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

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly period ended **September 30, 2014**
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____ .

Commission File Number: **1-14829**



Molson Coors Brewing Company

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

**1225 17th Street, Denver, Colorado, USA
1555 Notre Dame Street East, Montréal, Québec, Canada**
(Address of principal executive offices)

84-0178360

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

**80202
H2L 2R5**
(Zip Code)

303-927-2337 (Colorado)

514-521-1786 (Québec)

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of October 31, 2014 :

Class A Common Stock—2,556,894 shares

Class B Common Stock—161,683,888 shares

Exchangeable shares:

As of October 31, 2014 , the following number of exchangeable shares were outstanding for Molson Coors Canada, Inc.:

Class A Exchangeable shares—2,896,940 shares

Class B Exchangeable shares—18,151,932 shares

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

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES

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

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). From time to time, we may also provide oral or written forward-looking statements in other materials we release to the public. Such forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995.

Statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements, and include, but are not limited to, statements under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations," and under the heading "Outlook for 2014 " therein, relating to overall volume trends, consumer preferences, pricing trends, industry forces, cost reduction strategies, anticipated results, anticipated synergies, expectations for funding future capital expenditures and operations, debt service capabilities, shipment levels and profitability, market share and the sufficiency of capital resources. In addition, statements that we make in this report that are not statements of historical fact may also be forward-looking statements. Words such as "expects," "goals," "plans," "believes," "continues," "may," "anticipate," "seek," "estimate," "outlook," "trends," "future benefits," "potential," "projects," "strategies," and variations of such words and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those indicated (both favorably and unfavorably). These risks and uncertainties include, but are not limited to those described under the heading "Risk Factors," elsewhere throughout this report, and those described from time to time in our past and future reports filed with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2013 . Caution should be taken not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made and we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Market and Industry Data

The market and industry data used in this Quarterly Report on Form 10-Q are based on independent industry publications, customers, trade or business organizations, reports by market research firms and other published statistical information from third parties, as well as information based on management's good faith estimates, which we derive from our review of internal information and independent sources. Although we believe these sources to be reliable, we have not independently verified the accuracy or completeness of the information.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
Sales	\$ 1,650.0	\$ 1,665.4	\$ 4,514.2	\$ 4,509.9
Excise taxes	(482.0)	(494.2)	(1,341.7)	(1,332.2)
Net sales	1,168.0	1,171.2	3,172.5	3,177.7
Cost of goods sold	(666.6)	(670.0)	(1,873.1)	(1,901.2)
Gross profit	501.4	501.2	1,299.4	1,276.5
Marketing, general and administrative expenses	(289.6)	(290.8)	(881.3)	(904.2)
Special items, net	(367.6)	(163.0)	(317.8)	(165.8)
Equity income in MillerCoors	158.9	148.3	471.8	438.3
Operating income (loss)	3.1	195.7	572.1	644.8
Interest income (expense), net	(31.3)	(17.8)	(102.9)	(133.9)
Other income (expense), net	(5.0)	(5.5)	(3.5)	(8.5)
Income (loss) from continuing operations before income taxes	(33.2)	172.4	465.7	502.4
Income tax benefit (expense)	(0.7)	(37.2)	(41.9)	(69.2)
Net income (loss) from continuing operations	(33.9)	135.2	423.8	433.2
Income (loss) from discontinued operations, net of tax	1.3	0.9	(0.4)	1.7
Net income (loss) including noncontrolling interests	(32.6)	136.1	423.4	434.9
Net (income) loss attributable to noncontrolling interests	(1.8)	(1.8)	(3.5)	(4.8)
Net income (loss) attributable to Molson Coors Brewing Company	\$ (34.4)	\$ 134.3	\$ 419.9	\$ 430.1
Basic net income (loss) attributable to Molson Coors Brewing Company per share:				
From continuing operations	\$ (0.20)	\$ 0.73	\$ 2.27	\$ 2.34
From discontinued operations	0.01	0.01	—	0.01
Basic net income (loss) attributable to Molson Coors Brewing Company per share	\$ (0.19)	\$ 0.74	\$ 2.27	\$ 2.35
Diluted net income (loss) attributable to Molson Coors Brewing Company per share:				
From continuing operations	\$ (0.20)	\$ 0.72	\$ 2.26	\$ 2.33
From discontinued operations	0.01	0.01	—	0.01
Diluted net income (loss) attributable to Molson Coors Brewing Company per share	\$ (0.19)	\$ 0.73	\$ 2.26	\$ 2.34
Weighted-average shares—basic	185.1	183.5	184.7	182.7
Weighted-average shares—diluted	185.1	184.6	185.9	183.9
Amounts attributable to Molson Coors Brewing Company				
Net income (loss) from continuing operations	\$ (35.7)	\$ 133.4	\$ 420.3	\$ 428.4
Income (loss) from discontinued operations, net of tax	1.3	0.9	(0.4)	1.7
Net income (loss) attributable to Molson Coors Brewing Company	\$ (34.4)	\$ 134.3	\$ 419.9	\$ 430.1

See notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
Net income (loss) including noncontrolling interests	\$ (32.6)	\$ 136.1	\$ 423.4	\$ 434.9
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(499.0)	270.1	(520.9)	(124.2)
Unrealized gain (loss) on derivative instruments	(0.8)	(14.1)	3.1	18.6
Reclassification of derivative (gain) loss to income	9.9	(0.9)	4.3	(1.6)
Amortization of net prior service (benefit) cost and net actuarial (gain) loss to income	4.3	10.6	19.7	34.5
Ownership share of unconsolidated subsidiaries' other comprehensive income (loss)	4.1	15.6	13.3	6.1
Total other comprehensive income (loss), net of tax	(481.5)	281.3	(480.5)	(66.6)
Comprehensive income (loss)	(514.1)	417.4	(57.1)	368.3
Comprehensive (income) loss attributable to noncontrolling interests	(1.8)	(1.8)	(3.5)	(4.8)
Comprehensive income (loss) attributable to Molson Coors Brewing Company	\$ (515.9)	\$ 415.6	\$ (60.6)	\$ 363.5

See notes to unaudited condensed consolidated financial statements.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT PAR VALUE)
(UNAUDITED)

	As of	
	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 722.1	\$ 442.3
Accounts receivable, net	578.3	603.6
Other receivables, net	115.7	124.4
Inventories:		
Finished	188.7	133.2
In process	22.1	23.3
Raw materials	38.3	36.9
Packaging materials	12.1	11.9
Total inventories	261.2	205.3
Other current assets, net	109.2	111.7
Deferred tax assets	25.4	50.4
Total current assets	1,811.9	1,537.7
Properties, net	1,850.2	1,970.1
Goodwill	2,294.1	2,418.7
Other intangibles, net	6,025.9	6,825.1
Investment in MillerCoors	2,580.1	2,506.5
Deferred tax assets	17.7	38.3
Notes receivable, net	23.2	23.6
Other assets	230.3	260.1
Total assets	\$ 14,833.4	\$ 15,580.1
Liabilities and equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,366.4	\$ 1,429.6
Deferred tax liabilities	138.1	138.1
Current portion of long-term debt and short-term borrowings	1,108.7	586.9
Discontinued operations	6.6	6.8
Total current liabilities	2,619.8	2,161.4
Long-term debt	2,345.8	3,213.0
Pension and postretirement benefits	417.0	462.6
Deferred tax liabilities	902.5	911.4
Unrecognized tax benefits	52.1	107.1
Other liabilities	57.1	77.2
Discontinued operations	16.7	17.3
Total liabilities	6,411.0	6,950.0
Commitments and contingencies (Note 15)		
Molson Coors Brewing Company stockholders' equity		
Capital stock:		
Preferred stock, no par value (authorized: 25.0 shares; none issued)	—	—
Class A common stock, \$0.01 par value per share (authorized: 500.0 shares; issued and outstanding: 2.6 shares and 2.6 shares, respectively)	—	—
Class B common stock, \$0.01 par value per share (authorized: 500.0 shares; issued: 169.2 shares and 167.2 shares, respectively)	1.7	1.7
Class A exchangeable shares, no par value (issued and outstanding: 2.9 shares and 2.9 shares, respectively)	108.5	108.5
Class B exchangeable shares, no par value (issued and outstanding: 18.2 shares and 19.0 shares, respectively)	683.5	714.1
Paid-in capital	3,836.7	3,747.6
Retained earnings	4,414.3	4,199.5
Accumulated other comprehensive income (loss)	(325.6)	154.9
Class B common stock held in treasury at cost (7.5 shares and 7.5 shares, respectively)	(321.1)	(321.1)
Total Molson Coors Brewing Company stockholders' equity	8,398.0	8,605.2
Noncontrolling interests	24.4	24.9

Total equity	8,422.4	8,630.1
Total liabilities and equity	<u>\$ 14,833.4</u>	<u>\$ 15,580.1</u>

See notes to unaudited condensed consolidated financial statements.

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

	Nine Months Ended	
	September 30, 2014	September 28, 2013
Cash flows from operating activities:		
Net income (loss) including noncontrolling interests	\$ 423.4	\$ 434.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	233.0	238.1
Amortization of debt issuance costs and discounts	5.6	18.6
Share-based compensation	18.0	18.6
Loss (gain) on sale or impairment of properties and other assets, net	372.0	157.8
Deferred income taxes	(19.0)	21.9
Equity income in MillerCoors	(471.8)	(438.3)
Distributions from MillerCoors	471.8	438.3
Equity in net income of other unconsolidated affiliates	(3.0)	(13.3)
Distributions from other unconsolidated affiliates	15.4	13.0
Excess tax benefits from share-based compensation	(6.6)	(6.0)
Unrealized (gain) loss on foreign currency fluctuations and derivative instruments, net	(10.2)	16.4
Change in current assets and liabilities and other	29.4	131.7
(Gain) loss from discontinued operations	0.4	(1.7)
Net cash provided by operating activities	<u>1,058.4</u>	<u>1,030.0</u>
Cash flows from investing activities:		
Additions to properties	(195.8)	(218.2)
Proceeds from sales of properties and other assets	6.0	7.5
Proceeds from sale of business	—	2.0
Investment in MillerCoors	(1,100.4)	(924.0)
Return of capital from MillerCoors	1,053.9	822.4
Investment in and advances to an unconsolidated affiliate	—	(2.4)
Return of capital from an unconsolidated affiliate	5.9	—
Loan repayments	7.1	7.5
Loan advances	(14.6)	(5.4)
Net cash used in investing activities	<u>(237.9)</u>	<u>(310.6)</u>
Cash flows from financing activities:		
Exercise of stock options under equity compensation plans	38.5	74.9
Excess tax benefits from share-based compensation	6.6	6.0
Dividends paid	(205.1)	(175.7)
Dividends paid to noncontrolling interests holders	(2.4)	(1.2)
Payments for purchase of noncontrolling interest	(0.7)	(0.2)
Debt issuance costs	(1.8)	(0.3)
Payments on long-term debt and capital lease obligations	(62.9)	(1,316.5)
Proceeds from short-term borrowings	35.5	19.3
Payments on short-term borrowings	(23.3)	(15.1)
Proceeds from settlement of derivative instruments	—	2.6
Payments on settlement of derivative instruments	(65.2)	(66.2)
Net proceeds from (payments on) revolving credit facilities and commercial paper	(350.5)	548.4
Change in overdraft balances and other	118.1	(0.8)
Net cash used in financing activities	<u>(513.2)</u>	<u>(924.8)</u>
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	307.3	(205.4)
Effect of foreign exchange rate changes on cash and cash equivalents	(27.5)	(11.7)
Balance at beginning of year	442.3	624.0
Balance at end of period	<u>\$ 722.1</u>	<u>\$ 406.9</u>

See notes to unaudited condensed consolidated financial statements.

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

1. Basis of Presentation and Summary of Significant Accounting Policies

Unless otherwise noted in this report, any description of "we", "us" or "our" includes Molson Coors Brewing Company ("MCBC" or the "Company"), principally a holding company, and its operating and non-operating subsidiaries included within our reporting segments and Corporate. Our reporting segments include: Molson Coors Canada ("MCC" or Canada segment), operating in Canada; MillerCoors LLC ("MillerCoors" or U.S. segment), which is accounted for by us under the equity method of accounting, operating in the United States ("U.S."); Molson Coors Europe (Europe segment), operating in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Republic of Ireland, Romania, Serbia, Slovakia and the United Kingdom ("U.K."); and Molson Coors International ("MCI"), operating in various other countries.

References to Central Europe reflect our operations in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Romania, Serbia and Slovakia, as a result of our acquisition (the "Acquisition") of StarBev Holdings S.à r.l. ("StarBev") from StarBev L.P. (the "Seller") on June 15, 2012, and the results of these operations are included within our Europe segment.

Unless otherwise indicated, information in this report is presented in U.S. dollars ("USD" or "\$") and comparisons are to comparable prior periods as noted below.

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

These unaudited condensed consolidated interim financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2013 ("Annual Report") and have been prepared on a consistent basis with the accounting policies described in Note 1 of the Notes to the Audited Consolidated Financial Statements ("Notes") included in our Annual Report. Our accounting policies did not change in the first three quarters of 2014, with the exception of a change to our policy for recognizing advertising expenses in interim periods as discussed below. Additionally, in order to provide further clarity around our policy regarding the classification of special items in the unaudited condensed consolidated statements of operations, we have expanded our related disclosure as reflected below.

Special Items

Our special items represent charges incurred or benefits realized that either we do not believe to be indicative of our core operations, or we believe are significant to our current operating results warranting separate classification; specifically, such items are considered to be one of the following:

- infrequent or unusual items,
- impairment or asset abandonment-related losses,
- restructuring charges and other atypical employee-related costs, or
- fees on termination of significant operating agreements and gains (losses) on disposal of investments.

The items classified as special items are not necessarily non-recurring, however, they are deemed to be incremental to income earned or costs incurred by the Company in conducting normal operations, and therefore are presented separately from other components of operating income.

Our Fiscal Year

On November 14, 2013, our Board of Directors approved a resolution to change MCBC's fiscal year from a 52 / 53 week fiscal year to a calendar year. As such, our 2013 fiscal year was extended from December 28, 2013, to December 31, 2013, with subsequent fiscal years beginning on January 1 and ending on December 31 of each year. Beginning January 1, 2014, quarterly results reflect the three month periods ending March 31, June 30, September 30, and December 31. This change aligned our fiscal year and interim reporting periods with our Central Europe business and MillerCoors, which were already following a monthly fiscal reporting calendar. Unless otherwise indicated, and with the exception of the Central Europe business and MillerCoors, the third quarter of 2013 and the three months ended September 28, 2013, refer to the thirteen weeks ended September 28, 2013. The first three quarters of 2013 and the nine months ended September 28, 2013, refer to the thirty-nine

weeks ended September 28, 2013 . The third quarter and first three quarters of 2014 refer to the three and nine months ended September 30, 2014 , respectively. Fiscal year 2014 refers to the 12 months ending December 31, 2014 , and fiscal year 2013 refers to the period from December 30, 2012, to December 31, 2013 . The impact of the additional days in fiscal year 2013 is immaterial to the unaudited condensed consolidated financial statements.

The results of operations for the three and nine months ended September 30, 2014 , are not necessarily indicative of the results that may be achieved for the full fiscal year.

Change in Interim Period Accounting for Advertising Expenses

In previous years' interim periods, including the quarterly periods within fiscal year 2013, we recognized advertising costs in expense during the fiscal year based on the proportion of sales volumes for the interim period in relation to the estimated annual sales volumes. U.S. GAAP permits the allocation of advertising costs across interim periods within a fiscal year when future periods benefit from the expenditure. Advertising expenses were not deferred from one fiscal year to the next. Effective beginning the first quarter of fiscal year 2014, we changed our method of accounting for advertising expenses for interim periods such that advertising expense is now recognized as incurred. We adopted this change as a result of management's belief that the new method is preferable and results in a more objective measure of quarterly expense that will better support planning and resource allocation decisions by management, results in improved financial statements for investor analysis, and further aligns our treatment with that of our U.S. operations within MillerCoors. The new policy of expensing advertising costs as incurred additionally eliminates the uncertainty in estimating overall expected sales volumes, advertising expenses, and the benefit period of the advertising on an interim basis, and conforms our interim accounting policy with that used to prepare the annual financial statements. The change has been applied retrospectively to all prior interim periods presented. The quarterly impact of the change in accounting policy on marketing, general and administrative expenses and the associated impact on income tax expense, as well as the impact to certain subtotals and diluted earnings per share within our unaudited condensed consolidated statement of operations, is as follows:

	Three Months Ended March 30, 2013		Three Months Ended June 29, 2013		Three Months Ended September 28, 2013		Three Months Ended December 31, 2013	
	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted
	(In millions, except per share data)							
Marketing, general and administrative expenses	\$ (285.3)	\$ (293.9)	\$ (304.3)	\$ (319.5)	\$ (307.8)	\$ (290.8)	\$ (296.4)	\$ (289.6)
Income (loss) from continuing operations before income taxes	\$ 41.4	\$ 32.8	\$ 312.4	\$ 297.2	\$ 155.4	\$ 172.4	\$ 145.3	\$ 152.1
Income tax benefit (expense)	\$ (3.5)	\$ (2.0)	\$ (34.1)	\$ (30.0)	\$ (32.7)	\$ (37.2)	\$ (13.7)	\$ (14.8)
Net income (loss) attributable to Molson Coors Brewing Company	\$ 35.6	\$ 28.5	\$ 278.4	\$ 267.3	\$ 121.8	\$ 134.3	\$ 131.5	\$ 137.2
Diluted net income (loss) attributable to Molson Coors Brewing Company per share	\$ 0.20	\$ 0.16	\$ 1.51	\$ 1.45	\$ 0.66	\$ 0.73	\$ 0.71	\$ 0.74

As noted above, under our historical treatment, advertising expenses were not deferred from one fiscal year to the next. Therefore, the change in interim accounting had no impact on full year consolidated results. Additionally, the quarterly impact to other comprehensive income (loss) related to currency translation on the adjustments has been reflected within the unaudited condensed consolidated statements of comprehensive income included herein.

The following table shows the impact to income (loss) from continuing operations before income taxes by segment as a result of the change in accounting policy for advertising expense. The full impact of this change in presentation is reflected within marketing, general and administrative expenses.

Income (loss) from continuing operations before income taxes by segment:

	Three Months Ended March 30, 2013		Three Months Ended June 29, 2013		Three Months Ended September 28, 2013		Three Months Ended December 31, 2013	
	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted
	(In millions)							
Canada	\$ 36.4	\$ 28.4	\$ 137.3	\$ 128.6	\$ 128.7	\$ 143.6	\$ 60.9	\$ 62.7
U.S.	\$ 117.4	\$ 117.4	\$ 172.6	\$ 172.6	\$ 148.3	\$ 148.3	\$ 100.7	\$ 100.7
Europe	\$ (3.7)	\$ (5.2)	\$ 81.6	\$ 75.8	\$ (69.5)	\$ (67.4)	\$ 25.9	\$ 31.1
MCI	\$ (6.1)	\$ (5.2)	\$ (3.3)	\$ (4.0)	\$ (2.4)	\$ (2.4)	\$ —	\$ (0.2)
Corporate	\$ (102.6)	\$ (102.6)	\$ (75.8)	\$ (75.8)	\$ (49.7)	\$ (49.7)	\$ (42.2)	\$ (42.2)

As noted above, under our historical treatment, advertising expenses were not deferred from one fiscal year to the next. Therefore, the change in interim accounting had no impact on full year segment results.

Unrecognized Tax Benefit Adjustments

During the second quarter of 2014, we identified that we had incorrectly omitted the recognition of a liability for specific uncertain tax positions related to fiscal year 2010 that resulted in an immaterial misstatement of unrecognized tax benefits and retained earnings within the consolidated balance sheets at December 31, 2013, and December 29, 2012, included in our Annual Report. We determined the impact of the correction of this error to be too significant to record within our second quarter 2014 results and, therefore, revised our historical balance sheets accordingly. To correct for this error, in the second quarter of 2014, we revised the unrecognized tax benefits and retained earnings in the unaudited condensed consolidated balance sheet as of December 31, 2013, included herein. This correction resulted in an increase in the current portion of unrecognized tax benefits included within accounts payable and other current liabilities of \$19.3 million, an increase in noncurrent unrecognized tax benefits of \$14.4 million and a corresponding decrease to retained earnings of \$33.7 million as of December 31, 2013. See Note 8, "Income Tax" for further discussion.

2. New Accounting Pronouncements

Adoption of New Accounting Pronouncements

Joint and Several Liability Arrangements

In February 2013, the FASB issued authoritative guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The guidance was effective for our quarter ended March 31, 2014. The adoption of this guidance did not have an impact on our financial position or results from operations.

Cumulative Translation Adjustment

In March 2013, the FASB issued authoritative guidance on a parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. This update also resolves the diversity in practice for the treatment of business combinations achieved in stages (sometimes also referred to as step acquisitions) involving a foreign entity. The guidance was effective for our quarter ended March 31, 2014. The adoption of this guidance did not have an impact on our financial position or results from operations.

Liquidation Basis of Accounting

In April 2013, the FASB issued authoritative guidance to clarify when it is appropriate to apply the liquidation basis of accounting. Additionally, the update provides guidance for recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. Under the amendment, entities are required to prepare their financial statements under the liquidation basis of accounting when a liquidation becomes imminent. The guidance was effective for our quarter ended March 31, 2014. The adoption of this guidance did not have an impact on our financial position or results from operations.

Presentation of Unrecognized Tax Benefits

In July 2013, the FASB issued authoritative guidance related to the presentation of unrecognized tax benefits. The update requires that the entity present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a

deferred tax asset for a net operating loss carryforward or a tax credit carryforward in the statement of financial position. The guidance does not apply to the extent that a net operating loss carryforward or tax credit carryforward at the reporting date is not available under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position. The guidance was effective for our quarter ended March 31, 2014. As a result of adopting this guidance, we have presented deferred tax assets net of unrecognized tax benefits, as appropriate, in the unaudited condensed consolidated balance sheets. The adoption of this guidance impacted the classification of our outstanding unrecognized tax benefits and resulted in a reclassification of \$37.8 million from the unrecognized tax benefits line item within the unaudited condensed consolidated balance sheet upon adoption in the first quarter of 2014.

New Accounting Pronouncements Not Yet Adopted

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

In April 2014, the FASB issued authoritative guidance related to reporting discontinued operations and disclosures of disposals of components of an entity. The update limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. This update requires expanded disclosures related to assets, liabilities, revenues and expenses of discontinued operations. This update also requires the disclosure of pretax profit or loss and the financial effects of significant disposals that do not qualify for discontinued operations reporting. The guidance is effective for annual reporting periods beginning on or after December 15, 2014, and interim reporting periods thereafter. We do not anticipate that this guidance will have an impact on our financial position or results of operations.

Revenue Recognition

In May 2014, the FASB issued authoritative guidance related to new accounting requirements for the recognition of revenue from contracts with customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for the goods or services. The requirements of the new standard are effective for the annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. We are currently evaluating the potential impact on our financial position and results of operations upon adoption of this guidance.

Share-Based Payments

In June 2014, the FASB issued authoritative guidance related to share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requirements of the new standard are effective for the annual reporting periods beginning after December 15, 2015, and interim periods within those annual periods. We do not anticipate that this guidance will have a material impact on our financial position or results of operations.

3. Segment Reporting

Our reporting segments are based on the key geographic regions in which we operate, which are the basis on which our chief operating decision maker evaluates the performance of the business. Our reporting segments consist of Canada, the U.S., Europe and MCI. Corporate is not a segment and primarily includes interest and certain other general and administrative costs that are not allocated to any of the operating segments. No single customer accounted for more than 10% of our consolidated or segmented sales for the three and nine months ended September 30, 2014, and September 28, 2013, respectively. Net sales represent sales to third-party external customers. Inter-segment sales revenues and income (loss) from continuing operations before income taxes, other than those to MillerCoors (see Note 4, "Investments" for additional detail), are insignificant and eliminated in consolidation.

The following table presents net sales by segment:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions)			
Canada	\$ 507.2	\$ 526.7	\$ 1,370.8	\$ 1,480.5
Europe	618.7	607.9	1,685.7	1,600.5
MCI	43.4	37.7	119.3	99.4
Corporate	0.2	0.3	0.9	0.9
Eliminations ⁽¹⁾	(1.5)	(1.4)	(4.2)	(3.6)
Consolidated	<u>\$ 1,168.0</u>	<u>\$ 1,171.2</u>	<u>\$ 3,172.5</u>	<u>\$ 3,177.7</u>

- (1) Represents inter-segment sales from the Europe segment to the MCI segment.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013 ⁽¹⁾	September 30, 2014	September 28, 2013 ⁽¹⁾
	(In millions)			
Canada	\$ 121.5	\$ 143.6	\$ 330.6	\$ 300.6
U.S.	158.9	148.3	471.8	438.3
Europe ⁽²⁾	(255.1)	(67.4)	(143.6)	3.2
MCI	(2.7)	(2.4)	(9.4)	(11.6)
Corporate	(55.8)	(49.7)	(183.7)	(228.1)
Consolidated	<u>\$ (33.2)</u>	<u>\$ 172.4</u>	<u>\$ 465.7</u>	<u>\$ 502.4</u>

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further discussion.
- (2) Results for the three and nine months ended for both 2014 and 2013, include an impairment charge related to indefinite-lived intangible assets recorded in the third quarters of 2014 and 2013 resulting from our annual impairment testing. See Note 10, "Goodwill and Intangible Assets" for further discussion.

The following table presents total assets by segment:

	As of	
	September 30, 2014	December 31, 2013
	(In millions)	
Canada	\$ 5,875.7	\$ 6,103.2
U.S.	2,580.1	2,506.5
Europe	6,095.4	6,547.7
MCI	80.6	83.3
Corporate	201.6	339.4
Consolidated	<u>\$ 14,833.4</u>	<u>\$ 15,580.1</u>

4. Investments

Our investments include both equity method and consolidated investments. Those entities identified as variable interest entities ("VIEs") have been evaluated to determine whether we are the primary beneficiary. The VIEs included under "Consolidated VIEs" below are those for which we have concluded that we are the primary beneficiary and accordingly, consolidate these entities. None of our consolidated VIEs held debt as of September 30, 2014, or December 31, 2013. We have not provided any financial support to any of our VIEs during the quarter that we were not previously contractually obligated to provide. Amounts due to and due from our equity method investments are recorded as affiliate accounts payable and affiliate accounts receivable.

Authoritative guidance related to the consolidation of VIEs requires that we continually reassess whether we are the primary beneficiary of VIEs in which we have an interest. As such, the conclusion regarding the primary beneficiary status is

subject to change, and we continually evaluate circumstances that could require consolidation or deconsolidation. As of September 30, 2014, and December 31, 2013, our consolidated VIEs are Cobra Beer Partnership, Ltd. ("Cobra U.K.") and Grolsch. Our unconsolidated VIEs are Brewers' Retail Inc. ("BRI") and Brewers' Distributor Ltd. ("BDL"). The Molson Modelo Imports L.P. ("MMI") operations were terminated in the first quarter of 2014 and the joint venture was subsequently dissolved in the third quarter of 2014. See further discussion below.

Equity Investments

Investment in MillerCoors

Summarized financial information for MillerCoors is as follows:

Condensed Balance Sheets

	As of	
	September 30, 2014	December 31, 2013
	(In millions)	
Current assets	\$ 935.5	\$ 798.4
Non-current assets	8,958.8	8,989.3
Total assets	<u>\$ 9,894.3</u>	<u>\$ 9,787.7</u>
Current liabilities	\$ 1,024.3	\$ 950.1
Non-current liabilities	1,212.6	1,346.2
Total liabilities	2,236.9	2,296.3
Noncontrolling interests	19.7	20.7
Owners' equity	7,637.7	7,470.7
Total liabilities and equity	<u>\$ 9,894.3</u>	<u>\$ 9,787.7</u>

The following represents our proportionate share in MillerCoors' equity and reconciliation to our investment in MillerCoors:

	As of	
	September 30, 2014	December 31, 2013
	(In millions, except percentages)	
MillerCoors owners' equity	\$ 7,637.7	\$ 7,470.7
MCBC economic interest	42%	42%
MCBC proportionate share in MillerCoors' equity	3,207.8	3,137.7
Difference between MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors ⁽¹⁾	(662.7)	(666.2)
Accounting policy elections	35.0	35.0
Investment in MillerCoors	<u>\$ 2,580.1</u>	<u>\$ 2,506.5</u>

- (1) Our net investment in MillerCoors is based on the carrying values of the net assets contributed to the joint venture which is less than our proportionate share of underlying equity (42%) of MillerCoors (contributed by both Coors Brewing Company ("CBC") and Miller Brewing Company ("Miller")). This basis difference, with the exception of certain non-amortizing items (goodwill, land, etc.), is being amortized as additional equity income over the remaining useful lives of the contributed long-lived amortizing assets.

Results of Operations

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	(In millions)			
Net sales	\$ 2,069.5	\$ 2,051.0	\$ 6,066.6	\$ 5,998.3
Cost of goods sold	(1,237.7)	(1,234.0)	(3,614.2)	(3,592.8)
Gross profit	\$ 831.8	\$ 817.0	\$ 2,452.4	\$ 2,405.5
Operating income ⁽¹⁾	\$ 381.9	\$ 354.5	\$ 1,129.2	\$ 1,046.9
Net income attributable to MillerCoors ⁽¹⁾	\$ 376.5	\$ 348.8	\$ 1,112.9	\$ 1,033.4

- (1) Results include special charges related to restructuring activities of \$0.2 million and \$1.4 million for the three and nine months ended September 30, 2014, respectively, and \$15.0 million for the three and nine months ended September 30, 2013.

The following represents our proportionate share in net income attributable to MillerCoors reported under the equity method:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions, except percentages)			
Net income attributable to MillerCoors	\$ 376.5	\$ 348.8	\$ 1,112.9	\$ 1,033.4
MCBC economic interest	42%	42%	42%	42%
MCBC proportionate share of MillerCoors net income	158.1	146.5	467.4	434.0
Amortization of the difference between MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors	1.2	1.2	3.5	3.4
Share-based compensation adjustment ⁽¹⁾	(0.4)	0.6	0.9	0.9
Equity income in MillerCoors	\$ 158.9	\$ 148.3	\$ 471.8	\$ 438.3

- (1) The net adjustment is to eliminate all share-based compensation impacts related to pre-existing SABMiller plc equity awards held by former Miller employees employed by MillerCoors.

The following table summarizes our transactions with MillerCoors:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions)			
Beer sales to MillerCoors	\$ 3.8	\$ 4.5	\$ 10.1	\$ 13.4
Beer purchases from MillerCoors	\$ 10.8	\$ 4.2	\$ 27.0	\$ 11.2
Service agreement costs and other charges to MillerCoors	\$ 0.6	\$ 0.5	\$ 1.7	\$ 1.8
Service agreement costs and other charges from MillerCoors	\$ 0.3	\$ 0.6	\$ 0.8	\$ 0.8

As of September 30, 2014, and December 31, 2013, we had \$5.6 million and \$4.4 million of net payables due to MillerCoors, respectively.

Consolidated VIEs

The following summarizes the assets and liabilities of our consolidated VIEs (including noncontrolling interests):

	As of			
	September 30, 2014		December 31, 2013	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities
	(In millions)			
Grolsch	\$ 8.9	\$ 3.2	\$ 5.6	\$ 1.7
Cobra U.K.	\$ 30.1	\$ 1.2	\$ 36.5	\$ 1.9

Termination of MMI Operations

On November 5, 2013, Anheuser-Busch Inbev ("ABI") and MCBC entered into an agreement providing for the accelerated termination of MMI, a 50% - 50% joint venture with Grupo Modelo S.A.B. de C.V. ("Modelo"), which provided for the import, distribution, and marketing of the Modelo beer brand portfolio across all Canadian provinces and territories. The joint venture, accounted for under the equity method of accounting, was originally a 10 year agreement ending January 1, 2018. In June 2013, ABI completed its combination with Modelo, including Modelo's interest in MMI. Following negotiations with ABI, MCC consented to change the effective termination date of the agreement from January 1, 2018, to February 28, 2014, upon successful close and completion of the transition period, at which time MCC would receive payment from Modelo for the early termination of the original agreement. In conjunction with these negotiations, ABI also agreed that we will continue to represent the Modelo brands in the U.K. and Japan through the end of 2014.

The transition period was successfully completed on February 28, 2014, at which time we recognized income of \$63.2 million (CAD 70.0 million) within special items, reflective of the agreed upon payment received from Modelo. Additionally, we recorded a charge of \$4.9 million representing the accelerated amortization of the remaining carrying value of our definite-lived intangible asset associated with the agreement. In accordance with the termination agreement, MMI continued to operate in its historical capacity through the end of the transition period. Effective end of day on February 28, 2014, MMI ceased all operations and was dissolved during the third quarter of 2014 upon final agreement with ABI on the distribution amount of the joint venture's remaining net assets. As a result, our results for the nine months ended September 30, 2014, reflect our proportionate ownership interest of the MMI activity during the first quarter of 2014 through end of day February 28, 2014. Under the MMI arrangement, we recognized equity earnings within cost of goods sold of \$0.7 million during the nine months ended September 30, 2014, and \$3.9 million and \$9.0 million during the three and nine months ended September 28, 2013, respectively. In addition, during the nine months ended September 30, 2014, and three and nine months ended September 28, 2013, MCC recognized marketing and administrative cost recoveries related to the promotion, sale and distribution of Modelo products under our agency and services agreement with MMI of \$1.1 million, \$3.1 million and \$8.8 million, respectively. These cost recoveries are recorded within marketing, general and administrative expenses. As of December 31, 2013, our unaudited condensed consolidated balance sheet includes our investment in MMI of \$21.2 million and an affiliate net payable to MMI of \$13.8 million.

In accordance with the early termination agreement, the book value of the joint venture's net assets was required to be distributed to the respective joint venture partners for the owners' proportionate ownership interest at the end of the transition period. This distribution was finalized in the third quarter of 2014. Concurrently, we derecognized our equity investment within other non-current assets upon full recovery of our investment carrying value.

5. Share-Based Payments

During the nine months ended September 30, 2014, and September 28, 2013, we recognized share-based compensation expense related to the following Class B common stock awards to certain directors, officers and other eligible employees, pursuant to the MCBC Incentive Compensation Plan ("Incentive Compensation Plan"): restricted stock units ("RSU"), deferred stock units ("DSU"), performance share units ("PSU"), performance units ("PU") and stock options. The settlement amount of the PSUs is determined based on market and performance metrics, which include our total shareholder return performance relative to the S&P 500 and specified internal performance metrics designed to drive greater shareholder return. PSU compensation expense is based on a fair value assigned to the market metric using a Monte Carlo model, which will remain constant throughout the vesting period of three years, and a performance multiplier, which will vary due to changing estimates of the performance metric condition.

The following table summarizes share-based compensation expense:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions)			
Pretax compensation expense	\$ 5.9	\$ 3.2	\$ 18.0	\$ 18.6
Tax benefit	(1.6)	(0.8)	(5.5)	(5.3)
After-tax compensation expense	<u>\$ 4.3</u>	<u>\$ 2.4</u>	<u>\$ 12.5</u>	<u>\$ 13.3</u>

As of September 30, 2014, there was \$26.4 million of total unrecognized compensation cost from all share-based compensation arrangements granted under the Incentive Compensation Plan, related to unvested shares. This compensation expense is expected to be recognized over a weighted-average period of 1.2 years.

The following table represents the summary of stock options and stock-only stock appreciation rights ("SOSAR") outstanding as of September 30, 2014, and the activity during the nine months ended September 30, 2014:

	Shares outstanding	Weighted-average exercise price per share	Weighted-average remaining contractual life (years)	Aggregate intrinsic value
	(In millions, except per share amounts and years)			
Outstanding as of December 31, 2013	3.5	\$43.41	4.57	\$ 45.1
Granted	0.2	\$58.24		
Exercised	(1.2)	\$42.53		
Forfeited	(0.1)	\$44.24		
Outstanding as of September 30, 2014	<u>2.4</u>	\$44.88	4.95	\$ 70.3
Exercisable at September 30, 2014	<u>2.0</u>	\$43.90	4.21	\$ 60.6

The total intrinsic values of stock options exercised during the nine months ended September 30, 2014, and September 28, 2013, were \$24.9 million and \$28.1 million, respectively. During the nine months ended September 30, 2014, and September 28, 2013, cash received from stock option exercises was \$38.5 million and \$74.9 million, respectively, and the total excess tax benefit from these stock option exercises and other awards was \$6.6 million and \$6.0 million, respectively.

The following table represents non-vested RSUs, DSUs, PSUs and PUs as of September 30, 2014, and the activity during the nine months ended September 30, 2014:

	RSUs and DSUs		PUs		PSUs	
	Units	Weighted-average grant date fair value per unit	Units	Weighted-average fair value per unit	Units	Weighted-average grant date fair value per unit
	(In millions, except per unit amounts)					
Non-vested as of December 31, 2013	0.7	\$42.08	1.0	\$2.87	0.2	\$43.10
Granted	0.2	\$61.16	—	\$—	0.2	\$58.69
Vested	(0.2)	\$41.24	(0.5)	\$6.17	—	\$—
Forfeited	—	\$—	—	\$—	—	\$—
Non-vested as of September 30, 2014	<u>0.7</u>	\$48.84	<u>0.5</u>	\$1.29	<u>0.4</u>	\$50.48

The weighted-average fair value per unit for the non-vested PSUs is \$58.83 as of September 30, 2014.

The fair value of each option granted in the first three quarters of 2014 and 2013 was determined on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Nine Months Ended	
	September 30, 2014	September 28, 2013
Risk-free interest rate	2.29%	1.43%
Dividend yield	2.57%	2.88%
Volatility range	22.66%-26.57%	22.39%-25.90%
Weighted-average volatility	25.59%	25.02%
Expected term (years)	7.5	7.7
Weighted-average fair market value	\$12.78	\$8.39

The risk-free interest rates utilized for periods throughout the contractual life of the stock options are based on a zero-coupon U.S. Treasury security yield at the time of grant. Expected volatility is based on a combination of historical and implied volatility of our stock. The expected term of stock options is estimated based upon observations of historical employee option exercise patterns and trends of those employees granted options in the respective year.

The fair value of the market metric for each PSU granted in the first three quarters of 2014 and 2013 was determined on the date of grant using a Monte Carlo model to simulate total shareholder return for MCBC and peer companies with the following weighted-average assumptions:

	Nine Months Ended	
	September 30, 2014	September 28, 2013
Risk-free interest rate	0.72%	0.33%
Dividend yield	2.57%	2.88%
Volatility range	12.45%-72.41%	12.18%-69.37%
Weighted-average volatility	21.72%	21.13%
Expected term (years)	2.8	2.8
Weighted-average fair market value	\$58.69	\$43.10

The risk-free interest rates utilized for periods throughout the expected term of the PSUs are based on a zero-coupon U.S. Treasury security yield at the time of grant. Expected volatility is based on historical volatility of our stock as well as the stock of our peer firms, as shown within the volatility range above, for a period from the grant date consistent with the expected term. The expected term of PSUs is calculated based on the grant date to the end of the performance period.

As of September 30, 2014, there were 7.4 million shares of the Company's Class B common stock available for issuance as awards under the Incentive Compensation Plan.

On July 24, 2014, Peter Swinburn, the Chief Executive Officer and President of the Company, informed the Corporate Secretary and the Board of Directors of the Company of his intention to retire as Chief Executive Officer and President of the Company and as a member of the Board effective December 31, 2014. In addition, on July 24, 2014, the Board appointed Mark Hunter as the Company's Chief Executive Officer and President to replace Mr. Swinburn effective on January 1, 2015. Mr. Hunter currently serves as Chief Executive Officer and President of Molson Coors Europe. Mr. Hunter will also serve as a member of the Board effective January 1, 2015. We do not anticipate a significant impact to our results, specifically related to share-based compensation expense, as a result of this change.

6. Special Items

We have incurred charges or realized benefits that either we do not believe to be indicative of our core operations, or we believe are significant to our current operating results warranting separate classification. As such, we have separately classified these charges (benefits) as special items. The table below summarizes special items recorded by segment:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions)			
Employee-related charges				
<i>Restructuring</i>				
Canada	\$ 2.2	\$ 1.6	\$ 7.6	\$ 3.0
Europe	—	7.3	1.0	10.3
MCI	—	—	—	0.1
Corporate	—	—	0.3	0.3
<i>Special termination benefits</i>				
Canada	—	0.3	—	1.7
Impairments or asset abandonment charges				
Canada - Intangible asset write-off and impairment ⁽¹⁾	8.9	—	13.8	—
Europe - Intangible asset impairment ⁽²⁾	360.0	150.9	360.0	150.9
Unusual or infrequent items				
Europe - Release of non-income-related tax reserve ⁽³⁾	—	—	—	(4.2)
Europe - Flood loss (insurance reimbursement), net ⁽⁴⁾	(3.5)	2.6	(1.7)	2.6
Termination fees and other (gains)/losses				
Canada - Termination fee income ⁽¹⁾	—	—	(63.2)	—
MCI - Sale of China Joint Venture	—	0.3	—	1.1
Special items, net	\$ 367.6	\$ 163.0	\$ 317.8	\$ 165.8

- (1) During the third quarter of 2014, we recognized an impairment charge related to our definite-lived intangible asset associated with our license agreement with Miller in Canada. See Note 15, "Commitments and Contingencies" for further discussion. Additionally, upon termination of our MMI operations in the first quarter of 2014, we recognized charges associated with the write-off of the definite-lived intangible asset associated with the joint venture. See Note 4, "Investments" for further discussion.
- (2) During the third quarters of 2014 and 2013, we recognized impairment charges related to indefinite-lived intangible assets in Europe. See Note 10, "Goodwill and Intangible Assets" for further discussion.
- (3) During 2009, we established a non-income-related tax reserve of \$10.4 million that was recorded as a special item. In the first quarter of 2013, the remaining outstanding amount of this non-income-related tax reserve was fully released.
- (4) During the three and nine months ended September 30, 2014, we recorded losses and related costs of \$0.4 million and \$2.2 million, respectively, in our Europe business associated with significant flooding in Serbia, Bosnia, and Croatia that occurred in the second quarter of 2014. These losses were offset by insurance proceeds of \$3.9 million recorded in the third quarter of 2014 related to flooding in the second quarter of 2014. During the three and nine months ended September 28, 2013, we recorded losses and related costs of \$2.6 million and \$5.9 million, respectively, in our Europe business related to significant flooding in Czech Republic in the second quarter of 2013. These losses were partially offset for the nine months ended September 28, 2013, by \$3.3 million insurance proceeds received in the second quarter of 2013.

Restructuring Activities

In 2012, we introduced several initiatives focused on increasing our efficiencies and reducing costs across all functions of the business in order to develop a more competitive supply chain and global cost structure. Included in these initiatives is a long-term focus on reducing labor and general overhead costs through restructuring activities. We view these restructuring

activities as actions to allow us to meet our long-term growth targets by generating future cost savings within cost of goods sold and general and administrative expenses and include organizational changes that strengthen our business and accelerate efficiencies within our operational structure. As a result of these restructuring activities, we have reduced headcount and consequently recognized severance and other employee-related charges, which we have recorded as special items. As we continually evaluate our cost structure and seek opportunities for further efficiencies and cost savings, we may incur additional restructuring related charges in the future; however, we are unable to estimate the amount of charges at this time.

The accrued restructuring balances represent expected future cash payments required to satisfy the remaining severance obligations to terminated employees, the majority of which we expect to be paid in the next 12 - 24 months. The table below summarizes the activity in the restructuring accruals by segment:

	Canada	Europe	MCI	Corporate	Total
	(In millions)				
Total at December 31, 2013	\$ 9.7	\$ 13.6	\$ 0.5	\$ 0.9	\$ 24.7
Charges incurred	7.6	1.0	—	0.3	8.9
Payments made	(10.7)	(4.0)	(0.4)	(0.8)	(15.9)
Foreign currency and other adjustments	(0.3)	(0.2)	—	—	(0.5)
Total at September 30, 2014	<u>\$ 6.3</u>	<u>\$ 10.4</u>	<u>\$ 0.1</u>	<u>\$ 0.4</u>	<u>\$ 17.2</u>
	Canada	Europe	MCI	Corporate	Total
	(In millions)				
Total at December 29, 2012	\$ 7.1	\$ 13.4	\$ 2.8	\$ 1.5	\$ 24.8
Charges incurred	3.0	10.3	0.1	0.3	13.7
Payments made	(6.2)	(12.1)	(2.5)	(1.8)	(22.6)
Foreign currency and other adjustments	(0.2)	—	—	—	(0.2)
Total at September 28, 2013	<u>\$ 3.7</u>	<u>\$ 11.6</u>	<u>\$ 0.4</u>	<u>\$ —</u>	<u>\$ 15.7</u>

7. Other Income and Expense

The table below summarizes other income and expense:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
	(In millions)			
Gain on sale of non-operating asset	\$ —	\$ —	\$ —	\$ 1.2
Gain (loss) from foreign exchange and derivative activity ⁽¹⁾	(4.0)	(5.3)	(2.7)	(11.4)
Other, net	(1.0)	(0.2)	(0.8)	1.7
Other income (expense), net	<u>\$ (5.0)</u>	<u>\$ (5.5)</u>	<u>\$ (3.5)</u>	<u>\$ (8.5)</u>

- (1) Included in this amount are gains of \$0.5 million for the nine months ended September 30, 2014, and unrealized losses of \$11.4 million and \$1.4 million for the three and nine months ended September 28, 2013, respectively, related to foreign currency movements on foreign-denominated financing instruments entered into in conjunction with the closing of the Acquisition. We also recorded unrealized gains of \$1.8 million and losses of \$4.9 million for the three and nine months ended September 28, 2013, respectively, related to foreign cash positions and foreign exchange contracts entered into to hedge our risk associated with payments of this foreign-denominated debt.

8. Income Tax

Our effective tax rates for the third quarter of 2014 and 2013 were approximately negative 2% and positive 22%, respectively. For the first three quarters of 2014 and 2013, our effective tax rates were approximately 9% and 14%, respectively. The effective tax rates for the third quarter and first three quarters of 2013 have been adjusted to reflect the impact of the change in interim accounting for advertising expenses. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further discussion. Our effective tax rates were significantly lower than the federal statutory rate of 35% primarily due to lower statutory income tax rates applicable to our Canada and Europe businesses, tax planning strategies, as well as the impact of discrete items further discussed below. The effective tax rate for the three months ended September 30, 2014, decreased versus the three months ended September 28, 2013, primarily due to lower pretax income in 2014 driven by

the brand impairment charges in Europe, and increased net discrete tax benefits recognized in the current year as compared to 2013. Our total net discrete tax benefit was \$8.2 million in the third quarter of 2014 , which primarily resulted from the release of a noncurrent unrecognized tax position as further discussed below. In April 2014, we finalized our advanced pricing agreement between the U.S. and Canada tax authorities. The implementation of our new agreement and reversal of the related unrecognized tax benefits resulted in an income tax benefit of approximately \$21 million , which was recognized discretely in the second quarter of 2014.

During the second quarter of 2014, we identified that we had incorrectly omitted uncertain tax positions related to fiscal year 2010 that resulted in an immaterial misstatement of unrecognized tax benefits and retained earnings within the consolidated balance sheets included in our Annual Report. We have revised our current presentation of these amounts to correct for this error, which resulted in an increase in current unrecognized tax benefits of \$19.3 million and noncurrent unrecognized tax benefits of \$14.4 million as of December 31, 2013. During the third quarter of 2014, we filed an amendment to certain historical tax returns and concurrently fully settled the current unrecognized tax benefit resulting from this adjustment. Additionally, upon expiration of certain statutes of limitations during the quarter, we released a portion of the noncurrent unrecognized tax benefit adjustment, which resulted in a \$6.3 million discrete benefit to our current income tax expense. The remainder of the noncurrent unrecognized tax benefits is reflected in our unaudited condensed consolidated balance sheet as of September 30, 2014. These noncurrent items relate to tax years that are currently open, and amounts may differ from those to be determined upon closing of the positions. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further information.

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

As of September 30, 2014 , and December 31, 2013 , we had unrecognized tax benefits including interest, penalties and offsetting positions of \$52.1 million and \$149.6 million , respectively. The September 30, 2014 , balance excludes unrecognized tax benefits that are presented as a reduction of deferred tax assets as a result of the first quarter 2014 adoption of the recently issued guidance related to the presentation of these items. See Note 2, "New Accounting Pronouncements" for further discussion. The decrease to our unrecognized tax benefits on our unaudited condensed consolidated balance sheets from December 31, 2013 , to September 30, 2014 , was due to the favorable resolution of unrecognized tax positions, the settlement of unrecognized tax benefits resulting from the amended tax returns, the release of unrecognized tax benefits due to expiration of the statute of limitations, and the reclassification of certain unrecognized tax benefits as a result of the adoption of the recently issued guidance mentioned above. We do not have any unrecognized tax benefits classified as current as of September 30, 2014 .

9. Earnings Per Share

Basic earnings per share ("EPS") was computed using the weighted-average number of shares of common stock outstanding during the period. Diluted EPS includes the additional dilutive effect of our potentially dilutive securities, which includes stock options, SOSARs, RSUs, PUs, PSUs and DSUs. The dilutive effects of our potentially dilutive securities are calculated using the treasury stock method. The following summarizes the effect of dilutive securities on diluted EPS:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013 ⁽¹⁾	September 30, 2014	September 28, 2013 ⁽¹⁾
(In millions, except per share amounts)				
Amounts attributable to MCBC				
Net income (loss) from continuing operations	\$ (35.7)	\$ 133.4	\$ 420.3	\$ 428.4
Income (loss) from discontinued operations, net of tax	1.3	0.9	(0.4)	1.7
Net income (loss) attributable to Molson Coors Brewing Company	\$ (34.4)	\$ 134.3	\$ 419.9	\$ 430.1
Weighted-average shares for basic EPS	185.1	183.5	184.7	182.7
Effect of dilutive securities:				
Stock options and SOSARs	—	0.6	0.7	0.7
RSUs, PSUs, PUs and DSUs	—	0.5	0.5	0.5
Weighted-average shares for diluted EPS	185.1	184.6	185.9	183.9
Basic net income (loss) attributable to Molson Coors Brewing Company per share ⁽²⁾ :				
From continuing operations	\$ (0.20)	\$ 0.73	\$ 2.27	\$ 2.34
From discontinued operations	0.01	0.01	—	0.01
Basic net income (loss) attributable to Molson Coors Brewing Company per share	\$ (0.19)	\$ 0.74	\$ 2.27	\$ 2.35
Diluted net income (loss) attributable to Molson Coors Brewing Company per share ⁽²⁾ :				
From continuing operations	\$ (0.20)	\$ 0.72	\$ 2.26	\$ 2.33
From discontinued operations	0.01	0.01	—	0.01
Diluted net income (loss) attributable to Molson Coors Brewing Company per share	\$ (0.19)	\$ 0.73	\$ 2.26	\$ 2.34
Dividends declared and paid per share	\$ 0.37	\$ 0.32	\$ 1.11	\$ 0.96

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further discussion.
- (2) Due to the anti-dilutive effect resulting from the reported net loss from continuing operations, the impact of potentially dilutive securities has been omitted from the quarterly calculation of weighted-average shares for diluted EPS for the third quarter of 2014. The impact of these potentially dilutive securities has been included in the calculation of weighted-average shares for diluted EPS for the nine months ended September 30, 2014.

Additionally, the sum of the quarterly net income per share amounts may not agree to the full year net income per share amounts. We calculate net income per share based on the weighted average number of outstanding shares during the period for each reporting period presented. The average number of shares fluctuates throughout the year and can therefore produce a full year result that does not agree to the sum of the individual quarters.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
(In millions)				
Stock options, SOSARs and RSUs	1.2	0.1	0.1	0.2
Total weighted-average anti-dilutive securities	1.2	0.1	0.1	0.2

Convertible Notes

In June 2007, we issued \$575 million Convertible Senior Notes (" \$575 million convertible bonds") due July 2013. On July 30, 2013, these notes matured and were repaid for their face value of \$575 million . The required premium payment was settled in cash and entirely offset by the cash proceeds received from the settlement of the call options we purchased in 2007 related to these notes. As a result, these notes and related call options did not impact our shares outstanding. Additionally, the potential impacts of these notes and related call options had no impact on diluted income per share for any period in which they were outstanding. Simultaneously with the issuance of these notes, we issued warrants which began expiring in December 2013 and the final warrants expired February 6, 2014, all of which were out-of-the-money upon settlement. The potential impacts of these warrants had no impact on diluted income per share and were excluded from the computation of the effect of dilutive securities on diluted earnings per share for all periods during which they were outstanding.

In June 2012, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note (" €500 million convertible note"). On August 13, 2013, the embedded put option was exercised and we subsequently settled the note using cash. See Note 11, "Debt" for further discussion. As a result, the €500 million convertible note did not impact our shares outstanding and was excluded from the computation of the effect of dilutive securities on diluted earnings per share for all periods presented.

10. Goodwill and Intangible Assets

The following summarizes the change in goodwill for the nine months ended September 30, 2014 :

	Canada	Europe	MCI	Consolidated
	(In millions)			
Balance at December 31, 2013	\$ 718.2	\$ 1,693.2	\$ 7.3	\$ 2,418.7
Foreign currency translation	(36.9)	(87.6)	(0.1)	(124.6)
Balance at September 30, 2014	<u>\$ 681.3</u>	<u>\$ 1,605.6</u>	<u>\$ 7.2</u>	<u>\$ 2,294.1</u>

The following table presents details of our intangible assets, other than goodwill, as of September 30, 2014 :

	Useful life	Gross	Accumulated amortization	Net
	(Years)	(In millions)		
Intangible assets subject to amortization:				
Brands	3 - 40	\$ 507.0	\$ (233.5)	\$ 273.5
Distribution rights	2 - 23	141.9	(110.5)	31.4
Patents and technology and distribution channels	3 - 10	35.4	(32.9)	2.5
Other	2	1.1	(1.1)	—
Intangible assets not subject to amortization:				
Brands	Indefinite	4,797.6	—	4,797.6
Distribution networks	Indefinite	903.4	—	903.4
Other	Indefinite	17.5	—	17.5
Total		<u>\$ 6,403.9</u>	<u>\$ (378.0)</u>	<u>\$ 6,025.9</u>

The following table presents details of our intangible assets, other than goodwill, as of December 31, 2013 :

	Useful life (Years)	Gross	Accumulated amortization (In millions)	Net
Intangible assets subject to amortization:				
Brands	3 - 40	\$ 537.5	\$ (224.7)	\$ 312.8
Distribution rights	2 - 23	314.1	(255.0)	59.1
Patents and technology and distribution channels	3 - 10	36.2	(32.8)	3.4
Other	2	1.2	(1.2)	—
Intangible assets not subject to amortization:				
Brands	Indefinite	5,482.3	—	5,482.3
Distribution networks	Indefinite	952.3	—	952.3
Other	Indefinite	15.2	—	15.2
Total		\$ 7,338.8	\$ (513.7)	\$ 6,825.1

The changes in the gross carrying amounts of intangibles from December 31, 2013 , to September 30, 2014 , are primarily driven by the impact of foreign exchange rates, as a significant amount of intangibles are denominated in foreign currencies, and the intangible impairments recorded in the third quarter of 2014, as discussed below. Additionally, upon termination of MMI operations in the first quarter of 2014, we accelerated the amortization of the remaining \$4.9 million net carrying value of the related definite-lived intangible asset and wrote-off its gross value of \$40.5 million . See Note 4, "Investments" for further discussion.

Based on foreign exchange rates as of September 30, 2014 , the estimated future amortization expense of intangible assets is as follows:

Fiscal year	Amount (In millions)
2014 - remaining	\$ 8.7
2015	\$ 28.2
2016	\$ 26.0
2017	\$ 13.4
2018	\$ 11.6

Intangible asset amortization expense was \$10.1 million and \$12.1 million for the three months ended September 30, 2014 , and September 28, 2013 , respectively, and \$31.1 million and \$35.7 million for the nine months ended September 30, 2014 , and September 28, 2013 , respectively. This expense is presented within marketing, general and administrative expenses and excludes the accelerated amortization recognized for the write-off of the intangible asset associated with the termination of MMI operations in the first quarter of 2014. See Note 4, "Investments" for further discussion.

We completed our required 2014 annual goodwill and indefinite-lived intangible impairment testing as of July 1, 2014, the first day of our fiscal year 2014 third quarter, and concluded there were no impairments of goodwill within our Europe, Canada or India reporting units or impairments of our indefinite-lived intangible assets, with the exception of the *Jelen* and *Ozujsko* brand intangibles as discussed below.

Reporting Units and Goodwill

The operations in each of the specific regions within our Canada, Europe and MCI segments are considered components based on the availability of discrete financial information and the regular review by segment management. We have concluded that the components within the Canada and Europe segments each meet the criteria as having similar economic characteristics and therefore have aggregated these components into the Canada and Europe reporting units, respectively. Additionally, we determined that the components within our MCI segment do not meet the criteria for aggregation, and therefore, the operations of our India business constitute a separate reporting unit at the component level.

Our 2014 annual goodwill impairment testing determined that our Europe and Canada reporting units were at risk of failing step one of the goodwill impairment test. Specifically, the fair value of the Europe and Canada reporting units were estimated at approximately 15% and 14% in excess of carrying value, respectively, as of the testing date. Prior to recognizing

the brand impairments discussed below, the excess of the fair value over the carrying value of the Europe reporting unit declined from the prior year. The decrease was driven by challenging macroeconomic conditions in Europe negatively impacting our business, as well as declines in the forecasts of certain European brands, which have been adversely impacted by the expected prolonged recovery from recent flooding and an accelerated consumer trend to value brands. These impacts were partially offset by improvements to market multiples. The Canada reporting unit had a marginal decrease from the prior year primarily due to continued competitive pressures and economic weakness in the Canadian market, partially offset by improved market multiples.

Indefinite-Lived Intangibles

In 2014, our annual indefinite-lived intangible asset impairment testing determined that the fair values of the *Jelen* and *Ozujsko* indefinite-lived brand intangibles within our Europe segment were below their respective carrying values. As a result, we recorded an aggregate impairment charge of \$360.0 million within special items in the third quarter of 2014. The impairment of the *Jelen* brand was driven by ongoing macroeconomic challenges exacerbated by severe flooding in the Balkans region in the second quarter of 2014. This flooding caused significant damage to the infrastructure within the Serbian and Bosnian markets, for which *Jelen* is our primary brand, which resulted in a decrease in the brand's projected cash flows. We have analyzed the potential impact of the flood to these markets and have incorporated a prolonged recovery in our projected cash flows based on recent assessments of the recovery efforts and resulting macroeconomic effects to the region. Additionally, the aftermath of the flood has further contributed to an already challenging market and has led to an acceleration of the consumer trend toward value brands. The impairment of the *Ozujsko* brand was driven by the continued significant economic pressures in Croatia, *Ozujsko's* primary market, which resulted in a decline in the brand's projected cash flows. The macroeconomic environment has driven low realized and expected GDP growth and was worsened by the previously mentioned flooding during Croatia's peak tourism season, along with the flooding in Bosnia, discussed above, where *Ozujsko* is also sold. These lower projected cash flows have lagged previously made assumptions based on forecasted macroeconomic recoveries, resulting in the impairments. The remaining Europe indefinite-lived intangibles' fair values, including *Staropramen* and *Carling* brands, while facing similar macroeconomic challenges, were sufficiently in excess of their respective carrying values, with the exception of *Niksicko*. Specifically, the performance of *Niksicko*, our primary brand in Montenegro, is also dependent on the Serbian and Bosnian markets and is facing similar challenges to those discussed above. As each of *Jelen* and *Ozujsko's* fair values is equal to its carrying value as of the July 1, 2014, impairment testing date, these brands, along with *Niksicko*, are therefore at risk of future impairment, as any additional decline in their forecasted future cash flows may result in a decrease to the fair value of the brand over its respective carrying value. As of September 30, 2014, these at-risk intangible assets had an aggregate carrying value of \$867.9 million.

Separately, our *Molson* core brand intangible continues to be at risk of future impairment with a fair value estimated at approximately 11% in excess of its carrying value as of the impairment testing date. Although the fair value of the *Molson* core brands in excess of carrying value increased slightly from the prior year, they continue to face significant competitive pressures and challenging macroeconomic conditions in the Canada market. These challenges continue to be offset by anticipated cost savings initiatives, which resulted in a slight increase in the brand fair value in excess of carrying value from our prior year valuation. As of September 30, 2014, the *Molson* core brand intangible had a carrying value of \$2,711.1 million.

We utilized Level 3 fair value measurements in our impairment analysis of our indefinite-lived intangible assets, which utilizes an excess earnings approach to determine the fair values of the assets as of the testing date. The future cash flows used in the analysis are based on internal cash flow projections based on our long range plans and include significant assumptions by management as noted below.

Key Assumptions

The Europe and Canada reporting units' goodwill, the *Molson* core brand intangible, and certain indefinite-lived brand intangibles within Europe are at risk of future impairment in the event of significant unfavorable changes in the forecasted cash flows (including significant delays in projected macroeconomic recovery, greater-than-anticipated flood impacts to certain regions' performance, or prolonged adverse economic conditions), terminal growth rates, market multiples and/or weighted-average cost of capital utilized in the discounted cash flow analyses. For testing purposes, management's best estimates of the expected future results are the primary driver in determining the fair value. Current projections used for our Europe reporting unit and indefinite-lived intangible assets testing reflect continued challenging environments in the future followed by growth resulting from a longer term recovery of the macroeconomic environment, as well as the benefit of anticipated cost savings and specific brand-building and innovation activities. Our Canada reporting unit and *Molson* core brand projections also reflect a continued challenging environment that has been adversely impacted by a weak economy across all industries, as well as weakened consumer demand driven by increased competitive pressures, partially offset by anticipated cost savings and specific brand-building and innovation activities. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the 2014 annual goodwill and indefinite-lived intangible impairment test will prove to be an accurate prediction of

the future. Examples of events or circumstances that could reasonably be expected to negatively affect the underlying key assumptions and ultimately impact the estimated fair value of our Canada and Europe reporting units, *Molson* core brand, and the at-risk European brands (*Jelen*, *Ozujsko* and *Niksicko*) may include such items as: (i) a decrease in expected future cash flows, specifically, a decrease in sales volume and increase in costs due to another natural disaster or other unknown event that could significantly impact our immediate and long-range results, a decrease in sales volume driven by a prolonged weakness in consumer demand or other competitive pressures adversely affecting our long term volume trends, a continuation of the trend away from core brands towards value brands in certain of our markets, especially in markets where our core brands represent a significant portion of the market, unfavorable working capital changes and an inability to successfully achieve our cost savings targets, (ii) an economic recovery that significantly differs from our assumptions in timing and/or degree (such as a recession or continued worsening of the overall European economy), an inability of the market to successfully recover from the recent severe flooding in several of our Central European markets, (iii) volatility in the equity and debt markets which could result in a higher discount rate; and (iv) sensitivity to market multiples.

While historical performance and current expectations have resulted in fair values of our reporting units in excess of carrying values, if our assumptions are not realized, it is possible that an impairment charge may need to be recorded in the future.

Definite-Lived Intangibles

Regarding definite-lived intangibles, we continuously monitor the performance of the underlying asset for potential triggering events suggesting an impairment review should be performed. No such triggering events were identified in the third quarter of 2014 , with the exception of the settlement with Miller in Canada, which resulted in a \$8.9 million impairment charge of our definite-lived intangible asset related to our license agreement. As of September 30, 2014 , the intangible has a remaining carrying value of \$18.8 million , primarily indicative of the settlement amount, as well as the remaining future cash flows expected to be generated under the license agreement through March 31, 2015, which will be amortized over the remaining life of the agreement. We utilized Level 3 fair value measurements in our impairment analysis of this definite-lived intangible asset, which include cash flow assumptions by management related to the transition period. See Note 15, "Commitments and Contingencies" for further discussion.

11. Debt**Debt obligations**

Our total borrowings as of September 30, 2014 , and December 31, 2013 , were composed of the following:

	As of	
	September 30, 2014	December 31, 2013
	(In millions)	
Senior notes:		
€500 million 0.0% convertible note due 2013 ⁽¹⁾	\$ —	\$ 61.8
Canadian Dollar ("CAD") 900 million 5.0% notes due 2015	803.7	847.2
CAD 500 million 3.95% Series A notes due 2017	446.5	470.7
\$300 million 2.0% notes due 2017	300.0	300.0
\$500 million 3.5% notes due 2022 ⁽²⁾	503.4	500.0
\$1.1 billion 5.0% notes due 2042	1,100.0	1,100.0
Other long-term debt	0.1	0.2
Long-term credit facilities ⁽³⁾	—	—
Less: unamortized debt discounts and other	(4.5)	(5.1)
Total long-term debt (including current portion)	3,149.2	3,274.8
Less: current portion of long-term debt	(803.4)	(61.8)
Total long-term debt	\$ 2,345.8	\$ 3,213.0
Short-term borrowings:		
Commercial paper program ⁽⁴⁾	\$ 161.4	\$ 379.8
Overdraft facility ⁽⁵⁾	111.5	—
Short-term facilities ⁽⁶⁾ :		
Japanese Yen ("JPY") 1.5 billion line of credit	7.3	3.1
Euro ("EUR") 100 million revolving credit facility	—	137.4
Other short-term borrowings	25.1	4.8
Current portion of long-term debt	803.4	61.8
Current portion of long-term debt and short-term borrowings	\$ 1,108.7	\$ 586.9

- (1) On June 15, 2012, we issued a €500 million convertible note due December 31, 2013, which included a put conversion feature to the Seller. On August 13, 2013, the conversion feature was exercised for an agreed value upon exercise of €510.9 million , consisting of €500 million in principal and €10.9 million for the conversion feature.

On September 3, 2013, we paid the Seller in cash a total of €466.0 million (\$614.7 million) consisting of €455.1 million (\$600.3 million) in principal and €10.9 million (\$14.4 million) for the conversion feature. Separate from the Seller's notice to put, we had made claims with regard to the representations and warranties provided to us upon close of the Acquisition related to local country regulatory matters associated with pre-acquisition periods. As of December 31, 2013, we had withheld €44.9 million (\$61.8 million) from the €500 million in principal related to these outstanding claims. During the first half of 2014, we released the €44.9 million (\$61.4 million at settlement) withheld to the Seller as a result of the settlement of these claims. We did not incur any interest on amounts withheld.

The €500 million convertible note's embedded conversion feature was determined to meet the definition of a derivative required to be bifurcated and separately accounted for at fair value with changes in fair value recorded in earnings. During the three and nine months ended September 28, 2013 , we recognized a net gain of \$20.3 million and a net loss of \$6.5 million , respectively, related to changes in the fair value of the conversion feature. The cash and non-cash interest, excluding the change in fair value of the convertible feature, resulted in an immaterial impact to our effective interest rate for the three and nine months ended September 28, 2013 .

- (2) In the second and third quarters of 2014, we entered into interest rate swaps to economically convert our fixed rate \$500 million 3.5% notes due 2022 (" \$500 million notes") to floating rate debt. This resulted in an effective interest rate of 1.41% and 2.74% , for the three and nine months ended September 30, 2014 , respectively. As a result of this hedge program, the carrying value of the \$500 million note includes a \$3.4 million adjustment for fair value movements attributable to the benchmark interest rate. See Note 13, "Derivative Instruments and Hedging Activities" for further details.
- (3) During the second quarter of 2014, we entered into a five -year, \$750 million revolving multi-currency credit facility, which provides a \$100 million sub-facility available for the issuance of letters of credit. This facility replaced our existing \$400 million and \$550 million revolving credit facilities, which had maturities in the second quarters of 2015 and 2016, respectively, and reduced the size of our existing commercial paper program to a maximum aggregate amount outstanding at any time of \$750 million . Concurrent with the transaction, we incurred \$1.8 million of issuance costs which are being amortized over the term of the agreement and recognized \$1.3 million of accelerated amortization related to the termination of the pre-existing facilities. As of September 30, 2014 , we have \$588.6 million available to draw on under our \$750 million revolving credit facility, as the borrowing capacity is reduced by borrowings under our commercial paper program discussed below.
- (4) As of September 30, 2014 , and December 31, 2013 , the weighted average effective interest rate and tenor for the outstanding commercial paper borrowings was 0.32% ; 29.1 days and 0.49% ; 47.2 days, respectively.
- (5) As of September 30, 2014 , we had \$111.5 million in bank overdrafts and \$139.4 million in bank cash related to our European notional cross-border, cross-currency cash pool for a net positive position of \$27.9 million . As of December 31, 2013 , we did not have bank overdrafts related to the cash pool.
- (6) During the third quarter of 2014, our revolving credit facility that supports the operations of our Europe segment was amended to extend the maturity date by one year and to reduce the facility commitment from €150 million to €100 million on an uncommitted basis through September 2015. Fees associated with this amendment were immaterial. In addition to our EUR revolving credit facility and JPY line of credit, we have British Pound ("GBP") and CAD overdraft facilities which we had no borrowings under as of September 30, 2014 , and December 31, 2013 .

Debt Fair Value Measurements

We utilize market approaches to estimate the fair value of certain outstanding borrowings by discounting anticipated future cash flows derived from the contractual terms of the obligations and observable market interest and foreign exchange rates. As of September 30, 2014 , and December 31, 2013 , the fair value of our outstanding long-term debt (including current portion) was \$3,226.8 million and \$3,359.1 million , respectively. All senior notes are valued based on significant observable inputs and would be classified as Level 2 in the fair value hierarchy. The carrying values of all other outstanding long-term borrowings and our short-term borrowings approximate their fair values and are also classified as Level 2.

Other

Under the terms of each of our debt facilities, we must comply with certain restrictions. These include restrictions on priority indebtedness (certain threshold percentages of secured consolidated net tangible assets), leverage thresholds, liens, and restrictions on certain types of sale lease-back transactions and transfers of assets. As of September 30, 2014 , and December 31, 2013 , we were in compliance with all of these restrictions and have met all debt payment obligations.

12. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) ("AOCI") for the first three quarters of 2014 were as follows:

	MCBC shareholders				
	Foreign currency translation adjustments	Gain (loss) on derivative instruments	Pension and postretirement benefit adjustments	Equity method investments	Accumulated other comprehensive income (loss)
(In millions)					
As of December 31, 2013	\$ 979.1	\$ 14.6	\$ (556.3)	\$ (282.5)	\$ 154.9
Foreign currency translation adjustments	(472.7)	(8.9)	0.1	—	(481.5)
Unrealized gain (loss) on derivative instruments	—	5.4	—	—	5.4
Reclassification of derivative (gain) loss to income	—	4.7	—	—	4.7
Amortization of net prior service (benefit) cost and net actuarial (gain) loss to income	—	—	25.1	—	25.1
Ownership share of unconsolidated subsidiaries' other comprehensive income (loss)	—	—	—	23.8	23.8
Tax benefit (expense)	(39.4)	(2.7)	(5.4)	(10.5)	(58.0)
As of September 30, 2014	<u>\$ 467.0</u>	<u>\$ 13.1</u>	<u>\$ (536.5)</u>	<u>\$ (269.2)</u>	<u>\$ (325.6)</u>

Reclassifications from AOCI to income for the three and nine months ended September 30, 2014, and September 28, 2013, were as follows:

	Three Months Ended		Nine Months Ended		Location of gain (loss) recognized in income
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013	
Reclassifications from AOCI					
(In millions)					
Gain/(loss) on cash flow hedges:					
Forward starting interest rate swaps	\$ (0.4)	\$ (0.4)	\$ (1.2)	\$ (1.2)	Interest expense, net
Foreign currency forwards	(6.1)	0.7	(3.8)	1.1	Other income (expense), net
Foreign currency forwards	(6.4)	1.7	(0.1)	3.4	Cost of goods sold
Commodity swaps	—	(0.2)	0.4	(0.2)	Cost of goods sold
Total income (loss) reclassified, before tax	(12.9)	1.8	(4.7)	3.1	
Income tax benefit (expense)	3.0	(0.9)	0.4	(1.5)	
Net income (loss) reclassified, net of tax	<u>\$ (9.9)</u>	<u>\$ 0.9</u>	<u>\$ (4.3)</u>	<u>\$ 1.6</u>	
Amortization of defined benefit pension and other postretirement benefit plan items:					
Prior service benefit (cost)	\$ 0.7	\$ 0.7	\$ 1.8	\$ 2.1	(1)
Net actuarial gain (loss)	(9.0)	(14.0)	(26.9)	(42.2)	(1)
Total income (loss) reclassified, before tax	(8.3)	(13.3)	(25.1)	(40.1)	
Income tax benefit (expense)	4.0	2.7	5.4	5.6	
Net income (loss) reclassified, net of tax	<u>\$ (4.3)</u>	<u>\$ (10.6)</u>	<u>\$ (19.7)</u>	<u>\$ (34.5)</u>	
Total income (loss) reclassified, net of tax	<u>\$ (14.2)</u>	<u>\$ (9.7)</u>	<u>\$ (24.0)</u>	<u>\$ (32.9)</u>	

- (1) These components of AOCI are included in the computation of net periodic pension and other postretirement benefit cost. See Note 14, "Pension and Other Postretirement Benefits" for additional details.

13. Derivative Instruments and Hedging Activities

Our risk management and derivative accounting policies are presented in Notes 1 and 17 of the Notes included in our Annual Report and did not significantly change during the first three quarters of 2014. As noted in Note 17 of the Notes included in our Annual Report, due to the nature of our counterparty agreements, and the fact that we are not subject to master netting arrangements, we are not able to net positions with the same counterparty and therefore present our derivative positions gross in our unaudited condensed consolidated balance sheets. Our significant derivative/hedge positions have not changed significantly since year-end, except as noted below.

Interest Rate Swaps

In the second and third quarter of 2014, we entered into interest rate swaps with an aggregate notional of \$500 million to economically convert our fixed rate \$500 million 3.5% notes due in 2022 (" \$500 million notes") to floating rate debt. We will receive fixed interest payments semi-annually at a rate of 3.5% per annum and pay a rate to our counterparties based on a credit spread plus the three month LIBOR rate, thereby effectively exchanging a fixed interest obligation for a floating interest obligation.

We entered into these interest rate swap agreements to minimize exposure to changes in the fair value of our \$500 million notes that results from fluctuations in the benchmark interest rate, specifically LIBOR, and have designated these swaps as fair value hedges and determined that there is zero ineffectiveness. The changes in fair value of derivatives designated as fair value hedges and the offsetting changes in fair value of the hedged item are recognized in earnings. For each of the three and nine months ended September 30, 2014, the changes in fair value of the interest rate swaps and the offsetting changes in fair value of the \$500 million notes attributable to the benchmark interest rate were unrealized gains of \$2.2 million and \$3.4 million, respectively, both recorded in interest expense in our unaudited condensed consolidated statement of operations. Accordingly, as of September 30, 2014, such adjustments had increased the carrying value of our \$500 million notes by \$3.4 million. See Note 11, "Debt" for additional details.

Forward Starting Interest Rate Swaps

In the second quarter of 2014, we began to enter into forward starting interest rate swaps to manage our exposure to the volatility of the interest rates associated with future interest payments on a forecasted debt issuance. As of September 30, 2014, we had entered into swap agreements having a total notional of CAD 280 million and a weighted average fixed interest rate of 2.92%. Subsequent to September 30, 2014, we entered into additional forward starting interest rate swaps totaling CAD 80 million and we intend to enter into multiple additional forward starting interest rate swaps up to the date of the forecasted issuance. The forward starting interest rate swaps have an effective date of September 2015 and a termination date of September 2025 mirroring the terms of the forecasted debt issuance. Under the agreements we are required to early terminate these swaps in 2015 at the time we expect to issue the forecasted debt. We have designated these contracts as cash flow hedges.

Cross Currency Swaps

In the first quarter of 2014, we early settled the final remaining CAD 241 million notional of our outstanding currency swaps designated as a net investment hedge of our Canadian operations for \$65.2 million. As of September 30, 2014, we do not have any cross currency swap positions outstanding.

Derivative Fair Value Measurements

We utilize market approaches to estimate the fair value of our derivative instruments by discounting anticipated future cash flows derived from the derivative's contractual terms and observable market interest, foreign exchange and commodity rates. The fair values of our derivatives also include credit risk adjustments to account for our counterparties' credit risk, as well as our own non-performance risk. The table below summarizes our derivative assets and liabilities that were measured at fair value as of September 30, 2014 , and December 31, 2013 .

	Fair value measurements as of September 30, 2014			
	Total at September 30, 2014	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(In millions)			
Interest rate swaps	\$ 1.0	\$ —	\$ 1.0	\$ —
Foreign currency forwards	24.0	—	24.0	—
Commodity swaps	(1.3)	—	(1.3)	—
Total	\$ 23.7	\$ —	\$ 23.7	\$ —

	Fair value measurements as of December 31, 2013			
	Total at December 31, 2013	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(In millions)			
Cross currency swaps	\$ (71.7)	\$ —	\$ (71.7)	\$ —
Foreign currency forwards	19.7	—	19.7	—
Commodity swaps	(4.9)	—	(4.9)	—
Total	\$ (56.9)	\$ —	\$ (56.9)	\$ —

As of September 30, 2014 , we had no significant transfers between Level 1 and Level 2. New derivative contracts transacted during the three and nine months ended September 30, 2014 , were all included in Level 2.

Results of Period Derivative Activity

The tables below include the year to date results of our derivative activity in the unaudited condensed consolidated balance sheets as of September 30, 2014 , and December 31, 2013 , and the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2014 , and September 28, 2013 .

Fair Value of Derivative Instruments in the Condensed Consolidated Balance Sheet (in millions)

September 30, 2014					
	Notional amount	Asset derivatives		Liability derivatives	
		Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:					
Interest rate swaps	\$ 750.0	Other current assets	\$ 0.2	Accounts payable and other current liabilities	\$ (2.6)
		Other non-current assets	3.4	Other liabilities	—
Foreign currency forwards	\$ 385.0	Other current assets	15.0	Accounts payable and other current liabilities	—
		Other non-current assets	9.0	Other liabilities	—
Total derivatives designated as hedging instruments			<u>\$ 27.6</u>		<u>\$ (2.6)</u>
Derivatives not designated as hedging instruments:					
Commodity swaps	\$ 100.7	Other current assets	\$ 1.1	Accounts payable and other current liabilities	\$ (2.1)
		Other non-current assets	1.0	Other liabilities	(1.3)
Total derivatives not designated as hedging instruments			<u>\$ 2.1</u>		<u>\$ (3.4)</u>

December 31, 2013					
	Notional amount	Asset derivatives		Liability derivatives	
		Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:					
Cross currency swaps	\$ 226.6	Other current assets	\$ —	Accounts payable and other current liabilities	\$ (71.7)
Foreign currency forwards	\$ 476.1	Other current assets	11.5	Accounts payable and other current liabilities	—
		Other non-current assets	8.2	Other liabilities	—
Commodity swaps	\$ 17.7	Other current assets	0.2	Accounts payable and other current liabilities	(0.2)
		Other non-current assets	0.1	Other liabilities	(0.3)
Total derivatives designated as hedging instruments			<u>\$ 20.0</u>		<u>\$ (72.2)</u>
Derivatives not designated as hedging instruments:					
Commodity swaps	\$ 67.7	Other current assets	\$ —	Accounts payable and other current liabilities	\$ (2.0)
		Other non-current assets	—	Other liabilities	(2.7)
Total derivatives not designated as hedging instruments			<u>\$ —</u>		<u>\$ (4.7)</u>

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

For the Three Months Ended September 30, 2014					
Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	\$ (2.1)	Interest expense, net	\$ (0.4)	Interest expense, net	\$ —
Foreign currency forwards	1.2	Other income (expense), net	(6.1)	Other income (expense), net	—
		Cost of goods sold	(6.4)	Cost of goods sold	—
Total	<u>\$ (0.9)</u>		<u>\$ (12.9)</u>		<u>\$ —</u>

For the Three Months Ended September 30, 2014

Derivatives in fair value hedge relationships	Amount of gain (loss) recognized in income on derivative	Location of gain (loss) recognized in income
Interest rate swaps	\$ 2.2	Interest expense, net
Total	\$ 2.2	

For the Three Months Ended September 28, 2013

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	\$ —	Interest expense, net	\$ (0.4)	Interest expense, net	\$ —
Foreign currency forwards	(9.0)	Other income (expense), net	0.7	Other income (expense), net	—
		Cost of goods sold	1.7	Cost of goods sold	—
Commodity swaps	(0.7)	Cost of goods sold	(0.2)	Cost of goods sold	—
Total	\$ (9.7)		\$ 1.8		\$ —

For the Three Months Ended September 28, 2013

Derivatives and non-derivative financial instruments in net investment hedge relationships	Amount of gain (loss) recognized in OCI (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI (effective portion)	Location of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)
Cross currency swaps	\$ (9.3)	Other income (expense), net	\$ —	Other income (expense), net	\$ —
€120 million term loan due 2016	(1.9)	Other income (expense), net	—	Other income (expense), net	—
Total	\$ (11.2)		\$ —		\$ —

For the Nine Months Ended September 30, 2014

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	\$ (2.4)	Interest expense, net	\$ (1.2)	Interest expense, net	\$ —
Foreign currency forwards	0.8	Other income (expense), net	(3.8)	Other income (expense), net	—
		Cost of goods sold	(0.1)	Cost of goods sold	—
Commodity swaps	0.5	Cost of goods sold	0.4	Cost of goods sold	—
Total	\$ (1.1)		\$ (4.7)		\$ —

For the Nine Months Ended September 30, 2014

Derivatives and non-derivative financial instruments in net investment hedge relationships	Amount of gain (loss) recognized in OCI (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI (effective portion)	Location of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)
Cross currency swaps	\$ 6.5	Other income (expense), net	\$ —	Other income (expense), net	\$ —
Total	\$ 6.5		\$ —		\$ —

For the Nine Months Ended September 30, 2014

Derivatives in fair value hedge relationships	Amount of gain (loss) recognized in income on derivative	Location of gain (loss) recognized in income
Interest rate swaps	\$ 3.4	Interest expense, net
Total	\$ 3.4	

For the Nine Months Ended September 28, 2013

Derivatives in cash flow hedge relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	\$ —	Interest expense, net	\$ (1.2)	Interest expense, net	\$ —
Foreign currency forwards	14.7	Other income (expense), net	1.1	Other income (expense), net	—
		Cost of goods sold	3.4	Cost of goods sold	—
Commodity swaps	(0.7)	Cost of goods sold	(0.2)	Cost of goods sold	—
Total	\$ 14.0		\$ 3.1		\$ —

For the Nine Months Ended September 28, 2013

Derivatives and non-derivative financial instruments in net investment hedge relationships	Amount of gain (loss) recognized in OCI (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI (effective portion)	Location of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing)
Cross currency swaps	\$ 20.2	Other income (expense), net	\$ —	Other income (expense), net	\$ —
€120 million term loan due 2016	0.1	Other income (expense), net	—	Other income (expense), net	—
Total	\$ 20.3		\$ —		\$ —

During the periods presented we recorded no significant ineffectiveness related to these cash flow, net investment and fair value hedges.

We expect net gains of approximately \$13 million (pretax) recorded in AOCI at September 30, 2014, will be reclassified into earnings within the next 12 months. For derivatives designated in cash flow hedge relationships, the maximum length of time over which forecasted transactions are hedged at September 30, 2014, is 3 years.

Other Derivatives (in millions)

For the Three Months Ended September 30, 2014		
Derivatives not in hedging relationships	Location of gain (loss) recognized in income on derivative	Amount of gain (loss) recognized in income on derivative
Commodity swaps	Cost of goods sold	\$ 0.4
Total		\$ 0.4
For the Three Months Ended September 28, 2013		
Derivatives not in hedging relationships	Location of gain (loss) recognized in income on derivative	Amount of gain (loss) recognized in income on derivative
Equity conversion feature of debt	Interest expense, net	\$ 21.1
	Other income (expense), net	(0.8)
Commodity Swaps	Cost of goods sold	(1.5)
Foreign currency forwards	Other income (expense), net	10.6
Total		\$ 29.4
For the Nine Months Ended September 30, 2014		
Derivatives not in hedging relationships	Location of gain (loss) recognized in income on derivative	Amount of gain (loss) recognized in income on derivative
Commodity swaps	Cost of goods sold	\$ (0.2)
Total		\$ (0.2)
For the Nine Months Ended September 28, 2013		
Derivatives not in hedging relationships	Location of gain (loss) recognized in income on derivative	Amount of gain (loss) recognized in income on derivative
Equity conversion feature of debt	Interest expense, net	\$ (5.4)
	Other income (expense), net	(1.1)
Commodity Swaps	Cost of goods sold	(3.0)
Foreign currency forwards	Other income (expense), net	3.9
Total		\$ (5.6)

14. Pension and Other Postretirement Benefits*Net Periodic Pension and Other Postretirement Benefits ("OPEB") Cost*

	For the Three Months Ended					
	September 30, 2014			September 28, 2013		
	Pension	OPEB	Consolidated	Pension	OPEB	Consolidated
	(In millions)					
Net periodic pension and OPEB cost:						
Service cost - benefits earned during the year	\$ 3.4	\$ 0.8	\$ 4.2	\$ 3.9	\$ 0.8	\$ 4.7
Interest cost on projected benefit obligation	42.5	1.8	44.3	38.7	1.7	40.4
Expected return on plan assets	(50.6)	—	(50.6)	(44.0)	—	(44.0)
Amortization of prior service cost (benefit)	0.1	(0.8)	(0.7)	0.2	(0.9)	(0.7)
Amortization of net actuarial loss (gain)	9.2	(0.2)	9.0	14.0	—	14.0
Less: expected participant contributions	(0.2)	—	(0.2)	(0.3)	—	(0.3)
Net periodic pension and OPEB cost	\$ 4.4	\$ 1.6	\$ 6.0	\$ 12.5	\$ 1.6	\$ 14.1

	For the Nine Months Ended					
	September 30, 2014			September 28, 2013		
	Pension	OPEB	Consolidated	Pension	OPEB	Consolidated
	(In millions)					
Net periodic pension and OPEB cost:						
Service cost - benefits earned during the year	\$ 10.0	\$ 2.3	\$ 12.3	\$ 11.9	\$ 2.6	\$ 14.5
Interest cost on projected benefit obligation	127.2	5.4	132.6	116.9	5.3	122.2
Expected return on plan assets	(149.5)	—	(149.5)	(132.7)	—	(132.7)
Amortization of prior service cost (benefit)	0.5	(2.3)	(1.8)	0.6	(2.7)	(2.1)
Amortization of net actuarial loss (gain)	27.6	(0.7)	26.9	42.4	(0.2)	42.2
Less: expected participant contributions	(0.8)	—	(0.8)	(0.9)	—	(0.9)
Net periodic pension and OPEB cost	<u>\$ 15.0</u>	<u>\$ 4.7</u>	<u>\$ 19.7</u>	<u>\$ 38.2</u>	<u>\$ 5.0</u>	<u>\$ 43.2</u>

During the nine months ended September 30, 2014, employer contributions to the defined benefit plans were \$26.6 million. Total fiscal year 2014 employer contributions to the defined benefit plans are expected to be approximately \$34 million based on foreign exchange rates as of September 30, 2014. MillerCoors, BRI and BDL contributions to their defined benefit pension and other postretirement benefit plans are not included above, as they are not consolidated in our financial statements.

15. Commitments and Contingencies

Discontinued Operations

Kaiser

In 2006, we sold our entire equity interest in our Brazilian unit, Cervejarias Kaiser Brasil S.A. ("Kaiser") to FEMSA Cerveza S.A. de C.V. ("FEMSA"). The terms of the sale agreement require us to indemnify FEMSA for exposures related to certain tax, civil and labor contingencies arising prior to FEMSA's purchase of Kaiser. In addition, we provided an indemnity to FEMSA for losses Kaiser may incur with respect to tax claims associated with certain previously utilized purchased tax credits. The discontinued operations balances within the current and non-current liabilities of our unaudited condensed consolidated balance sheets consist entirely of our estimates of these liabilities. These liabilities are denominated in Brazilian Reais and are therefore subject to foreign exchange gains or losses, which are recognized in the discontinued operations section of the unaudited condensed consolidated statement of operations. There have been no changes in the underlying liabilities from the year ended December 31, 2013; therefore, all changes in the current and non-current liabilities of discontinued operations during the first three quarters of 2014 are due to fluctuations in foreign exchange rates from December 31, 2013, to September 30, 2014. During the three months ended September 30, 2014, and September 28, 2013, we recognized gains of \$1.3 million and \$0.9 million, respectively, from discontinued operations associated with foreign exchange gains and losses related to indemnities we provided to FEMSA. During the nine months ended September 30, 2014, and September 28, 2013, we recognized losses of \$0.4 million and gains of \$1.7 million, respectively. Our exposure related to the tax, civil and labor indemnity claims is capped at the amount of the sales price of the 68% equity interest of Kaiser, which was \$68.0 million. Separately, the maximum potential claims amount remaining for the purchased tax credits was \$143.0 million based on foreign exchange rates as of September 30, 2014.

Future settlement procedures and related negotiation activities associated with these contingencies are largely outside of our control. Due to the uncertainty involved with the ultimate outcome and timing of these contingencies, significant adjustments to the carrying values of the indemnity obligations have been recorded to date, and additional future adjustments may be required.

Guarantees

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

Related to guarantees, other liabilities in the accompanying unaudited condensed consolidated balance sheets include \$5.5 million as of September 30, 2014 , and \$5.8 million as of December 31, 2013 , both of which are non-current.

Litigation, Other Disputes and Environmental

Related to litigation, other disputes and environmental issues, we have accrued an aggregate of \$17.1 million as of September 30, 2014 , and \$14.0 million as of December 31, 2013 . We believe that any reasonably possible losses in excess of the amounts accrued are immaterial to our unaudited condensed consolidated financial statements.

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

During the fourth quarter of 2014, we received an assessment from a local country regulatory authority related to our Europe operations over the prior 24 months for approximately \$66 million , based on foreign exchange rates at September 30, 2014. While we intend to vigorously challenge the validity of the assessment and defend our position, if the assessment, as issued, is ultimately upheld it could materially affect our results of operations. We estimate a range of loss of zero to \$66 million , based on foreign exchange rates at September 30, 2014.

In 2013 we became aware of potential liabilities in several European countries primarily related to local country regulatory matters associated with pre-Acquisition periods. We recorded liabilities related to these matters in the second quarter of 2013 as we finalized purchase price accounting related to the Acquisition. During the first quarter of 2014, these matters were favorably resolved and we released the associated indirect-tax and income-tax-related reserves, inclusive of post-Acquisition accrued interest, resulting in a gain of \$13.0 million recorded within marketing, general and administrative expenses and an income tax benefit of \$18.5 million . As a result of the resolution, in the first quarter of 2014, we released amounts previously withheld with regard to these matters to the Seller. See Note 11, "Debt" for further discussion.

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

Litigation and Other Disputes

In December 2012, Miller Brewing Company ("Miller") orally informed us of its intent to terminate the license agreement between Miller and us whereby we have exclusive rights to distribute certain Miller products in Canada (the "License Agreement"). We subsequently filed a lawsuit in Ontario, Canada (Molson Canada 2005 v. Miller Brewing Company, Sup. Ct. of Justice-Ontario, CV-12-470589) and on June 20, 2013, were granted an injunction preventing Miller's termination of the License Agreement, pending a trial on the merits. During the third quarter of 2014, in advance of the scheduled trial date in early November 2014, we continued private settlement discussions and on October 9, 2014, executed a settlement agreement with Miller. Pursuant to the terms of the settlement, we will continue to operate under the License Agreement until March 31, 2015, at which time all of our operations with regards to the Miller brands in Canada will terminate. We received half of the mutually agreed upon settlement payment following the execution of the settlement and will receive the remainder upon transition at the end of the first quarter of 2015.

In the third quarter of 2014, we updated our assessment of the associated definite-lived intangible asset for impairment. The analysis, primarily factoring in the settlement payments, resulted in a valuation of \$18.8 million for the definite-lived intangible asset, resulting in a non-cash impairment charge of \$8.9 million recorded as a special item within our condensed consolidated statements of operations for the three and nine months ended September 30, 2014 . The carrying value as of September 30, 2014 , following the impairment, is indicative of the settlement amount plus the remaining future cash flows expected to be generated under the License Agreement through March 31, 2015. We recognized net sales related to the License Agreement of \$23.6 million and \$25.8 million for the three months ended September 30, 2014 , and September 28, 2013 , respectively, and net sales of \$63.0 million and \$72.9 million for the nine months ended September 30, 2014 , and September 28, 2013 , respectively.

Environmental

Canada

Our Canada brewing operations are subject to provincial environmental regulations and local permit requirements. Our Montréal and Toronto breweries have water treatment facilities to pre-treat waste water before it goes to the respective local

governmental facility for final treatment. We have environmental programs in Canada including organization, monitoring and verification, regulatory compliance, reporting, education and training, and corrective action.

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

United States

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

Lowry

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

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

The assumptions used are as follows:

- trust management costs are included in projections with regard to the \$120 million threshold, but are expensed only as incurred;
- income taxes, which we believe are not an included cost, are excluded from projections with regard to the \$120 million threshold;
- a 2.5% inflation rate for future costs; and
- certain operations and maintenance costs were discounted using a 2.87% risk-free rate of return.

Based on these assumptions, the present value and gross amount of the costs at September 30, 2014, are approximately \$2.2 million and \$5.3 million, respectively. We did not assume any future recoveries from insurance companies in the estimate of our liability, and none are expected.

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

Other

In prior years, we were notified by the EPA and certain state environmental divisions that we are a PRP, along with other parties, at the Cooper Drum site in southern California, the East Rutherford and Berry's Creek sites in New Jersey and the Chamblee and Smyrna sites in Georgia. Certain former non-beer business operations, which we discontinued use of and sold (excluding the property of the former Chamblee site) in the mid-1990s, were involved at these sites. Potential losses associated with these sites could increase as remediation planning progresses.

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

Europe and MCI

We are subject to the requirements of governmental and local environmental and occupational health and safety laws and regulations within each of the countries in which we operate. Compliance with these laws and regulations did not materially affect our third quarter or first three quarters of 2014 capital expenditures, results of operations or our financial or competitive position, and we do not anticipate that they will do so during the remainder of the year.

16. Supplemental Guarantor Information

For purposes of this Note 16, including the tables, "Parent Guarantor and 2012 Issuer" shall mean MCBC and "Subsidiary Guarantors" shall mean certain Canadian, U.S. and European subsidiaries reflecting the substantial operations of each of our Canadian and U.S. segments, as well as our U.K. operations of our European segment.

SEC Registered Securities

On May 3, 2012, MCBC issued \$1.9 billion of senior notes, in a registered public offering, consisting of \$300 million 2.0% senior notes due 2017, \$500 million 3.5% senior notes due 2022, and \$1.1 billion 5.0% senior notes due 2042. These senior notes are guaranteed on a senior unsecured basis by the Subsidiary Guarantors. Each of the Subsidiary Guarantors is 100% owned by the Parent Guarantor. The guarantees are full and unconditional and joint and several.

Other Debt

On September 22, 2005, MC Capital Finance ULC ("MC Capital Finance") issued \$1.1 billion of senior notes consisting of \$300 million 4.85% U.S. publicly registered notes due 2010 and CAD 900 million 5.0% privately placed notes maturing on September 22, 2015. These CAD 900 million senior notes were subsequently exchanged for substantially identical CAD 900 million senior notes which were quantified by way of a prospectus in Canada. In connection with an internal corporate reorganization, Molson Coors International LP ("MCI LP") was subsequently added as a co-issuer of the CAD 900 million senior notes in 2007. The \$ 300 million senior notes were repaid in 2010. The continuous disclosure requirements applicable to MC Capital Finance in Canada are satisfied through the consolidating financial information in respect of MC Capital Finance, MCI LP and other subsidiary guarantors of the CAD 900 million senior notes as currently presented within the Subsidiary Guarantors column.

None of our other outstanding debt is publicly registered, and it is all guaranteed on a senior and unsecured basis by the Parent Guarantor and Subsidiary Guarantors. These guarantees are full and unconditional and joint and several. See Note 11, "Debt" for details of all debt issued and outstanding as of September 30, 2014.

Presentation

During the second quarter of 2014, we identified an immaterial error related to unrecognized tax benefits in previous years and have revised our unaudited condensed consolidated balance sheet as of December 31, 2013, to correct for this error. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further information. We have revised our guarantor condensed consolidating balance sheet as of December 31, 2013 included herein, to reflect the correction of this error and we do not consider the impacts material to the presentation.

Effective the first quarter of 2014, we changed our interim accounting for advertising expenses and have applied the change to our historical interim periods retrospectively. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further information. Note that we do not consider the impacts material to the presentation of our interim guarantor condensed consolidating statements of operations or condensed consolidating statement of cash flows.

The following information sets forth the condensed consolidating statements of operations for the three and nine months ended September 30, 2014, and September 28, 2013, condensed consolidating balance sheets as of September 30, 2014, and December 31, 2013, and condensed consolidating statements of cash flows for the nine months ended September 30, 2014, and September 28, 2013. Investments in subsidiaries are accounted for under the equity method; accordingly, entries necessary to consolidate the Parent Guarantor and all of our guarantor and non-guarantor subsidiaries are reflected in the eliminations column. In the opinion of management, separate complete financial statements of MCBC and the Subsidiary Guarantors would not provide additional material information that would be useful in assessing their financial composition.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 6.5	\$ 1,290.6	\$ 407.8	\$ (54.9)	\$ 1,650.0
Excise taxes	—	(394.1)	(87.9)	—	(482.0)
Net sales	6.5	896.5	319.9	(54.9)	1,168.0
Cost of goods sold	—	(505.9)	(200.4)	39.7	(666.6)
Gross profit	6.5	390.6	119.5	(15.2)	501.4
Marketing, general and administrative expenses	(27.9)	(196.5)	(80.4)	15.2	(289.6)
Special items, net	—	(11.1)	(356.5)	—	(367.6)
Equity income (loss) in subsidiaries	4.3	(405.0)	141.5	259.2	—
Equity income in MillerCoors	—	158.9	—	—	158.9
Operating income (loss)	(17.1)	(63.1)	(175.9)	259.2	3.1
Interest income (expense), net	(17.2)	74.2	(88.3)	—	(31.3)
Other income (expense), net	(1.1)	(2.9)	(1.0)	—	(5.0)
Income (loss) from continuing operations before income taxes	(35.4)	8.2	(265.2)	259.2	(33.2)
Income tax benefit (expense)	1.0	(2.3)	0.6	—	(0.7)
Net income (loss) from continuing operations	(34.4)	5.9	(264.6)	259.2	(33.9)
Income (loss) from discontinued operations, net of tax	—	—	1.3	—	1.3
Net income (loss) including noncontrolling interests	(34.4)	5.9	(263.3)	259.2	(32.6)
Net (income) loss attributable to noncontrolling interests	—	—	(1.8)	—	(1.8)
Net income (loss) attributable to MCBC	\$ (34.4)	\$ 5.9	\$ (265.1)	\$ 259.2	\$ (34.4)
Comprehensive income (loss) attributable to MCBC	\$ (515.9)	\$ (477.7)	\$ (481.0)	\$ 958.7	\$ (515.9)

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 28, 2013
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 7.3	\$ 1,277.3	\$ 451.3	\$ (70.5)	\$ 1,665.4
Excise taxes	—	(401.2)	(93.0)	—	(494.2)
Net sales	7.3	876.1	358.3	(70.5)	1,171.2
Cost of goods sold	—	(501.7)	(210.2)	41.9	(670.0)
Gross profit	7.3	374.4	148.1	(28.6)	501.2
Marketing, general and administrative expenses	(26.3)	(190.4)	(102.7)	28.6	(290.8)
Special items, net	(0.2)	(9.1)	(153.7)	—	(163.0)
Equity income (loss) in subsidiaries	64.0	(155.6)	128.6	(37.0)	—
Equity income in MillerCoors	—	148.3	—	—	148.3
Operating income (loss)	44.8	167.6	20.3	(37.0)	195.7
Interest income (expense), net	(24.6)	91.4	(84.6)	—	(17.8)
Other income (expense), net	(7.4)	(18.6)	20.5	—	(5.5)
Income (loss) from continuing operations before income taxes	12.8	240.4	(43.8)	(37.0)	172.4
Income tax benefit (expense)	121.5	(186.2)	27.5	—	(37.2)
Net income (loss) from continuing operations	134.3	54.2	(16.3)	(37.0)	135.2
Income (loss) from discontinued operations, net of tax	—	—	0.9	—	0.9
Net income (loss) including noncontrolling interests	134.3	54.2	(15.4)	(37.0)	136.1
Net (income) loss attributable to noncontrolling interests	—	—	(1.8)	—	(1.8)
Net income (loss) attributable to MCBC	\$ 134.3	\$ 54.2	\$ (17.2)	\$ (37.0)	\$ 134.3
Comprehensive income (loss) attributable to MCBC	\$ 415.6	\$ 323.7	\$ 123.8	\$ (447.5)	\$ 415.6

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 11.3	\$ 3,503.9	\$ 1,081.8	\$ (82.8)	\$ 4,514.2
Excise taxes	—	(1,104.2)	(237.5)	—	(1,341.7)
Net sales	11.3	2,399.7	844.3	(82.8)	3,172.5
Cost of goods sold	—	(1,431.4)	(490.4)	48.7	(1,873.1)
Gross profit	11.3	968.3	353.9	(34.1)	1,299.4
Marketing, general and administrative expenses	(88.7)	(564.0)	(262.7)	34.1	(881.3)
Special items, net	(0.3)	(22.4)	(295.1)	—	(317.8)
Equity income (loss) in subsidiaries	501.7	(378.7)	261.7	(384.7)	—
Equity income in MillerCoors	—	471.8	—	—	471.8
Operating income (loss)	424.0	475.0	57.8	(384.7)	572.1
Interest income (expense), net	(61.0)	223.9	(265.8)	—	(102.9)
Other income (expense), net	1.3	0.3	(5.1)	—	(3.5)
Income (loss) from continuing operations before income taxes	364.3	699.2	(213.1)	(384.7)	465.7
Income tax benefit (expense)	55.6	(134.7)	37.2	—	(41.9)
Net income (loss) from continuing operations	419.9	564.5	(175.9)	(384.7)	423.8
Income (loss) from discontinued operations, net of tax	—	—	(0.4)	—	(0.4)
Net income (loss) including noncontrolling interests	419.9	564.5	(176.3)	(384.7)	423.4
Net (income) loss attributable to noncontrolling interests	—	—	(3.5)	—	(3.5)
Net income (loss) attributable to MCBC	\$ 419.9	\$ 564.5	\$ (179.8)	\$ (384.7)	\$ 419.9
Comprehensive income attributable to MCBC	\$ (60.6)	\$ 124.8	\$ (346.9)	\$ 222.1	\$ (60.6)

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 28, 2013
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	\$ 20.8	\$ 3,561.0	\$ 1,098.3	\$ (170.2)	\$ 4,509.9
Excise taxes	—	(1,096.5)	(235.7)	—	(1,332.2)
Net sales	20.8	2,464.5	862.6	(170.2)	3,177.7
Cost of goods sold	—	(1,451.1)	(576.2)	126.1	(1,901.2)
Gross profit	20.8	1,013.4	286.4	(44.1)	1,276.5
Marketing, general and administrative expenses	(91.2)	(573.2)	(283.9)	44.1	(904.2)
Special items, net	(1.2)	(10.1)	(154.5)	—	(165.8)
Equity income (loss) in subsidiaries	414.0	(428.3)	305.3	(291.0)	—
Equity income in MillerCoors	—	438.3	—	—	438.3
Operating income (loss)	342.4	440.1	153.3	(291.0)	644.8
Interest income (expense), net	(78.3)	223.5	(279.1)	—	(133.9)
Other income (expense), net	(6.0)	2.0	(4.5)	—	(8.5)
Income (loss) from continuing operations before income taxes	258.1	665.6	(130.3)	(291.0)	502.4
Income tax benefit (expense)	172.0	(263.6)	22.4	—	(69.2)
Net income (loss) from continuing operations	430.1	402.0	(107.9)	(291.0)	433.2
Income (loss) from discontinued operations, net of tax	—	—	1.7	—	1.7
Net income (loss) including noncontrolling interests	430.1	402.0	(106.2)	(291.0)	434.9
Net (income) loss attributable to noncontrolling interests	—	—	(4.8)	—	(4.8)
Net income (loss) attributable to MCBC	\$ 430.1	\$ 402.0	\$ (111.0)	\$ (291.0)	\$ 430.1
Comprehensive income attributable to MCBC	\$ 363.5	\$ 379.6	\$ (63.5)	\$ (316.1)	\$ 363.5

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2014
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 51.4	\$ 487.4	\$ 183.3	\$ —	\$ 722.1
Accounts receivable, net	1.6	406.9	169.8	—	578.3
Other receivables, net	29.6	53.2	32.9	—	115.7
Total inventories	—	220.6	40.6	—	261.2
Other current assets, net	5.0	60.0	44.2	—	109.2
Deferred tax assets	—	1.4	27.0	(3.0)	25.4
Intercompany accounts receivable	—	3,668.8	259.7	(3,928.5)	—
Total current assets	87.6	4,898.3	757.5	(3,931.5)	1,811.9
Properties, net	31.9	1,192.8	625.5	—	1,850.2
Goodwill	—	1,128.7	1,165.4	—	2,294.1
Other intangibles, net	—	4,047.1	1,978.8	—	6,025.9
Investment in MillerCoors	—	2,580.1	—	—	2,580.1
Net investment in and advances to subsidiaries	13,002.1	2,860.8	6,727.3	(22,590.2)	—
Deferred tax assets	10.4	2.1	0.1	5.1	17.7
Other assets, net	23.9	177.5	52.1	—	253.5
Total assets	\$ 13,155.9	\$ 16,887.4	\$ 11,306.7	\$ (26,516.6)	\$ 14,833.4
Liabilities and equity					
Current liabilities:					
Accounts payable and other current liabilities	\$ 65.2	\$ 921.1	\$ 380.1	\$ —	\$ 1,366.4
Deferred tax liabilities	8.8	132.3	—	(3.0)	138.1
Current portion of long-term debt and short-term borrowings	161.5	803.4	143.8	—	1,108.7
Discontinued operations	—	—	6.6	—	6.6
Intercompany accounts payable	2,604.5	321.0	1,003.0	(3,928.5)	—
Total current liabilities	2,840.0	2,177.8	1,533.5	(3,931.5)	2,619.8
Long-term debt	1,899.8	445.9	0.1	—	2,345.8
Pension and postretirement benefits	2.8	407.4	6.8	—	417.0
Deferred tax liabilities	—	0.2	897.2	5.1	902.5
Other liabilities	18.3	21.6	69.3	—	109.2
Discontinued operations	—	—	16.7	—	16.7
Intercompany notes payable	—	1,489.6	5,952.5	(7,442.1)	—
Total liabilities	4,760.9	4,542.5	8,476.1	(11,368.5)	6,411.0
MCBC stockholders' equity	8,398.0	18,477.9	4,112.3	(22,590.2)	8,398.0
Intercompany notes receivable	(3.0)	(6,133.0)	(1,306.1)	7,442.1	—
Total stockholders' equity	8,395.0	12,344.9	2,806.2	(15,148.1)	8,398.0
Noncontrolling interests	—	—	24.4	—	24.4
Total equity	8,395.0	12,344.9	2,830.6	(15,148.1)	8,422.4
Total liabilities and equity	\$ 13,155.9	\$ 16,887.4	\$ 11,306.7	\$ (26,516.6)	\$ 14,833.4

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2013
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 90.6	\$ 248.7	\$ 103.0	\$ —	\$ 442.3
Accounts receivable, net	0.7	466.3	136.6	—	603.6
Other receivables, net	48.0	56.5	19.9	—	124.4
Total inventories	—	166.8	38.5	—	205.3
Other current assets, net	8.4	60.1	43.2	—	111.7
Deferred tax assets	—	—	53.3	(2.9)	50.4
Intercompany accounts receivable	—	3,186.8	196.5	(3,383.3)	—
Total current assets	147.7	4,185.2	591.0	(3,386.2)	1,537.7
Properties, net	31.0	1,282.8	656.3	—	1,970.1
Goodwill	—	1,161.8	1,256.9	—	2,418.7
Other intangibles, net	—	4,292.3	2,532.8	—	6,825.1
Investment in MillerCoors	—	2,506.5	—	—	2,506.5
Net investment in and advances to subsidiaries	12,860.9	3,303.7	6,654.9	(22,819.5)	—
Deferred tax assets	28.8	3.1	1.0	5.4	38.3
Other assets, net	35.5	175.0	73.2	—	283.7
Total assets	\$ 13,103.9	\$ 16,910.4	\$ 11,766.1	\$ (26,200.3)	\$ 15,580.1
Liabilities and equity					
Current liabilities:					
Accounts payable and other current liabilities	\$ 71.5	\$ 998.6	\$ 359.5	\$ —	\$ 1,429.6
Deferred tax liabilities	8.8	132.2	—	(2.9)	138.1
Current portion of long-term debt and short-term borrowings	379.7	61.8	145.4	—	586.9
Discontinued operations	—	—	6.8	—	6.8
Intercompany accounts payable	2,120.7	228.3	1,034.3	(3,383.3)	—
Total current liabilities	2,580.7	1,420.9	1,546.0	(3,386.2)	2,161.4
Long-term debt	1,896.2	1,316.6	0.2	—	3,213.0
Pension and postretirement benefits	2.6	453.3	6.7	—	462.6
Deferred tax liabilities	—	—	906.0	5.4	911.4
Other liabilities	22.4	22.4	139.5	—	184.3
Discontinued operations	—	—	17.3	—	17.3
Intercompany notes payable	—	1,693.9	6,138.9	(7,832.8)	—
Total liabilities	4,501.9	4,907.1	8,754.6	(11,213.6)	6,950.0
MCBC stockholders' equity	8,605.2	18,332.5	4,487.0	(22,819.5)	8,605.2
Intercompany notes receivable	(3.2)	(6,329.2)	(1,500.4)	7,832.8	—
Total stockholders' equity	8,602.0	12,003.3	2,986.6	(14,986.7)	8,605.2
Noncontrolling interests	—	—	24.9	—	24.9
Total equity	8,602.0	12,003.3	3,011.5	(14,986.7)	8,630.1
Total liabilities and equity	\$ 13,103.9	\$ 16,910.4	\$ 11,766.1	\$ (26,200.3)	\$ 15,580.1

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 365.4	\$ 560.4	\$ 194.8	\$ (62.2)	\$ 1,058.4
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(8.2)	(103.9)	(83.7)	—	(195.8)
Proceeds from sales of properties and other assets	—	3.8	2.2	—	6.0
Investment in MillerCoors	—	(1,100.4)	—	—	(1,100.4)
Return of capital from MillerCoors	—	1,053.9	—	—	1,053.9
Return of capital from an unconsolidated affiliate	—	—	5.9	—	5.9
Loan repayments	—	7.1	—	—	7.1
Loan advances	—	(6.7)	(7.9)	—	(14.6)
Net intercompany investing activity	(39.2)	90.3	137.2	(188.3)	—
Net cash provided by (used in) investing activities	(47.4)	(55.9)	53.7	(188.3)	(237.9)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	38.5	—	—	—	38.5
Excess tax benefits from share-based compensation	6.6	—	—	—	6.6
Dividends paid	(181.4)	(24.0)	(61.9)	62.2	(205.1)
Dividends paid to noncontrolling interest holders	—	—	(2.4)	—	(2.4)
Payments for purchase of noncontrolling interest	—	—	(0.7)	—	(0.7)
Debt issuance costs	(1.8)	—	—	—	(1.8)
Payments on long-term debt and capital lease obligations	(0.8)	(61.9)	(0.2)	—	(62.9)
Proceeds from short-term borrowings	—	—	35.5	—	35.5
Payments on short-term borrowings	—	—	(23.3)	—	(23.3)
Payments on settlement of derivative instruments	—	(65.2)	—	—	(65.2)
Net proceeds from (payments on) revolving credit facilities and commercial paper	(218.3)	—	(132.2)	—	(350.5)
Change in overdraft balances and other	—	—	118.1	—	118.1
Net intercompany financing activity	—	(98.0)	(90.3)	188.3	—
Net cash provided by (used in) financing activities	(357.2)	(249.1)	(157.4)	250.5	(513.2)
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	(39.2)	255.4	91.1	—	307.3
Effect of foreign exchange rate changes on cash and cash equivalents	—	(16.7)	(10.8)	—	(27.5)
Balance at beginning of year	90.6	248.7	103.0	—	442.3
Balance at end of period	\$ 51.4	\$ 487.4	\$ 183.3	\$ —	\$ 722.1

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 28, 2013
(IN MILLIONS)
(UNAUDITED)

	Parent Guarantor and 2012 Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 565.5	\$ 327.2	\$ 394.0	\$ (256.7)	\$ 1,030.0
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(11.9)	(103.4)	(102.9)	—	(218.2)
Proceeds from sales of properties and other assets	—	3.2	4.3	—	7.5
Proceeds from sale of business	—	—	2.0	—	2.0
Investment in MillerCoors	—	(924.0)	—	—	(924.0)
Return of capital from MillerCoors	—	822.4	—	—	822.4
Investment in and advances to an unconsolidated affiliate	—	—	(2.4)	—	(2.4)
Loan repayments	—	7.7	(0.2)	—	7.5
Loan advances	—	(5.4)	—	—	(5.4)
Net intercompany investing activity	(446.3)	114.9	—	331.4	—
Net cash provided by (used in) investing activities	(458.2)	(84.6)	(99.2)	331.4	(310.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	74.9	—	—	—	74.9
Excess tax benefits from share-based compensation	6.0	—	—	—	6.0
Dividends paid	(154.5)	(68.0)	(209.9)	256.7	(175.7)
Dividends paid to noncontrolling interest holders	—	—	(1.2)	—	(1.2)
Payments for purchase of noncontrolling interest	—	—	(0.2)	—	(0.2)
Debt issuance costs	(0.2)	—	(0.1)	—	(0.3)
Payments on long-term debt and capital lease obligations	(577.6)	(615.1)	(123.8)	—	(1,316.5)
Proceeds from short-term borrowings	—	—	19.3	—	19.3
Payments on short-term borrowings	—	—	(15.1)	—	(15.1)
Proceeds from settlement of derivative instruments	2.6	—	—	—	2.6
Payments on settlement of derivative instruments	—	(66.2)	—	—	(66.2)
Net proceeds from (payments on) revolving credit facilities and commercial paper	390.9	—	157.5	—	548.4
Change in overdraft balances and other	—	—	(0.8)	—	(0.8)
Net intercompany financing activity	—	446.3	(114.9)	(331.4)	—
Net cash provided by (used in) financing activities	(257.9)	(303.0)	(289.2)	(74.7)	(924.8)
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	(150.6)	(60.4)	5.6	—	(205.4)
Effect of foreign exchange rate changes on cash and cash equivalents	—	(15.9)	4.2	—	(11.7)
Balance at beginning of year	189.8	249.3	184.9	—	624.0
Balance at end of period	\$ 39.2	\$ 173.0	\$ 194.7	\$ —	\$ 406.9

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") in this Form 10-Q is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements, the accompanying notes, and the MD&A included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 ("Annual Report"), as well as our unaudited condensed consolidated financial statements and the accompanying notes included in this Form 10-Q. Due to the seasonality of our operating results, quarterly financial results are not an appropriate basis from which to project annual results.

Unless otherwise noted in this report, any description of "we", "us" or "our" includes Molson Coors Brewing Company ("MCBC" or the "Company"), principally a holding company, and its operating and non-operating subsidiaries included within our reporting segments and Corporate. Our reporting segments include: Molson Coors Canada ("MCC" or Canada segment), operating in Canada; MillerCoors LLC ("MillerCoors" or U.S. segment), which is accounted for by us under the equity method of accounting, operating in the United States ("U.S."); Molson Coors Europe (Europe segment), operating in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Republic of Ireland, Romania, Serbia, Slovakia and the United Kingdom ("U.K."); and Molson Coors International ("MCI"), operating in various other countries.

References to Central Europe reflect our operations in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Romania, Serbia and Slovakia, as a result of our acquisition (the "Acquisition") of StarBev Holdings S.à r.l. ("StarBev") from StarBev L.P. (the "Seller") on June 15, 2012, and the results of these operations are included within our Europe segment.

Unless otherwise indicated, information in this report is presented in U.S. dollars ("USD" or "\$") and comparisons are to comparable prior periods noted below.

Our Fiscal Year

On November 14, 2013, our Board of Directors approved a resolution to change MCBC's fiscal year from a 52 / 53 week fiscal year to a calendar year. As such, our 2013 fiscal year was extended from December 28, 2013, to December 31, 2013, with subsequent fiscal years beginning on January 1 and ending on December 31 of each year. Beginning January 1, 2014, quarterly results reflect the three month periods ending March 31, June 30, September 30, and December 31. This change aligned our fiscal year and interim reporting periods with our Central Europe business and MillerCoors, which were already following a monthly fiscal reporting calendar. Unless otherwise indicated, and with the exception of the Central Europe business and Miller Coors, the third quarter of 2013 and the three months ended September 28, 2013, refer to the thirteen weeks ended September 28, 2013. The first three quarters of 2013 and the nine months ended September 28, 2013, refer to the thirty-nine weeks ended September 28, 2013. The third quarter and first three quarters of 2014 refer to the three and nine months ended September 30, 2014, respectively. Fiscal year 2014 refers to the 12 months ending December 31, 2014, and fiscal year 2013 refers to the period from December 30, 2012, to December 31, 2013. The impact of the additional days in fiscal year 2013 is immaterial to the unaudited condensed consolidated financial statements.

The results of operations for the three and nine months ended September 30, 2014, are not necessarily indicative of the results that may be achieved for the full fiscal year.

Change in Interim Period Accounting for Advertising Expenses

Effective beginning the first quarter of 2014, we changed our method of accounting for advertising expenses during interim periods. The change has been applied retrospectively to all prior interim periods, and advertising expense for such interim periods has been recast within our current quarterly financial statements. See Part I—Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" of the unaudited condensed consolidated financial statements for additional discussion of the change in accounting policy, as well as a summary of the impact to fiscal year 2013 quarterly consolidated and segment results.

Use of Non-GAAP Measures

In addition to financial measures presented on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"), we also present pretax and after-tax "underlying income," "underlying income per diluted share," "underlying effective tax rate," and "underlying free cash flow," which are non-GAAP measures and should be viewed as supplements to (not substitutes for) our results of operations presented under U.S. GAAP. We also present underlying earnings before interest, taxes, depreciation, and amortization ("underlying EBITDA") as a non-GAAP measure. Our management uses underlying income, underlying income per diluted share, underlying EBITDA, underlying effective tax rate and underlying free cash flow as measures of operating performance to assist in comparing performance from period to period on a consistent basis;

as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; in communications with the board of directors, stockholders, analysts and investors concerning our financial performance; as useful comparisons to the performance of our competitors; and as metrics of certain management incentive compensation calculations. We believe that underlying income, underlying income per diluted share, underlying EBITDA, underlying effective tax rate and underlying free cash flow performance are used by and are useful to investors and other users of our financial statements in evaluating our operating performance because they provide an additional tool to evaluate our performance without regard to special and non-core items, which can vary substantially from company to company depending upon accounting methods and book value of assets and capital structure. We have provided reconciliations of all non-GAAP measures to their nearest U.S. GAAP measures and have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure. These adjustments consist of special items from our U.S. GAAP financial statements (see Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" of the Notes for additional discussion) as well as other non-core items, such as acquisition and integration related costs, unrealized mark-to-market gains and losses, and gains and losses on sales of non-operating assets, included in our U.S. GAAP results that warrant adjustment to arrive at non-GAAP results. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective and involve significant management judgment.

In addition to the non-GAAP measures noted above, we have certain operational measures, such as sales-to-wholesalers ("STWs") and sales-to-retailers ("STRs"), which we believe are important metrics. STW is a metric that we use in our U.S. business to reflect the sales from our operations to our direct customers, generally wholesalers. The STW metric is important because it gives an indication of the amount of beer and adjacent products that we have produced and shipped to customers. STR is a metric that we use in our Canada and U.S. businesses to refer to sales closer to the end consumer than STWs, which generally means sales from our wholesalers or our company to retailers, who in turn sell to consumers. The STR metric is important because, unlike STWs, it provides the closest indication of the performance of our brands in relation to market and competitor sales trends.

Executive Summary

We are one of the world's largest brewers and have a diverse portfolio of owned and partner brands, including signature brands *Carling*, *Coors Light*, *Molson Canadian* and *Staropramen*, as well as craft and specialty beers such as *Blue Moon*, *Cobra*, *Creemore Springs* and *Doom Bar*. For more than 350 combined years, we have been brewing beer and innovating and delighting the world's beer drinkers. Our success depends on our ability to make our products available to meet a wide range of consumer segments and occasions.

Third Quarter 2014 Financial Highlights:

During the third quarter of 2014 we recognized a net loss from continuing operations attributable to MCBC of \$35.7 million, or a loss of \$0.20 per diluted share, compared to net income from continuing operations attributable to MCBC of \$133.4 million in the prior year. This decrease is primarily driven by an additional \$204.6 million in special items recorded in the third quarter of 2014 compared to prior year, primarily related to indefinite-lived intangible asset brand impairments in Europe. Underlying after-tax income decreased 2.7%, to \$271.5 million, or \$1.46 per diluted share, driven by lower volume, increased brand investments, unfavorable foreign currency movements and a higher underlying effective tax rate. These factors were partially offset by positive pricing and sales mix, cost reductions, and lower underlying interest expense versus the third quarter of 2013. Underlying EBITDA decreased by 2.5%, our worldwide beer volume decreased 3.4% and net sales decreased 0.3%. Additionally, we generated \$766.1 million in underlying free cash flow during the third quarter of 2014, which represents an increase in cash generated of \$19.3 million from the prior year, driven primarily by increased returns from our investment in MillerCoors, as well as lower cash paid for pension contributions, capital expenditures and interest versus last year, which were partially offset by a decreased benefit from changes in net working capital. We also grew our gross margins during the quarter and increased brand investments; however, weak consumer demand in our core markets and unfavorable foreign currency movements adversely impacted our results. Additionally, in some of our European markets, we have experienced increasing macroeconomic challenges, the aftermath of severe flooding with an anticipated prolonged recovery and accelerating consumer migration toward value brands, which, if these factors are further exacerbated, could result in additional future impairments. Despite these challenges in the quarter, we continued to strengthen our brand portfolio, deliver value-added innovation, and increase our share of above premium brands. We also continued to implement common processes and focus on generating higher returns on our invested capital, managing our working capital and delivering a greater return on investment for our shareholders.

Regional financial highlights include:

- In our Canada segment, income from continuing operations before income taxes and underlying pretax income decreased \$22.1 million and \$12.9 million to \$121.5 million and \$132.6 million, respectively. Both income from continuing operations before income taxes and underlying pretax income were unfavorably impacted by foreign currency movements, higher marketing spending, lower volume and cycling unusually low compensation expense a year ago, along with the loss of the Modelo brands as a result of the termination of the Molson Modelo Imports L.P. ("MMI") joint venture in the first quarter of this year. Income from continuing operations before income taxes was also adversely impacted by an impairment of the definite-lived intangible asset resulting from the settlement of our litigation involving the license agreement with Miller in Canada. See Part I-Item 1. Financial Statements, Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for further discussion. These factors were partially offset by cost savings in the quarter.
- In our U.S. segment, equity income in MillerCoors increased 7.1% to \$158.9 million and underlying equity income in MillerCoors increased 2.8% to \$159.0 million, both increases driven by positive pricing, sales mix and cost savings.
- Our Europe segment reported a loss from continuing operations before income taxes of \$255.1 million, primarily due to a \$360.0 million impairment of two indefinite-lived intangible brand assets, *Jelen* and *Ozujsko*. Underlying pretax income of \$101.4 million increased 4.4%, driven by cost savings and the release of a reserve following the favorable resolution of a regulatory matter, along with favorable foreign currency movements.
- In our MCI segment, both loss from continuing operations before income taxes and underlying pretax loss increased 12.5% and 28.6%, respectively, to \$2.7 million. These increased losses were due to higher marketing investments versus prior year, which drove strong double-digit top-line growth.

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

Core brand highlights include:

- Volume for *Carling*, the number one beer brand in the U.K. and the largest brand in our Europe segment, declined during the third quarter of 2014, as we cycled unusually warm weather a year ago and felt the after-effects of some aggressive World Cup competitor pricing noted in the second quarter of 2014. *Carling* volume increased slightly during the first three quarters of 2014.
- *Coors Light* global volume (including our proportional percentage of MillerCoors' *Coors Light* volumes) decreased during the third quarter of 2014 by approximately 1% versus the third quarter of 2013, and increased nearly 2% during the first three quarters of 2014 versus the comparable period in the prior year. The overall volume decrease in the third quarter was driven by underperformance in the U.S. and Canada, partially offset by increases in Europe and Latin America. The declines in Canada and the U.S. were due to competitive and industry pressures. We continue to implement plans to reverse the negative volume trends in Canada and the U.S.
- *Molson Canadian* volume in Canada decreased during the third quarter and first three quarters of 2014 versus the comparable periods in the prior year, primarily driven by overall industry declines.
- *Staropramen* volume decreased overall during the third quarter and first three quarters of 2014, versus the comparable periods in the prior year. These decreases are mainly driven by overall industry declines and challenges in Czech Republic, *Staropramen's* primary market. Despite severe flooding in Central Europe this year, above premium *Staropramen* (outside of Czech Republic) grew volume in the region and achieved strong growth in the international markets of Germany and the U.K.

The following table highlights summarized components of our unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2014, and September 28, 2013, and provides a reconciliation of "underlying income," a non-GAAP measure, to its nearest U.S. GAAP measure. See Part I-Item 1. Financial Statements, "Condensed Consolidated Statements of Operations" for additional details of our U.S. GAAP results.

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013 ⁽¹⁾	% change	September 30, 2014	September 28, 2013 ⁽¹⁾	% change
(In millions, except percentages and per share data)						
Volume in hectoliters	8.688	8.961	(3.0)%	23.327	23.462	(0.6)%
Net sales	\$ 1,168.0	\$ 1,171.2	(0.3)%	\$ 3,172.5	\$ 3,177.7	(0.2)%
Net income (loss) attributable to MCBC from continuing operations	\$ (35.7)	\$ 133.4	(126.8)%	\$ 420.3	\$ 428.4	(1.9)%
Adjustments:						
Special items, net ⁽²⁾	367.6	163.0	125.5 %	317.8	165.8	91.7 %
42% of MillerCoors specials, net of tax ⁽³⁾	0.1	6.3	(98.4)%	0.6	6.3	(90.5)%
Acquisition and integration related costs ⁽⁴⁾	—	4.4	(100.0)%	—	8.3	(100.0)%
Unrealized mark-to-market (gains) and losses ⁽⁵⁾	(2.9)	(10.6)	(72.6)%	(3.9)	13.1	(129.8)%
Other non-core items ⁽⁶⁾	—	—	— %	(11.3)	(1.2)	N/M
Tax effect on non-GAAP items ⁽⁷⁾	(57.6)	(17.4)	N/M	(57.1)	(22.8)	150.4 %
Non-GAAP: Underlying income attributable to MCBC from continuing operations, net of tax	\$ 271.5	\$ 279.1	(2.7)%	\$ 666.4	\$ 597.9	11.5 %
Income (loss) attributable to MCBC per diluted share from continuing operations	\$ (0.20)	\$ 0.72	(127.8)%	\$ 2.26	\$ 2.33	(3.0)%
Non-GAAP: Underlying income attributable to MCBC per diluted share from continuing	\$ 1.46	\$ 1.51	(3.3)%	\$ 3.58	\$ 3.25	10.2 %

N/M = Not meaningful

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.
- (2) See Part I—Item 1. Financial Statements, Note 6, "Special Items" of the unaudited condensed consolidated financial statements for additional information. The nine months ended September 30, 2014, includes the \$4.9 million write-off of the remaining carrying value of the MMI definite-lived intangible asset, recognized as accelerated amortization expense.
- (3) See "Results of Operations" - "United States Segment" - "Special Items, net" below for additional information. There were no tax effects related to our share of MillerCoors special items for the three and nine months ended September 30, 2014 and September 28, 2013.
- (4) In connection with the Acquisition, we recognized fees in marketing, general and administrative expenses of \$4.4 million and \$8.3 million for the three and nine months ended September 28, 2013, respectively, of which \$0.5 million was recorded as depreciation expense for the nine months ended September 28, 2013.
- (5) The unrealized changes in fair value on our commodity swaps not designated in hedging relationships are recorded as cost of goods sold within our Corporate business activities. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the

economic effects of the derivative without the resulting unrealized mark-to-market volatility. Related to these derivatives, we recorded unrealized gains of \$2.9 million and \$3.4 million during the three and nine months ended September 30, 2014 , respectively, and unrealized losses of \$0.9 million and \$1.4 million during the three and nine months ended September 28, 2013 , respectively.

Additionally, during the three and nine months ended September 28, 2013 , we recognized an unrealized gain of \$21.1 million and an unrealized loss of \$5.4 million, respectively, recorded as interest expense related to changes in the fair value of the conversion feature on the €500 million convertible note. Within other income (expense), we recorded unrealized gains of \$0.5 million in the nine months ended September 30, 2014 , and unrealized losses of \$11.4 million and \$1.4 million in the three and nine months ended September 28, 2013 , respectively, related to foreign currency movements on the €500 million convertible note. We additionally recorded unrealized gains of \$1.8 million and losses of \$4.9 million in the three and nine months ended September 28, 2013 , respectively, related to foreign exchange contracts entered into to hedge our risk associated with the payment of this foreign denominated debt. See Part I—Item 1. Financial Statements, Note 11, "Debt" of the unaudited condensed consolidated financial statements for additional information.

- (6) In the first quarter of 2014 , we recognized a gain of \$11.3 million within marketing, general and administrative expenses related to the release of an indirect tax reserve recorded in conjunction with the initial purchase accounting for the Acquisition and is related to the settlement of certain local country regulatory matters associated with pre-acquisition periods.

In the first quarter of 2013 , we recognized a gain of \$1.2 million within other income for proceeds received related to a non-income-related tax settlement resulting from historical activity within our former investment in the Montréal Canadiens.

- (7) The effect of taxes on the adjustments used to arrive at underlying income, a non-GAAP measure, is calculated based on applying the estimated underlying full-year effective tax rate to actual underlying earnings, excluding special and non-core items. The effect of taxes on special and non-core items is calculated based on the statutory tax rate applicable to the item being adjusted for in the jurisdiction from which each adjustment arises. Additionally, the nine months ended September 30, 2014 , includes an income tax benefit of \$16.2 million recognized in the first quarter of 2014 related to the release of an income tax reserve recorded in conjunction with the initial purchase accounting for the Acquisition and is related to the settlement of certain local country regulatory matters associated with pre-acquisition periods.

The following table highlights summarized components of our unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2014, and September 28, 2013, and provides a reconciliation of "underlying EBITDA", a non-GAAP measure, to its nearest U.S. GAAP measure. See Part I-Item 1. Financial Statements, "Condensed Consolidated Statements of Operations" for additional details of our U.S. GAAP results.

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013 ⁽¹⁾	% change	September 30, 2014	September 28, 2013 ⁽¹⁾	% change
(In millions, except percentages and per share data)						
Net income (loss) attributable to MCBC from continuing operations	\$ (35.7)	\$ 133.4	(126.8)%	\$ 420.3	\$ 428.4	(1.9)%
Add: Net income (loss) attributable to noncontrolling interests	1.8	1.8	— %	3.5	4.8	(27.1)%
Net income (loss) from continuing operations	\$ (33.9)	\$ 135.2	(125.1)%	\$ 423.8	\$ 433.2	(2.2)%
Adjustments:						
Add: Interest expense (income), net	31.3	17.8	75.8 %	102.9	133.9	(23.2)%
Add: Income tax expense (benefit)	0.7	37.2	(98.1)%	41.9	69.2	(39.5)%
Add: Depreciation and amortization	74.6	77.2	(3.4)%	233.0	238.1	(2.1)%
Adjustments included in underlying income ⁽²⁾	364.7	156.8	132.6 %	302.6	186.0	62.7 %
Adjustments to arrive at underlying EBITDA ⁽³⁾	—	21.1	(100.0)%	(4.9)	(5.9)	(16.9)%
Adjustments to arrive at underlying EBITDA related to our investment in MillerCoors ⁽⁴⁾	31.8	36.0	(11.7)%	97.3	93.4	4.2 %
Non-GAAP: Underlying EBITDA	<u>\$ 469.2</u>	<u>\$ 481.3</u>	<u>(2.5)%</u>	<u>\$ 1,196.6</u>	<u>\$ 1,147.9</u>	<u>4.2 %</u>

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.
- (2) Includes adjustments to non-GAAP underlying income within the table above related to special and non-core items.
- (3) Represents adjustments to remove amounts related to interest, depreciation and amortization included in the adjustments to non-GAAP underlying income above, as these items are added back as adjustments to net income attributable to MCBC from continuing operations.
- (4) Adjustments to our equity income from MillerCoors, which include our proportionate share of MillerCoors' interest, income tax, depreciation and amortization, specials, and amortization of the difference between the MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors.

Worldwide beer volume

Worldwide beer volume (including adjacencies, such as cider) is composed of our financial volume, royalty volume and proportionate share of equity investment sales-to-retail. Financial volume represents owned beer brands sold to unrelated external customers within our geographical markets, net of returns and allowances. Royalty beer volume consists of our brands produced and sold by third parties under various license and contract-brewing agreements. Equity investment sales-to-retail brand volume represents our ownership percentage share of volume in our subsidiaries accounted for under the equity method, including MillerCoors and MMI, our former joint venture in Canada with Grupo Modelo S.A.B. de C.V. ("Modelo"). We finalized the termination of our MMI joint venture in the first quarter of 2014. As such, our worldwide beer volume for the nine months ended September 30, 2014, includes our percentage share of volume in MMI through the transition period ended

February 28, 2014. See Part I—Item 1. Financial Statements, Note 4, "Investments" of the unaudited condensed consolidated financial statements for further discussion.

The following table highlights summarized components of our worldwide beer volume for the three and nine months ended September 30, 2014 , and September 28, 2013 .

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013	% change	September 30, 2014	September 28, 2013	% change
	(In millions, except percentages)					
Volume in hectoliters:						
Financial volume	8.688	8.961	(3.0)%	23.327	23.462	(0.6)%
Royalty volume ⁽¹⁾	0.427	0.361	18.3 %	1.191	1.034	15.2 %
Owned volume	9.115	9.322	(2.2)%	24.518	24.496	0.1 %
Proportionate share of equity investment sales-to-retail ⁽²⁾	7.320	7.685	(4.7)%	20.409	21.163	(3.6)%
Total worldwide beer volume	16.435	17.007	(3.4)%	44.927	45.659	(1.6)%

(1) Includes MCI segment royalty volume that is primarily in Russia, Ukraine and Mexico, and Europe segment royalty volume in Republic of Ireland.

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

Our worldwide beer volume decreased 3.4% and 1.6% in the three and nine months ended September 30, 2014 , respectively, primarily due to lower sales volume in Canada, the U.S. and Europe, partially offset by higher owned volume in MCI.

Income taxes

Our effective tax rates were approximately negative 2% and positive 22% for the three months ended September 30, 2014 , and September 28, 2013 , respectively. Our effective tax rates were 9% and 14% for the nine months ended September 30, 2014 , and September 28, 2013 , respectively. The effective tax rates for the three and nine months ended September 28, 2013 , have been adjusted to reflect the impact from the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for further discussion. Our effective tax rates were significantly lower than the U.S. federal statutory rate of 35% primarily due to lower effective income tax rates applicable to our Canada and Europe businesses, tax planning strategies, as well as discrete items. The tax rate for the three months ended September 30, 2014 , decreased versus the three months ended September 28, 2013 , primarily due to lower pretax income in 2014 driven by the brand impairment charges in Europe, and increased net discrete tax benefits recognized in the current year as compared to 2013. Our total net discrete tax benefit was \$8.2 million in the third quarter of 2014. Our underlying effective tax rates, a non-GAAP measure, were approximately 18% and 16% for the three months ended September 30, 2014 , and September 28, 2013 , respectively. Our underlying effective tax rates were approximately 13% for both of the nine months ended September 30, 2014 , and September 28, 2013 , respectively. Our underlying effective tax rate was higher for the three months ended September 30, 2014 , primarily due to changes in the geographic mix of income.

	Three Months Ended	
	September 30, 2014	September 28, 2013 ⁽¹⁾
Effective tax rate	(2)%	22 %
Adjustments:		
Non-core tax benefits	— %	— %
Tax impact of special and other non-core items	20 %	(6)%
Non-GAAP: Underlying effective tax rate	18 %	16 %

(1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.

Discontinued operations

Discontinued operations are associated with the formerly-owned Cervejarias Kaiser Brasil S.A. ("Kaiser") business in Brazil. See Part I—Item 1. Financial Statements, Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for discussions of the nature of amounts recognized in the Discontinued Operations section of the unaudited condensed consolidated financial statements, which consist of amounts associated with indemnity obligations to FEMSA Cerveza S.A. de C.V. ("FEMSA") related to purchased tax credits and other tax, civil and labor issues.

Results of Operations**Canada Segment**

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013 ⁽¹⁾	% change	September 30, 2014	September 28, 2013 ⁽¹⁾	% change
	(In millions, except percentages)					
Volume in hectoliters	2.262	2.314	(2.2)%	6.128	6.317	(3.0)%
Sales	\$ 668.8	\$ 702.8	(4.8)%	\$ 1,801.5	\$ 1,960.6	(8.1)%
Excise taxes	(161.6)	(176.1)	(8.2)%	(430.7)	(480.1)	(10.3)%
Net sales	507.2	526.7	(3.7)%	1,370.8	1,480.5	(7.4)%
Cost of goods sold	(266.9)	(282.3)	(5.5)%	(768.8)	(839.8)	(8.5)%
Gross profit	240.3	244.4	(1.7)%	602.0	640.7	(6.0)%
Marketing, general and administrative expenses	(108.9)	(99.1)	9.9 %	(316.8)	(336.6)	(5.9)%
Special items, net ⁽²⁾	(11.1)	(1.9)	N/M	41.8	(4.7)	N/M
Operating income (loss)	120.3	143.4	(16.1)%	327.0	299.4	9.2 %
Other income (expense), net	1.2	0.2	N/M	3.6	1.2	200.0 %
Income (loss) from continuing operations before income taxes	\$ 121.5	\$ 143.6	(15.4)%	\$ 330.6	\$ 300.6	10.0 %
Adjusting items:						
Special items, net ⁽²⁾	11.1	1.9	N/M	(41.8)	4.7	N/M
Other non-core items	—	—	— %	—	(1.2)	(100.0)%
Non-GAAP: Underlying pretax income (loss)	\$ 132.6	\$ 145.5	(8.9)%	\$ 288.8	\$ 304.1	(5.0)%

N/M = Not meaningful

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.
- (2) See Part I-Item 1. Financial Statements, Note 6, "Special Items" to the unaudited condensed consolidated financial statements for detail of special items.

Foreign currency impact on results

During the three months ended September 30, 2014, the Canadian Dollar ("CAD") depreciated versus the USD on an average basis, resulting in a decrease of approximately \$4 million and \$5 million to our USD earnings before income taxes and USD underlying pretax income, respectively. During the nine months ended September 30, 2014, the CAD also depreciated versus the USD on an average basis, resulting in a decrease of approximately \$18 million and \$13 million to our USD earnings before income taxes and USD underlying pretax income, respectively. Included in these amounts are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional gains and losses is recorded within other income (expense).

Volume and net sales

Our Canada STRs decreased 5.9% and 4.8% during the three and nine months ended September 30, 2014, respectively, primarily driven by the loss of the distribution rights to the Modelo brands associated with the termination of the MMI joint venture in the first quarter of 2014, along with lower industry volume and competitive promotional activity across Canada. See Part I—Item 1. Financial Statements, Note 4, "Investments" to the unaudited condensed consolidated financial statements for further discussion of the MMI termination.

Our net sales per hectoliter increased 3.1% and 1.7% in local currency during the three and nine months ended September 30, 2014, respectively, driven by positive net pricing and mix.

Early in the fourth quarter of 2014, we agreed to terminate our license agreement, effective March 31, 2015, whereby we have exclusive rights to distribute certain Miller products in Canada, which provided net sales of \$23.6 million and \$25.8 million for the three months ended September 30, 2014, and September 28, 2013, respectively, and net sales of \$63.0 million and \$72.9 million for the nine months ended September 30, 2014, and September 28, 2013, respectively. See Part I—Item 1. Financial Statements, Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for further discussion.

Cost of goods sold

Our cost of goods sold per hectoliter in local currency increased 1.3% and 0.7% during the three and nine months ended September 30, 2014, respectively, driven by fixed-cost deleverage, the loss of the Modelo brands, and brewing and material inflation, partially offset by cost savings. Under the MMI arrangement, we recognized equity earnings within cost of goods sold of \$0.7 million during the nine months ended September 30, 2014, and \$3.9 million and \$9.0 million during the three and nine months ended September 28, 2013, respectively.

Marketing, general and administrative expenses

Our marketing, general and administrative expenses increased 15.1% and 0.6% in local currency for the three and nine months ended September 30, 2014, respectively, driven by higher marketing spending and incentive compensation, as well as cycling administrative cost recoveries from MMI, partially offset by cost savings. During the nine months ended September 30, 2014, and three and nine months ended September 28, 2013, MCC recognized administrative cost recoveries under our agency and services agreement with MMI of \$0.7 million, \$1.8 million and \$5.3 million, respectively. Marketing spend and related recoveries under this agreement had zero impact on our results for all periods presented.

Special items, net

During the third quarter of 2014, we recognized an impairment charge related to our definite-lived intangible asset associated with our license agreement with Miller in Canada. See Part I—Item 1. Financial Statements, Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for further discussion.

During the first quarter of 2014, we finalized the termination of our MMI joint venture and concurrently recognized a charge of \$4.9 million for the accelerated amortization of the remaining carrying value of our definite-lived intangible asset associated with the agreement, as well as recorded a gain of \$63.2 million for the payment received upon termination. See Part I—Item 1. Financial Statements, Note 4, "Investments" to the unaudited condensed consolidated financial statements for further discussion.

United States Segment

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 30, 2013	% change	September 30, 2014	September 30, 2013	% change
	(In millions, except percentages)					
Volumes in hectoliters ⁽¹⁾	19.327	19.650	(1.6)%	56.142	57.194	(1.8)%
Sales	\$ 2,374.3	\$ 2,360.6	0.6 %	\$ 6,951.3	\$ 6,901.7	0.7 %
Excise taxes	(304.8)	(309.6)	(1.6)%	(884.7)	(903.4)	(2.1)%
Net sales	2,069.5	2,051.0	0.9 %	6,066.6	5,998.3	1.1 %
Cost of goods sold	(1,237.7)	(1,234.0)	0.3 %	(3,614.2)	(3,592.8)	0.6 %
Gross profit	831.8	817.0	1.8 %	2,452.4	2,405.5	1.9 %
Marketing, general and administrative expenses	(449.7)	(447.5)	0.5 %	(1,321.8)	(1,343.6)	(1.6)%
Special items, net	(0.2)	(15.0)	(98.7)%	(1.4)	(15.0)	(90.7)%
Operating income	381.9	354.5	7.7 %	1,129.2	1,046.9	7.9 %
Interest income (expense), net	(0.4)	(0.5)	(20.0)%	(1.0)	(1.4)	(28.6)%
Other income (expense), net	1.1	0.3	N/M	4.3	1.6	168.8 %
Income (loss) from continuing operations before income taxes	382.6	354.3	8.0 %	1,132.5	1,047.1	8.2 %
Income tax expense	(1.3)	(1.4)	(7.1)%	(4.6)	(3.1)	48.4 %
Income from continuing operations	381.3	352.9	8.0 %	1,127.9	1,044.0	8.0 %
Net income attributable to noncontrolling interests	(4.8)	(4.1)	17.1 %	(15.0)	(10.6)	41.5 %
Net income attributable to MillerCoors	\$ 376.5	\$ 348.8	7.9 %	\$ 1,112.9	\$ 1,033.4	7.7 %
Adjusting items:						
Special items, net of tax	0.2	15.0	(98.7)%	1.4	15.0	(90.7)%
Non-GAAP: Underlying net income attributable to MillerCoors	\$ 376.7	\$ 363.8	3.5 %	\$ 1,114.3	\$ 1,048.4	6.3 %

N/M = Not meaningful

(1) Includes contract brewing and company-owned distributor sales, which are excluded from our worldwide beer volume calculation.

The following represents our proportionate share in net income attributable to MillerCoors reported under the equity method:

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013	% change	September 30, 2014	September 28, 2013	% change
	(In millions, except percentages)					
Net income attributable to MillerCoors	\$ 376.5	\$ 348.8	7.9 %	\$ 1,112.9	\$ 1,033.4	7.7 %
MCBC economic interest	42%	42%		42%	42%	
MCBC proportionate share of MillerCoors net income	\$ 158.1	\$ 146.5	7.9 %	\$ 467.4	\$ 434.0	7.7 %
Amortization of the difference between MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors ⁽¹⁾	1.2	1.2	— %	3.5	3.4	2.9 %
Share-based compensation adjustment ⁽¹⁾	(0.4)	0.6	(166.7)%	0.9	0.9	— %
Equity income in MillerCoors	\$ 158.9	\$ 148.3	7.1 %	\$ 471.8	\$ 438.3	7.6 %
Adjusting items:						
MCBC proportionate share of MillerCoors special items, net of tax	0.1	6.3	(98.4)%	0.6	6.3	(90.5)%
Non-GAAP: Underlying equity income in MillerCoors	\$ 159.0	\$ 154.6	2.8 %	\$ 472.4	\$ 444.6	6.3 %

- (1) See Part I—Item 1. Financial Statements, Note 4, "Investments" to the unaudited condensed consolidated financial statements for a detailed discussion of these equity method adjustments.

Volume and net sales

MillerCoors domestic STRs for the three and nine months ended September 30, 2014 , declined 3.7% and 2.7%, respectively. Domestic STWs for the three and nine months ended September 30, 2014 , decreased 1.7% and 2.1%, respectively.

Domestic net sales per hectoliter, which excludes contract brewing and company-owned distributor sales, increased 2.5% and 3.1% for the three and nine months ended September 30, 2014 , respectively, due to favorable net pricing and positive sales mix. Total net sales per hectoliter, including contract brewing and company-owned distributor sales, increased 2.6% and 3.0% for the three and nine months ended September 30, 2014 , respectively. Contract brewing volumes decreased 1.0% and increased 0.4% for the three and nine months ended September 30, 2014 , respectively.

Cost of goods sold

Cost of goods sold per hectoliter increased 2.0% and 2.5% for the three and nine months ended September 30, 2014 , respectively. The increases for the three and nine months ended September 30, 2014 , were driven by commodity and brewery inflation and higher costs associated with brand innovation, partially offset by supply chain cost savings.

Marketing, general and administrative expenses

Marketing, general and administrative expenses increased 0.5% for the three months ended September 30, 2014 , driven by higher expenses relating to business transformation initiatives, partially offset by lower employee-related expenses. Marketing, general and administrative expenses decreased 1.6% for the nine months ended September 30, 2014 , primarily due to the timing of marketing investments and lower employee-related expenses.

Other information

MillerCoors recognized \$76.6 million and \$71.6 million of depreciation and amortization during the three months ended September 30, 2014 , and September 30, 2013 , respectively, and \$233.1 million and \$211.0 million during the nine months ended September 30, 2014 , and September 30, 2013 , respectively.

MillerCoors delivered incremental cost savings of approximately \$113 million in the nine months ended September 30, 2014 . We benefit from 42% of the MillerCoors cost savings.

MillerCoors distributes its excess cash to its owners, SABMiller and MCBC, on a 58%/42% basis, respectively. As of September 30, 2014, and December 31, 2013, MillerCoors had cash of \$18.0 million and \$12.3 million, respectively. As of September 30, 2014, and December 31, 2013, MillerCoors total debt was \$9.7 million and \$10.6 million, respectively. There are no restrictions from external sources on its ability to make cash distributions to its owners.

MillerCoors contributed \$96.7 million to its defined benefit pension plans during the nine months ended September 30, 2014. For 2014, MillerCoors' contributions to its defined benefit pension plans are not expected to exceed \$110 million (our 42% share is \$46 million), which are not included in our contractual cash obligations.

Europe Segment

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013 ⁽¹⁾	% change	September 30, 2014	September 28, 2013 ⁽¹⁾	% change
(In millions, except percentages)						
Volume in hectoliters ⁽²⁾	6.077	6.367	(4.6)%	16.223	16.373	(0.9)%
Sales ⁽²⁾	\$ 932.3	\$ 918.9	1.5 %	\$ 2,574.5	\$ 2,433.6	5.8 %
Excise taxes	(313.6)	(311.0)	0.8 %	(888.8)	(833.1)	6.7 %
Net sales ⁽²⁾	618.7	607.9	1.8 %	1,685.7	1,600.5	5.3 %
Cost of goods sold	(377.6)	(366.1)	3.1 %	(1,037.1)	(1,001.9)	3.5 %
Gross profit	241.1	241.8	(0.3)%	648.6	598.6	8.4 %
Marketing, general and administrative expenses	(139.2)	(150.6)	(7.6)%	(435.0)	(436.8)	(0.4)%
Special items, net ⁽³⁾	(356.5)	(160.8)	121.7 %	(359.3)	(159.6)	125.1 %
Operating income (loss)	(254.6)	(69.6)	N/M	(145.7)	2.2	N/M
Interest income ⁽⁴⁾	1.1	1.2	(8.3)%	3.4	3.6	(5.6)%
Other income (expense), net	(1.6)	1.0	N/M	(1.3)	(2.6)	(50.0)%
Income (loss) from continuing operations before income taxes	\$ (255.1)	\$ (67.4)	N/M	\$ (143.6)	\$ 3.2	N/M
Adjusting items:						
Special items, net ⁽³⁾	356.5	160.8	121.7 %	359.3	159.6	125.1 %
Acquisition and integration related costs	—	3.7	(100.0)%	—	5.6	(100.0)%
Other non-core items	—	—	— %	(11.3)	—	N/M
Non-GAAP: Underlying pretax income (loss)	\$ 101.4	\$ 97.1	4.4 %	\$ 204.4	\$ 168.4	21.4 %

N/M = Not meaningful

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.
- (2) Gross segment sales include intercompany sales to MCI consisting of \$1.5 million of net sales and 0.017 million hectoliters and \$4.2 million of net sales and 0.046 million hectoliters for the three and nine months ended September 30, 2014, respectively. Gross segment sales include intercompany sales to MCI consisting of \$1.4 million of net sales and 0.015 million hectoliters and \$3.6 million of net sales and 0.052 million hectoliters for the three and nine months ended September 28, 2013, respectively. The offset is included within MCI cost of goods sold. These amounts are eliminated in the consolidated totals.
- (3) See Part I-Item 1. Financial Statements, Note 6, "Special Items" to the unaudited condensed consolidated financial statements for detail of special items.
- (4) Interest income is earned on trade loans to on-premise customers exclusively in the U.K. and is typically driven by note receivable balances outstanding from period to period.

Foreign currency impact on results

Our Europe segment operates in numerous countries within Europe, and each country's operations utilize distinct currencies. Foreign currency movements favorably impacted our Europe USD income from continuing operations before income taxes and USD underlying pretax income by approximately \$3 million and \$2 million for the three months ended September 30, 2014, respectively. Foreign currency movements favorably impacted our Europe USD income from continuing operations before income taxes and USD underlying pretax income by approximately \$11 million and \$10 million for the nine months ended September 30, 2014, respectively. Included in these amounts are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional gains and losses is recorded within other income (expense).

Volume and net sales

Europe sales volume decreased 4.6% in the three months ended September 30, 2014, as the region continued to be negatively impacted by the aftermath of severe flooding in parts of Serbia, Bosnia and Croatia in the second quarter of 2014, as well as weakened consumer demand driven by a challenged regional economy and unfavorable weather in the third quarter. During the nine months ended September 30, 2014, Europe sales volume decreased 0.9%, as the negative impact of the floods in the second and third quarters more than offset the positive performance in the majority of our markets in the first quarter of 2014.

Net sales per hectoliter increased in local currency by 2.5% and 1.0% in the three and nine months ended September 30, 2014, respectively, driven by positive geographic mix, primarily related to higher proportion of net sales in the U.K.

Our Europe segment continues to be adversely affected by the flooding earlier this year, and we expect the aftermath of the floods to continue to impact our volume and profit for the foreseeable future.

Cost of goods sold

Cost of goods sold per hectoliter increased 3.4% in local currency in the three months ended September 30, 2014, as a result of a mix shift to higher-cost products and geographies. For the nine months ended September 30, 2014, cost of goods sold per hectoliter decreased 0.9% as cost savings and lower logistic expenses more than offset the increases in the third quarter.

Marketing, general and administrative expenses

Marketing, general and administrative expenses decreased 10.7% and 4.9% in local currency during the three and nine months ended September 30, 2014, respectively. The decrease in the third quarter is primarily due to cost savings and a gain associated with the release of a reserve following the favorable resolution of a regulatory matter, as well as lower marketing and sales investments in the quarter. Marketing and sales investments increased for the nine months ended September 30, 2014, however, this was more than offset by cost savings, the release of the regulatory reserve in the third quarter and a non-core gain related to the favorable resolution of an indirect-tax reserve during the first quarter of 2014.

Special items, net

Due to the continued macroeconomic challenges and worsening of the overall European economic environment, as well as significant flooding that occurred in certain of our Central European markets in the second quarter of 2014, we recognized charges during the third quarter of 2014 of \$360.0 million related to the impairment of two indefinite-lived intangible brand assets in Europe resulting from our annual impairment testing process. If the macroeconomic environment continues to worsen or falls into recession, there is a risk of further impairment of certain brands in the future. See Part I-Item 1. Financial Statements, Note 10, "Goodwill and Intangible Assets" to the unaudited condensed consolidated financial statements for further discussion.

Molson Coors International Segment

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013 ⁽¹⁾	% change	September 30, 2014	September 28, 2013 ⁽¹⁾	% change
	(In millions, except percentages)					
Volume in hectoliters ⁽²⁾	0.366	0.295	24.1 %	1.022	0.824	24.0 %
Sales	\$ 50.2	\$ 44.8	12.1 %	\$ 141.5	\$ 118.4	19.5 %
Excise taxes	(6.8)	(7.1)	(4.2)%	(22.2)	(19.0)	16.8 %
Net sales	43.4	37.7	15.1 %	119.3	99.4	20.0 %
Cost of goods sold ⁽³⁾	(26.0)	(22.2)	17.1 %	(74.2)	(61.4)	20.8 %
Gross profit	17.4	15.5	12.3 %	45.1	38.0	18.7 %
Marketing, general and administrative expenses	(20.1)	(17.5)	14.9 %	(54.5)	(48.4)	12.6 %
Special items, net ⁽⁴⁾	—	(0.3)	(100.0)%	—	(1.2)	(100.0)%
Operating income (loss)	(2.7)	(2.3)	17.4 %	(9.4)	(11.6)	(19.0)%
Other income (expense), net	—	(0.1)	(100.0)%	—	—	— %
Income (loss) from continuing operations before income taxes	\$ (2.7)	\$ (2.4)	12.5 %	\$ (9.4)	\$ (11.6)	(19.0)%
Adjusting items:						
Special items, net ⁽⁴⁾	—	0.3	(100.0)%	—	1.2	(100.0)%
Non-GAAP: Underlying pretax income (loss)	\$ (2.7)	\$ (2.1)	28.6 %	\$ (9.4)	\$ (10.4)	(9.6)%

- (1) Amounts have been adjusted to reflect the change in interim accounting for advertising expenses. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.
- (2) Excludes royalty volume of 0.368 million hectoliters and 1.036 million hectoliters for the three and nine months ended September 30, 2014 , respectively, and excludes royalty volume of 0.302 million hectoliters and 0.893 million hectoliters for the three and nine months ended September 28, 2013 , respectively.
- (3) Reflects gross segment amounts, and includes intercompany cost of goods sold from Europe of \$1.5 million and \$4.2 million for the three and nine months ended September 30, 2014 , respectively, and \$1.4 million and \$3.6 million for the three and nine months ended September 28, 2013 , respectively. The offset is included within Europe net sales. These amounts are eliminated in the consolidated totals.
- (4) See Part I-Item 1. Financial Statements, Note 6, "Special Items" to the unaudited condensed consolidated financial statements for detail of special items.

Foreign currency impact on results

Our MCI segment operates in numerous countries around the world, and each country's operations utilize distinct currencies. MCI's USD losses before income taxes and USD underlying pretax loss for the three and nine months ended September 30, 2014 , were not significantly impacted by foreign currency movements. The impact of transactional foreign currency gains and losses is recorded within other income (expense).

Volume and net sales

Including royalty volumes, MCI total volume increased 22.9% and 19.9% in the three and nine months ended September 30, 2014 , due to strong *Coors Light* growth in Latin America, significant growth in India, and the addition of the Australia market. The increase in volumes for the nine months ended September 30, 2014, was partially offset by continued industry weakness in our Ukraine and Russia license markets.

Net sales per hectoliter decreased 7.2% and 3.2% in the three and nine months ended September 30, 2014 , driven by geographic mix and foreign currency movements.

Cost of goods sold

Cost of goods sold per hectoliter decreased 5.6% and 2.6% in the three and nine months ended September 30, 2014, respectively, primarily driven by a sales mix shift and foreign currency movements.

Marketing, general and administrative expenses

Marketing, general and administrative expenses increased 14.9% and 12.6% in the three and nine months ended September 30, 2014, respectively, driven by higher marketing investments and project expenses. The increase in the nine months ended September 30, 2014, was partially offset by lower overhead expenses.

Corporate

	Three Months Ended			Nine Months Ended		
	September 30, 2014	September 28, 2013	% change	September 30, 2014	September 28, 2013	% change
(In millions, except percentages)						
Volume in hectoliters	—	—	— %	—	—	— %
Sales	\$ 0.2	\$ 0.3	(33.3)%	\$ 0.9	\$ 0.9	— %
Excise taxes	—	—	— %	—	—	— %
Net sales	0.2	0.3	(33.3)%	0.9	0.9	— %
Cost of goods sold	2.4	(0.8)	N/M	2.8	(1.7)	N/M
Gross profit	2.6	(0.5)	N/M	3.7	(0.8)	N/M
Marketing, general and administrative expenses	(21.4)	(23.6)	(9.3)%	(75.0)	(82.4)	(9.0)%
Special items, net ⁽¹⁾	—	—	— %	(0.3)	(0.3)	— %
Operating income (loss)	(18.8)	(24.1)	(22.0)%	(71.6)	(83.5)	(14.3)%
Interest expense, net	(32.4)	(19.0)	70.5 %	(106.3)	(137.5)	(22.7)%
Other income (expense), net	(4.6)	(6.6)	(30.3)%	(5.8)	(7.1)	(18.3)%
Income (loss) from continuing operations before income taxes	\$ (55.8)	\$ (49.7)	12.3 %	\$ (183.7)	\$ (228.1)	(19.5)%
Adjusting items:						
Special items, net ⁽¹⁾	—	—	— %	0.3	0.3	— %
Acquisition, integration and financing related costs	—	0.7	(100.0)%	—	2.7	(100.0)%
Unrealized mark-to-market (gains) and losses	(2.9)	(10.6)	(72.6)%	(3.9)	13.1	(129.8)%
Non-GAAP: Underlying pretax income (loss)	\$ (58.7)	\$ (59.6)	(1.5)%	\$ (187.3)	\$ (212.0)	(11.7)%

N/M = Not meaningful

- (1) See Part I-Item 1. Financial Statements, Note 6, "Special Items" to the unaudited condensed consolidated financial statements for detail of special items.

Marketing, general and administrative expenses

Marketing, general and administrative expenses decreased 9.3% and 9.0% in the three and nine months ended September 30, 2014, respectively, primarily related to lower information technology project costs. The decrease in the nine months ended September 30, 2014, is also driven in part by higher acquisition related costs in the first quarter of 2013.

Interest expense, net

Net interest expense increased 70.5% to \$32.4 million and decreased 22.7% to \$106.3 million for the three and nine months ended September 30, 2014, respectively. The increase for the three months ended September 30, 2014 is due to an unrealized gain of \$21.1 million included in the amounts for the three months ended September 28, 2013, related to the change in fair value on the conversion feature associated with the €500 million convertible note. The decrease for the nine months ended September 30, 2014, is driven by our ongoing efforts focused on deleveraging over the last year, which resulted in lower

interest incurred on our outstanding borrowings, as well as an additional loss of \$5.4 million included in the amounts for the nine months ended September 28, 2013, related to the change in fair value on the conversion feature associated with the €500 million convertible note.

Other income (expense), net

Other expense was \$4.6 million and \$5.8 million for the three and nine months ended September 30, 2014, respectively, primarily driven by foreign exchange movements on foreign denominated transactions. Included in this amount are unrealized gains of \$0.5 million for the nine months ended September 30, 2014, related to foreign currency movements on foreign-denominated financing instruments entered into in conjunction with the closing of the Acquisition.

Other expense was \$6.6 million and \$7.1 million for the three and nine months ended September 28, 2013, respectively, primarily driven by foreign exchange movements. Included in this amount are unrealized losses of \$11.4 million and \$1.4 million for the three and nine months ended September 28, 2013, respectively, related to foreign currency movements on foreign-denominated financing instruments entered into in conjunction with the closing of the Acquisition. We additionally recorded a net gain of \$1.8 million and loss of \$4.9 million for the three and nine months ended September 28, 2013, respectively, related to foreign exchange contracts to hedge our risk associated with repayments of this foreign-denominated debt. See Note 11, "Debt" for further discussion of financing activities related to the Acquisition. Additionally, we recorded a \$3.0 million net gain and \$0.8 million net loss for the three and nine months ended September 28, 2013, respectively, which include gains of \$3.1 million and losses of \$2.5 million, respectively, related to other foreign exchange activity.

Liquidity and Capital Resources

Our primary sources of liquidity include cash provided by operating activities, access to external borrowings and monetization of assets. We believe that cash flows from operations, including distributions from MillerCoors, and cash provided by short-term and long-term borrowings, when necessary, will be more than adequate to meet our ongoing operating requirements, scheduled principal and interest payments on debt, anticipated dividend payments and capital expenditures for the next twelve months, and our long-term liquidity requirements. A significant portion of our trade receivables are concentrated in Europe. While these receivables are not concentrated in any specific customer and our allowance on these receivables factors in collectibility, we may encounter difficulties in our ability to collect due to the impact to our customers of any further economic downturn within Europe.

A significant portion of our cash flows from operating activities are generated outside the U.S. in currencies other than USD. As of September 30, 2014, approximately 93% of our cash and cash equivalents were located outside the U.S., largely denominated in foreign currencies. Most of the amounts held outside of the U.S. could be repatriated to the U.S. but under current law would be subject to U.S. federal and state income taxes, less applicable foreign tax credits. We accrue for U.S. federal and state tax consequences on the earnings of our foreign subsidiaries upon repatriation. When the earnings are considered indefinitely reinvested outside of the U.S., we do not accrue for U.S. federal and state tax consequences. We utilize a variety of tax planning and financing strategies in an effort to ensure that our worldwide cash is available in the locations in which it is needed. We periodically review and evaluate these strategies, including external committed and non-committed credit agreements accessible by MCBC and each of our operating subsidiaries. These financing arrangements, along with the distributions received from MillerCoors, are sufficient to fund our current cash needs in the U.S.

Net Working Capital

As of September 30, 2014, December 31, 2013, and September 28, 2013, we had debt-free net working capital of positive \$300.8 million, negative \$36.8 million and negative \$59.2 million, respectively. Short-term borrowings and the current portion of long-term debt are excluded from net working capital, as they are not reflective of the ongoing operational requirements of the business. The levels of working capital required to run our business fluctuate with the seasonality in our business. Our working capital is also sensitive to foreign exchange rates, as a significant portion of our current assets and current liabilities are denominated in either CAD or our European operating currencies such as, but not limited to, Euro, British Pound, Czech Koruna, Croatian Kuna, Serbian Dinar, New Romanian Leu, Bulgarian Lev and Hungarian Forint, while financial results are

reported in USD. Below is a table outlining our current and historical net working capital levels:

	As of		
	September 30, 2014	December 31, 2013 ⁽¹⁾	September 28, 2013 ⁽¹⁾
	(In millions)		
Current assets	\$ 1,811.9	\$ 1,537.7	\$ 1,600.3
Less: Current liabilities	(2,619.8)	(2,161.4)	(2,297.8)
Add: Current portion of long-term debt and short-term borrowings	1,108.7	586.9	638.3
Net working capital	<u>\$ 300.8</u>	<u>\$ (36.8)</u>	<u>\$ (59.2)</u>

- (1) Current liabilities as of December 31, 2013, have been adjusted to reflect the correction of the liability for unrecognized tax benefits. Current assets and current liabilities as of September 28, 2013, have been adjusted to reflect the change in interim accounting for advertising expense. See Part I-Item 1. Financial Statements, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements for further discussion.

The increase in net working capital from September 28, 2013, and December 31, 2013, to September 30, 2014, is primarily related to an overall increase in cash balances due to additional cash used in the prior year for the repayment of long-term debt obligations in the third quarter of 2013, as further discussed below. The increase in our cash balances was partially offset by net repayments on our commercial paper program in 2014, of which we have an outstanding balance of \$161.4 million at September 30, 2014, as well as reducing our outstanding borrowings on our amended €100 million revolving credit facility. See additional discussion below and Part I—Item 1. Financial Statements, Note 11, "Debt" to the unaudited condensed consolidated financial statements for further details of the current portion of long-term debt and short-term borrowings.

Cash Flows

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

Cash Flows from Operating Activities

Net cash provided by operating activities of \$1,058.4 million for the nine months ended September 30, 2014, increased by \$28.4 million compared to the nine months ended September 28, 2013. This increase was due to higher net income, adjusted for increased non-cash add-backs, along with lower cash paid for pension contributions, interest and restructuring.

Cash Flows from Investing Activities

Net cash used in investing activities of \$237.9 million for the nine months ended September 30, 2014, decreased by \$72.7 million compared to the nine months ended September 28, 2013, driven primarily by lower net investments in MillerCoors and lower capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities of \$513.2 million for the nine months ended September 30, 2014, decreased by \$411.6 million compared to the \$924.8 million used in financing activities for the nine months ended September 28, 2013.

- The decrease in cash used in financing activities is primarily related to additional payments of long-term debt during the nine months ended September 28, 2013, versus September 30, 2014. During the nine months ended September 28, 2013, we repaid the \$575 million convertible note, the €500 million convertible note (less the €44.9 million withheld) for \$614.7 million, and the balance of our Euro denominated term loan for \$123.8 million. Comparatively, during the nine months ended September 30, 2014, we released \$61.4 million (€44.9 million) of the amounts previously withheld on the €500 million convertible note to the Seller.
- The decrease in cash used in financing activities during the nine months ended September 30, 2014, was partially offset by net payments on revolving credit facilities and commercial paper of \$350.5 million, versus proceeds of \$548.4 million during the nine months ended September 28, 2013. These payments in the current year were driven by net repayments on our outstanding commercial paper borrowings and reducing the outstanding balance on our Euro-denominated revolving credit facility to zero. Additionally, we had net overdraft borrowings on our European notional cross-border, cross currency cash pool within our Europe business of \$118.2 million for the nine months ended September 30, 2014. Comparatively, we were not in an

overdraft position as of December 29, 2012, or as of September 28, 2013 , and thus the net overdraft borrowings was zero for the nine months ended September 28, 2013 .

- The decrease in cash used in financing activities for the nine months ended September 30, 2014 , was also offset by a \$35.8 million decrease in the proceeds from exercise of stock options, including excess tax benefits, as well as a \$29.4 million increase in dividends paid.

Underlying Free Cash Flow

For the nine months ended September 30, 2014 , we generated \$766.1 million of underlying free cash flow. This represents an increase of \$19.3 million from the nine months ended September 28, 2013 , driven by increased returns from our investment in MillerCoors, as well as lower cash paid for pension contributions, capital expenditures and interest, along with higher underlying income, after considering non-cash adjustments. These increases were partially offset by a decreased benefit from changes in net working capital.

The following table provides a reconciliation of Underlying Free Cash Flow to the nearest U.S. GAAP measure (net cash provided by operating activities):

		Nine Months Ended	
		September 30, 2014	September 28, 2013
		(In millions)	
U.S. GAAP:	Net Cash Provided by Operating Activities	\$ 1,058.4	\$ 1,030.0
Less:	Additions to properties ⁽¹⁾	(195.8)	(218.2)
Less:	Investment in MillerCoors ⁽¹⁾	(1,100.4)	(924.0)
Add:	Return of capital from MillerCoors ⁽¹⁾	1,053.9	822.4
Add/(Less):	Cash impact of special items ⁽²⁾	(55.4)	27.0
Add:	Costs related to the Acquisition ⁽³⁾	—	9.6
Add:	MillerCoors investments in businesses ⁽⁴⁾	1.3	—
Add:	MillerCoors cash impact of special items ⁽⁴⁾	4.1	—
Non-GAAP:	Underlying Free Cash Flow	\$ 766.1	\$ 746.8

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

(2) Included in net cash provided by operating activities and primarily reflects termination fees received from MMI in addition to costs paid for restructuring activities.

(3) Included in net cash provided by operating activities and reflects acquisition and integration costs paid.

(4) Amounts represent our proportionate 42% share of the cash flow impacts.

Capital Resources

Cash and Cash Equivalents

As of September 30, 2014 , we had total cash and cash equivalents of \$722.1 million , compared to \$442.3 million at December 31, 2013 , and \$406.9 million at September 28, 2013 . The increase in cash and cash equivalents at September 30, 2014 , from December 31, 2013 , and September 28, 2013 , was partially driven by our cash pooling arrangement structured to facilitate the access to cash across Europe, for which we had a cash balance of \$139.4 million and overdraft balance of \$111.5 million for a net positive cash balance of \$27.9 million as of September 30, 2014 . As of December 31, 2013 , and September 28, 2013 , we were not in an overdraft position and did not have significant cash balances under this pooling agreement for the comparable periods. Additionally, the increase versus December 31, 2013 , is also due to seasonality and the increase versus September 28, 2013 , was also driven by a significantly higher amount of cash used to repay debt obligations during the third quarter of 2013. Our cash and cash equivalents are invested in a variety of highly liquid investments with original maturities of 90 days or less. These investments are viewed by management as low-risk investments and on which there are little to no restrictions regarding our ability to access the underlying cash to fund our operations as necessary.

Borrowings

The majority of our outstanding borrowings as of September 30, 2014, consisted of fixed-rate senior notes, with maturities ranging from 2015 to 2042, including CAD 900 million notes due September 2015. During 2014 we entered into interest rate swaps to economically convert our fixed rate \$500 million 3.5% notes due 2022 to floating rate debt. We also hold short-term borrowings primarily related to our commercial paper program, overdrafts from our European cash pool and revolving credit facilities. See Part I—Item 1. Financial Statements, Note 11, "Debt" to the unaudited condensed consolidated financial statements for details of our outstanding borrowings as of September 30, 2014, and December 31, 2013.

Based on the credit profile of our lenders that are party to our credit facilities, we are confident in our ability to draw on such credit facilities if the need arises. During the third quarter of 2014, we refinanced our existing €150 million revolving credit facility in Europe to provide €100 million on an uncommitted basis through September 2015. We had no outstanding borrowings under the €100 million facility as of September 30, 2014. Additionally, as a result of the refinancing of our \$750 million revolving credit facility in the second quarter of 2014, we made a reduction to the size of our existing commercial paper program to a maximum aggregate amount outstanding at any time of \$750 million. There were no outstanding borrowings under our \$750 million revolving credit facility as of September 30, 2014. As of September 30, 2014, we have \$588.6 million available to draw on under our \$750 million revolving credit facility, as the borrowing capacity is reduced by borrowings under our commercial paper program. We also have Japanese Yen ("JPY"), CAD and British Pound ("GBP") uncommitted lines of credit and overdraft facilities with several banks should we need additional short-term liquidity.

Additionally, during the second quarter of 2014, we began entering into forward starting interest rate swap agreements to manage our exposure to the volatility of the interest rates associated with future interest payments on a forecasted debt issuance. The forward starting interest rate swaps have an effective date of September 2015 and a termination date of September 2025 mirroring the terms of the forecasted debt issuance. Under the agreements we are required to early terminate these swaps in 2015 at the time we expect to issue the forecasted debt. See Note 11, "Debt" and Note 13, "Derivative Instruments and Hedging Activities" for further details.

Under the terms of some of our debt facilities, we must comply with certain restrictions. These include restrictions on priority indebtedness (certain threshold percentages of secured consolidated net tangible assets), leverage thresholds, liens, and restrictions on certain types of sale lease-back transactions. The covenants specify that our leverage ratio cannot exceed 3.5x debt to EBITDA, as defined in our credit agreement. As of September 30, 2014, and December 31, 2013, we were in compliance with all of these restrictions and have met all debt payment obligations.

Use of Cash

As discussed above, during the nine months ended September 30, 2014, we released the final principal payments of €44.9 million (\$61.4 million at settlement) for amounts withheld on the €500 million convertible note. Additionally, during the nine months ended September 30, 2014, we had net repayments of \$218.4 million and \$137.4 million under our commercial paper program and our Euro-denominated revolving credit facility, respectively. See Part I—Item 1. Financial Statements, Note 11, "Debt" to the unaudited condensed consolidated financial statements for further discussion.

During the nine months ended September 30, 2014, we also early settled the final CAD 241 million notional of our outstanding currency swaps designated as a net investment hedge of our Canadian operations for \$65.2 million. As of September 30, 2014, we no longer have cross currency swap positions outstanding. See Part I—Item 1. Financial Statements, Note 11, "Debt" and Note 13, "Derivative Instruments and Hedging Activities" to the unaudited condensed consolidated financial statements for further discussion.

As we continue to evaluate opportunities to deleverage, we may consider additional prepayment of our debt.

During the nine months ended September 30, 2014, we made contributions to our defined benefit pension plans of \$26.6 million.

In 2011, we announced that our Board of Directors approved a program authorizing the repurchase of up to \$1.2 billion of our Class A and Class B common stock. There were no repurchases in fiscal year 2013 or in the nine months ended September 30, 2014, and we do not expect further repurchases until our debt ratios return closer to levels maintained prior to the financing activities related to the Acquisition.

Credit Rating

Our current long-term credit ratings are BBB+/Stable Outlook, Baa2/Stable Outlook, BBB/Stable Outlook and BBB/Stable Outlook with Standard and Poor's, Moody's Investor Services, Fitch Ratings and DBRS, respectively. Similarly, our short-term credit ratings are A-2, Prime-2, F2 and R-2, respectively. A securities rating is not a recommendation to buy, sell or hold securities, and it may be revised or withdrawn at any time by the rating agency.

Foreign Exchange

Foreign exchange risk is inherent in our operations primarily due to the significant operating results that are denominated in currencies other than USD. Our approach is to reduce the volatility of cash flows and reported earnings which result from currency fluctuations rather than business related factors. Therefore, we closely monitor our operations in each country and seek to adopt appropriate strategies that are responsive to foreign currency fluctuations. Our financial risk management policy is intended to offset a portion of the potentially unfavorable impact of exchange rate changes on net income and earnings per share. See Part II—Item 8. Financial Statements and Supplementary Data, Note 17, "Derivative Instruments and Hedging Activities" of our Annual Report for additional information on our financial risk management strategies.

Our consolidated financial statements are presented in USD, which is our reporting currency. Assets and liabilities recorded in foreign currencies that are the functional currencies for the respective operations are translated at the prevailing exchange rate at the balance sheet date. Translation adjustments resulting from this process are reported as a separate component of other comprehensive income. Revenue and expenses are translated at the average exchange rates during the period. Gains and losses from foreign currency transactions are included in earnings for the period. The significant exchange rates to the USD used in the preparation of our consolidated financial results for the primary foreign currencies used in our foreign operations (functional currency) are as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 28, 2013	September 30, 2014	September 28, 2013
Weighted-Average Exchange Rate (1 USD equals)				
Canadian Dollar (CAD)	1.11	1.04	1.10	1.03
Euro (EUR)	0.75	0.76	0.74	0.76
British Pound (GBP)	0.60	0.65	0.60	0.65
Czech Koruna (CZK)	20.69	19.53	20.25	19.57
Croatian Kuna (HRK)	5.54	5.70	5.54	5.72
Serbian Dinar (RSD)	84.60	85.23	84.58	85.30
New Romanian Leu (RON)	3.35	3.35	3.30	3.33
Bulgarian Lev (BGN)	1.47	1.48	1.45	1.48
Hungarian Forint (HUF)	233.47	224.94	226.05	224.70

	As of	
	September 30, 2014	December 31, 2013
Closing Exchange Rate (1 USD equals)		
Canadian Dollar (CAD)	1.12	1.06
Euro (EUR)	0.79	0.73
British Pound (GBP)	0.62	0.60
Czech Koruna (CZK)	21.77	19.89
Croatian Kuna (HRK)	6.05	5.54
Serbian Dinar (RSD)	93.02	83.40
New Romanian Leu (RON)	3.49	3.25
Bulgarian Lev (BGN)	1.55	1.42
Hungarian Forint (HUF)	246.07	216.26

The exchange rates for the three and nine months ended September 30, 2014 , and September 28, 2013 , have been calculated based on the average of the foreign exchange rates during the relevant period and have been weighted according to the foreign denominated earnings before interest and taxes of the USD equivalent.

Capital Expenditures

We incurred \$189.2 million, and have paid \$195.8 million , for capital improvement projects worldwide in the nine months ended September 30, 2014 , excluding capital spending by MillerCoors and other equity method joint ventures, representing a decrease of \$29.0 million from the \$218.2 million of capital expenditures incurred in the nine months ended

September 28, 2013. We expect to incur total capital expenditures for 2014 of approximately \$315 million based on foreign exchange rates as of September 30, 2014, excluding capital spending by MillerCoors and other equity method joint ventures. We have increased our focus on where and how we employ our planned capital expenditures, specifically strengthening our focus on required returns on invested capital as we determine how to best allocate cash within the business.

Contractual Obligations and Commercial Commitments

Contractual Cash Obligations as of September 30, 2014

A summary of our consolidated contractual cash obligations as of September 30, 2014, and based on foreign exchange rates at September 30, 2014, is as follows:

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(In millions)				
Debt obligations	\$ 3,455.5	\$ 1,109.0	\$ 300.0	\$ 446.5	\$ 1,600.0
Interest payments on debt obligations	1,757.7	135.4	189.8	145.2	1,287.3
Retirement plan expenditures ⁽¹⁾	347.6	259.1	16.4	17.6	54.5
Operating leases	94.7	21.0	39.5	17.6	16.6
Other long-term obligations ⁽²⁾	2,594.6	543.7	818.6	504.8	727.5
Total obligations	\$ 8,250.1	\$ 2,068.2	\$ 1,364.3	\$ 1,131.7	\$ 3,685.9

See Part I - Item 1. Financial Statements, Note 11, "Debt", Note 13, "Derivative Instruments and Hedging Activities", Note 14, "Pension and Other Postretirement Benefits" and Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for additional information.

- (1) We fund pension plans to meet the requirements set forth in applicable employee benefits laws. We may also voluntarily increase funding levels to meet financial goals. Our U.K. pension plan is subject to a statutory valuation for funding purposes every three years. The most recent valuation as of June 30, 2013, was completed during the first quarter of 2014 and resulted in a long-term funding commitment plan consisting of an MCBC guarantee of a GBP 150 million lump-sum contribution to be made in 2015 and GBP 24 million annual contributions to be made from January 2017 through December 2026. We have taken numerous steps in recent years to reduce our exposure to these long-term pension obligations, including the closure of the U.K. pension plan to future earning of service credit in early 2009 and benefit modifications in several of our Canada plans. However, given the net liability of these plans and their dependence upon the global financial markets for their financial health, the plans will continue to periodically require potentially significant amounts of cash funding.
- (2) The "other long-term obligations" line primarily includes non-cancellable purchase commitments as of September 30, 2014, that are enforceable and legally binding, the majority of the balance relating to commitments associated with our distribution agreements, long-term supply contracts with third parties to purchase raw materials, packaging materials and energy used in production and commitments for advertising and promotions, including sports sponsorships.

Other commercial commitments as of September 30, 2014

Based on foreign exchange rates as of September 30, 2014, future commercial commitments are as follows:

	Amount of commitment expiration per period				
	Total amounts committed	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(In millions)				
Standby letters of credit	\$ 46.7	\$ 46.7	\$ —	\$ —	\$ —

Contingencies

We are party to various legal proceedings arising in the ordinary course of business, environmental litigation and indemnities associated with our sale of Kaiser to FEMSA. Additionally, during the fourth quarter of 2014, we received an assessment from a local country regulatory authority related to our Europe operations. While we intend to vigorously challenge the validity of the assessment and defend our position, if the assessment, as issued, is ultimately upheld it could materially

affect our results of operations. See further discussion as described in Part I—Item 1. Financial Statements, Note 15, "Commitments and Contingencies" to the unaudited condensed consolidated financial statements for additional information.

Off-Balance Sheet Arrangements

In accordance with generally accepted accounting principles in the U.S., our operating leases are not reflected in our unaudited condensed consolidated balance sheets. Refer to Part II—Item 8 Financial Statements, Note 19, "Commitments and Contingencies" in our Annual Report for further discussion of these off-balance sheet arrangements. As of September 30, 2014, we did not have any other material off-balance sheet arrangements (as defined in Item 303(a)(4)(ii) of Regulation S-K).

Outlook for 2014

We will continue to focus on our strategy of building our core and above premium brands and increasing sales through innovation to drive cash generation, raising returns on capital, and delivering total shareholder return.

In Canada, the termination of our arrangement for the Modelo brands will continue to negatively impact our comparative profit performance, as we will be cycling equity earnings and administrative cost recoveries totaling \$4.2 million in the fourth quarter of 2013. In core brands, *Molson Canadian* is now rolling out the next chapter of the Beer Fridge campaign, which leverages our NHL partnership. Early in 2015, we expect to see more retail activity and new advertising for *Coors Light* as part of our effort to turn around our largest brand. In above premium, consumer demand remains strong for *Coors Banquet*, recently relaunched *Molson Canadian Cider* and newly launched *Mad Jack Apple Lager*. During the third quarter, we agreed to extend our partnership for the marketing and distribution of the *Heineken* and *Strongbow* brands in Canada, and starting in January 2015, we will also be selling the rest of their top-end import brands, including *Dos Equis*, *Tecate*, *Sol*, *Moretti* and *Desperados*.

In the U.S., we continue to migrate our portfolio to above premium, and new launches like *Redd's Wicked Apple* are helping to drive positive mix and net sales revenue per hectoliter growth. We are in the process of changing all the primary and secondary packaging on *Miller Lite* to the original white design that improved volume trends on cans, and by early 2015, we plan to extend the redesign to every consumer touch-point. *Coors Light* has introduced new advertising that brings the brand back closer to the Rocky Mountain Cold Refreshment proposition. We are continuing with our business transformation initiative, and we expect this initiative, combined with brand investments, to drive significantly higher marketing, general and administrative expenses in the fourth quarter of 2014 versus 2013.

Our Europe segment continues to be severely affected by the flooding earlier this year. Specific to the fourth quarter, we plan to increase our marketing investments to further strengthen our share position. *Carling* is being supported with strong advertising and promotional activity, *Coors Light* will be concluding a successful advertising activity, the *Sharps* portfolio will continue to be expanded through new beer styles, and *Jelen* will be supported by the launch of a new advertising platform in Serbia. Despite weak consumer demand in Central Europe, our team continues to improve our brand health and sales execution.

Our International segment plans to continue to invest behind our brands to drive strong growth and make additional progress toward its goal of achieving profitability by 2016.

In the fourth quarter, across all of our segments, we anticipate higher brand investments in local currency. Additionally, based on current foreign exchange rates, we also expect negative impacts as a result of foreign currency movements, especially in Canada.

We expect 2014 marketing, general and administrative expense in Corporate to be approximately \$110 million, excluding foreign exchange movements.

We currently anticipate approximately \$34 million of cash contributions to our defined benefit pension plans in 2014, based on foreign exchange rates at September 30, 2014. MillerCoors, BRI and BDL contributions to their respective defined benefit pension plans are excluded here, as they are not consolidated in our financial statements.

Interest

We anticipate 2014 consolidated net interest expense of approximately \$135 million, based on foreign exchange rates at September 30, 2014.

Tax

Our tax rate is volatile and may move up or down with changes in, among other things, the amount and source of income or loss, our ability to utilize foreign tax credits, changes in tax laws, and the movement of liabilities established pursuant to accounting guidance for uncertain tax positions as statutes of limitations expire or positions are otherwise effectively settled. In April 2014, we finalized our advanced pricing agreement between the U.S. and Canada tax authorities, which resulted in a decrease to our 2014 full year effective tax rate. We expect our 2014 underlying tax rate to be in the range of 12% to 16% and near the low end of our long-term range of 20% to 24% for 2015, assuming no further changes in tax laws, settlement of tax audits, or adjustments to our uncertain tax positions. There are proposed or pending tax law changes in various jurisdictions in which we do business that, if enacted, may have an impact on our underlying effective tax rate.

Critical Accounting Estimates

Our accounting policies and accounting estimates critical to our financial condition and results of operations are set forth in our Annual Report and did not change during the first three quarters of 2014, except as discussed in connection with our annual impairment testing of goodwill and indefinite-lived intangible assets. Refer to Part I—Item 1. Financial Statements, Note 10, "Goodwill and Intangible Assets" to the unaudited condensed consolidated financial statements for discussion of the results of this analysis and the related risks to our indefinite-lived intangible brand assets and goodwill amounts associated with our reporting units.

New Accounting Pronouncements Not Yet Adopted**Revenue Recognition**

In May 2014, the FASB issued authoritative guidance related to new accounting requirements for the recognition of revenue from contracts with customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for the goods or services. The requirements of the new standard are effective for the annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. We are currently evaluating the potential impact on our financial position and results of operations upon adoption of this guidance.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

For details of our derivative instruments that are presented on the balance sheet, including their fair values as of period end, see Part I—Item 1. Financial Statements, Note 13, "Derivative Instruments and Hedging Activities", to the unaudited condensed consolidated financial statements. On a rolling twelve-month basis, maturities of derivative financial instruments held on September 30, 2014, based on foreign exchange rates as of September 30, 2014, are as follows:

Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
(In millions)				
\$ 23.7	\$ 11.6	\$ 8.5	\$ 0.2	\$ 3.4

Sensitivity Analysis

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

The following table presents the results of the sensitivity analysis, which reflects the impact of a hypothetical 10% adverse change in each of these risks to our derivative and debt portfolios, with the exception of interest rate risk to our interest rate swaps in which we have applied an absolute 1% adverse change to the respective instrument's interest rate:

	As of	
	September 30, 2014	December 31, 2013
(In millions)		
Estimated fair value volatility		
Foreign currency risk:		
Forwards	\$ (41.7)	\$ (69.2)
Commodity Swaps	\$ (4.9)	\$ (16.7)
Interest Rate Swaps	\$ (0.2)	\$ —
Foreign currency denominated debt	\$ (130.6)	\$ (146.6)
Interest rate risk:		
Debt	\$ (104.7)	\$ (110.0)
Interest Rate Swaps	\$ (56.2)	\$ (1.8)
Commodity price risk:		
Commodity Swaps	\$ (8.7)	\$ (7.4)

The volatility of the applicable rates and prices are dependent on many factors that cannot be forecast with reliable accuracy. Therefore, actual changes in fair values could differ significantly from the results presented in the table above.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures as such item is defined under Rule 13a-15(e) under the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2014, to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures that, by their nature, can only provide reasonable assurance regarding management's control objectives. Also, we have investments in certain unconsolidated entities that we do not control or manage.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the three months ended September 30, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

In December 2012, Miller Brewing Company (“Miller”) orally informed us of its intent to terminate the license agreement between Miller and us whereby we have exclusive rights to distribute certain Miller products in Canada (the “License Agreement”). We subsequently filed a lawsuit in Ontario, Canada (Molson Canada 2005 v. Miller Brewing Company, Sup. Ct. of Justice-Ontario, CV-12-470589) and on June 20, 2013, were granted an injunction preventing Miller's termination of the License Agreement, pending a trial on the merits. During the third quarter of 2014, in advance of the scheduled trial date in early November 2014, we continued private settlement discussions and on October 9, 2014, executed a settlement agreement with Miller. Pursuant to the terms of the settlement, we will continue to operate under the License Agreement until March 31, 2015, at which time all of our operations with regards to the Miller brands in Canada will terminate. We received half of the mutually agreed upon settlement payment following the execution of the settlement and will receive the remainder upon transition at the end of the first quarter of 2015.

In the third quarter of 2014, we updated our assessment of the associated definite-lived intangible asset for impairment. The analysis, primarily factoring in the settlement payments, resulted in a valuation of \$18.8 million for the definite-lived intangible asset, resulting in a non-cash impairment charge of \$8.9 million recorded as a special item within our condensed consolidated statements of operations for the three and nine months ended September 30, 2014 . The carrying value as of September 30, 2014 , following the impairment, is indicative of the settlement amount plus the remaining future cash flows expected to be generated under the License Agreement through March 31, 2015. We recognized net sales related to the License Agreement of \$23.6 million and \$25.8 million for the three months ended September 30, 2014 , and September 28, 2013 , respectively, and net sales of \$63.0 million and \$72.9 million for the nine months ended September 30, 2014 , and September 28, 2013 , respectively.

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

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I—Item 1A. "Risk Factors" in our Annual Report, which could materially affect our business, financial condition and/or future results. There have been no material changes to the risk factors contained in our Annual Report. The risks described in our Annual Report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, cash flows and/or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In 2011, we announced that our Board of Directors approved and authorized a program to repurchase up to \$1.2 billion of our Class A and Class B common stock in the open market or in privately negotiated transactions. The number, price, and timing of the repurchases will be at our sole discretion and will be evaluated depending on market conditions, liquidity needs or other factors. Our Board of Directors may suspend, modify, or terminate the program at any time without prior notice. We did not make any share repurchases during the three months ended September 30, 2014 .

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

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

(a) Exhibits

Exhibit Number	Document Description
10.1A	Second Amendment and Restatement Agreement in respect of the Unsecured Uncommitted Revolving Facilities Agreement, originally dated September 10, 2012 by and among by and among Starbev Netherlands BV and Molson Coors Netherlands BV, as existing borrowers; Molson Coors Lux 2 and Molson Coors European Finance Company, as new borrowers, Molson Coors Brewing Company, as guarantor; UniCredit Bank Czech Republic and Slovakia, A.S. and Citibank Europe PLC, organizační složka, as mandated lead arrangers; the original lenders thereto; UniCredit Bank AG, London Branch, as agent, dated September 9, 2014.
10.1B	Schedule 3 to the Second Amendment and Restatement Agreement in respect of the Unsecured Uncommitted Revolving Facilities Agreement, originally dated September 10, 2012 by and among by and among Starbev Netherlands BV and Molson Coors Netherlands BV, as existing borrowers; Molson Coors Lux 2 and Molson Coors European Finance Company, as new borrowers, Molson Coors Brewing Company, as guarantor; UniCredit Bank Czech Republic and Slovakia, A.S. and Citibank Europe PLC, organizační složka, as mandated lead arrangers; the original lenders thereto; UniCredit Bank AG, London Branch, as agent, dated September 9, 2014.
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32	Written Statement of Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC. Section 1350).
101.INS	XBRL Instance Document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*

* Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014, and September 28, 2013, (ii) the Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2014, and September 28, 2013, (iii) the Unaudited Condensed Consolidated Balance Sheets as of September 30, 2014, and December 31, 2013, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2014, and September 28, 2013, (v) the Notes to Unaudited Condensed Consolidated Financial Statements, and (vi) document and entity information.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOLSON COORS BREWING COMPANY

By:

/s/ BRIAN TABOLT

Brian Tabolt
Global Controller
(Chief Accounting Officer)
November 6, 2014

SECOND AMENDMENT AND RESTATEMENT AGREEMENT

Dated 9 September 2014

in respect of an
**UNSECURED UNCOMMITTED
REVOLVING FACILITIES AGREEMENT
ORIGINALLY DATED 10 SEPTEMBER 2012**

between

STARBEV NETHERLANDS B.V. and MOLSON COORS NETHERLANDS B.V.
as Existing Borrowers

MOLSON COORS LUX 2 and MOLSON COORS EUROPEAN FINANCE COMPANY
as New Borrowers

MOLSON COORS BREWING COMPANY
as Guarantor

**UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK CZECH
REPUBLIC, A.S.)**

and
CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOŽKA
as Arrangers

with

UNICREDIT BANK AG, LONDON BRANCH
acting as Agent

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THIS SECOND AMENDMENT AND RESTATEMENT AGREEMENT (this “ **Agreement** ”) is dated 9 September 2014 and made between:

- (1) **STARBEV NETHERSELANDS B.V.** , a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its official seat (*statuaire zetel*) in Amsterdam, the Netherlands and its office address at Naritaweg 165, 1043BW Amsterdam, the Netherlands, registered in the commercial register of the Chamber of Commerce in the Netherlands under number 55268390 as a borrower (“ **Starbev** ”);
- (2) **MOLSON COORS NETHERLANDS B.V.** , a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its official seat (*statuaire zetel*) in Amsterdam, the Netherlands and its office address at Naritaweg 165, 1043BW Amsterdam, the Netherlands, registered in the commercial register of the Chamber of Commerce in the Netherlands under number 34362656 as a borrower (“ **Molson Netherlands** ” and together with Starbev, the “ **Existing Borrowers** ”);
- (3) **MOLSON COORS LUX 2**, a Luxembourg private limited liability company (*société à responsabilité limitée*) having its registered office at 21-25 Allee Scheffer, L-2520, Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 168684 as a borrower and having a share capital of EUR 548,620.713 (“ **Lux2** ”);
- (4) **MOLSON COORS EUROPEAN FINANCE COMPANY** , a Luxembourg private limited liability company (*société à responsabilité limitée*) having its registered office at 21-25 Allee Scheffer, L-2520, Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 168466 as a borrower and having a share capital of EUR 12,400 (“ **MC European Finco** ” and together with Lux2, the “ **New Borrowers** ”),
with the New Borrowers and the Existing Borrowers together, the “ **Borrowers** ”;
- (5) **MOLSON COORS BREWING COMPANY** , a Delaware corporation with its executive offices at 1225 17th Street, Suite 3200, Denver, Colorado, USA 80202 and 1555 Notre Dame Street East, Montréal, Québec, Canada H2L 2R5 as guarantor (the “ **Guarantor** ” and together with the Borrowers, the “ **Obligors** ”);
- (6) **UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK CZECH REPUBLIC, A.S.)** and **CITIBANK EUROPE PLC**, operating in the Czech Republic through **CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOŽKA** , as mandated lead arrangers (the “ **Arrangers** ”);
- (7) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Original Lenders*) as lenders (the “ **Original Lenders** ”);
and
- (8) **UNICREDIT BANK AG, LONDON BRANCH** as agent of the other Finance Parties (the “ **Agent** ”).

WHEREAS:

- (A) This Agreement is supplemental to the revolving facilities agreement originally dated 10 September 2012 between the Existing Borrowers, the Guarantor, the Agent, certain of the Arrangers and certain of the Original Lenders, as amended, restated, supplemented, varied or extended (however fundamentally) from time to time including as amended on 18 March 2013, as amended and restated on 9 September 2013 and as further amended on 19 May 2014 (the “ **Original Facilities Agreement** ”).
- (B) The parties wish to amend the Original Facilities Agreement on the terms and subject to the conditions set out in this Agreement.

THIS AGREEMENT WITNESSES AND IT IS HEREBY AGREED AS FOLLOWS :

1. INTERPRETATION

1.1 In this Agreement, capitalised terms defined in the Original Facilities Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement and:

“ **Amended Facilities Agreement** ” means the Original Facilities Agreement, as amended and restated by this Agreement; and

“ **Effective Date** ” means the date on which the Agent confirms to the Obligors that it has received all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) to this Agreement, and that each is in form and substance satisfactory to the Lenders (acting reasonably).

1.2 Clauses 1.2 (*Construction*) and 1.4 (*Third party rights*) of the Original Facilities Agreement shall be deemed to be incorporated into this Agreement save that references in the Original Facilities Agreement to “this Agreement” shall be construed as references to this Agreement.

1.3 This Agreement constitutes a Finance Document for the purposes of the Original Facilities Agreement and the Amended Facilities Agreement.

2. AMENDMENT TO ORIGINAL FACILITIES AGREEMENT

With effect from the Effective Date, the Original Facilities Agreement shall be amended and restated so that it will be read and construed for all purposes as set out in Schedule 3 (*Amended Facilities Agreement*).

3. ACCESSION OF THE NEW BORROWERS

With effect from the Effective Date:

- (a) each New Borrower agrees to become a Borrower and to be bound by the terms of the Amended Facilities Agreement as a Borrower as if it had been an original party to the Original Facilities Agreement;
- (b) each other party to this Agreement acknowledges and agrees that the New Borrowers will accede as Borrowers to the Amended Facilities Agreement and waives the restriction set out in Clause 27 (*Changes to the Obligors*) of the Original Facilities Agreement;
- (c) each of the parties to this Agreement shall acquire the same rights and benefits and assume the same obligations between themselves as they would have acquired and assumed had such New Borrowers been an original party to the Original Facilities Agreement as Borrowers; and
- (d) each New Borrower confirms that its details for the purposes of clause 33 (*Notices*) of the Amended Facilities Agreement are set out below:

Name : Molson Coors European Finance Company
Address : 21-25 Allee Scheffer, L-2520, Luxembourg
Telephone : 352 270 012 277
Fax : 352 270 012 205
Attention : Category Manager A

Name : Molson Coors Lux 2
Address : 21-25 Allee Scheffer, L-2520, Luxembourg
Telephone : 352 270 012 277
Fax : 352 270 012 205
Attention : Category Manager A

4. AGREEMENT BY OBLIGORS

- 4.1 Each of the Obligors agrees and acknowledges that, save as amended by this Agreement, the Finance Documents shall continue in full force and effect.
- 4.2 The Guarantor agrees that the guarantee and indemnity contained in clause 20 (*Guarantee and Indemnity*) of the Original Facilities Agreement (as amended and restated from time to time, including as varied, amended, supplemented or extended (however fundamentally) by this Agreement) shall, on and after the Effective Date:
- (a) continue in full force and effect notwithstanding the amendments referred to in Clause 2 (*Amendment to the Original Facilities Agreement*) and extend to the liabilities and obligations of each of the Obligors under the Amended Facilities Agreement and the other Finance Documents (as amended and restated however fundamentally from time to time); and
 - (b) apply equally to the obligations of the Obligors under Clauses 6 (*Expenses and Stamp Duty*) as if set out in full in this Agreement save that references in the Amended Facilities Agreement to “this Agreement” shall be construed as references to this Agreement.
- 4.3 Each Obligor shall, at the request of the Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES

Each Obligor jointly and severally makes the Repeating Representations to the Lenders on the terms set out in Clause 21 (*Representations*) of the Amended Facilities Agreement as if such clause was set out in full in this Agreement and as if references to “this Agreement” in that clause were references to this Agreement on the date of this Agreement and the Effective Date.

6. EXPENSES AND STAMP DUTY

- 6.1 Without prejudice to clause 19 (*Costs and Expenses*) of the Original Facilities Agreement,
- (a) each Obligor shall promptly on demand pay the Agent and the Arrangers the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of this Agreement and any other documents referred to in this Agreement and the transactions contemplated in this Agreement; and
 - (b) each Obligor, within five (5) Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Agreement.
- 6.2 Each Obligor shall pay and, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar taxes payable in respect of this Agreement.

7. PROLONGATION FEE

- 7.1 In consideration of the Lenders agreeing to the amendments contemplated by Clause 2 above, Starbev and Molson undertake to pay to the Lenders a prolongation fee in an amount equal to 0.05 per cent. of their Facility A Commitments (calculated as if the Effective Date had occurred on the date of this Agreement) as at the date of this Agreement (the “ **Prolongation Fee** ”).
- 7.2 The Prolongation Fee shall accrue from the date of signing of this Agreement and will be payable on the earlier of:
- (a) 10 Business Days from the date of this Agreement; and
 - (b) the Effective Date.
- 7.3 The Prolongation Fee is exclusive of any VAT, which shall be paid by the Obligors if chargeable. The Obligors shall pay, or cause to be paid, any VAT chargeable on the Prolongation Fee to the Lenders in an amount equal to the amount of VAT and all related penalties, costs and interest.
- 7.4 The Prolongation Fee is payable to the Lenders in EUR for their own account in full without any setoff, deductions or withholding of any kind (unless required by law) and in immediately available, freely transferable, cleared funds to the account notified by the Lenders for this purpose. If a deduction or withholding is required by law to be made, the amount of the payment due to the Lenders shall be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the amount that would have been due if no such deduction or withholding had been required.
- 7.5 No amount in respect of the Prolongation Fee paid pursuant to this Agreement shall be refunded or repayable in any circumstance and shall not be subject to reduction by way of setoff or counterclaim or otherwise be affected by any claim or dispute relating to any

other matter, and is not creditable towards the payment of any other amount due under the Finance Documents.

8. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. ENFORCEMENT

- 10.1 (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “ **Dispute** ”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 10.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.
- 10.2 Without prejudice to any other mode of service allowed under any relevant law, each New Borrower:
- (a) irrevocably appoints Molson Coors Brewing Company (UK) Ltd at its registered office being, on the date of this Agreement, 137 High Street, Burton-on-Trent, Staffordshire DE14, 1JZ, England as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant New Borrower of the process will not invalidate the proceedings concerned.
- 10.3 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Obligor must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Borrowers and the Guarantor and is intended to be and is delivered by them as a deed on the date specified above.

Schedule 1

The Original Lenders

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK CZECH REPUBLIC, A.S.)
CITIBANK EUROPE PLC, operating in the Czech Republic through CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOŽKA

Schedule 2

Conditions Precedent

1. Obligors

- (a) A copy of the constitutional documents of each Existing Borrower and the Guarantor.
- (b) A copy of the articles of association of each New Borrower.
- (c) A copy of a resolution of the board of directors of each Obligor (or in the case of the Luxembourg Obligors, a resolution of the managers):
 - (i) approving the terms of, and the transactions contemplated by, this Agreement and the execution, delivery and performance thereof;
 - (ii) authorising a specified person or persons to execute this Agreement on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above in relation to this Agreement and related documents.
- (e) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Borrower, approving the terms of, and the transactions contemplated by, this Agreement.
- (f) If applicable, a copy of a resolution of the board of directors of each corporate shareholder of the Guarantor approving the terms of the resolution referred to in paragraph (c) above.
- (g) A certificate of each New Borrower confirming that borrowing the Total Commitments would not cause any borrowing or similar limit binding on that Obligor to be exceeded.
- (h) A certificate of an authorised signatory of each Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. Finance Documents

This Agreement executed by the Obligors.

3. Legal opinions

The following legal opinions, each addressed to the Finance Parties, all in form and substance satisfactory to the Agent (acting reasonably):

- (a) A legal opinion of White & Case (Europe) LLP, legal advisers to the Agent as to English law regarding the validity and enforceability of this Agreement.
- (b) A legal opinion Nauta Dutilh N.V., legal advisers to the Agent as to Dutch law regarding the capacity and authority of the Existing Borrowers to enter into this Agreement.
- (c) A legal opinion of NautaDutilh Avocats Luxembourg, legal advisers to the Agent and the Arrangers as to Luxembourg law regarding the capacity and authority of the New Borrowers to enter into this Agreement.
- (d) A legal opinion of Mr. E. Lee Reichert, Deputy General Counsel to Molson Coors Brewing Company regarding the capacity and authority of the Guarantor to enter into this Agreement.

Schedule 3 - See Exhibit 10.1B

Amended Facilities Agreement

Signatories

The Existing Borrowers

Executed as a Deed

By: STARBEV NETHERLANDS B.V.

/s/ E. Lee Reichert
By: E. Lee Reichert, Director

/s/ J.P.V.G. Visser
By: J.P.V.G. Visser, Director

Executed as a Deed

**By: MOLSON COORS
NETHERLANDS B.V.**

/s/ E. Lee Reichert
By: E. Lee Reichert, Director B

/s/ J.P.V.G. Visser
By: J.P.V.G. Visser, Director A

The New Borrowers

Executed as a Deed

By: MOLSON COORS LUX 2

/s/ E. Lee Reichert
By: E. Lee Reichert, Manager A

/s/ Xavier de Cillia
By: Xavier de Cillia, Manager B

Executed as a Deed

**By: MOLSON COORS EUROPEAN
FINANCE COMPANY**

/s/ E. Lee Reichert
By: E. Lee Reichert, Manager A

/s/ Xavier de Cillia
By: Xavier de Cillia, Manager B

The Guarantor

Executed as a Deed

**By: MOLSON COORS
BREWING COMPANY**

/s/ Michael Rumley

By: Michael Rumley

Title: Vice President Global Treasurer

In the presence of:

/s/ Kathleen M. Kirchner

Witness Name:

Kathleen M. Kirchner

Witness Address:

c/o Molson Coors Brewing Company

1225 17th Street, Suite 3200

Denver, Colorado 80202

Witness Occupation

Senior Corporate Governance and

Securities Paralegal

The Arrangers

**UNICREDIT BANK CZECH REPUBLIC AND
SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK
CZECH REPUBLIC, A.S.)**

/s/ Michael Bárta
By: Michal Bárta
na základě pověření/by proxy

/s/ Jan Nosek
By: Jan Nosek
na základě pověření/by proxy

The Arrangers

CITIBANK EUROPE PLC

PRESENT when the Common Seal
of Citibank Europe plc was affixed
to this deed and this deed was delivered :

/s/ Aidan Brady
By: Aidan Brady
Director

/s/ Deirdre Pepper
By: Deirdre Pepper
Company Secretary

The Agent

UNICREDIT BANK AG, LONDON BRANCH

/s/ Thomas Hancock
By: Thomas Hancock
Associate

/s/ Beatrix Brunschweiler
By: Beatrix Brunschweiler
Managing Director

The Lenders

**UNICREDIT BANK CZECH REPUBLIC AND
SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK
CZECH REPUBLIC, A.S.)**

/s/ Michael Bárta
By: Michal Bárta
na základě pověření/by proxy

/s/ Jan Nosek
By: Jan Nosek
na základě pověření/by proxy

The Lenders

CITIBANK EUROPE PLC

PRESENT when the Common Seal
of Citibank Europe plc was affixed
to this deed and this deed was delivered :

/s/ Aidan Brady
By: Aidan Brady
Director

/s/ Deirdre Pepper
By: Deirdre Pepper
Company Secretary

Originally dated 10 September 2012

as amended on 18 March 2013, as amended and restated on 9 September 2013, as amended on 19 May 2014 and as further amended and restated on 9 September 2014

**EUR 100,000,000
UNSECURED UNCOMMITTED
REVOLVING FACILITIES AGREEMENT**

for

STARBEV NETHERLANDS B.V., MOLSON COORS NETHERLANDS B.V., MOLSON COORS LUX 2 and MOLSON COORS
EUROPEAN FINANCE COMPANY
as Borrowers

arranged by

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK CZECH REPUBLIC, A.S.)

and

CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOŽKA
as Mandated Lead Arrangers

with

UNICREDIT BANK AG, LONDON BRANCH
acting as Agent

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THIS AGREEMENT is originally dated 10 September 2012 (and references to “the date hereof” and “the date of this Agreement” shall be construed accordingly), as amended on 18 March 2013, amended and restated on 9 September 2013, amended on 19 May 2014 and as amended and restated on 9 September 2014, made between:

- (1) **STARBEV NETHERLANDS B.V.** , a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its official seat (*statuaire zetel*) in Amsterdam, the Netherlands and its office address at Naritaweg 165, 1043BW Amsterdam, the Netherlands, registered in the commercial register of the Chamber of Commerce in the Netherlands under number 55268390 as a borrower;
- (2) **MOLSON COORS NETHERLANDS B.V.** , a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its official seat (*statuaire zetel*) in Amsterdam, the Netherlands and its office address at Naritaweg 165, 1043BW Amsterdam, the Netherlands, registered in the commercial register of the Chamber of Commerce in the Netherlands under number 34362656 as a borrower;
- (3) **MOLSON COORS LUX 2**, a Luxembourg private limited liability company (*société à responsabilité limitée*), having its registered office at 21-25 Allee Scheffer, L-2520, Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register of Commerce and Companies under number B-168684 and having a share capital of EUR 548,620.713 as a borrower;
- (4) **MOLSON COORS EUROPEAN FINANCE COMPANY**, a Luxembourg private limited liability company (*société à responsabilité limitée*), having its registered office at 21-25 Allee Scheffer, L-2520, Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-168466 and having a share capital of EUR 12,400.- as a borrower,

(and Molson Coors European Finance Company together with Starbev Netherlands B.V., Molson Coors Netherlands B.V. and Molson Coors Lux 2 are the “ **Borrowers** ” and each a “ **Borrower** ”);
- (5) **MOLSON COORS BREWING COMPANY**, a Delaware corporation with its executive offices at 1225 17th Street, Suite 3200, Denver, Colorado, USA 80202 and 1555 Notre Dame Street East, Montréal, Québec, Canada H2L 2R5 as guarantor (the “ **Guarantor** ”);
- (6) **UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. (FORMERLY UNICREDIT BANK CZECH REPUBLIC, A.S.)** and **CITIBANK EUROPE PLC**, operating in the Czech Republic through **CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOŽKA** as mandated lead arrangers (whether acting individually or together the “ **Arranger** ”);
- (7) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Original Lenders*) as lenders (the “ **Original Lenders** ”); and

(8) **UNICREDIT BANK AG, LONDON BRANCH** as agent of the other Finance Parties (the “**Agent**”).

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Accounting Principles**” means:

- (a) in respect of Molson Coors Netherlands B.V., Starbev Netherlands B.V. and any other members of the Group located in The Netherlands, generally accepted accounting principles in The Netherlands, including IFRS;
- (b) in respect of Molson Coors European Finance Company and Molson Coors Lux 2 and any other members of the Group located in Luxembourg, generally accepted accounting principles in Luxembourg, including Luxembourg GAAP;
- (c) in respect of the Guarantor, or any other Group company, excluding the Borrowers and any other members of the Group located in The Netherlands and Luxembourg, U.S. GAAP.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Agent’s Spot Rate of Exchange**” means the Agent’s spot rate of exchange for the purchase of the relevant currency with Euro in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Ancillary Commencement Date**” means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for Facility A.

“**Ancillary Commitment**” means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 6 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

“**Ancillary Document**” means each document relating to or evidencing the terms of an Ancillary Facility.

“**Ancillary Facility**” means any ancillary facility made available by an Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*).

“ **Ancillary Facility Notice** ” means a notice substantially in the form set out in Schedule 8 (*Form of Ancillary Facility Notice*).

“ **Ancillary Lender** ” means UniCredit Bank Czech Republic and Slovakia, a.s. (formerly UniCredit Bank Czech Republic, a.s.) (or its Affiliate) which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*).

“ **Ancillary Outstandings** ” means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in the Base Currency of the following amounts outstanding under that Ancillary Facility:

- (a) the principal amount under each overdraft facility and on-demand short term loan facility (net of any credit balances on any account of any Borrower of an Ancillary Facility with the Ancillary Lender making available that Ancillary Facility to the extent that the credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility);
- (b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and
- (c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

“ **Assignment Agreement** ” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

“ **Auditors** ” means an accounting firm of international standing or any other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

“ **Authorisation** ” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“ **Availability Period** ” means the period from and including the date of this Agreement to and including day falling one Month prior to the Termination Date.

“ **Available Ancillary Commitment** ” means in relation to an Ancillary Facility, an Ancillary Lender’s Ancillary Commitment less the Ancillary Outstandings in relation to that Ancillary Facility being at any time no greater than in aggregate EUR 25,000,000 subject to the terms and conditions of this Agreement.

“ **Available Commitment** ” means, in relation to the Facility, a Lender’s Commitment under the Facility minus (subject to Clause 6.7 (*Affiliates of Lenders as Ancillary Lenders*) and as set out below):

- (a) the amount of its participation in any outstanding Utilisations under the Facility and the amount of the aggregate of any Ancillary Commitment to which it has committed in accordance with this Agreement and the relevant Ancillary Documents;
- (b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations to which it has committed in accordance with the terms of this Agreement and that are due to be made under the Facility on or before the proposed Utilisation Date and the amount of its Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date; and
- (c) the amount by which it has elected to cancel its Available Commitments in accordance with Clause 2.3 (*Finance Parties’ Rights and Obligations*)

For the purposes of calculating a Lender’s Available Commitment in relation to any proposed Utilisation, the following amounts shall not be deducted from a Lender’s Commitment under the Facility:

- (i) that Lender’s participation in any Facility A Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date; and
- (ii) that Lender’s (or its Affiliate’s) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

“ **Available Facility** ” means, in relation to the Facility, the aggregate for the time being of each Lender’s Available Commitment in respect of the Facility.

“ **Bank Levy** ” means any amount payable by any Lender, Agent, Issuing Bank or any of its Affiliates in relation to (a) the UK bank levy as set out in the Finance Act 2011, (b) the French *taxe bancaire de risque systémique* as set out in Article 235 ter ZE of the French Code Général des impôts, (c) the German bank levy as set out in the German Restructuring Fund Act 2010 (*Restrukturierungsfondsgesetz*) (as amended), (d) the Dutch *bankenbelasting* as set out in the bank levy act (*Wet bankenbelasting*), (e) the Swedish bank levy as set out in the Swedish Act on State Support to Credit Institutions (Sw. lag (2008:814) (*lag om statligt stöd till kreditinstitut*)) and (f) any other Tax of a similar nature imposed in any jurisdiction in a similar context or for a similar reason and currently in force as at the date of the Second Amendment and Restatement Agreement.

“ **Base Currency** ” means EUR.

“ **Base Currency Amount** ” means in relation to an Ancillary Commitment only, the amount specified as such in the notice delivered to the Agent by the relevant Borrower pursuant to Clause 6.2 (*Availability*) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent’s Spot

Rate of Exchange on the date which is three Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this Agreement), as adjusted to reflect cancellation or reduction of an Ancillary Facility.

“ **Base Reference Bank Rate** ” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Base Reference Banks, as the rate at which the relevant Base Reference Bank could borrow funds in the European interbank market, in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

“ **Base Reference Banks** ” means the Lenders or such other banks as may be appointed by the Agent in consultation with the Borrowers.

“ **Break Costs** ” means the amount (if any) by which:

- (a) the interest excluding the Margin and Mandatory Costs which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“ **Business Day** ” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Luxembourg, Prague and Amsterdam and (in relation to any date for payment or purchase of euro) any TARGET Day.

“ **Cancellation Notice** ” means a notice substantially in the form set out in Part 2 of Schedule 3 (*Requests*).

“ **Commitment** ” means a Facility A Commitment which has become committed by any Lender in accordance with the terms and conditions of this Agreement.

“ **Compliance Certificate** ” means a certificate substantially in the form set out in Schedule 6 (*Form of Compliance Certificate*).

“ **Confidential Information** ” means all information relating to any Obligor, the Operating Companies, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any Obligor, any Operating Company or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Obligor, any Operating Company or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 38 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any Obligor, any Operating Company or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with any Obligor and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“ **Confidentiality Undertaking** ” means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Obligors and the Agent.

“ **Consolidated EBITDA** ” means has the meaning given to that term in Schedule 10 (*Consolidated EBITDA*).

“ **Croatian Operating Company** ” means Zagrebačka Pivovara d.o.o.

“ **Default** ” means an Event of Default or any event or circumstance specified in Clause 25 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“ **Designated Gross Amount** ” has the meaning given to that term in Clause 6.2 (*Availability*).

“ **Designated Net Amount** ” has the meaning given to that term in Clause 6.2 (*Availability*).

“ **Disruption Event** ” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“ **EURIBOR** ” means, in relation to any Loan in euro:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Reference Bank Rate,

as of the Specified Time on the Quotation Day for the offering of deposits in euros and for a period comparable to the Interest Period of that Loan and, if any such rate is below zero, EURIBOR will be deemed to be zero.

“ **Event of Default** ” means any event or circumstance specified as such in Clause 25 (*Events of Default*).

“ **Facility** ” means Facility A.

“ **Facility A** ” means the revolving loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

“ **Facility A Commitment** ” means:

- (a) in relation to an Original Lender, the amount in euro set opposite its name under the heading “Facility A Commitment” in Schedule 1 (*The Original Lenders*) and the amount of any other Facility A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in euro of any Facility A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“ **Facility A Loan** ” means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

“ **Facility Office** ” means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“ **FATCA** ” means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 (the “ **Code** ”) or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“ **FATCA Application Date** ” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of the Second Amendment and Restatement Agreement.

“ **FATCA Deduction** ” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“ **FATCA Exempt Party** ” means a Party that is entitled to receive payments free from any FATCA Deduction.

“ **Fee Letter** ” means:

- (a) any letter or letters dated on or about the date of this Agreement between the Arranger and the Obligors (or the Agent and the Obligors) setting out any of the fees referred to in Clause 14 (*Fees*); and
- (b) any agreement setting out fees payable to a Finance Party referred to in Clause 14.3 (*Interest, commission and fees on Ancillary Facilities*) of this Agreement or under any other Finance Document.

“ **Finance Document** ” means this Agreement, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Utilisation Request, the First Amendment and Restatement Agreement, the Second Amendment and Restatement Agreement and any other document designated as a “Finance Document” by the Agent and the Obligors.

“ **Finance Party** ” means the Agent, the Arranger, a Lender or any Ancillary Lender.

“ **Financial Indebtedness** ” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease which would, in accordance with Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not an

Obligor's Affiliate or a member of the Group and which liability would fall within one of the other paragraphs of this definition;

- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under the Accounting Principles);
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“ **Financial Quarter** ” means each period of three Months ending on each of 31 March, 30 June, 30 September and 31 December.

“ **First Amendment and Restatement Agreement** ” means an amendment and restatement agreement dated 9 September 2013 between, amongst others, the Guarantor and the Agent pursuant to which this Agreement was amended and restated.

“ **Further Utilisation Request** ” means a notice substantially in the relevant form set out in Part 1 of Schedule 3 (*Requests*) issued by the Borrower pursuant to paragraph (b) of Clause 5.1 (*Delivery of a Utilisation Request*).

“ **Group** ” means the Borrowers and their respective Subsidiaries from time to time (in each case including Operating Companies).

“ **Guarantor** ” means Molson Coors Brewing Company.

“ **Holding Company** ” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“ **IFRS** ” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“ **Interest Period** ” means, in relation to a Loan, each period determined in accordance with Clause 12 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 11.3 (*Default interest*).

“ **Legal Opinion** ” means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*).

“ **Lender** ” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 26 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

“ **LMA** ” means the Loan Market Association.

“ **Loan** ” means a Facility A Loan.

“ **Majority Lenders** ” means a Lender or Lenders which committed to provide Loans in accordance with Clause 5.1 (*Delivery of a Utilisation Request*) whose Commitments aggregate more than 66⅔ per cent. of the total Commitments (or, if the total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the total Commitments immediately prior to that reduction).

“ **Mandatory Cost** ” means the percentage rate per annum from time to time determined by a Lender and notified to the Facility Agent as reflecting the cost, loss or difference in return which would be suffered or incurred by that Lender (as it may from time to time determine) as a result of it complying with:

- (a) any special deposit and cash ratio deposit requirements of any central bank with jurisdiction over that Lender;
- (b) any charge imposed by any financial regulator with jurisdiction over that Lender; and
- (c) any reserve asset requirements imposed by:
 - (i) the European Central Bank; or
 - (ii) any other central bank with jurisdiction over that Lender.

“ **Margin** ” means, in relation to each Loan, 0.69 per cent. per annum.

“ **Material Adverse Effect** ” means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole or the Guarantor and its Affiliates taken as a whole; or
- (b) the ability of an Obligor to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of the rights or remedies of any Finance Party under any of the Finance Documents.

“ **Material Subsidiary** ” means, at any time:

- (a) any Obligor;
- (b) a member of the Group which, for the most recently ended period of four consecutive fiscal quarters for which financial statements have been provided:
 - (i) has earnings before interest, tax, depreciation and amortization (calculated on the same basis as EBITDA) representing five per cent, or more of Consolidated EBITDA of the Guarantor; or
 - (ii) has assets representing five per cent, or more of the consolidated assets of the Guarantor,
in each case calculated on a consolidated basis and excluding intra-group items.
- (c) For the purpose of making the determinations required by this definition, the Consolidated EBITDA and assets of Subsidiaries which are not organized under the laws of the United States of America or any state thereof shall be converted shall be converted into US Dollars at the rates used in preparing the consolidated balance sheets of the Guarantor.

“ **Montenegro Operating Company** ” means Trebesja d.o.o.

“ **Month** ” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below), if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

“ **New Lender** ” has the meaning given to that term in Clause 26 (*Changes to the Lenders*).

“ **Obligor** ” means a Borrower or the Guarantor.

“ **Operating Company** ” means each of Croatian Operating Company, Montenegro Operating Company and Apatinska Pivara Apatin d.o.o., Pivovary Staropramen s.r.o. (formerly Pivovary Staropramen a.s.), Kamenitza AD, Borsodi Sörgyar Kft and Bergenbier S.A.

“ **Original Financial Statements** ” means:

- (a) in relation to the Guarantor, the audited consolidated annual financial statements of the Guarantor for the financial year ended 2011;
- (b) in relation to Starbev Netherlands B.V. and Molson Coors Netherlands B.V., the unconsolidated financial statements of such Borrowers as at 28 July 2012; and
- (c) in relation to Molson Coors Lux 2 and Molson Coors European Finance Company, the unaudited consolidated financial statements of such Borrowers for the financial year ended 31 December 2012.

“ **Parent Co. Facility** ” means the US\$750,000,000 or equivalent multi-tranche financing facility established under a credit agreement dated 18 June 2014 between among others, the Guarantor, the Lenders (as defined therein) and Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC as Co-Syndication Agents (as defined therein) as amended and/or restated.

“ **Participating Member State** ” means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

“ **Party** ” means a party to this Agreement.

“ **Permitted Disposal** ” means any sale, lease, licence, transfer or other disposal (which, except in the case of paragraph (b), is on arm's length terms):

- (a) of assets (other than of shares, businesses and undertakings) in the ordinary course of trading;
- (b) of any asset by a member of the Group to another member of the Group;
- (c) of assets (other than shares, businesses and undertakings) in exchange for other assets comparable or superior as to type, value and quality;
- (d) of cash equivalent investments for cash or in exchange for other cash equivalent investments;
- (e) of assets pursuant to any factoring transactions permitted by paragraph (a) of the definition of “Permitted Financial Indebtedness”;
- (f) assets (other than shares) which are obsolete for the purpose for which such assets are normally utilised or which are no longer required for the purpose of the relevant person’s business or operations; and
- (g) any disposal to which the Majority Lenders shall have given their prior written consent.

“ **Permitted Financial Indebtedness** ” means Financial Indebtedness:

- (a) arising with respect to factoring transactions (on a recourse basis) not exceeding EUR 40,000,000 at any time;
- (b) in relation to Supply Chain Financing;
- (c) arising under any of the Finance Documents;
- (d) to the extent covered by a letter of credit, guarantee or indemnity or similar instrument issued under an Ancillary Facility;
- (e) arising under loans granted to any Obligor by any of its Affiliates;
- (f) arising under loans granted by any member of the Group to any member of the Group;
- (g) Financial Indebtedness to which the Majority Lenders have given their prior written consent; and
- (h) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed EUR 25,000,000 (or its equivalent) in aggregate for the Group.

“ **Permitted Loan** ” means:

- (a) any trade credit extended or any advance payment made by any member of the Group to its customers or suppliers on normal commercial terms, in each case in the ordinary course of its trading activities;
- (b) Financial Indebtedness which is referred to in the definition of or otherwise constitutes, Permitted Financial Indebtedness; and
- (c) loans granted by any member of the Group to any of its Affiliates, any Obligor or any Affiliate of any Obligor.

“ **Permitted Security** ” means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group;
- (c) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (d) any payment or close out netting or set-off arrangement pursuant to any non-speculative hedging or foreign exchange transaction entered into by a member

of the Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement; and

- (e) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal where such Quasi-Security is created over assets being so disposed of.

“ **Prepayment and Cancellation Date** ” means the date set out in the Prepayment and Cancellation Notice as the date on which the Available Commitments will terminate, such date being any date after or including the date of the Prepayment and Cancellation Notice.

“ **Prepayment and Cancellation Notice** ” means a notice provided pursuant to and in accordance with the provision of Clause 2.3(e).

“ **Quarter Date** ” means the last day of a Financial Quarter.

“ **Quasi-Security** ” has the meaning given to that term in Clause 24.7 (*Negative pledge*).

“ **Quotation Day** ” means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is euro) two Business Days before the first day of that period; or
- (b) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“ **Related Fund** ” in relation to a fund (the “ **first fund** ”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“ **Relevant Interbank Market** ” means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

“ **Relevant Jurisdiction** ” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation; and
- (b) any jurisdiction where it conducts its business.

“ **Relevant Period** ” has the meaning given to that term in Clause 23.1 (*Financial definitions*).

“ **Repeating Representations** ” means each of the representations set out in Clause 21.2 (*Status*) to Clause 21.7 (*Governing law and enforcement*), Clause 21.10 (*No Default*),

paragraph (d) of Clause 21.11 (*No misleading information*), Clause 21.12 (*Original Financial Statements*) and Clause 21.16 (*Centre of main interests and establishments*).

“ **Representative** ” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“ **Savings Directive** ” means the Luxembourg laws dated 21 June 2005 (as amended) implementing the EU Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, as amended, and several related agreements concluded between Luxembourg and certain associated or dependent territories of the European Union.

“ **Screen Rate** ” means the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period, displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Borrowers and the Lenders.

“ **Second Amendment and Restatement Agreement** ” means an amendment and restatement agreement dated 9 September 2014 between, amongst others, the Guarantor, the Borrowers and the Agent pursuant to which this Agreement was amended and restated

“ **Security** ” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“ **Specified Time** ” means a time determined in accordance with Schedule 7 (*Timetables*).

“ **Subsidiary** ” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“ **Supply Chain Financing** ” means any unsecured financing, guarantee, letter of credit, indemnity, counter-indemnity or similar arrangement provided directly or indirectly by any member of the Group or its Affiliate to a vendor in the ordinary course of trading, and any advance or deferred purchase arrangement not constituting Financial Indebtedness.

“ **TARGET Day** ” means any day on which TARGET2 is open for the settlement of payments in euro.

“ **TARGET2** ” means the Trans–European Automated Real–time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“ **Tax** ” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“ **Termination Date** ” means 9 September 2015.

“ **Total Commitments** ” means the aggregate of the Total Facility A Commitments, being EUR 100,000,000 as at the date of the Second Amendment and Restatement Agreement, subject to the terms and conditions of this Agreement.

“ **Total Facility A Commitments** ” means the aggregate of the Facility A Commitments, being EUR 100,000,000 as at the date of the Second Amendment and Restatement Agreement, subject to the terms and conditions of this Agreement.

“ **Transfer Certificate** ” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Obligors.

“ **Transfer Date** ” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“ **Treasury Transactions** ” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“ **Unpaid Sum** ” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“ **Utilisation** ” means a Loan.

“ **Utilisation Date** ” means the date of a Utilisation, being the date on which the relevant Loan is to be made.

“ **Utilisation Request** ” means a notice substantially in the relevant form set out in Part 1 of Schedule 3 (*Requests*).

“ **VAT** ” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (as amended) and/or implementation thereof; and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, in levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (i) the “ **Agent** ”, the “ **Arranger** ”, any “ **Finance Party** ”, any “ **Lender** ”, any “ **Obligor** ”, any “ **Party** ” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) a document in “ **agreed form** ” is a document which is previously agreed in writing by or on behalf of the Obligors and the Agent or, if not so agreed, is in the form specified by the Agent;
 - (iii) “ **assets** ” includes present and future properties, revenues and rights of every description;
 - (iv) a “ **Finance Document** ” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (v) “ **guarantee** ” means (other than in Clause 20 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (vi) “ **indebtedness** ” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a “ **person** ” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a “ **regulation** ” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (ix) a provision of law is a reference to that provision as amended or re-enacted; and
 - (x) a time of day is a reference to London time.
 - (xi) for the avoidance of doubt, this Agreement shall not impose any obligations or liabilities on any Affiliate of the Guarantor which is not a member of the Group;
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) A Borrower providing “ **cash cover** ” for an Ancillary Facility means a Borrower paying an amount in the currency of the Ancillary Facility to an interest-bearing account in the name of the Borrower and the following conditions being met:
- (i) the account is with the Agent or with the Ancillary Lender for which that cash cover is to be provided;
 - (ii) until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; and
 - (iii) the Borrower has executed a security document over that account, in form and substance satisfactory to the Agent or Ancillary Lender with which that account is held, creating a first ranking security interest over that account.
- (e) A Default is “ **continuing** ” if it has not been remedied or waived or an Event of Default is “ **continuing** ” if it has not been remedied or waived.
- (f) A Borrower “ **repaying** ” or “ **prepaying** ” the Ancillary Outstandings means:
- (i) that Borrower providing cash cover in respect of the Ancillary Outstandings;
 - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or
 - (iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,
- and the amount by which the Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover or reduction.
- (g) An amount borrowed includes any amount utilised under an Ancillary Facility.

- (h) Without prejudice to the generality of any provision of this Agreement, in this Agreement where it relates to an Obligor incorporated or organised in Luxembourg, a reference to:
- (i) a winding-up, administration or dissolution includes, without limitation, bankruptcy (*faillite*), insolvency, liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*action paulienne*), general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally;
 - (ii) a receiver, administrative receiver, administrator, trustee, custodian, sequestrator, conservator or similar officer includes, without limitation, a *juge délégué*, *commissaire*, *juge-commissaire*, *mandataire ad hoc*, *administrateur provisoire*, *liquidateur* or *curateur* ;
 - (iii) a lien or security interest includes any *hypothèque*, *nantissement*, *gage*, *privilège*, *sûreté réelle*, *droit de rétention* , and any type of security in rem (*sûreté réelle*) or agreement or arrangement having a similar effect and any transfer of title by way of security;
 - (iv) a person being unable to pay its debts includes that person being a state of *cessation de paiements* ;
 - (v) creditors process means an executory attachment (*saisie exécutoire*) or conservatory attachment (*saisie conservatoire*);
 - (vi) a guarantee includes any *garantie* which is independent from the debt to which it relates and excludes any suretyship (*cautionnement*) within the meaning of Articles 2011 and seq. of the Luxembourg Civil Code;
 - (vii) by-laws or constitutional documents includes its up-to-date (restated) articles of association (*statuts coordonnés*); and
 - (viii) a director, manager or officer includes a *gérant* or an *administrateur* .

1.3 Currency Symbols and Definitions

“ **EUR** ” and “ **euro** ” means the single currency unit of the Participating Member States and “ **US\$** ” or “ **US Dollars** ” denote lawful currency of the United States of America.

1.4 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

1.5 Personal liability

No personal liability shall attach to any director, officer or employee of any member of the Group or the Guarantor for any representation or statement made by that member of

the Group or the Guarantor in any Finance Document or certificate signed by a director, officer or employee save in the case of fraud or willful misconduct in which case liability (if any) will be determined in accordance with applicable law.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

- (i) Subject to the terms of this Agreement, the Lenders on an uncommitted basis agreed to make available a EUR revolving credit facility in an aggregate amount equal to the Total Facility A Commitments.
- (ii) An Ancillary Lender may make available an Ancillary Facility to any of the Borrowers or any of their Subsidiaries in place of its Commitment under Facility A up to the amount of EUR 25,000,000 (or its equivalent), subject to the terms of this Agreement and the Ancillary Documents.

2.2 Borrowers' right and obligations

The rights and obligations of each Borrower under the Finance Documents are joint and several.

2.3 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.
- (d) For the avoidance of doubt, no rollover loans are available for any Borrower and:
 - (i) Clause 5.1 (*Delivery of a Utilisation Request*) shall apply in respect of each Utilisation; and
 - (ii) any amount of the Loan not refinanced by Commitments confirmed by Lenders pursuant to Clause 5.1 (*Delivery of a Utilisation Request*) and funded on the relevant Utilisation Date in accordance with the other terms and conditions of this Agreement shall be repaid in full on its due date in accordance with the terms and conditions of this Agreement.
- (e) Each Lender shall have the right to cancel its Available Commitments (in whole or in part) by delivery of a Prepayment and Cancellation Notice to the Borrowers and the Agent whereupon its Available Commitments shall be cancelled (in whole

or in such part) on and from the date of such notice and any Loans outstanding shall be repayable on the last day of the Interest Period in which the notice has been served.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under Facility A towards its general corporate purposes.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the conditions set out in Clause 5.1(d) (*Delivery of a Utilisation Request*) have been satisfied and the Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent (and to each Lender if the Agent requests a confirmation from the Lenders that all or certain documents and other evidence listed in Schedule 2 (*Conditions precedent*) have been provided in form and substance satisfactory to the Lenders). The Agent shall notify the Obligors and the Lenders promptly upon being so satisfied.

For the avoidance of doubt, nothing in this Agreement (including without limitation Clauses 4.1 and 4.2) shall be read or construed as an obligation of a Lender to provide or participate in any Utilisation whether or not any conditions to such Utilisation under this Agreement is or are satisfied and any such participation shall be in the sole discretion of such Lender.

4.2 Further conditions precedent

Subject to Clause 4.1 (*Initial Conditions Precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*), if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Utilisation; and
- (b) the Repeating Representations to be made by each Obligor are true.

4.3 Maximum number of Utilisations

A Borrower may not deliver a Utilisation Request for Facility A if as a result of the proposed Utilisation 6 or more Facility A Loans would be outstanding.

SECTION 3 UTILISATION

5. UTILISATION – LOANS

5.1 Delivery of a Utilisation Request

- (a) A Borrower may utilise Facility A by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.
- (b) If any Lender does not participate in a Utilisation, the Borrower shall have the right within 5 Business days following the relevant Utilisation Date to request (by a Further Utilisation Request) the Lenders which did participate in the Utilisation to participate in a further Utilisation by sending to the Agent a Further Utilisation Request.
- (c) Each Further Utilisation Request shall be treated as a Utilisation Request for the purposes of this Agreement.
- (d) The Borrowers and the Guarantor acknowledge that the Facilities are uncommitted and that no Lender shall be obliged to participate in any Utilisation.

5.2 Completion of a Utilisation Request for Loans

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the relevant Borrower;
 - (ii) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iv) the proposed Interest Period complies with Clause 12 (*Interest Periods*).
- (b) Only one Utilisation may be requested in each Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be euro.
- (b) The amount of the proposed Utilisation must be a minimum of EUR 5,000,000 or an integral multiple of EUR 1,000,000 or, if less, the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met each Lender that has received a Utilisation Request or a Further Utilisation Request may (but shall not be obliged to) make its participation in each Loan available by the Utilisation

Date through its Facility Office. Each Lender shall notify the Agent of its intention to participate in the Loan in accordance with Part 1 of Schedule 7 (*Timetables*).

- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan, subject to the procedure set forth in paragraph (b) of Clause 5.1 (*Delivery of a Utilisation Request*).

5.5 Limitations on Utilisations

The maximum aggregate amount of the Ancillary Commitments of the Ancillary Lenders shall not at any time exceed EUR 25,000,000 (or its equivalent).

5.6 Cancellation of Commitment

The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

6. ANCILLARY FACILITIES

6.1 Type of Facility

An Ancillary Facility may be by way of:

- (a) an overdraft facility;
- (b) a guarantee, bonding, documentary or stand-by letter of credit facility;
- (c) a short term loan facility;
- (d) any other facility or accommodation required in connection with the business of the Group and which is agreed by a Borrower with the Ancillary Lender.

6.2 Availability

- (a) If the relevant Borrower and the Ancillary Lender agree and except as otherwise provided in this Agreement, the Ancillary Lender may provide an Ancillary Facility on a bilateral basis in place of part of that Ancillary Lender's unutilised Facility A Commitment be reduced by the amount of the Ancillary Commitment under that Ancillary Facility).
- (b) An Ancillary Facility shall not be made available unless, not later than 5 Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the relevant Borrower:
 - (i) a notice in writing of the establishment of an Ancillary Facility substantially in the form set out in Schedule 8 (*Form of Ancillary Facility Notice*) and specifying:
 - (A) the proposed Borrower(s) (or Affiliates of a Borrower) which may use the Ancillary Facility;

- (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
 - (C) the proposed type of Ancillary Facility to be provided;
 - (D) the proposed Ancillary Lender;
 - (E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility and, if the Ancillary Facility is an overdraft facility comprising more than one account its maximum gross amount (that amount being the “ **Designated Gross Amount** ”) and its maximum net amount (that amount being the “ **Designated Net Amount** ”); and
 - (F) the proposed currency of the Ancillary Facility (if not denominated in the Base Currency); and
- (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.
 - (d) No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause). In such a case, the provisions of this Agreement with regard to amendments and waivers will apply.
 - (e) Subject to compliance with paragraph (b) above:
 - (i) the Lender concerned will become an Ancillary Lender; and
 - (ii) the Ancillary Facility will be available,with effect from the date agreed by the relevant Borrower, the Agent and the Ancillary Lender.

6.3 Terms of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the relevant Borrower.
- (b) However, those terms:
 - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
 - (ii) may allow only Borrowers (or Affiliates of Borrowers nominated pursuant to Clause 6.8 (*Affiliates of Borrowers*)) to use the Ancillary Facility;

- (iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;
 - (iv) may not allow the Available Commitment with respect to the Facility A of that Lender to fall below zero; and
 - (v) must require that the Ancillary Commitment is reduced to nil, and that all Ancillary Outstandings are repaid (or cash cover provided in respect of all the Ancillary Outstandings) not later than on the Termination Date for Facility A (or such earlier date as Facility A Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero ignoring any reduction of the Facility A Commitment pursuant to paragraph (a) of Clause 6.2 (*Availability*)).
- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for (i) Clause 34.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility, (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts and (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 14.3 (*Interest, commission and fees on Ancillary Facilities*).

6.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility shall cease to be available on the Termination Date or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.
- (b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the Ancillary Lender shall be reduced to zero (and its Facility A Commitment shall be increased accordingly).
- (c) Any Ancillary Lender may demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility at any time. If any amount of an Ancillary Facility will extend beyond the Termination Date, before the Termination Date the relevant Borrower shall provide cash cover for any liabilities made available or incurred by it under such Ancillary Facility.

6.5 Ancillary Outstandings

Each Borrower and each Ancillary Lender agrees with and for the benefit of each Lender that:

- (a) the Ancillary Outstandings under any Ancillary Facility provided by that Ancillary Lender shall not exceed the Ancillary Commitment applicable to that Ancillary Facility and where the Ancillary Facility is an overdraft facility comprising more than one account, Ancillary Outstandings under that Ancillary Facility shall not exceed the Designated Net Amount in respect of that Ancillary Facility; and
- (b) where all or part of the Ancillary Facility is an overdraft facility comprising more than one account, the Ancillary Outstandings (calculated on the basis that the words in brackets in paragraph (a) of the definition of that term were deleted) shall not exceed the Designated Gross Amount applicable to that Ancillary Facility.

6.6 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

6.7 Affiliates of Lenders as Ancillary Lenders

- (a) Subject to the terms of this Agreement, an Affiliate of the Ancillary Lender may become an Ancillary Lender. In such case, the Ancillary Lender and its Affiliate shall be treated as a single Lender whose Facility A Commitment is the amount set out opposite the relevant Lender's name in Schedule 1 (*The Original Lenders*) and/or the amount of any Facility A Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement. For the purposes of calculating the Lender's Available Commitment with respect to Facility A, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Commitments of its Affiliates.
- (b) The relevant Borrower shall specify any relevant Affiliate of a Lender in any notice delivered by that Borrower to the Agent pursuant to paragraph (b)(i) of Clause 6.2 (*Availability*).
- (c) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender (as defined in Clause 26 (*Changes to the Lenders*), its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.
- (d) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

6.8 Affiliates of Borrowers

- (a) Subject to the terms of this Agreement, a Subsidiary of a Borrower may with the approval of the relevant Ancillary Lender become a borrower with respect to an Ancillary Facility.
- (b) The relevant Borrower shall specify its relevant Subsidiary in any notice delivered by that Borrower to the Agent pursuant to paragraph (b)(i) of Clause 6.2 (*Availability*).
- (c) Where this Agreement or any other Finance Document imposes an obligation on a Borrower under an Ancillary Facility and the relevant Borrower is a Subsidiary of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Subsidiary.
- (d) Any reference in this Agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Subsidiary of a Borrower being under no obligations under any Finance Document or Ancillary Document.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. REPAYMENT

7.1 Repayment of Loans

- (a) Each Borrower shall repay each Loan made to it on the last day of its Interest Period.
- (b) The Borrowers shall repay all Utilisations in full on the Termination Date (together with interest and all other sums due and payable by the Obligor under the Finance Documents).

8. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

8.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

- (a) that Lender, shall promptly notify the Agent upon becoming aware of that event and the Agent shall notify the Obligor as soon as reasonably practicable after receiving such notice;
- (b) upon the Agent notifying the Obligor, the Commitment of that Lender will be immediately cancelled; and
- (c) each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Obligor or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

8.2 Voluntary cancellation

Each Borrower may, if it gives the Agent not less than 5 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice (in form of a Cancellation Notice), cancel the whole or any part (being a minimum amount of EUR 5,000,000) of the Available Facility. Any cancellation under this Clause 8.2 shall reduce the Commitments of the Lenders rateably under the Facility.

8.3 Voluntary prepayment

Each Borrower may, if it gives the Agent not less than 5 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Utilisation (but if in part, being an amount that reduces the Base Currency Amount of the Utilisation by a minimum amount of EUR 5,000,000).

8.4 Right of cancellation and repayment in relation to a single Lender

- (a) If:
- (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 15.2 (*Tax gross-up*) or paragraph (b) of Clause 15.7 (*FATCA Deduction and gross-up by Obligor*); or
 - (ii) any Lender claims indemnification from an Obligor under Clause 15.3 (*Tax indemnity*) or Clause 16.1 (*Increased costs*),

any Obligor may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice if such circumstances relate to a Lender) of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.

- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after an Obligor has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Obligor in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

9. MANDATORY PREPAYMENT

If:

- (a) the Guarantor ceases to directly or indirectly hold or control at least 90% of shares and votes in any of the Borrowers;
- (b) the Borrowers cease to directly or indirectly hold or control (individually or jointly) at least 90% of shares and votes in any of the Operating Companies; or
- (c) the Borrowers cease to be able (individually or jointly) to direct any of Operating Companies' affairs and/or to control the composition of any of Operating Companies' board of directors or equivalent body,

then

- (x) no Lender shall be obliged to fund a Utilisation; and
- (y) if a Lender so requires and notifies the Agent, the Agent shall, by not less than 5 days' notice to a Borrower, cancel the Commitment of that Lender and (i) declare the participation of that Lender in all outstanding Utilisations, together with accrued interest and all other amounts accrued under the Finance Documents, immediately due and payable, at which time the Commitment of that Lender will be cancelled and all such outstanding amounts will become immediately due and

payable, or (ii) request the Borrowers to provide (within 5 days from the notice) cash cover for all outstanding Utilisations.

10. RESTRICTIONS

10.1 Notices of Cancellation or Prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 8 (*Illegality, voluntary prepayment and cancellation*) shall (subject to the terms of that Clause) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

10.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

10.3 Reborrowing

Unless a contrary indication appears in this Agreement, any part of each Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

10.4 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

10.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

10.6 Agent's receipt of Notices

If the Agent receives a notice under Clause 8 (*Illegality, voluntary prepayment and cancellation*) it shall promptly forward a copy of that notice or election to either the relevant Obligor or the affected Lender, as appropriate.

10.7 Effect of Repayment and Prepayment on Commitments

If all or part of a Utilisation under the Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the Base Currency Amount of the amount of the Utilisation which is repaid or prepaid) in respect of the Facility will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 10.7 shall reduce the Commitments of the Lenders rateably under the Facility.

**SECTION 5
COSTS OF UTILISATION**

11. INTEREST

11.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin;
- (b) EURIBOR; and
- (c) Mandatory Cost, if any.

11.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period.

11.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 11.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2 per cent. higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

11.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

12. INTEREST PERIODS

12.1 Interest Periods

- (a) A Borrower (or the Guarantor on behalf of the Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this Clause 12.1, a Borrower (or the Guarantor on behalf of that Borrower) may select an Interest Period of:
 - (i) two weeks; or
 - (ii) one Month; or
 - (iii) any other period agreed between the Borrower (or the Guarantor on behalf of that Borrower) and the Agent (acting on the instructions of all the Lenders) in writing.
- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date.
- (e) A Loan has one Interest Period only.

12.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end:

- (a) in the case of an Interest Period selected in accordance with Clause 12.1(b)(i) above, on the next Business Day in that week (if there is one) or the preceding Business Day (if there is not); and
- (b) in the case of an Interest Period selected in accordance with Clause 12.1(b)(ii) above, on the next Business Day in that Month (if there is one) or the preceding Business Day (if there is not).

13. CHANGES TO THE CALCULATION OF INTEREST

13.1 Absence of quotations

Subject to Clause 13.2 (*Market disruption*), if EURIBOR is to be determined by reference to the Base Reference Banks but a Base Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable EURIBOR shall be determined on the basis of the quotations of the remaining Base Reference Banks.

13.2 Market disruption

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the Margin;
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling 5 Business Days after the Quotation Day (or, if earlier, on the date falling 1 Business Day prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and
 - (iii) the Mandatory Cost, if any, applicable to that Lender's participation in the Loan.
- (b) If:
- (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than EURIBOR; or
 - (ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,
- the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be EURIBOR.
- (c) In this Agreement:
- “ Market Disruption Event ”** means:
- (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Base Reference Banks supplies a rate to the Agent to determine EURIBOR for the relevant currency and Interest Period; or
 - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of EURIBOR.

13.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or a Borrower so requires, the Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent (such consent not to be unreasonably withheld or delayed) of all the Lenders and the Borrowers, be binding on all Parties.

13.4 Break Costs

- (a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a confirmation of the amount of its Break Costs for any Interest Period in which they accrue.

14. FEES

14.1 Prolongation fee

Starbev Netherlands B.V. and Molson Coors Netherlands B.V. shall pay to each Lender (for its own account) a prolongation fee in the amount and at the times agreed in the Second Amendment and Restatement Agreement.

14.2 Agency fee

Molson Coors Netherlands B.V. shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

14.3 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

15. TAX GROSS UP AND INDEMNITIES

15.1 Definitions

(a) In this Agreement:

“ **FATCA Payment** ” means the increase in a payment made by an Obligor to a Finance Party under Clause 15.7 (*FATCA Deduction and gross-up by Obligor*).

“ **Protected Party** ” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“ **Tax Credit** ” means a credit against, relief or remission for, or repayment of, any Tax.

“ **Tax Deduction** ” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than (i) a FATCA Deduction and (ii) any deductions or withholdings under the Savings Directive.

“ **Tax Payment** ” means either the increase in a payment made by an Obligor to a Finance Party under Clause 15.2 (*Tax gross-up*) or a payment under Clause 15.3 (*Tax indemnity*).

15.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) An Obligor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Obligors.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence

reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

15.3 Tax indemnity

- (a) Each Obligor shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction; or
 - (C) under the law of the jurisdiction in which that Finance Party has a permanent establishment and/or permanent representative to which income under this Agreement is attributed in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 15.2 (*Tax gross-up*) or Clause 15.7 (*FATCA Deduction and gross-up by Obligor*);
 - (iii) relates to a FATCA Deduction required to be made by a Party;
 - (iv) is suffered or incurred with respect to any Bank Levy (or any payment attributable to, or liability arising as a consequence of, a Bank Levy); or
 - (v) with respect to any deductions or withholdings under the Savings Directive.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Obligors.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 15.3, notify the Agent.

15.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

15.5 Stamp taxes

Each Obligor shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document, except for any such amount payable in respect of an assignment or, transfer or sub-participation by that Finance Party.

15.6 VAT

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party shall pay to the Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Subject Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Subject Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Subject Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which

the Recipient reasonably determines relates to the VAT chargeable on that supply; and

- (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Subject Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 15.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time.

15.7 FATCA Deduction and gross-up by Obligor

- (a) If an Obligor is required to make a FATCA Deduction, that Obligor shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If a FATCA Deduction is required to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (c) A payment shall not be increased under paragraph (b) above by reason of a FATCA Deduction if on the date on which the payment falls due the payment could have been made to that Lender (or to the Agent on behalf of such Lender) without a FATCA Deduction if such Lender (or Agent) were a FATCA Exempt Party, except where, in the case of any Lender that is a Party as at the date of this Second Amendment and Restatement Agreement, being or becoming a FATCA Exempt Party would constitute a breach of any law in that Lender's jurisdiction.
- (d) The Guarantor shall promptly upon becoming aware that an Obligor must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Agent accordingly. Similarly, a Finance Party shall notify the Agent on becoming so aware in respect of a payment payable to that Finance Party. If the Agent receives such notification from a Finance Party it shall notify the Guarantor and that Obligor.

- (e) Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Obligor making that FATCA Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

15.8 Tax Credit and FATCA

If an Obligor makes a FATCA Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that FATCA Payment forms part, to that FATCA Payment or to a FATCA Deduction in consequence of which that FATCA Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the FATCA Payment not been required to be made by the Obligor.

15.9 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to Clause 15.8(a)(i)(A) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

16. INCREASED COSTS

16.1 Increased costs

- (a) Subject to Clause 16.3 (*Exceptions*) the Obligors shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.

- (b) In this Agreement:

- (i) **“Increased Costs”** means:

- (A) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

- (ii) **“Basel III”** means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the

Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and

- (B) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

16.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 16.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Obligors.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

16.3 Exceptions

- (a) Clause 16.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by Clause 15.3 (*Tax indemnity*) (or would have been compensated for under Clause 15.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 15.3 (*Tax indemnity*) applied);
 - (iii) relates to a FATCA Deduction required to be made by a Party;
 - (iv) is suffered or incurred with respect an increase in rate of any Bank Levy in force as at the date of the Second Amendment and Restatement Agreement (or any payment attributable to, or liability arising as a consequence of, an increase in rate of any Bank Levy in force as at the date of the Second Amendment and Restatement Agreement);
 - (v) compensated for by the payment of Mandatory Cost;
 - (vi) attributable to the willful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (vii) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“ **Basel II** ”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) In this Clause 16.3 reference to a “ **Tax Deduction** ” has the same meaning given to the term in Clause 15.1 (*Definitions*).]

17. OTHER INDEMNITIES

17.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
- (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

17.2 Other indemnities

- (a) The Obligors shall, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by it as a result of:
- (i) the occurrence of any Event of Default;
 - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 30 (*Sharing among the Finance Parties*);
 - (iii) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (iv) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower.
- (b) The Obligors shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the transactions contemplated by the Finance Documents or funding

the transactions contemplated by the Finance Documents (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the transactions under the Finance Documents), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this Clause 17.2 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

17.3 Indemnity to the Agent

The Obligors shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorized; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 31.10 (*Disruption to Payment Systems etc .*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

18. MITIGATION BY THE LENDERS

18.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Obligors, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 8.1 (*Illegality*), Clause 15 (*Tax gross-up and indemnities*) or Clause 18 (*Increased Costs*), or in respect of Mandatory Cost, including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

18.2 Limitation of liability

- (a) The Obligors shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 18.1 (*Mitigation*).

- (b) A Finance Party is not obliged to take any steps under Clause 18.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

19. COSTS AND EXPENSES

19.1 Transaction expenses

The Obligors shall promptly on demand pay the Agent and the Arranger the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

19.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 31.9 (*Change of currency*), each Obligor shall, within five Business Days of demand, reimburse each of the Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

19.3 Enforcement and preservation costs

Each Obligor, within five Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document.

**SECTION 7
GUARANTEE**

20. GUARANTEE AND INDEMNITY

20.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 20 if the amount claimed had been recoverable on the basis of a guarantee.

20.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

20.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Clause 20 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

20.4 Waiver of defences

The obligations of the Guarantor under this Clause 20 will not be affected by an act, omission, matter or thing which, but for this Clause 20, would reduce, release or prejudice any of its obligations under this Clause 20 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

20.5 Guarantor Intent

Without prejudice to the generality of Clause 20.4 (*Waiver of Defences*), the Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

20.6 Immediate recourse

The Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this

Clause 20. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

20.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 20.

20.8 Deferral of Guarantor's rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 20:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 20.1 (*Guarantee and Indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance

Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 31 (*Payment mechanics*).

20.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

21. REPRESENTATIONS

21.1 General

Each Obligor makes the representations and warranties set out in this Clause 21 to each Finance Party.

21.2 Status

- (a) It and each of its Subsidiaries is a limited liability company or corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries with respect to the Borrowers and each of the Material Subsidiaries with respect to the Guarantor have the power to own its assets and carry on its business as it is being conducted save to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

21.3 Binding obligations

The obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations.

21.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it to the extent or in a manner that such conflict gives rise to a Material Adverse Effect;
- (b) the constitutional documents or articles of association of any Obligor in any material respect; or
- (c) any agreement or instrument binding upon it or any Obligor or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument, in each case, to the extent or in a manner that such conflict gives rise to a Material Adverse Effect.

21.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

- (b) No limit on its powers will be exceeded as a result of the borrowing or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

21.6 Validity and admissibility in evidence

- (a) All Authorisations required or desirable:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
 - (ii) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect, provided that, in the future, the registration of any Finance Document with the *Administration de l'enregistrement et des Domaines* may be requested in case of legal proceedings before a Luxembourg court or when such Finance Document has to be produced before an official Luxembourg authority.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Obligors have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

21.7 Governing law and enforcement

- (a) The choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions.
- (b) Any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions, subject to relevant exequatur procedures.

21.8 Insolvency

No corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 25.7 (*Insolvency proceedings*) has been taken or, to the knowledge of the Obligors, threatened in relation to any Obligor or any Operating Company; and none of the circumstances described in Clause 25.6 (*Insolvency*) applies to any Obligor or any Operating Company.

21.9 No filing or stamp taxes

- (a) It is not necessary under the laws of its Relevant Jurisdictions that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents (except for any registration due under or connection with the registration of a Finance Document (and any document in connection therewith))

with the *Administration de l'Enregistrement et des Domaines* in Luxembourg that may be required in the case of legal proceedings before Luxembourg courts or in the case that a Finance Document (and any document in connection therewith) must be produced before an official Luxembourg authority (*autorité constituée*) and a nominal registration duty or an *ad valorem* duty may be payable, depending on the nature of the document to be registered).

- (b) Any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by or being financed by the Finance Documents has been made.

21.10 No Default

- (a) No Event of Default and, on the date of this Agreement, no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any Operating Company or to which its (or any Operating Companies') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

21.11 No misleading information

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement:

- (a) any factual information provided to the Agent or the Arranger in connection with Finance Documents was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given;
- (b) the expressions of opinion or intention provided by or on behalf of an Obligor to the Agent or the Arranger in connection with Finance Documents were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds;
- (c) no event or circumstance has occurred or arisen and no information has been omitted from any information to the Agent or the Arranger; and
- (d) all other written information provided by any Obligor to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

21.12 Original Financial Statements

- (a) Its Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied.
- (b) Its unaudited Original Financial Statements fairly represent its financial condition and results of operations for the relevant financial quarter.
- (c) Its audited Original Financial Statements (as relevant) give a true and fair view of its financial condition and results of operations during the relevant financial year.
- (d) There has been no material adverse change in its assets, business or financial condition since the date of the Original Financial Statements.
- (e) Its most recent financial statements delivered pursuant to Clause 22.1 (*Financial Statements*):
 - (i) have been prepared in accordance with the Accounting Principles as applied to the Original Financial Statements; and
 - (ii) give a true and fair view of (if audited) or fairly present (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.
- (f) Since the date of the most recent financial statements delivered pursuant to Clause 22.1 (*Financial Statements*) there has been no material adverse change in the business, assets or financial condition of the Group.

21.13 No proceedings pending or threatened

Save for (i) as disclosed to the Agent prior to the date of the Second Amendment and Restatement Agreement in the latest Form 10-K report and Form 10-Q report of the Guarantor and (ii) a Proceeding (as defined below) pursuant to which an Obligor, Guarantor or Material Subsidiary, as the case may be, has a right of offset or indemnity claim against a person related to such Proceeding, no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency (a “ **Proceeding** ”) which, if adversely determined, could result in the liability of: (a) any Obligor in the amount exceeding EUR 10,000,000 (or its equivalent) in respect of the Group and (b) the Guarantor and any Material Subsidiary in the amount exceeding EUR 10,000,000, have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any of Operating Companies.

21.14 Financial Indebtedness

Neither the Obligors nor any member of the Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

21.15 No adverse consequences

- (a) It is not necessary under the laws of the Relevant Jurisdictions:

- (i) in order to enable any Finance Party to enforce its rights under any Finance Document; or
- (ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any Relevant Jurisdictions.

- (b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

21.16 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “**Regulation**”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation and it has no “establishment” (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

21.17 Times when representations made

- (a) All the representations and warranties in this Clause 21 are made by each Obligor on the date of this Agreement.
- (b) The Repeating Representations are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period (except that those contained in paragraphs (a) to (d) of Clause 21.12 (*Original Financial Statements*) will cease to be so made once subsequent financial statements have been delivered under this Agreement).
- (c) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

22. INFORMATION UNDERTAKINGS

The undertakings in this Clause 22 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 22:

“ **Annual Financial Statements** ” means the financial statements for a financial year delivered pursuant to paragraph (a) of Clause 22.1 (*Financial statements*).

“ **Quarterly Financial Statements** ” means the financial statements delivered pursuant to paragraph (b) of Clause 22.1 (*Financial statements*).

22.1 Financial statements

The Guarantor shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as they are available, but in any event within 180 days after the end of each of its financial years:
 - (i) the Guarantor's audited consolidated financial statements for that financial year; and
 - (ii) the unaudited financial statements of each Borrower that is not incorporated in Luxembourg for that financial year;
 - (iii) the unaudited preliminary interim financial reports of each Borrower that is incorporated in Luxembourg for that financial year; and
 - (iv) if prepared, the audited or unaudited consolidated financial statements of the Group for that financial year;
- (b) as soon as they are available, but in any event within 365 days after the end of each of its financial years, the unaudited financial statements of each Borrower that is incorporated in Luxembourg for that financial year; and
- (c) as soon as they are available, but in any event within 45 days after the end of each calendar quarter of each of its financial years the Guarantor's consolidated financial statements for that Financial Quarter; and
- (d) if prepared, as soon as they are available, but in any event within 45 days after the end of each calendar quarter of each of its financial years the Group's consolidated financial statements for that Financial Quarter.

22.2 Provision and contents of Compliance Certificate

- (a) The Guarantor shall supply a Compliance Certificate to the Agent with each set of its audited consolidated Annual Financial Statements and each set of its consolidated Quarterly Financial Statements.
- (b) The Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with Clause 23 (*Financial Covenants*).
- (c) Each Compliance Certificate shall be signed by one officer of the Guarantor and, if required to be delivered with the consolidated Annual Financial Statements of the Guarantor, shall be reported on by the Guarantor's Auditors in the form agreed by the Guarantor and the Majority Lenders.

22.3 Requirements as to financial statements

- (a) The Obligors shall procure that each set of Annual Financial Statements and Quarterly Financial Statements includes a balance sheet, profit and loss account and cashflow statement. In addition the Guarantor shall procure that the Annual Financial Statements of the Guarantor shall be audited by the Auditors.

- (b) Each set of financial statements delivered pursuant to Clause 22.1 (*Financial statements*):
 - (i) shall be certified by a director of the relevant company as giving a true and fair view of (in the case of Annual Financial Statements for any financial year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the Annual Financial Statements of the Guarantor, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those Annual Financial Statements; and
 - (ii) shall be prepared in accordance with the Accounting Principles.

22.4 Information: miscellaneous

Each Obligor shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor, any Material Subsidiary or any Operating Company, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect; and
- (b) promptly on request, such further information regarding the financial condition, assets and operations of the Group and/or any member of the Group (including any requested amplification or explanation of any item in the financial statements, budgets or other material provided by any Obligor under this Agreement, any changes to Senior Management and an up-to-date copy of its Shareholders' register (or equivalent in its jurisdiction of incorporation)) as any Finance Party through the Agent may reasonably request.

22.5 Notification of default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, each Obligor shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

22.6 "Know your customer" checks

- (a) If:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (ii) any change in the status of an Obligor or the composition of the shareholders of a Borrower after the date of this Agreement; or
- (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, all documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender that is necessary for the Agent or the respective Lender in order to comply with all necessary regular “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents and/or any updates thereof.
- (c) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

23. FINANCIAL COVENANTS

23.1 Financial definitions

In this Agreement:

- (a) “ **Relevant Period** ” means each period of 12 months, ending on or about the last day of the financial year of the Guarantor and each period of 12 months ending on or about the last day of each financial quarter of the Guarantor.

- (b) All calculations for the purposes of Clause 23.2 (*Financial condition*) shall be based on the definitions, assumptions and requirements set out in the Parent Co. Facility and Schedule 10 (*Consolidated EBITDA*) as in force on the date of this Agreement.

23.2 Financial condition

The Guarantor shall ensure that Net Debt/EBITDA in respect of any Relevant Period shall not exceed 3.50:1.

23.3 Financial testing

The financial covenants set out in Clause 23.2 (*Financial condition*) shall be calculated in accordance with the Accounting Principles (save as varied by this Agreement) and tested by reference to each of the financial statements delivered pursuant to paragraphs (a)(i) and (b) of Clause 22.1 (*Financial Statements*) and/or each Compliance Certificate delivered pursuant to Clause 22.2 (*Provision and contents of Compliance Certificate*).

24. GENERAL UNDERTAKINGS

The undertakings in this Clause 24 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

24.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Finance Document;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document; and
- (iii) carry on its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

24.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

24.3 Maintenance of legal status

Each Obligor shall do all such things as are necessary or desirable to maintain that Obligor's corporate existence in the same legal form as that Obligor exists as at the date of this Agreement save to the extent that Obligor is a Borrower and that Borrower merges with another Borrower.

24.4 Merger

No Borrower shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a merger with another Borrower.

24.5 Change of business

Each Obligor shall procure that no substantial change is made to the general nature of the business of the Obligors from that carried on at the date of this Agreement.

24.6 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

24.7 Negative pledge

In this Clause 24.7, "Quasi-Security" means an arrangement or transaction described in paragraph (b) below.

- (a) No Borrower shall (and the Obligors shall ensure that no member of the Group will) create or permit to subsist any Security over any of its assets other than Permitted Security.
- (b) No Borrower shall (and the Obligors shall ensure that no member of the Group will):
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms (other than where such arrangement or transaction constitutes Permitted Financial Indebtedness);
 - (iii) other than Permitted Security, enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

24.8 Disposals

- (a) Except as permitted under paragraph (b) below, no Borrower shall (and each Obligor shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to:
 - (i) any Permitted Disposal;
 - (ii) any disposal of claims or receivables or related assets in the transactions constituting Permitted Financial Indebtedness under paragraphs (a) of the definition of “Permitted Financial Indebtedness” in Clause 1.1 (*Definitions*); or
 - (iii) any sale, lease, transfer or other disposal which is on an arm’s length basis and which is of assets for cash where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration receivable for any other sale, lease, licence, transfer or other disposal) does not exceed EUR 15,000,000 (or its equivalent) in total during the term of this Agreement.

24.9 Arm’s length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and each Obligor shall ensure no member of the Group will) enter into any transaction with any person except on arm’s length terms and for full market value.
- (b) Paragraph (a) shall not apply to any transaction between a member of the Group and any Obligor or any Affiliate of an Obligor.

24.10 Loans or credit

- (a) Except as permitted under paragraph (b) below, no Borrower shall (and each Obligor shall ensure that no member of the Group will) be a creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) does not apply to any loan that is a Permitted Loan.

24.11 No Guarantees or indemnities

- (a) Except as permitted under paragraph (b) below, no Borrower shall (and the Obligors shall ensure that no member of the Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to a guarantee which:

- (i) arises under any Finance Document;
- (ii) is given in respect of the Ancillary Outstandings; or
- (iii) is the endorsement of negotiable instruments in the ordinary course of trade.

24.12 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, no Borrower shall (and the Obligors shall ensure that no member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is Permitted Financial Indebtedness.

25. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 25 is an Event of Default (save for Clause 25.13 (*Acceleration*)).

25.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within 3 Business Days of its due date.

25.2 Financial covenants

Any requirement of Clause 23 (*Financial covenants*) is not satisfied.

25.3 Other obligations

- (a) An Obligor does not comply with any of its obligation set forth in the Finance Documents (other than those referred to in Clause 25.1 (*Non-payment*) and Clause 25.2 (*Financial covenants and other obligations*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 35 days of the earlier of (i) the Agent giving notice to the relevant Obligor and (ii) an Obligor becoming aware of the failure to comply.

25.4 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

- (b) No Event of Default under paragraph (a) above will occur if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 35 days of the earlier of (i) the Agent giving notice to the relevant Obligor and (ii) an Obligor becoming aware of the misrepresentation.

25.5 Cross Default

- (a) Any Financial Indebtedness of an Obligor or any of its Affiliates or a member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor or any of its Affiliates or a member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any creditor of any Obligor or any member of the Group becomes entitled to declare any Financial Indebtedness of any Obligor or any member of the Group due and payable prior to its specified maturity as a result of a non-payment event of default (howsoever described).
- (d) No Event of Default will occur under this Clause 25.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than US\$ 50,000,000 (or its equivalent in any other currency or currencies).

25.6 Insolvency

- (a) Any Obligor is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.
- (d) The Guarantor or any Material Subsidiary (other than any Borrower) is unable or admits in writing an inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends making payments on any of its debts.

25.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
- (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;
- (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or a substantial part of its assets;
- (iv) enforcement of any Security over any assets of any Obligor;
- (v) a liquidation, reorganization or other relief in respect of the Guarantor or any Material Subsidiary (other than any Borrower), its debts or a substantial part of its assets; or
- (vi) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Guarantor or any Material Subsidiary (other than any Borrower) or a substantial part of its assets,

or any analogous procedure or step is taken in any jurisdiction.

- (b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

25.8 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect.

25.9 Repudiation and rescission of agreements

An Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

25.10 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes lead to one or more judgments for the payment

of money in excess of US\$ 50,000,000 against the Guarantor or any Material Subsidiary and shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or a judgment creditor shall have attached or levied upon any material assets of the Guarantor or any Material Subsidiary to enforce such judgment.

25.11 Failure to provide cash cover

An Obligor fails to provide cash cover pursuant to Clause 6.3(b)(v).

25.12 Material adverse change

- (a) Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.
- (b) No Event of Default under paragraph (a) above will occur if the event or circumstances having or which are likely to have Material Adverse Effect are capable of remedy and are remedied within 35 days of the earlier of (i) the Agent giving notice to the relevant Obligor and (ii) an Obligor becoming aware of such events or circumstances.

25.13 Acceleration

On and at any time after the occurrence of an Event of Default the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrowers:

- (a) cancel the Total Commitments and/or Ancillary Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (e) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

**SECTION 9
CHANGES TO PARTIES**

26. CHANGES TO THE LENDERS

26.1 Assignments and transfers by the Lenders

Subject to this Clause 26, a Lender (the “ **Existing Lender** ”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “ **New Lender** ”) and, at any time when an Event of Default is continuing, to any third party.

26.2 Conditions of assignment or transfer

- (a) An Existing Lender must notify with the Borrowers before it may make an assignment or transfer in accordance with Clause 26.1 (*Assignments and transfers by the Lenders*) unless the assignment or transfer is:
 - (i) to another Lender or an Affiliate of a Lender;
 - (ii) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) An assignment will only be effective on:
 - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
 - (ii) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (c) A transfer will only be effective if the procedure set out in Clause 26.5 (*Procedure for transfer*) is complied with.
- (d) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

- (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 15 (*Tax Gross Up and Indemnities*) or Clause 16 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under that Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

- (e) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender;
- (f) In order to comply with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the amount transferred under this Clause 26 shall include an outstanding portion of at least EUR 100,000 (or its equivalent in other currencies) per Lender or such other amount as may be required from time to time by the Dutch Financial Supervision Act (or implementing legislation) or if less, the New Lender shall confirm in writing to the Borrowers that it is a professional market party within the meaning of the Dutch Financial Supervision Act.

26.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of EUR 3,000.

26.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 26; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

26.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (the “ **Discharged Rights and Obligations** ”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor

or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

- (iii) the Agent, the Arranger, the New Lender, the other Lenders and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “Lender”.

26.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the “ **Relevant Obligations** ”) expressed to be the subject of the release in the Assignment Agreement; and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 26.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 26.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 26.2 (*Conditions of assignment or transfer*).

26.7 Copy of Transfer Certificate or Assignment Agreement

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Borrowers a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

26.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.9 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 26.5 (*Procedure for transfer*) or any assignment pursuant to Clause 26.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts** ") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period; and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

- (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
- (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 26.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

27. CHANGES TO THE OBLIGORS

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents provided, however, this provision shall not prevent any of the Borrowers from merging into one entity.

SECTION 10
THE FINANCE PARTIES

28. ROLE OF THE AGENT, THE ARRANGER AND OTHERS

28.1 Appointment of the Agent

- (a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arranger and the Lenders authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

28.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 26.7 (*Copy of Transfer Certificate or Assignment Agreement*), paragraph (a) above shall not apply to any Transfer Certificate or any Assignment Agreement.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

28.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

28.4 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent and/or the Arranger as a trustee or fiduciary of any other person.

- (b) None of the Agent, the Arranger or any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

28.5 Business with the Group

The Agent, the Arranger and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

28.6 Rights and discretions

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents;
 - (ii) unless it has received notice of revocation, that the instructions received by it from the Majority Lenders, any Lenders or any group of Lenders have not been revoked;
 - (iii) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 25.1 (*Non-payment*));
 - (iv) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (v) any notice or request made by a Borrower (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) Without prejudice to the generality of paragraph (c) above, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.

- (e) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part, of any such person,unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.
- (f) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (h) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- (i) The Agent may not disclose to any Finance Party any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a)(ii) of Clause 13.2 (*Market Disruption*).

28.7 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

- (c) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (d) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (e) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

28.8 Responsibility for documentation

None of the Agent, the Arranger or any Ancillary Lender:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Ancillary Lender, an Obligor or any other person given in or in connection with any Finance Document or the Information Memorandum or the Reports or the transactions contemplated in the Finance Documents;
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

28.9 No duty to monitor

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

28.10 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 31.10 (*Disruption to Payment Systems, etc.*)), neither

the Agent nor any Ancillary Lender will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

- (b) No Party (other than the Agent or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent or any Ancillary Lender, in respect of any claim it might have against the Agent or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent or any Ancillary Lender may rely on this Clause subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

28.11 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 31.10 (*Disruption to Payment Systems, etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of

liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

28.12 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Borrowers.
- (b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Borrowers, in which case the Majority Lenders may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent may appoint a successor Agent.
- (d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 28 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 28. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

- (i) the Agent fails to respond to a request under Clause **Error! Reference source not found.** (*FATCA Information*) and the Guarantor or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (ii) the information supplied by the Agent pursuant to Clause **Error! Reference source not found.** (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Agent notifies the Guarantor and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Guarantor or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Guarantor or that Lender, by notice to the Agent, requires it to resign.

28.13 Replacement of the Agent

- (a) All Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 28 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

28.14 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

28.15 Relationship with the Lenders

- (a) Subject to Clause 26.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost.
- (c) Each Lender shall supply the Agent with any information that the Agent may reasonably specify as being necessary or desirable to enable the Agent to perform its functions as Agent.
- (d) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or dispatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 33.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 33.2 (*Addresses*) and paragraph (a)(iii) of Clause 33.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

28.16 Credit appraisal by the Lenders and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and Ancillary Lender confirms to the Agent, the Arranger and each Ancillary Lender that it has been, and will

continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of the Information Memorandum, the Reports and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

28.17 Base Reference Banks

If a Base Reference Bank (or, if a Base Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall appoint another Lender or an Affiliate of a Lender to replace that Base Reference Bank.

28.18 Agent's management time

Any amount payable to the Agent under Clause 17.3 (*Indemnity to the Agent*), Clause 14 (*Fees*), Clause 28.11 (*Lender's Indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent, may notify to the Obligors and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 14 (*Fees*).

28.19 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28.20 Reliance and engagement letters

Each Finance Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to the Reports or any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those Reports, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

29. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

30. SHARING AMONG THE FINANCE PARTIES

30.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 31 (*Payment mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due under the Finance Documents then:
 - (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
 - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 31 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
 - (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 31.5 (*Partial payments*).

- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.

30.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 31.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

30.3 Recovering Finance Party’s rights

On a distribution by the Agent under Clause 30.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

30.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

30.5 Exceptions

- (a) This Clause 30 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably

practicable having received notice and did not take separate legal or arbitration proceedings.

30.6 Ancillary Lenders

- (a) This Clause 30 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to service of notice under Clause 25.13 (*Acceleration*).
- (b) Following service of notice under Clause 25.13 (*Acceleration*), this Clause 30 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction from the Designated Gross Amount for an Ancillary Facility to its Designated Net Amount.

**SECTION 11
ADMINISTRATION**

31. PAYMENT MECHANICS

31.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

31.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 31.3 (*Distributions to an Obligor*) and Clause 31.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

31.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 32 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

31.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount

from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

31.5 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
- (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent under those Finance Documents;
 - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

31.6 Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

31.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

31.8 Currency of account

- (a) Subject to paragraphs (b) to (e) below, euro is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than euro shall be paid in that other currency.

31.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrowers); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31.10 Disruption to Payment Systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrowers that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrowers, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

- (d) any such changes agreed upon by the Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 37 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 31.10; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

32. SET-OFF

- (a) A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of trading for the purpose of the set-off.
- (b) Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

33. NOTICES

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

33.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of any Obligor, that identified with its name below;
- (b) in the case of each Lender, each Ancillary Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

33.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the any of the Borrowers in accordance with this Clause 33.3 will be deemed to have been made or delivered to each of the Obligors.

33.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 33.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

33.5 Electronic communication

- (a) Any communication to be made between the Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

- (iii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

33.6 Use of websites

- (a) An Obligor may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Borrowers and the Agent (the "**Designated Website**") if:
 - (i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
 - (ii) the Borrowers and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (iii) the information is in a format previously agreed between the Parent and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Borrowers accordingly and the each Borrower shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Borrowers shall at their own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Borrowers and the Agent.
- (c) Each Borrower shall promptly upon becoming aware of its occurrence notify the Agent if:
 - (i) the Designated Website cannot be accessed due to technical failure;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

- (v) the any of the Borrowers becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.
- (d) If any of the Borrowers notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Obligors under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.
- (e) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. Each Borrower shall at its own cost comply with any such request within ten Business Days.

33.7 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34. CALCULATIONS AND CERTIFICATES

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

37. AMENDMENTS AND WAIVERS

37.1 Required consents

- (a) Subject to Clause 37.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 37.

37.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “Majority Lenders” in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) a change in currency of payment of any amount under the Finance Documents;
 - (v) an increase in or an extension of any Commitment or the Total Commitments;
 - (vi) a change to the Borrowers or Guarantors;
 - (vii) any provision which expressly requires the consent of all the Lenders;
 - (viii) Clause 2.3 (*Finance Parties’ rights and obligations*), Clause 26 (*Changes to the Lenders*) or this Clause 37;

- (ix) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of the guarantee and indemnity granted under Clause 20 (*Guarantee and Indemnity*);
- (x) the release of any guarantee and indemnity granted under Clause 20 (*Guarantee and Indemnity*) unless permitted under this Agreement or any other Finance Document;

shall not be made without the prior consent of all the Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger and that Ancillary Lender.

38. CONFIDENTIALITY

38.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 38.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

38.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more

Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

- (iii) appointed by any Finance Party or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (d) of Clause 28.15 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 26.8 (*Security over Lenders' rights*);
- (vii) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (viii) who is a Party; or
- (ix) with the consent of any Obligor;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (i) or (ii) and (iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to paragraphs (v), (vi) and (vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential

Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Obligors and the relevant Finance Party.

38.3 Entire agreement

This Clause 38 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

38.4 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

38.5 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Obligors:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 38.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 38.

38.6 Continuing obligations

The obligations in this Clause 38 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligor under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

39. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

40. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

41. ENFORCEMENT

41.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 41.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

41.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:
 - (i) irrevocably appoints Molson Coors Brewing Company (UK) Ltd at its registered office being, on the date of this Agreement, at 137 High Street, Burton-on-Trent, Staffordshire DE14, 1JZ, England as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Obligor must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
THE ORIGINAL LENDERS

Name of Original Lender	Facility A Commitment as at date of Second Amendment and Restatement Agreement
UniCredit Bank Czech Republic and Slovakia, a.s.	EUR 75,000,000
Citibank Europe plc, organizační složka	EUR 25,000,000

SCHEDULE 2
CONDITIONS PRECEDENT

1. Obligors

- (a) A copy of the constitutional documents of each Obligor.
- (b) A copy of a resolution of the board of directors of each Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (d) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Borrower, approving the terms of, and the transactions contemplated by, the Finance Documents to which the relevant Borrower is a party.
- (e) If applicable, a copy of a resolution of the board of directors of each corporate shareholder of the Guarantor approving the terms of the resolution referred to in paragraph (d) above.
- (f) A certificate of each Obligor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guarantee or similar limit binding on that Borrower to be exceeded.
- (g) A certificate of an authorised signatory of each Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. Finance Documents

- (a) This Agreement executed by all Obligors to this Agreement.
- (b) The Fee Letters executed by the Obligors.

3. Legal opinions

The following legal opinions, each addressed to the Agent and the Original Lenders and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facilities.

- (a) A legal opinion of White & Case (Europe) LLP, legal advisers to the Agent and the Arranger as to English law substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (b) A legal opinion Nauta Dutilh N.V., legal advisers to the Agent and Arranger as to Dutch law substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (c) A legal opinion of Mr. E. Lee Reichert , Deputy General Counsel to Molson Coors Brewing Company as to Delaware law substantially in the form distributed to the Original Lenders prior to signing this Agreement.

4. **Other documents and evidence**

- (a) List of intra-group loans (accepted by the Agent) granted to and by the Borrowers.
- (b) Competition clearance relating to acquisition by the Guarantor of the Group.
- (c) Evidence that the Borrowers and the Group have no Financial Indebtedness other than Permitted Financial Indebtedness.
- (d) Evidence that any process agent referred to in Clause 41.2 (*Service of process*) has accepted its appointment.
- (e) Evidence that the Guarantor controls (directly or indirectly through the Borrowers) the Group.
- (f) Evidence that the fees, costs and expenses then due from the Obligors pursuant to Clause 14 (*Fees*), Clause 14.3 (*Interest, commission and fees on Ancillary Facilities*), Clause 17.5 (*Stamp taxes*) and Clause 19 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
- (g) Only with respect to Loans under Facility A (and not to any Ancillary Facilities), evidence that acquisition of Apatinska pivara d.o.o. by Molson Coors Serbia d.o.o. has been completed (including cash settlement).

**SCHEDULE 3
REQUESTS**

**Part 1 Part 1A
[Further] Utilisation Request
Loans**

From: [*Borrower*]

To: [*Agent*]

Dated:

Dear Sirs

**Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a [Further] Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this [Further] Utilisation Request.
2. We wish to borrow a Loan on the following terms:
 - (a) Borrower: [●]
 - (b) Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
 - (c) Facility to be utilised: Facility A
 - (d) Currency of Loan: EUR
 - (e) Amount: [●] or, if less, the Available Facility
 - (f) Interest Period: [2 weeks] / [1 Month]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this [Further] Utilisation Request.
4. [The proceeds of this Loan should be credited to [*account*]].
5. This [Further] Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for

[insert name of Borrower]

Part 2
Cancellation Notice

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs,

Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)

1. We refer to the Facilities Agreement. This is a Cancellation Notice. Terms defined in the Facilities Agreement have the same meaning in this Cancellation Notice unless given a different meaning in this Cancellation Notice.
2. We refer to Facility A.
3. [We hereby cancel Facility A Commitment in the amount of [●], [pro rata with each Lender]/[with respect to [*insert the name of the Lender*] Commitment].
4. This Cancellation Notice is irrevocable.

Yours faithfully

.....

authorised signatory for
[insert name of relevant Borrower]

SCHEDULE 4
FORM OF TRANSFER CERTIFICATE

To: [●] as Agent

From: [The Existing Lender] (the “ **Existing Lender** ”) and [The New Lender] (the “ **New Lender** ”)

Dated:

Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)

1. We refer to the Facilities Agreement. This agreement (the “ **Agreement** ”) shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 26.5 (*Procedure for transfer*) of the Facilities Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment, rights and obligations referred to in the Schedule in accordance with Clause 26.5 (*Procedure for transfer*).
 - (b) The proposed Transfer Date is [●].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.
3. [The New Lender is a FATCA Exempt Party.]
4. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*).
5. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
6. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
7. This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Schedule

Commitment/rights and obligations to be transferred

[*insert relevant details*]

[*Facility Office address, fax number and attention details for notices and account details for payments ,*]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent and the Transfer Date is confirmed as [●].

[Agent]

By:

SCHEDULE 5
FORM OF ASSIGNMENT AGREEMENT

To: [●] as Agent and Obligors

From: [The Existing Lender] (the “ **Existing Lender** ”) and [the New Lender] (the “ **New Lender** ”)

Dated:

Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)

1. We refer to the Facilities Agreement. This is an Assignment Agreement. This agreement (the “ **Agreement** ”) shall take effect as an Assignment Agreement for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 26.6 (*Procedure for assignment*) of the Facilities Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement and the other Finance Documents.
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitments and participations in Utilisations under the Facilities Agreement specified in the Schedule.
 - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Transfer Date is [●].
4. On the Transfer Date the New Lender becomes Party to the relevant Finance Documents as a Lender.
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.
6. [The New Lender is a FATCA Exempt Party.]
7. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 26.4 (*Limitation of responsibility of Existing Lenders*).
8. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 26.7 (*Copy of Transfer Certificate or Assignment Agreement*), to the Obligors of the assignment referred to in this Agreement.

9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
11. This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Schedule

Commitment/rights and obligations to be transferred by assignment, release and accession

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Agent and the Transfer Date is confirmed as [●].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

**SCHEDULE 6
FORM OF COMPLIANCE CERTIFICATE**

To: [●] as Agent

From: Guarantor

Dated:

Dear Sirs

**Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms defined in the Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:

[*Insert details of covenants to be certified*].
3. [We confirm that no Default is continuing.]*
4. [We confirm that no Event of Default is continuing with respect to the Guarantor or any Material Subsidiary]*

Signed

Officer of [Guarantor]

[insert applicable certification language]

.....

for and on behalf of
[name of Auditors of the Guarantor]**

NOTES:

- * If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.
- ** Only applicable if the Compliance Certificate accompanies the audited financial statements and is to be signed by the Auditors.

**SCHEDULE 7
TIMETABLES**

**Part 1
Loans**

Delivery of a duly completed Utilisation Request (Clause 5.1 U-3
(*Delivery of a Utilisation Request*))

9.30 am

The Agent notifies the Lenders of the requested Loan in U-3
accordance with Clause 5.4 (*Lenders' participation*)

Noon

The Lenders notify the Agent of their intention to participate in the U-1
Utilisation

9.30 am

The Agent notifies the Lenders and the Borrowers of the Lenders U-1
participating in the Utilisation

Noon

EURIBOR is fixed

Quotation Day as of 11.00 a.m. in respect of EURIBOR

“U” = date of utilisation.

“U - X” = X Business Days prior to date of utilisation.

**SCHEDULE 8
FORM OF ANCILLARY FACILITY NOTICE**

From: [Borrower]
To: [Agent]
Dated:

Dear Sirs,

**Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is an Ancillary Facility Notice. Terms defined in the Facilities Agreement have the same meaning in this Ancillary Facility Notice unless given a different meaning in this Ancillary Facility Notice.
2. We hereby request an Ancillary Facility on the terms set out below:
 - 2.1 Borrower(s): [];w
 - 2.2 Ancillary Commencement Date: [];
 - 2.3 Type of Ancillary Facility: [];
 - 2.4 Ancillary Lender: [];
 - 2.5 Ancillary Commitment: [];
 - 2.6 Currency: []; and
 - 2.7 [*others*].
3. This Ancillary Facility Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
[insert name of relevant Borrower]

Accepted and acknowledged by:

.....
authorised signatory for the Agent

.....
authorised signatory for the Ancillary Lender

**SCHEDULE 9
PREPAYMENT AND CANCELLATION NOTICE**

From: [Lender]

To: [Borrower]

Copy to: [Agent]

Dated:

Dear Sirs,

**Starbev – Facilities Agreement
dated 10 September 2012 (as amended from time to time, the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Prepayment and Cancellation Notice. Terms defined in the Facilities Agreement have the same meaning in this Cancellation Notice unless given a different meaning in this Cancellation Notice.
2. We hereby cancel our Facility A Commitment in the amount of [●].
3. Any Loan outstanding under Facility A is repayable on [●].

Yours faithfully

.....

authorised signatory for
[insert name of relevant Lender]

SCHEDULE 10
CONSOLIDATED EBITDA

“ **Consolidated EBITDA** ” means, for any period, consolidated net income of the Guarantor and the Subsidiaries for such period plus (a) without duplication and to the extent deducted in determining such consolidated net income, the sum of (i) Consolidated Interest Expense for such period, (ii) consolidated income tax expense, franchise taxes and state single business unitary and similar taxes imposed in lieu of income taxes or capital taxes for such period, (iii) all amounts attributable to depreciation and amortization (or other impairment of intangible assets) for such period, (iv) any non-cash charges and non-cash losses (including any write-off of deferred financing costs and the effects of purchase accounting) for such period (provided that any cash payment made with respect to any such non-cash charge or non-cash loss shall be subtracted in computing Consolidated EBITDA during the period in which such cash payment is made), (v) any extraordinary, unusual or non-recurring charges or losses for such period, (vi) all costs, fees and expenses during such period related to any restructuring (including, without limitation, related severance costs, retention bonuses, relocation expenses, expenses related to the closure of facilities and similar costs and expenses), issuance of equity, recapitalization, asset disposition, acquisition or Indebtedness, (vii) all expenses and charges which have been reimbursed by a third party, to the extent such reimbursement has not been included in consolidated net income, (viii) losses realized upon the disposition of property (other than inventory), (ix) expenses, charges and losses associated with the sale or discontinuance of any business operation to the extent such expenses, charges or losses are recorded at or about the time of such sale or discontinuance, (x) to the extent not included in consolidated net income, payments received from business interruption insurance or product recalls and (xi) losses of MillerCoors recognized under equity method accounting, minus (b) without duplication and to the extent included in determining consolidated net income of the Guarantor and the Subsidiaries, the sum of (i) income of MillerCoors recognized under equity method accounting, (ii) any extraordinary, unusual or nonrecurring gains for such period and (iii) gains realized upon the disposition of property (other than inventory), all determined on a consolidated basis in accordance with GAAP, minus (c) to the extent included in determining consolidated net income of the Guarantor and the Subsidiaries, cash distributions received by the Guarantor and the Subsidiaries from MillerCoors, plus (d) without duplication and to the extent not otherwise included in determining consolidated net income of the Guarantor and its Subsidiaries, an amount (which amount may be less than zero) equal to (i) the MillerCoors Average Ownership Percentage for such period multiplied by (ii) the Consolidated MillerCoors EBITDA for such period. In the event that there shall have occurred any acquisition or disposition of a business or a business unit during any period for which Consolidated EBITDA is to be determined, such determination shall be made on a pro forma basis (in accordance with Regulation S-X under the Securities Act of 1933) as if such acquisition or disposition and any related incurrence or repayment of Indebtedness had occurred on the first day of such period.

“ **Consolidated Interest Expense** ” means, for any period, the total interest expense of the Guarantor and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including (a) the amortization of debt discounts to the extent included in interest expense in accordance with GAAP, (b) the amortization of all fees (including fees with respect to interest rate protection agreements or other interest rate hedging arrangements) payable in connection with the incurrence of Indebtedness to the extent included in interest expense in accordance with GAAP, (c) commissions, discounts and other fees and charges owed in respect

of letters of credit to the extent included in interest expense in accordance with GAAP and (d) the portion of any rents payable under capital leases allocable to interest expense in accordance with GAAP.

“ **MillerCoors** ” means MillerCoors LLC, a Delaware limited liability company

“ **MillerCoors Average Ownership Percentage** ” means, for any period, (i) the sum for each day during such period of the MillerCoors Ownership Percentage for such day (determined at the close of business on such day) divided by (ii) the aggregate number of days during such period.

“ **MillerCoors Ownership Percentage** ” means, at any time, the percentage (expressed as a decimal) of the Equity Interests representing the aggregate economic interests of MillerCoors that are owned directly or indirectly by the Guarantor.

SIGNATURES

THE BORROWERS

STARBEV NETHERLANDS B.V.

By: E. Lee Reichert, Director By: J.P.V.G Visser, Director

Address: Naritaweg 165
 1043 BW
 Amsterdam, The Netherlands Attn: Director

Fax: +31 (0) 20 572 2650

MOLSON COORS NETHERLANDS B.V.

By: E. Lee Reichert, Director B By: J.P.V.G. Visser, Director A

Address: Naritaweg 165
 1043 BW
 Amsterdam, The Netherlands Attn: Director B

Fax: + 1 303 927 2329

THE GUARANTOR

MOLSON COORS BREWING COMPANY

By: E. Lee Reichert

Address: Molson Coors Brewing Company
1225 17th Street, Suite 3200 Denver CO, 80203

U.S.A.

Fax: +1 303 927 2622

THE ARRANGERS

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.

By: Michal Bárta By: Jan Nosek
upon a power of attorney upon a power of attorney

Address: BB Centrum – Budova Filadelfie

Želetavská 1525/1
140 92 Prague 4
Czech Republic

Fax: +420 221 159 115

Attention: Mr. Michal Bárta, Senior Manager, Corporate Finance Division

CITIBANK EUROPE PLC, operating in the Czech Republic through Citibank Europe plc, organizační složka

By: By:

Address: Bucharova 2641/14
158 00 Prague 5
Czech Republic

Fax: +420 233 061 617 (Credit Matters) / +420 233 061 617 (Operational Matters)

Attention: Mr. Petr Vodenka (Credit Matters)
Jana Kočová/ Daniela Balvínová (Operational Matters)

THE AGENT

UNICREDIT BANK AG, LONDON BRANCH

By: Antonella Ambrosini-Jones By: Gillian Akhurst

Address: Moor House
120 London Wall
London EC2Y 5ET

England

Fax: +44 207 826-1520

Attention: Mr. Thomas Hancock, Associate - Loan Agency/Gillian Akhurst, Director, Loans Agency

THE ORIGINAL LENDERS

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S .

By: Michal Bárta By: Jan Nosek
upon a power of attorney upon a power of attorney

Address: BB Centrum – Budova Filadelfie

Želetavská 1525/1
140 92 Prague 4
Czech Republic

Fax: +420 221 159 115

Attention: Mr. Michal Bárta, Senior Manager, Corporate Finance Division

CITIBANK EUROPE PLC, operating in the Czech Republic through Citibank Europe plc, organizační složka

By: By:

Address: Bucharova 2641/14
158 00 Prague 5
Czech Republic

Fax: +420 233 061 617 (Credit Matters) / +420 233 061 617 (Operational Matters)

Attention: Mr. Petr Vodenka (Credit Matters)
Jana Kočová/ Daniela Balvínová (Operational Matters)

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter Swinburn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Molson Coors Brewing Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PETER SWINBURN

Peter Swinburn
President and Chief Executive Officer
(Principal Executive Officer)

November 6, 2014

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Gavin Hattersley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Molson Coors Brewing Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GAVIN HATTERSLEY

Gavin Hattersley
Chief Financial Officer
(Principal Financial Officer)

November 6, 2014

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934.**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Molson Coors Brewing Company (the "Company") respectively, each hereby certifies that to his knowledge on the date hereof:

- (a) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2014 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PETER SWINBURN

Peter Swinburn
President and Chief Executive Officer
(Principal Executive Officer)
November 6, 2014

/s/ GAVIN HATTERSLEY

Gavin Hattersley
Chief Financial Officer
(Principal Financial Officer)
November 6, 2014

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.