become effective, the Coors share issuance requires the affirmative vote of a majority of the votes cast on the proposal by holders of shares of Coors Class A common stock at the Coors special meeting at which the total votes cast by holders of shares of Coors Class A common stock represent at least a majority of the issued and outstanding shares of Coors Class A common stock.

To become effective, the Coors' charter amendments (other than the Class A certificate amendments) require (i) the affirmative vote of the holders of a majority of the outstanding shares of

Coors Class A common stock, voting as a separate class, and (ii) the affirmative vote of the holders of a majority of the outstanding shares of Coors Class B common stock, voting as a separate class.

To become effective, the Class A certificate amendments require the affirmative vote of the holders of a majority of the outstanding shares of Coors Class A common stock.

Unless each of the proposals is approved and the merger transaction is completed, no proposal will be implemented.

***Stock Ownership of Directors and Executive Officers of Coors (See page 277)***

On the record date, directors and executive officers of Coors and their affiliates beneficially owned and had the right to vote \_\_\_\_\_ shares of Coors Class B common stock, representing approximately \_\_\_\_\_ % of that class outstanding on the record date.

In addition, the Coors Trust, for which Peter H. Coors, chairman of Coors, is a trustee, beneficially owns 1,260,000 shares of Coors Class A common stock, representing 100% of that class outstanding on the record date and \_\_\_\_\_ shares of Coors Class B common stock, representing \_\_\_\_\_ % of that class outstanding on the record date. Peter H. Coors disclaims beneficial ownership of the 1,260,000 shares of Coors Class A common stock and the \_\_\_\_\_ shares of Coors Class B common stock held by the Coors Trust.

The Coors Trust, Peter H. Coors and Keystone Financing LLC, holders of 100% of the Class A common stock and \_\_\_\_\_ % of the Class B common stock in the aggregate as of the record date, have entered into a voting agreement with Molson and Pentland, under which they have committed to vote all of their shares of Coors Class A common stock and Coors Class B common stock, in favor of the Coors share issuance and the Coors charter amendments. As a result of the agreed-upon votes, the Coors share issuance is assured of approval at the Coors special meeting.

**Risk Factors (See page 46)**

There are certain risks that should be considered by the Coors stockholders and the Molson shareholders in evaluating whether to approve the merger transaction. These risks should also be considered by the Molson optionholders in evaluating whether to approve the Molson optionholders resolution. Some of these risks relate directly to the merger transaction while others relate to the business of the combined company. These risks include:

we may not realize the cost savings and other benefits we currently anticipate due to challenges associated with integrating operations, technologies, sales and other aspects of the companies;

because the market price of Coors common stock will fluctuate and the exchange ratio is fixed, you cannot be sure of the market value of the Molson Coors common stock or the exchangeable shares that will be outstanding following completion of the merger transaction;

members of management and the boards of directors of Molson and Coors have interests in the merger transaction that are different from those of other shareholders and that could influence their decision to approve the merger transaction;

the merger transaction is subject to consents and approvals from government entities that could delay completion of the merger transaction or impose conditions on the combined company, which could result in an adverse effect on the business or financial condition of the combined company;

Molson Coors' public stockholders will have no ability to influence the outcome of most matters presented to Molson Coors stockholders due to members of the Coors and Molson families collectively holding a controlling interest in the combined company after the merger;

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if Pentland and the Coors Trust do not agree on a matter submitted to stockholders, generally the matter will not be approved, even if beneficial to the company or favored by other shareholders;

if either Pentland or the Coors Trust ceases to beneficially own a specified minimum number of shares of Molson Coors stock, that party may forfeit the right to instruct the trustees with respect to voting on matters presented to Molson Coors stockholders and thereby vest the other party with a sole controlling interest in Molson Coors Class A common stock and the Class A exchangeable shares;

Molson shareholders who receive exchangeable shares will experience a delay in receiving shares of Molson Coors common stock from the date that they request an exchange, which may affect the value of the shares the holder receives in an exchange;

because we will continue to face intense competition, operating results may be negatively impacted;

our operating results may be negatively impacted by foreign currency risk;

our operations face significant commodity price change and foreign exchange rate exposure which could materially and adversely affect our operating results;

Molson has recently incurred losses in its Brazilian operations, recorded an impairment charge of Cdn.\$210 million in the quarter ended September 30, 2004, announced that it will record a

provision for rationalization of approximately Cdn.\$50 million and could suffer further impairment charges as a result of the Brazilian operations, which could have a material adverse effect on our combined results of operations;

Molson may be required to exercise control over the entity that owns the entertainment business and the Montréal Canadiens pursuant to the undertakings given to its lenders;

we will continue to rely on a small number of suppliers to operate our business and the inability of one of them to meet our production needs could have a negative impact on our business;

litigation directed at the alcohol beverage industry may adversely affect our sales volume and our business;

if the independent distributors on which we depend fail to effectively sell our products, our revenue could be adversely affected;

we are and will continue to be subject to contingent tax, environmental and other liabilities and cannot predict with certainty that our reserves for those liabilities will be sufficient. If actual costs for these contingent liabilities are higher than expected, we could be required to accrue for additional costs;

we will be subject to changes in laws, taxation and other normal risks associated with investing and carrying on business in various countries which could negatively impact our business; and

changes in tax, environmental or other regulations or failure to comply with existing licensing, trade and other regulations could have a material adverse effect on our financial condition.

### Per Share Equivalent Share Prices

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The table below shows the closing prices of the Coors Class B common stock and each class of Molson shares and the pro forma equivalent per share value of each class of Molson shares at the close of the regular trading session on July 21, 2004, the last trading day before the public announcement of

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the merger transaction, and \_\_\_\_\_, 2004, the most recent day for which that information was available prior to the mailing of this document.

Date	Coors Class B Closing Price(1)	Molson Share Price		Molson Share Price Pro Forma Equivalent(2)
		Class A	Class B	
July 21, 2004	U.S.\$ 74.73 Cdn.\$98.64 <sup>(4)</sup>	U.S.\$ 26.43 <sup>(3)</sup> Cdn.\$34.70	U.S.\$ 26.02 <sup>(3)</sup> Cdn.\$34.17	U.S.\$ 26.90 Cdn.\$35.51 <sup>(4)</sup>
_____, 2004	U.S.\$ _____ Cdn.\$ _____ <sup>(6)</sup>	U.S.\$ _____ <sup>(5)</sup> Cdn.\$ _____	U.S.\$ _____ <sup>(5)</sup> Cdn.\$ _____	U.S.\$ _____ Cdn.\$ _____ <sup>(6)</sup>

- (1) Shares of Coors Class A common stock are not currently traded on a stock exchange and, as a result, no market value is available for this class of shares, except by reference to the publicly traded shares of Coors Class B common stock.
- (2) The pro forma equivalent per share value of Molson shares is calculated by multiplying the Coors Class B closing price by the 0.360 exchange ratio.
- (3) Using the exchange rate on July 21, 2004 of U.S.\$0.7616 for one Canadian dollar.
- (4) Using the exchange rate on July 21, 2004 of Cdn.\$1.32 for one U.S. dollar.
- (5) Using the exchange rate on \_\_\_\_\_, 2004 of U.S.\$ \_\_\_\_\_ for one Canadian dollar.
- (6) Using the exchange rate on \_\_\_\_\_, 2004 of Cdn.\$ \_\_\_\_\_ for one U.S. dollar.

**Comparative Per Share Data**

The following table sets forth certain historical per share data for Molson and Coors and pro forma combined per share data after giving effect to the merger transaction at an exchange ratio of 0.360 shares of Molson Coors common stock or Molson Coors Exchangeable shares for each Molson share. This data should be read in conjunction with the Molson audited financial statements, the Molson interim unaudited financial statements, the Coors audited financial statements and the Coors interim unaudited financial statements that are attached to this document as Annexes R and S, respectively, and the Molson Coors unaudited pro forma condensed combined financial statements included beginning on page 286 in this document. The unaudited pro forma condensed combined financial statements reflect adjustments to conform Molson's data to U.S. GAAP, presented in U.S.\$ and to give effect to the merger transaction as if it had occurred on December 30, 2002 with respect to the income statement, and as of September 26, 2004 with respect to the balance sheet. The unaudited pro forma condensed combined financial data are not necessarily indicative of the operating results or financial position that would have occurred had the merger transaction been completed at the beginning of the earliest period presented and should not be construed as indicative of future operations. For more information see "Information Concerning Molson" beginning on page 176 and "Information Concerning Coors" beginning on page 234.

Historical Molson Canadian GAAP	Years ended March 31,			Six months ended	
	2004	2003	2002	September 30, 2004	September 30, 2003
	(Cdn.\$)				
Basic income per share	1.86	2.42	1.48	(0.39)	1.19
Diluted income per share	1.84	2.38	1.45	(0.39)	1.17
Book value per share at end of period(2)	9.57	8.12	9.19	8.80	9.29
Dividends per share	0.56	0.42	0.38	0.30	0.28
Historical Coors U.S. GAAP	Years ended			Thirty-nine weeks ended	
	2003	2002(1)	2001	September 26, 2004	September 28, 2003
	(U.S.\$)				
Basic income per share	4.81	4.47	3.33	3.81	3.81
Diluted income per share	4.77	4.42	3.31	3.74	3.79
Book value per share at end of period(2)	34.80	27.02	26.46	40.42	31.57
Dividends per share	0.82	0.82	0.80	0.615	0.615
Pro forma per share data U.S. GAAP	Pro Forma Combined			Molson Equivalent(4)	
	Year ended 2003	Year ended 2003	Thirty-nine weeks ended September 26, 2004	Year ended 2003	Thirty-nine weeks ended September 26, 2004
	(U.S.\$)				
Basic income per share		3.52	1.26	1.27	0.45
Diluted income per share		3.46	1.22	1.25	0.44
Book value per share at end of period(3)			56.31		20.27
Dividends per share		1.27(5)	0.63(5)	0.46	0.23

(1) Results prior to February 2, 2002 exclude Coors Brewers Limited, the business acquired from InBev on that date.





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- (2) The historical book value per share is computed by dividing total stockholders' equity as of the end of each period for which the computation is made by the number of common shares outstanding at the end of each period.
- (3) The pro forma book value per share is computed by dividing pro forma stockholders' equity by the pro forma number of shares outstanding at the end of the period totalling 83.5 million common shares.
- (4) The Molson pro forma equivalent share amounts are computed by multiplying the Molson Coors pro forma combined per share amounts by the 0.360 exchange ratio.
- (5) The pro forma dividends per share amounts are based upon the agreement of Molson and Coors for Molson Coors to adopt Molson's dividend policy in effect on July 21, 2004, subject to applicable law and adjustment for (i) the exchange rate of U.S.\$0.7616 per Canadian dollar on that date and (ii) the exchange ratio of 0.360.

**Molson Selected Historical Financial Information**

We are providing the following financial information to assist you in your analysis of the financial aspects of the merger transaction. We derived the annual Molson historical financial information from the audited consolidated financial statements of Molson as of and for each of the fiscal years ended March 31, 2000 through 2004. Molson prepares its financial statements in accordance with Canadian GAAP, which differs in significant respects from U.S. GAAP. See note 24 to Molson's historical annual financial statements and Note 12 to Molson's interim historical financial statements in Annex R. We derived the data as of and for the six months ended September 30, 2004 and 2003 from unaudited interim financial statements of Molson. In the opinion of Molson management, this information includes adjustments (consisting only of normal and recurring adjustments) that are considered necessary for the fair presentation of the results for the interim periods.

The information below is in Cdn.\$ and is only a summary and is qualified by reference to, and should be read in conjunction with, Molson audited financial statements and the Molson unaudited financial statements that are attached to this document in Annex R. The historical results included below and elsewhere in this document are not indicative of the future performance of Molson or the combined company.

Canadian GAAP	As of and for the six months ended September 30,		As of and for the years ended March 31,				
	2004	2003	2004	2003(3)	2002(3,4)	2001	2000
(In Cdn.\$millions, except per share data)							
<b>Consolidated Statement of Earnings Data:</b>							
Net sales revenue	1,349.4	1,377.4	2,525.5	2,515.2	2,102.3	1,857.1	1,753.7
Net earnings (loss) from continuing operations(1,2,5,7)	(49.6)	151.2	237.0	308.7	175.6	137.2	(65.8)
Net earnings (loss)(1,2,5,7)	(49.6)	151.2	237.0	308.7	177.6	133.9	(44.0)
Net earnings (loss) per share from continuing operations basic(1,2,5,7,8)	(0.39)	1.19	1.86	2.42	1.46	1.15	(0.56)
Net earnings (loss) per share from continuing operations diluted(1,2,5,7,8)	(0.39)	1.17	1.84	2.38	1.43	1.14	(0.55)
Net earnings (loss) per share basic(1,2,5,7,8)	(0.39)	1.19	1.86	2.42	1.48	1.12	(0.37)
Net earnings (loss) per share diluted(1,2,5,7,8)	(0.39)	1.17	1.84	2.38	1.45	1.11	(0.36)
Dividends declared per share(8)	0.30	0.28	0.56	0.42	0.38	0.36	0.36
Cash dividends paid per share(8)	0.29	0.27	0.53	0.41	0.37	0.34	0.34
<b>Consolidated Balance Sheet Data:</b>							
Cash and cash equivalents	18.7	50.6	21.2	12.2	71.0	70.1	61.7
Total assets(1,2,5,6)	3,614.2	3,930.8	3,930.6	3,904.1	4,506.3	3,280.8	3,111.8
Current portion of long-term debt	407.2	65.4	347.0	40.6	58.9		
Total long-term debt	992.9	1,099.6	1,135.4	1,220.6	1,746.1	1,204.4	1,111.9
Shareholders' equity(1,2,5,6,7)	1,124.4	1,180.5	1,219.4	1,033.0	1,173.9	795.4	1,025.7

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U.S. GAAP	As of and for the six months ended September 30,		As of and for the years ended March 31,	
	2004	2003	2004	2003

(In Cdn.\$millions, except per share data)

**Consolidated Statement of Earnings Data:**

Net sales revenue	1,371.0	1,377.4	2,525.5	2,515.2
Net earnings (loss)(1,2,7)	(47.4)	158.8	248.5	294.1
Net earnings (loss) per share basic(1,2,7,8)	(0.37)	1.25	1.96	2.34
Net earnings (loss) per share diluted(1,2,7,8)	(0.37)	1.23	1.93	2.27
Dividends declared per share(8)	0.30	0.28	0.56	0.42
Cash dividends paid per share(8)	0.29	0.27	0.53	0.41

**Consolidated Balance Sheet Data:**

Cash and cash equivalents	50.7	50.6	21.2	12.2
Total assets(1,2)	3,881.1	3,912.1	3,914.2	3,877.0
Current portion of long-term debt	407.2	65.4	347.0	40.6
Total long-term debt	1,192.9	1,099.6	1,135.4	1,220.6
Shareholders' equity(1,2,7)	1,008.9	1,043.8	1,083.2	892.3

- (1) In the fiscal years presented, Molson recorded provisions for rationalization consisting primarily of brewery closure costs and asset writedowns. For the year ended March 31, 2004, these provisions resulted in a pre-tax charge to earnings of \$36.3 (2003 \$63.5, 2002 \$50.0, 2001 \$nil, 2000 \$224.0). For the six months ended September 30, 2004 includes \$16.0 of merger related costs and a \$3.4 charge for rationalization costs.
- (2) During the quarter ended September 30, 2004, Molson recorded an impairment charge of \$210.0 (\$168.0 after minority interest).
- (3) During the year ended March 31, 2002, Molson acquired all of the outstanding shares of Cervejarias Kaiser Brasil S.A. in Brazil. In a separate transaction, which closed in fiscal 2003, Molson sold 20% of its operations in Brazil to Heineken N.V.
- (4) During the year ended March 31, 2002, Molson completed the sale of its sports and entertainment business consisting of the Montréal Canadiens and the Molson Centre.
- (5) Effective April 1, 2001, Molson adopted the Canadian Institute of Chartered Accountants, or CICA, handbook section 3062 "Goodwill and Other Intangible Assets" prospectively in which goodwill and other indefinite lived intangible assets are not amortized, but tested for impairment. Included in the fiscal 2001 and 2000 net earnings are \$38.5 and \$34.2 of amortization of intangible assets, respectively.
- (6) During the year ended March 31, 2001, Molson adopted CICA handbook section 3461 "Employee Future Benefits" and section 3465 "Income Taxes" retroactively, without restatement. The result of adopting these standards were an increase in total assets of \$123.0, an increase in total liabilities of \$443.0 and a decrease in retained earnings of \$320.0
- (7) Effective April 1, 2002, Molson adopted CICA handbook section 3870 "Stock-Based Compensation and Other Stock-Based Payments" on a prospective basis and began expensing stock options. Stock option expense for the fiscal year ended March 31, 2004 amounted to \$5.2. Stock option expense for the fiscal year ended March 31, 2003 was restated by \$3.7 to reflect the adoption of this standard. Prior years have not been restated.
- (8) All per share information is after a 2-for-1 stock split which took effect in September 2001. Prior years have been restated.

**Coors Selected Historical Financial Information**

We are providing the following financial information to assist you in your analysis of the financial aspects of the merger transaction. We derived the annual Coors historical financial information from the audited consolidated financial statements of Coors as of and for each of the fiscal years from 1999 through 2003. Coors prepares its financial statements in accordance with U.S. GAAP. We derived the data as of and for the thirty-nine weeks ended September 26, 2004 and September 28, 2003 from unaudited interim financial statements of Coors. In the opinion of Coors' management, this information includes adjustments (consisting only of normal and recurring adjustments) that are considered necessary for the fair presentation of the results for the interim periods.

The information below is only a summary and is qualified by reference to, and should be read in conjunction with, the Coors audited financial statements and the Coors unaudited interim financial statements that are attached to this document as Annex S, as well as information that has been filed with the SEC. The historical results included below and elsewhere in this document are not indicative of the future performance of Coors or the combined company.

	Thirty-nine weeks ended September 26, 2004	Thirty-nine weeks ended September 28, 2003	Year ended 2003	Year ended 2002(2)	Year ended 2001	Year ended 2000(1)	Year ended 1999
(In U.S.\$ thousands, except per share data)							
<b>Consolidated Income Statement Data:</b>							
Net sales	3,178,511	2,977,241	4,000,113	3,776,322	2,429,462	2,414,415	2,236,484
Operating income	257,502	241,229	307,371	298,285	151,605	150,626	140,535
Net income	141,018	138,576	174,657	161,653	122,964	109,617	92,284
<b>Consolidated Balance Sheet Data:</b>							
Cash and cash equivalents and short-term and long-term marketable securities	92,486	31,251	19,440	59,167	309,705	386,195	279,883
Total assets	4,476,634	4,287,415	4,486,226	4,297,411	1,739,692	1,629,304	1,546,376
Current portion of long-term debt and other short-term borrowings	143,660	94,618	91,165	144,049	88,038		
Capital lease obligations	7,201	1,483	391	5,079	9,377		
Long-term debt	920,317	1,275,623	1,159,838	1,383,392	20,000	105,000	105,000
Shareholders' equity	1,512,680	1,148,658	1,267,376	981,851	951,312	932,389	841,539

(1) Reflects a 53-week year.

(2) Results for the first five weeks of fiscal 2002 and all prior fiscal years exclude Coors Brewers Limited.

**Summary Molson Coors Unaudited Pro Forma Combined Financial Information**

The following summary unaudited pro forma combined financial information is presented to give effect to the merger transaction between Molson and Coors and represents the combined company's pro forma unaudited condensed combined balance sheet as of September 26, 2004 and unaudited condensed combined income statements for the year ended December 28, 2003 and the thirty-nine weeks ended September 26, 2004.

The following summary unaudited pro forma combined financial information is derived from the unaudited pro forma combined financial statements beginning at page 269 and gives effect to the merger transaction between Molson and Coors as if it occurred on December 30, 2002 with respect to the income statement, and as of September 26, 2004 with respect to the balance sheet. The summary unaudited pro forma condensed combined financial information is not necessarily indicative of the results of operations that would have been achieved had the transaction actually taken place at the dates indicated and does not purport to be indicative of future financial position or operating results.

	<b>For the Thirty-nine Weeks Ended September 26, 2004</b>	<b>For the Year Ended December 28, 2003</b>
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(In U.S.\$ millions, except per share data)

<b>Income Statement Data</b>		
Net sales revenue	4,557.5	5,754.4
Net income available to common shareholders	104.3	289.3
Net income per share basic	1.26	3.52
Net income per share diluted	1.22	3.46
<b>Balance Sheet Data</b>		
Cash and cash equivalents and short-term and long-term marketable securities	133.1	
Total assets	11,175.4	
Long-term debt	1,895.0	
Shareholders' equity	4,702.3	

Although the combination of Molson and Coors is a merger of equals, generally accepted accounting principles require that one of the two companies in the transaction be designated as the "acquiror" for accounting purposes. In connection with the merger transaction, Coors will be deemed to acquire the Molson net assets at fair value for accounting purposes. Some of these assets have finite lives and require amortization/depreciation expense to be charged to earnings over their useful lives. This has the effect of increasing amortization and depreciation by approximately U.S.\$76.9 million per year, pre-tax. However, this non-cash expense has no impact on cash generated from the business of the combined entity.

## Risk Factors

*You should carefully consider the following risk factors, which we believe are all of the significant risks related to the merger transaction and the anticipated business of Molson Coors, as well as the other information contained in this document, including the attached annexes, in evaluating whether to approve the proposals relating to the merger transaction. By voting in favor of the merger transaction, Molson shareholders and optionholders will be choosing to invest in Molson Coors common stock or in the exchangeable shares, which are ultimately exchangeable for Molson Coors common stock. By voting in favor of the Coors share issuance and the Coors charter amendments, Coors stockholders will be choosing to combine Molson's operations with Coors' operations.*

### Risks Related to the Merger Transaction

*We may not realize the cost savings and other benefits we currently anticipate due to challenges associated with integrating operations, technologies, sales and other aspects of the companies.*

The success of the merger transaction will be dependent in large part on the success of the management of the combined company in integrating the operations, technologies and personnel of the two companies following the merger transaction. The failure of the combined company to meet the challenges involved in successfully integrating the operations of Molson and Coors or otherwise to realize any of the anticipated benefits of the merger transaction, including the estimated annual cost savings described elsewhere in this document, could impair the results of operations of the combined company. In addition, the overall integration of the two companies may result in unanticipated operations problems, expenses and liabilities and diversion of management's attention. The challenges involved in this integration include the following:

integrating successfully each company's operations, technologies, products and services;

reducing the costs associated with each company's operations;

coordinating sales, distribution and marketing efforts to effectively promote the products of the combined company;

preserving distribution, marketing or other important relationships of both Coors and Molson and resolving potential conflicts that may arise;

coordinating and rationalizing research and development activities to enhance introduction of new products;

assimilating the personnel of both companies and persuading employees that the business cultures of both companies are compatible; and

building employee morale and motivation.

*Because the market price of Coors common stock will fluctuate and the exchange ratio is fixed, you cannot be sure of the market value of the Molson Coors common stock or the exchangeable shares that will be outstanding following completion of the merger transaction.*

In the arrangement, each Molson share will, through a series of exchanges, be exchanged for a fixed number of shares of the applicable class or classes of shares of Molson Coors common stock or exchangeable shares (which will be eligible for exchange into shares of Molson Coors common stock). The exchange ratios in the merger transaction will not be adjusted for changes in the market prices of the shares of Coors or Molson. Changes in the market price of the Coors Class B common stock, the Molson Class A non-voting shares or the Molson Class B common shares or changes in the exchange rate between the U.S. and Canadian dollar prior to the completion of the arrangement will affect the market value of the Molson Coors common stock and the exchangeable shares to be received by





Molson shareholders. Stock price changes may result from a variety of factors, including general market and economic conditions and changes in our businesses, operations and prospects, many of which conditions and changes are beyond our control. Neither Molson nor Coors is permitted to terminate the combination agreement solely because of changes in the market prices of any of our shares or changes in the exchange rate between the U.S. and Canadian dollar.

Furthermore, none of the shares of Coors Class A common stock or exchangeable shares are currently traded on a stock exchange. As a result, no market value is available for those classes of shares, except by reference to the publicly traded shares of Class B common stock and the Molson shares.

If the merger transaction is completed, it will not be completed until after the date of the Coors and Molson special meetings and the satisfaction or waiver of all conditions to the arrangement. Therefore, at the time of your special meeting, you will not know the precise value of the Molson Coors shares or the exchangeable shares. The closing prices of the Coors Class B common stock and each class of Molson shares and the pro forma equivalent per share value of each class of Molson shares at the close of the regular trading session on July 21, 2004, the last trading day before the public announcement of the merger transaction, and \_\_\_\_\_, 2004, the most recent day for which that information was available prior to mailing this document, are set out in "Per Share Equivalent Share Prices" beginning on page 38. Based on such closing prices, the value of 0.360 shares of Coors Class B common stock was U.S.\$26.90 (Cdn.\$35.51) and U.S.\$ \_\_\_\_\_ (Cdn.\$ \_\_\_\_\_) on July 21, 2004 and \_\_\_\_\_, 2004, respectively. We urge you to obtain current market prices for the Coors Class B common stock and Molson Class A non-voting shares and Class B common shares.

***Members of the management and boards of directors of Molson and Coors have interests in the merger transaction that are different from those of other shareholders and that could influence their decision to approve the merger transaction.***

In considering whether to approve the merger transaction, Molson's securityholders and Coors' stockholders should recognize that some of the members of management and the boards of directors of Molson and Coors have interests in the merger transaction that differ from, or are in addition to, their interests as Molson securityholders or Coors stockholders. These interests include:

rights of certain officers and directors to receive termination payments or other benefits, including vesting of options, following a change of control;

future board of directors membership;

future executive officer positions; and

indemnification of officers and directors against certain liabilities.

These interests are described in "Description of the Merger Transaction Interests of Molson's Directors and Management in the Merger Transaction" beginning on page 86, "Governance and Management of Molson Coors Other Governance Matters Voting Trust Agreements Among Principal Shareholders" beginning on page 134 and "Description of the Merger Transaction Interests of Coors' Directors and Management in the Merger Transaction" beginning on page 96.

***The merger transaction is subject to the receipt of consents and approvals from government entities that could delay completion of the merger transaction or impose conditions on the combined company, which could result in an adverse effect on the business or financial condition of the combined company.***

Completion of the merger transaction is conditioned upon the expiration or termination of the applicable waiting period under the HSR Act, and the receipt of consents, orders, approvals or clearance, as required, under the competition laws of Canada and certain other regulatory authorities.

The conditions relating to the HSR Act and clearance under competition laws of Canada have been satisfied. A substantial delay in obtaining satisfactory approvals or the imposition of unfavorable terms or conditions in the approvals could have an adverse effect on the business, financial condition or results of operations of Molson Coors.

***Molson Coors' public stockholders will have no ability to influence the outcome of most matters presented to Molson Coors stockholders due to members of the Coors and Molson families collectively holding a controlling interest in the combined company after the merger.***

The Coors Trust, which is controlled by members of the Coors family, currently owns all of the voting stock of Coors, and Pentland, which is indirectly controlled by Eric H. Molson, owns approximately 44.7% of the voting shares of Molson. Following the merger transaction, Pentland and the Coors Trust will be the beneficial owners of a controlling interest in the Molson Coors Class A common stock and the Class A exchangeable shares. Based on their shareholdings on November 10, 2004, the Coors Trust and Pentland will hold 66.7%, of the combined voting power of Molson Coors Class A common stock and special Class A voting stock (the votes of which are directed by holders of Class A exchangeable shares). Peter H. Coors, the chairman of Coors, is a trustee for the Coors Trust, and Eric H. Molson, the chairman of the Molson board of directors, indirectly controls Pentland. Pentland and the Coors Trust have agreed to enter into voting trust agreements to vote their shares as a bloc. As a result of these ownership levels and voting trust agreements, the remaining holders of Molson Coors Class A common stock and Class B common stock and Class A exchangeable shares and Class B exchangeable shares will have no ability to influence the outcome of most matters presented to the combined company's stockholders, other than limited matters in which the holders of Molson Coors Class B common stock vote separately.

Because Pentland and the Coors Trust will collectively own a controlling interest in the Molson Coors Class A common stock and the Class A exchangeable shares, a third party may be deterred from pursuing a tender offer, change in control or take-over attempt in respect of Molson Coors that is not supported by them.

***If Pentland and the Coors Trust do not agree on a matter submitted to stockholders, generally the matter will not be approved, even if beneficial to the Company or favored by other shareholders.***

Pentland and the Coors Trust, which will be Molson Coors' two largest stockholders, will enter into voting trust agreements upon the completion of the merger transaction through which they will combine their voting power over the Molson Coors Class A common stock and Class A exchangeable shares they will own upon completion of the merger transaction. However, in the event that these two stockholders do not agree to vote in favor of a matter submitted to a stockholder vote (other than the election of directors), the voting trustees will be required to vote all of the Molson Coors Class A common stock and Class A exchangeable shares deposited in the voting trusts against the matter. There is no other mechanism in the voting trust agreements to resolve a potential deadlock between these stockholders. Therefore, if either Pentland or the Coors Trust are unwilling to vote in favor of a transaction that is subject to a stockholder vote, we may be unable to complete the transaction even if our board, management or other stockholders believe the transaction is beneficial for Molson Coors.

***If either Pentland or the Coors Trust ceases to beneficially own a specified minimum number of shares of Molson Coors stock, that party may forfeit the right to instruct the trustees with respect to voting on matters presented to Molson Coors stockholders and thereby vest the other party with a sole controlling interest in Molson Coors Class A common stock and the Class A exchangeable shares.***

If Pentland and its permitted transferees cease to beneficially own a specified minimum number of shares of Molson Coors Class A common stock and Class A exchangeable shares, then Pentland will forfeit the right to instruct the trustees with respect to voting on matters presented to Molson Coors

stockholders, and lose rights relating to the nomination of directors to the Molson Coors board of directors. Similarly, if the Coors Trust and its permitted transferees cease to beneficially own a specified minimum number of shares of Molson Coors Class A common stock and Class A exchangeable shares, they will forfeit the right to instruct the trustees with respect to voting on matters presented to Molson Coors stockholders, and lose rights relating to the nomination of directors to the Molson Coors board of directors.

In the event that one party forfeits its right to instruct the trustees with respect to voting on matters presented to Molson Coors stockholders, while the other party retains its right to so instruct the trustees, the party that retains its right to give voting instructions to the trustees will be vested with the sole controlling interest in Molson Coors Class A common stock and the Class A exchangeable shares held in the voting trusts and the sole ability to direct the outcome of most matters presented to Molson Coors' stockholders, other than limited matters on which the holders of Molson Coors Class B common stock vote separately.

For a detailed description of these voting trust agreements, see "Governance and Management of Molson Coors Other Governance Matters Voting Trust Agreements Among Principal Shareholders" beginning on page 134.

***Molson shareholders who receive exchangeable shares will experience a delay in receiving shares of Molson Coors common stock from the date that they request an exchange, which may affect the value of the shares the holder receives in an exchange.***

Molson shareholders who receive exchangeable shares in the arrangement and later request to receive Molson Coors common stock in exchange for their exchangeable shares will not receive Molson Coors common stock for 10 to 15 business days after the applicable request is received. During this 10- to 15-business day period, the market price of Molson Coors common stock may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received by the holder of exchangeable shares on the effective date of the exchange.

#### **Risks Related to the Molson Coors Business and Operations**

***Because we will continue to face intense competition, operating results may be negatively impacted.***

The brewing industry is highly competitive and requires substantial human and capital resources. Competition in our various markets could cause us to reduce prices, increase capital and other expenditures or lose market share, any of which could have a material adverse effect on our business and financial results. In addition, in some of our markets, our primary competitors have substantially greater financial, marketing, production and distribution resources than Molson Coors will have. In all of the markets where Molson Coors will operate, aggressive marketing strategies by our main competitors could adversely affect our financial results.

***Our results may be negatively impacted by foreign currency risk.***

Molson Coors will hold assets and incur liabilities, earn revenues and pay expenses in a variety of currencies other than the U.S. dollar, primarily the Canadian dollar, the Brazilian real and the British pound. Because our financial statements will be presented in U.S. dollars, we must translate our assets, liabilities, income and expenses into U.S. dollars at then-applicable exchange rates. Consequently, increases and decreases in the value of the U.S. dollar will affect, perhaps negatively, the value of these items in our financial statements, even if their value has not changed in their original currency.

***Our operations face significant commodity price change and foreign exchange rate exposure which could materially and adversely affect our operating results.***

Molson Coors will use a large volume of agricultural and other raw materials to produce its products, including malt, hops and water. The supply and price of these raw materials can be affected by a number of factors beyond our control, including frosts, droughts and other weather conditions, economic factors affecting growth decisions, plant diseases and theft. To the extent any of the foregoing factors affect the prices of ingredients, our results of operations could be materially and adversely impacted. In addition, in Brazil agricultural and other raw materials are priced based on the U.S. dollar and, since Molson's sales in Brazil are made in local currency, fluctuations in the exchange rate between the U.S. dollar and the Brazilian real may negatively impact our earnings in Brazil.

Both companies have active hedging programs to address commodity price and foreign exchange rate changes. However, to the extent we fail to adequately manage the foregoing risks, including if our hedging arrangements do not effectively or completely hedge changes in foreign currency rates or commodity price risks, our results of operations may be negatively impacted.

***Molson has recently incurred losses in its Brazilian operations, recorded an impairment charge of Cdn.\$210 million in the quarter ended September 30, 2004, announced that it will record a provision for rationalization of approximately Cdn.\$50 million and could suffer further impairment charges as a result of the Brazilian operations, which could have a material adverse effect on our combined results of operations.***

Molson's Brazilian operations recently incurred losses in the quarter ended March 31, 2004 and for the quarters ended June 30, 2004 and September 30, 2004. These losses were a function of the current period costs associated with plans to significantly grow volumes and regain market share associated with the sales centers put in place during the last nine months in Brazil. In light of the continuing challenges presented by the Brazilian beer market, Molson performed an impairment test of assets in the region. As a result of declining sales volumes and loss of market share, Molson announced on September 30, 2004 that it had revised its forecast of net cash flow from operations in Brazil and, as a result, on October 28, 2004 announced that it had recorded an impairment charge of Cdn.\$210 million (Cdn.\$168 million after minority interest). In addition, Molson announced that it will record a provision for rationalization of approximately Cdn.\$50 million against earnings in the coming quarters to account for a plant closing in Brazil and organizational right-sizing. On November 3, 2004, Heineken N.V., the owner of a 20% stake in Molson's Brazilian operations, announced that it provided for an impairment charge for the full amount of its 20% stake stating that it is unable to determine the realizable value of its minority interest with any accuracy or reliability and noting that, as a minority shareholder, it has no effective influence over the management and policies of Molson's Brazilian operations. Molson's Brazilian operations may continue to incur losses and further impairment charges could be required, which could have a material adverse effect on our combined results of operations.

***Molson may be required to exercise control over the entity that owns the entertainment business and the Montréal Canadiens pursuant to the undertakings given to its lenders.***

On July 25, 2001, Molson sold the entertainment business operated in the Bell Centre and the Montréal Canadiens hockey team, which may be financially adversely affected as a result of the National Hockey League work stoppage. As part of the sale transaction, Molson agreed to, among other things, give undertakings to the team's lenders for loans which as of March 31, 2004 were in the amount of Cdn.\$92 million.

In addition, Molson is the guarantor of the 99 year lease arrangements on the Bell Centre related to the land on which the Bell Centre is located (the amount of lease payments varies based on prevailing interest rates and changes in the Consumer Price Index in Molson's 2004 fiscal year the payments under the lease made by the purchaser totaled Cdn.\$3.2 million);

If the purchaser is unable to meet its obligations, Molson will exercise control over the entities that own the entertainment business and the Montréal Canadiens and make required payments and fund cash flow deficiencies, which could have a material adverse effect on our liquidity position and our combined results of operations.

***We will continue to rely on a small number of suppliers to operate our business, and the inability of one of them to meet our production needs could have a negative impact on our business.***

We purchase most of our packaging and container supplies from a single supplier or a small number of suppliers. In addition, consolidation of the glass bottle industry in North America has reduced local supply alternatives and increased risks of glass bottle supply disruptions. The inability of any of these suppliers to meet our production requirements without sufficient time to develop an alternative source could have a material adverse effect on our business.

***Litigation directed at the alcohol beverage industry may adversely affect our sales volumes and our business.***

Coors and many other brewers and distilled spirits manufacturers have been sued in several courts regarding advertising practices and underage consumption. The suits allege that each defendant intentionally marketed its products to "children and other underage consumers." In essence, each suit seeks, on behalf of an undefined class of parents and guardians, an injunction and unspecified money damages. We will vigorously defend these lawsuits and it is not possible at this time to estimate the possible loss or range of loss, if any, in these lawsuits.

***If the independent distributors on which we depend fail to effectively sell our products, our revenue could be adversely impacted.***

We sell all of our products in the United States to distributors for resale to retail outlets. Some of our distributors are at a competitive disadvantage because they are significantly smaller than the largest distributors in their markets. Our distributors also sell products that compete with our products. We cannot control or provide any assurance that these distributors will not give our competitors' products higher priority, thereby reducing sales of our products. In addition, the regulatory environment of many states makes it very difficult to change distributors. Consequently, if we are not allowed or are unable to replace unproductive or inefficient distributors, our business, financial position, and results of operation may be adversely affected.

***We are and will continue to be subject to various contingent tax, environmental and other liabilities and cannot predict with certainty that our reserves for those liabilities will be sufficient. If actual costs for these contingent liabilities are higher than expected, we could be required to accrue for additional costs.***

In the course of our respective businesses, we are subject to various litigation claims and other contingent liabilities. These include, among others, (i) claims asserted against Molson's subsidiary, Cervejarias Kaiser Brasil S.A., by Brazilian tax authorities, including claims for income taxes, federal excise taxes, value-added tax, revenue taxes (PIS/federal unemployment insurance contribution) and federal social security tax, (ii) claims by the U.S. Environmental Protection Agency that Coors is a potentially responsible party at the Lowry Superfund Site and (iii) various other legal claims arising in the ordinary course of our businesses.

While we have estimated and accrued for costs expected to be incurred in connection with our contingent liabilities, if actual costs are higher than expected, we could be required to accrue for additional costs and make additional cash payments.

*We will be subject to changes in laws, taxation and other normal risks associated with investing and carrying on business in various countries which could negatively impact our business.*

We conduct activities in the United States, Canada, the United Kingdom and Brazil. Our investments are subject to the risks normally associated with any conduct of business in foreign countries including: uncertain political and economic environments; changes in laws or policies of particular countries; taxation; delays in obtaining or failure to obtain necessary governmental permits; limitations on repatriation of earnings; and increased financing costs.

*Changes in tax, environmental or other regulations or failure to comply with existing licensing, trade and other regulations could have a material adverse effect on our financial condition.*

Our business is regulated by federal, state, provincial and local laws and regulations in various countries regarding such matters as licensing requirements, trade and pricing practices, labeling, advertising, promotion and marketing practices, relationships with distributors, environmental matters and other matters. Failure to comply with these laws and regulations could result in the loss, revocation or suspension of our licenses, permits or approvals. In addition, changes in tax, environmental or any other laws or regulations which affect our products or their production, handling or distribution could have a material adverse effect on our business, financial condition and results of operations.

**Information Concerning Forward-Looking Statements**

This document (including the documents attached as annexes to this document) contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact contained in this document and the materials accompanying this document are forward-looking statements.

The forward-looking statements are based on the beliefs of management of each of Molson and Coors, as well as assumptions made by and information currently available to management of each of Molson and Coors. Frequently, but not always, forward-looking statements are identified by the use of the future tense and by words such as "believes," "expects," "anticipates," "intends," "will," "may," "could," "would", "projects," "continues," "estimates" or similar expressions. Forward-looking statements are not guarantees of future performance and actual results could differ materially from those indicated by the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause Molson's, Coors' or their industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Among the important factors that could cause actual results to differ materially from those indicated by forward-looking statements are the risks and uncertainties described under "Risk Factors" and elsewhere in this document, in Molson's other filings with Canadian securities administrators and in Coors' other filings with the U.S. Securities and Exchange Commission.

Neither Molson nor Coors can provide any assurance that the plans, intentions or expectations upon which forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this document and the documents that are attached as annexes to this document. Although Molson and Coors believe that the expectations represented in forward-looking statements are reasonable, neither Molson nor Coors can assure that these expectations will prove to be correct.

Forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and neither Molson nor Coors undertakes any obligation to update forward-looking statements to reflect new information, subsequent events or otherwise.

### Special Meeting of Molson Shareholders

The accompanying Molson proxy is solicited on behalf of Molson's management for use at the Molson special meeting.

#### Date, Time and Place of the Molson Special Meeting

The Molson special meeting is scheduled to be held as follows:

Date:           , 2004  
Time:           , Montréal time  
Place:           , Montréal, Québec

#### Purpose of the Molson Special Meeting

At the Molson special meeting, Molson shareholders will be asked to:

1. Consider, pursuant to an interim order of the Superior Court, District of Montréal, Province of Québec dated           , 2004, and, if deemed advisable, to pass, with or without variation, the Molson shareholders resolution set out in Annex A-I attached to this document to approve the arrangement under Section 192 of the CBCA to effect the combination of Molson and Coors.
2. Transact other business that may properly come before the Molson special meeting or any adjournment or postponement of the Molson special meeting.

The combination agreement is attached as Annex B to this document. Other documents referred to in the combination agreement also are attached as annexes to this document. Molson shareholders are encouraged to read the combination agreement and related exhibits in their entirety and the other information contained in this document, including the annexes, carefully before deciding to vote.

#### Recommendation of the Molson Board of Directors

**Molson's board of directors recommends that Molson shareholders vote "FOR" the approval of the Molson shareholders resolution set out in Annex A-I attached to this document to approve the arrangement under Section 192 of the CBCA.**

#### Record Date and Entitlement to Vote

The Molson board of directors has fixed the close of business on November 22, 2004 as the record date for determining Molson shareholders entitled to notice of, and to vote at, the Molson special meeting. As of the record date, there were (i)           Molson Class A non-voting shares and (ii)           Molson Class B common shares outstanding and entitled to vote at the Molson special meeting.

Molson will prepare, within 10 days after the record date, a list of the holders of Molson Class A non-voting shares and Molson Class B common shares entitled to vote at the Molson special meeting. The list of Molson shareholders will be available for inspection at the offices of CIBC Mellon Trust Company, Molson's registrar and transfer agent, at 2001 University Street, Suite 1600, Montréal, Québec, H3A 2A6 during usual business hours.

#### Registered Holders of Molson Shares

**If you are a registered holder of Molson shares at the close of business (Montréal time) on the record date, you are entitled to attend the Molson special meeting in person or by proxy and to cast**



**one vote for each Molson Class A non-voting share and Molson Class B common share held by you on the record date.**

### **Non-Registered Shareholders**

The names of the shareholders whose shares are held in the name of a broker or another intermediary will not appear on the list of shareholders of Molson. If you are not a registered Molson shareholder, in order to vote you must obtain the material relating to the Molson special meeting from your broker or other intermediary, complete the request for voting instructions sent by the broker or other intermediary and follow the directions of the broker or other intermediary with respect to voting procedures.

In accordance with National Instrument 54-101 adopted by the Canadian securities administrators entitled "Communication with Beneficial Owners of Securities of a Reporting Issuer", Molson is distributing copies of the material related to the Molson special meeting to the clearing agencies and intermediaries for distribution to non-registered holders. Intermediaries must forward the material related to the Molson special meeting to non-registered holders and often use a service company (such as ADP Investor Communications in Canada) to permit you, if you are not a registered shareholder, to direct the voting of the Molson shares which you beneficially own. If you are a non-registered Molson shareholder, you may revoke voting instructions which have been given to an intermediary at any time by written notice to the intermediary. If you are a non-registered Molson shareholder, please submit your voting instructions to your intermediary or broker in sufficient time to ensure that your votes are received by Molson on or before \_\_\_\_\_ p.m., Montréal time, on \_\_\_\_\_.

### **Quorum and Votes Required**

Attendance in person or by proxy of holders of 25% of the issued and outstanding Molson Class A non-voting shares and holders of 25% of the issued and outstanding Molson Class B common shares will constitute a quorum for the transaction of business at the Molson special meeting. If a quorum is not present, the Molson special meeting may be adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the Molson special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Molson special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

In accordance with the interim order of the Superior Court, District of Montréal, Province of Québec:

The requisite approval for the Molson shareholders resolution will be:

not less than  $66\frac{2}{3}\%$  of the votes cast on the Molson shareholders resolution by holders of Molson Class A non-voting shares, voting as a separate class, present in person or by proxy at the Molson special meeting, and

not less than  $66\frac{2}{3}\%$  of the votes cast on the Molson shareholders resolution by holders of Molson Class B common shares, voting as a separate class, present in person or by proxy at the Molson special meeting.

Any spoiled votes, illegible votes and defective votes will be considered not to be votes cast.

Certain aspects of the merger transaction, including certain provisions of the voting trust agreements between Pentland and the Coors Trust, described in "Governance and Management of Molson Coors", raise a question as to whether the transaction is subject to the requirement of Policy Q-27 of the Autorité des marchés financiers du Québec, or AMF, to provide a valuation of the affected securities and summary of this valuation to Molson shareholders and the requirement of Policy Q-27

and Rule 61-501 of the Ontario Securities Commission, or OSC, to hold a minority vote of Class B common shares. Accordingly, Molson applied for and has been granted exemptions from both the AMF and OSC from these requirements, based upon considerations which included the nature of the arrangements, the review and recommendation of the transaction by the independent committee of Molson, the receipt of opinions from its financial advisors as to the fairness, from a financial point of view, of the 0.360 exchange ratio, the requirement for a two-thirds approval of each class of Molson shares, the supervision of the Québec Superior Court and the right of a Molson shareholder to dissent and the fact that a minority vote of Class B common shares would unduly favor a very small group of shareholders.

## Proxies

Your vote is very important. Whether or not you plan to attend the Molson special meeting, we urge you to vote promptly to ensure that your securities are represented at the meeting. You may vote by mail by dating and signing the enclosed form of proxy and promptly returning it in the postage-paid envelope provided. For a proxy to be valid, you (or your attorney, who must be authorized in writing) must sign and date it, and must either return it in the envelope provided or deposit it at the offices of CIBC Mellon Trust Company at Attn: Proxy Department, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9 not later than 5:00 p.m. (Montréal time) on \_\_\_\_\_, 2004 or, if the Molson special meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the time the adjourned Molson special meeting is to be reconvened. An undated but executed proxy will be deemed to be dated the date of this document.

You may also cast your vote by proxy via the Internet at the website indicated on your proxy form or by telephone by calling the toll-free number shown on your proxy form and following the instructions. You must do so not later than 5:00 p.m. (Montréal time) two business days before the Molson special meeting. You will also need your control number located on the front of your proxy form to identify yourself to the system. If you submit your proxy via the Internet or by telephone, please do not return a signed form of proxy. A signed and completed form of proxy or properly submitted telephone or Internet proxies received by Molson prior to or at the Molson special meeting will be voted as instructed.

There are two forms of proxy applicable to Molson shares: a [color] proxy applicable to holders of Molson Class A non-voting shares and a [color] proxy applicable to holders of Molson Class B common shares. If you also hold Molson options, you may have received an additional [color] form of proxy to be used in connection with the separate meeting of Molson optionholders. **Please be sure to execute a vote by telephone, Internet or mail with regard to each form of proxy you receive.**

If you need an additional form of proxy, please contact our proxy solicitor, Innisfree M&A Incorporated, toll free at \_\_\_\_\_ (English speakers) or \_\_\_\_\_ (French speakers).

If your broker or other nominee holds your shares in its name, carefully follow the instructions given to you by your broker or other intermediary to ensure that your shares are properly voted.

## Voting of Proxies

The individuals named in the enclosed form of proxy will vote the Molson securities represented by proxy in accordance with the instructions of the Molson securityholder who appointed them. **If you submit a validly executed proxy without providing instructions, the Molson securities represented by the proxy will be voted "FOR" the Molson shareholders resolution. The enclosed form of proxy, when properly completed and signed, confers discretionary authority on the appointed individuals to vote as they see fit on any amendment or variation to any of the matters identified in the notice of Molson special meeting and on any other matter that may properly be brought before the Molson special meeting. At the date of this document, neither the Molson board of directors nor management of**

**Molson is aware of any variation, amendment or other matter to be presented for a vote at the Molson special meeting.**

#### **Revocation of Proxies**

If you are a registered holder, you may revoke a proxy at any time before the Molson special meeting:

by executing, or having your attorney (who must be authorized in writing) execute, a valid form of revocation of proxy and delivering it to the Secretary of Molson or the offices of CIBC Mellon Trust Company at the address referred to above, at any time up to and including the last business day preceding the day of the Molson special meeting, or any adjournment of the Molson special meeting, or to the chairman of the Molson special meeting at any time before the Molson special meeting or any adjournment of the Molson special meeting;

by completing and submitting, or having your attorney (who must be authorized in writing) complete and submit, a later-dated proxy form no later than 5:00 p.m. (Montréal time) on the last business day before the Molson special meeting; and

by attending the Molson special meeting and voting in person. Your attendance at the Molson special meeting alone will not revoke your proxy. You must also vote at the Molson special meeting in order to revoke a previously submitted proxy.

You may also revoke a proxy via the Internet at the website indicated on your proxy form or by telephone by calling the toll-free number shown on your proxy form and following the instructions.

If a broker holds shares in "street name" and you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

#### **Molson Voting Agreement**

As a condition to Coors entering into the combination agreement, concurrently with the execution and delivery of the combination agreement, Pentland entered into the Molson voting agreement with Coors and the Coors Trust under which, among other things, Pentland has agreed, subject to the terms of the Molson voting agreement, to vote all Molson shares owned by it in favor of the merger transactions contemplated by the combination agreement.

Pentland and the Swiftsure Trust were parties to an agreement that restricted the transfer or conversion of shares of Molson by the parties to the agreement. The agreement provided for its termination in certain circumstances and for the provision of notice by one party to the other in certain circumstances, which included a party reaching a specified ownership level in the shares of Molson. Molson and Coors have been advised by Pentland that, as of November 9, 2004, Pentland owned 50.1% of the then outstanding Class B common shares and that on November 10, 2004 it had written to the Swiftsure Trust advising of the termination of the agreement. The agreement authorized Eric H. Molson and Stephen T. Molson, as representatives of the parties thereto holding more than 50% of the issued and outstanding Class B common shares, to give notice of non-acceptance of any exclusionary offer (as defined in Molson's articles) and restricted the transfer of Class B common shares of Molson held by the parties. The exclusionary offer provisions form an integral part of Molson's "coattail" provisions which provide protection to holders of Class A non-voting shares in the case of a proposed take-over bid for Class B common shares.

Prior to November 9, 2004, Pentland owned 10,000,000 Class B common shares, including all of the Class B common shares formerly held by Lincolnshire Holdings Limited and Nooya Investments Limited. As announced by Pentland on November 10, 2004, on November 9, 2004, it acquired, by

private agreement, 9,000 Class B common shares from BAX Investments Limited ("BAX") and 9,000 Class B common shares from DJS Holdings Ltd. ("DJS"). The shareholders of each of BAX and DJS are the Estate of the late T.H.P. Molson and certain of his descendants. Eric H. Molson and Stephen T. Molson are directors of BAX and DJS, and trustees of trusts of the Estate of the late T.H.P. Molson. In addition, on November 9, 2004, BAX and DJS converted an aggregate of 2,278,654 Class B common shares into Class A non-voting shares.

The agreement between, among others, Pentland and the Swiftsure Trust was to expire on December 20, 2006, and was subject to earlier termination upon the occurrence of certain events, including a party achieving minimum shareholding thresholds of Class B common shares. Pentland announced that it advised the Swiftsure Trust of the termination of the agreement in view of its holdings of Class B common shares.

The Molson voting agreement provides that, in the event that the merger transaction is not completed solely as a result of Pentland's failure to terminate the agreement with Swiftsure Trust, Pentland will indemnify Coors for specified expenses of Coors and the Coors Trust relating to the merger transaction, up to an aggregate of U.S.\$15 million.

For more information about the Molson voting agreement, see "The Combination Agreement and Related Agreements Voting Agreements" beginning on page 118.

### Voting Securities and Principal Holders of Securities

On the record date, there were outstanding (i) \_\_\_\_\_ Molson Class A non-voting shares and (ii) \_\_\_\_\_ Molson Class B common shares. Each Molson Class A non-voting share and Class B common share carries the right to one vote.

The only shareholder that, to the knowledge of Molson management, as of the record date, owned beneficially, or exercised control or direction over more than 10% of the total outstanding Molson Class A non-voting shares was AIM Funds Management Inc. which, as of July 31, 2004, controlled 15,225,750 Molson Class A non-voting shares or approximately 14.5% of the total outstanding Molson Class A non-voting shares as of that date.

The only shareholders that, to the knowledge of Molson management, as of the record date, owned beneficially, or exercised control or direction over more than 10% of the total outstanding Molson Class B common shares were:

Eric H. Molson, chairman of the Molson board of directors, who indirectly through Pentland controlled 10,018,000 Molson Class B common shares or 50.1% of the total outstanding Molson Class B common shares. Pentland is owned by Lincolnshire Holdings Inc. and Nooya Investments Inc., which are respectively owned by Eric H. Molson and his brother Stephen T. Molson; and

R. Ian Molson, who controls Nantel Investments Ltd. which beneficially owned, through Swiftsure Trust, 2,300,000 Molson Class B common shares or approximately \_\_\_\_\_ % of the total outstanding Molson Class B common shares.

On the record date, directors and executive officers of Molson and their affiliates beneficially owned and had the right to vote:

\_\_\_\_\_ Molson Class A non-voting shares, representing approximately \_\_\_\_\_ % of the class outstanding on the record date; and

\_\_\_\_\_ Molson Class B common shares, representing approximately \_\_\_\_\_ % of the class outstanding on the record date.

### **Solicitation of Proxies**

**The management of Molson is soliciting proxies for use at the Molson special meeting and has designated the individuals listed on the enclosed form of proxy as persons whom Molson securityholders may appoint as their proxyholders. If you are a Molson shareholder and wish to appoint an individual not listed on the enclosed form of proxy to represent you at the Molson special meeting, you may do so either by crossing out the names on the enclosed form of proxy and inserting the name of that other individual in the blank space provided on the enclosed form of proxy or by completing another acceptable form of proxy. A proxy nominee need not be a Molson shareholder. If the Molson shareholder is a corporation, it must execute the proxy by an officer or properly appointed attorney.**

Molson will bear the expenses in connection with the solicitation of proxies from Molson shareholders, except that Coors and Molson have agreed to share equally out-of-pocket expenses related to the printing and filing of this document. Molson has retained Innisfree M&A Incorporated, a proxy solicitation firm, for assistance in connection with the solicitation of proxies in Canada and the United States and anticipates paying a fee not exceeding U.S.\$500,000 plus additional charges related to telephone calls and other services. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of Molson shares held of record by these persons, and Molson may reimburse them for their reasonable transaction and clerical expenses. Molson and Coors have agreed to share the costs of the solicitation of proxies.

Solicitation of proxies may also be made by mail, in person, or by telephone, email, Internet, facsimile, telegram or other means of communication, by Molson's directors, officers and employees. These people will receive no additional compensation for these services, but will be reimbursed for any transaction expenses incurred by them in connection with these services.

### **Independent Auditors**

Representatives of PricewaterhouseCoopers LLP, Molson's independent auditors, plan to attend the Molson special meeting and will be available to answer questions. PricewaterhouseCoopers LLP's representatives will also have an opportunity to make a statement at the Molson special meeting if they so desire.

### **Dissenting Shareholder's Rights**

Under the provisions of the interim order, registered Molson shareholders will have the right to dissent with respect to the Molson shareholders resolution. If the arrangement becomes effective, a registered Molson shareholder who dissents will be entitled to be paid the fair value of its Molson shares by Molson or Molson Coors Exchangeco. This right to dissent is described in this document and in the plan of arrangement which is attached to this document as Annex D. If you want to dissent in respect of the Molson shareholders resolution, you must provide a written dissent notice to Molson's secretary at Molson Inc., 1555 Notre Dame Street East, 4<sup>th</sup> Floor, Montréal, Québec H2L 2R5, Attention: Secretary, facsimile number \_\_\_\_\_, not later than 5:00 p.m. (Montréal time) on the business day immediately preceding the Molson special meeting (or any adjournment or postponement of the Molson special meeting). If you do not strictly comply with this requirement, you could lose your right to dissent. This requirement is different from the statutory dissent procedures of the CBCA that would permit a dissent notice to be provided at or prior to the Molson special meeting.

**Special Meeting of Coors Stockholders**

The accompanying Coors proxy is solicited on behalf of Coors' board of directors for use at the Coors special meeting.

**Date, Time and Place of the Coors Special Meeting**

The special meeting is scheduled to be held as follows:

Date:           , 2004  
Time:           , Mountain time  
Place:       Coors Brewing Company, Sixth Floor Auditorium, Brewery Complex, 12<sup>th</sup> and  
              Ford Streets, Golden, Colorado

**Purpose of the Coors Special Meeting**

The purpose of the Coors special meeting is to consider and vote on the following:

a proposal to adopt a restated certificate of incorporation of Coors in the form attached as Annex G to the enclosed document, such approval to include, among other things, the following proposals:

1. to change the company's name to "Molson Coors Brewing Company" from "Adolph Coors Company";
2. to increase the number of authorized shares of Class A common stock and Class B common stock to 500,000,000 for each class;
3. to authorize the creation of one share of special Class A voting stock and special Class B voting stock of Molson Coors, through which the holders of Class A exchangeable shares and Class B exchangeable shares described in this proxy statement, respectively, will exercise their voting rights with respect to the combined company;
4. to provide that holders of Class B common stock and special Class B voting stock may not take action by written consent;
5. to include additional governance and corporate actions among the actions requiring the approval of the holders of the Class A common stock and the special Class A voting stock, voting as a single class;
6. to provide that no dividend may be declared or paid on the Class A common stock or Class B common stock unless an equal dividend is declared or paid on the Class B common stock or Class A common stock, as applicable;
7. to provide that shares of Class A common stock will be convertible at the election of the holder into shares of Class B common stock;
8. to provide that shares of Class B common stock will be convertible into shares of Class A common stock in limited circumstances relating to specified offers which are not made to holders of Class B common stock;
9. to provide that holders of the Class B common stock and the special Class B voting stock, voting as a single class, will be entitled to elect three members of the Molson Coors board of directors;

10.

to provide for a nominating committee, related nominating procedures and procedures for filling vacancies on the Molson Coors board of directors;

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11. subject to the right of the holders of Class B common stock and the Class B special voting stock to vote on any charter amendment to increase or decrease the authorized number of shares of Class B common stock, to provide that the number of authorized shares of any class of stock of Molson Coors may be increased or decreased by the affirmative vote of the holders of Class A common stock and special Class A voting stock, voting together as a single class;
12. to provide that the size of the Molson Coors board of directors shall be determined by resolution of the Molson Coors board of directors in accordance with the bylaws;
13. to provide that (i) any director may be removed, with cause, by a vote of holders of a majority of the voting power of the Class A common stock, special Class A voting stock, Class B common stock and special Class B voting stock, voting together as a single class and (ii) any director may be removed, without cause, by a vote of the holders of a majority of the voting power of the class or classes that elected the director;
14. to provide that the power of the Molson Coors board of directors to amend the Molson Coors bylaws may be limited by a provision of the bylaws in effect as of the date of the filing of the new restated certificate of incorporation of Molson Coors; and
15. to provide that, except as otherwise provided in the bylaws, Molson Coors shall be required to indemnify a person otherwise entitled to indemnification pursuant to the Molson Coors restated certificate of incorporation in connection with a proceeding commenced by such person only if the commencement of such proceeding was authorized by the Molson Coors bylaws, any written agreement between such person and Molson Coors, or in the specific case by the Molson Coors board of directors;

a proposal to approve the issuance of shares of Class A common stock, Class B common stock, special Class A voting stock and special Class B voting stock (and any shares convertible into or exchangeable for shares of those classes of stock) as contemplated by the combination agreement and the plan of arrangement;

any other matters as may properly come before the special meeting and any adjournment or postponement of the special meeting, including any proposal to adjourn the meeting to solicit additional proxies in favor of the foregoing proposals.

Unless each of the proposals are approved at the Coors special meeting and the merger transaction is completed, no proposal will be implemented.

In addition, notwithstanding shareholder approval, if the merger transaction is not completed, no proposal to amend the existing certificate of incorporation will be implemented.

The combination agreement is attached as Annex B to this document and the restated certificate of incorporation of Coors, including all proposed amendments, is attached as Annex G to this document. Other documents referred to in the combination agreement also are attached as annexes to this document. Coors stockholders are encouraged to read the combination agreement and exhibits in their entirety and the other information contained in this document, including the annexes, carefully before deciding to vote.

### **Recommendation of the Coors Board of Directors**

**Coors' board of directors recommends that Coors shareholders vote "FOR" approval of the adoption of the amendments to the existing certificate of incorporation of Coors in the form attached to this document as Annex G and "FOR" approval of the issuance of shares of Molson Coors Class A common stock, Class B common stock, special Class A voting stock and special Class B voting stock**



**(and any shares convertible into or exchangeable for that stock) as contemplated by the combination agreement and the plan of arrangement.**

#### **Record Date and Entitlement to Vote**

Coors' board of directors has fixed the close of business on November 22, 2004 as the record date for determining Coors stockholders entitled to notice of, and to vote at, the Coors special meeting. As of the record date, there were 1,260,000 shares of Coors Class A common stock and \_\_\_\_\_ shares of Coors Class B common stock outstanding and entitled to vote.

#### **Quorum and Votes Required**

A majority of each class of issued and outstanding shares of Coors common stock, as of the record date, represented in person or by proxy, will constitute a quorum for the transaction of business at the Coors special meeting. If a quorum is not present with respect to a matter, the Coors special meeting may be postponed or adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the Coors special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Coors special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting. Each share of Coors Class A common stock, each of which is held by the Coors Trust, entitles its owner to one vote on all matters presented at the Coors special meeting. Each share of Coors Class B common stock entitles its owner to one vote on the Coors charter amendments (except the Class A certificate amendments). Shares held by Coors in its treasury do not count toward a quorum.

Approval of the Coors charter amendments and each of the proposed amendments to the Coors existing certificate of incorporation included therein, except the Class A certificate amendments, requires (i) the affirmative vote of the holders of a majority of the outstanding shares of Coors Class A common stock, voting as a separate class, and (ii) the affirmative vote of the holders of a majority of the outstanding shares of Coors Class B common stock, voting as a separate class. Approval of the Coors Class A certificate amendments requires the affirmative vote of the holders of a majority of the outstanding shares of Coors Class A common stock, and approval of the Coors share issuance requires the affirmative vote of a majority of the votes cast on the proposal by holders of the outstanding shares of Coors Class A common stock (provided that the total votes cast represent at least a majority of the Coors Class A common stock issued and outstanding and entitled to vote at the Coors special meeting).

#### **Abstentions**

If any Coors stockholder submits a proxy that indicates an abstention from voting on one or more proposals, that stockholder's shares will nonetheless be counted as present in determining the existence of a quorum at the Coors special meeting. Abstentions are included in determining the number of outstanding shares entitled to vote on the proposals submitted to stockholders. As a result, abstentions will have the same effect as a vote against a necessary requirement of the merger transaction.

#### **Attending the Coors Special Meeting**

If you are a holder of record of Coors common stock and plan to attend the Coors special meeting, please indicate this when you submit your proxy. When you arrive at the Coors special meeting, you will be asked to present photo identification, such as a driver's license. If you are a beneficial owner of Coors common stock held by a broker, bank, or other nominee, you will need proof of ownership to be admitted to the special meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you want to vote your Coors common stock held

in nominee name in person, you must get a written proxy in your name from the broker, bank, or other nominee that holds your shares.

### Proxies

Your vote is very important. Whether or not you plan to attend the Coors special meeting, we urge you to vote promptly to ensure that your securities are represented at the meeting. You may vote by mail by dating and signing the enclosed proxy card and promptly returning it in the postage-paid envelope provided. Alternatively, you can simplify the process and save Coors expense by submitting your proxy via the Internet at \_\_\_\_\_ or by telephone at \_\_\_\_\_ and following the instructions. You will need a control number, which is located on your proxy card to verify your identity as a Coors stockholder and allow you to submit your proxy and confirm that your voting instructions have been recorded properly. If you submit your proxy via the Internet or by telephone, please do not return a signed proxy card. A signed and completed proxy card or properly submitted telephone or Internet proxy received by Coors prior to or at the Coors special meeting will be voted as instructed. If your broker or other nominee holds your shares in its name, carefully follow the instructions given to you by your broker or other intermediary to ensure that your shares are properly voted.

**Please be sure to submit your proxy by telephone, Internet or mail.**

If you need an additional proxy card, please contact our proxy solicitor, Georgeson Shareholder Communications Inc. toll free at \_\_\_\_\_.

If your broker or other nominee holds your shares in its name, carefully follow the instructions given to you by your broker or other intermediary to ensure that your shares are properly voted.

### Voting of Proxies

All properly-executed proxies that Coors receives prior to the vote at the Coors special meeting, and that are not revoked, will be voted in accordance with the instructions indicated on the proxy card. If you submit a validly executed proxy without providing direction, the proxy will be voted in favor of approval of the proposals (except for broker non-votes, which are discussed below).

Brokers holding shares in "street name" may vote the shares only if you provide them with instructions on how to vote. Brokers will direct you on how to instruct them to vote your shares or submit a proxy or give voting instructions. If your shares are held in "street name," your broker or nominee may permit you to instruct them by telephone or electronically. Please check your proxy card or contact your broker or nominee to determine whether these methods are available to you.

Under the rules that govern brokers who have record ownership of shares that are held in "street name" for their clients (who are the beneficial owners of the shares), brokers have discretion to vote the shares on routine matters but not on non-routine matters. The Coors charter amendments and Coors share issuance are non-routine matters. Accordingly, brokers will not have discretionary voting authority to vote your shares on these proposals at the Coors special meeting. A "broker non-vote" occurs when a broker does not have discretionary voting authority and has not received instructions from the beneficial owners of the shares. Broker non-votes will be counted for purposes of determining whether a quorum is present at the special meeting, but will not be counted as votes in favor of approval for purposes of determining whether a proposal has been approved.

Failing to return your proxy or attend the Coors special meeting will reduce the number of votes cast at the Coors special meeting and may contribute to a lack of a quorum.

**Because approval of each of the Coors charter amendments (except the Class A certificate amendments) requires the affirmative vote of a majority of the outstanding shares of each class of Coors common stock, abstentions, failures to vote and broker non-votes as to one or more such**

**proposals will have the same effect as votes against a necessary requirement of the merger transaction. Consequently, we urge you to return the enclosed proxy card with your vote marked.**

Coors does not expect that any matter or proposal other than the proposals described in this document will be brought before the Coors special meeting or any adjournment. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their judgment with respect to those matters on which the grantor of the proxy is entitled to vote.

#### **Revocation of Proxies**

You can change your vote at any time before your proxy is voted at the Coors special meeting. If you are a registered holder, you can do this in one of three ways:

First, before the Coors special meeting, you can deliver a signed notice of revocation of proxy to the Secretary of Coors at the address specified below.

Second, you can complete and submit a later-dated proxy card or, if you submitted your proxy by telephone or through the Internet, you can change your proxy by telephone or through the Internet.

Third, you can attend the Coors special meeting and vote in person. Your attendance