MOLSON COORS BREWING CO
Form 10-K
February 11, 2016
Table of Contents

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

FORM 10-K
(Mark One)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015
OR

o 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	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)

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

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	New York Stock Exchange
Class B Common Stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ý NO o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES o NO ý
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 ý NO o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ý NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

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

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
	(Do not check if a smaller reporting company)		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES o NO ý

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates of the registrant at the close of business on June 30, 2015, was $10,443,430,912 based upon the last sales price reported for such date on the New York Stock Exchange and the Toronto Stock Exchange. For purposes of this disclosure, shares of common and exchangeable stock held by persons holding more than 10% of the outstanding shares of stock and shares owned by officers and directors of the registrant as of June 30, 2015, are excluded in that such persons may be deemed to be affiliates. This determination is not necessarily conclusive of affiliate status for other purposes.

The number of shares outstanding of each of the registrant's classes of common stock, as of February 5, 2016:

Class A Common Stock—2,562,594 shares	Class B Common Stock—193,203,589 shares

Exchangeable shares:

As of February 5, 2016, the following number of exchangeable shares was outstanding for Molson Coors Canada, Inc.:

Class A Exchangeable Shares—2,888,691 shares	Class B Exchangeable Shares—15,781,149 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.

Documents Incorporated by Reference: Portions of the registrant's definitive proxy statement for the registrant's 2016 annual meeting of stockholders, which will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2015, are incorporated by reference under Part III of this Annual Report on Form 10-K.

Table of Contents

MOLSON COORS BREWING COMPANY AND SUBSIDIARIES
INDEX

Table of Contents

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

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (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 in Part II—Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations in this report, and under the heading "Outlook for 2016" therein, relating to timing, benefits and expectations regarding the pending acquisition of the remaining 58% of MillerCoors and Miller brand portfolio outside of the U.S. and Puerto Rico, overall volume trends, consumer preferences, pricing trends, industry forces, cost reduction strategies, anticipated results, anticipated synergies, expectations for funding future capital expenditures and operations, debt service capabilities, shipment levels and profitability, market share and the sufficiency of capital resources. In addition, statements that we make in this report that are not statements of historical fact may also be forward-looking statements. Words such as "expects," "goals," "plans," "believes," "continues," "may," "anticipate," "seek," "estimate," "outlook," "trends," "future benefits," "potential," "projects," "strategies," and variations of such words and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those indicated (both favorably and unfavorably). These risks and uncertainties include, but are not limited to those described in Part I—Item 1A "Risk Factors", elsewhere throughout this report, and those described from time to time in our past and future reports filed with the Securities and Exchange Commission ("SEC"). 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 Annual Report on Form 10-K 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.

Table of Contents

PART I

ITEM 1. BUSINESS

Unless otherwise noted in this report, any description of "we", "us" or "our" includes Molson Coors Brewing Company ("MCBC" or the "Company"), principally a holding company, and its operating and non-operating subsidiaries included within our reporting segments and Corporate. Our reporting segments include: Molson Coors Canada ("MCC" or Canada segment), operating in Canada; MillerCoors LLC ("MillerCoors" or U.S. segment), which is accounted for by us under the equity method of accounting, operating in the United States ("U.S."); Molson Coors Europe (Europe segment), operating in Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Republic of Ireland, Romania, Serbia, Slovakia and the United Kingdom ("U.K."); and Molson Coors International ("MCI"), operating in various other countries. Any reference to "Coors" means the Adolph Coors Company prior to the 2005 merger with Molson Inc. (the "Merger"). Any reference to Molson Inc. or Molson means MCC prior to the Merger. Any reference to "Molson Coors" means MCBC after the Merger.

Unless otherwise indicated, information in this report is presented in U.S. dollars ("USD" or "$").

Background

We are one of the world's largest brewers and have a diverse portfolio of owned and partner brands, including core brands Carling, Coors Light, Molson Canadian and Staropramen, as well as craft and specialty beers such as Blue Moon, Creemore Springs, Cobra and Doom Bar. With centuries of brewing heritage, we have been crafting high-quality, innovative products with the purpose of delighting the world's beer drinkers. Our success depends on our ability to make our products available to meet a wide range of consumer segments and occasions.

Molson and Coors were founded in 1786 and 1873, respectively. Our commitment to producing the highest quality beers is a key part of our heritage and remains so to this day. Our brands are designed to appeal to a wide range of consumer tastes, styles and price preferences. Our largest markets are the U.S., Canada and Europe.

Coors was incorporated in June 1913 under the laws of the state of Colorado. In October 2003, Coors merged with and into Adolph Coors Company, a Delaware corporation. In February 2005, upon completion of the Merger, Adolph Coors Company (the Delaware corporation) changed its name to Molson Coors Brewing Company.

Industry Overview

The brewing industry has significantly evolved over the years, becoming an increasingly global beer market. The industry was previously founded on local presence with modest international expansion achieved through export, license and partnership arrangements. More recently, it has become increasingly complex, as the consolidation of brewers has occurred globally, resulting in fewer major global market participants. In addition to the acquisitive element of this industry consolidation, the market continues to utilize export, license and partnership arrangements; however, these are often with the same global competitors that make up the majority of the market. This industry consolidation has resulted in a small number of large global brewers representing the majority of the worldwide beer market. At the same time, smaller local brewers within certain established markets are experiencing accelerated growth as consumers increasingly place value on locally-produced, regionally-sourced products. As the beer industry continues its evolution of consolidation and diversification of its products to meet consumer demand with broadening preferences, large global brewers are uniquely positioned to leverage the scale, depth of product portfolio and industry knowledge to continue to lead the market forward.

Pending Acquisition

During 2015, Anheuser-Busch InBev SA/NV’s (“ABI”) announced it had entered into a definitive agreement to acquire SABMiller plc (“SABMiller”). The resulting transaction (“ABI/SABMiller transaction”) is expected to be finalized in the second half of 2016 subject to ABI and SABMiller shareholder approval and various global regulatory approvals. Concurrently, on November 11, 2015, we entered into a purchase agreement (the “Purchase Agreement”) with ABI to acquire, contingent upon the closing of the acquisition of SABMiller by ABI pursuant to the ABI/SABMiller transaction, all of SABMiller’s 58% economic interest and 50% voting interest in MillerCoors and all trademarks, contracts and other assets primarily related to the Miller brand portfolio outside of the U.S. and Puerto Rico for $12.0 billion in cash, subject to downward adjustment as described in the Purchase Agreement (the “Acquisition”). Following the closing of the pending Acquisition, the Company will own 100% of the outstanding equity and voting interests of

MillerCoors.

Table of Contents

Global Competitors' Market Capitalization

We evaluate ourselves in relation to other global brewers using various metrics, including overall market capitalization, volume, net sales revenue, gross margins and net profits, as well as our position within each of our core markets, with the goal to be the first choice for our consumers and customers. To provide a perspective of the relative size of the major participants in the global brewing market, the market capitalizations of our primary global competitors, based on foreign exchange rates at December 31, 2015, were as follows:

	Market Capitalization (In billions)
Anheuser-Busch InBev SA/NV ("ABI")	$201.0
SABMiller plc ("SABMiller")	$97.2
Heineken N.V. ("Heineken")	$49.3
MCBC	$17.3
Carlsberg Group ("Carlsberg")	$13.7

Our Products

We have a diverse portfolio of owned and partner brands which are positioned to meet a wide range of consumer segments and occasions in a variety of markets, including core brands Carling, Coors Light, Molson Canadian, and Staropramen. We consider these our core global brands for which we continue to invest in and focus on growing globally. We believe our portfolio encompasses all segments of the beer industry with the purpose of delighting the world's beer drinkers, including premium and premium lights, economy, above premium and craft, as well as adjacencies such as ciders and other malt beverages.

Our core brands sold in Canada include Coors Light and Molson Canadian. We also sell Belgian Moon, Carling, Carling Black Label, Coors Altitude, Coors Banquet, Creemore Springs, the Granville Island brands, Keystone, Mad Jack, Molson Canadian 67, Molson Canadian Cider, Molson Dry, Molson Export, Pilsner, the Rickard's family of brands and a number of other regional brands. Under license from Heineken, we also brew or distribute Amstel Light, Heineken, Murphy's, Newcastle Brown Ale and Strongbow cider. In January 2015, we also began selling premium import brands owned by Heineken, including Desperados, Dos Equis, Moretti, Sol and Tecate. During the fourth quarter of 2014, we entered into an agreement with Miller Brewing Company ("Miller"), a wholly owned subsidiary of SABMiller, for the accelerated termination of the Miller license agreement, effective March 2015, under which we had exclusive rights to distribute certain Miller brands in Canada. See Part II—Item 8 Financial Statements and Supplementary Data, Note 11, "Goodwill and Intangible Assets" of the Notes to the Consolidated Financial Statements ("Notes"). We also have contract brewing agreements to produce for the U.S. market Asahi Select and Asahi Super Dry for Asahi Breweries, Ltd. and Labatt Blue and Labatt Blue Light for North American Breweries, Inc.

MillerCoors sells a wide variety of brands throughout the U.S. and Puerto Rico. In the formation of the MillerCoors joint venture, MCBC and SABMiller each assigned the U.S. and Puerto Rico ownership rights to its respective legacy brands to MillerCoors, but retained all ownership of these brands outside the U.S. and Puerto Rico. MillerCoors' core domestic brands are Coors Light and Miller Lite. MillerCoors also sells additional domestic beer brands including Coors Banquet, Coors Peak, Hamm's, Keystone Light, Icehouse, Mickey's, Miller 64, Miller Fortune, Miller Genuine Draft, Miller High Life, Milwaukee's Best, Old English 800 and Steel Reserve. Craft and import brands are marketed and sold through Tenth and Blake Beer Company ("Tenth and Blake"). These include the Blue Moon brands, Jacob Leinenkugel Brewing Company brands and, imported under license, Grolsch, Peroni Nastro Azzurro and Pilsner Urquell. MillerCoors hard cider brands are Crispin and Smith & Forge and its flavored malt beverages include the Henry's hard sodas and Steel Reserve Alloy Series. MillerCoors also brews or distributes under license George Killian's Irish Red and the Redd's brands, as well as certain of the Foster's and Molson brands.

Our core brands sold in Europe include Carling and Staropramen. We also sell Apatinsko, Astika, Bergenbier, Blue Moon, Borsodi, Branik, Coors Light, Jelen, Kamenitza, Niksicko, Noroc, Ostravar, Ozujsko, Sharp's Doom Bar and Worthington's, as well as a number of smaller regional ale brands in the U.K., Republic of Ireland and Central Europe. The European business has licensing agreements with various other brewers through which it also brews or distributes Beck's, Belle-Vue Kriek brands, Hoegaarden, Leffe, Lowenbrau, Löwenweisse, Spaten and Stella Artois in certain Central European countries. Starting in January 2015, we acquired the rights to distribute Corona Extra and other

Modelo brands throughout the Central European countries in which we operate. In 2015, we purchased the Rekorderlig cider brand distribution rights in the U.K. and Republic of Ireland and terminated our distribution agreement with Carlsberg whereby it held the exclusive distribution rights for the

Table of Contents

Staropramen brand in the U.K., which gave us the exclusive distribution rights for the Staropramen brand in the U.K. by the end of 2015. In the U.K., we also sell the Cobra brands through the Cobra Beer Partnership Ltd. joint venture and the Grolsch brands through a joint venture with Royal Grolsch N.V., and are the exclusive distributor for several brands including Singha. Additionally, in order to be able to provide a full line of beer and other beverages to our U.K. on-premise customers, we sell "factored" brands, which are third-party beverage brands for which we provide distribution to retail, typically on a non-exclusive basis.

Our core brands sold in our international markets as part of our MCI segment include Carling, Coors Light and Staropramen. Other brands sold in our international markets, including brands sold under export and license agreements, include Blue Moon, Cobra, Corona and Molson Canadian. We also market and sell brands unique to these international markets which include Carling Strong, Coors, Coors 1873, Coors Extra, Coors Gold, Iceberg 9000, King Cobra, Royal Brew, Thunderbolt and Zima.

Our Segments

In 2015, we operated the following segments: Canada, the U.S., Europe and MCI. A separate operating team manages each segment and each segment manufactures, markets, and sells beer and other beverage products.

See Part II—Item 8 Financial Statements and Supplementary Data, Note 3, "Segment Reporting" of the Notes for information relating to our segments and operations, including financial and geographic information. For certain risks attendant to our operations, refer to Part I—Item 1A Risk Factors.

Canada Segment

We are Canada's second-largest brewer by volume and North America's oldest beer company. Our market share of the Canada beer market in 2015 was approximately 34%. We brew, market, sell and distribute a wide variety of beer brands nationally. Our portfolio has leading brands in all major product and price segments. Our focus and investment is on Canada core brands, primarily Coors Light and Molson Canadian, as well as other key owned brands, including Coors Banquet, Creemore Springs, Granville Island, Molson Dry, Molson Export, Pilsner and Rickard's and strategic distribution partnerships, including those with Heineken. In 2015, Coors Light had an approximate 12% market share and was the second largest selling beer brand in Canada, and Molson Canadian had an approximate 6% market share and was the third largest selling beer in Canada.

The Canada segment also includes our partnership arrangements related to the distribution of beer in Ontario, Brewers' Retail Inc. ("BRI"), and in the Western provinces, Brewers' Distributor Ltd. ("BDL"). BRI and BDL are accounted for under the equity method of accounting. The majority of ownership in BRI resides with MCC, Labatt Breweries of Canada LP (a subsidiary of ABI) and Sleeman Breweries Ltd. (a subsidiary of Sapporo International). BDL is jointly owned by MCC and Labatt Breweries of Canada LP.

Sales and Distribution

In Canada, provincial governments regulate the beer industry, particularly with regard to the pricing, mark-up, container management, sale, distribution and advertising of beer. Distribution and the retail sale of alcohol products involve a wide range and varied degree of Canadian government control through their respective provincial liquor boards. In 2015, approximately 19% of our Canada segment beer volume was sold on-premise in bars and restaurants, and the other 81% was sold off-premise in convenience stores, grocery stores, liquor stores and other retail outlets.

Province of Ontario

In Ontario, beer is primarily purchased at retail outlets operated by BRI, at government-regulated retail outlets operated by the Liquor Control Board of Ontario, at approved agents of the Liquor Control Board of Ontario, or at any bar, restaurant, or tavern licensed by the Liquor Control Board of Ontario to sell alcohol for on-premise consumption. The BRI retail outlets operate under The Beer Store name. Brewers may deliver directly to BRI's outlets or may choose to use BRI's distribution centers to access retail stores in Ontario, the Liquor Control Board of Ontario system and licensed establishments.

We, together with certain other brewers, have historically participated in the ownership of BRI in proportion to provincial market share relative to other brewers in the ownership group. Effective January 1, 2016, we, along with the other owners of BRI and the Province of Ontario, agreed to revise the ownership structure of BRI. The new BRI shareholder agreement (“New Shareholder Agreement”) adjusted the existing BRI ownership structure to allow all other small and large Ontario based brewers the ability to participate in the ownership of BRI. As part of this change, the board of directors of BRI has been expanded to include representation for these new ownership groups, as well as independent director representation. The new owners are subject to the same fee structure as the current owners, with the exception of smaller brewers, who have discounted

Table of Contents

fees, as they are not required to fund certain costs associated with pension obligations. BRI will continue to operate on a break-even basis under the new ownership structure. BRI also converted all existing capital stock into a new share class, as well as created a separate new share class to facilitate new and existing brewer participation and governance. While governance and board of director participation continues to have the ability to fluctuate based on market share relative to the other owners, our equity interest has become fixed under the New Shareholder Agreement.

Province of Québec

In Québec, the distribution and sale of beer is governed by the Quebec Alcohol Corporation ("SAQ"). Beer is distributed to retail outlets directly by each brewer or through approved independent agents. We are the agent for the licensed brands we distribute. The brewer or agent distributes the products to permit holders for retail sales for on-premise consumption. Québec retail sales for off-premise consumption are made through grocery and convenience stores, as well as government operated outlets.

Province of British Columbia

In British Columbia, the government's Liquor Distribution Branch controls the regulatory elements of distribution of all alcohol products in the province. BDL, which we co-own with ABI, manages the distribution of our products throughout British Columbia. Consumers can purchase beer at any Liquor Distribution Branch retail outlet, at any independently owned and licensed retail store or at any licensed establishment for on-premise consumption. Establishments licensed primarily for on-premise alcohol sales may also be licensed for off-premise consumption.

Province of Alberta

In Alberta, the distribution of beer is managed by independent private warehousing and shipping companies or by a government sponsored system in the case of U.S. sourced products. All sales of liquor in Alberta are made through retail outlets licensed by the Alberta Gaming and Liquor Commission or licensees, such as bars, hotels and restaurants. BDL manages the distribution of our products in Alberta.

Other Provinces

Our products are distributed in the provinces of Manitoba and Saskatchewan through local liquor boards. Manitoba and Saskatchewan also have licensed private retailers. BDL manages the distribution of our products in Manitoba and Saskatchewan. In the Maritime Provinces (other than Newfoundland), local liquor boards distribute and sell our products. In Yukon, Northwest Territories and Nunavut, government liquor commissioners manage the distribution and sale of our products.

Manufacturing, Production and Packaging

Brewing Raw Materials

We select global suppliers in order to procure the highest quality materials and services at the lowest prices available. We also use hedging instruments to mitigate the risk of volatility in certain commodities and foreign exchange markets.

We source barley malt from one primary provider, from which we have a committed supply through 2016. Hops are purchased from a variety of global suppliers in the U.S. and Europe through contracts that vary in length based on market conditions and cover our supply requirements through at least 2018. Other starch brewing adjuncts are sourced from two main suppliers, both in North America. Water used in the brewing process is from local sources in the communities where our breweries operate. We do not currently anticipate future difficulties in accessing water or agricultural products used in our brewing process in the near term.

Brewing and Packaging Facilities

We operate seven breweries, strategically located throughout Canada. These locations brew and package all owned and certain licensed brands sold in, and exported from, Canada. See Item 2, "Properties" for further detail.

Packaging Materials

We single source glass bottles and have a committed supply through December 2019. We source lids and cans from two primary providers with contracts ending December 2016 and February 2017, respectively. We are currently finalizing negotiations for a contract extension through December 2023 related to the contract expiring at the end of 2016. We currently utilize a hedging program for aluminum requirements and related transportation and storage costs in Canada. The distribution systems in each province generally provide the collection network for returnable bottles and aluminum cans. The standard bottle for beer brewed in Canada is the 341 ml returnable bottle and represents the vast majority of our bottle sales. Bottle sales continue to decline as we have experienced a shift in consumers' preference toward aluminum cans. This standard returnable

Table of Contents

bottle requires significant investment behind our returnable bottle inventory and bottling equipment. Therefore, the trend away from returnable bottles could result in higher fixed cost deleverage related to these assets and an ultimate decreased need for the assets that support this packaging, which could adversely impact profitability. A limited number of kegs are purchased every year, and we have no long-term supply commitment. Crowns are currently sourced from two suppliers with contracts through February 2016 and December 2018, respectively. We are currently finalizing negotiations for a contract extension through February 2017 related to the contract expiring in February 2016. Labels, corrugate, and paperboard are purchased from a small number of sources unique to each product under contracts ending between January 2016 and December 2018. We do not currently anticipate future difficulties in accessing any of our required packaging materials in the near term. The following table reflects the percentage of total sales volumes (excluding imports) for each of the last five years by type of packaging material.

	2015		2014		2013		2012		2011	
Aluminum cans	53	%	49	%	46	%	42	%	39	%
Bottles	37	%	40	%	43	%	47	%	51	%
Stainless steel kegs	10	%	11	%	11	%	11	%	10	%

Contract Manufacturing

We have an agreement with North American Breweries, Inc. ("NAB") to brew, package and ship certain Labatt brands to the U.S. market through 2020. We also have an agreement with Asahi Breweries, Ltd. to brew and package Asahi Super Dry and Asahi Select to the U.S. market through early 2017.

Seasonality of Business

Total industry volume in Canada is sensitive to factors such as weather, changes in demographics, consumer preferences and drinking occasions. Weather conditions consisting of high temperatures and extended periods of warm weather favor increased consumption of our products, while unseasonably cool or wet weather, especially during the summer months, adversely affects our sales volumes and net sales. Accordingly, consumption of beer in Canada is seasonal, with approximately 40% of industry sales volume typically occurring during the warmer months from May through August.

Known Trends and Competitive Conditions

2015 Canada Beer Industry Overview

The Canadian brewing industry is a mature market. It is characterized by aggressive competition for volume and market share from regional brewers, microbrewers and certain foreign brewers, as well as our main domestic competitor. These competitive pressures require significant annual investment in marketing and selling activities. In 2015, the Ontario and Québec markets accounted for approximately 60% of the total beer market in Canada.

There are three major beer price segments: above premium, which includes craft and most imports; premium, which includes the majority of domestic brands and the light sub-segment; and value (below premium). Since 2001, the premium beer segment in Canada has gradually lost volume to the above premium and value segments.

Recently, the beer industry has been weak, with declines in three of the last five years. Aging population, a stalled economy and strong competition from other alcohol beverages have been the main contributors to the declining state of the beer industry.

The following table summarizes the estimated percentage market share by volume of beer (including adjacencies, such as cider) and other alcohol beverages as a component of the overall Canadian alcohol market over the last five years, for which data is currently available. We anticipate that 2015 data, when available, will reflect a continuation of the recent consumer trends. Note that percentages reflect estimates based on market data currently available.

	2014		2013		2012		2011		2010	
Beer	48	%	48	%	49	%	50	%	51	%
Other alcohol beverages	52	%	52	%	51	%	50	%	49	%

Our Competitive Position

Our brands compete with competitor beer brands and other alcohol beverages, including wine and spirits, and thus our competitive position is affected by consumer preferences among these other categories. Our brand portfolio gives us strong representation in all major beer segments.

7

Table of Contents

The Canada brewing industry is composed principally of two major brewers, MCBC and ABI. The following table summarizes the estimated percentage share of the Canadian beer market represented by MCBC, ABI and all other brewers over the last five years. Note that the sum of the percentages below may not equal 100% due to rounding. Current year percentages reflect estimates based on market data currently available.

	2015	2014	2013	2012	2011
MCBC share(1)	34 %	37 %	39 %	40 %	41 %
ABI share(1)	43 %	43 %	40 %	41 %	41 %
Others' share	23 %	21 %	20 %	19 %	18 %

(1) The decrease in MCBC share in 2015 is largely driven by the loss of the Miller contract, under which we had exclusive rights to distribute certain Miller brands in Canada and was terminated effective March 2015. The decrease in MCBC share and increase in ABI share from 2013 to 2014 is primarily the result of ABI's acquisition of Grupo Modelo S.A.B. de C.V. ("Modelo") in 2013. Subsequent to the termination of Modelo Molson Imports, L.P. ("MMI"), our joint venture with Modelo in Canada, in the first quarter of 2014, the Modelo brands are now distributed by ABI in Canada.

Regulation

In Canada, provincial governments regulate the production, marketing, distribution, selling and pricing of beer (including the establishment of minimum prices), and impose commodity taxes and license fees in relation to the production, distribution and sale of beer. In addition, the federal government regulates the advertising, labeling, quality control, and international trade of beer, and also imposes commodity taxes on both domestically produced and imported beer. In 2015, our Canada segment excise taxes were approximately $63 per hectoliter sold on a reported basis. Further, certain bilateral and multilateral treaties entered into by the federal government, provincial governments and certain foreign governments, especially with the United States, affect the Canadian beer industry.

In April 2014, the Ontario Premier's Advisory Council on Government Assets (the "Council") began a review that included evaluating the beer retailing and distribution system in Ontario, for which BRI is the primary beer retail and distribution channel. In April 2015, as a result of this review and our negotiations with the Council, we, along with the other owners of BRI, agreed, in principle and subject to entry into definitive binding documents, to enter into a new beer framework agreement (the "New Framework") with the Province of Ontario. The associated Master Framework Agreement was subsequently executed by all parties on September 22, 2015, and became effective as of January 1, 2016. Refer to Part I—Item 1A, Risk Factors for risks associated with the regulatory environment in Canada.

United States Segment

MillerCoors is the second largest brewer by volume in the U.S., selling approximately 26% of the total 2015 U.S. brewing industry shipments (excluding exports). MillerCoors was formed on July 1, 2008, as a joint venture between MCBC and SABMiller. Each party contributed its U.S. and Puerto Rico businesses and related operating assets and certain liabilities. The percentage interests in the profits of MillerCoors are 58% for SABMiller and 42% for MCBC. Voting interests are shared 50% - 50%, and MCBC and SABMiller have equal board representation within MillerCoors. Both parties to the MillerCoors joint venture are currently able to transfer their economic and voting interest, however, certain rights of first refusal will apply to any assignment of such interests. Our interest in MillerCoors is accounted for under the equity method of accounting.

As noted above, during 2015, MCBC entered into a Purchase Agreement with ABI to acquire, contingent upon the closing of the acquisition of SABMiller by ABI pursuant to the ABI/SABMiller transaction, all of SABMiller’s 58% economic interest and 50% voting interest in MillerCoors and all trademarks, contracts and other assets primarily related to the Miller brand portfolio outside of the U.S. and Puerto Rico for $12.0 billion in cash, subject to downward adjustment as described in the Purchase Agreement. Following the closing of the pending Acquisition, the Company will own 100% of the outstanding equity and voting interests of MillerCoors.

Prior to the formation of MillerCoors, MCBC produced, marketed, and sold the MCBC portfolio of brands in the U.S. and its territories, and its U.S. operating segment included the results of the Rocky Mountain Metal Container ("RMMC") and Rocky Mountain Bottle Company ("RMBC") joint ventures. Effective July 1, 2008, MCBC's equity investment in MillerCoors represents our U.S. operating segment.

Sales and Distribution

In the United States, beer is generally distributed through a three-tier system consisting of manufacturers, distributors and retailers. A national network of approximately 425 independent distributors purchases MillerCoors' products and distributes

Table of Contents

them to retail accounts. In 2015, approximately 17% of MillerCoors' beer volume was sold on-premise in bars and restaurants, and the other 83% was sold off-premise in convenience stores, grocery stores, liquor stores and other retail outlets. MillerCoors wholly owns one distributorship, which handled less than 1% of its total volume in 2015.

Manufacturing, Production and Packaging

Brewing Raw Materials

MillerCoors uses the highest quality ingredients to brew its products. MillerCoors malts a portion of its production requirements, using barley purchased under yearly contracts from independent farmers located in the western United States. Other barley, malt, and cereal grains are purchased from suppliers primarily in the U.S. Hops are purchased from suppliers in the U.S., New Zealand and certain European countries. MillerCoors leases water rights, including leasing from MCBC for water usage in Colorado, to provide for and to sustain brewing operations in case of a prolonged drought in the regions for which it has operations. MillerCoors does not currently anticipate future difficulties in accessing water or agricultural products used in its brewing process in the near term.

Brewing and Container Facilities

MillerCoors currently operates ten breweries, two container operations and one cidery, which produce MillerCoors' products. In the third quarter of 2015, MillerCoors announced the planned closure of the Eden, North Carolina brewery with the closure expected to occur in the third quarter of 2016. MillerCoors imports Molson brands from MCBC and Peroni Nastro Azzurro, Pilsner Urquell, Grolsch and other import brands from SABMiller.

Packaging Materials

Approximately 66% of U.S. products sold were packaged in aluminum cans or bottles in 2015. A portion of the aluminum containers were purchased from RMMC, a joint venture between MillerCoors and Ball Corporation ("Ball"), whose production facilities are located near MillerCoors' brewery in Golden, Colorado. In addition to the supply agreement with RMMC, MillerCoors has a supply agreement with Ball to purchase cans and ends in excess of what is supplied through RMMC. In 2011, MillerCoors signed a 10-year contract extension with Ball to extend the RMMC joint venture agreement along with the can and end purchase agreements, both of which will expire December 31, 2021. Approximately 24% of U.S. products sold in 2015 were packaged in glass bottles, of which a portion was provided by RMBC, a joint venture between MillerCoors and Owens-Brockway Glass Container, Inc. ("Owens"). In 2015, MillerCoors signed a 10-year contract extension with Owens to extend the RMBC joint venture agreement which expires July 31, 2025. MillerCoors and Owens entered into a supply agreement effective January 1, 2015, for requirements in excess of RMBC's production. Approximately 8% of U.S. production volume sold in 2015 was packaged in half, quarter, and one-sixth barrel stainless steel kegs. A limited number of kegs are purchased each year, and there is no long-term supply agreement. Approximately 2% of U.S. products sold in 2015 were in plastic bottles. Crowns, labels, corrugate and paperboard are purchased from a small number of sources unique to each product. In recent years, we have experienced a slight shift in the allocation among different packaging types toward aluminum cans and bottles and away from glass bottles. In general, aluminum cans allow for lower packaging costs compared to other types of packaging materials. MillerCoors does not currently anticipate difficulties in accessing packaging products in the near term.

Contract Manufacturing

MillerCoors has an agreement to brew, package and ship products for Pabst Brewing Company through June 2020. Additionally, MillerCoors produces beer under contract for our Canada and MCI segments and for SABMiller.

Seasonality of the Business

Total industry volume in the U.S. is sensitive to factors such as weather, changes in demographics, consumer preferences and drinking occasions. Weather conditions consisting of high temperatures and extended periods of warm weather favor increased consumption of our products, while unseasonably cool or wet weather, especially during the summer months, adversely affects our sales volumes and net sales. Accordingly, consumption of beer in the U.S. is seasonal, with approximately 37% of industry sales volume typically occurring during the warmer months from May through August.

Known Trends and Competitive Conditions

2015 U.S. Beer Industry Overview

The beer industry in the United States is highly competitive, and the two largest brewers, ABI and MillerCoors together represented the majority of the market in 2015. The formation of MillerCoors in 2008 created a stronger U.S. presence for MCBC with the scale, operational efficiency and distribution platform to compete more effectively in the U.S. marketplace. Growing or even maintaining market share has required significant investments in marketing. From 1998 to 2008, the U.S. beer

Table of Contents

industry shipments annual growth rate approximated 1%, compared with declines ranging from 1% to 2% in each of the years 2009, 2010 and 2011. With ideal weather conditions, industry volumes improved slightly in 2012, growing approximately 1%. However, in 2013 the industry saw a decline of less than 1%, and in 2014, the industry grew slightly, by less than 1%. In 2015, the industry slightly declined by approximately 1%.

The overall declines in the U.S. beer industry volumes since 2009 have been partially attributed to relatively poor economic conditions. High rates of unemployment, declining labor participation rates, and lower consumer confidence have negatively affected the legal age key beer drinkers' purchasing behaviors. In addition, per capita beer consumption has declined as consumer preference shifts to higher alcohol, full calorie beers, as well as wine, spirits and other alcohol beverages. Competition from outside of the beer category continues to be a challenge for the industry.

The following table summarizes the estimated percentage market share by volume of beer (including adjacencies, such as cider) and other alcohol beverages as a component of the overall U.S. alcohol market over the last five years, for which data is currently available. We anticipate that 2015 data, when available, will reflect a continuation of the recent consumer trends. Note that percentages reflect estimates based on market data currently available.

	2014		2013		2012		2011		2010	
Beer	51	%	52	%	53	%	53	%	54	%
Other alcohol beverages	49	%	48	%	47	%	47	%	46	%

Our Competitive Position

The MillerCoors portfolio of beers competes with numerous above-premium, premium, and economy brands. These competing brands are produced by international, national, regional and local brewers. MillerCoors competes most directly with ABI brands, but also competes with imported and craft beer brands. The following table summarizes the estimated percentage share of the U.S. beer market represented by MillerCoors, ABI and all other brewers over the last five years. Note that current year percentages reflect estimates based on market data currently available.

	2015		2014		2013		2012		2011	
MillerCoors share	26	%	27	%	28	%	29	%	29	%
ABI share	45	%	46	%	47	%	48	%	48	%
Others' share	29	%	27	%	25	%	23	%	23	%

MillerCoors' products also compete with other alcohol beverages, including wine and spirits, and thus their competitive position is affected by consumer preferences between and among these other categories. Driven by increased spirits advertising along with increased wine and spirits sales execution, sales of wine and spirits have grown faster than sales of beer in recent years, resulting in a reduction in the beer segment's lead in the overall alcohol beverage market.

Regulation

The U.S. beer business is regulated by federal, state, and local governments. These regulations govern many parts of MillerCoors' operations, including brewing, marketing and advertising, transportation, distributor relationships, sales, and environmental issues. To operate their facilities, MillerCoors must obtain and maintain numerous permits, licenses and approvals from various governmental agencies, including the U.S. Treasury Department; Alcohol and Tobacco Tax and Trade Bureau; the U.S. Department of Agriculture; the U.S. Food and Drug Administration; state alcohol regulatory agencies; and state and federal environmental agencies.

Governmental entities also levy taxes and may require bonds to ensure compliance with applicable laws and regulations. In 2015, excise taxes on malt beverages were approximately $16 per hectoliter sold on a reported basis. State excise taxes are levied in specific states at varying rates. Refer to Part I—Item 1A, Risk Factors for risks associated with the regulatory environment in the U.S.

Europe Segment

We are the second largest brewer by volume, on a combined basis, within the European countries in which we operate, with an approximate aggregate 20% market share (excluding factored products) in 2015. The majority of our European segment sales are in the U.K., Croatia, Czech Republic and Romania. Our portfolio includes beers that have the largest share in their respective countries, such as Carling in the U.K., Jelen in Serbia, Ozujsko in Croatia, Kamenitza in Bulgaria and Niksicko in Montenegro. We have beers that rank in the top three in market share in their respective segments throughout the region,

10

Table of Contents

including Staropramen in Czech Republic, Bergenbier in Romania and Borsodi in Hungary. We also brew and distribute Beck's, Lowenbrau, Spaten and Stella Artois under license agreements with ABI companies, and beginning in January 2015, we distribute certain of the Modelo brands throughout the Central European countries in which we operate. Additionally, our Europe segment includes our consolidated joint venture arrangements for the production and distribution of Grolsch and Cobra brands in the U.K. and Republic of Ireland and factored brand sales (beverage brands owned by other companies, but sold and delivered to retail by us). In the third quarter of 2015, we purchased the Rekorderlig cider brand distribution rights in the U.K. and Ireland and also sold our U.K. malting facility. In the second quarter of 2015, we closed a brewery in the U.K. and terminated our distribution agreement with Carlsberg whereby it held the exclusive distribution rights for the Staropramen brand in the U.K. As a result, we repatriated the Staropramen brand back to the U.K. at the end of 2015.

Sales and Distribution

In Europe, beer is generally distributed through either a two-tier system consisting of manufacturers and retailers, or a three-tier system consisting of manufacturers, distributors and retailers. Most of our beer in the U.K. is sold directly to retailers. We have an agreement with Tradeteam Ltd. ("Tradeteam", a subsidiary of DHL) to provide the distribution of our products throughout the U.K. through 2023. It is also common in the U.K. for brewers to distribute beer, wine, spirits, and other products owned and produced by other companies, which we refer to as factored brands, to the on-premise channel (bars and restaurants). Approximately 20% of our Europe segment net sales in 2015 represented factored brands. Factored brand sales are included in our net sales and cost of goods sold, but not included in our reported volumes.

Generally, over the years, volumes in Europe have shifted from the higher margin on-premise channel, where products are consumed in pubs and restaurants, to the lower margin off-premise channel, also referred to as the "take-home" market.

Off-Premise Channel

In Europe, the off-premise channel includes sales to supermarkets, convenience stores, liquor stores, distributors, and wholesalers. The off-premise channel accounted for approximately 60% of our Europe sales volume in 2015. The off-premise channel has become increasingly concentrated among a small number of super-store chains, placing increasing downward pressure on beer pricing.

On-Premise Channel

The on-premise channel includes sales to pubs and restaurants. The on-premise channel accounted for approximately 40% of our Europe sales volume in 2015. The installation and maintenance of draught beer dispensing equipment in the on-premise channel is generally the responsibility of the brewer. Accordingly, we own refrigeration units and other equipment used to dispense beer from kegs to consumers that are used in on-premise outlets. This includes beer lines, cooling equipment, taps, and counter mounts.

Similar to other brewers, we utilize loans in securing supply relationships with customers in the on-premise market in the U.K. These loans can be granted at below-market rates of interest, with the outlet purchasing beer at lower-than-average discount levels to compensate. We reclassify a portion of sales revenue to interest income to reflect the economic substance of these loans. See Part II—Item 8 Financial Statements and Supplementary Data, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" of the Notes for additional information.

Distribution

Distribution activities for both the on-premise and off-premise channels are conducted primarily by third-party logistics providers. We utilize Tradeteam for these activities in the U.K. and several hundred third-party logistics providers across our Central European operations. We also conduct a small amount of secondary distribution in Czech Republic utilizing our own fleet of vehicles.

Manufacturing, Production and Packaging

Brewing Raw Materials

We use the highest quality water, barley, malt and hops to brew our products. During 2015, our malt requirements were sourced from both third party suppliers and owned production, using our malt-house in the U.K. In 2015, we entered into an agreement to sell our malting facility in the U.K. and, concurrent with the sale, entered into a 10-year contract with the purchaser of the facility to replace the malt that we previously produced covering 38% of our total required malt. We also have multiple agreements with various suppliers in the region to cover the remaining requirements, most of which are valid for the next 3-5 years. Hops are purchased under various contracts with suppliers in Germany, the U.S. and the U.K., which cover our requirements through 2016. Adjuncts are purchased under various contracts with local producers, which are typically crop year contracts commencing in October of each year. Water used in the brewing process is sourced from various wells and through

Table of Contents

water rights and supply contracts. We do not currently anticipate future difficulties in accessing required water or agricultural products used in our brewing process in the near term.

Brewing and Packaging Facilities

We operate twelve breweries in Europe, which brew and package brands sold in Europe. As part of the continued strategic review of our European supply chain network, in the first quarter of 2015 we closed our brewing facility in Alton, Hampshire, U.K. and in the fourth quarter of 2015 we closed our brewery in Plovdiv, Bulgaria. Additionally, in the fourth quarter of 2015, we announced the proposal and entered into a consultation process to close our Burton South brewery in the U.K. in which we will consolidate production within our recently modernized Burton North brewery. This closure is expected to be completed in 2017. See Item 2, "Properties" for additional information.

Packaging Materials

Approximately 27% of our Europe volumes sold in 2015 were packaged in bottles, with a significant majority in returnable bottles sourced under various agreements with third party suppliers. Kegs and casks comprised approximately 29% of volume sold in Europe in 2015. Cans represent approximately 25% of our Europe volumes sold in 2015. We have long term contracts with four providers for our required supply of cans. Approximately 19% of our Europe volume sold in 2015 consisted of products packaged in recyclable plastic containers for which we are currently negotiating agreements for our 2016 requirements with various manufacturers in the region. Crowns, labels and corrugate are purchased from sources unique to each category. We do not currently foresee future difficulties in accessing these or other packaging materials in the near term.

Contract Manufacturing

In December 2013, we entered into an agreement with Heineken to early terminate our contract brewing and kegging agreement with the transition period ending April 30, 2015, under which we produced and packaged the Foster's and Kronenbourg brands in the U.K. Our existing agreement with Heineken, whereby they sell, market and distribute Coors Light in Republic of Ireland, continues through December 2019. The agreement to contract brew ales for Carlsberg terminated at the end of 2015 and was not renewed.

Seasonality of Business

In Europe, the beer industry is subject to seasonal sales fluctuations primarily influenced by holidays, weather and by certain major televised sporting events. Weather conditions consisting of high temperatures and extended periods of warm weather favor increased consumption of our products, while unseasonably cool or wet weather, especially during the summer months, adversely affects our sales volumes and net sales. Accordingly, the peak selling seasons typically occur during the summer and during the Christmas and New Year holiday season.

Known Trends and Competitive Conditions

2015 Europe Beer Industry Overview

We estimate that the Europe beer market increased by approximately 1% in 2015, driven by increased beer consumption versus last year primarily during the summer season which had especially favorable weather. Since 2010, the off-premise market share has increased in our European markets from 55% to nearly 60% of total volume, and the on-premise market share has declined from 45% to 40%. Europe beer industry retail shipments have declined by approximately 1% to 2% yearly since 2011. These market fluctuations are consistent with the fluctuations within the overall alcohol market in each of the respective years.

The following table summarizes the estimated percentage market share by volume of beer (including adjacencies, such as cider) and other alcohol beverages as a component of the overall European alcohol market, within the countries in which we have production facilities, over the last five years, for which data is currently available. We anticipate that 2015 data, when available, will reflect a continuation of the recent consumer trends. Note that percentages reflect estimates based on market data currently available.

	2014		2013		2012		2011		2010	
Beer	36	%	36	%	36	%	36	%	36	%
Other alcohol beverages	64	%	64	%	64	%	64	%	64	%

Table of Contents

Our Competitive Position

Our beers compete not only with similar products from competitors, but also with other alcohol beverages, including wines, spirits, and ciders. We believe our brand portfolio gives us strong representation in all major beer categories. In European countries where we operate, our primary competitors are Heineken, SABMiller, Carlsberg and ABI. The following table summarizes our estimated percentage share of the beer market within the European countries where we operate and our primary competitors over the last five years. Note that current year percentages reflect estimates based on market data currently available.

	2015	2014	2013	2012	2011
MCBC share	20 %	20 %	20 %	20 %	20 %
Primary competitors' share	59 %	59 %	59 %	60 %	60 %
Others' share	21 %	21 %	21 %	20 %	20 %

Regulation

Each country that is part of our Europe segment is either a member of the European Union ("EU") or a current candidate to join, with the exception of Bosnia, which is a potential candidate, and, as such, there are similarities in the regulations that apply to many parts of our Europe segment's operations and products, including brewing, food safety, labeling and packaging, marketing and advertising, environmental, health and safety, employment and data protection regulations. To operate breweries and conduct our business in Europe, we must obtain and maintain numerous permits and licenses from various governmental agencies.

Each country's government levies excise taxes on all alcohol beverages. With the exception of Serbia, Montenegro and Bosnia, all countries' laws on excise taxes are consistent with the directives of the EU. With the exception of Serbia, where a flat excise per hectoliter is used, all European countries use similar measurements based on either alcohol by volume or Plato degrees. In 2015, the excise taxes for our Europe segment were approximately $50 per hectoliter on a reported basis. Refer to Part I—Item 1A, Risk Factors for risks associated with the regulatory environment in Europe.

Molson Coors International Segment

The objective of MCI is to grow and expand our business and brand portfolio in new and existing markets, including emerging markets, outside the Canada, U.S. and Europe segments. The focus of MCI includes Latin America (including Mexico, Central America, the Caribbean and South America and excluding Puerto Rico, as it is part of the U.S. segment) Asia, Europe (excluding U.K., Ireland and Central Europe, as they are a part of the Europe segment) and Australia. The MCI portfolio of beers competes within the above-premium category in most of our markets. Our principal competitors include large global brewers, as well as local brewers. As MCI's objective is to grow and expand our business, we are developing scale and building market share in the countries where we operate. Many of the markets in which we operate are considered emerging beer markets, with other brewers controlling the majority of the market share. Our beers compete not only with similar products from competitors, but also with other alcohol beverages, including wines, spirits, and ciders, and thus our competitive position is affected by consumer preferences between and among these other categories.

Standalone Business

Our standalone operations are in the Asia region and are based in India, Japan and China.

Our business in India consists of our joint venture which gives us a majority share and operational control of Molson Coors Cobra India as well as Mount Shivalik Breweries Ltd., which we acquired during the second quarter of 2015. Our consolidated India business produces, markets and sells a beer portfolio consisting of Thunderbolt, Iceberg 9000, Carling Strong, Cobra, King Cobra and Royal Brew in select Indian states. We own and operate three breweries in India, where we use the highest quality ingredients to brew our products, which are sourced through various contracts with local suppliers. We do not foresee any risk of significant disruption in the supply of these raw materials or brewing inputs in the near term.

In Japan our focus is on the marketing and selling of the Blue Moon, Coors Light, Coors 1873 and Zima brands. We also have a contract with ABI to sell and distribute the Modelo brands. These brands are imported into Japan and are

sold through independent wholesalers to both the on-premise and off-premise channels.
Our China business sells the Coors family of brands. During the second quarter of 2015, we announced our decision to substantially restructure our China business which we have transitioned to a distribution model.

Table of Contents

Export Business
Our export business focuses on expanding the reach of our international brands which are exported from our breweries in the U.S., U.K. and Czech Republic. The brands sold include Blue Moon, Carling, Cobra, Coors 1873, Coors Light and Staropramen.

In Latin America, our products, primarily Coors Light, Coors 1873 and Blue Moon, are sold through agreements with independent distributors. We also sell our brands, primarily Staropramen, Coors Light and Carling in several countries in Europe.

License Business
Our license business builds long term partnerships with leading global brewers to market and grow our international brands in markets which typically have a greater barrier to entry. This business includes licensing arrangements with ABI to brew and distribute Staropramen in Russia and Ukraine and an exclusive licensing agreement with Heineken to brew and distribute Coors Light in Mexico. We also have various licensing agreements for the manufacturing and distribution of Carling primarily in Spain, Russia and Ukraine. Finally, we also have licensing agreements for the manufacturing and distribution of Coors and Blue Moon in Australia and Coors Light and Coors 1873 in Chile, Colombia and Paraguay.

Corporate
Corporate includes interest and certain other general and administrative costs that are not allocated to any of the operating segments. The majority of these corporate costs relate to worldwide administrative functions, such as corporate affairs, legal, human resources, finance and accounting, treasury, tax, internal audit, management of intellectual property, insurance and risk management. Additionally, the results of our water resources and energy operations in Colorado are included in Corporate.

Other Information

Global Intellectual Property
We own trademarks on the majority of the brands we produce and have licenses for the remainder. We also hold several patent and design registrations with expiration dates through 2038 relating to beer dispensing systems, packaging and certain other innovations. We are not reliant on patent royalties for our financial success. Therefore, these expirations are not expected to have a significant impact on our business.

Corporate Responsibility
Corporate responsibility, or Our Beer Print, is integral to our business strategy. We are committed to growing our business the right way while improving the impact we have on our communities, our people and the environment. Since 2012 we have been listed on the Dow Jones Sustainability World Index, and were named Beverage Sector Leader in 2012 and 2013. We have retained a position on the World Index since 2012, for 4 consecutive years.

In 2012, Molson Coors built on long-standing efforts to reduce harmful drinking by becoming a signatory of the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking (www.producerscommitments.org). In support of the Commitments we have a robust plan to ensure support across the business, with particular emphasis on our commercial activity through a Commercial Integrity Policy incorporating the recently launched International Alliance for Responsible Drinking Digital Guiding Principles.

Our approach to improving Our Beer Print within our brewing operations is outlined in our 2020 Sustainability Strategy found on our website at www.molsoncoors.com. Launched in 2013, our 2020 Sustainability Strategy integrates how we manage energy, greenhouse gas emissions, water and solid waste and sets out how we intend to meet our 2020 ambitions. The cornerstone of our 2020 Sustainability Strategy is a commitment to invest in waste water treatment and generate clean energy from this waste stream. These investments will alleviate the impact of our operations on municipal water treatment resources, reduce our reliance on fossil fuels and save greenhouse gas emissions.

Environmental Matters
Our operations are subject to a variety of extensive and changing federal, state and local environmental laws, regulations and ordinances that govern activities or operations that may have adverse effects on human health or the environment. Such laws, regulations or ordinances may impose liability for the cost of remediation, and for certain

damages resulting from sites of past releases of hazardous materials. Our policy is to comply with all such legal requirements. While we cannot predict our eventual aggregate cost for the environmental and related matters in which we may be or are currently involved, we believe that any payments, if required, for these matters would be made over a period of time in amounts that would not be material in any

Table of Contents

one year to our operating results, cash flows, or our financial or competitive position. We believe adequate reserves have been provided for losses that are probable and estimable. However, there can be no assurance that environmental laws will not become more stringent in the future or that we will not incur material costs in the future in order to comply with such laws. See Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes under the caption "Environmental" for additional information regarding environmental matters.

Employees

As of the end of 2015, we had approximately 9,100 full-time employees within MCBC globally, including 6,000 within our Europe segment, 2,400 within our Canada segment, 500 within our MCI segment, and 200 within our Corporate headquarters in Colorado. Additionally, as of December 31, 2015, MillerCoors had approximately 8,400 full-time employees. There have been no significant changes in our number of employees since December 31, 2015.

Financial Information about Foreign and Domestic Operations and Export Sales

See Part II—Item 8 Financial Statements and Supplementary Data, Note 3, "Segment Reporting" of the Notes for discussion of sales, operating income and identifiable assets attributable to our country of domicile, the United States, and all foreign countries.

Available Information

We file with, or furnish to, the SEC reports, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports pursuant to Section 13(a) or 15(d) of the Exchange Act. These reports are available free of charge on our corporate website (www.molsoncoors.com) as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Copies of any materials we file with the SEC can be obtained at www.sec.gov or at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the public reference room is available by calling the SEC at 1-800-SEC-0330. The foregoing website addresses are provided as inactive textual references only. The information provided on our website (or any other website referred to in this report) is not part of this report and is not incorporated by reference as part of this report.

Executive Officers

The following tables set forth certain information regarding our executive officers as of February 11, 2016:

Name	Age	Position
Peter H. Coors	69	Vice Chairman of the Board, Chairman of Coors Brewing Company and Chairman of the Board of MillerCoors LLC
Mark R. Hunter	53	President, Chief Executive Officer and a Director of MillerCoors LLC
David A. Heede	54	Interim Chief Financial Officer and a Director of MillerCoors LLC
Krishnan Anand	58	President and Chief Executive Officer, Molson Coors International
Simon J. Cox	48	President and Chief Executive Officer, Molson Coors Europe
Stewart F. Glendinning	50	President and Chief Executive Officer, Molson Coors Canada
Samuel D. Walker	57	Chief People and Legal Officer and a Director of MillerCoors LLC
Celso L. White	54	Chief Supply Chain Officer and a Director of MillerCoors LLC
Brenda Davis	56	Chief Integration Officer

ITEM 1A. RISK FACTORS

The reader should carefully consider the following risk factors and the other information contained within this document. The risks set forth below are those that management believes are most likely to have a material adverse effect on us. We may also be subject to other risks or uncertainties not presently known to us. If any of the following risks or uncertainties actually occurs, it may have a material adverse effect on our business, results of operations and prospects.

Risks Specific to the Pending Acquisition

We cannot predict when or if the pending Acquisition will close. The acquisition of the 58% equity interest and 50% voting interest of MillerCoors that we do not already own and the Miller brand portfolio outside of the U.S. and Puerto Rico is contingent upon a number of conditions beyond our control, including the closing of the ABI-SABMiller Transaction. The closing of the ABI-SABMiller Transaction is subject to conditions beyond our control, including, among other things, receipt of international and U.S. regulatory approvals. The Acquisition will also require us to obtain regulatory approvals in the U.S. and

certain other jurisdictions. We are, therefore, unable to accurately predict when or if the pending Acquisition will close. If we are unable to close the Acquisition for any reason, we will not realize the potential benefits of the Acquisition, which may have a material adverse effect on our business prospects.
We may not be able to realize anticipated cost synergies from the pending Acquisition. The success of the pending Acquisition will depend, in part, on our ability to realize anticipated cost synergies. Our success in realizing these cost synergies, and the timing of this realization, depends on the successful integration of our business and operations with the acquired business and operations. Even if we are able to integrate the acquired businesses and operations successfully, this integration may not result in the realization of the full benefits of the cost synergies of the pending Acquisition that we currently expect within the anticipated time frame or at all.

The pending Acquisition will subject us to significant additional liabilities and other risks. Following the pending Acquisition, we will be subject to substantially all the liabilities of MillerCoors, including, among others, significant pension liabilities. We will also be subject to the risks of the U.S. beer market to a much greater extent, and a significant majority of our overall business will be in mature, low growth beer markets, such as the U.S., Canada and the U.K. The pending Acquisition and subsequent integration process will be complex, costly, time-consuming and divert management's time and attention, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be unable to obtain the regulatory approvals required to complete the pending Acquisition or, in order to do so, we may be required to satisfy material conditions or comply with material restrictions. In addition to the international and U.S. regulatory approvals needed to close the ABI-SABMiller Transaction, the consummation of the pending Acquisition is also subject to review and approval by regulatory authorities, including by the United States Department of Justice. We can provide no assurance that all required regulatory approvals will be obtained in order to consummate the pending Acquisition. We have agreed to take all actions necessary, and assist and cooperate in doing all things necessary, to avoid or eliminate any legal impediments to the pending Acquisition, including divesting of up to $4 billion in assets. There can be no assurance as to the cost, scope or impact on our business, results of operations, financial condition or prospects of the actions that may be required to obtain regulatory approvals. Any such divestitures or other actions could have a material adverse effect on the business of both us and MillerCoors and substantially diminish the synergies and other advantages which we expect from the pending Acquisition. In addition, we may not be able to affect any divestitures at an acceptable price or at all.

The pending Acquisition will impact our financial position. We will need to raise significant capital to fund the pending Acquisition and such capital may not be available to us on acceptable terms. We expect to incur a substantial amount of additional indebtedness in connection with the pending Acquisition in addition to our Class B common stock offering completed in February 2016. If we are unable to raise significant additional capital on acceptable terms we may need to rely on our bridge loan agreement, which may result in substantially higher borrowing costs and a shorter maturity than those from other anticipated financing alternatives. In addition, ratings agencies may downgrade our credit ratings below their current investment grade levels as the results of additional indebtedness related to the pending Acquisition. A ratings downgrade could increase our costs of borrowing and harm our ability to finance the pending Acquisition on acceptable terms or refinance our debt in the future.

As a result of the need to raise significant financing to fund the pending Acquisition, we currently intend to hold per share dividends constant and have suspended both our dividend target of 18% to 22% of trailing annualized EBITDA and our share repurchase program. We also intend to use cash from operations to fund the Acquisition and service and reduce our debt level, which will reduce funds available for other operational or strategic needs and may increase our vulnerability to adverse economic or industry conditions.

The incurrence of future indebtedness to fund the pending Acquisition may subject us to additional financial and operating restrictions. Future indebtedness may subject us to additional financial and operating covenants, which may limit our flexibility in responding to our business needs. If we are not able to maintain compliance with stated financial covenants or if we breach other covenants in any debt agreement, we could be in default under such agreement. Such a default may allow our creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

Our overall leverage and terms of our financing could, among other things:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures and acquisitions;

- make it more difficult to satisfy our obligations under the terms of our indebtedness;

- limit our ability to refinance our indebtedness on terms acceptable to us or at all;

Table of Contents

- limit our flexibility to plan for and adjust to changing business and market conditions and increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future acquisitions, working capital, business activities, and other general corporate requirements; and
- limit our ability to obtain additional financing for working capital, to fund growth or for general corporate purposes, even when necessary to maintain adequate liquidity, particularly if any ratings assigned to our debt securities by rating organizations were revised downward.

We face numerous risks associated with the pending Acquisition and integration of the Miller brand portfolio outside the U.S. and Puerto Rico. The pending acquisition of the Miller brand portfolio outside of the U.S. and Puerto Rico may subject us to unknown expenses and liabilities due to our limited due diligence of the business, including among other things, the absence of historical financial statements for this part of the business. The success of our acquisition of the Miller brand portfolio outside of the U.S. and Puerto Rico will depend, in part, on our ability to realize all or some of the anticipated synergies and other benefits from integrating its business with our existing businesses and operations. The integration process may be complex, costly and time-consuming as the Miller brand portfolio assets are in over 50 foreign countries. The difficulties of integrating the operations include, among others:

- failure to implement our business plan for the combined business;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- possible inconsistencies in standards, controls, contracts, procedures and policies;
- impacts of change in control provisions in contracts and agreements;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to recruit and retain key employees to operate the combined business;
- inherent operating risks in the business;
- unanticipated issues, expenses and liabilities;
- unfamiliarity with operating in many of the countries in which the international Miller brand portfolio operates;
- reliance on a competitor, ABI, to provide transition services for this business;
- failure to develop sustainable routes to market upon the expiration of ABI's transition services;
- difficulty in fully separating the Miller brand portfolio from SABMiller's current brand portfolio; and
- inability to perform satisfactory due diligence on the business prior to closing of the Acquisition.

We may not be able to maintain the levels of revenue, earnings or operating efficiency that each of the Company and the international Miller brand portfolio had achieved or might achieve separately. Although we have a downward purchase price adjustment if the unaudited U.S. GAAP EBITDA for the international Miller brand portfolio for the four quarters prior to closing is below $70 million, such adjustment may not be adequate to protect us from the future harm of acquiring an underperforming or declining brand portfolio. In addition, we may not accomplish the integration of the international Miller brand portfolio smoothly, successfully or within the anticipated costs or timeframe. Moreover, the markets in which the international Miller brand portfolio operates may not experience the growth rates expected and any economic downturn affecting those markets could negatively impact the international Miller brand portfolio. These markets are in differing stages of development and may experience more volatility than expected or face more operating risks than in the more mature markets in which we have historically operated. If we experience difficulties with the integration process or if the international Miller brand portfolio or the markets in which it operates deteriorate, the potential cost savings, growth opportunities and other synergies of the acquisition of the Miller brand portfolio outside the U.S. and Puerto Rico may not be realized fully, or at all, or may take longer to realize than expected. In such case, our business, financial condition, results of operations and cash flows may be negatively impacted.

If we are unable to consummate the pending Acquisition, our stock price may be adversely affected and our financial condition may materially suffer.   If the pending Acquisition is not completed for any reason, the trading price of our Class A

Table of Contents

common stock or Class B common stock may decline to the extent that the market price of our Class A common stock or Class B common stock reflects positive market assumptions that the pending Acquisition will be completed and the related benefits will be realized. In addition, if the Acquisition is not completed our financial condition could materially suffer, including:

- subject to certain reimbursement rights under the Purchase Agreement, the incurrence of significant costs related to the Acquisition without the associated benefits of completing the Acquisition, such as legal, accounting, filing, financial advisory, bridge and term loan financing and integration costs that have already been incurred or will continue up to the closing of the Acquisition. The amount of such operating expenses, fees and capital expenditures we incur in connection with the Acquisition will be based on a variety of factors but may be material;

- increased dividend costs as a result additional capital stock issued without the associated benefits of completing the pending Acquisition;

- if we complete a financing of debt securities prior to closing the pending Acquisition, the incurrence of significant interest expense and potential redemption premiums with respect to such debt securities without the associated benefits of completing the pending Acquisition; and

- potential disruption to our business and distraction of our workforce and management team.

We will incur substantial transaction fees and costs in connection with the pending Acquisition. We expect to incur a significant amount of non-recurring expenses in connection with the pending Acquisition, including legal, accounting, financial advisory and other expenses. Subject to certain reimbursement rights under the Purchase Agreement, many of these expenses are payable by us whether or not the pending Acquisition is completed. Additional unanticipated costs may be incurred following consummation of the pending Acquisition in the course of the integration of our businesses with that of MillerCoors and the international Miller brand portfolio. We cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the businesses will offset the transaction and integration costs in the near term, or at all.

The pending Acquisition will significantly increase our goodwill and other intangible assets. We have a significant amount, and following the pending Acquisition will have an additional amount, of goodwill and other intangible assets on our consolidated financial statements that are subject to impairment based upon future adverse changes in our business or prospects. The impairment of any goodwill and other intangible assets may have a negative impact on our consolidated results of operations.

Risks Specific to Our Company

The global beer industry is constantly evolving, and our position within the global beer industry and our markets in which we operate may fundamentally change. If we do not successfully transform along with the evolving industry and market dynamics, then the result could have a material adverse effect on our business and financial results. The brewing industry has significantly evolved over the years becoming an increasingly global beer market. For many years, the industry operated primarily on local presence with modest international expansion achieved through export, license and partnership arrangements, whereas it has now become increasingly complex as the consolidation of brewers has occurred globally resulting in fewer major global market participants. At the same time, smaller local brewers within certain geographies are seeing accelerated growth as consumers increasingly place value on locally-produced, regionally-sourced products. As a result of the increased global consolidation of brewers and the dynamic of an expanding new segment within the industry with new market entrants, the markets in which we operate, particularly the more mature markets, may evolve at a disadvantage to our current market position and local governments may intervene, which may fundamentally accelerate transformational changes to such markets. For example, U.S. and Canada beer markets have long consisted of a select number of significant market participants with government-regulated routes to market. However, recent evolution in these markets and emerging changes to consumer preferences have introduced a significant expansion of market entrants and resulted in increased consumer choice and market competition, as well as increased government scrutiny. Specifically, in Canada changes to the existing historical framework of regulations, distribution models, and packaging requirements, such as government-owned retail outlets and industry standard returnable bottles may be disadvantageous to us. Currently, in Ontario and other provinces, provincial governments are reviewing this historical foundation as a result of this market evolution and increased demand by some for government intervention to enhance competition and choice. As further described below, in addition to these risks related to growing competition and market evolution, the existing Ontario distribution models may be changed in ways that are unfavorable to us and the industry standard returnable bottle agreement may change in ways that adversely impact our operating model across Canada. If we are unsuccessful in evolving with, and navigating through, the changes to the markets in which we operate, the above risk could result in a material adverse effect on our business and financial results.

Competition in our markets could require us to reduce prices or increase capital and other expenditures or cause us to lose sales volume, any of which could have a material adverse effect on our business and financial results. In most of our markets, our primary competitors have substantially greater financial, marketing, production and distribution resources than we do, and are more diverse in terms of their geographies and brand portfolios. In all of the markets in which we operate, aggressive marketing strategies, such as reduced pricing, brand positioning, and increased capital investments by these competitors could have a material adverse effect on our business and financial results. In addition, continuing consolidation among major global brewers may lead to stronger or new competitors, loss of partner brands, negative impacts on our distributor networks and predatory marketing and pricing tactics by competitors. Further, distributor consolidation could reduce our ability to promote our brands in the market in a manner that enhances rather than diminishes their value, as well as reducing our ability to manage our pricing effectively. These factors could result in lower margins or loss of market share, due to increased pressures for reduced pricing or difficulties in increasing prices while remaining competitive within our markets, as well as the need for increased capital investment, marketing and other expenditures. Moreover, several of our major markets are mature, so growth opportunities may be more limited to us than to our competitors. The above risk, if realized, could result in a material adverse effect on our business and financial results.

Our success as an enterprise depends largely on the success of relatively few products in several mature markets specific to the beer industry; if consumer preferences shift away from our products or consumption of our products decline, our business and financial results could be materially adversely affected. Our Coors Light and Molson Canadian brands in Canada, Coors Light and Miller Lite brands in the U.S., and Carling, Staropramen, Jelen, Ozujsko and Coors Light brands in Europe represented half of each respective segment's sales volumes in 2015. Additionally, several of our brands represent a significant share of their respective market, therefore volatility in these markets could disproportionately impact the performance of these brands. Consequently, any material shift in consumer preferences away from these brands, or from the categories in which they compete, could have a material adverse effect on our business and financial results. Consumer preferences and tastes may shift away from our brands or beer generally due to, among others, changing taste preferences, demographics, downturn in economic conditions or perceived value, as well as changes in consumers' perception of our brands due to negative publicity, regulatory actions or litigation. Additionally, in some of our major markets, specifically Canada and the U.S., there has been a recent shift in consumer preferences within the total beer market away from premium brands to "craft beer" produced by small, regional microbreweries, as well as a shift within the total alcohol beverage market from beer to wine and spirits. Moreover, several of our major markets are mature and we have significant share, therefore small movements in consumer preference can disproportionately impact our results. As a result, a shift in consumer preferences away from our products or beer could result in a material adverse effect on our business and financial results.

Continued weak, or further weakening of, economic conditions in the markets in which we do business could have a material adverse effect on our business and financial results. Beer consumption in many of our markets is closely tied to general economic conditions and a significant portion of our portfolio consists of premium and above premium brands. Difficult macroeconomic conditions in our markets, such as decreases in per capita income and level of disposable income driven by increases to inflation, income taxes, the cost of living, unemployment levels, political or economic instability or other country specific factors could have an adverse effect on the demand for our products. For example, we have continued to experience economic pressures in certain European markets through 2015, resulting in an increased consumer trend toward value brands within the impacted markets. This trend, along with other contributing factors, negatively impacted sales, as well as impairments of certain European brands, including Jelen, which were recorded in the third quarter of 2015. A continuation of this trend or further deterioration of the current economic conditions could result in a material adverse effect on our business and financial results.

We may incur impairments of the carrying value of our goodwill and other intangible assets. In connection with various business combinations, we have historically allocated material amounts of the related purchase prices to goodwill and other intangible assets that are considered to have indefinite useful lives. These assets are tested for impairment at least annually, using estimates and assumptions affected by factors such as economic and industry conditions and changes in operating performance. Additionally, in conjunction with the brand impairment tests, we also reassess each brand's indefinite-life classification. Potential resulting charges from an impairment of goodwill or brand intangible, as well as reclassification of an indefinite-lived to a definite-lived brand intangible, could have a material adverse effect on our results of operations. For example, the results of our interim brand impairment review completed in the third quarter of 2015, indicated that the fair value of certain European indefinite-lived brand intangible assets were below their respective carrying values. As a result, we recorded an aggregate impairment charge of $275.0 million recorded within special items in our consolidated statements of operations during the third quarter of 2015. Additionally, during this review, we also reassessed each brand's indefinite-life classification and determined that these impaired brands have characteristics that have evolved which now indicate a definite-life is more appropriate. These brands have therefore been reclassified as definite-lived intangible assets to be amortized over useful lives ranging from 30 to 50 years.

Table of Contents

Our most recent impairment analysis, conducted as of October 1, 2015, the first day of our fiscal fourth quarter, indicated that while our Canada reporting unit improved from the prior year, our Europe reporting unit declined and was determined to be at risk of failing step one of the goodwill impairment test. Specifically, the fair value of the Europe and Canada reporting units were estimated at approximately 9% and 20% in excess of their carrying values, respectively. Additionally, the fair value of the Molson core brands in Canada, were also at risk of failing the quantitative analysis of the indefinite-lived intangible asset impairment test as of October 1, 2015. The Europe reporting unit, and Molson core brands in Canada, are therefore at risk of a future impairment in the event of significant unfavorable changes in the forecasted cash flows (including prolonged, or further weakening of, adverse economic conditions or significant unfavorable changes in tax, environmental or other regulations, including interpretations thereof), terminal growth rates, market transaction multiples and/or weighted-average cost of capital utilized in the discounted cash flow analysis. Although the fair value in excess the of carrying value has increased for the Canada reporting unit from the October 1, 2014 testing date, the fair value is sensitive to potential unfavorable changes in forecasted cash flows, macroeconomic conditions, market multiples or discount rates that could have an adverse impact. Any future impairment of the Europe or Canada reporting units or Molson or other brands, or reclassification of indefinite-lived brands to definite-lived, may result in material charges that could have a material adverse effect on our business and financial results. Additionally, the testing of our goodwill for impairment is predicated upon our determination of our reporting units. Any change to the conclusion of our reporting units or the aggregation of components within our reporting units could result in a different outcome to our annual impairment test. See Part II—Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Estimates and Part II—Item 8 Financial Statements and Supplementary Data, Note 11, "Goodwill and Intangible Assets" of the Notes for additional information related to the results of our annual impairment testing.

Termination of one or more manufacturer/distribution agreements could have a material adverse effect on our business and financial results.   We manufacture and/or distribute products of other beverage companies through various joint venture, licensing, distribution, contract brewing or other similar arrangements. The loss of one or more of these arrangements, as a result of industry consolidation or otherwise, could have a material adverse effect on our business and financial results. For example, our 2015 Europe results were adversely impacted by the termination of our brewing and kegging agreement with Heineken under which we produced and packaged the Foster’s and Kronenbourg brands in the U.K. Additionally, Canada volumes were also adversely impacted by the termination of our license agreement with Miller Brewing Company (“Miller”) in 2015. Further, subsequent to ABI's acquisition of Grupo Modelo in 2013, we entered into an agreement to accelerate the termination of our MMI joint venture that imported, distributed and marketed the Modelo beer brand portfolio across all Canadian provinces and territories, which resulted in an adverse impact on our 2015 and 2014 Canadian volumes upon final termination in the first quarter of 2014.

Changes in various supply chain standards or agreements could have a material adverse effect on our business and financial results.   Our business includes various joint venture and industry agreements which standardize parts of the supply chain system. An example includes our warehousing and customer delivery systems organized under joint venture agreements with other brewers. Any negative change in these agreements or material terms within these agreements could have a material adverse effect on our business and financial results.

We rely on a small number of suppliers to obtain the packaging materials we need to operate our business. The inability to obtain materials could unfavorably affect our ability to produce our products.   We purchase certain types of packaging materials including aluminum cans and bottles, glass bottles and paperboard from a small number of suppliers. Consolidation of packaging materials suppliers has reduced local supply alternatives and increased risks of supply disruptions. The inability of any of these suppliers to meet our production requirements without sufficient time to develop an alternative source could have a material adverse effect on our business and financial results.

Risks associated with operating our joint ventures may materially adversely affect our business and financial results.   We have entered into several joint ventures, including our MillerCoors joint venture in the United States and Puerto Rico with SABMiller. We may enter into additional joint ventures in the future. Our joint venture partners may at any time have economic, business or legal interests or goals that are inconsistent with our goals or with the goals of the joint venture. In addition, we compete against our joint venture partners in certain of our other markets. Disagreements with our business partners may impede our ability to maximize the benefits of our partnerships. Our joint venture arrangements may require us, among other matters, to pay certain costs or to make certain capital investments or to seek our joint venture partner's consent to take certain actions. In addition, our joint venture partners may be unable or unwilling to meet their economic or other obligations under the operative documents, and we may be required to either fulfill those obligations alone to ensure the ongoing success of a joint venture or to dissolve and liquidate a joint venture. For example, we terminated our MMI joint venture that imported, distributed and marketed the Modelo beer brand portfolio across all Canadian provinces and territories, which, since termination in the first quarter of 2014, has had an adverse effect on our Canadian volumes and financial results. The above risk, if realized, could result in a material adverse effect on our business and financial results.

Table of Contents

Our operations in developing and emerging markets expose us to additional risks which could harm our business and financial results. We expect our operations in developing and emerging markets to become more significant to our operating results as we continue to further expand internationally including in connection with our proposed acquisition of the Miller brand portfolio outside the U.S. and Puerto Rico. In certain of these markets, we have limited operating experience and may not succeed. In addition to risks described elsewhere in this section, our operations in these markets expose us to additional risks, including: changes in local political, economic, social and labor conditions; restrictions on foreign ownership and investments; repatriation of cash earned in countries outside the U.S.; import and export requirements; increased costs to ensure compliance with complex foreign laws and regulations; currency exchange rate fluctuations; a less developed and less certain legal and regulatory environment, which among other things can create uncertainty with regard to liability issues; longer payment cycles, increased credit risk and higher levels of payment fraud; and other challenges caused by distance, language, and cultural differences.

In addition, as a global company, we are subject to foreign and U.S. laws and regulations designed to combat governmental corruption, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business and on our ability to offer our products and services in one or more countries and a materially negative effect on our brands and our operating results. Although we have implemented policies and procedures designed to ensure compliance with these foreign and U.S. laws and regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, there can be no assurance that our employees, business partners or agents will not violate our policies.

Changes to the regulation of the distribution systems for our products could adversely affect our business and financial results.   In our U.S. market, there is a three-tier distribution system that has historically applied to the distribution of products sold through MillerCoors (including our non-U.S. products). That system, consisting of required separation of manufacturers, distributors and retailers, is increasingly subject to legal challenges on the basis that it allegedly interferes with interstate commerce. To the extent that such challenges are successful and require changes to the three-tier system, such changes could have a materially adverse effect on MillerCoors and, consequently, on us. Further, in Canada, our products are required to be distributed through each province's respective provincial liquor board. Additionally, in certain provinces, we rely on our joint venture arrangements, such as BRI and BDL, to distribute our products via retail outlets that are mandated and regulated by provincial government regulators. BRI owns and operates commercial retail outlets, known as The Beer Store, in Ontario, and BDL facilitates the distribution of our products in the Western provinces. Recent review of government assets in Ontario has included an evaluation of the BRI distribution model which was finalized in second half of 2015. We continue to evaluate and are beginning to implement actions to mitigate any adverse impacts to our Canada segment that may result from these changes. See additional risks specific to BRI under the "Risks Specific to the Canada Segment" heading below. If provincial regulation should change, the costs to adjust our distribution methods could have a material adverse effect on our business and financial results.

Changes in tax, environmental or other regulations or failure to comply with existing licensing, trade and other regulations could have a material adverse effect on our business and financial results.   Our business is highly regulated by federal, state, provincial and local laws and regulations in various jurisdictions regarding such matters as licensing requirements, trade and pricing practices, labeling, advertising, promotion and marketing practices, relationships with distributors, environmental matters, smoking bans at on-premise locations and other matters. These laws and regulations are subject to frequent re-evaluation, varying interpretations and political debate and inquiries from government regulators charged with their enforcement. Examples of this are the recent changes in the Canadian tax legislation and regulatory assessments received in Europe in the first quarter of 2015 and fourth quarter of 2014 related to the interpretation of the application of tax on the production and sale of our products. Failure to comply with existing laws and regulations or changes in these laws, regulations, or interpretations thereof, or in tax, environmental, excise tax levels imposed or any other laws or regulations could result in the loss, revocation or suspension of our licenses, permits or approvals and could have a material adverse effect on our business, financial condition and results of operations. Additionally, uncertainties exist with respect to adding new tax laws, the interpretation of, and potential future developments in, complex domestic and international tax laws and regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Finally, advocates of prohibition and other severe restrictions on the marketing and sales of alcohol are becoming increasingly organized and coordinated on a global basis, seeking to impose laws or regulations or to bring actions against us, to curtail substantially the consumption of alcohol, including beer, in developed and developing markets. To the extent such views gain traction in regulations of jurisdictions in which we do or plan to do business, they could have a material adverse effect on our business and financial results. For example, during the fourth quarter of 2015, in Bihar, India, the largest state in India in which MCI operates, it was announced that regulatory changes could impact the sale and distribution of alcohol, which could have a material adverse effect on our business and financial results.

Table of Contents

Our consolidated financial statements are subject to fluctuations in foreign exchange rates, most significantly the Canadian dollar and the European operating currencies such as, but not limited to, Euro, British Pound, Czech Koruna, Croatian Kuna, Serbian Dinar, New Romanian Leu, Bulgarian Lev and Hungarian Forint. We hold assets and incur liabilities, earn revenues and pay expenses in different currencies, most significantly in Canada and throughout Europe. Because our financial statements are presented in U.S. Dollars ("USD"), we must translate our assets, liabilities, income and expenses into USD. Increases and decreases in the value of the USD will affect, perhaps adversely, the value of these items in our financial statements, even if their local currency value has not changed. Additionally, we are exposed to currency transaction risks related to transactions denominated in currencies other than one of the functional currencies of our operating entities, such as the purchase of certain raw material inputs or capital expenditures, as well as sales transactions and debt issuances or other incurred obligations. Further, certain actions by the government of any of the jurisdictions in which we operate could adversely affect our results and financial position. To the extent that we fail to adequately manage these risks through our risk management policies intended to protect our exposure to currency movements, which may affect our operations, including if our hedging arrangements do not effectively or completely hedge changes in foreign currency rates, our results of operations may be materially and adversely affected. Additionally, the recent strengthening of the USD against the Canadian dollar, European currencies and various other global currencies, if continued, would adversely impact our USD reported results due to the impact on foreign currency translation.

Our operations face significant exposure to changes in commodity prices, which could materially and adversely affect our business and financial results. We use a large volume of agricultural and other raw materials, some of which are purchased through supply contracts with third parties, to produce our products, including barley, malted barley, hops, corn, other various starches, water and packaging materials, including aluminum cans and bottles, glass and polyethylene terephthalate (“PET”) containers, as well as, cardboard and other paper products. We also use a significant amount of diesel fuel, natural gas and electricity in our operations. The supply and price of these raw materials and commodities can be affected by a number of factors beyond our control, including market demand, alternative sources for suppliers, global geopolitical events (especially as to their impact on crude oil prices and the resulting impact on diesel fuel prices), frosts, droughts and other weather conditions, economic factors affecting growth decisions, inflation, plant diseases and theft. To the extent any of the foregoing factors affect the prices of ingredients or packaging or our hedging arrangements do not effectively or completely hedge changes in commodity price risks and we are not able to pass these increased costs along to customers, our financial results could be materially adversely impacted.

Climate change and water availability may negatively affect our business and financial results. There is concern that a gradual increase in global average temperatures could cause significant changes in global weather patterns and an increase in the frequency and severity of natural disasters. While warmer weather has historically been associated with increased sales of beer, changing weather patterns could result in decreased agricultural productivity in certain regions which may limit availability or increase the cost of key agricultural commodities, such as hops, barley and other cereal grains, which are important ingredients for our products. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain or impact demand for our products. In addition, public expectations for reductions in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment. Clean water is a limited resource in many parts of the world and climate change may increase water scarcity and cause a deterioration of water quality in areas where we maintain brewing operations. The competition for water among domestic, agricultural and manufacturing users is increasing in some of our brewing communities. Even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. The above risks, if realized, could result in a material adverse effect on our business and financial results.

Loss or closure of a major brewery or other key facility, due to unforeseen or catastrophic events or otherwise, could have a material adverse effect on our business and financial results. Our business and financial results could be materially adversely impacted by physical risks such as earthquakes, hurricanes, floods, other natural disasters or catastrophic events that damage or destroy one of our breweries or key facilities or the key facilities of our significant suppliers. Additionally, certain catastrophes are not covered by our general insurance policies, which could result in significant unrecoverable losses. In addition, our business and results of operations could be adversely impacted by under-investment in physical assets or production capacity, including contract brewing and effect on priority of our brands if production capacity is limited. Further, significant excess capacity at any of our breweries as a result of increased efficiencies in our supply chain process or continued volume declines, could result in under-utilization of our assets, which could lead to excess overhead expenses or additional costs incurred associated with the closure of one or more of our facilities. For example, as part of a strategic review of our supply chain network, certain breweries and bottling lines were closed during 2015 in which we incurred costs during the year and for which we may incur additional costs during 2016. There may be further brewery closures as part of our ongoing assessment to ensure that our supply chain capacity is aligned with the needs of the business.

Table of Contents

Failure to successfully identify, complete or integrate attractive acquisitions and joint ventures into our existing operations could have an adverse effect on our business and financial results. We have made a number of acquisitions and entered into several joint ventures. In order to compete in the consolidating global brewing industry, we anticipate that we may, from time to time, in the future acquire additional businesses or enter into additional joint ventures that we believe would provide a strategic fit with our business such as the pending Acquisition. See above "Risks Specific to the Pending Acquisition" for further details. Potential risks associated with acquisitions and joint ventures could include, among other things: our ability to identify attractive acquisitions and joint ventures; our ability to offer potential acquisition targets and joint venture partners' competitive transaction terms; our ability to raise capital on reasonable terms to finance attractive acquisitions and joint ventures; our ability to realize the benefits or cost savings that we expect to realize as a result of the acquisition or joint venture; diversion of management's attention; our ability to successfully integrate our businesses with the business of the acquired company; motivating, recruiting and retaining key employees; conforming standards, controls, procedures and policies, business cultures and compensation structures among our company and the acquired company; consolidating and streamlining sales, marketing and corporate operations; potential exposure to unknown liabilities of acquired companies; loss of key employees and customers of the acquired business; and managing tax costs or inefficiencies associated with integrating our operations following completion of an acquisition or entry into a joint venture. If an acquisition or joint venture is not successfully completed or integrated into our existing operations, our business and financial results could be materially adversely impacted.

Poor investment performance of pension plan holdings and other factors impacting pension plan costs could unfavorably affect our business, liquidity and our financial results. Our costs of providing defined benefit pension plans are dependent upon a number of factors, such as the rates of return on the plans' assets, discount rates, the level of interest rates used to measure the required minimum funding levels of the plans, exchange rate fluctuations, future government regulation, global equity prices, and our required and/or voluntary contributions to the plans. While we comply with the minimum funding requirements, we have certain qualified pension plans with obligations which exceed the value of the plans' assets. These funding requirements may also require contributions even when there is no reported deficit. Without sustained growth in the pension investments over time to increase the value of the plans' assets, and depending upon the other factors as listed above, we could be required to fund the plans with significant amounts of cash. Such cash funding obligations (or the timing of such contributions) could have a material adverse effect on our cash flows, credit rating and cost of borrowing, financial position and/or results of operations. For example, following the completion of the triennial review of the U.K. pension plan with the plan's trustees in 2014, we made a GBP 150 million contribution to our U.K. pension plan in January 2015, based on the underfunded status of the plan and the evaluation of the plan's performance and long-term obligations.

Failure to comply with our debt covenants or a deterioration in our credit rating could have an adverse effect on our ability to obtain future financing at competitive rates and/or our ability to refinance our existing indebtedness. 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. Failure to comply with these restrictions or maintain our credit rating may result in issues with our current financing structure and potential future financing requirements. A deterioration in our credit rating could also affect our ability to obtain future financing or refinance our current debt, as well as increase our borrowing rates, which could have an adverse effect on our business and financial results.

We depend on key personnel, the loss of whom would harm our business. The loss of the services and expertise of any key employee could harm our business. Our future success depends on our ability to identify, attract and retain qualified personnel on a timely basis. Turnover of senior management can adversely impact our stock price, our results of operations and our client relationships and may make recruiting for future management positions more difficult. In addition, we must successfully integrate any new management personnel that we hire within our organization, or who join our organization as a result of an acquisition, in order to achieve our operating objectives, and changes in other key management positions may temporarily affect our financial performance and results of operations as new management becomes familiar with our business.

Due to a high concentration of workers represented by unions or trade councils in Canada, Europe, and at MillerCoors in the U.S., we could be significantly affected by labor strikes, work stoppages or other employee-related issues. Approximately 59%, 31% and 36% of our Canadian, MillerCoors and European workforces, respectively, are represented by trade unions. Stringent labor laws in the U.K. expose us to a greater risk of loss should we experience labor disruptions in that market. A labor strike, work stoppage or other employee-related issue could have a material adverse effect on our business and financial results.

The success of our business relies heavily on brand image, reputation, product quality and protection of intellectual property. It is important that we maintain and increase the image and reputation of our existing products. Concerns about product quality, even when unsubstantiated, could be harmful to our image and reputation of our products. Deterioration to our brand equity may be difficult to combat or reverse and could have a material effect on our business and financial results. In addition, because our brands carry family names, personal activities by certain members of the Molson or Coors families that harm their public image or reputation could have an adverse effect on our brands. Further, the success of our Company is dependent on our ability to protect our intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how. We cannot be certain that the steps we have taken to protect our intellectual property rights will be sufficient or that third parties will not infringe upon or misappropriate these rights. If we are unable to protect our intellectual property rights, it could have a material adverse effect on our business and financial results.

Because of our reliance on third-party service providers and internal and outsourced systems for our information technology and certain other administrative functions, we could experience a disruption to our business. We rely exclusively on information services providers worldwide for our information technology functions including network, help desk, hardware and software configuration. Additionally, we rely on internal networks and information systems and other technology, including the internet and third-party hosted services, to support a variety of business processes and activities, including procurement and supply chain, manufacturing, distribution, invoicing and collection of payments. We use information systems for certain human resource activities and to process our employee benefits, as well as to process financial information for internal and external reporting purposes and to comply with various reporting, legal and tax requirements. We also have outsourced a significant portion of work associated with our finance and accounting, human resources and other information technology functions to third-party service providers. As information systems are critical to many of our operating activities, our business may be impacted by system shutdowns, service disruptions or security breaches. Additionally, if one of our service providers was to fail and we were unable to find a suitable replacement in a timely manner, we could be unable to properly administer our outsourced functions. Further, our internal and outsourced systems may also be the target of a breach to our security, which, if successful, could expose us to the loss of key business, employee, customer or vendor information and disruption of our operations. If our information systems suffer severe damage, disruption or shutdown and our remediation plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results and we may lose revenue and profits as a result of our inability to timely manufacture, distribute, invoice and collect payments from our customers. Misuse, leakage or falsification of information could result in a violation of data privacy laws and regulations, damage our reputation and credibility. In addition, we may suffer financial and reputational damage because of lost or misappropriated confidential information and may become subject to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems.

If the Pentland Trust and the Coors Trust do not agree on a matter submitted to stockholders or if a super-majority of our board of directors do not agree on certain actions, generally the matter will not be approved, even if beneficial to us or favored by other stockholders or a majority of our board of directors. Pentland Securities (1981) Inc. (the "Pentland Trust") (a company controlled by the Molson family and related parties) and the Adolph Coors, Jr. Trust (the "Coors Trust"), which together control more than 90% of our Class A common stock and Class A exchangeable shares, have a voting trust agreement through which they have combined their voting power over the shares of our Class A common stock and the Class A exchangeable shares that they own. In the event that these two stockholders do not agree to vote in favor of a matter submitted to a stockholder vote (other than the election of directors), the voting trustees are required to vote all of the Class A common stock and Class A exchangeable shares deposited in the voting trust against the matter. There is no other mechanism in the voting trust agreement to resolve a potential deadlock between these stockholders. Therefore, if either the Pentland Trust or the Coors Trust is unwilling to vote in favor of a proposal that is subject to a stockholder vote, we would be unable to implement the proposal even if our board of directors, management or other stockholders believe the proposal is beneficial to us. Similarly, our bylaws require the authorization of a super-majority (two-thirds) of the board of directors to take certain transformational actions. Thus, it is possible that the Company will not be authorized to take action even if it is supported by a simple majority of the board of directors.

The interests of the controlling stockholders may differ from those of other stockholders and could prevent the Company from making certain decisions or taking certain actions that would be in the best interest of the other stockholders. Our Class B common stock has fewer voting rights than our Class A common stock and holders of our Class A common stock have the ability to effectively control or have a significant influence over certain company actions requiring stockholder approval, which could have a material adverse effect on Class B stockholders. See Part II—Item 8 Financial Statements and Supplementary Data, Note 8, "Stockholders' Equity" of the Notes for additional information regarding voting rights of Class A and Class B stockholders.

Risks Specific to the Canada Segment

Government mandated changes to the retail distribution model resulting from new regulations may have a material adverse effect on our Canada business. Beer sales are highly regulated by the Canadian government. For example, in Ontario, off-premise beer may only be purchased at retail outlets operated by BRI, government-regulated retail outlets operated by the Liquor Control Board of Ontario ("LCBO"), or approved agents of the LCBO. In April 2014, the Ontario Premier's

Table of Contents

Advisory Council on Government Assets (the "Council") began a review that included evaluating the beer retailing and distribution system in Ontario, for which BRI is the primary beer retail and distribution channel. In April 2015, as a result of this review and our negotiations with the Council, we, along with the other owners of BRI, agreed, in principle and subject to entry into definitive binding documents, to enter into a new beer framework agreement (the "New Framework") with the Province of Ontario. The associated Master Framework Agreement was subsequently executed by all parties on September 22, 2015, and became effective as of January 1, 2016. Additionally, as a result of the above review, certain other legal matters could arise that could have a negative impact on our business, such as the litigation related to our ownership of BRI discussed in Part I—Item 3. Legal Proceedings. If the implementation of the provisions under the New Framework differ from our current expectations, it could result in a material adverse effect on our business and financial results.

We may experience adverse effects on our Canada business and financial results due to declines in the overall Canadian beer industry, continued price discounting, increased cost of goods sold and higher taxes. If the Canadian beer market continues to decline, the impact to our financial results could be exacerbated due to our significant share of the overall market. Additionally, continuation, acceleration or the increase of price discounting, in Ontario, Québec, Alberta or other provinces, as well as increases in our cost of goods sold, could adversely impact our business. Further, changes in the Canadian tax legislation, such as the recent increase in beer excise taxes and the implementation of equalization and standardization of excise tax regulations in Quebec, could decrease our net sales. Moreover, the future success and earnings growth of the Canada business depends, in part, on our ability to efficiently conduct our operations. Failure to generate significant cost savings and margin improvement through our ongoing initiatives could adversely affect our profitability.

In the event that we are required to move away from the industry standard returnable bottle we use today, we may incur unexpected losses. Along with ABI and other brewers in Canada, we currently use an industry standard returnable bottle which represents approximately 37% of total volume sales (excluding imports) in Canada. Changes to the Industry Standard Bottle Agreement could impact our use of the industry standard returnable bottle. If we cease to use the industry standard returnable bottle, our current bottle inventory and a portion of our bottle packaging equipment could become obsolete and could result in a material write-off of these assets.

Risks Specific to the United States Segment and MillerCoors

We do not fully control the operations and administration of MillerCoors, which represents our interests in the U.S. beer business. Pending our proposed Acquisition of 100% of MillerCoors, we jointly control MillerCoors with SABMiller and hold a 42% economic interest in the joint venture. While we direct the MillerCoors business through our equal representation on its board of directors (along with SABMiller) and otherwise impact its business activities through our ongoing communication and oversight, MillerCoors' management is responsible for the day-to-day operation of the business. As a result, we do not have full control over MillerCoors' activities. Our results of operations are dependent upon the efforts of MillerCoors' management, our ability to govern the joint venture effectively with SABMiller and factors beyond our control that may affect SABMiller. For example, the loss of the services and expertise of any key MillerCoors employee could harm our business. Additionally, our disclosure controls and procedures with respect to MillerCoors are necessarily substantially more limited than those we maintain with respect to our consolidated subsidiaries. Certain rights of first refusal apply to any assignment of the joint venture interests. Any transfer of ownership interest could have a significant effect on our results of operations and financial position, as well as our ongoing internal and external business relationships. See risk factors related to the pending Acquisition of MillerCoors above.

MillerCoors is highly dependent on independent distributors in the United States to sell its products, with no assurance that these distributors will effectively sell its and our products. MillerCoors sells all of its products and many of our non-U.S. products in the United States to distributors for resale to retail outlets and the regulatory environment of many states makes it very difficult to change distributors. Consequently, if MillerCoors is not allowed or is unable to replace unproductive or inefficient distributors, its business, financial position and results of operation may be adversely affected, which could have a material adverse effect on our business and financial results.

Risks Specific to the Europe Segment

Economic trends and intense competition in European markets could unfavorably affect our profitability. Our European businesses have been, and may continue to be, adversely affected by conditions in the global financial markets and general economic and political conditions, as well as a continued weakening of their respective currencies versus the U.S. dollar. Our interim brand impairment review completed in the third quarter of 2015, indicated that the fair value of certain European indefinite-lived brand intangible assets were below their respective carrying values and we therefore recorded an aggregate impairment charge of $275.0 million. Additionally, during this review, we also reassessed each brand's indefinite-life classification and determined that these impaired brands have characteristics that have evolved which now indicate a definite-life is more appropriate. These brands have therefore been reclassified as definite-lived intangible assets to be amortized over useful lives ranging from 30 to 50 years. The decline in fair value of these brands was due, in part, to key changes to our

Table of Contents

underlying assumptions supporting the value of the brands. Specific changes include underperformance through the 2015 peak season driving a downward shift in management's forecasts, along with challenging macroeconomic and competitive conditions that we no longer expect to subside in the near term. Additionally, we face intense competition in certain of our European markets, particularly with respect to price, which could lead to reduced sales or profitability. In particular, the on-going focus by large competitors in Europe to drive increased market share through aggressive pricing strategies could adversely affect our sales and results of operations. In addition, in recent years, beer volume sales in Europe have been shifting from pubs and restaurants (on-premise) to retail stores (off-premise), for the industry in general. Margins on sales to off-premise customers tend to be lower than margins on sales to on-premise customers, and, as a result, continuation or acceleration of these trends would further adversely affect our profitability.

In the event that a significant pub chain declared bankruptcy, or experience similar financial difficulties, our business and financial results could be materially adversely affected.   We extend credit to pub chains in the U.K., and in some cases the amounts are significant. Business at on-premise outlets has decreased since late 2008 as a result of a continued challenging economic environment in the U.K. While the economic environment in the U.K. has seen an upturn in 2015, some pub chains may continue to face increasing financial difficulty, if economic conditions do not stabilize. In the event that one or more significant pub chains were to be unable to pay amounts owed to us as a result of bankruptcy or similar financial difficulties, our business and financial results could be materially adversely affected.

Risks Specific to the Molson Coors International Segment

An inability to expand our operations in emerging markets could adversely affect our growth prospects. Our ability to grow our MCI segment in emerging markets depends on social, economic and political conditions in those markets, on our ability to create effective product distribution networks and consumer brand awareness in new markets and in many cases our ability to find appropriate local partners. Due to product price, local regulatory changes, local competition from competitors that are larger and have more resources than we do and cultural differences, or absence of effective routes to market, there is no assurance that our products will be accepted in any particular emerging market. If we are unable to expand our businesses in emerging markets, our growth prospects could be adversely affected.

Risks Specific to Our Discontinued Operations

Indemnities provided to the purchaser of 83% of the Cervejarias Kaiser Brasil S.A. ("Kaiser") business in Brazil could result in future cash outflows and statement of operations charges.   In 2006, we sold our 83% ownership interest in Kaiser to FEMSA Cerveza S.A. de C.V. ("FEMSA"). The terms of the sale agreement require us to indemnify FEMSA for exposures related to certain tax, civil and labor contingencies and certain purchased tax credits. The ultimate resolution of these claims is not under our control. These indemnity obligations are recorded as liabilities on our consolidated balance sheets, however, we could incur future statement of operations charges as facts further develop resulting in changes to our estimates or changes in our assessment of probability of loss on these items as well as due to fluctuations in foreign exchange rates. Due to the uncertainty involved in the ultimate outcome and timing of these contingencies, significant adjustments to the carrying value of our indemnity liabilities and corresponding statement of operations charges/credits could result in the future.

ITEM 1B.   UNRESOLVED STAFF COMMENTS

None.

Table of Contents

ITEM 2. PROPERTIES

As of February 11, 2016, our major facilities were owned (unless otherwise indicated) and are as follows:

Facility	Location	Character
Canada Segment		
Administrative offices	Montréal, Québec	Corporate Headquarters
	Toronto, Ontario	Canada Segment Headquarters
Brewery/packaging plants	Creemore, Ontario	Brewing and packaging
	Moncton, New Brunswick	Brewing and packaging
	Montréal, Québec(1)	Brewing and packaging
	St John's, Newfoundland	Brewing and packaging
	Toronto, Ontario(1)	Brewing and packaging
	Vancouver, British Columbia(2)	Brewing and packaging
Distribution warehouses	Québec Province(3)	Distribution centers
	Rest of Canada(4)	Distribution centers
Europe Segment		
Administrative offices	Prague, Czech Republic	Europe Segment Headquarters
Brewery/packaging plants	Apatin, Serbia(1)	Brewing and packaging
	Bőcs, Hungary	Brewing and packaging
	Burton-on-Trent, Staffordshire, U.K.(1),(5)	Brewing and packaging
	Haskovo, Bulgaria	Brewing and packaging
	Niksic, Montenegro	Brewing and packaging
	Ostrava, Czech Republic	Brewing and packaging
	Ploiesti, Romania(1)	Brewing and packaging
	Prague, Czech Republic(1)	Brewing and packaging
	Sharp's Brewery, Cornwall, U.K.	Brewing and packaging
	Tadcaster Brewery, Yorkshire, U.K.(1)	Brewing and packaging
	Burtonwood Brewery, Warrington, U.K.	Brewing and packaging
	Zagreb, Croatia	Brewing and packaging
Distribution warehouses	Europe(6)	Distribution centers
MCI Segment		
Brewery/packaging plants	Patna, Bihar, India	Brewing and packaging
Brewery/packaging plants	Saha, Haryana, India	Brewing and packaging
Brewery/packaging plants	Bhankharpur, Punjab, India	Brewing and packaging

(1) Montréal and Toronto breweries collectively account for approximately 79% of our Canada production. The Burton-on-Trent, Prague, Ploiesti, Apatin and Tadcaster breweries collectively account for approximately 74% of our Europe production. Note that while we closed the Alton brewery in the U.K., the Plovdiv brewery in Bulgaria and are in the consultation process of closing the Burton South brewery in the U.K., we continue to own these breweries as of December 31, 2015.

(2) We own one and lease one brewing and packaging facility in Vancouver, British Columbia. In the fourth quarter of 2015, as a result of our strategic review of our supply chain network, we entered into an agreement to sell our owned Vancouver brewery with the intent to use the proceeds from the sale to help fund the construction of an efficient and flexible brewery in British Columbia. The sale is anticipated to be completed in the first quarter of 2016. In conjunction with the sale, we also agreed to leaseback the existing property to continue operations on an uninterrupted basis while the new brewery is being constructed.

Table of Contents

(3) We own ten distribution centers, lease four additional distribution centers, lease seven cross docks, lease one warehouse and lease one parking facility in the Québec Province.

(4) We own one and lease six warehouses throughout Canada, excluding the Québec Province.

(5) As part of our ongoing strategic review of our European supply chain network in the fourth quarter of 2015, we have entered into a consultation process to close our Burton South brewery in the U.K. and consolidate production within our recently modernized Burton North brewery.

(6) We own fourteen distribution centers, lease sixteen additional distribution centers, own four warehouses and lease five additional warehouses throughout Europe.

We also lease offices in Colorado, the location of our Corporate headquarters, as well as within various international countries in which our MCI segment operates. We believe our facilities are well maintained and suitable for their respective operations. In 2015, our operating facilities were not capacity constrained.

ITEM 3. LEGAL PROCEEDINGS

Litigation and other disputes

On December 12, 2014, a notice of action captioned David Hughes and 631992 Ontario Inc. v. Liquor Control Board of Ontario, Brewers Retail Inc., Labatt Breweries of Canada LP, Molson Coors Canada and Sleeman Breweries Ltd. No. CV-14-518059-00CP was filed in Ontario, Canada in the Ontario Superior Court of Justice. Brewers' Retail Inc. ("BRI") and its owners, including Molson Coors Canada, as well as the Liquor Control Board of Ontario ("LCBO") are named as defendants in the action. The plaintiffs allege that The Beer Store (retail outlets owned and operated by BRI) and LCBO improperly entered into an agreement to fix prices and market allocation within the Ontario beer market to the detriment of licensees and consumers. The plaintiffs seek to have the claim certified as a class action on behalf of all Ontario beer consumers and licensees and, among other things, damages in the amount of Canadian Dollar ("CAD") 1.4 billion. We note that The Beer Store operates according to the rules established by the Government of Ontario for regulation, sale and distribution of beer in the province. Additionally, prices at The Beer Store are independently set by each brewer and are approved by the LCBO on a weekly basis. Accordingly, we intend to vigorously assert and defend our rights in this lawsuit. See Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes for additional information.

For additional information regarding environmental proceedings see Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes.

We are involved in other disputes and legal actions arising in the ordinary course of our business. While it is not feasible to predict or determine the outcome of these proceedings, in our opinion, based on a review with legal counsel, none of these disputes and legal actions is expected to have a material impact on our 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 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A common stock and Class B common stock trade on the New York Stock Exchange under the symbols "TAP.A" and "TAP," respectively. In addition, the Class A exchangeable shares and Class B exchangeable shares of our indirect subsidiary, Molson Coors Canada Inc., trade on the Toronto Stock Exchange under the symbols "TPX.A" and "TPX.B," respectively. The Class A and B exchangeable shares are a means for shareholders to defer tax in Canada and have substantially the same economic and voting rights as the respective common shares. The exchangeable shares can be exchanged for our Class A or B common stock at any time and at the exchange ratios described in the Merger documents, and receive the same dividends. At the time of exchange, shareholders' taxes are due. The exchangeable shares have voting rights through special voting shares held by a trustee.

The approximate number of record security holders by class of stock at February 5, 2016, is as follows:

Title of class	Number of record security holders
Class A common stock, $0.01 par value	25
Class B common stock, $0.01 par value	2,822
Class A exchangeable shares, no par value	234
Class B exchangeable shares, no par value	2,487

The following table sets forth the high and low sales prices per share of our Class A common stock for each quarter of 2015 and 2014 as reported by the New York Stock Exchange, as well as dividends paid in such quarter.

	High	Low	Dividends
2015			
First quarter	$94.50	$78.75	$0.41
Second quarter	$88.26	$71.00	$0.41
Third quarter	$83.84	$65.50	$0.41
Fourth quarter	$96.00	$78.50	$0.41
2014			
First quarter	$58.25	$51.64	$0.37
Second quarter	$75.32	$57.68	$0.37
Third quarter	$77.16	$67.69	$0.37
Fourth quarter	$102.40	$68.56	$0.37

The following table sets forth the high and low sales prices per share of our Class B common stock for each quarter of 2015 and 2014 as reported by the New York Stock Exchange, as well as dividends paid in such quarter.

	High	Low	Dividends
2015			
First quarter	$78.92	$71.49	$0.41
Second quarter	$79.14	$69.70	$0.41
Third quarter	$85.29	$64.40	$0.41
Fourth quarter	$95.74	$78.17	$0.41
2014			
First quarter	$59.15	$50.95	$0.37
Second quarter	$75.54	$56.60	$0.37
Third quarter	$77.68	$66.95	$0.37
Fourth quarter	$77.93	$66.46	$0.37

Table of Contents

The following table sets forth the high and low sales prices per share of our Class A exchangeable shares for each quarter of 2015 and 2014 as reported by the Toronto Stock Exchange, as well as dividends paid in such quarter.

	High	Low	Dividends
2015			
First quarter	CAD 94.75	CAD 85.01	$ 0.41
Second quarter	CAD 99.08	CAD 88.85	$ 0.41
Third quarter	CAD 110.60	CAD 88.20	$ 0.41
Fourth quarter	CAD 125.64	CAD 113.03	$ 0.41
2014			
First quarter	CAD 64.05	CAD 60.99	$ 0.37
Second quarter	CAD 82.11	CAD 66.00	$ 0.37
Third quarter	CAD 86.00	CAD 75.02	$ 0.37
Fourth quarter	CAD 88.88	CAD 81.00	$ 0.37

The following table sets forth the high and low sales prices per share of our Class B exchangeable shares for each quarter of 2015 and 2014 as reported by the Toronto Stock Exchange, as well as dividends paid in such quarter.

	High	Low	Dividends
2015			
First quarter	CAD 98.25	CAD 84.95	$ 0.41
Second quarter	CAD 99.98	CAD 86.79	$ 0.41
Third quarter	CAD 112.28	CAD 86.14	$ 0.41
Fourth quarter	CAD 132.44	CAD 103.56	$ 0.41
2014			
First quarter	CAD 66.00	CAD 56.50	$ 0.37
Second quarter	CAD 82.01	CAD 62.10	$ 0.37
Third quarter	CAD 87.00	CAD 75.76	$ 0.37
Fourth quarter	CAD 90.48	CAD 77.00	$ 0.37

Table of Contents

PERFORMANCE GRAPH

The following graph compares our cumulative total stockholder return over the last five fiscal years with the Standard and Poor's 500 Index® ("S&P 500") and a customized index including MCBC, SABMiller, ABI, Carlsberg, Heineken and Asahi (the "Peer Group"). We have used a weighted-average based on market capitalization to determine the return for the Peer Group. The graph assumes $100 was invested on December 25, 2010 (the last trading day of our 2010 fiscal year) in our Class B common stock, the S&P 500 and the Peer Group, and assumes reinvestment of all dividends.

	2010	2011	2012	2013	2014	2015
Molson Coors	$100.00	$88.01	$89.01	$117.83	$159.89	$205.84
S&P 500	$100.00	$102.20	$116.58	$150.51	$171.10	$173.44
Peer Group[1]	$100.00	$103.13	$139.75	$160.95	$192.95	$242.18

(1) The Peer Group represents the weighted-average based on market capitalization of the common stock of MCBC, SABMiller, ABI, Carlsberg, Heineken and Asahi. These securities are traded on various exchanges throughout the world.

Dividends

As a result of the pending Acquisition, we plan to maintain our current quarterly dividend of $0.41 per share as we pay down debt, and we will revisit our dividend policy once deleveraging is well underway.

Table of Contents

Issuer Purchases of Equity Securities

In February 2015, our Board of Directors approved and authorized a new program to repurchase up to $1.0 billion of our Class A and Class B common stock with a program term of four years. Under the program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. The number, price and timing of the repurchases will be at the Company's sole discretion and will be evaluated depending on market conditions, liquidity needs or other factors. The Company's Board of Directors may suspend, modify or terminate the program at any time without prior notice. This repurchase program replaces and supersedes any repurchase programs previously approved by the Board of Directors. Beginning in April 2015, under this program, we entered into accelerated share repurchase agreements ("ASRs") with a financial institution. In exchange for up-front payments, the financial institution delivered shares of our common stock during the purchase periods of each ASR. The total number of shares ultimately delivered, and therefore the average repurchase price paid per share, was determined at the end of the applicable purchase period of each ASR based on the volume weighted-average price of our common stock during that period.

Additionally, as a result of our pending Acquisition, we have suspended the share repurchase program. As we pay down debt we will revisit our share repurchase program once deleveraging is well underway.

Issuer Purchases of Equity Securities for the Quarter Ended December 31, 2015

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1]
October 1, 2015 - October 31, 2015	597,338	(1)	597,338	
November 1, 2015 - November 30, 2015	—		—	
December 1, 2015 - December 31, 2015	75,404	(1)	75,404	
Total	672,742	$89.94	672,742	$850,000,000

(1) Beginning in the second quarter of 2015 and through the fourth quarter of 2015, we purchased approximately 2 million shares of our Class B common stock under three separate ASRs for an aggregate of approximately $150 million. The average repurchase price paid per share for the fourth quarter 2015 transactions was $89.94 based on the total number of shares ultimately delivered and the up-front purchase price of $50.0 million under this ASR.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

The table below summarizes selected financial information for the five years ended December 31, 2015. For further information, refer to our consolidated financial statements and notes thereto presented under Part II—Item 8 Financial Statements and Supplementary Data.

	2015	2014(3)	2013(1)(3)	2012(1)(2)(3)	2011(1)(3)
	(In millions, except per share data)				
Consolidated Statements of Operations:					
Net sales	$3,567.5	$4,146.3	$4,206.1	$3,916.5	$3,515.7
Net income from continuing operations attributable to MCBC	$355.6	$513.5	$565.3	$441.5	$674.0
Net income from continuing operations attributable to MCBC per share:					
Basic	$1.92	$2.78	$3.09	$2.44	$3.65
Diluted	$1.91	$2.76	$3.07	$2.43	$3.62
Consolidated Balance Sheets:					
Total assets	$12,276.3	$13,980.1	$15,560.5	$16,187.8	$12,414.1
Current portion of long-term debt and short-term borrowings	$28.7	$849.0	$586.9	$1,244.8	$46.9
Long-term debt	$2,908.7	$2,321.3	$3,193.4	$3,398.9	$1,905.2
Other information:					
Dividends per share of common stock	$1.64	$1.48	$1.28	$1.28	$1.24

(1) On November 14, 2013, our Board of Directors approved a resolution to change MCBC's fiscal year from a 52/53 week fiscal year to a calendar year. As such, our 2013 fiscal year end was extended from December 28, 2013, to December 31, 2013, with subsequent fiscal years beginning on January 1 and ending on December 31 of each year. The impact of the three additional days in fiscal year 2013 is immaterial to the consolidated financial statements. Fiscal year 2011 contained 53 weeks whereas fiscal year 2012 contained 52 weeks. Fiscal year 2013 included three additional days beyond 52 weeks due to the above mentioned fiscal year change.

(2) Reflects activity as a result of our acquisition of StarBev Holdings S.a.r.l. on June 15, 2012.

(3) Historical consolidated balance sheet figures have been adjusted for the adoption of ASU 2015-03: Interest - Imputation of Interest (ASC 835-30) - Simplifying the Presentation of Debt Issuance Costs ("ASU 2015-03"). The adjustment is not material for any period. See Note 2, "New Accounting Pronouncements" for details.

Table of Contents

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided to assist in understanding our company, operations and current business environment and should be considered a supplement to, and read in conjunction with, the accompanying consolidated financial statements and notes included within Part II—Item 8 Financial Statements and Supplementary Data, as well as the discussion of our business and related risk factors in Part I—Item 1 Business and Part I—Item 1A Risk Factors, respectively.

Our Fiscal Year

Unless otherwise indicated, (a) all $ amounts are in U.S. Dollars ("USD"), (b) comparisons are to comparable prior periods, and (c) 2015 refers to the 12 months ended December 31, 2015, 2014 refers to the 12 months ended December 31, 2014, and 2013 refers to the period from December 30, 2012 through December 31, 2013. The impact of the three additional days in fiscal year 2013 is immaterial to the consolidated financial statements and is a result of changing our fiscal year from a 52/53 week fiscal year to a calendar year in 2013.

Use of Non-GAAP Measures

In addition to financial measures presented on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"), we also present pretax and after-tax "underlying income," "underlying income per diluted share," "underlying effective tax rate," and "underlying free cash flow," which are non-GAAP measures and should be viewed as supplements to (not substitutes for) our results of operations presented under U.S. GAAP. We also present underlying earnings before interest, taxes, depreciation and amortization ("underlying EBITDA") as a non-GAAP measure. Our management uses underlying income, underlying income per diluted share, underlying EBITDA, underlying effective tax rate and underlying free cash flow as measures of operating performance to assist in comparing performance from period to period on a consistent basis; as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations; in communications with the board of directors, stockholders, analysts and investors concerning our financial performance; as useful comparisons to the performance of our competitors; and as metrics of certain management incentive compensation calculations. We believe that underlying income, underlying income per diluted share, underlying EBITDA, underlying effective tax rate and underlying free cash flow performance are used by and are useful to investors and other users of our financial statements in evaluating our operating performance because they provide an additional tool to evaluate our performance without regard to special and non-core items, which can vary substantially from company to company depending upon accounting methods and book value of assets and capital structure. We have provided reconciliations of all non-GAAP measures to their nearest U.S. GAAP measure and have consistently applied the adjustments within our reconciliations in arriving at each non-GAAP measure. These adjustments consist of special items from our U.S. GAAP financial statements (see Part II-Item 8 Financial Statements and Supplementary Data, Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements ("Notes") for additional disclosure) as well as other non-core items, such as acquisition and integration related costs, unrealized mark-to-market gains and losses, and gains and losses on sales of non-operating assets, included in our U.S. GAAP results that warrant adjustment to arrive at non-GAAP results. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective and involve significant management judgment.

In addition to the non-GAAP measures noted above, we have certain operational measures, such as sales-to-wholesalers (“STWs”) and sales-to-retailers (“STRs”), which we believe are useful metrics to management and investors in evaluating our operations. STW is a metric that we use in our U.S. business to reflect the sales from our operations to our direct customers, generally wholesalers. 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 Canada and U.S. businesses to refer to sales closer to the end consumer than STWs, which generally means sales from our wholesalers or our company to retailers, who in turn sell to consumers. 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.

34

Table of Contents

Pending Acquisition

On November 11, 2015, Anheuser-Busch InBev SA/NV's ("ABI") announced it had entered into a definitive agreement to acquire SABMiller plc ("SABMiller"). The resulting transaction ("ABI/SABMiller transaction") is expected to be finalized in the second half of 2016 subject to ABI and SABMiller shareholder approval and various global regulatory approvals. Concurrently, on November 11, 2015, we entered into a purchase agreement (the "Purchase Agreement") with ABI to acquire, contingent upon the closing of the ABI/SABMiller transaction, all of SABMiller's 58% economic interest and 50% voting interest in MillerCoors and all trademarks, contracts and other assets primarily related to the Miller brand portfolio outside of the U.S. and Puerto Rico for $12.0 billion in cash, subject to downward adjustment as described in the Purchase Agreement (the "Acquisition"). Following the closing of the pending Acquisition, we will own 100% of the outstanding equity and voting interests of MillerCoors. The pending Acquisition is based on the terms and subject to the conditions set forth in the Purchase Agreement, as incorporated herein by reference as Exhibit 2.4 of Part IV Item 15.

Under the agreement, we will retain the rights to all of the brands currently in the MillerCoors portfolio for the U.S. and Puerto Rican markets, including import brands such as Peroni and Pilsner Urquell, as well as full ownership of the Miller brand portfolio outside of the U.S. and Puerto Rico. Additionally, in consolidating control of MillerCoors, we will further improve our scale and agility, benefit from significantly enhanced cash flows, and capture substantial operational synergies. The purchase of the Miller brand trademarks outside of the U.S. and Puerto Rico provides a strategic opportunity to leverage the iconic Miller trademark globally alongside Molson Coors' trademarks for Coors and Staropramen and presents volume and profit growth opportunities for Molson Coors in both core markets, as well as emerging markets.

The pending Acquisition is expected to be funded through cash on hand and financed through a combination of debt and equity security issuances. Further, as we plan to elect to treat the Acquisition as an asset acquisition for U.S. tax purposes, we expect to receive substantial cash tax benefits for the first 15 years after completion. At this time, we anticipate this acquisition will close in the second half of 2016, subject to necessary regulatory approvals and contingent on the successful closing of the ABI/SABMiller transaction.

Executive Summary

We are one of the world's largest brewers and have a diverse portfolio of owned and partner brands, including core brands Carling, Coors Light, Molson Canadian and Staropramen, as well as craft and specialty beers such as Blue Moon, Creemore Springs, Cobra and Doom Bar. With centuries of brewing heritage, we have been crafting high-quality, innovative products with the purpose of delighting the world's beer drinkers and goal 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.

In 2015, our net income from continuing operations attributable to MCBC, underlying after-tax earnings and EBITDA declined versus 2014 due to a number of challenges; however, we exceeded our targets for cost savings and cash generation and achieved positive net pricing in most of our major markets, excluding the impacts of changes in foreign currency exchange rates. Competitive challenges and weak consumer demand continued across some of our largest markets, but we continued to focus on building a stronger brand portfolio, delivering value-added innovation and strengthening our core brand positions through incremental marketing investments. Our focus on growing our above-premium segment continued this year as we completed the acquisitions of Saint Archer Brewing Company in the U.S. and the rights to the Rekorderlig cider brand in the U.K. and repatriated the rights to Staropramen in the U.K. We also expanded our global footprint within MCI through the acquisition of Mount Shivalik Breweries Ltd. ("Mount Shivalik") in India and our recent entrance into the Colombian market. We continued to improve our sales execution and revenue management capabilities, increase the efficiency of our operations, implement common systems and focus on generating higher returns for our invested capital, managing our working capital and delivering a greater return on investment for our shareholders. We grew our global above-premium volume, net pricing and sales mix. Our craft portfolio drove growth from Doom Bar in the U.K., Grandville Island in Canada and Blue Moon in the U.S. and U.K. Our emerging cider portfolio delivered strong growth, led by Molson Canadian Cider and Strongbow in Canada and Smith & Forge Hard Cider in the U.S. Volume challenges included Coors Light performance in Canada and the U.S., however, we continued to see strong performance of Coors Light in Europe and MCI.

2015 Financial Highlights:

- Net income from continuing operations attributable to MCBC of $355.6 million, or $1.91 per diluted share, decreased 30.7% and underlying after-tax income of $700.4 million, or $3.76 per diluted share, decreased 8.9% from a year ago, primarily due to the impact of unfavorable movements in foreign currency rates and the loss of major business contracts this year. Additionally, net income from continuing operations attributable to MCBC was unfavorably impacted by incremental special charges in 2015 driven primarily by our initiatives focused on improving our supply chain network and building efficiencies across the business evidenced by our closure of two bottling lines in Canada, as well as the closure of our Alton and Plovdiv breweries in Europe and announced closures of the Eden brewery in

Table of Contents

the U.S. and the Vancouver brewery in Canada and we entered into a consultation process regarding our proposal to close the Burton South brewery in Europe. Underlying EBITDA decreased 9.5% compared to 2014, primarily due to a decrease in underlying income in Canada and Europe. Our underlying income excludes special and other non-core gains, losses and expenses that net to a $420.9 million pretax charge, as explained below.

- Worldwide beer volume for MCBC in 2015 decreased 1.5% compared to 2014, primarily due to lower volumes in the U.S. and Canada, partially offset by increased volumes from MCI. Additionally, consolidated net sales decreased 14.0% compared to 2014, driven by negative impacts of changes in foreign currency exchange rates and lower volumes in Canada and the loss of the Heineken and Modelo contracts in Europe, partially offset by positive pricing in Europe.
- We generated cash flow from operating activities of $696.4 million, representing a 45.3% decrease from $1,272.6 million in 2014 and a 40.4% decrease from $1,168.2 million in 2013. Underlying free cash flow in 2015 was $704.3 million, compared to $956.7 million in 2014, representing a decrease of 26.4%. The decreases in operating cash flow and underlying free cash flow are driven by unfavorable changes in foreign currency exchange rates, increased capital investments, higher cash paid for taxes and decreased distributions from our investment in MillerCoors, along with lower underlying income, after considering non-cash impairments and other non-cash add-backs. These increases were partially offset by a lower cash paid for interest and favorable impact of changes in net working capital.
- Regional financial highlights:
- In our Canada segment, we drove positive pricing, achieved significant cost savings and invested significantly behind our brands. Our income from continuing operations before income taxes in Canada decreased in 2015 compared to 2014 by 31.8% to $277.3 million, due to special charges recognized as a result of accelerated depreciation of two of our bottling lines, the impact of the loss of our Miller brands agreements, as well as cycling the income received from the termination of our MMI joint venture in 2014. Our 2015 underlying pretax income decreased by 16.6% to $304.5 million, primarily due to unfavorable foreign currency movements and incremental brand investments, as well as lower volumes.
- In the U.S., MillerCoors grew net sales per hectoliter with positive pricing and mix, while also working to restore growth to Coors Light and Miller Lite, which both grew share of segment versus 2014. We increased our percentage of volume in the above premium segment and experienced continued growth of higher-margin brands like Redd's, Blue Moon and Leinenkugel's Shandy portfolio. Our 2015 equity income in MillerCoors decreased 8.1% to $516.3 million, driven by special charges recognized in 2015 related to the decision to close the Eden brewery, as well as the early settlement of a portion of MillerCoors' defined benefit pension plan liability. Underlying equity income in MillerCoors of $562.5 million for 2015 remained relatively flat to 2014, as positive pricing and mix and cost savings offset lower volumes and higher marketing investments.
- In our Europe segment, we reported a loss from continuing operations before income taxes of $109.7 million, versus a loss of $111.9 million in 2014. The losses are attributable to an impairment charge of $275.0 million recognized related to indefinite-lived intangible brand assets, along with charges related to our supply chain initiatives and net termination charges in 2015, compared to an impairment charge of $360.0 million in 2014. Underlying income of $203.4 million decreased by 16.2%, compared to $242.7 million in 2014. The decrease in underlying income is entirely attributable to the negative impacts of unfavorable changes in foreign currency rates and the loss of the Heineken and Modelo contracts in 2015. Excluding these factors, our Europe segment grew volume, sales mix and gross margins. Further, lower supply chain costs and lower spending driven by efficiency in marketing investments partially offset by higher brand amortization expense contributed to positive underlying results. In addition to the core brand performances mentioned below, our above-premium brands performed well, with Coors Light, Doom Bar and our wider craft portfolio, including Franciscan Well, achieving strong growth in the year, as did Staropramen outside Czech Republic.
- In our MCI segment, we drove significant growth in terms of volume, particularly in our Latin American markets including our entrance into the Colombian market at the end of 2015. We also significantly grew our volume in India and increased our presence in the Indian beer market through our acquisition of Mount Shivalik. Our 2015 loss from continuing operations before income taxes increased by 86.5% to $24.8 million driven by special charges and expenses associated with our decision to restructure our China business. Underlying pretax loss increased by 38.3% to

$18.4 million primarily driven by unfavorable changes in foreign currency exchange rates and expenses related to our China business, partially offset by higher volume and lower marketing investment and general and administrative costs.

Table of Contents

- Core brand highlights:
- Carling, the number one beer brand in the U.K. and the largest brand in our Europe segment, declined 3.6% in terms of volume in the year, primarily due to overall industry softness in the U.K., but gained share within its segment.
- Coors Light global volume (including our proportional percentage of MillerCoors' Coors Light volumes) increased 0.3% in 2015 versus 2014, driven by strong performance in Europe and MCI, partially offset by declines in Canada and the U.S. due to continued competitive and industry pressures. In the U.S., Coors Light increased its share of the premium light segment and gained momentum in 2015 versus 2014, continued to show strong volume growth in the U.K., where it is our second largest brand, and is growing even faster in our Latin American markets, with double digit growth in 2015 versus 2014. Coors Light volume increased 0.8% in the fourth quarter of 2015 resulting from improved packing and advertising and incremental marketing investment.
- Molson Canadian in Canada decreased in terms of volume and market share in 2015 due to continued competitive pressures in the segment.
- Staropramen volume increased overall in 2015 versus 2014, mainly driven by strong growth in almost all countries outside of Czech Republic, Staropramen's primary market, and the international markets of Ukraine and Russia due to industry declines in these markets.

The following table highlights summarized components of our consolidated statements of operations for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, and provides a reconciliation of "underlying income", a non-GAAP measure, to its nearest U.S. GAAP measure. See Part II-Item 8 Financial Statements and Supplementary Data, "Consolidated Statements of Operations" for additional details of our U.S. GAAP results.

	For the years ended					
	December 31, 2015	Change		December 31, 2014	Change		December 31, 2013
	(In millions, except percentages and per share data)					
Volume in hectoliters	30.263	(0.6	)%	30.445	(0.2	)%	30.521
Net sales	$3,567.5	(14.0	)%	$4,146.3	(1.4	)%	$4,206.1
Net income attributable to MCBC from continuing operations	$355.6	(30.7	)%	$513.5	(9.2	)%	$565.3
Adjustments:							
Special items, net(1)	346.7	6.9	%	324.4	62.2	%	200.0
42% of MillerCoors special items, net of tax(2)	46.2	N/M		0.6	(92.8	)%	8.3
Acquisition, integration and financing related costs(3)	13.9	N/M		—	(100.0	)%	10.7
Unrealized mark-to-market (gains) and losses(4)	14.1	N/M		3.7	(76.0	)%	15.4
Other non-core items(5)	—	(100.0	)%	(11.3)	(51.9	)%	(23.5)
Tax effect on special and non-GAAP items(6)	(76.1)	22.0	%	(62.4)	27.1	%	(49.1)
Non-GAAP: Underlying income attributable to MCBC from continuing operations, net of tax	$700.4	(8.9	)%	$768.5	5.7	%	$727.1
Net income attributable to MCBC per diluted share from continuing operations	$1.91	(30.8	)%	$2.76	(10.1	)%	$3.07
Non-GAAP: Underlying net income attributable to MCBC per diluted share from continuing operations	$3.76	(9.0	)%	$4.13	4.6	%	$3.95

N/M = Not meaningful

(1)

See Part II—Item 8 Financial Statements and Supplementary Data, Note 7, "Special Items" of the Notes to the Consolidated Financial Statements ("Notes") for additional information. Special items for the year ended December 31, 2015 includes accelerated depreciation expense of $49.4 million, and for the year ended December 31, 2014, includes accelerated amortization expense of $4.9 million and accelerated depreciation expense of $4.0 million, which are included in our adjustments to arrive at underlying EBITDA in the table below.

(2) See "Results of Operations", "United States Segment" under the sub-heading "Special Items" in this section for additional information. The tax effect related to our share of MillerCoors special items in 2015 was immaterial and there was no tax effect related to our share of these charges in 2014 or 2013.

(3) In connection with the pending Acquisition, we recognized transaction related fees of $6.9 million within marketing, general and administrative expenses in 2015. Additionally, on December 16, 2015 we entered into a Bridge Loan Agreement which provides for a 364-day bridge loan facility of up to $9.3 billion. In connection with the bridge loan, during the year ended December 31, 2015, we paid commitment fees of $49.2 million, which have been deferred within other current assets on the consolidated balance sheet as of December 31, 2015, and will be amortized to other income (expense) within the consolidated statement of operations over the 364-day term. For the year ended December 31, 2015, $6.9 million was amortized to other expense. Further, on December 16, 2015, we also entered into a Term Loan Agreement which provides for a 3-year and 5-year tranche of $1.5 billion for each loan, for an aggregate principal amount of $3.0 billion. In connection with the term loan, during the year ended December 31, 2015, we paid issuance fees of $8.3 million, which have been deferred within other assets on the consolidated balance sheet as of December 31, 2015, and will be amortized to interest expense within the consolidated statement of operations over the respective 3-year and 5-year term of each loan. For the year ended December 31, 2015, $0.1 million was amortized to interest expense. See Part II—Item 8 Financial Statements and Supplementary Data, Note 12, "Debt" of the Notes for additional information.

In connection with the our acquisition of StarBev Holdings S.a.r.l. ("StarBev") in 2012 (the "StarBev Acquisition"), we recognized fees in marketing, general and administrative expenses of $10.7 million in 2013, of which $2.3 million was recorded as depreciation expense in 2013.

(4) The unrealized changes in fair value on our commodity swaps not designated in hedging relationships are recorded as cost of goods sold within our Corporate business activities. As the exposure we are managing is realized, we reclassify the gain or loss to the segment in which the underlying exposure resides, allowing our segments to realize the economic effects of the derivative without the resulting unrealized mark-to-market volatility. Related to these derivatives, we recorded unrealized losses of $14.1 million, $4.2 million and $2.7 million in 2015, 2014 and 2013, respectively.

Additionally, we issued a €500 million Zero Coupon Senior Unsecured Convertible Note ("Convertible Note") to StarBev L.P. (the "Seller") in conjunction with the closing of the StarBev Acquisition. The Convertible Note's embedded conversion feature was determined to meet the definition of a derivative required to be bifurcated and separately accounted for at fair value with changes in fair value recorded in earnings. In 2013, we recognized an unrealized loss of $5.4 million recorded as interest expense related to changes in the fair value of the conversion feature. On August 13, 2013, the Seller exercised the conversion feature at an agreed upon value of $14.4 million incremental to the Convertible Note's principal. Upon settlement, $0.8 million was recognized as the realized gain on settlement of the conversion feature, which was initially recorded as a liability of $15.2 million when issued in the second quarter of 2012. Additionally, within other income (expense), we recorded unrealized gains of $0.5 million and unrealized losses of $2.4 million during 2014 and 2013, respectively, related to foreign currency movements on this Convertible Note. We additionally recorded a net loss within other income (expense) of $4.9 million during 2013 related to foreign exchange contracts and cash positions entered into to hedge our risk associated with the payment of this foreign denominated debt. See Part II—Item 8 Financial Statements and Supplementary Data, Note 16, "Derivative Instruments and Hedging Activities" of the Notes for additional information.

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

In 2013, we recognized a net gain of $23.5 million within other income related to the sales of non-core investment assets. See Part II—Item 8 Financial Statements and Supplementary Data, Note 5, "Other Income and Expense" of the Notes for additional information.

(6) The effect of taxes on the adjustments used to arrive at underlying net income, a non-GAAP measure, is calculated based on applying the underlying full-year effective tax rate to underlying earnings, excluding special and non-core items. The effect of taxes on special and non-core items is calculated based on the statutory tax rate applicable to the item being adjusted for in the jurisdiction from which each adjustment arises. Additionally, the adjustment for 2014 includes an income tax benefit of $16.2 million recognized in the first quarter of 2014 related to the release of an

Table of Contents

income tax reserve recorded in conjunction with the initial purchase accounting for the StarBev Acquisition and is related to the settlement of certain local country regulatory matters associated with pre-acquisition periods.

The following table highlights summarized components of our consolidated statements of operations for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, and provides a reconciliation of "underlying EBITDA", a non-GAAP measure, to its nearest U.S. GAAP measure. See Part II-Item 8 Financial Statements and Supplementary Data, “Consolidated Statements of Operations” for additional details of our U.S. GAAP results.

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages and per share data)				
Net income attributable to MCBC from continuing operations	$355.6	(30.7)%	$513.5	(9.2)%	$565.3
Add: Net income (loss) attributable to noncontrolling interests	3.3	(13.2)%	3.8	(26.9)%	5.2
Net income (loss) from continuing operations	$358.9	(30.6)%	$517.3	(9.3)%	$570.5
Adjustments:					
Add: Interest expense (income), net	112.0	(16.2)%	133.7	(21.4)%	170.1
Add: Income tax expense (benefit)	51.8	(24.9)%	69.0	(17.9)%	84.0
Add: Depreciation and amortization	314.4	0.4%	313.0	(2.3)%	320.5
Adjustments included in underlying income(1)	374.7	18.3%	316.8	56.4%	202.6
Adjustments to arrive at underlying EBITDA(2)	(49.5)	N/M	(8.9)	15.6%	(7.7)
Adjustments to arrive at underlying EBITDA related to our investment in MillerCoors(3)	169.1	30.5%	129.6	0.9%	128.5
Non-GAAP: Underlying EBITDA	$1,331.4	(9.5)%	$1,470.5	0.1%	$1,468.5

N/M = Not meaningful

(1) Includes adjustments to non-GAAP underlying income within the table above related to MCBC special and non-core items.

(2) Represents adjustments to remove amounts related to interest, depreciation and amortization included in the adjustments to non-GAAP underlying income above, as these items are added back as adjustments to net income attributable to MCBC from continuing operations.

(3) Adjustments to our equity income from MillerCoors, which include our proportionate share of MillerCoors' interest, income tax, depreciation and amortization, special items, and amortization of the difference between the MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors.

Worldwide Beer Volume

Worldwide beer volume (including adjacencies, such as cider) is composed of our financial volume, royalty volume and proportionate share of equity investment STRs. Financial volume represents owned beer brands sold to unrelated external customers within our geographical markets, net of returns and allowances. Royalty beer volume consists of our brands produced and sold by third parties under various license and contract-brewing agreements. Equity investment STR brand volume represents our ownership percentage share of volume in our subsidiaries accounted for under the equity method, including MillerCoors, and for 2014 and 2013 also includes Modelo Molson Imports, L.P. ("MMI"), our joint venture in Canada with Grupo Modelo S.A.B. de C.V. ("Modelo"). We finalized the termination of our MMI joint venture relationship in the first quarter of 2014. As such, our worldwide beer volume for the year ended December 31, 2014, includes our percentage share of volume in MMI through the transition period ended February 28, 2014. See Part II—Item 8 Financial Statements and Supplementary Data, Note 4, "Investments" of the Notes for further discussion.

Table of Contents

The following table highlights summarized components of our sales volume for the years ended December 31, 2015, December 31, 2014, and December 31, 2013:

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages)				
Volume in hectoliters:					
Financial volume	30.263	(0.6)%	30.445	(0.2)%	30.521
Royalty volume[(1)]	1.631	3.2%	1.580	16.8%	1.353
Owned volume	31.894	(0.4)%	32.025	0.5%	31.874
Proportionate share of equity investment STR	26.211	(2.7)%	26.939	(3.3)%	27.864
Total worldwide beer volume	58.105	(1.5)%	58.964	(1.3)%	59.738

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

Our worldwide beer volume decreased in 2015 compared to 2014, primarily due to lower volumes in Canada and the U.S., partially offset by increased volumes from MCI. Worldwide beer volume decreased in 2014 compared to 2013, primarily due to lower volumes in the U.S. and Canada, partially offset by increased volumes from MCI.

Net Sales

The following table highlights the drivers of change in net sales for the year ended December 31, 2015, versus December 31, 2014 by segment (in percentages) and excludes Corporate net sales revenue for our water resources and energy operations in the state of Colorado:

	Sales Volume	Price, Product and Geography Mix	Currency	Other	Total
Consolidated	(0.6)%	(1.6)%	(11.8)%	—%	(14.0)%
Canada	(4.7)%	2.5%	(13.4)%	(0.1)%	(15.7)%
Europe	(0.3)%	(2.0)%	(10.7)%	—%	(13.0)%
MCI	20.0%	(18.0)%	(9.5)%	—%	(7.5)%

The following table highlights the drivers of change in net sales for the year ended December 31, 2014, versus December 31, 2013 by segment (in percentages) and excludes Corporate net sales revenue for our water resources and energy operations in the state of Colorado:

	Sales Volume	Price, Product and Geography Mix	Currency	Other	Total
Consolidated	(0.2)%	0.5%	(1.7)%	—%	(1.4)%
Canada	(3.1)%	1.9%	(6.5)%	—%	(7.7)%
Europe	(0.3)%	1.0%	2.7%	—%	3.4%
MCI	21.2%	(3.7)%	(3.9)%	—%	13.6%

Cost Savings Initiatives

Cost reductions across our company in 2015 exceeded our targets and totaled more than $60 million, driven by our Canada and Europe segments. MillerCoors delivered incremental cost savings in 2015 of approximately $88 million, of which our 42% share is approximately $37 million.

Depreciation and Amortization

Depreciation and amortization expense was $314.4 million in 2015, a slight increase of $1.4 million compared to 2014, primarily due to increased amortization of our intangible assets as a result of reclassifying certain brands in our Europe segment to definite-lived as well as accelerated depreciation related to bottling line and announced brewery closures, partially offset by the impact of changes in foreign currency rates. Depreciation and amortization expense was $313.0 million in 2014, a decrease

Table of Contents

of $7.5 million compared to 2013, primarily due to decreased amortization of our intangible assets, as well as the impact of changes in foreign currency rates.

Income Taxes

Our effective tax rate was approximately 13% in 2015, 12% in 2014 and 13% in 2013. Our effective tax rates were significantly lower than the federal statutory rate of 35% primarily due to lower effective income tax rates applicable to our foreign businesses, driven by lower statutory income tax rates and tax planning impacts on statutory taxable income, and favorable resolution of unrecognized tax benefits. The 2015 effective tax rate slightly increased versus 2014 due to a lower amount of unrecognized tax benefits released during 2015, as well as increased valuation allowances against net operating losses recognized in 2015. These increases were partially offset by the tax benefits associated with the renewal application of our bilateral advanced pricing agreement ("BAPA") between the U.S. and Canada tax authorities, which was formally submitted during the first quarter of 2015. Our 2015 underlying effective tax rate, a non-GAAP measure, remained consistent with 2014 and 2013. See table below for the reconciliation of our underlying effective tax rate to its nearest U.S. GAAP measure.

	For the years ended					
	December 31, 2015		December 31, 2014		December 31, 2013	
Effective tax rate	13	%	12	%	13	%
Adjustments:						
Tax impact of special and non-core items	2	%	3	%	2	%
Non-GAAP: Underlying effective tax rate	15	%	15	%	15	%

Additionally, our unrecognized tax benefits decreased by $20.3 million in 2015, primarily driven by the expiration of certain statutes of limitations and foreign exchange rate movements. See Part II—Item 8 Financial Statements and Supplementary Data, Note 6, "Income Tax" of the Notes for further discussion.

Discontinued Operations

Discontinued operations are associated with the formerly-owned Cervejarias Kaiser Brasil S.A. ("Kaiser") business in Brazil and the related indemnity obligations to FEMSA Cerveza S.A. de C.V. ("FEMSA") related to purchased tax credits and other tax, civil and labor issues. See Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes for further discussion.

Table of Contents

Results of Operations
Canada Segment

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages)				
Volume in hectoliters	7.692	(4.7)%	8.075	(3.1)%	8.332
Sales	$1,994.2	(15.6)%	$2,363.4	(8.2)%	$2,575.1
Excise taxes	(482.7)	(15.2)%	(569.5)	(9.8)%	(631.3)
Net sales	1,511.5	(15.7)%	1,793.9	(7.7)%	1,943.8
Cost of goods sold	(861.6)	(15.7)%	(1,021.6)	(7.5)%	(1,104.3)
Gross profit	649.9	(15.8)%	772.3	(8.0)%	839.5
Marketing, general and administrative expenses	(355.6)	(13.8)%	(412.5)	(7.9)%	(448.0)
Special items, net[(1)]	(27.2)	(165.1)%	41.8	N/M	(30.7)
Operating income (loss)	267.1	(33.5)%	401.6	11.3%	360.8
Other income (expense), net	10.2	96.2%	5.2	108.0%	2.5
Income (loss) from continuing operations before income taxes	$277.3	(31.8)%	$406.8	12.0%	$363.3
Adjusting items:					
Special items, net[(1)]	27.2	(165.1)%	(41.8)	N/M	30.7
Other non-core items	—	—%	—	(100.0)%	(1.2)
Non-GAAP: Underlying pretax income (loss)	$304.5	(16.6)%	$365.0	(7.1)%	$392.8

N/M = Not meaningful

(1) See Part II—Item 8 Financial Statements and Supplementary Data, Note 7, "Special Items" of the Notes for detail of special items.

Significant events

During 2015, we continued our ongoing assessment of our supply chain strategies in order to align with our cost saving objectives. As part of this process, in October 2015, we entered into an agreement to sell the Vancouver brewery, with the intent to use the proceeds from the sale to help fund the construction of an efficient and flexible brewery in British Columbia. The sale has not yet closed and is anticipated to be completed by the end of the first quarter of 2016. In conjunction with the sale, we agreed to lease back the existing property to continue operations on an uninterrupted basis while the new brewery is being constructed. We believe the decision to sell the brewery will help optimize the western Canada brewery network and allow for greater flexibility and future cost savings. We incurred accelerated depreciation charges in excess of normal depreciation associated with the planned brewery closure of $1.2 million during the fourth quarter of 2015. We expect to incur additional charges, including estimated accelerated depreciation charges of approximately Canadian Dollar ("CAD") 20 million, through final closure of the brewery which is currently anticipated to occur near the end of 2018. These ongoing charges, along with the estimated future gain on the sale of the property of approximately CAD 144 million, will be recorded as special items. We also expect to incur significant capital expenditures associated with the construction of the new brewery, most of which we expect to be funded with the proceeds from the sale of the Vancouver brewery.

Also as a result of the ongoing strategic review of our Canadian supply chain network and the overall shift in consumer preference toward can package consumption in Canada, in the third quarter of 2015 we concluded that a bottling line in the Vancouver brewery could no longer be utilized, and in the second quarter of 2015 we concluded that a bottling line in our Toronto brewery could no longer be utilized. We accordingly recorded charges within special items related to the abandonment of these assets. See below "Special items, net" for further details. We will continue to evaluate our supply chain network and seek opportunities for further efficiencies and cost savings, and we therefore may incur additional restructuring related charges in the future.

In April 2014, the Ontario Premier's Advisory Council on Government Assets (the "Council") began a review that included evaluating the beer retailing and distribution system in Ontario, for which BRI is the primary beer retail and distribution channel. In April 2015, as a result of this review and our negotiations with the Council, we, along with the other owners of BRI, agreed, in principle and subject to entry into definitive binding documents, to enter into a new beer framework agreement (the "New Framework") with the Province of Ontario. The associated Master Framework Agreement was subsequently executed by all parties on September 22, 2015, and became effective as of January 1, 2016. The New Framework is designed to further enhance the overall beer retail and distribution system within Ontario, as well as provide easier access to market for small brewers. The New Framework includes the implementation of an additional CAD 100.0 million annual tax on all beer volume sold in Ontario, which will be phased in over four years beginning January 1, 2016. Additionally, with the exception of adjustments for increases in annual inflation, we, along with the other largest brewer in Ontario, will have restrictions on price increases for certain packaging types of the largest Ontario brands until the second quarter of 2017. The New Framework is also intended to increase convenience and choice available for consumers by increasing the number and types of outlets where beer is sold (including introducing beer sales to a specified number of grocery stores and standalone outlets), increasing the required level of shelf space allocated to small brewers in retail outlets, as well as allowing for incremental packaging options at the Liquor Control Board of Ontario ("LCBO") and agents of the LCBO. The New Framework also provides qualifying licensees (restaurants and bars) the ability to purchase beer at BRI retail outlets at the same price as retail consumers. Further, BRI has committed to invest CAD 100.0 million of capital spending through 2018, 80% of which will be directed toward enhancements to the purchasing experience for consumers. The New Framework also incorporates many of the proposed changes to the BRI ownership structure that were announced in January 2015, allowing all other Ontario brewers, regardless of size, to participate in the ownership and governance of BRI (see Note 4, "Investments"). We continue to evaluate and are beginning to implement actions to mitigate any adverse impacts to our Canada segment that may result from the adoption of the New Framework. Additionally, in the fourth quarter of 2014, we became aware of a legal dispute related to BRI which could result in an adverse impact to our future results. See Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes for further discussion.

In the fourth quarter of 2014, we entered into an agreement with Miller Brewing Company ("Miller") for the accelerated termination of our license agreement, effective March 2015, under which we had exclusive rights to distribute certain Miller products in Canada. As a result, beginning in the second quarter of 2015 we no longer distribute the Miller brands in Canada, which has adversely impacted our volume and sales prospectively. We recognized net sales related to the License Agreement of $11.5 million, $79.5 million and, $92.3 million for 2015, 2014 and 2013, respectively.

Further, we finalized the termination of our MMI joint venture relationship in the first quarter of 2014. As such, our results for the year ended December 31, 2014, include our percentage share of the MMI results through the transition period ended February 28, 2014. See Part II—Item 8 Financial Statements and Supplementary Data, Note 4, "Investments" and Note 11, "Goodwill and Intangible Assets" of the Notes for further discussion of these matters impacting our Canada business.

Foreign currency impact on results

During 2015, the Canadian Dollar ("CAD") depreciated versus the USD on an average basis, resulting in a decrease of $34.3 million and $39.3 million to our 2015 USD earnings before income taxes and USD underlying pretax income, respectively. During 2014, the CAD depreciated against the USD on an average basis, resulting in a decrease of $22.9 million and $18.0 million to our 2014 USD earnings before income taxes and USD underlying pretax income, respectively. Included in these amounts are both translational and transactional impacts of changes in foreign exchange rates. The impact of transaction gains and losses is recorded within other income (expense).

Volume and net sales

STRs decreased 6.0% in 2015 compared to 2014, driven by the impact of the loss of the Miller brand agreement, a weak economy and increased competitor promotional activity. Canadian beer industry STRs increased slightly in 2015 compared to 2014; however, our market share declined on a full-year basis. Sales volume decreased in 2015 compared to 2014, due to the termination of the Miller brand agreement and increased competitive pressure on our core brands. Net sales per hectoliter increased 2.5% in local currency in 2015 compared to 2014, driven by favorable pricing.

STRs decreased 4.7% in 2014 compared to 2013, driven by the termination of the MMI joint venture, decline in the overall industry, weak economic factors, increased competitor promotional activity and unfavorable weather across key regions in 2014. The Canadian beer industry STRs decreased in 2014 compared to calendar year 2013. Our market share also declined on a full-year basis. Sales volume decreased in 2014 compared to 2013, due to continued industry softness and increased competitive pressure on our core brands. Net sales per hectoliter increased 1.8% in local currency in 2014 compared to 2013, driven by favorable pricing and mix shift to higher priced brands and packages.

Cost of goods sold

Cost of goods sold per hectoliter increased 2.5% in local currency in 2015 compared to 2014, driven by input inflation, negative foreign currency impacts, fixed-cost deleverage and sales mix shift toward higher-cost brands and packages. These factors were partially offset by cost savings.

Table of Contents

Cost of goods sold per hectoliter increased 2.3% in local currency in 2014 compared to 2013, driven by input inflation and fixed-cost deleverage, the termination of the Modelo joint venture, sales mix shift toward higher-cost brands and packages, and increased promotional packaging expense. These factors were partially offset by cost savings. Under the MMI arrangement, we recognized equity earnings within cost of goods sold of $0.7 million and $11.7 million during the years ended 2014 and 2013, respectively.

Marketing, general and administrative expenses

Marketing, general and administrative expenses decreased slightly in local currency in 2015 compared to 2014, driven by cost savings, partially offset by higher marketing spending.

Marketing, general and administrative expenses decreased 1.4% in local currency in 2014 compared to 2013, driven by cost savings, partially offset by higher marketing spending and incentive compensation, as well as cycling administrative cost recoveries from MMI. During the years ended 2014 and 2013, MCC recognized administrative cost recoveries under our agency and services agreement with MMI of $0.7 million and $6.8 million, respectively. Marketing spend and related recoveries under this agreement had zero impact on our results for all periods presented.

Special items, net

During 2015, we incurred $15.7 million of charges related to the closure of a bottling line within our Vancouver brewery, including $15.4 million of accelerated depreciation associated with this bottling line. Additionally, we incurred $8.2 million of charges related to the closure of a bottling line within our Toronto brewery, including $7.9 million of accelerated depreciation associated with this bottling line. The decisions to close these bottling lines were made as part of an ongoing strategic review of our Canadian supply chain network and the overall shift in consumer preference toward can package consumption in Canada. Separately, we recorded $1.2 million of accelerated depreciation in excess of normal depreciation associated with the planned closure of the Vancouver brewery. Results also include special charges related to restructuring activities of $2.1 million incurred during 2015.

During the third quarter of 2014 and fourth quarter of 2013, we recognized impairment charges related to our definite-lived intangible asset associated with our license agreement with Miller in Canada. See Part II—Item 8 Financial Statements and Supplementary Data, Note 11, "Goodwill and Intangible Assets" of the Notes for further discussion.

During the first quarter of 2014, we finalized the termination of our MMI joint venture and concurrently recognized a charge of $4.9 million for the accelerated amortization of the remaining carrying value of our definite-lived intangible asset associated with the agreement, as well as recorded income of $63.2 million for the payment received upon termination. See Part II—Item 8 Financial Statements and Supplementary Data, Note 4, "Investments" of the Notes for further discussion.

Table of Contents

United States Segment

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages)				
Volumes in hectoliters[1]	70.604	(2.9)%	72.701	(2.1)%	74.274
Sales	$8,822.2	(1.9)%	$8,990.4	0.2%	$8,969.8
Excise taxes	(1,096.7)	(4.0)%	(1,142.0)	(2.3)%	(1,169.0)
Net sales	7,725.5	(1.6)%	7,848.4	0.6%	7,800.8
Cost of goods sold	(4,547.5)	(4.1)%	(4,743.8)	0.4%	(4,723.7)
Gross profit	3,178.0	2.4%	3,104.6	0.9%	3,077.1
Marketing, general and administrative expenses	(1,828.7)	4.1%	(1,755.9)	(0.8)%	(1,769.9)
Special items, net	(110.1)	N/M	(1.4)	(92.9)%	(19.8)
Operating income	1,239.2	(8.0)%	1,347.3	4.7%	1,287.4
Interest income (expense), net	(1.6)	45.5%	(1.1)	(31.3)%	(1.6)
Other income (expense), net	5.7	3.6%	5.5	175.0%	2.0
Income from continuing operations before income taxes and noncontrolling interests	1,243.3	(8.0)%	1,351.7	5.0%	1,287.8
Income tax expense	(4.7)	(23.0)%	(6.1)	56.4%	(3.9)
Income from continuing operations	1,238.6	(8.0)%	1,345.6	4.8%	1,283.9
Net income attributable to noncontrolling interests	(20.8)	7.2%	(19.4)	44.8%	(13.4)
Net income attributable to MillerCoors	$1,217.8	(8.2)%	$1,326.2	4.4%	$1,270.5
Adjusting items:					
Special items, net of tax	109.9	N/M	1.4	(92.9)%	19.8
Non-GAAP: Underlying net income attributable to MillerCoors	$1,327.7	—%	$1,327.6	2.9%	$1,290.3

N/M = Not meaningful

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

Table of Contents

The following represents our proportionate share of MillerCoors' net income reported under the equity method:

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages)				
Net income attributable to MillerCoors	$1,217.8	(8.2)%	$1,326.2	4.4%	$1,270.5
MCBC economic interest	42%		42%		42%
MCBC proportionate share of MillerCoors net income	511.5	(8.2)%	557.0	4.4%	533.6
Amortization of the difference between MCBC contributed cost basis and proportionate share of the underlying equity in net assets of MillerCoors(1)	4.6	—%	4.6	—%	4.6
Share-based compensation adjustment(1)	0.2	—%	0.2	(75.0)%	0.8
Equity Income in MillerCoors	$516.3	(8.1)%	$561.8	4.2%	$539.0
Adjusting items:					
MCBC proportionate share of MillerCoors special items, net of tax	46.2	N/M	0.6	(92.8)%	8.3
Non-GAAP Equity Income in MillerCoors	$562.5	—%	$562.4	2.8%	$547.3

N/M = Not meaningful

(1) See Part II—Item 8 Financial Statements and Supplementary Data, Note 4, "Investments" of the Notes, for a detailed discussion of these equity method adjustments.

The discussion below highlights the MillerCoors results of operations for the year ended December 31, 2015, versus the year ended December 31, 2014, and for the year ended December 31, 2014, versus the year ended December 31, 2013.

Significant events

During the third quarter of 2015, MillerCoors announced plans to close its brewery in Eden, North Carolina, in an effort to optimize the brewery footprint and streamline operations for greater efficiency. Products currently produced in Eden will be transitioned to other breweries in the MillerCoors network, and the Eden brewery is anticipated to be closed in September 2016. As a result of the announcement of the planned brewery closure, MillerCoors recognized $67.7 million of charges during the second half of 2015 as special items, of which $61.3 million related to accelerated depreciation of brewery assets. MillerCoors will continue to incur special charges during each reporting period through the planned closure of the brewery in September 2016. Total special charges associated with the planned Eden closure are expected to be approximately $150 million to $200 million, consisting primarily of accelerated depreciation and asset write-offs. However, this estimated range contains significant uncertainty, and actual results could differ materially from these estimates due to uncertainty regarding the ultimate net cost associated with the disposition of assets, restructuring charges, contract termination costs, and other costs associated with the planned closure. Additionally, during the third quarter of 2015, MillerCoors announced the acquisition of Saint Archer Brewing Company, a craft brewery, which was completed in the fourth quarter of 2015.

Volume and net sales

Domestic STRs declined 2.6% in 2015 compared to 2014, driven by declines in both the economy and premium light portfolios, partially offset by growth in Redd's, Blue Moon, Leinenkugel's and Coors Banquet.

Total STWs volume declined 2.9% in 2015 compared to 2014. Domestic STWs decreased 2.9% versus 2014, driven by the decline in STRs, and contract brewing volume decreased 2.5%.

Domestic net sales per hectoliter increased 1.5% in 2015 compared to 2014, driven by favorable net pricing and positive sales mix. Total net sales per hectoliter, including contract brewing and company-owned distributor sales, increased 1.4% in 2015 compared to 2014.

Domestic STRs declined 2.5% in 2014 compared to 2013, driven by declines in both the premium light and economy portfolios, partially offset by growth in Redd's, Blue Moon, Leinenkugel's and Coors Banquet.

Total STWs volume declined 2.1% in 2014 compared to 2013. Domestic STWs decreased 2.5% versus 2013, driven by the decline in STRs, while contract brewing volume increased slightly.

Table of Contents

Domestic net sales per hectoliter increased 2.9% in 2014 compared to 2013, driven by favorable net pricing and positive brand mix. Total net sales per hectoliter, including contract brewing and company-owned distributor sales, increased 2.8% in 2014 compared to 2013.

Cost of goods sold

Cost of goods sold per hectoliter decreased 1.3% in 2015 compared to 2014, driven by lower aluminum, malt, corn and fuel pricing, along with supply chain cost savings. These factors were partially offset by brewery and freight inflation and fixed- cost absorption due to lower volumes.

Cost of goods sold per hectoliter increased 2.6% in 2014 compared to 2013, driven by commodity and brewery inflation, lower fixed-cost absorption, and higher costs associated with brand innovation.

Marketing, general and administrative expenses

Marketing, general and administrative expenses increased 4.1% in 2015 compared to 2014, driven by higher brand and information technology investments.

Marketing, general and administrative expenses decreased slightly in 2014 compared to 2013, driven primarily by cost reductions, lower pension expenses and promotional spending, partially offset by increased brand investments.

Special items, net

During 2015, MillerCoors recognized $61.3 million of accelerated depreciation charges and $6.4 million of severance and other charges resulting from the planned closure of the Eden brewery. Additionally, MillerCoors also recorded special charges of $42.4 million related to an early settlement of a portion of its defined benefit pension plan liability.

During 2014, MillerCoors recognized special charges of $1.4 million related to restructuring activities.

During 2013, MillerCoors recognized special charges of $17.2 million related to restructuring activities and $2.6 million related to asset write-offs associated with a business transformation project.

Other information

MillerCoors distributes its excess cash to its owners, SABMiller and MCBC, on a 58% - 42% basis, respectively. As of December 31, 2015, and December 31, 2014, MillerCoors had cash of $15.6 million and $9.3 million, respectively. As of December 31, 2015, and December 31, 2014, MillerCoors had total debt of $2.0 million and $1.7 million, respectively. There are no restrictions from external sources on its ability to make cash distributions to its owners.

MillerCoors recognized $358.4 million, $311.1 million and $291.5 million of depreciation and amortization during 2015, 2014 and 2013, respectively. A total of $61.3 million of the 2015 depreciation charges represent accelerated depreciation due to the planned closure of the Eden brewery.

MillerCoors contributed $110.4 million (our 42% share was $46.4 million) to its defined benefit pension plans in 2015. For 2016, MillerCoors' contributions to its defined benefit pension plans are expected to be approximately $90 million to $110 million (our 42% share is approximately $38 million to $46 million), which are not included in our contractual cash obligations.

Table of Contents

Europe Segment

	For the years ended				
	December 31, 2015	Change	December 31, 2014	Change	December 31, 2013
	(In millions, except percentages)				
Volume in hectoliters[1]	21.014	(0.3)%	21.083	(0.3)%	21.146
Sales[1]	$2,959.6	(12.5)%	$3,384.1	3.6%	$3,265.4
Excise taxes	(1,044.7)	(11.8)%	(1,183.8)	4.1%	(1,137.1)
Net sales[1]	1,914.9	(13.0)%	2,200.3	3.4%	2,128.3
Cost of goods sold	(1,193.0)	(13.3)%	(1,375.8)	1.3%	(1,357.5)
Gross profit	721.9	(12.4)%	824.5	7.0%	770.8
Marketing, general and administrative expenses	(519.3)	(9.4)%	(573.1)	0.6%	(569.5)
Special items, net[2]	(313.1)	(14.4)%	(365.9)	112.2%	(172.4)
Operating income (loss)	(110.5)	(3.5)%	(114.5)	N/M	28.9
Interest income[3]	3.9	(11.4)%	4.4	(10.2)%	4.9
Other income (expense), net	(3.1)	72.2%	(1.8)	N/M	0.5
Income (loss) from continuing operations before income taxes	$(109.7)	(2.0)%	$(111.9)	N/M	$34.3
Adjusting items:					
Special items, net[2]	313.1	(14.4)%	365.9	112.2%	172.4
Acquisition and integration related costs	—	—%	—	(100.0)%	6.6
Other non-core items	—	(100.0)%	(11.3)	N/M	—
Non-GAAP: Underlying pretax income (loss)	$203.4	(16.2)%	$242.7	13.8%	$213.3

N/M = Not meaningful

(1) Reflects gross segment sales and for 2015, 2014 and 2013 includes intercompany sales to MCI of 0.056 million hectoliters, 0.057 million hectoliters and 0.066 million hectoliters, respectively, and $4.4 million, $5.3 million and $4.8 million of net sales, respectively. The offset is included within MCI cost of goods sold. These amounts are eliminated in the consolidated totals.

(2) See Part II—Item 8 Financial Statements and Supplementary Data, Note 7, "Special Items" of the Notes for detail of special items.

(3) Interest income is earned on trade loans to on-premise customers exclusively in the U.K. and is typically driven by note receivable balances outstanding from period to period.

Significant events

During 2015, we continued our ongoing assessment of our European supply chain strategies in order to align with our cost saving objectives. As part of this continued strategic review of our European supply chain network, in the fourth quarter of 2015, management announced that we entered into a consultation process regarding our proposal to close of our Burton South brewery in the U.K. to consolidate production within our recently modernized Burton North brewery. Additionally, during the fourth quarter of 2015, we closed our Plovdiv brewery in Bulgaria. These announcements follow the closure of the Alton brewery in the U.K., which was completed during the second quarter of 2015. As a result of these closures, we incurred charges which were recorded within special items, including accelerated depreciation, and expect to incur additional charges as discussed further below. We will continue to evaluate our supply chain network and seek opportunities for further efficiencies and cost savings, and we therefore may incur additional restructuring related charges in the future related to these activities.

In the third quarter of 2015, we purchased the Rekorderlig cider brand distribution rights in the U.K. and Ireland and also sold our U.K. malting facility. In the second quarter of 2015, we terminated our distribution agreement with Carlsberg whereby it held the exclusive distribution rights for the Staropramen brand in the U.K., which gave us the exclusive distribution rights for the Staropramen brand in the U.K. at the end of 2015. We believe these transactions will play a key role in transforming our portfolio, give us high-potential to grow our business in key markets and mitigate the impact of contract losses related to the

48

Table of Contents

distribution of the Modelo brands in the U.K. which expired as of December 31, 2014, and the termination of our contract brewing arrangement with Heineken in the U.K. which became effective at the end of April 2015. Additionally, during the first quarter of 2015 and fourth quarter of 2014, we received assessments from a local country regulatory authority in Europe. While we intend to vigorously challenge the validity of the assessments and defend our position, if the assessments, as issued, are ultimately upheld, they could materially affect our results of operations. See Part II—Item 8 Financial Statements and Supplementary Data, Note 18, "Commitments and Contingencies" of the Notes for further discussion.

Further, in 2015, 2014 and 2013 we recorded impairment charges for certain indefinite-lived intangible brands primarily driven by continued macroeconomic challenges, and have reclassified these brands to definite-lived. See "Special items, net" below for more details.

Foreign currency impact on results

Our Europe segment operates in numerous countries within Europe, and each country's operations utilize distinct currencies. During 2015, foreign currency movements increased our Europe USD loss from continuing operations before income taxes by $24.0 million, and reduced USD underlying pretax income by $25.4 million. During 2014, foreign currency movements reduced our Europe USD loss from continuing operations before income taxes by $8.8 million, and increased USD underlying pretax income by $7.7 million. Included in these amounts are both translational and transactional impacts of changes in foreign exchange rates. The impact of transactional gains and losses is recorded within other income (expense).

Volume and net sales

Sales volume decreased slightly in 2015 compared to 2014, due to the loss of the Modelo brands in the U.K. in 2015, offset by strong growth in Romania and Croatia.

Net sales per hectoliter decreased 2.0% in local currency in 2015 compared to 2014, primarily due to the loss of contract brewing revenue and the Modelo brands in the U.K.

Sales volume decreased slightly in 2014 compared to 2013, due to weak consumer demand, as well as the impacts of significant flooding in the Balkans region in the second quarter of 2014. These factors were partially offset by improved performance in Hungary, Romania, Czech Republic and the U.K.

Net sales per hectoliter increased 1.0% in local currency in 2014 compared to 2013, due to positive mix.

Cost of goods sold

Cost of goods sold per hectoliter decreased 2.9% in local currency in 2015 compared to 2014, primarily driven by the elimination of Modelo brand costs and lower contract brewing volume in the U.K., along with positive supply chain performance.

Cost of goods sold per hectoliter decreased 1.1% in local currency in 2014 compared to 2013, primarily driven by lower supply chain and distribution costs offsetting negative mix impact.

Marketing, general and administrative expenses

Marketing, general and administrative expenses increased 2.8% in local currency in 2015 compared to 2014, driven by the release of a regulatory reserve in the third quarter of 2014 and an $11.3 million non-core gain recognized in the first quarter of 2014 related to the favorable resolution of an indirect-tax audit, along with severance costs and higher brand amortization expense in 2015.

Marketing, general and administrative expenses decreased 1.4% in local currency in 2014 compared to 2013, driven by cost savings, the release of a regulatory reserve in the third quarter of 2014 and a non-core gain related to the favorable resolution of an indirect-tax reserve during the fourth quarter 2014, partially offset by higher investment behind core brands and innovation.

Special items, net

During the third quarter of 2015, we identified impairment indicators as it pertains to indefinite-lived intangible assets related to certain European brands driven by key changes to our underlying assumptions supporting the value of the brands. Specific changes include underperformance through the 2015 peak season driving a downward shift in management's forecasts, along with challenging macroeconomic and competitive conditions that we no longer expect to subside in the near term. As a result, we recorded an aggregate impairment charge of $275.0 million within special items in the third quarter of 2015 and

Table of Contents

reclassified the brands to definite-lived intangible assets. This followed impairment charges of indefinite-lived brand assets of $360.0 million and $150.9 million in 2014 and 2013, respectively. See Part II—Item 8 Financial Statements and Supplementary Data, Note 11, "Goodwill and Intangible Assets" of the Notes for further discussion.

As part of our continued strategic review of our European supply chain network, in the fourth quarter of 2015, we entered into a consultation process regarding the proposal to close our Burton South brewery in the U.K. to consolidate production within our recently modernized Burton North brewery. As a result, we incurred accelerated depreciation charges related to the announced proposed Burton South brewery closure in excess of our normal depreciation associated with this brewery of $1.4 million. We expect to incur future accelerated depreciation in excess of our normal depreciation of approximately GBP 9 million related to the Burton South brewery from the first quarter of 2016 through the third quarter of 2017. Also, in the fourth quarter of 2015, we closed our Plovdiv brewery in Bulgaria resulting in $2.1 million of asset abandonment related special charges, including accelerated depreciation in excess of our normal depreciation of $1.0 million as it pertains to this brewery.

Additionally, as part of this review, during the second quarter of 2015, we completed the closure of the Alton brewery in the U.K. which closing process began in the fourth quarter for 2014. As a result, in 2015 we incurred asset abandonment related special charges associated with this closure of $24.0 million, including accelerated depreciation in excess of our normal depreciation associated with this brewery of $21.8 million. In 2014, we incurred accelerated depreciation in excess of our normal depreciation associated with this brewery of $4.0 million.

We do not expect to incur fut