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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 March 31, 2019

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	**84-0178360**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1801 California Street, Suite 4600, Denver, Colorado, USA	**80202**
1555 Notre Dame Street East, Montréal, Québec, Canada	**H2L 2R5**
(Address of principal executive offices)	(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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 April 25, 2019 :

Class A Common Stock — 2,560,668 shares
Class B Common Stock — 196,188,247 shares

Exchangeable shares:

As of April 25, 2019 , the following number of exchangeable shares were outstanding for Molson Coors Canada, Inc.:

Class A Exchangeable shares — 2,757,201 shares
Class B Exchangeable shares — 14,807,000 shares

The Class A exchangeable shares and Class B exchangeable shares are shares of the share capital in Molson Coors Canada Inc., a wholly-owned subsidiary of the registrant. They are publicly traded on the Toronto Stock Exchange under the symbols TPX.A and TPX.B, respectively. These shares are intended to provide substantially the same economic and voting rights as the corresponding class of Molson Coors common stock in which they may be exchanged. In addition to the registered Class A common stock and the Class B common stock, the registrant has also issued and outstanding one share each of a Special Class A voting stock and Special Class B voting stock. The Special Class A voting stock and the Special Class B voting stock provide the mechanism for holders of Class A exchangeable shares and Class B exchangeable shares to be provided instructions to vote with the holders of the Class A common stock and the Class B common stock, respectively. The holders of the Special Class A voting stock and Special Class B voting stock are entitled to one vote for each outstanding Class A exchangeable share and Class B exchangeable share, 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 Special Class A voting stock and Special Class B voting stock are subject to a voting trust arrangement. The trustee which holds the Special Class A voting stock and the Special Class B voting stock is required to cast a number of votes equal to the number of then-outstanding Class A exchangeable shares and Class B exchangeable shares, respectively, but will only cast a number of votes equal to the number of Class A exchangeable shares and Class B exchangeable shares as to which it has received voting instructions from the owners of record of those Class A exchangeable shares and Class B exchangeable shares, other than the registrant or its subsidiaries, respectively, on the record date, and will cast the votes in accordance with such instructions so received.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES

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Glossary of Terms and Abbreviations

AOCI	Accumulated other comprehensive income (loss)
CAD	Canadian dollar
CZK	Czech Koruna
DBRS	A global credit rating agency in Toronto
DSUs	Deferred stock units
EBITDA	Earnings before interest, tax, depreciation and amortization
EPS	Earnings per share
EUR	Euro
FASB	Financial Accounting Standards Board
GBP	British Pound
HRK	Croatian Kuna
JPY	Japanese Yen
Moody’s	Moody’s Investors Service Limited, a nationally recognized statistical rating organization designated by the SEC
OCI	Other comprehensive income (loss)
OPEB	Other postretirement benefit plans
PSUs	Performance share units
RSD	Serbian Dinar
RSUs	Restricted stock units
SEC	Securities and Exchange Commission
Standard & Poor’s	Standard and Poor’s Ratings Services, a nationally recognized statistical rating organization designated by the SEC
STRs	Sales-to-retailers
STWs	Sales-to-wholesalers
2017 Tax Act	Tax Cuts and Jobs Act
U.K.	United Kingdom
U.S.	United States
U.S. GAAP	Accounting principles generally accepted in the U.S.
USD or $	U.S. dollar
VIEs	Variable interest entities

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 2019 " therein, overall volume trends, consumer preferences, pricing trends, industry forces, cost reduction strategies, anticipated results, anticipated synergies, expectations for funding future capital expenditures and operations, expectations regarding future dividends, debt service capabilities, timing and amounts of debt and leverage levels, 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 SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2018 . 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.

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

	Three Months Ended	
	March 31, 2019	March 31, 2018
Sales	$ 2,800.1	$ 2,868.0
Excise taxes	(496.8)	(536.5)
Net sales	2,303.3	2,331.5
Cost of goods sold	(1,413.0)	(1,535.7)
Gross profit	890.3	795.8
Marketing, general and administrative expenses	(655.2)	(681.1)
Special items, net	(13.0)	314.8
Operating income (loss)	222.1	429.5
Interest income (expense), net	(73.3)	(83.2)
Other pension and postretirement benefits (costs), net	8.6	10.0
Other income (expense), net	23.9	1.1
Income (loss) before income taxes	181.3	357.4
Income tax benefit (expense)	(32.2)	(74.9)
Net income (loss)	149.1	282.5
Net (income) loss attributable to noncontrolling interests	2.3	(4.4)
Net income (loss) attributable to Molson Coors Brewing Company	$ 151.4	$ 278.1
Net income (loss) attributable to Molson Coors Brewing Company per share:		
Basic	$ 0.70	$ 1.29
Diluted	$ 0.70	$ 1.28
Weighted-average shares outstanding:		
Basic	216.5	215.8
Dilutive effect of share-based awards	0.4	0.8
Diluted	216.9	216.6
Anti-dilutive securities excluded from the computation of diluted EPS	1.1	0.5

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	
	March 31, 2019	March 31, 2018
Net income (loss) including noncontrolling interests	$ 149.1	$ 282.5
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	71.5	74.1
Unrealized gain (loss) on derivative instruments	(29.7)	(25.8)
Reclassification of derivative (gain) loss to income	0.1	1.1
Amortization of net prior service (benefit) cost and net actuarial (gain) loss to income	(0.6)	1.7
Ownership share of unconsolidated subsidiaries' other comprehensive income (loss)	1.0	(1.2)
Total other comprehensive income (loss), net of tax	42.3	49.9
Comprehensive income (loss)	191.4	332.4
Comprehensive (income) loss attributable to noncontrolling interests	2.1	(5.2)
Comprehensive income (loss) attributable to Molson Coors Brewing Company	$ 193.5	$ 327.2

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	
	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 234.4	$ 1,057.9
Accounts receivable, net	909.5	744.4
Other receivables, net	141.6	126.6
Inventories, net	687.9	591.8
Other current assets, net	364.6	245.6
Total current assets	2,338.0	2,766.3
Properties, net	4,553.3	4,608.3
Goodwill	8,279.4	8,260.8
Other intangibles, net	13,749.6	13,776.4
Other assets	903.3	698.0
Total assets	$ 29,823.6	$ 30,109.8
Liabilities and equity		
Current liabilities:		
Accounts payable and other current liabilities	$ 2,561.3	$ 2,706.4
Current portion of long-term debt and short-term borrowings	1,641.1	1,594.5
Total current liabilities	4,202.4	4,300.9
Long-term debt	8,484.8	8,893.8
Pension and postretirement benefits	726.9	726.6
Deferred tax liabilities	2,151.5	2,128.9
Other liabilities	369.9	323.8
Total liabilities	15,935.5	16,374.0
Commitments and contingencies (Note 14)		
Molson Coors Brewing Company stockholders' equity		
Capital stock:		
Preferred stock, $0.01 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: 205.7 shares and 205.4 shares, respectively)	2.0	2.0
Class A exchangeable shares, no par value (issued and outstanding: 2.8 shares and 2.8 shares, respectively)	103.2	103.2
Class B exchangeable shares, no par value (issued and outstanding: 14.8 shares and 14.8 shares, respectively)	557.6	557.6
Paid-in capital	6,776.2	6,773.1
Retained earnings	7,862.4	7,692.9
Accumulated other comprehensive income (loss)	(1,182.7)	(1,150.0)
Class B common stock held in treasury at cost (9.5 shares and 9.5 shares, respectively)	(471.4)	(471.4)
Total Molson Coors Brewing Company stockholders' equity	13,647.3	13,507.4
Noncontrolling interests	240.8	228.4
Total equity	13,888.1	13,735.8
Total liabilities and equity	$ 29,823.6	$ 30,109.8

See notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities:		
Net income (loss) including noncontrolling interests	$ 149.1	$ 282.5
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	212.9	213.7
Amortization of debt issuance costs and discounts	3.7	4.1
Share-based compensation	11.4	14.8
(Gain) loss on sale or impairment of properties and other assets, net	0.5	0.7
Unrealized (gain) loss on foreign currency fluctuations and derivative instruments, net	(57.2)	83.5
Income tax (benefit) expense	32.2	74.9
Income tax (paid) received	(8.5)	(8.9)
Interest expense, excluding interest amortization	72.1	79.3
Interest paid	(103.1)	(115.2)
Change in current assets and liabilities and other	(411.6)	(314.2)
Net cash provided by (used in) operating activities	(98.5)	315.2
Cash flows from investing activities:		
Additions to properties	(198.0)	(208.3)
Proceeds from sales of properties and other assets	2.4	1.6
Other	1.0	(45.4)
Net cash provided by (used in) investing activities	(194.6)	(252.1)
Cash flows from financing activities:		
Exercise of stock options under equity compensation plans	0.6	6.1
Dividends paid	(88.7)	(88.5)
Payments on debt and borrowings	(1,067.2)	(0.8)
Net proceeds from (payments on) revolving credit facilities and commercial paper	604.3	(248.7)
Change in overdraft balances and other	16.2	42.0
Net cash provided by (used in) financing activities	(534.8)	(289.9)
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	(827.9)	(226.8)
Effect of foreign exchange rate changes on cash and cash equivalents	4.4	6.1
Balance at beginning of year	1,057.9	418.6
Balance at end of period	$ 234.4	$ 197.9

See notes to unaudited condensed consolidated financial statements.

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND NONCONTROLLING INTERESTS
(IN MILLIONS)
(UNAUDITED)

		Molson Coors Brewing Company Stockholders' Equity								
		Common stock issued		Exchangeable shares issued					Common Stock held in treasury	
	Total	Class A	Class B	Class A	Class B	Paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Class B	Non controlling interests
As of December 31, 2017	$13,187.3	$ —	$ 2.0	$ 107.7	$ 553.2	$ 6,688.5	$ 6,958.4	$ (860.0)	$ (471.4)	$ 208.9
Shares issued under equity compensation plan	(5.8)	—	—	—	—	(5.8)	—	—	—	—
Amortization of share-based compensation	14.7	—	—	—	—	14.7	—	—	—	—
Net income (loss) including noncontrolling interests	282.5	—	—	—	—	—	278.1	—	—	4.4
Other comprehensive income (loss), net of tax	49.9	—	—	—	—	—	—	49.1	—	0.8
Adoption of new accounting pronouncement	(27.8)	—	—	—	—	—	(27.8)	—	—	—
Contributions from noncontrolling interests	6.4	—	—	—	—	—	—	—	—	6.4
Distributions and dividends to noncontrolling interests	(2.9)	—	—	—	—	—	—	—	—	(2.9)
Dividends declared and paid - $0.41 per share	(88.5)	—	—	—	—	—	(88.5)	—	—	—
As of March 31, 2018	$13,415.8	$ —	$ 2.0	$ 107.7	$ 553.2	$ 6,697.4	$ 7,120.2	$ (810.9)	$ (471.4)	$ 217.6

		Molson Coors Brewing Company Stockholders' Equity								
		Common stock issued		Exchangeable shares issued					Common Stock held in treasury	
	Total	Class A	Class B	Class A	Class B	Paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Class B	Non controlling interests
As of December 31, 2018	$13,735.8	$ —	$ 2.0	$ 103.2	$ 557.6	$ 6,773.1	$ 7,692.9	$ (1,150.0)	$ (471.4)	$ 228.4
Shares issued under equity compensation plan	(8.2)	—	—	—	—	(8.2)	—	—	—	—
Amortization of share-based compensation	11.3	—	—	—	—	11.3	—	—	—	—
Net income (loss) including noncontrolling interests	149.1	—	—	—	—	—	151.4	—	—	(2.3)
Other comprehensive income (loss), net of tax	42.3	—	—	—	—	—	—	42.1	—	0.2
Adoption of lease accounting standard (see Note 2)	32.0	—	—	—	—	—	32.0	—	—	—
Reclassification of stranded tax effects (see Note 2)	—	—	—	—	—	—	74.8	(74.8)	—	—
Contributions from noncontrolling interests	14.5	—	—	—	—	—	—	—	—	14.5
Dividends declared and paid - $0.41 per share	(88.7)	—	—	—	—	—	(88.7)	—	—	—
As of March 31, 2019	$13,888.1	$ —	$ 2.0	$ 103.2	$ 557.6	$ 6,776.2	$ 7,862.4	$ (1,182.7)	$ (471.4)	$ 240.8

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: MillerCoors LLC ("MillerCoors" or U.S. segment), operating in the U.S.; Molson Coors Canada ("MCC" or Canada segment), operating in Canada; Molson Coors Europe (Europe segment), operating in Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, the Republic of Ireland, Romania, Serbia, the U.K. and various other European countries; and Molson Coors International ("MCI" or International segment), operating in various other countries.

Unless otherwise indicated, information in this report is presented in USD and comparisons are to comparable prior periods. Our primary operating currencies, other than USD, include the CAD, the GBP, and our Central European operating currencies such as the EUR, CZK, HRK and RSD.

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 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, 2018 ("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 included in our Annual Report, except as noted below and in Note 2, "New Accounting Pronouncements."

The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results that may be achieved for the full year.

Non-Cash Activity

Non-cash activity includes non-cash issuances of share-based awards, as well as non-cash investing activities related to movements in our guarantee of indebtedness of certain equity method investments. We also had non-cash activities related to capital expenditures incurred but not yet paid of $112.7 million and $140.8 million for the three months ended March 31, 2019 and March 31, 2018 , respectively.

Other than the activity mentioned above and the supplemental non-cash activity related to the recognition of leases further discussed below, there was no other significant non-cash activity during the three months ended March 31, 2019 and March 31, 2018 . See Note 4, "Investments," and Note 5, "Share-Based Payments" for further discussion.

Leases

We account for leases in accordance with Accounting Standards Codification ("ASC") Topic 842, Leases, which we adopted on January 1, 2019 , electing not to adjust comparative periods presented and applying a modified retrospective transition approach as of the effective date of adoption (see Note 2, "New Accounting Pronouncements" for impacts of adoption).

We enter into contractual arrangements for the utilization of certain non-owned assets, primarily real estate and equipment, which are evaluated as finance (previously known as capital) or operating leases upon commencement and are accounted for accordingly. Specifically, under ASC 842, a contract is or contains a lease when, (1) the contract contains an explicitly or implicitly identified asset and (2) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract in exchange for consideration. We assess whether an arrangement is or contains a lease at inception of the contract. For all contractual arrangements deemed to be leases (other than short-term leases), as of the lease commencement date, we recognize on the consolidated balance sheet a liability for our obligation related to the lease and a corresponding asset representing our right to use the underlying asset over the period of use.

For leases that qualify as short-term leases, we have elected, for all classes of underlying assets, to not apply the balance sheet recognition requirements of ASC 842, and instead, we recognize the lease payments in the consolidated statements of operations on a straight-line basis over the lease term. We have also made the election, for our real estate and certain equipment classes of underlying assets, to account for lease and non-lease components as a single lease component.

Our leases have remaining lease terms of up to approximately 18 years. Certain of our lease agreements contain options to extend or early terminate the agreement. The lease term used to calculate the right-of-use asset ("ROU") and lease liability at commencement includes the impacts of options to extend or terminate the lease when it is reasonably certain that we will exercise that option. When determining whether it is reasonably certain that we will exercise an option at commencement, we consider various existing economic factors, including real estate strategies, the nature, length, and terms of the agreement, as well as the uncertainty of the condition of leased equipment at the end of the lease term. Based on these determinations, we generally conclude that the exercise of renewal options would not be reasonably certain in determining the lease term at commencement. Assumptions made at the commencement date are re-evaluated upon occurrence of certain events requiring a lease modification. Additionally, for certain equipment leases involving groups of similar leased assets with similar lease terms, we apply a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

The discount rate used to calculate the present value of the future minimum lease payments is the rate implicit in the lease, when readily determinable. As the rate implicit in the lease is not readily determinable for most of our leases, we use our incremental borrowing rate relative to the leased asset.

Certain of our leases include variable lease payments, including payments that depend on an index or rate, as well as variable payments for items such as property taxes, insurance, maintenance, and other operating expenses associated with leased assets. Payments that vary based on an index or rate are included in the measurement of our lease assets and liabilities at the rate as of the commencement date. All other variable lease payments are excluded from the measurement of our lease assets and liabilities and are recognized in the period in which the obligation for those payments is incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Lease-related expense is recorded within either cost of goods sold or marketing, general and administrative expenses on the consolidated statements of operations, depending on the function of the underlying leased asset, with the exception of interest on finance lease liabilities, which is recorded within interest income (expense), net on the consolidated statements of operations.

For the three months ended March 31, 2019 , lease expense (including immaterial short-term and variable lease costs) was as follows:

	Three Months Ended March 31, 2019	
	(In millions)	
Operating lease expense	$	17.2
Finance lease expense		2.8
Total lease expense	$	20.0

Supplemental cash flow information related to leases for the three months ended March 31, 2019 was as follows:

	Three Months Ended March 31, 2019	
	(In millions)	
Cash paid for amounts included in the measurements of lease liabilities:		
Operating cash flows from operating leases	$	12.0
Operating cash flows from finance leases	$	0.8
Financing cash flows from finance leases	$	0.6
Supplemental non-cash information on right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	$	10.7
Finance leases	$	—

Supplemental balance sheet information related to leases as of March 31, 2019 was as follows:

	Balance Sheet Classification	As of March 31, 2019 (In millions)
Operating Leases		
Operating lease right-of-use assets	Other assets	$ 154.1
Current operating lease liabilities	Accounts payable and other current liabilities	$ 43.6
Non-current operating lease liabilities	Other liabilities	121.4
Total operating lease liabilities		$ 165.0
Finance Leases		
Finance lease right-of-use assets	Properties, net	$ 68.4
Current finance lease liabilities	Current portion of long-term debt and short-term borrowings	$ 3.3
Non-current finance lease liabilities	Long-term debt	82.5
Total finance lease liabilities		$ 85.8

The weighted-average remaining lease term and discount rate as of March 31, 2019 are as follows:

	Weighted-Average Remaining Lease Term (Years)	Weighted-Average Discount Rate
Operating leases	4.8	4.2%
Finance leases	10.1	6.4%

Based on foreign exchange rates as of March 31, 2019 , maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
	(In millions)	
2019 - remaining	$ 38.4	$ 4.5
2020	41.9	36.3
2021	34.7	6.0
2022	27.1	5.9
2023	18.9	5.9
Thereafter	21.0	66.0
Total lease payments	$ 182.0	$ 124.6
Less: interest	(17.0)	(38.8)
Present value of lease liabilities	$ 165.0	$ 85.8

Executed leases that have not yet commenced as of March 31, 2019 are immaterial.

Information as of December 31, 2018, as well as comparative interim period information under historical lease accounting guidance

Gross assets recorded under finance leases as of December 31, 2018 were $82.5 million . The associated accumulated amortization on these assets as of December 31, 2018 was $13.2 million . These amounts are recorded within properties, net on the consolidated balance sheet. Current and non-current finance lease liabilities as of December 31, 2018 were $3.2 million and $82.1 million , respectively, and were recorded in accounts payable and other current liabilities and other non-current liabilities, respectively, on the consolidated balance sheet. Separately, during the three months ended March 31, 2018 , non-cash activities related to the recognition of finance leases was $15.0 million .

Based on foreign exchange rates as of December 31, 2018 , future minimum lease payments under operating leases that have initial or remaining non-cancelable terms in excess of one year, as well as finance leases, are as follows:

Year	Operating Leases	Finance Leases
	(In millions)	
2019	$ 49.4	$ 6.1
2020	40.2	36.2
2021	32.6	5.9
2022	24.6	5.9
2023	17.0	5.8
Thereafter	21.0	64.2
Total future minimum lease payments	$ 184.8	$ 124.1
Less: interest on finance leases		(38.8)
Present value of future minimum finance lease payments		$ 85.3

2. New Accounting Pronouncements

New Accounting Pronouncements Recently Adopted

Leases

In February 2016, the FASB issued authoritative guidance intended to increase transparency and comparability among organizations by requiring the recognition of lease assets and liabilities on the balance sheet and disclosure of key information about leasing arrangements. We adopted this guidance and all related amendments applying the modified retrospective transition approach to all lease arrangements as of the effective date of adoption, January 1, 2019 . As permitted under the guidance, financial statements for reporting periods beginning after January 1, 2019 are presented under the new guidance, while prior period amounts have not been adjusted and continue to be reported and disclosed in accordance with historical accounting guidance. Additionally, for existing leases as of the effective date, we have elected the package of practical expedients available at transition to not reassess the historical lease determination, lease classification and initial direct costs.

For operating leases, the adoption of the new guidance resulted in the recognition of ROU assets of approximately $154 million and aggregate current and non-current lease liabilities of approximately $164 million , as of January 1, 2019 , including immaterial reclassifications of prepaid and deferred rent balances into ROU assets. Separately, as a result of the cumulative impact of adopting the new guidance, we recorded a net increase to opening retained earnings of approximately $32 million as of January 1, 2019 with the offsetting impact within other assets, related to our share of the accelerated recognition of deferred gains on non-qualifying and other sale-leaseback transactions by an equity method investment within our Canada segment. Additionally, while our accounting for finance leases remains unchanged at adoption, we have prospectively changed the presentation of finance lease liabilities within the consolidated balance sheets to be presented within current portion of long-term debt and short-term borrowings, and long-term debt, as appropriate. As of January 1, 2019 , we reclassified approximately $3 million and $82 million of short-term and long-term finance lease liabilities from accounts payable and other current liabilities and other non-current liabilities to current portion of long-term debt and short-term borrowings and long-term debt, respectively. The adoption of this guidance had no impact to our cash flows from operating, investing, or financing activities. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for additional discussion on our leasing arrangements.

Accumulated Other Comprehensive Income (Loss)

In February 2018, the FASB issued authoritative guidance intended to improve the usefulness of financial information related to the enactment of the 2017 Tax Act. This guidance provides an option to reclassify from AOCI to retained earnings the stranded tax effects resulting from the change in the U.S. federal corporate income tax rate as a result of the 2017 Tax Act. We adopted this guidance as of January 1, 2019 and elected to reclassify stranded tax effects related to the 2017 Tax Act, resulting in an approximate $75 million increase to retained earnings in the period of adoption. Our policy is to release stranded tax effects from AOCI using either a specific identification approach or portfolio approach based on the nature of the underlying item.

New Accounting Pronouncements Not Yet Adopted

In August 2018, the FASB issued authoritative guidance intended to address a customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. This guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance also requires presentation of the capitalized implementation costs in the statement of financial position and in the statement of cash flows in the same line item that a prepayment for the fees of the associated hosting arrangement would be presented, and the expense related to the capitalized implementation costs to be presented in the same line item in the statement of operations as the fees associated with the hosting element (service) of the arrangement. This guidance is effective for annual periods beginning after December 15, 2019, including interim periods within those annual periods, with early adoption permitted. We are currently evaluating the potential impact on our financial position, results of operations and statement of cash flows upon adoption of this guidance, which will result in the change in presentation of capitalized implementation costs related to hosting arrangements from properties to other assets on the consolidated balance sheet, as well as the expense related to such costs no longer being classified as depreciation expense and cash flows related to those costs no longer being presented as investing activities.

Other than the items noted above, there have been no new accounting pronouncements not yet effective or adopted in the current year that we believe have a significant impact, or potential significant impact, to our unaudited condensed consolidated interim financial statements.

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 the U.S., Canada, Europe and International. Corporate is not a reportable segment and primarily includes interest and certain other general and administrative costs that are not allocated to any of the operating segments as well as the results of our water resources and energy operations in Colorado and the unrealized changes in fair value on our commodity swaps not designated in hedging relationships recorded within cost of goods sold, which are later reclassified when realized to the segment in which the underlying exposure resides. Additionally, only the service cost component of net periodic pension and OPEB cost is reported within each operating segment, and all other components are reported within the Corporate segment.

No single customer accounted for more than 10% of our consolidated sales for the three months ended March 31, 2019 or March 31, 2018 . Consolidated net sales represent sales to third-party external customers less excise taxes. Inter-segment transactions impacting net sales revenues and income (loss) before income taxes eliminate upon consolidation and are primarily related to U.S. segment sales to the other segments.

The following tables present net sales and income (loss) before income taxes by segment:

	Three Months Ended	
	March 31, 2019	March 31, 2018
	(In millions)	
U.S.	$ 1,659.2	$ 1,647.8
Canada	261.0	283.8
Europe	362.9	374.3
International	47.9	57.5
Corporate	0.2	0.2
Inter-segment net sales eliminations	(27.9)	(32.1)
Consolidated net sales	$ 2,303.3	$ 2,331.5

	Three Months Ended	
	March 31, 2019	March 31, 2018
	(In millions)	
U.S.	$ 269.4	$ 261.7
Canada (1)	21.8	9.1
Europe	(27.5)	(29.9)
International	(0.3)	3.7
Corporate (2)	(82.1)	112.8
Consolidated income (loss) before income taxes	$ 181.3	$ 357.4

(1) During the three months ended March 31, 2019, we recorded an unrealized mark-to-market gain of approximately $23 million on the HEXO Corp. ("HEXO") warrants received in connection with the formation of the Truss joint venture. Additionally, during the first quarter of 2019, we received payment and recorded a gain of $1.5 million resulting from a purchase price adjustment related to the historical sale of Molson Inc.'s ownership interest in the Montreal Canadiens, which is considered an affiliate of MCBC.

(2) During the three months ended March 31, 2018, we recorded a gain of $328.0 million related to the Adjustment Amount as defined and further discussed in Note 6, "Special Items." Additionally, related to the unrealized mark-to-market valuation on our commodity hedge positions, we recorded an unrealized gain of $34.1 million during the three months ended March 31, 2019 compared to an unrealized loss of $84.7 million during the three months ended March 31, 2018 .

Income (loss) before income taxes includes the impact of special items. Refer to Note 6, "Special Items" for further discussion.

The following table presents total assets by segment:

	As of	
	March 31, 2019	December 31, 2018
	(In millions)	
U.S.	$ 19,247.7	$ 19,057.1
Canada	4,736.0	4,640.5
Europe	5,334.1	5,430.0
International	277.5	274.1
Corporate	228.3	708.1
Consolidated total assets	$ 29,823.6	$ 30,109.8

4. Investments

Our investments include both equity method and consolidated investments. Those entities identified as 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, we have consolidated these entities. None of our consolidated VIEs held debt as of March 31, 2019 or December 31, 2018 . We have not provided any financial support to any of our VIEs during the year 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 March 31, 2019 and December 31, 2018 , our consolidated VIEs are Cobra Beer Partnership, Ltd. ("Cobra U.K."), Grolsch U.K. Ltd. ("Grolsch"), Rocky Mountain Metal Container ("RMMC"), Rocky Mountain Bottle Company ("RMBC") and Truss LP ("Truss"). Our unconsolidated VIEs are Brewers Retail Inc. ("BRI") and Brewers' Distributor Ltd. ("BDL").

Both BRI and BDL have outstanding third party debt which is guaranteed by their respective shareholders. As a result, we have a guarantee liability of $50.1 million and $35.9 million recorded as of March 31, 2019 and December 31, 2018 , respectively, which is presented within accounts payable and other current liabilities on the unaudited condensed consolidated balance sheets and represents our proportionate share of the outstanding balance of these debt instruments. The carrying value of the guarantee liability equals fair value, which considers an adjustment for our own non-performance risk and is considered a Level 2 measurement. The offset to the guarantee liability was recorded as an adjustment to our respective equity method investment within the unaudited condensed consolidated balance sheets. The resulting change in our equity method investments during the year due to movements in the guarantee represents a non-cash investing activity.

Consolidated VIEs

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

	As of			
	March 31, 2019		December 31, 2018	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities
	(In millions)			
RMMC/RMBC	$ 212.2	$ 31.9	$ 189.8	$ 35.0
Other	$ 29.5	$ 1.7	$ 31.0	$ 5.1

5. Share-Based Payments

We have one share-based compensation plan, the MCBC Incentive Compensation Plan (the "Incentive Compensation Plan"), as of March 31, 2019 and all outstanding awards fall under this plan. During the three months ended March 31, 2019 and March 31, 2018 , 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 Incentive Compensation Plan: RSUs, DSUs, PSUs and stock options.

	Three Months Ended	
	March 31, 2019	March 31, 2018
	(In millions)	
Pretax compensation expense	$ 11.4	$ 14.8
Tax benefit	(1.2)	(1.6)
After-tax compensation expense	$ 10.2	$ 13.2

As of March 31, 2019 , there was $61.1 million of total unrecognized compensation expense from all share-based compensation arrangements granted under the Incentive Compensation Plan, related to unvested awards. This total compensation expense is expected to be recognized over a weighted-average period of 2.3 years.

	RSUs and DSUs		PSUs	
	Units	Weighted-average grant date 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, 2018	1.0	$88.53	0.5	$86.85
Granted	0.4	$54.46	0.3	$53.31
Vested	(0.3)	$100.91	(0.1)	$90.41
Forfeited	—	$—	—	$—
Non-vested as of March 31, 2019	1.1	$70.06	0.7	$71.42

The weighted-average fair value per unit for the non-vested PSUs is $62.07 as of March 31, 2019 .

	Stock options				
	Awards	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value	
	(In millions, except per share amounts and years)				
Outstanding as of December 31, 2018	1.3	$70.56	5.2	$	4.3
Granted	0.3	$61.09			
Exercised	—	$—			
Forfeited	—	$—			
Outstanding as of March 31, 2019	1.6	$68.70	6.0	$	5.4
Expected to vest as of March 31, 2019	0.5	$68.79	9.4	$	—
Exercisable as of March 31, 2019	1.1	$68.66	4.3	$	5.4

The total intrinsic value of exercises during the three months ended March 31, 2019 and March 31, 2018 were $0.3 million and $4.6 million , respectively. During the three months ended March 31, 2019 and March 31, 2018 , total tax benefits realized from share-based awards vested or exercised was $4.0 million and $5.4 million , respectively.

The fair value of each option granted in the first quarter of 2019 and 2018 was determined on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Three Months Ended	
	March 31, 2019	March 31, 2018
Risk-free interest rate	2.52%	2.65%
Dividend yield	4.17%	2.08%
Volatility range	24.41%-24.48%	22.36%-24.14%
Weighted-average volatility	24.42%	22.81%
Expected term (years)	5.3	5.3
Weighted-average fair market value	$9.24	$15.44

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 quarter of 2019 and 2018 was determined on the date of grant using a Monte Carlo model to simulate total stockholder return for MCBC and its peer companies with the following weighted-average assumptions:

	Three Months Ended	
	March 31, 2019	March 31, 2018
Risk-free interest rate	2.49%	2.34%
Dividend yield	4.17%	2.08%
Volatility range	13.82%-42.46%	13.03%-81.87%
Weighted-average volatility	24.97%	22.76%
Expected term (years)	2.8	2.8
Weighted-average fair market value	$53.31	$78.30

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 March 31, 2019 , there were 2.9 million shares of the Company's Class B common stock available for issuance as awards under the Incentive Compensation Plan.

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.

	Three Months Ended	
	March 31, 2019	March 31, 2018
	(In millions)	
Employee-related charges		
Restructuring	$ 3.7	$ 3.9
Impairments or asset abandonment charges [1]		
U.S. - Asset abandonment	0.8	1.5
Canada - Asset abandonment	7.6	6.1
Europe - Asset abandonment	0.6	1.7
Termination fees and other (gains) losses		
International	0.3	—
Purchase price adjustment settlement gain [2]	—	(328.0)
Total Special items, net	$ 13.0	$ (314.8)

(1) Charges for the three months ended March 31, 2019 and March 31, 2018 consist primarily of accelerated depreciation in excess of normal depreciation related to the closure of the Colfax, California cidery, which was completed during the first quarter of 2019, the planned closures of the Vancouver and Montreal breweries, which are currently expected to occur in 2019 and 2021, respectively, as well as the Burton South, U.K. brewery which closed in the first quarter of 2018.

(2) During the first quarter of 2018, we received $330.0 million from ABI, of which $328.0 million constituted a purchase price adjustment (the "Adjustment Amount"), related to the Miller International Business which was acquired in our acquisition of the remaining portion of MillerCoors which occurred on October 11, 2016 . As this settlement occurred following the finalization of purchase accounting, we recorded the settlement proceeds related to the Adjustment Amount as a gain within special items, net in our unaudited condensed consolidated statement of operations in our Corporate segment and within cash provided by operating activities in our unaudited condensed consolidated statement of cash flows for the three months ended March 31, 2018 .

Restructuring Activities

There were no material changes to our restructuring activities since December 31, 2018, as reported in Part II - Item 8. Financial Statements and Supplementary Data, Note 7, "Special Items" in our Annual Report. We continually evaluate our cost structure and seek opportunities for further efficiencies and cost savings as part of ongoing and new initiatives. As such, we may incur additional restructuring related charges or adjustments to previously recorded charges in the future, however, we are unable to estimate the amount of charges at this time.

The accrued restructuring balances below 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 months.

	U.S.	Canada	Europe	International	Corporate	Total
	(In millions)					
As of December 31, 2018	$ 21.6	$ 1.5	$ 0.6	$ 0.6	$ 1.3	$ 25.6
Charges incurred and changes in estimates	0.6	—	2.7	0.1	0.3	3.7
Payments made	(11.6)	(0.1)	(0.8)	(0.1)	(0.3)	(12.9)
As of March 31, 2019	$ 10.6	$ 1.4	$ 2.5	$ 0.6	$ 1.3	$ 16.4

	U.S.	Canada	Europe	International	Corporate	Total
			(In millions)			
As of December 31, 2017	$ 0.6	$ 4.3	$ 1.8	$ 0.2	$ —	$ 6.9
Charges incurred and changes in estimates	—	(0.5)	3.4	1.0	—	3.9
Payments made	(0.3)	(0.9)	(0.6)	(0.2)	—	(2.0)
Foreign currency and other adjustments	—	(0.1)	—	—	—	(0.1)
As of March 31, 2018	$ 0.3	$ 2.8	$ 4.6	$ 1.0	$ —	$ 8.7

7. Income Tax

	Three Months Ended	
	March 31, 2019	March 31, 2018
Effective tax rate	18%	21%

The decrease in the effective tax rate during the first quarter of 2019 versus 2018 was primarily driven by the impact of discrete items. Specifically, during the first quarter of 2019 , we recognized a net discrete tax benefit of $1.2 million , versus a $5.5 million net discrete tax expense recognized in the first quarter of 2018 .

Our tax rate is volatile and may increase or decrease with changes in, among other things, the amount and source of income or loss, our ability to utilize foreign tax credits, excess tax benefits or deficiencies from share-based compensation, changes in tax laws, and the movement of liabilities established pursuant to accounting guidance for uncertain tax positions as statutes of limitations expire, positions are effectively settled, or when additional information becomes available. There are proposed or pending tax law changes in various jurisdictions and other changes to regulatory environments in countries in which we do business that, if enacted, may have an impact on our effective tax rate. Additionally, we continue to monitor the 2017 Tax Act, including proposed regulations which may change upon finalization, as well as yet to be issued regulations and interpretations. If the forthcoming regulations and interpretations change relative to our current understanding and initial assessment of the impacts of the 2017 Tax Act, the resulting impacts could have a material adverse impact on our effective tax rate.

8. Goodwill and Intangible Assets

	U.S.	Canada	Europe	International	Consolidated
Changes in Goodwill:			(In millions)		
As of December 31, 2018	$ 5,928.5	$ 856.6	$ 1,469.4	$ 6.3	$ 8,260.8
Foreign currency translation	—	18.5	0.1	—	18.6
As of March 31, 2019	$ 5,928.5	$ 875.1	$ 1,469.5	$ 6.3	$ 8,279.4

The following table presents details of our intangible assets, other than goodwill, as of March 31, 2019 :

	Useful life	Gross	Accumulated amortization	Net
	(Years)		(In millions)	
Intangible assets subject to amortization:				
Brands	10 - 50	$ 5,013.8	$ (737.0)	$ 4,276.8
License agreements and distribution rights	15 - 28	222.8	(99.5)	123.3
Other	2 - 40	129.2	(35.6)	93.6
Intangible assets not subject to amortization:				
Brands	Indefinite	8,160.5	—	8,160.5
Distribution networks	Indefinite	757.8	—	757.8
Other	Indefinite	337.6	—	337.6
Total		$ 14,621.7	$ (872.1)	$ 13,749.6

The following table presents details of our intangible assets, other than goodwill, as of December 31, 2018 :

	Useful life	Gross	Accumulated amortization	Net
	(Years)		(In millions)	
Intangible assets subject to amortization:				
Brands	10 - 50	$ 4,988.0	$ (682.4)	$ 4,305.6
License agreements and distribution rights	15 - 28	220.2	(95.7)	124.5
Other	2 - 40	129.2	(32.2)	97.0
Intangible assets not subject to amortization:				
Brands	Indefinite	8,169.9	—	8,169.9
Distribution networks	Indefinite	741.8	—	741.8
Other	Indefinite	337.6	—	337.6
Total		$ 14,586.7	$ (810.3)	$ 13,776.4

The changes in the gross carrying amounts of intangibles from December 31, 2018 to March 31, 2019 are primarily driven by the impact of foreign exchange rates, as a significant amount of intangibles are denominated in foreign currencies.

Based on foreign exchange rates as of March 31, 2019 , the estimated future amortization expense of intangible assets is as follows:

Fiscal year	Amount
	(In millions)
2019 - remaining	$ 165.8
2020	$ 220.1
2021	$ 213.8
2022	$ 209.2
2023	$ 208.2

Amortization expense of intangible assets was $55.4 million and $56.6 million for the three months ended March 31, 2019 and March 31, 2018 , respectively. This expense is primarily presented within marketing, general and administrative expenses on the unaudited condensed consolidated statements of operations.

Annual Goodwill and Indefinite-Lived Intangible Impairment Testing

We completed our required annual goodwill and indefinite-lived intangible impairment testing as of October 1, 2018, the first day of our fourth quarter and concluded there were no impairments of goodwill within our reporting units or our indefinite-lived intangible assets. The fair value of the U.S., Europe and Canada reporting units were estimated at approximately 19% , 11% and 6% in excess of carrying value, respectively, as of the October 1, 2018 testing date, resulting in our Europe and Canada reporting units now being considered at risk of impairment.

Key Assumptions

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. The key assumptions used to derive the estimated fair values of our reporting units and indefinite-lived intangibles are discussed in Part II—Item 8 Financial Statements, Note 10, "Goodwill and Intangible Assets" in our Annual Report.

Based on known facts and circumstances, we evaluate and consider recent events and uncertain items, as well as related potential implications, as part of our annual assessment and incorporate into the analyses as appropriate. These facts and circumstances are subject to change and may impact future analyses.

While historical performance and current expectations have resulted in fair values of our reporting units and indefinite-lived intangible assets 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 assets for potential triggering events suggesting an impairment review should be performed. No such triggering events were identified in the first quarter of 2019 that resulted in an impairment.

9. Debt

Debt obligations

	As of	
	March 31, 2019	December 31, 2018
	(In millions)	
Long-term debt:		
CAD 500 million 2.75% notes due 2020	$ 374.6	$ 366.6
CAD 500 million 2.84% notes due 2023	374.6	366.6
CAD 500 million 3.44% notes due 2026	374.6	366.6
$500 million 1.45% notes due 2019	500.0	500.0
$500 million 1.9% notes due 2019	—	499.8
$500 million 2.25% notes due 2020 (1)(2)	499.2	499.0
$1.0 billion 2.1% notes due 2021 (2)	1,000.0	1,000.0
$500 million 3.5% notes due 2022 (1)	508.6	509.3
$2.0 billion 3.0% notes due 2026	2,000.0	2,000.0
$1.1 billion 5.0% notes due 2042	1,100.0	1,100.0
$1.8 billion 4.2% notes due 2046	1,800.0	1,800.0
EUR 500 million notes due 2019	—	573.4
EUR 800 million 1.25% notes due 2024	897.4	917.4
Finance leases and other (3)	131.3	43.0
Less: unamortized debt discounts and debt issuance costs	(62.5)	(64.8)
Total long-term debt (including current portion)	9,497.8	10,476.9
Less: current portion of long-term debt	(1,013.0)	(1,583.1)
Total long-term debt	$ 8,484.8	$ 8,893.8
Short-term borrowings:		
Commercial paper program (4)	$ 604.2	$ —
Other short-term borrowings (5)	23.9	11.4
Current portion of long-term debt	1,013.0	1,583.1
Current portion of long-term debt and short-term borrowings	$ 1,641.1	$ 1,594.5

(1) The fair value hedges related to these notes have been settled and are being amortized over the life of the respective note.

(2) During the first quarter of 2019, we entered into cross currency swaps in order to hedge a portion of the foreign currency translational impacts of our European investment. As a result of the swaps, we economically converted a portion of our $1.0 billion 2.1% senior notes due 2021 and associated interest to EUR denominated, which will result in a EUR interest rate to be received at 0.71% . As of March 31, 2019 , we also held outstanding cross currency swaps on our $500 million 2.25% notes due 2020 which resulted in a EUR interest rate to be received of 0.85% . See Note 12, "Derivative Instruments and Hedging Activities" for further details.

(3) As of January 1, 2019 , we reclassified approximately $3 million and $82 million of short-term and long-term finance lease liabilities from accounts payable and other current liabilities and other non-current liabilities to current portion of long-term debt and short-term borrowings and long-term debt, respectively, in connection with our adoption of the new lease accounting standard. See Note 2, "New Accounting Pronouncements" for further details.

(4) During the first quarter of 2019, we used proceeds from the issuance of commercial paper to partially fund the repayment of our notes upon maturity. As of March 31, 2019 , the outstanding borrowings under our commercial paper program had a weighted-average effective interest rate and tenor of 2.91% and 33 days, respectively.

(5) As of March 31, 2019 , we had $11.6 million in bank overdrafts and $40.4 million in bank cash related to our cross-border, cross-currency cash pool, for a net positive position of $28.8 million . As of December 31, 2018 , we had $1.1 million in bank overdrafts and $88.9 million in bank cash related to our cross-border, cross-currency cash pool for a net positive position of $87.8 million . We had total outstanding borrowings of $8.1 million and $7.3 million under our two JPY overdraft facilities as of March 31, 2019 and December 31, 2018 , respectively. In addition, we have USD and CAD lines of credit under which we had no borrowings as of March 31, 2019 or December 31, 2018 .

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 March 31, 2019 and December 31, 2018 , the fair value of our outstanding long-term debt (including the current portion of long-term debt) was approximately $9.1 billion and $9.9 billion , respectively. All senior notes are valued based on significant observable inputs and 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 in the fair value hierarchy.

Revolving Credit Facility

As of March 31, 2019 , we had $895.8 million available to draw under our $1.5 billion revolving credit facility, as the borrowing capacity is reduced by borrowings under our commercial paper program. We had no other borrowings drawn on this revolving credit facility as of March 31, 2019 . We had no borrowings drawn on this revolving credit facility as of December 31, 2018 .

The maximum leverage ratio of this facility is 4.75x debt to EBITDA, with a decline to 4.00x debt to EBITDA as of the last day of the fiscal quarter ending December 31, 2020.

Under the terms of each of our debt facilities, we must comply with certain restrictions. These include customary events of default and specified representations and warranties and covenants, including, among other things, covenants that restrict our ability to incur certain additional priority indebtedness, create or permit liens on assets, or engage in mergers or consolidations. As of March 31, 2019 , we were in compliance with all of these restrictions and have met all debt payment obligations. All of our outstanding senior notes as of March 31, 2019 rank pari-passu.

10. Inventories

	As of	
	March 31, 2019	**December 31, 2018**
	(In millions)	
Finished goods	$ 314.2	$ 229.8
Work in process	86.3	83.4
Raw materials	219.7	224.3
Packaging materials	67.7	54.3
Inventories, net	$ 687.9	$ 591.8

11. Accumulated Other Comprehensive Income (Loss)

	MCBC shareholders				
	Foreign currency translation adjustments	Gain (loss) on derivative and non-derivative instruments	Pension and postretirement benefit adjustments	Equity method investments	Accumulated other comprehensive income (loss)
	(In millions)				
As of December 31, 2018	$ (744.7)	$ (17.8)	$ (327.2)	$ (60.3)	$ (1,150.0)
Foreign currency translation adjustments	4.6	72.8	—	—	77.4
Unrealized gain (loss) on derivative instruments	—	(39.4)	—	—	(39.4)
Reclassification of derivative (gain) loss to income	—	0.1	—	—	0.1
Amortization of net prior service (benefit) cost and net actuarial (gain) loss to income	—	—	(0.9)	—	(0.9)
Ownership share of unconsolidated subsidiaries' other comprehensive income (loss)	—	—	—	1.4	1.4
Tax benefit (expense)	12.1	(8.5)	0.3	(0.4)	3.5
Net current-period other comprehensive income (loss)	16.7	25.0	(0.6)	1.0	42.1
Reclassification of stranded tax effects (see Note 2)	(61.0)	(16.1)	2.3	—	(74.8)
As of March 31, 2019	$ (789.0)	$ (8.9)	$ (325.5)	$ (59.3)	$ (1,182.7)

Reclassifications from AOCI to income:

	Three Months Ended		
	March 31, 2019	March 31, 2018	
	Reclassifications from AOCI		Location of gain (loss) recognized in income
	(In millions)		
Gain/(loss) on cash flow hedges:			
Forward starting interest rate swaps	$ (0.7)	$ (0.8)	Interest expense, net
Foreign currency forwards	0.8	(0.6)	Cost of goods sold
Foreign currency forwards	(0.2)	—	Other income (expense), net
Total income (loss) reclassified, before tax	(0.1)	(1.4)	
Income tax benefit (expense)	—	0.3	
Net income (loss) reclassified, net of tax	$ (0.1)	$ (1.1)	
Amortization of defined benefit pension and other postretirement benefit plan items:			
Prior service benefit (cost)	$ (0.1)	$ (0.2)	Other pension and postretirement benefits (costs), net
Curtailment and net actuarial gain (loss)	1.0	(1.7)	Other pension and postretirement benefits (costs), net
Total income (loss) reclassified, before tax	0.9	(1.9)	
Income tax benefit (expense)	(0.3)	0.2	
Net income (loss) reclassified, net of tax	$ 0.6	$ (1.7)	
Total income (loss) reclassified, net of tax	$ 0.5	$ (2.8)	

12. Derivative Instruments and Hedging Activities

Our risk management and derivative accounting policies are presented in Notes 1 and 16 of the Notes included in our Annual Report and did not significantly change during the first quarter of 2019 . As noted in Note 16 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 on a gross basis in our unaudited condensed consolidated balance sheets. Except as noted below, our significant derivative positions have not changed considerably since year-end.

Cross Currency Swaps

Effective March 20, 2019, we entered into cross currency swap agreements having a total notional value of approximately EUR 353 million ($400 million upon execution) in order to hedge a portion of the foreign currency translational impacts of our European investment. As a result of the swaps, we economically converted a portion of our $1.0 billion 2.1% senior notes due 2021 and associated interest to EUR denominated, which will result in a EUR interest rate to be received at 0.71% .

Separately, effective April 3, 2019, we voluntarily early terminated our $500 million cross currency swaps due in 2020 under which we were receiving EUR interest payments at a rate of 0.85% , and concurrently entered into new cross currency swap agreements having a total notional of approximately EUR 445 million ($500 million upon execution) in order to hedge a portion of the foreign currency translation impacts of our European investment. As a result of the swaps, we economically converted our $500 million 2.25% senior notes due 2020 and associated interest to EUR denominated, which will result in a EUR interest rate to be received of 0.68% . The termination of the original $500 million cross currency swaps resulted in cash receipts of approximately $47 million during the second quarter of 2019.

We have designated each of these cross currency swaps as net investment hedges and accordingly, record changes in fair value due to fluctuations in the spot rate to AOCI. The changes in fair value of the swaps attributable to changes other than those due to fluctuations in the spot rate are excluded from the assessment of hedge effectiveness and recorded to interest expense over the life of the hedge.

Derivative Fair Value Measurements

We utilize market approaches to estimate the fair value of our derivative instruments by discounting anticipated future cash flows derived from the derivative's contractual terms and observable market interest, foreign exchange and commodity rates. The fair values of our derivatives also include credit risk adjustments to account for our counterparties' credit risk, as well as our own non-performance risk, as appropriate. The fair value of our warrants to acquire common shares of HEXO at a strike price of CAD 6.00 per share are estimated using the Black-Scholes option-pricing model. As of March 31, 2019 and December 31, 2018 , respectively, the assumptions used to estimate the fair value of the HEXO warrants are as follows:

	As of March 31, 2019	As of December 31, 2018
Expected term (years)	2.5	2.8
Estimated volatility	74.92%	88.71%
Risk-free interest rate	1.65%	2.04%
Expected dividend yield	—%	—%

The expected term is based on the contractual maturity date of the warrants. Estimated volatility is based on a blend of implied volatility along with historical volatility levels of both peer companies and HEXO. The risk-free rate utilized is based on a zero-coupon Canadian Treasury security yield with a remaining term equal to the expected term of the warrants. The expected dividend yield is determined by historical dividend levels.

The table below summarizes our derivative assets and liabilities that were measured at fair value as of March 31, 2019 and December 31, 2018 .

		Fair value measurements as of March 31, 2019		
	As of March 31, 2019	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)		
Cross currency swaps	$ 52.6	$ —	$ 52.6	$ —
Interest rate swaps	(44.7)	—	(44.7)	—
Foreign currency forwards	9.0	—	9.0	—
Commodity swaps and options	(7.6)	—	(7.6)	—
Warrants	43.0	—	43.0	—
Total	$ 52.3	$ —	$ 52.3	$ —

		Fair value measurements as of December 31, 2018		
	As of December 31, 2018	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)		
Cross currency swaps	$ 36.5	$ —	$ 36.5	$ —
Interest rate swaps	(12.3)	—	(12.3)	—
Foreign currency forwards	16.3	—	16.3	—
Commodity swaps and options	(42.0)	—	(42.0)	—
Warrants	19.6	—	19.6	—
Total	$ 18.1	$ —	$ 18.1	$ —

As of March 31, 2019 , we had no significant transfers between Level 1 and Level 2. New derivative contracts transacted during the three months ended March 31, 2019 were all included in Level 2.

Results of Period Derivative Activity

The tables below include the results of our derivative activity in the unaudited condensed consolidated balance sheets as of March 31, 2019 and December 31, 2018 , and the unaudited condensed consolidated statements of operations for the three months ended March 31, 2019 and March 31, 2018 .

Fair Value of Derivative Instruments in the Unaudited Condensed Consolidated Balance Sheets (in millions):

	As of March 31, 2019					
		Derivative Assets		Derivative Liabilities		
	Notional amount		Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:						
Cross currency swaps	$ 900.0	Other current assets	$ 47.3	Accounts payable and other current liabilities	$ —	
		Other non-current assets	5.3	Other liabilities	—	
Interest rate swaps	$ 1,500.0	Other non-current assets	—	Other liabilities	(44.7)	
Foreign currency forwards	$ 311.6	Other current assets	4.3	Accounts payable and other current liabilities	(0.1)	
		Other non-current assets	4.8	Other liabilities	—	
Total derivatives designated as hedging instruments			$ 61.7		$ (44.8)	
Derivatives not designated as hedging instruments:						
Commodity swaps [1]	$ 781.8	Other current assets	$ 22.1	Accounts payable and other current liabilities	$ (27.1)	
		Other non-current assets	7.7	Other liabilities	(10.3)	
Commodity options [1]	$ 46.6	Other current assets	0.2	Accounts payable and other current liabilities	(0.2)	
Warrants	$ 51.7	Other non-current assets	43.0			
Total derivatives not designated as hedging instruments			$ 73.0		$ (37.6)	

	As of December 31, 2018				
		Derivative Assets		Derivative Liabilities	
	Notional amount	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:					
Cross currency swaps	$ 500.0	Other non-current assets	$ 36.5	Other liabilities	$ —
Interest rate swaps	$ 1,500.0	Other non-current assets	—	Other liabilities	(12.3)
Foreign currency forwards	$ 338.6	Other current assets	7.3	Accounts payable and other current liabilities	(0.1)
		Other non-current assets	9.2	Other liabilities	(0.1)
Total derivatives designated as hedging instruments			$ 53.0		$ (12.5)
Derivatives not designated as hedging instruments:					
Commodity swaps [1]	$ 868.4	Other current assets	$ 12.1	Accounts payable and other current liabilities	$ (37.9)
		Other non-current assets	6.1	Other liabilities	(22.3)
Commodity options [1]	$ 46.6	Other current assets	0.1	Accounts payable and other current liabilities	(0.1)
Warrants	$ 50.6	Other non-current assets	19.6		
Total derivatives not designated as hedging instruments			$ 37.9		$ (60.3)

(1) Notional includes offsetting buy and sell positions, shown in terms of absolute value. Buy and sell positions are shown gross in the asset and/or liability position, as appropriate.

Items Designated and Qualifying as Hedged Items in Fair Value Hedging Relationships in the Unaudited Condensed Consolidated Balance Sheets (in millions):

Line item in the balance sheet in which the hedged item is included	**Carrying amount of the hedged assets/liabilities**		**Cumulative amount of fair value hedging adjustment(s) in the hedged assets/liabilities (1) Increase/(Decrease)**	
	As of March 31, 2019	**As of December 31, 2018**	**As of March 31, 2019**	**As of December 31, 2018**
		(In millions)		
Current portion of long-term debt and short-term borrowings	$ —	$ —	$ (0.8)	$ (0.2)
Long-term debt	$ —	$ —	$ 8.6	$ 8.3

(1) Entire balances relate to hedging adjustments on discontinued hedging relationships.

The Pretax Effect of Cash Flow Hedge and Net Investment Hedge Accounting on Accumulated Other Comprehensive Income (Loss) (in millions):

Three Months Ended March 31, 2019

Derivatives in cash flow hedge relationships	**Amount of gain (loss) recognized in OCI on derivative**	**Location of gain (loss) reclassified from AOCI into income**	**Amount of gain (loss) recognized from AOCI on derivative**
Forward starting interest rate swaps	$ (32.4)	Interest expense, net	$ (0.7)
Foreign currency forwards	(7.0)	Cost of goods sold	0.8
		Other income (expense), net	(0.2)
Total	$ (39.4)		$ (0.1)

Three Months Ended March 31, 2019

Derivatives in net investment hedge relationships	**Amount of gain (loss) recognized in OCI on derivative**	**Location of gain (loss) reclassified from AOCI into income**	**Amount of gain (loss) recognized from AOCI on derivative**	**Location of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing)**	**Amount of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing) (1)**
$500 million 2020 cross currency swaps	$ 10.8	Interest income (expense), net	$ —	Interest income (expense), net	$ 3.7
$400 million 2021 cross currency swaps	5.3	Interest income (expense), net	—	Interest income (expense), net	0.3
Total	$ 16.1		$ —		$ 4.0

(1) Represents amounts excluded from the assessment of effectiveness for which the difference between changes in fair value and period amortization is recorded in other comprehensive income.

Three Months Ended March 31, 2019

Non-derivative financial instruments in net investment hedge relationships	**Amount of gain (loss) recognized in OCI on derivative**	**Location of gain (loss) reclassified from AOCI into income**	**Amount of gain (loss) recognized from AOCI on derivative**	**Location of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing)**	**Amount of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing)**
EUR 800 million notes due 2024	$ 20.0	Other income (expense), net	$ —	Other income (expense), net	$ —
EUR 500 million notes due 2019	10.1	Other income (expense), net	—	Other income (expense), net	—
Total	$ 30.1		$ —		$ —

Derivatives in cash flow hedge relationships	Three Months Ended March 31, 2018 Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) recognized from AOCI on derivative (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
Forward starting interest rate swaps	$ —	Interest expense, net	$ (0.8)	Interest expense, net	$ —
Foreign currency forwards	7.5	Cost of goods sold	(0.6)	Cost of goods sold	—
Total	$ 7.5		$ (1.4)		$ —

Non-derivative financial instruments in net investment hedge relationships	Three Months Ended March 31, 2018 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)
EUR 800 million notes due 2024	$ (25.5)	Other income (expense), net	$ —	Other income (expense), net	$ —
EUR 500 million notes due 2019	(16.0)	Other income (expense), net	—	Other income (expense), net	—
Total	$ (41.5)		$ —		$ —

We expect net gains of approximately $1 million (pretax) recorded in AOCI as of March 31, 2019 related to cash flow hedges 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 as of March 31, 2019 is approximately 4 years, as well as those related to our forecasted debt issuances in 2021, 2022, and 2026.

The Effect of Fair Value and Cash Flow Hedge Accounting on the Unaudited Condensed Consolidated Statements of Operations (in millions) *:*

	Location and amount of gain (loss) recognized in income on fair value and cash flow hedging relationships (1)		
	Three Months Ended March 31, 2019		
	Cost of goods sold	Other income (expense), net	Interest income (expense), net
Total amount of income and expense line items presented in the unaudited condensed consolidated statement of operations in which the effects of fair value or cash flow hedges are recorded	$ (1,413.0)	$ 23.9	$ (73.3)
Gain (loss) on cash flow hedging relationships:			
Forward starting interest rate swaps			
Amount of gain (loss) reclassified from AOCI into income	—	—	(0.7)
Foreign currency forwards			
Amount of gain (loss) reclassified from AOCI into income	0.8	(0.2)	—

(1) We had no outstanding fair value hedges during the first quarter of 2019.

The Effect of Derivatives Not Designated as Hedging Instruments on the Unaudited Condensed Consolidated Statements of Operations (in millions):

Three Months Ended March 31, 2019

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	$ 32.7
Warrants	Other income (expense), net	22.9
Total		$ 55.6

Three Months Ended March 31, 2018

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	$ (74.4)
Total		$ (74.4)

Higher commodity prices, primarily aluminum and diesel, relative to year-end market prices drove the total gain recognized in income related to commodity swaps for the three months ended March 31, 2019 compared to the total loss driven by lower commodity prices, primarily aluminum, in the first quarter of 2018.

13. Pension and Other Postretirement Benefits

	Three Months Ended					
	March 31, 2019			March 31, 2018		
	Pension	OPEB	Consolidated	Pension	OPEB	Consolidated
	(In millions)					
Service cost:						
Service cost	$ 1.0	$ 1.8	$ 2.8	$ 1.4	$ 2.3	$ 3.7
Other pension and postretirement costs (benefits), net:						
Interest cost	$ 40.7	$ 6.5	$ 47.2	$ 41.2	$ 6.6	$ 47.8
Expected return on plan assets	(54.9)	—	(54.9)	(59.7)	—	(59.7)
Amortization of prior service cost (benefit)	0.3	(0.2)	0.1	0.2	—	0.2
Amortization of net actuarial loss (gain)	2.5	(3.5)	(1.0)	1.9	(0.3)	1.6
Curtailment, settlement or special termination benefit loss (gain)	—	—	—	0.1	—	0.1
Total other pension and postretirement cost (benefits), net	$ (11.4)	$ 2.8	$ (8.6)	$ (16.3)	$ 6.3	$ (10.0)
Net periodic pension and OPEB cost (benefit)	$ (10.4)	$ 4.6	$ (5.8)	$ (14.9)	$ 8.6	$ (6.3)

During the three months ended March 31, 2019 , employer contributions to the defined benefit pension plans were approximately $1 million . Total 2019 employer contributions to the defined benefit plans are expected to be approximately $6 million , based on foreign exchange rates as of March 31, 2019 . BRI and BDL contributions to their defined benefit pension plans are not included above, as they are not consolidated in our financial statements.

14. Commitments and Contingencies

Litigation and Other Disputes and Environmental

Related to litigation, other disputes and environmental issues, we have accrued an aggregate of $13.0 million and $13.7 million as of March 31, 2019 and December 31, 2018 , respectively. While we cannot predict the eventual aggregate cost for litigation, other disputes and environmental matters in which we are currently involved, we believe adequate reserves have been provided for losses that are probable and estimable. Additionally, as noted below, there are certain loss contingencies that we deem reasonably possible for which a range of loss is not estimable at this time; for all other matters, we believe that any reasonably possible losses in excess of the amounts accrued are immaterial to our unaudited condensed consolidated interim financial statements. Our litigation, other disputes and environmental issues are discussed in further detail within Part II—Item

8 Financial Statements, Note 18, "Commitments and Contingencies" in our Annual Report and did not significantly change during the first quarter of 2019 , except as noted 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, other than as noted, none of these disputes or legal actions are 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.

On February 12, 2018, Stone Brewing Company filed a trademark infringement lawsuit in federal court in the Southern District of California against MillerCoors LLC alleging that the Keystone brand has “rebranded” itself as “Stone” and is marketing itself in a manner confusingly similar to Stone Brewing Company's registered Stone trademark. Stone Brewing Company seeks treble damages in the amount of MillerCoors’ profit from Keystone sales. MillerCoors subsequently filed an answer and counterclaims against Stone Brewing Company. On May 31, 2018, Stone Brewing Company filed a motion to dismiss MillerCoors' counterclaims and for a preliminary injunction seeking to bar MillerCoors from continuing to use “STONE” on Keystone Light cans and related marketing materials. In March 2019, the court denied Stone Brewing Company’s motion for preliminary injunction and its motion to dismiss MillerCoors’ counterclaims. No trial date has been scheduled. We intend to vigorously assert and defend our rights in this lawsuit. A range of potential loss is not estimable at this time.

In December 2018, the U.S. Department of Treasury issued a regulation that impacts our ability to claim a refund of certain federal duties, taxes, and fees paid for beer sold between the U.S. and certain other countries effective in February 2019. As a result, future claims will no longer be accepted, and we may be further unable to collect historically claimed, but not yet received, refunds of approximately $40 million , which are recorded within other non-current assets on our unaudited condensed consolidated balance sheet as of March 31, 2019 .

On February 15, 2019, two purported stockholders filed substantially similar putative class action complaints against the Company, Mark R. Hunter, and Tracey I. Joubert (the “Defendants”) in the United States District Court for the District of Colorado (the “Colorado District Court”), and in the United States District Court for the Northern District of Illinois. On February 21, 2019, another purported stockholder filed a substantially similar complaint in the Colorado District Court. The plaintiffs purport to represent a class of the Company’s stockholders and assert that the Defendants violated Sections 10(b) and 20(a) of the Exchange Act by allegedly making false and misleading statements or omissions regarding the Company’s restatement of consolidated financial statements for the years ended December 31, 2016 and December 31, 2017, and that the Company purportedly lacked adequate internal controls over financial reporting. The plaintiffs seek, among other things, an unspecified amount of damages and reasonable attorneys’ fees, expert fees and other costs. On April 16, 2019, motions to consolidate and appoint a lead plaintiff were filed in each case. We intend to defend the claims vigorously. A range of potential loss is not estimable at this time.

On March 26, 2019, a purported stockholder filed a purported shareholder derivative action in Colorado District Court against the Company’s board of directors and certain current officers (the “Individual Defendants”), and the Company as a nominal defendant. The complaint asserts claims against the Individual Defendants for breaches of fiduciary duty and unjust enrichment arising out of the Company’s dissemination to shareholders of purportedly materially misleading and inaccurate information in connection with the Company’s restatement of consolidated financial statements for the year ended December 31, 2016 and December 31, 2017. The complaint further alleges that the Company lacked adequate internal controls over financial reporting. The relief sought in the complaint includes changes to the Company’s corporate governance procedures, unspecified damages, restitution, and attorneys’ fees, expert fees and other costs. The parties have agreed to stay the proceedings in the shareholder derivative action until the federal district courts rule on anticipated motions to dismiss in the above described class action complaints after consolidation. A range of potential loss is not estimable at this time.

Guarantees and Indemnities

We guarantee indebtedness and other obligations to banks and other third parties for some of our equity method investments and consolidated subsidiaries. As of March 31, 2019 and December 31, 2018 , the unaudited condensed consolidated balance sheets include liabilities related to these guarantees of $50.1 million and $35.9 million , respectively. See Note 4, "Investments" for further detail.

Separately, related to our Kaiser indemnities, we have accrued $14.6 million and $14.7 million , in aggregate, as of March 31, 2019 and December 31, 2018 , respectively. The maximum potential claims amount remaining for the Kaiser-related purchased tax credits was $89.3 million , based on foreign exchange rates as of March 31, 2019 . Our Kaiser liabilities are discussed in further detail within Part II—Item 8 Financial Statements, Note 18, "Commitments and Contingencies" in our Annual Report and did not significantly change during the first quarter of 2019 .

15. Supplemental Guarantor Information

For purposes of this Note 15 , including the tables, "Parent Issuer" shall mean MCBC. "Subsidiary Guarantors" shall mean certain Canadian and U.S. subsidiaries reflecting the substantial operations of each of our Canada and U.S. segments.

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 (subsequently repaid in the second quarter of 2017), $500 million 3.5% senior notes due 2022, and $1.1 billion 5.0% senior notes due 2042. Additionally, on July 7, 2016, MCBC issued the $500 million 1.45% senior notes due 2019, $1.0 billion 2.10% senior notes due 2021, $2.0 billion 3.0% senior notes due 2026, $1.8 billion 4.2% senior notes due 2046 and EUR $800.0 million 1.25% senior notes due 2024, in a registered public offering. In December 2017, MCBC completed an exchange offer in which it issued publicly registered senior notes in exchange for its $500 million 1.90% senior notes due 2019 (subsequently repaid in the first quarter of 2019), $500 million 2.25% senior notes due 2020 and our EUR 500 million floating rate senior notes due 2019 (subsequently repaid in the first quarter of 2019) , which were issued in private placement transactions in March 2017. "Parent Issuer" in the below tables is specifically referring to MCBC in its capacity as the issuer of these 2012, 2016 and 2017 issuances. 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 Issuer. The guarantees are full and unconditional and joint and several.

None of our other outstanding debt is registered with the SEC, and such other outstanding debt is guaranteed on a senior unsecured basis by the Parent and/or Subsidiary Guarantors. These guarantees are full and unconditional and joint and several. See Note 9, "Debt" for details of all debt issued and outstanding as of March 31, 2019 .

Presentation

In the first quarter of 2018, MillerCoors LLC, a subsidiary guarantor, declared a distribution of approximately $1.7 billion to MCBC, which was simultaneously non-cash settled via offset to an equal amount of payables that were owed by MCBC to MillerCoors LLC.

The following information sets forth the unaudited condensed consolidating statements of operations for the three months ended March 31, 2019 and March 31, 2018 , unaudited condensed consolidating balance sheets as of March 31, 2019 and December 31, 2018 , and unaudited condensed consolidating statements of cash flows for the three months ended March 31, 2019 and March 31, 2018 . Investments in subsidiaries are accounted for under the equity method; accordingly, entries necessary to consolidate the Parent Issuer 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
(IN MILLIONS)
(UNAUDITED)

	Three Months Ended March 31, 2019				
	Parent Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	$ 26.3	$ 2,209.3	$ 694.9	$ (130.4)	$ 2,800.1
Excise taxes	—	(284.7)	(212.1)	—	(496.8)
Net sales	26.3	1,924.6	482.8	(130.4)	2,303.3
Cost of goods sold	(1.5)	(1,135.3)	(365.6)	89.4	(1,413.0)
Gross profit	24.8	789.3	117.2	(41.0)	890.3
Marketing, general and administrative expenses	(71.6)	(457.9)	(166.7)	41.0	(655.2)
Special items, net	(0.4)	(8.4)	(4.2)	—	(13.0)
Equity income (loss) in subsidiaries	245.3	(63.0)	(5.9)	(176.4)	—
Operating income (loss)	198.1	260.0	(59.6)	(176.4)	222.1
Interest income (expense), net	(77.4)	80.2	(76.1)	—	(73.3)
Other pension and postretirement benefits (costs), net	—	1.2	7.4	—	8.6
Other income (expense), net	—	(29.9)	53.8	—	23.9
Income (loss) before income taxes	120.7	311.5	(74.5)	(176.4)	181.3
Income tax benefit (expense)	30.7	(66.0)	3.1	—	(32.2)
Net income (loss)	151.4	245.5	(71.4)	(176.4)	149.1
Net (income) loss attributable to noncontrolling interests	—	—	2.3	—	2.3
Net income (loss) attributable to MCBC	$ 151.4	$ 245.5	$ (69.1)	$ (176.4)	$ 151.4
Comprehensive income (loss) attributable to MCBC	$ 193.5	$ 270.8	$ (64.4)	$ (206.4)	$ 193.5

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
(IN MILLIONS)
(UNAUDITED)

	Three Months Ended March 31, 2018				
	Parent Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Sales	$ 4.9	$ 2,234.6	$ 742.6	$ (114.1)	$ 2,868.0
Excise taxes	—	(301.4)	(235.1)	—	(536.5)
Net sales	4.9	1,933.2	507.5	(114.1)	2,331.5
Cost of goods sold	(0.5)	(1,241.7)	(399.7)	106.2	(1,535.7)
Gross profit	4.4	691.5	107.8	(7.9)	795.8
Marketing, general and administrative expenses	(70.2)	(463.3)	(155.5)	7.9	(681.1)
Special items, net	—	321.4	(6.6)	—	314.8
Equity income (loss) in subsidiaries	635.5	(158.8)	4.8	(481.5)	—
Operating income (loss)	569.7	390.8	(49.5)	(481.5)	429.5
Interest income (expense), net	(85.2)	82.0	(80.0)	—	(83.2)
Other pension and postretirement benefits (costs), net	—	1.4	8.6	—	10.0
Other income (expense), net	(0.2)	40.2	(38.9)	—	1.1
Income (loss) before income taxes	484.3	514.4	(159.8)	(481.5)	357.4
Income tax benefit (expense)	(206.2)	121.9	9.4	—	(74.9)
Net income (loss)	278.1	636.3	(150.4)	(481.5)	282.5
Net (income) loss attributable to noncontrolling interests	—	—	(4.4)	—	(4.4)
Net income (loss) attributable to MCBC	$ 278.1	$ 636.3	$ (154.8)	$ (481.5)	$ 278.1
Comprehensive income (loss) attributable to MCBC	$ 327.2	$ 743.2	$ (47.3)	$ (695.9)	$ 327.2

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
(IN MILLIONS)
(UNAUDITED)

	As of March 31, 2019				
	Parent Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 11.7	$ 26.5	$ 196.2	$ —	$ 234.4
Accounts receivable, net	—	556.5	353.0	—	909.5
Other receivables, net	47.9	61.3	32.4	—	141.6
Inventories, net	—	501.8	186.1	—	687.9
Other current assets, net	49.2	216.7	98.7	—	364.6
Intercompany accounts receivable	—	2,628.2	51.6	(2,679.8)	—
Total current assets	108.8	3,991.0	918.0	(2,679.8)	2,338.0
Properties, net	16.1	3,361.7	1,175.5	—	4,553.3
Goodwill	—	6,455.1	1,824.3	—	8,279.4
Other intangibles, net	5.5	11,810.5	1,933.6	—	13,749.6
Net investment in and advances to subsidiaries	25,765.0	3,727.6	4,679.9	(34,172.5)	—
Other assets	139.6	337.1	517.7	(91.1)	903.3
Total assets	$ 26,035.0	$ 29,683.0	$ 11,049.0	$ (36,943.4)	$ 29,823.6
Liabilities and equity					
Current liabilities:					
Accounts payable and other current liabilities	$ 121.8	$ 1,627.7	$ 811.8	$ —	$ 2,561.3
Current portion of long-term debt and short-term borrowings	1,602.4	1.4	37.3	—	1,641.1
Intercompany accounts payable	1,989.0	139.1	551.7	(2,679.8)	—
Total current liabilities	3,713.2	1,768.2	1,400.8	(2,679.8)	4,202.4
Long-term debt	7,248.7	1,160.8	75.3	—	8,484.8
Pension and postretirement benefits	3.3	711.3	12.3	—	726.9
Deferred tax liabilities	—	1,476.0	766.6	(91.1)	2,151.5
Other liabilities	75.9	208.6	85.4	—	369.9
Intercompany notes payable	1,347.6	29.4	6,022.1	(7,399.1)	—
Total liabilities	12,388.7	5,354.3	8,362.5	(10,170.0)	15,935.5
MCBC stockholders' equity	13,647.3	30,349.8	3,822.7	(34,172.5)	13,647.3
Intercompany notes receivable	(1.0)	(6,021.1)	(1,377.0)	7,399.1	—
Total stockholders' equity	13,646.3	24,328.7	2,445.7	(26,773.4)	13,647.3
Noncontrolling interests	—	—	240.8	—	240.8
Total equity	13,646.3	24,328.7	2,686.5	(26,773.4)	13,888.1
Total liabilities and equity	$ 26,035.0	$ 29,683.0	$ 11,049.0	$ (36,943.4)	$ 29,823.6

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
(IN MILLIONS)
(UNAUDITED)

	As of December 31, 2018				
	Parent Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 515.8	$ 156.1	$ 386.0	$ —	$ 1,057.9
Accounts receivable, net	—	427.3	317.1	—	744.4
Other receivables, net	50.0	48.3	28.3	—	126.6
Inventories, net	—	451.6	140.2	—	591.8
Other current assets, net	3.0	157.2	85.4	—	245.6
Intercompany accounts receivable	—	2,366.0	31.0	(2,397.0)	—
Total current assets	568.8	3,606.5	988.0	(2,397.0)	2,766.3
Properties, net	19.0	3,427.5	1,161.8	—	4,608.3
Goodwill	—	6,444.0	1,816.8	—	8,260.8
Other intangibles, net	6.0	11,800.0	1,970.4	—	13,776.4
Net investment in and advances to subsidiaries	25,475.0	3,893.2	4,579.7	(33,947.9)	—
Other assets	159.9	193.2	436.0	(91.1)	698.0
Total assets	$ 26,228.7	$ 29,364.4	$ 10,952.7	$ (36,436.0)	$ 30,109.8
Liabilities and equity					
Current liabilities:					
Accounts payable and other current liabilities	$ 170.8	$ 1,651.0	$ 884.6	$ —	$ 2,706.4
Current portion of long-term debt and short-term borrowings	1,572.6	—	21.9	—	1,594.5
Intercompany accounts payable	1,836.5	120.9	439.6	(2,397.0)	—
Total current liabilities	3,579.9	1,771.9	1,346.1	(2,397.0)	4,300.9
Long-term debt	7,765.6	1,097.4	30.8	—	8,893.8
Pension and postretirement benefits	3.2	711.2	12.2	—	726.6
Deferred tax liabilities	—	1,461.1	758.9	(91.1)	2,128.9
Other liabilities	26.0	199.3	98.5	—	323.8
Intercompany notes payable	1,347.6	63.6	5,998.6	(7,409.8)	—
Total liabilities	12,722.3	5,304.5	8,245.1	(9,897.9)	16,374.0
MCBC stockholders' equity	13,507.4	30,057.5	3,890.4	(33,947.9)	13,507.4
Intercompany notes receivable	(1.0)	(5,997.6)	(1,411.2)	7,409.8	—
Total stockholders' equity	13,506.4	24,059.9	2,479.2	(26,538.1)	13,507.4
Noncontrolling interests	—	—	228.4	—	228.4
Total equity	13,506.4	24,059.9	2,707.6	(26,538.1)	13,735.8
Total liabilities and equity	$ 26,228.7	$ 29,364.4	$ 10,952.7	$ (36,436.0)	$ 30,109.8

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
(IN MILLIONS)
(UNAUDITED)

	Three Months Ended March 31, 2019				
	Parent Issuer	Subsidiary Guarantors	Subsidiary Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 32.6	$ 70.2	$ (171.8)	$ (29.5)	$ (98.5)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(2.6)	(127.7)	(67.7)	—	(198.0)
Proceeds from sales of properties and other assets	—	1.4	1.0	—	2.4
Other	—	(0.3)	1.3	—	1.0
Net intercompany investing activity	9.4	4.1	35.8	(49.3)	—
Net cash provided by (used in) investing activities	6.8	(122.5)	(29.6)	(49.3)	(194.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	0.6	—	—	—	0.6
Dividends paid	(81.4)	(29.5)	(7.3)	29.5	(88.7)
Payments on debt and borrowings	(1,066.3)	(0.1)	(0.8)	—	(1,067.2)
Net proceeds from (payments on) revolving credit facilities and commercial paper	603.4	—	0.9	—	604.3
Change in overdraft balances and other	(2.8)	(4.7)	23.7	—	16.2
Net intercompany financing activity	—	(46.2)	(3.1)	49.3	—
Net cash provided by (used in) financing activities	(546.5)	(80.5)	13.4	78.8	(534.8)
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	(507.1)	(132.8)	(188.0)	—	(827.9)
Effect of foreign exchange rate changes on cash and cash equivalents	3.0	3.2	(1.8)	—	4.4
Balance at beginning of year	515.8	156.1	386.0	—	1,057.9
Balance at end of period	$ 11.7	$ 26.5	$ 196.2	$ —	$ 234.4

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
(IN MILLIONS)
(UNAUDITED)

	Three Months Ended March 31, 2018				
	Parent Issuer	**Subsidiary Guarantors**	**Subsidiary Non Guarantors**	**Eliminations**	**Consolidated**
Net cash provided by (used in) operating activities	$ 353.0	$ 208.1	$ (111.6)	$ (134.3)	$ 315.2
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to properties	(1.2)	(161.6)	(45.5)	—	(208.3)
Proceeds from sales of properties and other assets	—	0.7	0.9	—	1.6
Other	—	(1.1)	(44.3)	—	(45.4)
Net intercompany investing activity	12.7	(8.2)	171.3	(175.8)	—
Net cash provided by (used in) investing activities	11.5	(170.2)	82.4	(175.8)	(252.1)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Exercise of stock options under equity compensation plans	6.1	—	—	—	6.1
Dividends paid	(81.2)	—	(141.6)	134.3	(88.5)
Payments on debt and borrowings	—	(0.5)	(0.3)	—	(0.8)
Net proceeds from (payments on) revolving credit facilities and commercial paper	(250.5)	—	1.8	—	(248.7)
Change in overdraft balances and other	(2.9)	(6.1)	51.0	—	42.0
Net intercompany financing activity	(32.6)	(145.4)	2.2	175.8	—
Net cash provided by (used in) financing activities	(361.1)	(152.0)	(86.9)	310.1	(289.9)
CASH AND CASH EQUIVALENTS:					
Net increase (decrease) in cash and cash equivalents	3.4	(114.1)	(116.1)	—	(226.8)
Effect of foreign exchange rate changes on cash and cash equivalents	—	(0.3)	6.4	—	6.1
Balance at beginning of year	6.6	140.9	271.1	—	418.6
Balance at end of period	$ 10.0	$ 26.5	$ 161.4	$ —	$ 197.9

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, 2018 ("Annual Report"), as well as our unaudited condensed consolidated interim 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: MillerCoors LLC ("MillerCoors" or U.S. segment), operating in the U.S.; Molson Coors Canada ("MCC" or Canada segment), operating in Canada; Molson Coors Europe (Europe segment), operating in Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, the Republic of Ireland, Romania, Serbia, the U.K. and various other European countries; and Molson Coors International ("MCI" or International segment), operating in various other countries.

Unless otherwise indicated, information in this report is presented in USD and comparisons are to comparable prior periods. Our primary operating currencies, other than USD, include the CAD, the GBP, and our Central European operating currencies such as the EUR, CZK, HRK and RSD.

Operational Measures

We have certain operational measures, such as STWs and STRs, which we believe are important metrics. STW is a metric that we use in our business to reflect the sales from our operations to our direct customers, generally wholesalers. We believe 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 business 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. We believe 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 global priority brands *Blue Moon, Coors Banquet, Coors Light, Miller Genuine Draft, Miller Lite,* and *Staropramen* , regional champion brands *Carling* , *Molson Canadian* and other leading country-specific brands , as well as craft and specialty beers such as *Creemore Springs* , *Cobra* , *Sharp's Doom Bar, Henry's Hard* and *Leinenkugel's* . With centuries of brewing heritage, we have been crafting high-quality, innovative products with the purpose of delighting the world's beer drinkers and with the ambition to be the first choice for our consumers and customers. Our success depends on our ability to make our products available to meet a wide range of consumer segments and occasions.

Summary of Consolidated Results of Operations

The following table highlights summarized components of our unaudited condensed consolidated statements of operations for the three months ended March 31, 2019 and March 31, 2018 . See Part I-Item 1. Financial Statements for additional details of our U.S. GAAP results.

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages and per share data)		
Financial volume in hectoliters	20.101	20.813	(3.4)%
Net sales	$ 2,303.3	$ 2,331.5	(1.2)%
Net income (loss) attributable to MCBC	$ 151.4	$ 278.1	(45.6)%
Net income (loss) attributable to MCBC per diluted share	$ 0.70	$ 1.28	(45.3)%

First Quarter 2019 Financial Highlights

During the first quarter of 2019 , we recognized net income attributable to MCBC of $151.4 million , or $0.70 per diluted share, representing a decrease of $126.7 million versus the prior year. The decrease in net income attributable to MCBC was primarily driven by the gain of $328.0 million in the first quarter of 2018 related to the Adjustment Amount (as defined and further discussed in Part I—Item 1. Financial Statements, Note 6, "Special Items,"), lower financial volume and higher inflation, partially offset by unrealized mark-to-market gains in the current year compared to losses on our commodity positions in the prior year, positive net pricing in all segments, general and administrative spend reductions and cost savings. Net sales of approximately $2.3 billion in the first quarter of 2019 decreased 1.2% from the prior year, driven by volume declines and unfavorable foreign currency movements, partially offset by higher net pricing in all segments.

Regional financial highlights:

- In our U.S. segment , income before income taxes increased 2.9% to $269.4 million in the first quarter of 2019 , compared to the prior year primarily driven by higher net pricing and lower marketing, general and administrative expenses, partially offset by cost inflation and lower volumes.
- In our Canada segment , income before income taxes increased 139.6% to $21.8 million in the first quarter of 2019 , compared to the prior year, driven primarily by an unrealized mark-to-market gain of approximately $23 million recognized on the HEXO Corp. ("HEXO") warrants received in connection with the formation of the Truss joint venture and lower general and administrative expenses, partially offset by gross margin impacts of volume declines and cost inflation.
- In our Europe segment , loss before income taxes decreased 8.0% to $27.5 million in the first quarter of 2019 , compared to a loss of $29.9 million in the prior year, primarily driven by favorable margin impacts, partially offset by increased marketing investments.
- In our International segment , income before income taxes decreased to a loss of $0.3 million in the first quarter of 2019 , compared to income of $3.7 million in the prior year, primarily driven by lower volumes in Puerto Rico, cycling the $2.0 million of settlement proceeds received related to our Columbia business in the first quarter of 2018, unfavorable foreign currency movements and cost inflation, partially offset by shifting to a more profitable business model in Mexico and lower marketing expenses.

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

Core brand highlights:

- Global priority brand volume decreased 3.6% in the first quarter of 2019 versus 2018 , due to declines across the U.S., Canada and International, partially offset by growth in Europe.
- *Blue Moon Belgian White* global brand volume decreased 0.9% in the first quarter of 2019 versus 2018 , driven by declines in the U.S., partially offset by growth in International, Canada and Europe.
- *Carling* brand volume in Europe decreased 11.0% during the first quarter of 2019 versus 2018 , due to lower volumes in U.K., the brand's primary market.
- *Coors* global brand volume - *Coors Light* global brand volume decreased 7.0% during the first quarter of 2019 versus 2018 . The overall volume decrease in the first quarter of 2019 was due to lower brand volume in the U.S., Canada and International, offset by growth in Europe. Volumes in the U.S. were lower than prior year reflective of the U.S. industry premium and premium light segment performance. The declines in Canada are primarily the result of industry declines due to ongoing competitive pressures in Quebec and Ontario and a continued shift in consumer preference to value brands in the West. *Coors Banquet* global brand volume decreased 4.4% during the first quarter of 2019 versus 2018 driven by the U.S. and Canada.
- *Miller* global brand volume - *Miller Lite* global brand volumes decreased 0.7% during the first quarter of 2019 versus 2018 , primarily driven by the U.S., partially offset by International. However, *Miller Lite* gained share of the U.S. premium light segment for the eighteenth consecutive quarter. *Miller Genuine Draft* global brand volume decreased 10.6% during the first quarter of 2019 versus 2018 , due to decreases in all segments.
- *Molson Canadian* brand volume in Canada decreased 10.0% during the first quarter of 2019 versus 2018 , primarily driven by industry declines as well as share declines due to competitive pressures in the West and Ontario.
- *Staropramen* global brand volume, including royalty volume, increased 15.8% during the first quarter of 2019 versus 2018 , driven by higher volumes in the majority of European markets.

Worldwide Brand Volume

Worldwide brand volume (or "brand volume" when discussed by segment) reflects owned brands sold to unrelated external customers within our geographic markets, net of returns and allowances, royalty volume and an adjustment from

STWs to STRs calculated consistently with MCBC owned volume. Contract brewing and wholesaler volume is removed from worldwide brand volume as this is non-owned volume for which we do not directly control performance. We believe this definition of worldwide brand volume more closely aligns with how we measure the performance of our owned brands within the markets in which they are sold. Financial volume represents owned brands sold to unrelated external customers within our geographical markets, net of returns and allowances as well as contract brewing, wholesale non-owned brand volume and company-owned distribution volume. Royalty volume consists of our brands produced and sold by third parties under various license and contract-brewing agreements and because this is owned volume, it is included in worldwide brand volume. The adjustment from STWs to STRs provides the closest indication of the performance of our owned brands in relation to market and competitor sales trends, as it reflects sales volume one step closer to the end consumer and generally means sales from our wholesalers or our company to retailers.

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Volume in hectoliters:			
Financial volume	20.101	20.813	(3.4)%
Less: Contract brewing, wholesaler and non-beer volume	(1.806)	(1.902)	(5.0)%
Add: Royalty volume	0.737	0.716	2.9 %
Add: STW to STR adjustment	(0.837)	(0.526)	59.1 %
Total worldwide brand volume	18.195	19.101	(4.7)%

Our worldwide brand volume decreased 4.7% during the three months ended March 31, 2019 compared to prior year, primarily due to lower volume in all segments, partially as a result of industry and share declines particularly in the U.S. and Canada, compared to prior year.

Net Sales Drivers

For the three months ended March 31, 2019 versus March 31, 2018 , by segment (in percentages):

	Volume	Price, Product and Geography Mix	Currency	Other	Total
Consolidated	**(3.4)%**	**4.0%**	**(1.8)%**	**— %**	**(1.2)%**
U.S.	(3.6)%	4.5%	— %	(0.2)%	0.7 %
Canada	(4.9)%	1.5%	(4.6)%	— %	(8.0)%
Europe	(2.3)%	6.8%	(7.5)%	— %	(3.0)%
International	(18.3)%	3.9%	(2.3)%	— %	(16.7)%

Income taxes

	Three Months Ended	
	March 31, 2019	March 31, 2018
Effective tax rate	18%	21%

The decrease in the effective tax rate during the first quarter of 2019 versus 2018 was primarily driven by the impact of discrete items. Specifically, during the first quarter of 2019 , we recognized a net discrete tax benefit of $1.2 million versus net discrete tax expense of $5.5 million recognized in the first quarter of 2018 .

Our tax rate is volatile and may increase or decrease with changes in, among other things, the amount and source of income or loss, our ability to utilize foreign tax credits, excess tax benefits or deficiencies from share-based compensation, changes in tax laws, and the movement of liabilities established pursuant to accounting guidance for uncertain tax positions as statutes of limitations expire, positions are effectively settled, or when additional information becomes available. 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 effective tax rate. Additionally, we continue to evaluate the 2017 Tax Act, including proposed regulations which may change upon finalization, as well as yet to be issued regulations and interpretations. If the forthcoming regulations and interpretations change relative to our current understanding and initial assessment of the impacts of the 2017 Tax Act, the resulting impacts could have a material adverse impact on our effective tax rate.

Refer to Part I - Item 1. Financial Statements, Note 7, "Income Tax" for additional details regarding our effective tax rate.

Results of Operations

United States Segment

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Financial volume in hectoliters (1)	14.187	14.718	(3.6)%
Sales (1)	$ 1,866.9	$ 1,861.7	0.3 %
Excise taxes	(207.7)	(213.9)	(2.9)%
Net sales (1)	1,659.2	1,647.8	0.7 %
Cost of goods sold (1)	(1,010.3)	(990.1)	2.0 %
Gross profit	648.9	657.7	(1.3)%
Marketing, general and administrative expenses	(375.6)	(393.1)	(4.5)%
Special items, net (2)	(1.4)	(1.5)	(6.7)%
Operating income (loss)	271.9	263.1	3.3 %
Interest income (expense), net	(2.3)	(1.2)	91.7 %
Other income (expense), net	(0.2)	(0.2)	— %
Income (loss) before income taxes	$ 269.4	$ 261.7	2.9 %

(1) Includes gross inter-segment sales, purchases, and volumes, which are eliminated in the consolidated totals.

(2) See Part I—Item 1. Financial Statements, Note 6, "Special Items" for detail of special items.

Significant events

Throughout 2018, U.S. financial volume, including shipment timing and distributor inventory levels, as well as financial results were impacted by brewery system implementations at our Golden, Colorado, Trenton, Ohio and Fort Worth, Texas breweries. The Milwaukee, Wisconsin brewery implementation occurred in the first quarter of 2019 and we continue to prepare for future implementations at our remaining breweries, including the implementation at our Albany, Georgia and Irwindale, California breweries, both of which are currently planned to occur in the second half of 2019.

The volatility of aluminum prices, inclusive of Midwest Premium, and freight and fuel costs continued to significantly impact our results during the first quarter of 2019 . To the extent these prices continue to fluctuate, our business and financial results could be materially adversely impacted. We continue to monitor these risks and rely on our risk management hedging program to help mitigate price risk exposure for commodities including aluminum and fuel.

Volume and net sales

Brand volume for the three months ended March 31, 2019 decreased 3.8% on a trading day adjusted basis compared to prior year, driven by lower volume in each of our brand segments, partially reflective of industry declines. STWs, excluding contract brewing volume, decreased 2.7% in the three months ended March 31, 2019 , driven by lower brand volume, partially offset by the quarterly timing of wholesaler inventories as we expect brand volume and STW trends to largely converge on a full year basis.

Net sales per hectoliter on a brand volume basis for the three months ended March 31, 2019 increased 3.7% compared to prior year, driven by higher net pricing. Net sales per hectoliter on a reported basis increased 4.5% compared to prior year.

Cost of goods sold

Cost of goods sold per hectoliter for the three months ended March 31, 2019 increased 5.9% compared to prior year, driven by higher commodity and transportation costs, increased packaging costs associated with our bottle furnace rebuild, as well as volume deleverage, partially offset by cost savings.

Marketing, general and administrative expenses

Marketing, general and administrative expenses for the three months ended March 31, 2019 decreased 4.5% compared to prior year due to lower employee-related expenses including incremental cost reductions related to the restructuring initiated during the third quarter of 2018, as well as quarterly timing of innovation spend, partially offset by higher marketing investment behind our premium light brands.

Canada Segment

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Financial volume in hectoliters [1]	1.624	1.707	(4.9)%
Sales [1]	$ 340.7	$ 374.9	(9.1)%
Excise taxes	(79.7)	(91.1)	(12.5)%
Net sales [1]	261.0	283.8	(8.0)%
Cost of goods sold [1]	(180.4)	(187.4)	(3.7)%
Gross profit	80.6	96.4	(16.4)%
Marketing, general and administrative expenses	(76.2)	(81.0)	(5.9)%
Special items, net [2]	(7.6)	(5.6)	35.7 %
Operating income (loss)	(3.2)	9.8	N/M
Other income (expense), net	25.0	(0.7)	N/M
Income (loss) before income taxes	$ 21.8	$ 9.1	139.6 %

N/M = Not meaningful

(1) Includes gross inter-segment sales, purchases, and volumes, which are eliminated in the consolidated totals.

(2) See Part I-Item 1. Financial Statements, Note 6, "Special Items" for detail of special items.

Significant events

As part of our ongoing assessment of our Canadian supply chain network, we have incurred and continue to incur significant capital expenditures associated with the construction of the new brewery in Chilliwack, British Columbia, most of which we expect to be funded with the previously received proceeds from the sale of the Vancouver brewery in 2016. The transition of production to the new brewery in Chilliwack and final closure of the leased Vancouver brewery is currently expected to occur in the third quarter of 2019.

In further efforts to help optimize the Canada brewery network, in the third quarter of 2017, we announced a plan to build a more efficient and flexible brewery in the greater Montreal area. As a result of this decision, we have begun to develop plans to transition out of our existing Montreal brewery, including the acquisition of land in Longueuil, Quebec. During the first quarter of 2019, we entered into an agreement to sell the Montreal brewery. The sale has not yet closed and is currently anticipated to be completed in the second quarter of 2019. The brewery continues to be operational, and in conjunction with the planned sale, we agreed to lease back the property for continued use until the new brewery is operational, which is currently expected to occur in 2021. However, due to the uncertainty inherent in our estimates, the timing of the brewery closure is subject to change.

Foreign currency impact on results

During the three months ended March 31, 2019 , the CAD appreciated versus the USD on an average basis, resulting in an increase of $0.2 million to our USD earnings before income taxes. Included in this amount are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional foreign currency gains and losses is recorded within other income (expense) in our unaudited condensed consolidated statements of operations.

Volume and net sales

Our Canada brand volume decreased 6.0% during the three months ended March 31, 2019 versus prior year, primarily due to industry declines.

Our net sales per hectoliter on a brand volume basis increased 1.9% in local currency during the three months ended March 31, 2019 compared to prior year, driven by positive net pricing, partially offset by unfavorable sales mix. Net sales per hectoliter on a reported basis in local currency increased 1.5% compared to prior year.

Cost of goods sold

Cost of goods sold per hectoliter in local currency increased 6.3% during the three months ended March 31, 2019 versus prior year, primarily driven by volume deleverage, increased distribution costs and cost inflation, partially offset by cost savings.

Marketing, general and administrative expenses

Our marketing, general and administrative expenses decreased 1.1% in local currency for the three months ended March 31, 2019 compared to prior year, primarily driven by timing of employee-related expenses, partially offset by higher investments to support the rebranding of our *Molson* brands and Truss related start-up costs.

Other income (expense), net

Other income of $25.0 million in 2019 was primarily driven by an unrealized mark-to-market gain of approximately $23 million on the HEXO warrants received in connection with the formation of the Truss joint venture, as further detailed in Part I - Item 1. Financial Statements, Note 12, "Derivative Instruments and Hedging Activities."

Europe Segment

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Financial volume in hectoliters [1][2]	4.304	4.404	(2.3)%
Sales [2]	$ 564.1	$ 598.5	(5.7)%
Excise taxes	(201.2)	(224.2)	(10.3)%
Net sales [2]	362.9	374.3	(3.0)%
Cost of goods sold	(252.1)	(267.7)	(5.8)%
Gross profit	110.8	106.6	3.9 %
Marketing, general and administrative expenses	(132.3)	(130.4)	1.5 %
Special items, net [3]	(3.3)	(5.1)	(35.3)%
Operating income (loss)	(24.8)	(28.9)	(14.2)%
Interest income (expense), net	(1.3)	(0.7)	85.7 %
Other income (expense), net	(1.4)	(0.3)	N/M
Income (loss) before income taxes	$ (27.5)	$ (29.9)	(8.0)%

N/M = Not meaningful

(1) Excludes royalty volume of 0.294 million hectoliters and 0.306 million hectoliters for the three months ended March 31, 2019 and March 31, 2018 , respectively.

(2) Includes gross inter-segment sales and volumes, which are eliminated in the consolidated totals.

(3) See Part I-Item 1. Financial Statements, Note 6, "Special Items" for detail of special items.

Significant events

The U.K. was expected to leave the European Union on March 29, 2019. However, the exit date has been extended up to October 31, 2019. As a result, the terms of the withdrawal remain unknown, which subjects our Europe segment to regulatory and market uncertainty in the U.K. and in the rest of Europe.

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 before income taxes by $0.8 million for the three months ended March 31, 2019 . Included in this amount are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional foreign currency gains and losses is recorded within other income (expense) in our unaudited condensed consolidated statements of operations.

Volume and net sales

Our Europe brand volume decreased 2.3% for the three months ended March 31, 2019 compared to prior year, primarily as a result of planned declines in our low-margin value brands as we have increased our focus on our national champion and premium portfolios.

Net sales per hectoliter on a brand volume basis increased 8.2% in local currency for the three months ended March 31, 2019 compared to prior year, driven by positive net pricing and favorable sales mix. Net sales per hectoliter on a reported basis increased 6.8% in local currency for the three months ended March 31, 2019 compared to prior year.

Cost of goods sold

Cost of goods sold per hectoliter increased 3.7% in local currency in the three months ended March 31, 2019 versus prior year, primarily due to commodity inflation.

Marketing, general and administrative expenses

Marketing, general and administrative expenses increased 9.5% in local currency in the three months ended March 31, 2019 compared to prior year, primarily due to higher brand investments to support our national champion brands and premiumization initiatives.

International Segment

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Financial volume in hectoliters [1]	0.425	0.520	(18.3)%
Sales	$ 56.1	$ 64.8	(13.4)%
Excise taxes	(8.2)	(7.3)	12.3 %
Net sales	47.9	57.5	(16.7)%
Cost of goods sold [2]	(31.0)	(37.8)	(18.0)%
Gross profit	16.9	19.7	(14.2)%
Marketing, general and administrative expenses	(16.6)	(15.1)	9.9 %
Special items, net [3]	(0.4)	(1.0)	(60.0)%
Operating income (loss)	(0.1)	3.6	N/M
Other income (expense), net	(0.2)	0.1	N/M
Income (loss) before income taxes	$ (0.3)	$ 3.7	N/M

N/M = Not meaningful

(1) Excludes royalty volume of 0.443 million hectoliters and 0.410 million hectoliters for the three months ended March 31, 2019 and March 31, 2018 , respectively.

(2) Includes gross inter-segment purchases, which are eliminated in the consolidated totals.

(3) See Part I-Item 1. Financial Statements, Note 6, "Special Items" for detail of special items.

Foreign currency impact on results

Our International segment operates in numerous countries around the world and each country's operations utilize distinct currencies. Foreign currency movements unfavorably impacted our International segment's USD income before income taxes by $0.7 million for the three months ended March 31, 2019 . Included in this amount are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional foreign currency gains and losses is recorded within other income (expense) in our unaudited condensed consolidated statements of operations.

Volume and net sales

Our International brand volume decreased 6.7% in the three months ended March 31, 2019 compared to prior year, primarily driven by balancing higher pricing with lower volume in Mexico and cycling a strong post-hurricane result in Puerto Rico during the first quarter of 2018, partially offset by growth in several of our focus markets.

Net sales per hectoliter on a brand volume basis decreased 8.1% in local currency in the three months ended March 31, 2019 compared to prior year, driven by the shift to local production in Mexico and unfavorable geographic mix, partially offset by positive net pricing. Net sales per hectoliter on a reported basis increased 4.7% in local currency for the three months ended March 31, 2019 compared to prior year.

Cost of goods sold

Cost of goods sold per hectoliter increased 2.0% in local currency for the three months ended March 31, 2019 compared to prior year, primarily driven by unfavorable geographic mix and inflation.

Marketing, general and administrative expenses

Marketing, general and administrative expense increased 11.9% in local currency in the three months ended March 31, 2019 compared to prior year, driven by cycling the $2.0 million of settlement proceeds received related to our Colombia business in the first quarter of 2018, partially offset by lower marketing investments in the current year.

Corporate

	Three Months Ended		
	March 31, 2019	March 31, 2018	% change
	(In millions, except percentages)		
Financial volume in hectoliters	—	—	— %
Sales	$ 0.2	$ 0.2	— %
Excise taxes	—	—	— %
Net sales	0.2	0.2	— %
Cost of goods sold	32.9	(84.8)	N/M
Gross profit	33.1	(84.6)	N/M
Marketing, general and administrative expenses	(54.5)	(61.5)	(11.4)%
Special items, net [(1)]	(0.3)	328.0	N/M
Operating income (loss)	(21.7)	181.9	N/M
Interest expense, net	(69.7)	(81.3)	(14.3)%
Other pension and postretirement benefits (costs), net	8.6	10.0	(14.0)%
Other income (expense), net	0.7	2.2	(68.2)%
Income (loss) before income taxes	$ (82.1)	$ 112.8	N/M

N/M = Not meaningful

(1) See Part I-Item 1. Financial Statements, Note 6, "Special Items" for detail of special items.

Cost of goods sold

The unrealized changes in fair value on our commodity swaps, which are economic hedges, 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. Higher commodity market prices relative to our hedged positions on our commodity swaps drove the total unrealized mark-to-market gain of $34.1 million recognized in cost of goods sold for the three months ended March 31, 2019 , as compared to the unrealized mark-to-market loss of $84.7 million recognized in cost of goods sold for the three months ended March 31, 2018 .

Marketing, general and administrative expenses

Marketing, general and administrative expenses decreased in the three months ended March 31, 2019 , primarily due to lower overhead costs in the current year as well as higher integration costs recognized in the prior year. Specifically, we recorded integration costs of $7.3 million and $8.8 million within marketing, general and administrative expense for the three months ended March 31, 2019 and March 31, 2018 , respectively.

Interest expense, net

Net interest expense decreased for the three months ended March 31, 2019 compared to the prior year, primarily driven by the repayment of debt as part of our deleveraging commitments as well as risk management strategies to reduce interest expense. See Part I—Item 1. Financial Statements, Note 9, "Debt" and Note 12, "Derivative Instruments and Hedging Activities" for further details.

Liquidity and Capital Resources

Our primary sources of liquidity include cash provided by operating activities and access to external capital. We believe that cash flows from operations 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 twelve months subsequent to the date of the issuance of this quarterly report, 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 is generated outside the U.S. in currencies other than USD. As of March 31, 2019 , approximately 81% of our cash and cash equivalents were located outside the U.S., largely denominated in foreign currencies. We accrue for 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 taxes. However, we will continue to assess the impact of the 2017 Tax Act on the tax consequences of future repatriations. 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. We believe these financing arrangements, along with the cash generated from the operations of our U.S. segment, are sufficient to fund our current cash needs in the U.S.

Cash Flows and Use of Cash

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 used in operating activities was $98.5 million for the three months ended March 31, 2019 compared to net cash provided by operating activities of $315.2 million for the three months ended March 31, 2018 . This decrease is primarily due to the proceeds received during the first quarter of 2018 of $328.0 million related to the Adjustment Amount (as defined and further discussed in Part I—Item 1. Financial Statements, Note 6, "Special Items"), as well as unfavorable timing of working capital in the U.S., partially offset by lower interest paid in the first quarter of 2019.

Cash Flows from Investing Activities

Net cash used in investing activities of $194.6 million for the three months ended March 31, 2019 decreased by $57.5 million compared to the three months ended March 31, 2018 , driven primarily by decreased outflows from other investing activities, including acquisitions, and lower capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities was $534.8 million for the three months ended March 31, 2019 compared to $289.9 million for the three months ended March 31, 2018 . This increase was primarily driven by the repayment of debt, partially offset by an increase in borrowings under our commercial paper program during the three months ended March 31, 2019 compared to the repayment of borrowings under our commercial paper program during the three months ended March 31, 2018 and changes in overdrafts and other financing activities.

Capital Resources

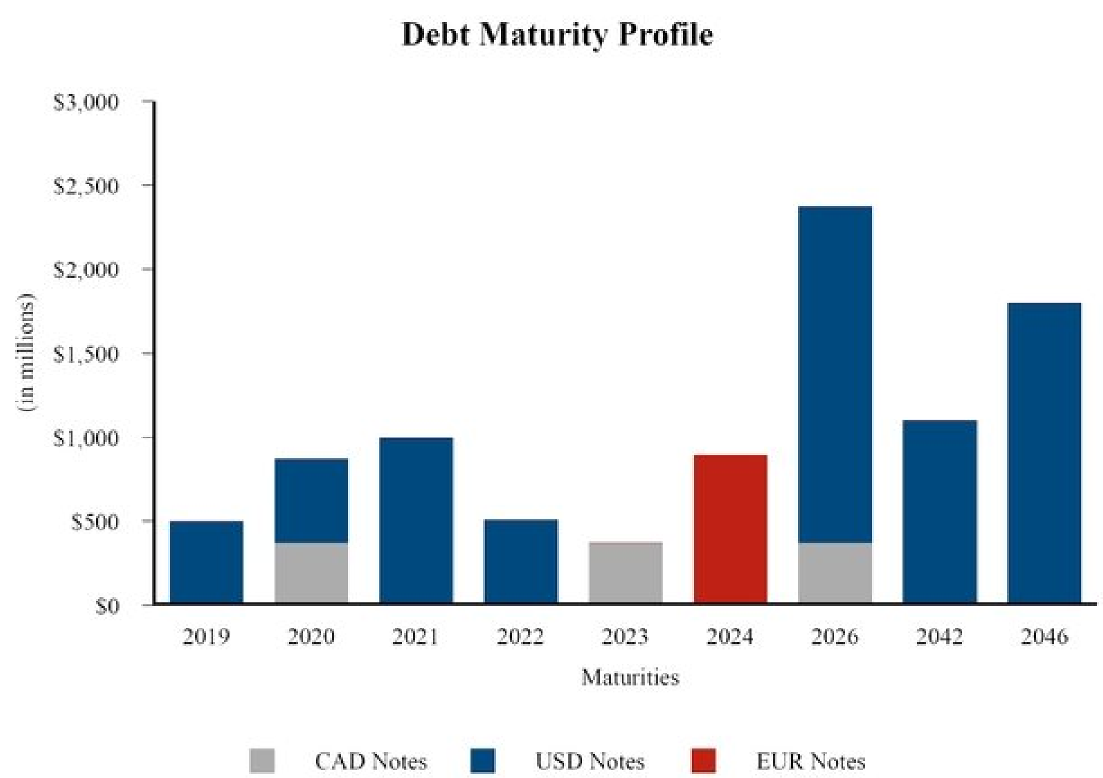
Cash and Cash Equivalents

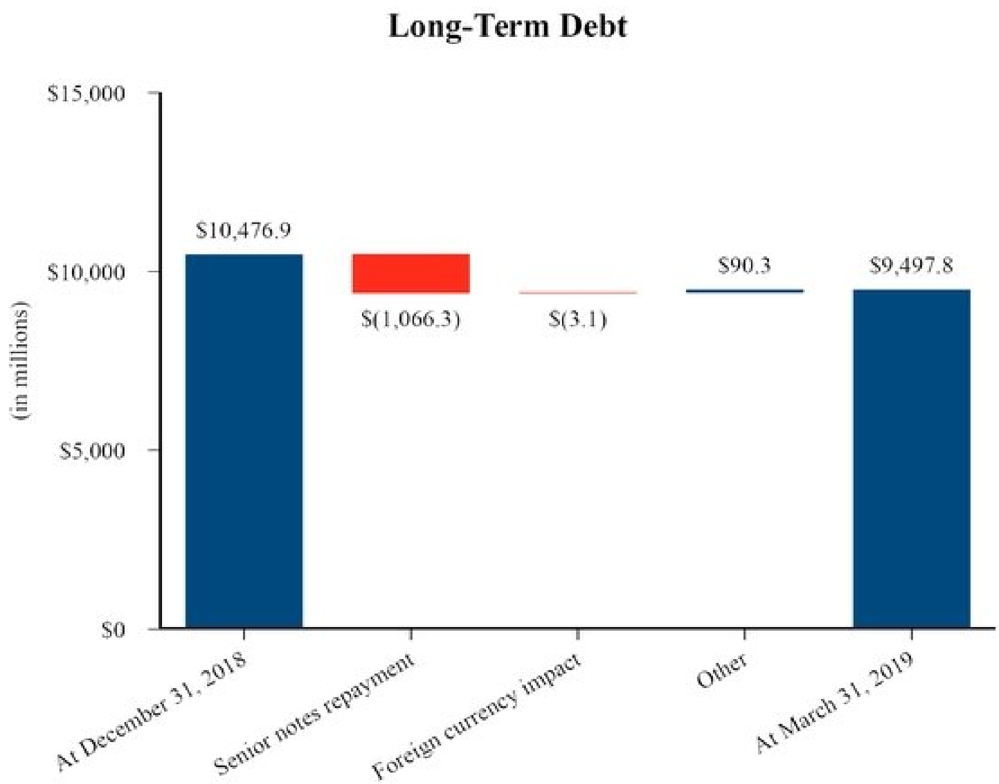
As of March 31, 2019 , we had total cash and cash equivalents of $234.4 million , compared to approximately $1.1 billion as of December 31, 2018 and $197.9 million as of March 31, 2018 . The decrease in cash and cash equivalents as of March 31, 2019 from December 31, 2018 was primarily driven by debt repayments, capital expenditures, net payments from operating activities and dividend payments, partially offset by an increase in borrowings under our commercial paper program. The increase in cash and cash equivalents as of March 31, 2019 from March 31, 2018 was primarily driven by cash generated from operating activities as well as an increase in borrowings under our commercial paper program, partially offset by debt repayments, capital expenditures and dividend payments.

Borrowings

During the first quarter of 2019, we repaid our EUR 500 million variable rate notes and our $500 million 1.90% notes, both of which matured in March 2019. Notional amounts are presented in USD based on the applicable exchange rate as of March 31, 2019 . Refer to Part I—Item 1. Financial Statements, Note 9, "Debt" for details regarding the $500 million and $400 million cross currency swaps on our $500 million 2.25% senior notes due 2020 and on a portion of our $1.0 billion 2.1% senior notes due 2021, respectively, which economically converted a portion of these notes to EUR denominated.

Subsequent to quarter end, effective April 3, 2019, we voluntarily early terminated our $500 million cross currency swaps due in 2020 and concurrently entered into new cross currency swap agreements having a total notional of approximately EUR 445 million ($500 million upon execution). See Note 12, "Derivative Instruments and Hedging Activities" for further details regarding these transactions.





The impact of the reclassification of finance leases to debt is included in the "other" column in the table above. See Part I—Item 1. Financial Statements, Note 2, "New Accounting Pronouncements" for further details.

Based on the credit profile of our lenders that are party to our credit facilities, we are confident in our ability to draw on our revolving credit facility if the need arises. As of March 31, 2019 , we had $895.8 million available to draw under our $1.5 billion revolving credit facility, as the borrowing capacity is reduced by borrowings under our commercial paper program, which was used, in part, to repay the above-mentioned senior notes that matured in the first quarter. We had no borrowings drawn on this revolving credit facility as of December 31, 2018 . In addition, we intend to further utilize our cross-border, cross currency cash pool for liquidity as needed. We also have JPY overdraft facilities, and CAD, GBP and USD lines of credit with several banks should we need additional short-term liquidity.

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. Additionally, under the $1.5 billion revolving credit facility, the maximum leverage ratio is 4.75x debt to EBITDA, with a decline to 4.00x debt to EBITDA as of the last day of the fiscal quarter ending December 31, 2020. As of March 31, 2019 , we were in compliance with all of these restrictions, have met such financial ratios and have met all debt payment obligations. All of our outstanding senior notes as of March 31, 2019 rank pari-passu.

See Part I—Item 1. Financial Statements, Note 9, "Debt" for a complete discussion and presentation of all borrowings and available sources of borrowing, including lines of credit.

Credit Rating

Our current long-term credit ratings are BBB-/Stable Outlook, Baa3/Stable Outlook and BBB(Low)/Stable Outlook with Standard and Poor's, Moody's and DBRS, respectively. Our short-term credit ratings are A-3, Prime-3 and R-2(low), 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 applicable 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 16, "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 weighted-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	
	March 31, 2019	March 31, 2018
Weighted-Average Exchange Rate (1 USD equals)		
Canadian Dollar (CAD)	1.34	1.29
Euro (EUR)	0.88	0.81
British Pound (GBP)	0.77	0.72
Czech Koruna (CZK)	22.60	20.67
Croatian Kuna (HRK)	6.53	6.04
Serbian Dinar (RSD)	104.06	96.21
Romanian Leu (RON)	4.15	3.80
Bulgarian Lev (BGN)	1.72	1.59
Hungarian Forint (HUF)	279.72	252.93

	As of	
	March 31, 2019	December 31, 2018
Closing Exchange Rate (1 USD equals)		
Canadian Dollar (CAD)	1.33	1.36
Euro (EUR)	0.89	0.87
British Pound (GBP)	0.77	0.78
Czech Koruna (CZK)	23.02	22.43
Croatian Kuna (HRK)	6.63	6.46
Serbian Dinar (RSD)	105.15	103.20
Romanian Leu (RON)	4.25	4.06
Bulgarian Lev (BGN)	1.74	1.71
Hungarian Forint (HUF)	286.26	279.94

The weighted-average exchange rates in the above table 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 $95.7 million , and have paid $198.0 million , for capital improvement projects worldwide in the three months ended March 31, 2019 , excluding capital spending by equity method joint ventures, representing a decrease of $22.5 million from the $118.2 million of capital expenditures incurred in the three months ended March 31, 2018 . This decrease is primarily due to the timing of projects as we currently expect to incur total capital expenditures of approximately $700 million for full year 2019, based on foreign exchange rates as of March 31, 2019 . This expectation includes capital expenditures associated with the construction of our new Chilliwack, British Columbia brewery, expected to be completed in the third quarter of 2019, and new Longueuil, Quebec brewery, which is currently underway and not expected to be completed until 2021.

We continue to 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

There were no material changes to our contractual obligations and commercial commitments outside the ordinary course of business or due to factors similar in nature to inflation, changing prices on operations or changes in the remaining terms of the contracts since December 31, 2018, as reported in Part II - Item 7. Management's Discussion and Analysis, Contractual Obligations and Commercial Commitments in our Annual Report, with the exception of the repayment of our $500 million 1.90% notes and EUR 500 million notes during the first quarter 2019.

Guarantees

We guarantee indebtedness and other obligations to banks and other third parties for some of our equity method investments and consolidated subsidiaries. See Part I - Item 1. Financial Statements, Note 14, "Commitments and Contingencies" for further discussion.

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. See Part I—Item 1. Financial Statements, Note 14, "Commitments and Contingencies" for further discussion.

Off-Balance Sheet Arrangements

Refer to Part II—Item 8 Financial Statements, Note 18, "Commitments and Contingencies" in our Annual Report for discussion of off-balance sheet arrangements. As of March 31, 2019 , 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 2019

In the U.S., our commitment to energizing our core brands is paying off. *Coors Light* trends improved with the brand regaining positive share momentum and *Miller Lite* continues taking segment share while also maintaining share of the total U.S. beer market. We are also focused on premiumization as demonstrated by strong double-digit or stronger brand volume growth for *Arnold Palmer Spiked* , *Sol* , *Henry's Hard Sparkling* and *Peroni.* Additionally, continuous development of our customer excellence capability remains a focus as we continue to be a leader in category management in the U.S., as evidenced by a first place result overall in the most recent annual Advantage survey and a first place on-premise result in the most recent annual CM Profit Group survey. We believe retailers trust us to grow the size and value of their beer category and believe we consistently outperform our competition in this area. Our stepped-up innovation approach is demonstrated by the introduction of *Cape Line* , *Saint Archer Gold* and *Sol Chelada* in the U.S., contributing to more than 180,000 of expected retail locations in 2019 for our recent product additions.

In Canada, we have focused on premiumization as shown by our continued strength of *Belgian Moon* , which grew strong double-digits in the quarter. We continue to help customers drive category growth. For example, a major retailer has seen improving beer category growth in stores where we reset beer shelves, and joint brewer-retailer teams are applying our success to other major chains. We are improving our intensity behind innovation and disruptive growth as shown by the launch of *Coors Slice* , *Aquarelle Hard Seltzer* and *Bella Amari* , and we believe that Truss remains on track to be a first mover when cannabis infused beverages are planned to be legalized in October.

In Europe, we are also focused on premiumization, demonstrated by high single-digit growth for *Coors Light* in the U.K. while we drive the national rollout of *Pravha* from *Staropramen* . Our global brands remain a priority as evident by *Blue Moon,* whose brand volume grew strong double-digits in the quarter, and *Staropramen* who had brand volume growth of 15.8% in the first quarter, inclusive of growth in the Czech Republic. Our customers rate us with a leading net promoter score of 60+ in a majority of the countries in which we operate, and our U.K. business was again ranked number one by on-premise chain accounts. Additionally, we are improving our intensity behind innovation and disruptive growth as we are delivering new services and revenue streams, through upgrading our digital and e-commerce capability in Europe and beyond.

In International, our global brands remain a priority with *Miller Lite* and *Blue Moon* as examples. Brand volume of *Miller Lite* and *Blue Moon* grew strong double-digits in our International business in the quarter. Our portfolio is also benefiting from continued expansion of *Blue Moon* which is now available in 20 International markets.

Interest

We anticipate 2019 consolidated net interest expense of approximately $300 million, based on foreign exchange as of March 31, 2019 .

Tax

We expect our effective tax rate to be in the range of 18% to 22% for 2019, which remains subject to additional definitive guidance from the U.S. government regarding the implementation of the 2017 Tax Act. Our preliminary expectation for our long-term effective tax rate (after 2019) is in the range of 20% to 24%.

Dividends and Stock Repurchases

We remain committed to maintaining our investment grade debt rating and we intend to continue to deleverage further in 2019 in accordance with our plans. Our board's intention remains to reinstitute a dividend payout-ratio in the range of 20% to 25% of annual trailing EBITDA for the second half of 2019 and ongoing thereafter. We have suspended our share repurchase program as we continue to pay down debt which we plan to revisit as we further deleverage.

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 quarter of 2019 . See Part I—Item 1. Financial Statements, Note 2, "New Accounting Pronouncements" for discussion of recently adopted accounting pronouncements. See also Part I—Item 1. Financial Statements, Note 8, "Goodwill and Intangible Assets" for discussion of the results of the 2018 annual impairment testing 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

See Part I—Item 1. Financial Statements, Note 2, "New Accounting Pronouncements" 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 12, "Derivative Instruments and Hedging Activities." On a rolling twelve-month basis, maturities of derivative financial instruments held on March 31, 2019 based on foreign exchange rates as of March 31, 2019 are as follows:

Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
		(In millions)		
$ 52.3	$ 46.5	$ 40.2	$ (8.9)	$ (25.5)

Sensitivity Analysis

Our market risk sensitive derivative and other financial instruments, as defined by the SEC, are debt, foreign currency forward contracts, commodity swaps, commodity options, cross currency swaps, forward starting interest rate swaps and warrants. We monitor foreign exchange risk, interest rate risk, commodity risk, equity price risk and related derivatives using a sensitivity analysis.

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

	As of	
	March 31, 2019	December 31, 2018
	(In millions)	
Estimated fair value volatility		
Foreign currency risk:		
Forwards	$ (33.1)	$ (35.1)
Foreign currency denominated debt	$ (186.0)	$ (249.3)
Cross currency swaps	$ (81.0)	$ (43.3)
Interest rate risk:		
Debt	$ (293.6)	$ (302.1)
Forward starting interest rate swaps	$ (134.6)	$ (126.2)
Commodity price risk:		
Commodity swaps	$ (72.8)	$ (77.5)
Commodity options	$ —	$ —
Equity price risk:		
Warrants	$ (6.3)	$ (2.8)

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 term 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 March 31, 2019 to provide reasonable assurance that information required to be disclosed in our reports that we file or submit 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.

Remediation of Previously Disclosed Material Weakness in Internal Control over Financial Reporting

As previously disclosed in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2018, management identified a material weakness as of such date. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. The identified material weakness was in connection with our controls over the completeness and accuracy of the accounting for, and disclosure of, the income tax effects of acquired partnership interests. Specifically, we did not design appropriate controls to identify and reconcile deferred income taxes associated with the accounting for acquired partnership interests. This material weakness resulted in material errors in connection with our step acquisition of MillerCoors that were corrected through the restatement of the consolidated financial statements as of and for the years ended December 31, 2017 and December 31, 2016, and the correction of the unaudited quarterly financial information for fiscal years 2018 and 2017.

In response to the material weakness referred to above, with the oversight of the Audit Committee of our Board of Directors, we implemented changes to our internal control over financial reporting, which included the implementation of a specific control to ensure that income tax effects of acquired partnership interests are properly accounted for and disclosed in the period of acquisition and the resulting investment in partnership deferred income tax assets and liabilities are assessed and reconciled periodically to the book-tax differences in the underlying assets and liabilities within the partnership to determine whether any adjustment is necessary. We have completed documentation of the corrective actions described above and, based on the evidence obtained in validating the design effectiveness of the implemented control, we have concluded that the previously disclosed material weakness has been remediated as of March 31, 2019 .

Changes in Internal Control over Financial Reporting

The change described under “Remediation of Previously Disclosed Material Weakness in Internal Control over Financial Reporting” above represents a change in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the three months ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding litigation, other disputes and environmental and regulatory proceedings see Part I—Item 1. Financial Statements, Note 14, "Commitments and Contingencies."

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 are 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

None.

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 or incorporated by reference as a part of this Quarterly Report on Form 10-Q:

(a) Exhibits

Exhibit Number	Document Description
10.1+	Directors Service Agreement, dated as of October 1, 2012, by and between Molson Coors Brewing Company (UK) Limited and Simon John Cox .
10.2+	Secondment Letter, dated as of December 5, 2014, by and between Molson Coors Brewing Company (UK) Limited and Simon Cox .
10.3+	Offer Letter, dated as of October 3, 2012, by and between Molson Coors Brewing Company and Celso White .
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, (ii) the Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) the Unaudited Condensed Consolidated Balance Sheets, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, (v) the Unaudited Condensed Consolidated Statements of Stockholders' Equity and Noncontrolling Interests, (vi) the Notes to Unaudited Condensed Consolidated Financial Statements, and (vii) document and entity information.

\+ Represents a management contract or compensatory plan or arrangement.

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 C. TABOLT

Brian C. Tabolt
Vice President and Controller
(Principal Accounting Officer)
May 1, 2019

Exhibit 10.1

DATED this 1st day of October 2012

MOLSON COORS BREWING COMPANY (UK) LIMITED

- and -

Simon John Cox

DIRECTORS SERVICE AGREEMENT

THIS AGREEMENT is made on 1 st October 2012

BETWEEN

(1) Molson Coors Brewing Company (UK & Ireland) Ltd (registered in England No. 26018) whose registered office is at 137 High Street, Burton upon Trent, Staffordshire, DE14 1JZ (the "Company") and
(2) Mr. Simon John Cox (the "Executive").

WHEREBY IT IS AGREED as follows:

1. Definitions

In this Agreement:

"Appointment" means the Executive's employment under this Agreement.

"Associate Company" means a company which is from time to time a subsidiary or a holding company of the Company or a subsidiary (other than the Company) of a holding company of the Company. In this definition "subsidiary" and "holding company" have the same meanings as in Section 1159 of the Companies Act 2006, as originally enacted.

"Garden Leave" means any period of suspension or complete exclusion as described in clause 16.

2. **Appointment**

2.1 The Executive shall serve the Company as the Regional President, UK & Ireland (to be known locally as Managing Director UK & Ireland or in such other capacity of a like status as the Company may require unless and until his employment shall be terminated by either the Company or the Executive in accordance with this Agreement.

3. **Powers and Duties**

3.1 The Executive shall exercise such powers and perform such duties in relation to the business of the Company or any Associated Company as may from time to time be vested in or assigned to him by the Company. The Company reserves the right to require the Executive to cease to perform part of his duties and/or to require him to perform additional duties (provided such duties are not inappropriate to his status). The Executive shall comply with all reasonable and lawful directions from, and all regulations and policies of, the Company and Molson Coors Brewing Company.

3.2 The Executive shall report to the CEO Europe and shall at all times promptly give to the Company or Associated Company (in writing if so requested) all information, advice and explanations as it may reasonably require in connection with matters relating to his employment or directorship under this Agreement or with the business of the Company generally.

3.3 The Executive shall work such hours as may reasonably be required for the proper performance of his duties. Overtime pay is not applicable.

3.4 The Executive shall devote the whole of his time, attention and abilities during those hours to carrying out his duties in a proper, loyal and efficient manner. The Executive shall well and faithfully serve the Company and any Associated Company and use his utmost efforts to promote the interests thereof.

3.5 During the performance of his duties of employment, the Executive shall travel to such places inside and outside the UK as the Company may from time to time require.

3.6 The Executive's normal place of work shall be in Burton on Trent or at such other place in the UK as the Company may from time to time determine.

4. **Salary and Incentives**

4.1 The Executive shall be paid monthly on the 16 th day of each month (or last working day prior to the 16 th) for his services during that month, at a salary rate of £ 225,000 per annum, less normal deductions.

4.2 The Executive shall be entitled to participate in the Company's annual cash incentive scheme, Molson Coors Incentive Plan (MCIP) in accordance with the rules of the MCIP prevailing at that time. However, the Company reserves the right to discontinue or amend the terms of the MCIP or any replacement thereof annual cash incentive scheme at any time and from time to time without any obligation to provide a replacement or equivalent incentive scheme or to pay compensation in respect of such amendment or withdrawal. The Executive acknowledges that he has no contractual or other legal right to receive any annual cash incentive payment and that the Company is under no obligation to operate any cash incentive scheme. He further acknowledges that he will not acquire such a right (or to receive any cash incentive payment at a particular level), nor shall the Company come under such an obligation, merely by virtue of the Executive having received one or more cash incentive payments during the course of the Appointment.

4.3 The Company will first review (but shall not be obliged to increase) the salary payable under this Agreement on 1 st April 2013. Thereafter at least once in each 12 months the Company shall review (but shall not be obliged to increase) the salary payable under this Agreement.

4.4 The Executive shall not be entitled to any other salary or fees as an officer, director or employee of the Company or any Associated Company. The Executive shall, as the Company may direct, either waive his right to any such salary or fees or account for the same to the Company.

4.5 The Company shall be entitled to deduct from the Executive’s salary or other remuneration all or any sums owed by him to the Company including, but not limited to, advances, overpayments, unauthorised expenses, relocation costs or the costs of repairing or replacing any equipment or property belonging to the Company or any Associated Company which has been lost or damaged by the Executive.

5. **Pensions and Life Assurance**

5.1 The Executive is eligible to participate in the Group Personal Pension Plan for Molson Coors subject to the Rules of that Plan. In addition to pension provision, four times salary life assurance is provided under the plan. The Executive will make contributions to that plan in accordance with its rules and those contributions will be deducted from salary. The Company reserves the right, in its absolute discretion, to close or amend any such plans and schemes and shall not be obliged to provide a replacement scheme or to compensate the Executive for any loss in benefits incurred as a result of such closure or amendment.

6. **Car or Car Allowance**

6.1 At the option of the Executive, the Company shall provide for the Executive (subject to him being qualified to drive) a motor car suitable for a person of his status, in accordance with the whole terms and conditions of the Company Car Policy as published from time to time.

6.2 The Company may at its option, at any time, elect to pay an appropriate non-pensionable cash sum by way of car allowance, instead of the provision of a car. The rate and full terms of such allowance shall be entirely at the Company’s discretion but will be made in consultation with the Executive and upon giving the Executive reasonable notice. Payment of any such allowance shall be subject to tax and

National Insurance deductions and will be made with salary in accordance with the time scales set out in clause 4.1.

7. Other Benefits and Stock Options

7.1 The Executive shall be entitled to participate in the Company’s private medical/health insurance scheme, subject to the terms and conditions of that scheme and of any related policy of insurance as are from time to time in force. In the event that for whatever reason the insurer or third party provider in respect of any such scheme does not meet a claim or fails to continue to pay or provide a benefit, the Company and all Associated Companies shall not be responsible for providing the Executive with any benefit under any such insurance scheme or any payment to compensate the Executive.

7.2 The Executive shall maintain his membership of all professional, trade and other bodies deemed necessary by the Company or statute for the performance of his duties hereunder. The Executive shall be entitled to payment or reimbursement by the Company of up to two subscriptions to recognised professional bodies where such a professional body is directly related to the Executive’s current job or to his normal professional skills.

7.3 The Executive will be eligible to participate in the Molson Coors Long Term Incentive Plan, subject to the terms of the Plan. The Executive’s annual LTIP target will be grandfathered as per his current arrangement, until 2015, at US$ 245,000, following which it will be at the amount appropriate to his level in the Company. The Company reserves the right to discontinue or amend the terms of this Plan at any time and from time to time and, in such event, the Company or any Associated Company shall not be required to provide a replacement plan or to pay compensation in respect of such discontinuance or amendment. The Executive acknowledges that he has no right to receive an annual allocation (or an allocation of a particular level) under this Plan and that the Company is under no obligation to operate a log term incentive plan. The Executive also acknowledges that he will not acquire such a right, nor shall the Company come under such an obligation, merely by virtue of having received one or more allocations or payments (or allocations or payments of a particular level) under this or any other plan during the course of his employment.

7.4 The Executive shall be entitled to purchase goods or services from the Company or any Associated Company with the benefit of such discount and commissions as are from time to time authorised by the CEO Europe.

8. Expenses

The Company shall reimburse to the Executive against production of satisfactory receipts, if requested, all reasonable travelling, hotel, entertainment and other out-of-pocket expenses which he may from time to time be authorised to incur in the execution of his duties herein. Such expenses must be incurred in accordance with the Company's Travel and Expense policy from time to time in force.

9. Holidays

9.1 The Executive is entitled to 31 working days of paid annual holiday in every calendar year to be taken at such times as may be approved by the Chief Executive Officer of the Company. This entitlement covers an allowance for those bank and public holidays on which the Company offices are open for business. In addition, the Executive is entitled to take holiday on Christmas Day, Boxing Day and New Year's Day or such other days as the Company declares in their place when Company offices will be closed.

9.2 The Executive may carry over up to 5 days of unused holiday into the following calendar year with approval of the CEO Europe, provided that such days are taken before the end of February in that following year. Any other holiday not taken in the calendar year of entitlement will be forfeited.

9.3 During the Executive's first and last years of employment with the Company his holiday entitlement shall be calculated on a pro rata basis.

9.4 Upon termination the Executive will be entitled to any pay in lieu of holiday accrued but untaken. However, if upon termination, the Executive has taken more holiday than his accrued holiday entitlement, he will be required to reimburse the Company in respect of the excess days taken and the Executive hereby authorises the Company to make deductions in respect of the same from his final salary payment.

9.5 The Company may at its discretion require the Executive to take during his notice period any holiday entitlement which has accrued by the date of the termination of his employment but which has not been taken.

10. Sickness

10.1 Subject to the production of medical certificates satisfactory to the Company (as required), if the Executive is absent from work due to sickness or accident, he shall be entitled to receive 100% of his salary during the first 6 months of sickness absence, and thereafter he shall be entitled to 50% of his salary for the second 6 months of sickness absence ("Company sick pay"). These entitlements apply in respect of all sickness absence occurring in any rolling 12 month period.

10.2 Any Company sick pay in addition to that to which the Executive is entitled under clause 10.1 shall be at the discretion of the Company. Such remuneration shall include any sums the Company is obliged to pay to the Executive pursuant to the Social Security Contributions and Benefits Act 1992 (Statutory Sick Pay).

10.3 If the Executive shall be or become incapacitated from any cause whatsoever from efficiently performing his duties hereunder for a continuous period of at least 365 days or in aggregate periods in excess of 300 normal working days in any period of 104 weeks, the Company may terminate this Agreement by giving the Executive 3 months' written notice.

11. Confidential Information

For the purposes of this clause 11 "Confidential Information" means, without limitation:

(i) trade secrets,
(ii) any inventions or improvements which the Executive may from time to time make or discover in the course of his duties.
(iii) details of suppliers, their services, or customers and the services and their terms of business,
(iv) prices charged to and terms of business with clients,
(v) marketing plans and sales forecasts,
(vi) any proposals relating to the future of the Company or its business or any part thereof,
(vii) details of employees and officers and of the remuneration and other benefits paid to them,
(viii) any existing or proposed business ventures, acquisitions, disposals, production agreements or outsourcing relating to the Company or any Associated Company,
(ix) information relating to any business matters, corporate or strategic or business plans, management systems, finances, marketing or sales of any past, present or future products or services, management reports, processes, inventions, designs, know how, pitch lists, discoveries, technical specifications and other technical information relating to the creation, production or supply of any past, present or future products or service of the Company or any Associated Company,
(x) any information given to the Company or any Associated Company in confidence by clients/customers, suppliers or other persons,
(xi) any other information (whether or not recorded in documentary form, or on computer disk or tape) which is confidential or commercially sensitive and is not in the public domain,
(xii) any other information which is notified to the Executive as confidential; and
(xiii) any other information which the Executive should reasonably expect that the company or any Associated Company would regard as confidential or commercially sensitive.

11.2 The Executive shall not, either during this Appointment, or at any time thereafter without limitation in time, except in the proper course of his duties (or as required by law), directly or indirectly:

(a) use, divulge or disclose, or

(b) through any failure to exercise all due care and diligence, cause or permit to be disclosed,

to any person any other Confidential Information concerning the business or affairs of the Company or any Associated Company, or any of their clients or customers, which may have come to his knowledge at any time during his employment by the Company or any Associated Company.

11.3 Clause 11.2 will cease to apply to Confidential Information which:

(a) enters the public domain other than (directly or indirectly) by way of unauthorised disclosure or unauthorised use by any person (whether or not by the Executive), or

(b) is disclosed by way of a protected disclosure pursuant to the Public Interest Disclosure Act 1998.

12. Restrictions During the Appointment

12.1 The Executive shall not during the Appointment directly or indirectly be employed by, provide services to, or be an officer of, or have any financial interest in, or otherwise be concerned or interested in, any trade, business or occupation other than the business of the Company except:

(a) with the prior written consent of the Company, but consent may be given subject to any terms or conditions which the Company requires, a breach of which shall be deemed to be a breach of the terms of this Agreement; or

(b) as a holder of not more than 3% of any class of shares, debentures or other securities in a company which is listed or dealt in on a Recognised Investment Exchange.

In this clause the expression “occupation” includes membership of Parliament or of a local authority council or other public or private work (whether for profit or otherwise) which, in the reasonable opinion of the Company, may hinder or otherwise interfere with the efficient and full performance by the Executive of his duties under this Agreement.

12.2 In the event that the Executive becomes aware of any actual or potential conflict of interest between himself (or a member of his immediate family) and the

Company or any Associated Company, he shall immediately give full details of it to the Company and shall comply with any reasonable instructions of the Company regarding the resolution of such conflict.

12.3 The Executive shall not during the Appointment directly or indirectly have any dealings with any of the Company's or any Associated Company's past, current or prospective suppliers, customers, agents or clients with whom he has had direct or indirect business dealings, or with the competitors of the Company or any Associated Company other than:

(a) than for the legitimate business interests of the Company or any Associated Company;

(b) on a purely social basis; or

(c) with the prior consent of the Company.

12.4 The Executive shall not during the Appointment either on his own behalf or on behalf of any person, firm or company directly or indirectly;

(a) solicit or endeavor to entice away from the Company an employee, or discourage from being employed by the Company or an Associated Company any person who, to the knowledge of the Executive, is an existing or prospective Restricted Employee of Company or any Associated Company;

(b) employ or receive services from any Restricted Employee;

(c) procure or assist or facilitate another person to employ or receive services from any Restricted Employee.

A "Restricted Employee" means any person who is already employed in, or is in the process of being recruited by, the Company or any Associated Company into a senior management role.

12.5 The Executive shall not, without the prior written consent of the Company, other than in the performance of his duties, either directly or indirectly:

(a) publish an opinion, fact or material;

(b) deliver any lecture or address;

(c) make any untrue or misleading statement;

(d) participate in the making of any film, radio broadcast or television transmission; or

(e) communicate with any representative of the media (including but not limited to television (terrestrial, satellite and cable), radio, the internet, newspapers and other journalistic publications) or any third party,

relating to the business or affairs of the Company or any Associated Company or to any of its or their officers, employees, customers, clients, suppliers, distributors, agents or shareholders or to the development or exploitation of any Intellectual Property belonging to the Company or any Associated Company.

13. Post-termination Restrictions

13.1 In this clause 13 the following words and phrases shall have the following meanings:

(i) "Prospective Customer" means any person, firm or company who in the 12 months immediately prior to the Restriction Date has been (i) an active target of the Company or any Associated Company, or (ii) offered contract terms by the Company or any Associated Company, or (iii) participating in active negotiations with the Company or any Associated Company in respect of the supply of goods or services by the Company or any Associated Company and with whom the Executive:

(a) had dealings on behalf of the Company or any Associated Company; or

(b) was responsible or concerned via an employee, agent or consultant of the Company or any Associated Company who reported to him;

(ii) "Restricted Business" means those of the businesses of the Company and the Associated Companies with which the Executive was involved to a material extent at any time during the period of 12 months immediately prior to the Restriction Date;

(iii) "Restricted Customer" means any firm, company or other person who at any time during the period of 12 months immediately prior to the Restriction Date, was a customer of, or in the habit of dealing with the Company or any Associated Company and with whom or which the Executive dealt to a material extent, or in respect of whom or which the Executive was responsible, on behalf of the Company or any Associated Company during that period;

(iv) "Restricted Employee" means any person who, at the date of the termination of the Executive's employment, was employed by the Company or any Associated Company at Senior Executive level or above or was an employee or consultant, and in either case with whom the Executive worked during the period of 12 months immediately prior to the Restriction Date; and

(v) "Restricted Supplier" means any firm, company or other person who at any time during the period of 12 months immediately prior to the Restriction Date, was a provider or supplier or a prospective provider or supplier of goods or services (other than utilities and goods or services supplied for administrative purposes) to the Company or any Associated Company, including any person who provided services to the Company or any Associated Company by way of a consultancy agreement, and with whom the Executive dealt to a material extent during that period;

(vi) "Restriction Date" means the earlier of the date of termination of this Agreement and the start of any period of Garden Leave under clause 16.

13.2 The Executive will not, without the prior written consent of the Company, for a period of 12 months immediately following the Restriction Date, canvas, solicit or approach, or cause to be canvassed, solicited or approached, for the purpose of obtaining business, orders or custom any person, firm or company who was (i) a Restricted Customer, or (ii) a Prospective Customer, or (iii) a Restricted Supplier. This restriction will only apply in circumstances where The Executive is engaged in, provides services to, is an officer of, or has any financial interest in, or be concerned with in any capacity, in any business concern which is in competition with any Restricted Business in (i) the UK, or (ii) Europe.

13.3 The Executive will not, without the prior written consent of the Company, for the period of 12 months immediately following the Restriction Date perform any services or supply goods to any person, firm or company who was (i) a Restricted Customer, or (ii) a Prospective Customer, or (iii) a Restricted Supplier. This restriction will only apply in circumstances where The Executive is engaged in, provides services to, is an officer of, or has any financial interest in, or be concerned with in any capacity, in any business concern which is in competition with any Restricted Business in (i) the UK, or (ii) Europe.

13.4 The Executive will not, without the prior written consent of the Company, for the period of 12 months immediately following the Restriction Date,

(a) offer employment to or employ any Restricted Employee; or

(b) offer or conclude any contract for services with any Restricted Employee; or

(c) procure, or facilitate or assist in the making of such an offer of employment or contract for services to a Restricted Employee by any person, firm, company or other organisation; or

(d) entice away any Restricted Employee from the employment of the Company or any Associated Company.

13.5 The Executive will not without the prior written consent of the Company, for the period of 12 months immediately following the Restriction Date, be engaged in, provide services to, be an officer of, have any financial interest in, or be concerned with in any capacity, in any business concern which is in competition with any Restricted Business in (i) the UK, or (ii) Europe. This clause shall not restrain the Executive from being engaged or concerned in any business concern in so far as the Executive's duties or work there shall relate solely;

(a) to geographical areas either (i) where the business concern is not in competition with the Restricted Business, or (ii) in respect of which the Executive had had no dealings or was not responsible during the 12 month period immediately prior to the Restriction Date; or

(b) to services or activities of a kind with which the Executive was not concerned to a material extent during the period of 12 months ending on the date of the Restriction Date.

13.6 Clause 13.5 shall not prevent the Executive from being a holder of not more than 3% of any class of shares, debentures or other securities in a company which is listed or dealt in on a Recognised Investment Exchange.

13.7 The obligations imposed on the Executive by this clause 13 extend to him acting not only on his own account but also on behalf of any other firm, company or other person and shall apply whether he acts directly or indirectly.

13.8 The Executive agrees that:

(a) each of the sub-paragraphs contained in this clause 13 constitutes an entirely separate, severable and independent covenant and restriction on him;

(b) the duration, extent and application of each of the restrictions contained in this clause 13 is no greater than is necessary for the protection of the goodwill and trade connections of the Company; and

(c) if a restriction on him contained in this clause 13 is found void but would be valid if some part of it were deleted or amended, the restriction shall apply with such deletion or amendment as may be necessary to make it valid and effective.

14. Return of Property

For the purposes of this clause 14, “Property” means keys, mobile phone, computer equipment, all lists of clients or customers, correspondence and all other documents, disks, information storage devices, papers and records (including, without limitation, any records stored by electronic means, together with any codes or implements necessary to give full access to such records), system designs, software designs, software programmes (in whatever media), presentations, proposals or specifications which may have been prepared by him or have come into his possession, custody or control in the course of his employment. This shall include all copies, reproductions, extracts and summaries of any of the above.

The Executive shall upon termination of this Agreement, or whenever requested by the Company, immediately deliver up to the Company all Property of the Company or any Associated Company and the Executive shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.

15. Directorships

15.1 The removal of the Executive from the office of director of the Company or the failure of the Company in general meeting to re-elect the Executive as a director of the Company if under the Articles of Association for the time being of the Company he shall be obliged to retire by rotation or otherwise shall not terminate his employment under this Agreement.

15.2 The Executive shall not except with the consent of the Company during his employment resign his office as a director of the Company or any Associated Company or do anything which could cause him to be disqualified from continuing to act as such a director.

15.3 The Executive shall resign as a director of the Company and all Associated Companies with immediate effect on the termination of this Appointment or (if so requested by the Company) with effect from the date when the Company exercises all or any of its rights under clause 16.

In the event that the Executive fails to comply with this obligation, he hereby irrevocably authorises the Company to appoint any person as his attorney to do all acts and execute all such documents in his name and on his behalf to give immediate effect to such resignation(s).

16. Garden Leave and Suspension

16.1 The Company may suspend the Executive for a reasonable period on full pay for the purpose of investigating the substance of any potential disciplinary matter involving the Executive and holding a disciplinary hearing. The Executive must not during any period of suspension, without the written consent of the Company, go to any premises of the Company or any Associated Company or contact or deal with any employee, customer, client or supplier of the Company or any Associated Company.

16.2 Where either the Company or the Executive gives notice to terminate this Appointment, the Company may require the Executive to cease to perform all or part his duties under this Agreement and/or not to attend at the Company's premises during all or any part of the notice period as the Company so decides. The Company may require the Executive during part or all of such period to perform part but not all of his normal duties or to perform duties different from his normal duties, including carrying out specific projects or tasks (but not being duties inappropriate to his status). The Executive shall comply with any other reasonable instructions and conditions imposed by the Company during such period.

16.3 During Garden Leave the Company shall continue to pay the Executive his normal salary and provide other contractual benefits to which he has an entitlement under this Agreement, but the Executive shall not be entitled to any incentive, bonus or commission payments. During this period the Executive, who shall remain in employment, shall continue to be bound by all obligations owed to the Company under this Agreement.

16.4 The Executive must not during Garden Leave directly or indirectly be employed by or retained by or advise or assist any other person, company or entity in any capacity whether paid or unpaid.

16.5 The Executive shall during Garden Leave remain available to perform any reasonable duty requested by the Company and shall co-operate generally with the Company to ensure a smooth hand over of his duties. Should the Executive fail to make himself available for work having been requested by the Company to attend, he shall, notwithstanding any other provision of this Agreement, forfeit his right to salary and contractual benefits in respect of such period of non-availability.

16.6 The Company may appoint another individual to carry out the duties of the Executive during any period that he is on Garden Leave in accordance with this clause 16.

17. Termination of Employment

17.1 The Company may terminate the Executive's employment by serving 12 months' written notice on the Executive. The Executive may terminate his employment by serving 6 months' written notice on the Company.

17.2 The Company may, in its absolute discretion, lawfully terminate the employment of the Executive at any time by paying to the Executive a sum in lieu of notice equal to his basic salary under clause 4.1 and the value of such other benefits as the Company may opt not to provide for all or part of any notice period (whether given by the Executive or the Company). Any such payment shall be subject to appropriate statutory deductions. To avoid doubt, nothing in this clause 17.2 shall give rise to any right for the Executive to require the Company so to exercise its discretion or shall give him any right to receive any such payment in lieu of notice unless and until he has been notified in writing by the Company of its decision to make such a payment.

17.3 If applicable, should the Executive lose the right to work in the UK and/or is unable to provide the company with the required documentary evidence, the company reserves the right to terminate the Executive's employment without notice, within a reasonable period of discovery of this.

17.4 If the Executive:

(a) becomes a patient for any purpose of any statute relating to mental health; or

(b) is convicted of any criminal offence (other than a motoring offence for which no custodial sentence is given to him); or

(c) shall have an order under Section 252 of the Insolvency Act 1986 made in respect of him or if an interim receiver of his property is appointed under Section 286 of that Act; or

(d) shall be or become prohibited by law from being a director; or

(e) shall be guilty of any gross misconduct (which, for the avoidance of doubt, includes any conduct which tends to bring the Company or any Associated Company into material disrepute, e.g., driving whilst over the legal alcohol limit), or gross negligence or shall commit any serious or persistent breach of any of his obligations to the Company or any Associated Company (whether under this Agreement or otherwise);

(f) shall refuse or neglect to comply with any lawful orders given to him by the Company;

(g) resigns as a director of the Company or any Associated Company without the Company's consent.

then the Company shall be entitled to implement the remedies available to it under its Disciplinary Procedure in relation to Gross Misconduct.

17.5 Any delay or forbearance by the Company in exercising any right of termination shall not constitute a waiver of it.

18. Intellectual Property

18.1 For the purposes of this clause 18 the following words and phrases shall have the following meanings:

(i) **"Works"** means all works, designs, innovations, inventions, improvements, processes, get-up, trademarks and trade names.

(ii) **"Company Works"** means all Works authored, originated, conceived, written or made by the Executive alone or with others (except only those Works which are authored, originated, conceived, written or made by the Executive wholly outside the course of his employment).

(iii) **"Intellectual Property Rights"** means any and all patents, trademarks, signs and services marks, rights in designs, trade or business names or signs, copyrights, database rights and topography rights (whether or not any of these is registered and including applications for registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world.

18.2 The parties foresee that the Executive may create Company Works during the course of this Appointment. All Company Works shall vest in and be owned by the Company immediately upon their creation. It shall be part of the Executive's normal duties at all times to:

(i) consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company with which the Executive is concerned or for which the Executive is responsible might be improved; and

(ii) promptly disclose to the Company full details of any invention or improvement which the Executive may from time to time make or discover in the course of his duties including, without limitation, details of all Company Works; and

(iii) further the interests of the Company's undertaking with regard thereto with the intent that subject to the Patents Act 1977, the Company shall be entitled to the sole and absolute ownership of any such Company Works and to the exclusive use thereof free of charge and free of any third party rights.

18.3 To the extent such rights do not vest immediately in the Company the Executive hereby agrees to assign to the Company all of the Executive's right, title and interest in the Company Works together with all of his right, title and interest in any and all Intellectual Property Rights which subsist from time to time in the Company Works.

18.4 To the extent such rights do not vest immediately in the Company the Executive hereby assigns to the Company all future copyright in the Company Works and the parties agree that all such future copyright shall vest in the Company by operation of law pursuant to section 91 of the Copyright, Designs and Patents Act 1988.

18.5 The Executive hereby irrevocably and unconditionally waives, in favour of the Company, its licensees and successors-in-title any and all moral rights conferred on the Executive by Chapter IV of Part I of the Copyright, Designs and Patents Act 1988 in relation to the Company Works (existing or future) and any and all other moral rights under any legislation now existing or in future enacted in any part of the world including, without limitation, the right conferred by section 77 of that

Act to be identified as the author of any of the Company Works and the right conferred by section 80 of that Act not to have any such work subjected to derogatory treatment. The Executive shall, at the Company's request and expense, take all steps that may be necessary or desirable to the Company to enforce against any third party the Executive's moral rights in any of the Company Works.

18.6 The Executive acknowledges that, for the purpose of the proviso to section 2(1) of the Registered Designs Act 1949 (as amended), the covenants made under this Agreement on the part of the Executive and the Company will be treated as good consideration and the Company will be the proprietor of any design which forms part of the Company Works.

18.7 Nothing in this clause 18 shall be construed as restricting the rights of the Executive or the Company under sections 39 to 43 (inclusive) of the Patents Act 1977.

18.8 The Executive shall not knowingly do anything to imperil the validity of any patent or protection or any application therefore, relating to any of the Company Works but shall at the cost of the Company render all possible assistance to the Company both in obtaining and in maintaining such patents or other protection.

18.9 The Executive shall not either during the Executive's employment or thereafter exploit or assist others to exploit any of the Company Works or any invention or improvement which the Executive may from time to time make or discover in the course of his duties or (unless the same shall have become public knowledge) make public or disclose any such Company Works or invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

18.10 The Executive hereby irrevocably authorises the Company for the purposes of this clause 18 to make use of his name and to sign and to execute any documents or do anything on his behalf (or where permissible to obtain the patent or other protection in the Company's own name or in that of its nominees in relation to any of the Company Works).

18.11 The Executive shall forthwith and from time to time both during the Appointment under this contract and thereafter, at the request and expense of the Company, do all things and execute all documents necessary or desirable to give effect to the provisions of this clause 18 including, without limitation, all things necessary or conducive to obtain a patent or other protection for any invention or improvement relating to any of the Company Works in any part of the world and to vest such letters patent or other protection in the Company or its nominees.

19. Waiver of Rights

If the Executive's employment is terminated:

(a) by reason of liquidation of the Company for the purpose of amalgamation or reconstruction; or

(b) as part of any arrangement for the amalgamation of the undertaking of the Company not including liquidation or the transfer of the whole or part of the undertaking of the Company to any Group Company; and

the Executive is offered employment of a similar nature with the amalgamated or reconstructed company on terms not less favourable to the Executive than the terms of this Agreement; the Executive will have no claim against the Company under this Agreement in respect of that termination.

20. Data Protection

The Executive consents to the Company or any Associated Company holding and processing both electronically and manually the data it collects which relates to the Executive. Such processing will principally be for the purposes of the proper administration and management of its employees and business. The Executive also consents to the transfer of such personal information (including sensitive personal data) to any other offices the Company may have or to an Associated Company or other third parties. The Executive acknowledges that the Company may transfer personal data relating to him outside the European Economic Area for administration purposes and other purposes in connection with the Executive's employment.

21. Communications

Telephone calls made and received by the Executive using the Company's equipment and use of the Company's e-mail system to send or receive personal correspondence may be recorded by the Company on its communications systems. Any recordings made shall at all times remain the property of the Company and, if necessary, may be used as evidence in the case of investigations or disputes between the Company and third parties.

22. Notices

Any notice may be given personally to the Executive or to the Chief Executive Officer of the Company (as the case may be) or may be posted to the Executive either at his address given above or at his last known address or to the Company (for the attention of its Chief Executive Officer) at its registered office for the time being. Any such notice sent by post shall be deemed served forty-eight hours after it is posted and in proving such service it shall be sufficient to prove that the notice was properly addressed and put in the post.

23. Miscellaneous Matters

23.1 For the purpose of the Employment Rights Act 1996 the Executive's continuous period of employment began on 2nd February 2004.

23.2 The Company's Disciplinary Procedure, as in force from time to time, shall apply to the Executive.

23.3 If the Executive has a grievance relating to his employment he should first apply in person to the CEO, Europe. If the matter is not then settled the Executive should write to the Directors of the Company (or its successor company) setting out full details of the matter. The decision of the Directors of the Company (or its successor company) on such matters shall be final.

23.4 There are no collective agreements which are applicable to this Appointment.

23.5 Upon the termination of the Executive's employment (for whatever reason and howsoever arising) the Executive shall immediately repay all outstanding debts or loans due to the Company or any Associated Company and the Company is hereby authorised to deduct from any payment of salary a sum in repayment of all or any part of such debts or loans.

23.6 The Executive may be required by the Company at any time to undergo an appropriate medical examination as determined by a doctor appointed by the Company.

23.7 The Executive will be provided with copies of the Molson Coors Code of Business Conduct and the Company's Competition Law Compliance Code. The Executive agrees to review these Codes and sign an affirmation that he understands and will comply with their provisions.

24. Other Agreements

24.1 The Executive acknowledges and warrants that there are no agreements or arrangements or court orders which limit or restrict in any way the Executive from fully and efficiently performing his duties under this Agreement with effect from its commencement

24.2 Other than where other policies, plans, codes or procedures are specifically referred to and imported into this Agreement, this Agreement represents the entire agreement between the Company or any Associated Company and the Executive relating to the employment of the Executive. In the event of any inconsistencies between any such policies, plans, codes or procedures, the terms of this Agreement shall prevail. This Agreement cancels and is in substitution of all previous agreements, arrangements and understandings (whether oral or in writing) between the Executive and the Company and/or any Associated Company.

24.3 This Agreement may only be varied in writing between the parties.

24.4 The Executive warrants that he is not entering into this Agreement in reliance on any representation not expressly set out herein.

25. Governing Law

This Agreement shall be governed by and construed in accordance with the law of England and Wales or Scotland where appropriate and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England and Wales or Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

IN WITNESS whereof this Agreement has been signed by or on behalf of the parties hereto the day and year first before written.

SIGNED by Mark Hunter, CEO MCCE (CEO Europe from 01.01.13)
/s/ Mark Hunter ____________

on behalf of the Associated Company

SIGNED by the Executive as a Deed /s/ Simon Cox _____________
in the presence of:

Signature of Witness: /s/ T.J. Edwards

Name of Witness: Tracy Edwards

Address of Witness:

Exhibit 10.2

Name: Simon John Cox

Address:

Date of Birth:

In Burton upon Trent on December 5 th , 2014

Re: Secondment to Molson Coors Europe s.r.o.

Dear Simon:

This Secondment Letter **("Letter")** sets out Molson Coors Brewing Company (UK) Limited's **("MCBC UK")** (whose registered office is at 137 High Street, Burton Upon Trent, Staffordshire DE14 1JZ, United Kingdom) proposals in relation to its offer of a secondment for you to Molson Coors Europe s.r.o. **("MCE")** (whose registered office is at Nadrazni 84, Postal Code 150 54, Prague 5, Czech Republic, Identification Number: 289 85 630 registered in the Commercial Registry maintained by the Municipal Court in Prague, Section C, Insert 157920). Should you wish to accept this offer then the following terms and conditions will be applicable.

1 TERMS AND CONDITIONS OF EMPLOYMENT

1.1 You will remain an employee of MCBC UK and you will not become an employee of MCE during your secondment by MCBC UK to MCE. Except as provided below, your terms and conditions of employment as set out in the Directors Service Agreement entered into between you and MCBC UK on 1 October 2012 **("Employment Contract")** (as amended) remain unchanged.

1.2 In the event of any inconsistency between this Letter and the Employment Contract, this Letter shall prevail during the term of your secondment by MCBC UK to MCE.

1.3 If any changes are made to your terms and conditions of employment (and/or to the Employment Contract) during your secondment to MCE, the secondment shall continue on the amended terms and conditions and the terms of this Letter.

1.4 Your secondment will commence on 1 January 2015 and continues thereafter, subject to the terms of this Letter and your Employment Contract, as amended by this Letter.

1.5 During the secondment by MCBC UK to MCE, you will devote the whole of your working time, attention and skill to the duties required of you in relation to the business of MCE in the position of President and Chief Executive Officer, MCE under the instructions of the statutory body of MCE or the appropriate managing employee of MCBC. At the end of your secondment, your employment with MCBC UK will continue, unless and until terminated in accordance with the terms of the Employment Contract.

1.6 You will continue to participate in the MCBC Long Term Incentive Plan, subject to the terms of the plan. Your annual LTIP target will increase to US$1,000,000, subject always to MCBC's right to discontinue or amend the terms of this plan at any time and from time to time and, in such event, MCE, MCBC, MCBC UK or any Associated Company shall not be required to provide a replacement plan or to pay compensation in respect of such discontinuance or amendment. Thereafter, the target and any payments due will be set at the level and amount appropriate to your position within the company. You acknowledge that you have no right to receive an annual allocation (or an allocation of a particular level) under this plan and that MCE, MCBC, MCBC UK or any Associated Company is under no obligation to operate a long term incentive plan. You also acknowledge that you will not acquire such a right, nor shall MCE, MCBC, MCBC UK or any Associated Company come under such an obligation, merely by virtue of you having received one or more allocations or payments (or allocations or payments of a particular level) under this or any other plan.

For the purposes of this Letter, **"Associated Company"** means:

a company which is from time to time a subsidiary or a holding company of MCBC UK or a subsidiary (other than MCBC UK) of a holding company of MCBC UK. In this definition "subsidiary" and "holding company" have the same meanings as in Section 1159 of the UK Companies Act 2006, as originally enacted.

1.7 You will continue to accrue all your pension benefits, relating to your period of employment post 4 April 2009, under the Molson Coors Retirement Savings Plan (MCRSP) and from after 5 April 2012 a combination of the MCRSP and the employer-financed retirement benefit scheme (EFRBS) arrangement as per the letters from MCBC UK to you dated 24 May 2012 and 19 September 2013.

2 DURING THE SECONDMENT

During the secondment:

(a) you will report to the statutory body of MCE or the appropriate managing employee of MCBC or such other person as MCE may from time to time require and will perform work under their instructions;

(b) while you will carry out the work required of you as President and Chief Executive Officer of MCE, you will be a mobile worker maintaining permanent residence in the UK. You will be required to attend Group locations throughout MCE as required of your duties as President and Chief Executive Officer, with a minimum requirement to spend at least 25% of your time in the performance of your duties in the United Kingdom (an average of 6 working days per month over the tax year);

(c) your salary and other remuneration will continue to be paid by MCBC UK and reviewed, agreed and approved by the Board Compensation and Human Resources Committee of MCBC;

(d) all other contractual benefits of your employment will continue to be honoured by MCBC UK; provided further that you acknowledge:

(i) for purposes of the Employment Contract MCE is an Associated Company;

(ii) or purposes of Section 3.2 of the Employment Contract you shall report to the MCBC CEO;

(iii) for purposes of Section 4.1 of the Employment Contract, commencing on January 1, 2015, the reference to GBP 225,000 shall be increased to GBP 275,000 (with your next salary review to be effective 1 April 2016)

(iv) for purposes of Section 6 of the Employment Contract, you will be entitled to one motor car in either the UK or Czech Republic (or a corresponding allowance as contemplated thereby);

(v) for purposes of Section 15 of the Employment Contract you shall resign as a director of the Company or any subsidiaries effective as of December 31, 2014;

for purposes of Section 23.3 of the Employment Contract the references to "CEO, Europe" shall be changed to "MCBC CEO" and the second sentence shall be stricken

(e) MCE shall procure that you will be eligible to participate in the benefits provided by MCBC under the Molson Coors Europe Senior Mobile Workers Policy. Key provisions of that policy are:

(i) you will be provided with housing while in Prague and accommodation whilst travelling from your home base (with the temporary housing provided in Prague through June 2015 to be reviewed based on your travel needs at that point);

(ii) reasonable travel costs to and from your primary residence in the UK will be covered;

(iii) you will receive medical cover while in Prague or otherwise traveling outside of the UK; and

(iv) you will receive tax return preparation services from the relevant company's tax provider, along with any necessary tax gross-ups on these related services.

(f) In addition to the provisions of the Molson Coors Europe Senior Mobile Workers Policy you will be eligible to the following enhancement;

(i) An allocation of twelve round-trip tickets per year for your immediate family (spouse and children) between the UK and Prague. Unused tickets are not subject to an "in-kind" compensation payment or available to be rolled over to the following year.

3 END OF SECONDMENT

3.1 Your secondment to MCE will terminate:

(a) automatically and with immediate effect, if you cease to be employed by MCBC UK for any reason, including your resignation;

(b) automatically and with immediate effect, if MCE's secondment agreement with MCBC UK terminates for any reason; or

(c) if so decided by MCBC UK, who will have the right to terminate your secondment immediately by serving you a written immediate cancellation of your secondment, where:

(i) you commit an act of gross misconduct;

(ii) if you are absent for reasons other than annual, study, paternity, parental, special or other leave authorised the President & CEO of MCBC from the performance of your duties for a period of 60 working days in any period of 12 consecutive months; or

(iii) if you act in any other such way that your continued secondment is likely to adversely affect MCE.

3.2 Termination of secondment by notice:

(a) MCBC UK may terminate your secondment by a written secondment termination notice delivered to you with 60 days' notice period without stating a reason or for any reason such termination of secondment does not affect your employment with MCBC UK.

(b) Should any such event occur, MCBC UK may also have the right to terminate your employment. However, the termination of your secondment does not by itself terminate your employment with MCBC UK.

4 DISCIPLINARY AND GRIEVANCE MATTERS

Any disciplinary matter or grievance which arises during your secondment will continue to be dealt with by MCBC UK.

5 CONFIDENTIAL INFORMATION

During your secondment and at any time thereafter you shall not use for your own purposes or benefit or divulge or communicate to any person (other than as authorised by the President & CEO of MCBC or as required for the purposes of carrying out your duties) any trade secrets or other information which is for the time being confidential relating to the business of MCBC UK or MCE or any other Associated Company, being information which is marked "confidential" or which MCE or MCBC UK shall have notified you is to be kept confidential or which by its nature would be normally regarded as being confidential, or which to your knowledge has been obtained by MCE, MCBC UK or any other Associated Company from a third party on terms that MCE, MCBC UK or any other Associated Company is to keep it confidential, but this obligation shall not extend to information or knowledge which is for the time being in the public domain (otherwise than by reason of its wrongful disclosure) or which is required to be disclosed by law.

6 PROPERTY

You will return to MCE upon request and also upon the termination of your secondment, all notes, memoranda, tools, samples, models, materials, prototypes, documents, drawings, specifications, other written materials, computer software and all other property belonging to it which for the time being is in your possession or under your control including copies of any such documents, drawings, specifications, written material or computer software. You will ensure that all information belonging to MCE is erased from any personal computer system or any other personal information retrieval system you may have at the same time.

7 INTELLECTUAL PROPERTY RIGHTS

Any discovery, invention, design, process or work in respect of which copyright or any rights in the nature of copyright subsists which is capable of protection by law by means of any form of intellectual or industrial property rights (which expression shall include the right to apply for any such protection) made or devised by you during the performance of your duties during your secondment shall, as far as the law allows, be the property of MCBC UK and you shall upon MCBC UK's request assign them to MCBC UK or as MCBC UK directs.

8 OTHER TERMS

Due to the fact that you will be seconded to perform work within the territory of the Czech Republic, you shall be subject to the applicable regulations in the Czech Republic as regards:

(a) the maximum working hours and minimum rest periods;

(b) the minimum duration of annual leave or its proportional part;

(c) the minimum salary, the relevant minimum level of guaranteed salary and extra pay for overtime work;

(d) occupational safety and health protection;

(e) equal treatment of male and female employees and prohibition of discrimination.

This does not apply if the corresponding rights (if any) arising under the laws of England are more favourable for you than those arising from applicable Czech legal regulations. The favourability shall be assessed separately for each such right resulting from your employment relationship with MCBC UK.

Please sign, date and return the attached copy of this Letter to MCBC UK, at 137 High Street, Burton Upon Trent, Staffordshire DE14 1JZ to the attention of Kate Pearce, Head of HR and Facilities UK & Ireland within 5 working days of receipt, at the latest, to indicate your acceptance of the secondment to MCE on the terms set out in this Letter. By your acceptance of the terms and conditions of this Letter this Letter shall form an agreement between you and MCBC UK on the terms and conditions of your secondment to MCE.

Yours sincerely

Molson Coors Brewing Company (UK) Limited name: Kate Pearce

authorization: /s/ Kate Pearce

Molson Coors Brewing Company (UK) Limited

name: Anita Adam

authorization: /s/ Anita Adam

To: Molson Coors Brewing Company (UK) Limited

attn.: Kate Pearce and Anita Adam *[Designation of* Officer]

1. I hereby accept the terms and conditions of my secondment by Molson Coors Brewing Company (UK) Limited, whose registered office is at 137 High Street, Burton Upon Trent, DE14 1JZ, Staffordshire, United Kingdom, to Molson Coors Europe s.r.o., whose registered office is at Nadrazni 84, Postal Code 150 54, Prague 5, Czech Republic, Identification Number: 289 85 630 registered in the Commercial Registry maintained by the Municipal Court in Prague, Section C, Insert 157920, on the terms and conditions set out in the Secondment Letter dated November __, 2014, of which the above is a copy ; and

2. I hereby waive, in compliance with Czech law and for the benefit of Molson Coors Europe s.r.o., whose registered office is at Nadrazni 84, Postal Code 150 54, Prague 5, Czech Republic, Identification Number: 289 85 630 registered in the Commercial Registry maintained by the Municipal Court in Prague, Section C, Insert 157920, all and any rights as I might have for satisfaction of any receivable against Molson Coors Europe s.r.o. arising from my appointment to the position of the corporate executive position at Molson Coors Europe s.r.o. and for the performance of such corporate executive position at Molson Coors Europe s.r.o. in relation to the period from my appointment to such corporate position until the date of my signature of this waiver.

3. Notwithstanding the above, I hereby further agree and undertake, for the benefit of Molson Coors Europe s.r.o., that I have performed and will perform the position of the corporate executive of Molson Coors Europe s.r.o., for the entire period from the date of my appointment until termination of my performance of the position of the corporate executive of Molson Coors Europe s.r.o., without entitlement to any remuneration for such performance of the corporate position. If I become entitled to any remuneration for the performance of the position of the corporate executive of Molson Coors Europe s.r.o. for the period from the date following my signature and acceptance of this Secondment Letter, I hereby irrevocably waive all my rights as I might have for satisfaction of any such receivable for remuneration against Molson Coors Europe s.r.o.

Date: 5 th December 2014

Place: Burton on Trent

Name: Simon Cox

Address: __________________________

Date of Birth: __________

Signature: /s/ Simon Cox

Exhibit 10.3

October 3, 2012

Mr. Celso White
10058 Whistling Elk Dr
Littleton, CO 80127

Dear Celso,

It is with great pleasure that I offer you the position on **Chief Supply Chain Officer** , Molson Coors Brewing Company, reporting to me effective January 1, 2013.

Base Compensation: Your monthly base compensation will be $29,167, which represents an annualized amount of $350,000.

Annual Molson Coors Incentive Plan (MCIP): You will continue to participate in the MCIP subject to the plan rules. The bonus target for your new position is currently 75% of your eligible earnings. The MCIP is reviewed on an annual basis and details of the plan are subject to change to align with and support ongoing business needs. Key highlights and specific terms of the MCIP are located in the program brochure.

Long-Term Incentive: You will continue to be eligible to participate in the Molson Coors Long-Term Incentive Plan (LTIP) according to your grade level in the Company. The current annual LTIP target for your new role is $400,000. The annual target LTIP value is reviewed on an annual basis and set by the Board of Directors. The annual grant of LTIP is based on your manager's assessment of individual performance to determine the participation and level of grant within a determined range. All final LTIP awards at your new level are approved by the Compensation and Human Resources Committee of the Board of Directors.

Executive compensation is reviewed annually and adjustments can be made to targets and ranges for base pay, short-term incentive or long term incentive components of the total compensation package. Additionally, the types of vehicles used by Molson Coors to fulfill the annual target compensation of the LTIP component of pay are typically reviewed annually and may be modified.

Executive Financial Planning: You are eligible for a maximum reimbursement of $10,000 per year to cover financial and tax planning. This amount is paid to you in equal monthly installments.

Executive Life Insurance: You will be provided with life insurance for six times your base pay. This is in addition to the two times life insurance that you receive annually as part of our employee benefits program.

Benefits: You will continue to be eligible to participate in the Molson Coors Benefit plan. The benefit plan includes comprehensive coverage in Medical, Dental, Short and Long Term Disability, Group Life Insurance and Accident Insurance. You will also continue to be eligible to participate in the 401(k) plan.

In your new position, you will be eligible for an annual executive physical from the University of Colorado Hospital. Details of the program will be provided by the Hospital after you assume your new role.

Vacation: You will be eligible to receive 200 hours of paid vacation per calendar year.

Transportation Benefit: Molson Coors is currently offering a free RTD EcoPass for your public transportation needs and pre-tax parking funds to help off-set some of the transportation costs you may incur. Your position entitles you to $100.

We hope for a mutually rewarding relationship. You should know, however, that your employment is "at will". That means you may terminate your employment at any time, with or without cause or notice, and we reserve the same right. This "at-will" relationship may not be modified except in writing signed by the Global Chief People and Legal Officer of Molson Coors Brewing Company. Finally, Molson Coors Brewing Company reserves the right to modify its policies and the terms of your employment as it deems appropriate.

Celso, I am very excited for you to assume this key leadership role on my team! Please let me know if you have any questions.

Sincerely,

/s/ Peter Swinburn____________
Peter Swinburn
Chief Executive Officer

cc: Sam Walker

Please acknowledge your acceptance of this offer by signing below and returning this letter by October 15, 2012.

Offer Accepted: /s/ Celso White__________________________________
Celso White

Date: 10/15/12________________

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mark Hunter, 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/ MARK R. HUNTER

Mark R. Hunter
President and Chief Executive Officer
(Principal Executive Officer)
May 1, 2019

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Tracey Joubert, 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/ TRACEY I. JOUBERT

Tracey I. Joubert
Chief Financial Officer
(Principal Financial Officer)
May 1, 2019

EXHIBIT 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)

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 or her knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2019 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/ MARK R. HUNTER

Mark R. Hunter
President and Chief Executive Officer
(Principal Executive Officer)

May 1, 2019

/s/ TRACEY I. JOUBERT

Tracey I. Joubert
Chief Financial Officer
(Principal Financial Officer)

May 1, 2019

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.