



“Energy Users Speak Out”

Risk Management & Carbon Trading

5/21/2009

Joint venture rationale

- **Creates a stronger, brand-led U.S. brewer**
- **Highly complementary assets and operating strategies**
- **Significant, achievable synergies**
- **Scale, resources and distribution platform to compete more effectively**
- **Increases competitiveness of distributors**
- **Greater choice for consumers, retailers**
- **Shared ownership and management team – best of both companies**



Voting interest

**50% SABMiller
50% Molson Coors**

Economic interest

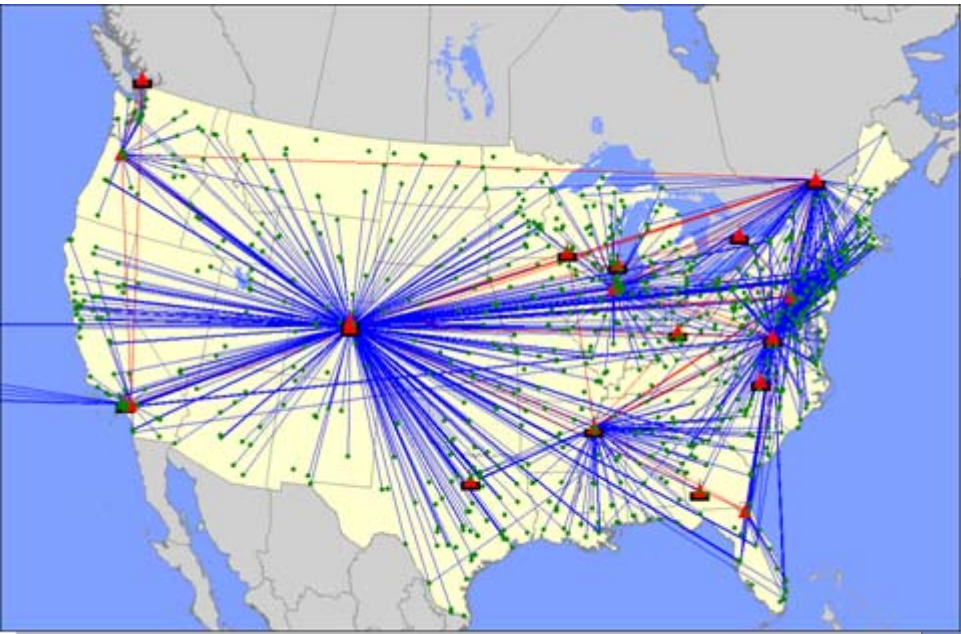
**58% SABMiller
42% Molson Coors**

Leadership team

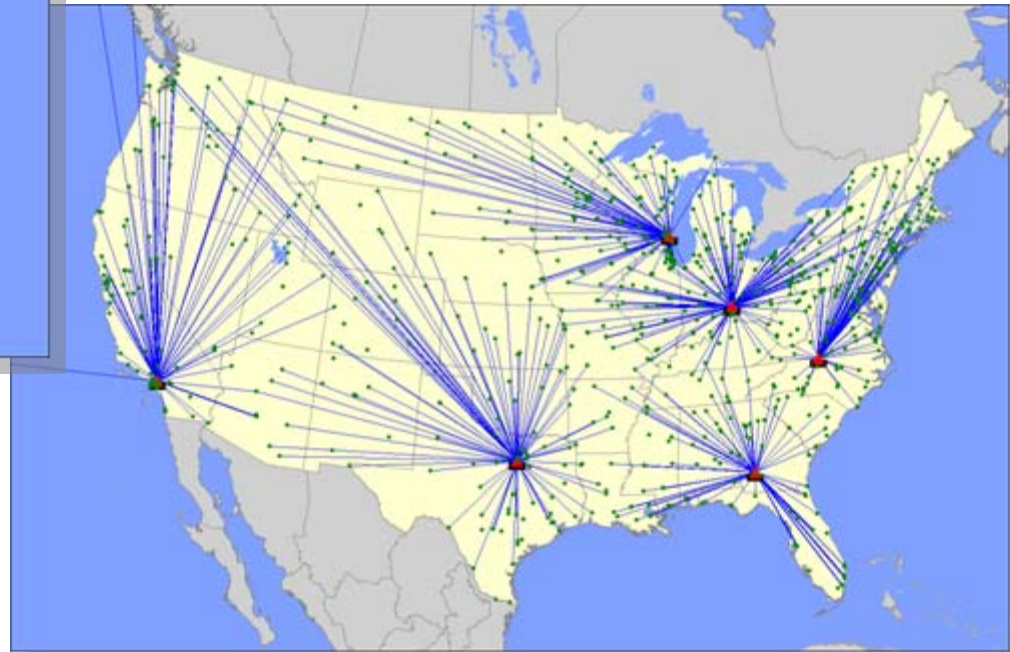
**Pete Coors – Chairman
Graham Mackay – Vice Chairman
Leo Kiely – Chief Executive Officer
Tom Long – President and Chief Commercial Officer**



A look at our former distribution

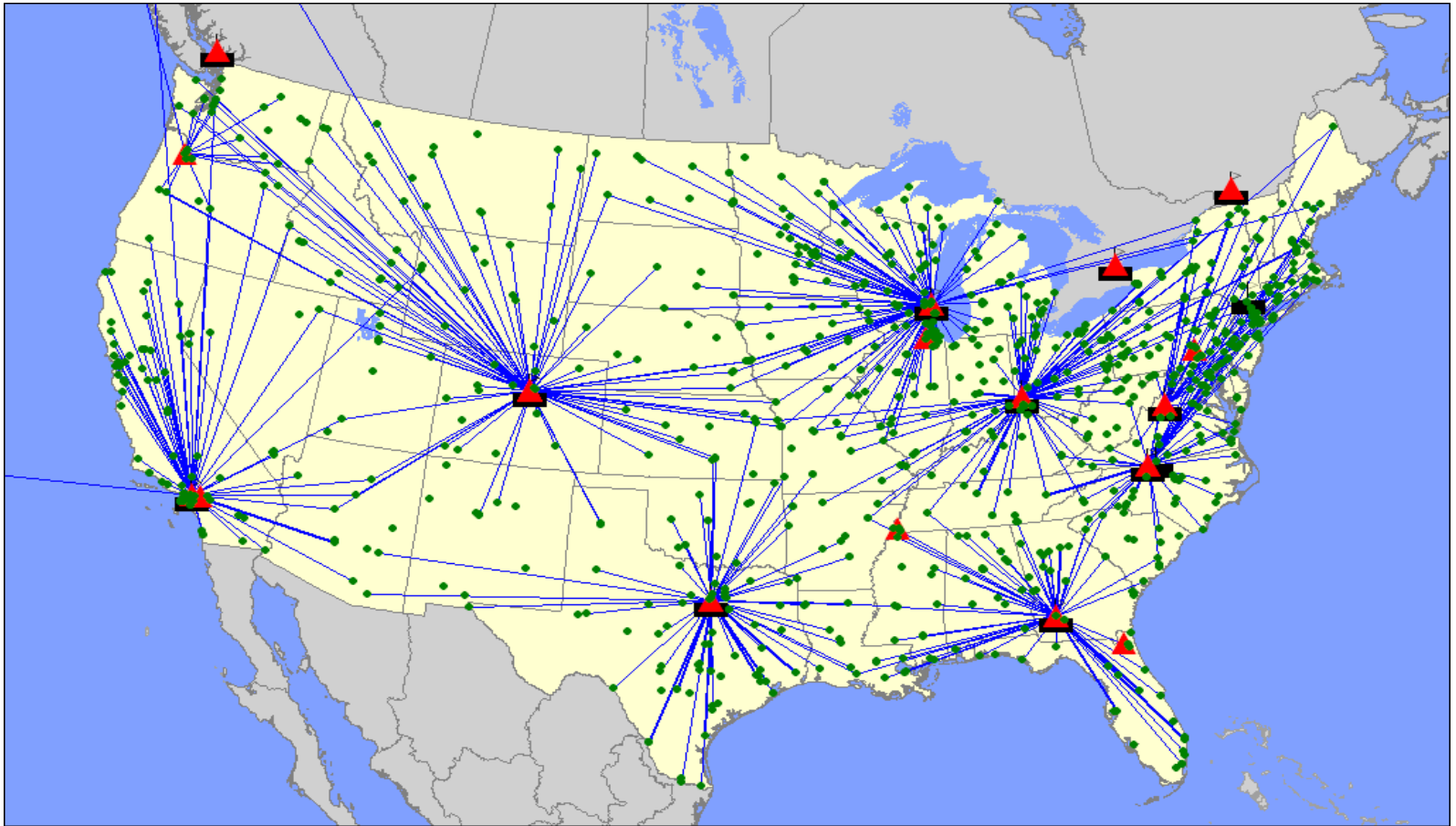


Coors



Miller

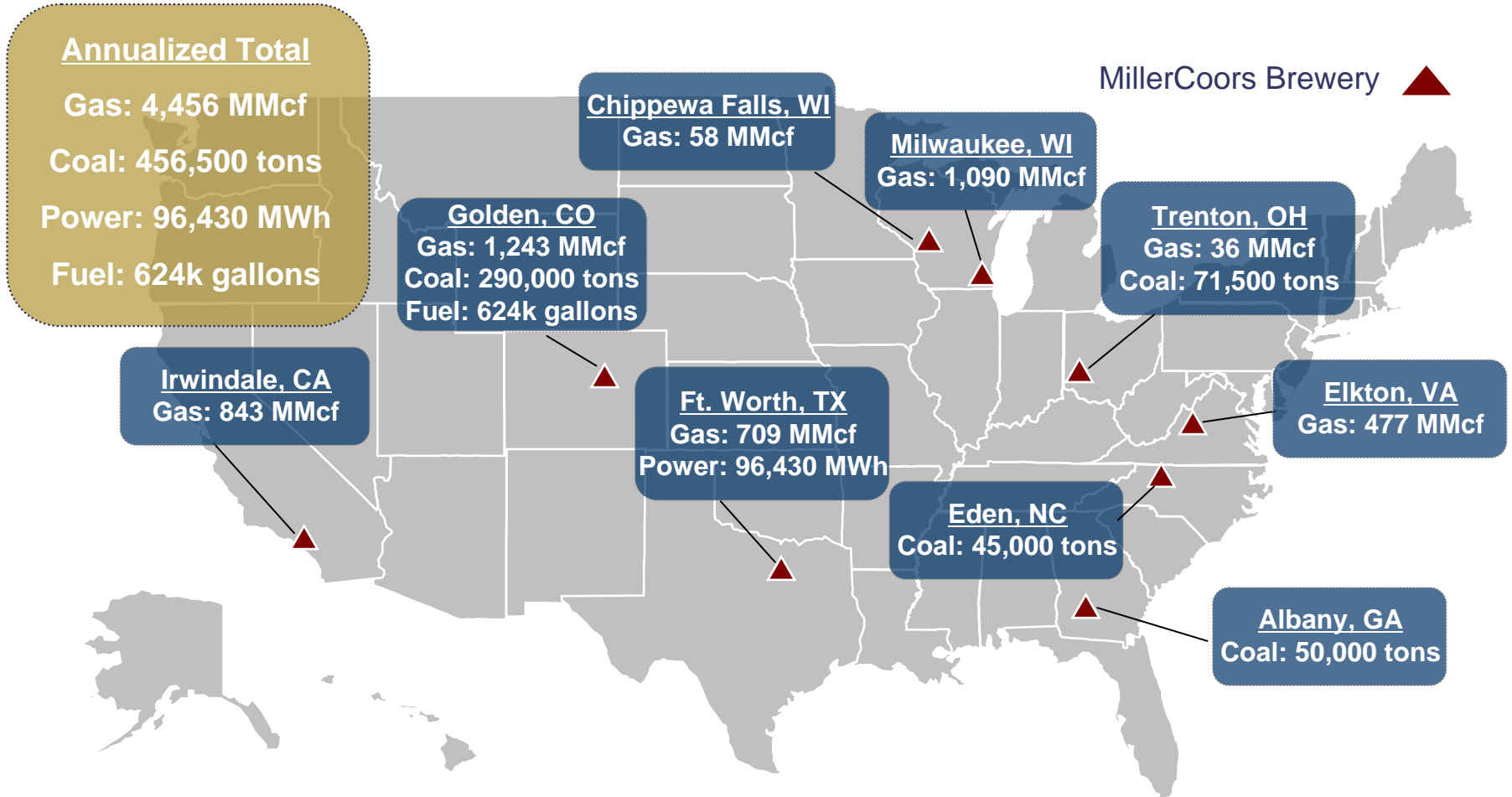
And a look at our current...



MillerCoors



MillerCoors managed energy portfolio



- Application of risk management practices targeting fuel exposure next



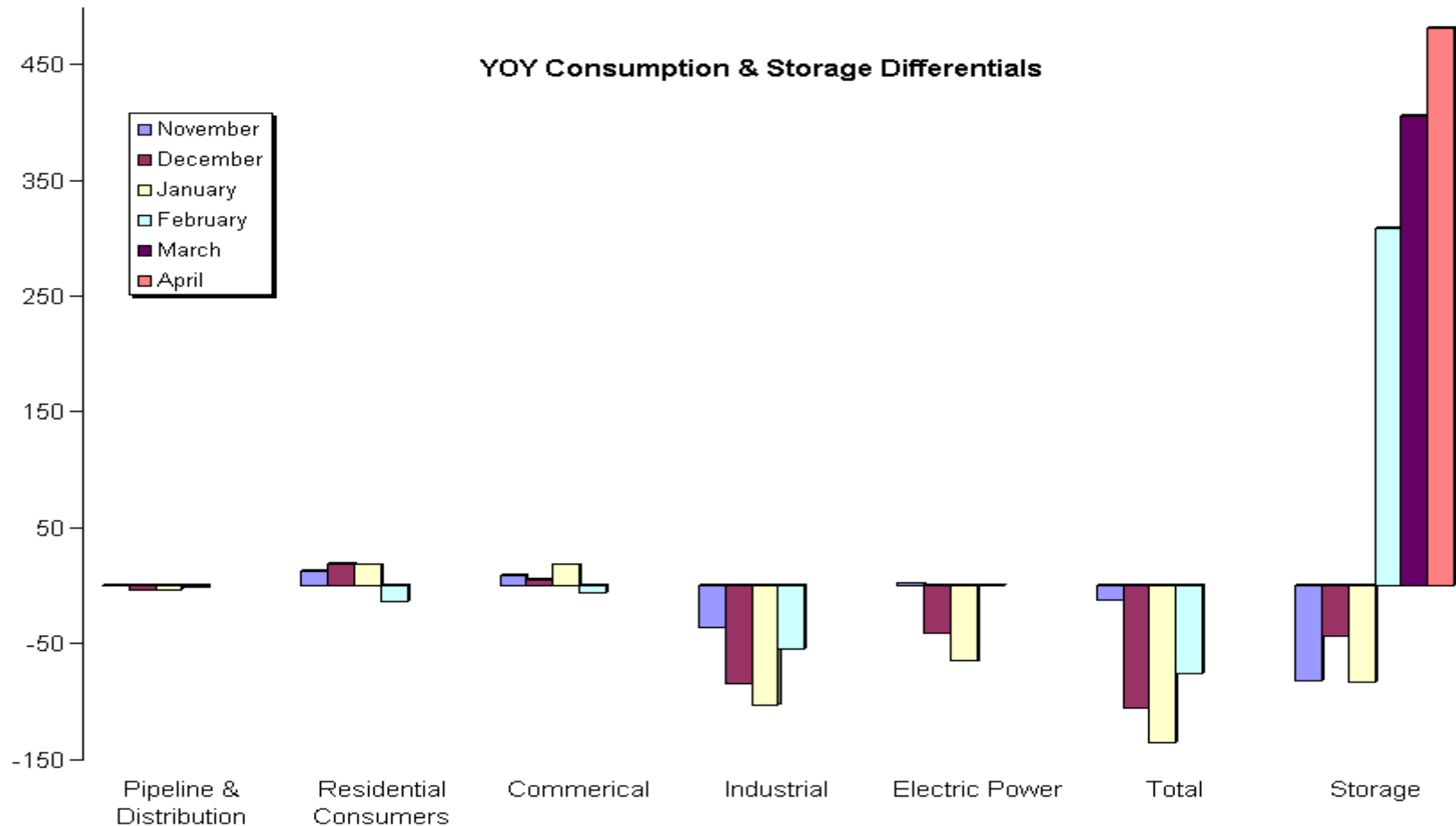
Note: All figures are annualized

Risk management overview

- **Risk Policy Developed and Approved**
 - Options approved
 - Horizon broadened for commodity hedging strategies
 - Established minimum and maximum limits
 - Hedge accounting treatment requirement
- **Fundamental, technical, and statistical market analysis utilized to assess commodity risk profile**
 - Sensitivity analysis used to assess budgetary impact
 - Value-at-Risk
 - Supply & Demand Forecasts
 - Producer economics
- **Development/Use of hedging techniques to mitigate risk**
 - Futures, Option Structures, Calls, Stop Limit Orders
- **Actively manage price components**
 - Corn co-products
 - Corn and natural gas basis
 - Aluminum MWP
 - Fuel Surcharges

- **Cross functional team (Monthly Meetings)**
 - Management (CEO)
 - Finance (CFO - Chairman, Operations Finance, Technical Accounting)
 - Treasury (Controller, Treasurer)
 - Operations (COO)
 - Procurement (VP, Risk Management)
 - Legal (Associate General Counsel)
- **Quantify risk exposure and review strategies**
 - Recommend, approve, and monitor the execution of all strategies within clearly defined price risk guidelines
 - Identify risk profile and value-at-risk
 - Determine risk corporate risk appetite
- **Discuss analysis regarding market conditions**
 - Bullish and bearish factors affecting market sentiment (psychology)
 - Fundamental evaluation of current market pricing (fundamental)
 - Review statistical forecasts

Natural gas valuation

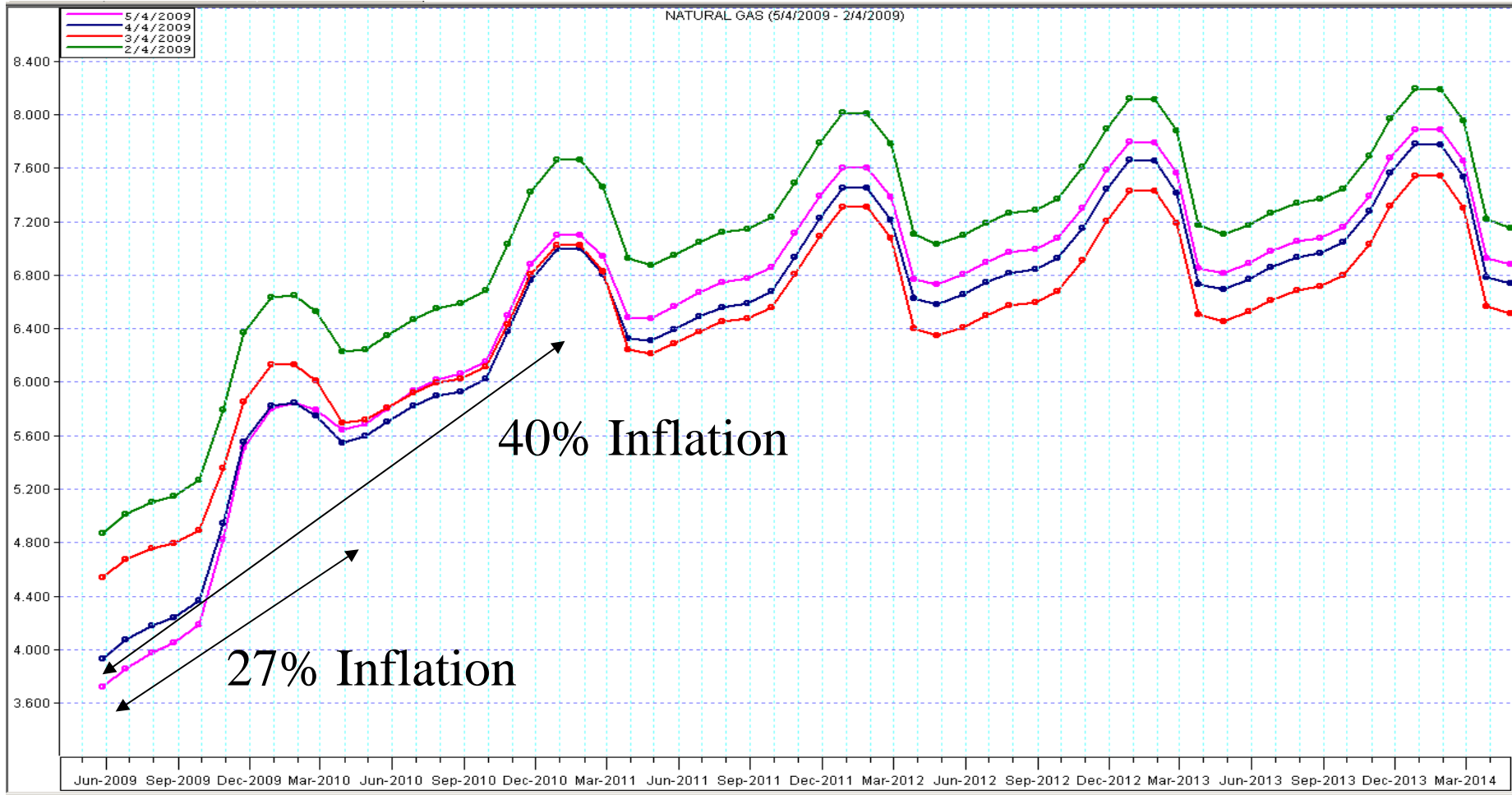


•Underlying fundamentals have weakened spot pricing but anticipated quick demand recovery has elevated the back end of curve



Note: All figures are weather normalized

Market contango



- Risk premium incorporated into the curve suggests a prompt and aggressive demand recovery while demand forecasts remain less optimistic

- **Carbon Cap & Trade**

- **Covered Sources:** GHG from sources >25k tons of CO₂/year
- **Emission Cap:** reduce emissions vs. 2005 by 3% in '12, 20% in '20, 42% in '30, and 83% in '50
- **Auctioning:** undefined amount with free/auctioning ratio TBD
- **Banking/Borrowing:** Unlimited banking of allowances
- **Offsets:** cannot exceed 2B tons of CO₂, split evenly between domestic & int'l offsets
 - Determined by EPA Advisory Board
 - CA or RGGI allowances can be exchanged for federal allowances
- **Regulation:** Carbon markets will be regulated by the FERC, while carbon derivatives will be regulated by the CFTC

- **Energy & Commerce Committee will conclude consideration of the legislation by Memorial Day so get involved**