

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

FORM 10-Q

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

For the quarterly period ended September 28, 1996

OR

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

For the transition period fromto.....
Commission file number 1-14092

THE BOSTON BEER COMPANY, INC.
(Exact name of registrant as specified in its charter)

MASSACHUSETTS 04-3284048
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

75 Arlington Street, Boston, Massachusetts 02116
(Address of principal executive offices)
(Zip Code)

(617) 368-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has
filed all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to file such reports), and
(2) has been subject to such filing requirements for the past 90 days.

Yes X No

As of November 1, 1996, there were 15,958,878 shares outstanding of the
Registrant's Class A Common Stock (\$.01 par value) and 4,107,355 shares
outstanding of the Company's Class B Common Stock (\$.01 par value).

THE BOSTON BEER COMPANY, INC.

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets
September 28, 1996 and December 31, 1995

Consolidated Statements of Income for the
Three months ended September 28, 1996 and
September 30, 1995, and the nine months ended
September 28, 1996 and September 30, 1995

Consolidated Statements of Cash Flows
Nine months ended September 28, 1996 and
September 30, 1995

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities

Item 3. Defaults Upon Senior Securities

Item 4. Submission of Matters to a Vote of
Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

Exhibit Index

Exhibit 11.

SIGNATURES

Page 2

THE BOSTON BEER COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands)

September 28, 1996 December 31, 1995

ASSETS

Current Assets:		
Cash & cash equivalents	\$32,606	\$36,607
Investments in marketable securities at fair value	3,875	-
Accounts receivable	21,320	16,265
Allowance for doubtful accounts	(808)	(175)
Inventories	14,262	9,280
Prepaid expenses	639	437
Deferred income taxes	1,011	1,011
Other current assets	1,502	1,858
Total current assets	<u>74,407</u>	<u>65,283</u>
Restricted investments	611	602
Equipment and leasehold improvements, at cost	18,239	9,690
Less: accumulated depreciation	(5,405)	(3,531)
Deferred income taxes	1,777	1,777
Other assets	2,700	2,869
Total assets	<u>\$92,329</u> =====	<u>\$76,690</u> =====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	\$16,239	\$8,604

Accrued expenses	11,907	11,338
Current maturities of long-term debt	75	75
Total current liabilities	<u>28,221</u>	<u>20,017</u>
Long-term debt, less current maturities	1,800	1,875
Commitments and Contingencies (Note H)	-	-
Stockholders' Equity:		
Class A Common Stock, \$.01 par value; 20,300,000 shares authorized; 15,869,555 and 15,643,664 issued and outstanding as of September 28, 1996 and as of December 31, 1995, respectively	159	156
Class B Common Stock, \$.01 par value; 4,200,000 shares authorized; 4,107,355 issued and outstanding	41	41
Additional paid-in-capital	54,019	53,482
Unearned compensation	(426)	(509)
Unrealized loss on investments in marketable securities	(410)	-
Retained earnings	8,925	1,628
Total stockholders' equity	<u>62,308</u>	<u>54,798</u>
Total liabilities and stockholders' equity	<u>\$92,329</u> =====	<u>\$76,690</u> =====

The accompanying notes are an integral part of the financial statements.

Page 3

THE BOSTON BEER COMPANY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in thousands, except per share data)

	Quarter Ended		Nine Months Ended	
	September 28, 1996	September 30, 1995	September 28, 1996	September 30, 1995
Sales	\$51,598	\$44,512	\$160,457	\$121,895
Less excise taxes	5,486	4,702	17,145	12,990
Net sales	<u>46,112</u>	<u>39,810</u>	<u>143,312</u>	<u>108,905</u>
Cost of sales	22,901	19,249	71,831	52,615
Gross profit	<u>23,211</u>	<u>20,561</u>	<u>71,481</u>	<u>56,290</u>
Operating expenses:				
Advertising, promotional and selling expenses	16,907	16,391	50,783	43,408
General and administrative expenses	2,613	1,762	8,956	5,455

Total operating expenses	<u>19,520</u>	<u>18,153</u>	<u>59,739</u>	<u>48,863</u>
Operating income	<u>3,691</u>	<u>2,408</u>	<u>11,742</u>	<u>7,427</u>
Other income (expense):				
Interest income	522	48	1,455	203
Interest expense	(57)	(58)	(182)	(173)
Other, net	(28)	814	(32)	804
Total other income	<u>437</u>	<u>804</u>	<u>1,241</u>	<u>834</u>
Income before taxes	4,128	3,212	12,983	8,261
Income taxes	1,832	1,384 <F1>	5,686	3,559 <F1>
Net income	<u>\$ 2,296</u>	<u>\$ 1,828 <F1></u>	<u>\$ 7,297</u>	<u>\$ 4,702 <F1></u>
Earnings per common and common equivalent shares	<u>\$0.11</u>	<u>\$0.10 <F1></u>	<u>\$0.36</u>	<u>\$0.26 <F1></u>
Weighted average number of common and common equivalent shares	<u>20,427</u>	<u>17,949 <F1></u>	<u>20,397</u>	<u>17,949 <F1></u>

<FN>

<F1> Pro forma, see Notes 3 and 4.

</FN>

The accompanying notes are an integral part of the financial statements.

Page 4

THE BOSTON BEER COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

Nine months ended

	<u>September 28, 1996</u>	<u>September 30, 1995</u>
Cash flows from operating activities:		
Net income	\$ 7,297	\$ 8,261 <F1>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,874	1,806
(Gain) loss on disposal of fixed assets	-	(19)
Bad debt	670	100
Stock option compensation expense	132	188
Changes in assets & liabilities:		
Accounts receivable	(5,091)	(5,113)
Inventory	(4,982)	(730)
Prepaid expenses	(202)	(406)
Other current assets	354	(598)
Other assets	169	(703)

Accounts payable	7,635	(2,731)
Accrued expenses	569	1,508
	<u>1,128</u>	<u>(7,418)</u>
Net cash provided by (used for) operating activities	<u>8,425</u>	<u>843</u>
	=====	=====
Cash flows from investing activities:		
Additions to fixed assets	(8,549)	(1,535)
Proceeds on disposal of fixed assets	-	45
Purchase of marketable securities	(4,286)	-
Purchases of restricted investments	1,213	(612)
Maturities of restricted investments	(1,222)	615
	<u>(12,844)</u>	<u>(1,487)</u>
Cash flows from financing activities:		
Incentive options	493	-
Principal payments on long-term debt	(75)	(50)
Partners' distributions	-	(5,555)
	<u>418</u>	<u>(5,605)</u>
	=====	=====
Net decrease in cash and cash equivalents	(4,001)	(6,249)
Cash and cash equivalents at beginning of period	<u>36,607</u>	<u>7,801</u>
	=====	=====
Cash and cash equivalents at end of period	\$ 32,606	\$ 1,552
	=====	=====

<FN>

<F1> Net income for nine month period ended September 30, 1995 is pre-tax earnings. See Notes 1 and 3.

</FN>

The accompanying notes are an integral part of the financial statements.

Page 5

THE BOSTON BEER COMPANY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION:

The Boston Beer Company, Inc., (the "Company"), is engaged in the business of brewing, marketing and selling beer and ale products. On November 20, 1995, in connection with the initial public offering of the Company's stock effected that date, the non-corporate limited partners of the Boston Beer Company Limited Partnership, (the "Partnership"), transferred their respective partnership interests to the Company and the stockholders of the general partner and corporate limited partners transferred their respective shares of stock in such entities to the Company. In exchange, the transferors received an aggregate of 16,641,740 shares of the Company's common stock on a pro rata basis, based on their then respective percentage equity interests in the Partnership. The aforementioned transactions are collectively referred to hereinafter as the "Recapitalization".

The accompanying consolidated financial statements have been prepared by the Company, without audit, in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should

be read in conjunction with the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

The statement of cash flow information for the nine months ended September 30, 1995 does not show the pro forma historical financial information had the Company operated as a corporation during this period. The net income for this period has not been adjusted for estimated income taxes at an effective rate of 43.1%.

In the opinion of management, the accompanying unaudited financial statements contain all adjustments, consisting only of those of a normal recurring nature, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows at the dates and for the periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

2. INVENTORIES:

Inventories, which consist principally of hops, bottles, and packaging, are stated at the lower of cost, determined on a first-in, first-out (FIFO) basis, or market.

Inventories consist of the following	(in thousands): September 28, 1996	December 31, 1995
Raw materials, principally hops	\$ 13,137	\$ 8,543
Work in process	-	518
Finished goods	1,125	219
	<u>\$ 14,262</u>	<u>\$ 9,280</u>
	=====	=====

Page 6

THE BOSTON BEER COMPANY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

3. INCOME TAXES:

The financial statements of the Company for the periods prior to the Recapitalization do not include a provision for income taxes because the taxable income of the Company, up until November 20, 1995, is included in the income tax returns of the Partnership's partners. For informational purposes, the statement of income for the three months ended September 30, 1995 and for the nine months ended September 30, 1995 includes a pro forma income tax provision on taxable income for financial statement purposes using an effective tax rate of 43.1%, which approximates the statutory federal rate plus the statutory state rate net of the federal benefit, plus the effect of non deductible expenses.

As of the effective date of the Recapitalization, the Company recognized a \$2,788,000 deferred income tax asset reflecting \$1,960,000 recorded upon the change in tax status of the entity as required by SFAS 109, a tax benefit of \$235,000 for the period from November 21, 1995 to December 31, 1995, and a \$593,000 net deferred tax asset of the corporate limited partners recorded upon Recapitalization. Based upon prior earnings history and expected future taxable income, the Company does not believe that a valuation allowance is required for the net deferred tax asset.

4. PRO FORMA EARNINGS PER SHARE:

Earnings per share are presented on a pro forma basis for the three months ended September 30, 1995 and the nine months ended September 30, 1995 for comparative purposes with the three months ended September 28, 1996 and the

nine months ended September 28, 1996, respectively (see notes 1 and 3 above). Pro forma earnings per share is based on the weighted average number of common and common equivalent shares outstanding during the period, assuming a conversion of partnership units for periods prior to the Recapitalization. In addition, pursuant to the rules of the Securities and Exchange Commission, approximately 965,000 shares have been included in the pro forma share calculation representing distributions in excess of net income. The calculations include approximately 375,000 and 686,000 common equivalent shares for the three months ended September 28, 1996 and September 30, 1995, and 434,000 and 686,000 for the nine months ended September 28, 1996 and September 30, 1995 respectively, using the treasury stock method. Fully diluted earnings per share is not materially different from primary earnings per share.

5. INITIAL PUBLIC OFFERING:

On November 20, 1995 the Company completed an initial public offering and sold an aggregate of 3,109,279 shares of Common Stock, of which 990,000 shares were sold for \$15.00 per share in a best efforts offering and 2,119,279 shares were sold for \$20.00 in an underwritten offering, resulting in net proceeds, after deducting underwriting discounts and expenses, of \$49,691,000.

Page 7

THE BOSTON BEER COMPANY, INC.

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

The following is a discussion of the financial condition and results of operations of the Company for the nine-month period ended September 28, 1996 as compared to the nine-month period ended September 30, 1995. It should be read in conjunction with the "Consolidated Financial Statements" of the Company and related "Notes to the Financial Statements" included in this Form 10-Q.

RESULTS OF OPERATIONS

Three Months Ended September 28, 1996 compared to Three Months Ended September 30, 1995.

Sales volume increased by 20% from 246,000 barrels in the three months ended September 30, 1995 to 294,000 barrels in the three months ended September 28, 1996. Net sales increased by 16% from \$39,810,000 in the three month period ended September 30, 1995 to \$46,112,000 in the three month period ended September 28, 1996. The net sales percentage increase was lower than the sales volume percentage increase due to the fact that a higher-priced

specialty beer was sold during the three months ended September 30, 1995 and not during the three month period ended September 28, 1996. Sales volume reflected continued growth in Samuel Adams Boston Lager and Seasonal beers, and our new brews, Golden Pilsner and Longshot. It is probable that the sales volume during the last quarter of 1996 will not exceed that of the last quarter of 1995 by as large a percentage as that by which the three month period ended September 28, 1996 exceeded the three month period ended September 30, 1995.

Gross profit increased by 13% from \$20,561,000 in the three months ended September 30, 1995 to \$23,211,000 in the three months ended September 28, 1996. Cost of sales increased to 50% of net sales in the three months ended September 28, 1996 from 48% in the three months ended September 30, 1995. This increase was primarily due to increases in raw materials costs, especially malt, freight on inbound material, obsolescence expense, and depreciation (primarily due to the newly purchased Sankey kegs), and a decrease in deposit credits, partially offset by a decrease in raw material costs other than malt due to the absence of a higher cost specialty beer shipped during the third quarter of 1995, and a decrease in packaging design expense. While malt cost increases appear to have stabilized, malt costs are expected to remain at a higher level than in 1995 throughout the remainder of 1996.

Advertising, promotional, and selling expenses in total increased by 3% from \$16,391,000 in the three months ended September 30, 1995 to \$16,907,000 in the three months ended September 28, 1996. This slight increase was primarily attributable to increased promotions, packaging redesign, volume-driven outbound freight, and salaries and related employee benefits due to additional sales force hires, partially offset by a rescheduling of certain media and a decrease in new hire expenses. As a percentage of net sales, total advertising, promotional, and selling expenses decreased from 41% in the three months ended September 30, 1995 to 37% in the three months ended September 28, 1996.

General and administrative expenses increased by 48% from \$1,762,000 in the three months ended September 30, 1995 to \$2,613,000 in the three months ended September 28, 1996. This increase was primarily due to increases in salaries and related employee benefits, increases in legal and consulting

Page 8

THE BOSTON BEER COMPANY, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

fees, bad debt expense, the leasing of additional office space, and public reporting (in particular, shareholder services). As a percentage of net sales, general and administrative expenses increased from 4% in the three months ended September 30, 1995 to 6% in the three months ended September 28, 1996.

Other income (expense) net, for the three months ended September 28, 1996 was \$437,000, representing an increase of \$440,000 over other income (expense) net, for the three months ended September 30, 1995, before giving effect to the non-recurring income from the sale of certain distribution rights. Total other income (expense) net, for the three months ended September 30, 1995 was \$804,000, including \$807,000 from the sale of the distribution rights and (\$3,000) from other items. The increase in other income for the three months ended September 28, 1996 is due primarily to interest income earned on the remaining proceeds from the Company's November 1995 sale of shares of its Class A Common Stock.

Net income increased by 26% to \$2,296,000 in the three months ended September 28, 1996 compared to \$1,828,000 in the three months ended September 30, 1995. Excluding the tax effected income generated from the sale of the distribution rights mentioned previously, net income increased by 68%

to \$2,296,000 in the three months ended September 28, 1996 compared to \$1,369,000 in the three months ended September 30, 1995. The combined effective tax rate increased to 44.4% in the three months ended September 28, 1996 compared to 43.1% in the three months ended September 30, 1995, due primarily to higher projected income levels for 1996.

Nine Months Ended September 28, 1996 compared to Nine Months Ended September 30, 1995.

Sales volume increased by 33% from 688,000 barrels in the first nine months of 1995 to 913,000 barrels in the first nine months of 1996. The year-to-date sales volume of 913,000 for the nine months ended September 28, 1996, includes a 2,000 barrel upward adjustment from the three month period ended June 29, 1996. The revenue associated with this adjustment was correctly reflected in the second quarter 1996 figures previously reported. Net sales increased by 32% from \$108,905,000 in first nine months of 1995 to \$143,312,000 in the first nine months of 1996. The net sales percentage increase was lower than the sales volume percentage increase due to the fact that a higher-priced specialty beer was sold during the nine month period ended September 30, 1995 and not during the nine month period ended September 28, 1996. Sales volume reflected continued growth in Samuel Adams Boston Lager, Seasonal beers, and the introduction of Golden Pilsner and Longshot beers. During the last three months of 1996, it is probable that the sales volume will not exceed that of the last three months of 1995 by as large a percentage as that by which the nine month period ended September 28, 1996 exceeded the nine month period ended September 30, 1995.

Gross profit increased by 27% from \$56,290,000 in the first nine months of 1995 to \$71,481,000 in the first nine months of 1996. Cost of sales increased to 50% of net sales in the nine months ended September 28, 1996 from 48% in the nine months ended September 30, 1995. This increase was primarily due to increases in raw material costs, especially malt, freight on inbound material, obsolescence expense, and depreciation (primarily due to

Page 9

THE BOSTON BEER COMPANY, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

the newly purchased Sankey kegs and brewing equipment), and a reduction in used glass credits, partially offset by a decrease in raw material costs, other than malt (primarily due to a higher cost specialty beer shipped during the third quarter of 1995). Malt costs are expected to remain at a higher level than in 1995 throughout the remainder of 1996.

Advertising, promotional, and selling expenses in total increased by 17% from \$43,408,000 in the first nine months of 1995 to \$50,783,000 in the first nine months of 1996. This increase was primarily attributable to increased purchases of point of sales materials, new product development, volume-driven outbound freight and promotions, and salaries and related employee benefits due to additional sales force hires, partially offset by a rescheduling of certain media and a decrease in new hire expenses. As a percentage of net sales, total advertising, promotional, and selling expenses decreased from 40% in the first nine months of 1995 to 35% in the first nine months 1996.

General and administrative expenses increased by 64% from \$5,455,000 in the first nine months of 1995 to \$8,956,000 in the first nine months of 1996. This increase was primarily due to increases in salaries and related employee

benefits, increases in consulting due to the installation of new computer software, and increases in legal, accounting, bad debt expense, and public reporting, due to the change from a privately held limited partnership to a publicly held corporation. As a percentage of net sales, general and administrative expenses increased from 5% in the first nine months of 1995 to 6% in the first nine months 1996.

Other income (expense) net, increased to \$1,241,000 in the first nine months of 1996 compared to \$834,000 for the first nine months of 1995. During the third quarter of 1995, the Company sold its distribution rights to a portion of a major metropolitan area. This event resulted in the recognition of approximately \$807,000 as other income. Excluding this sale, other income (expense) net, for the nine months ended September 30, 1995 would have been \$27,000. This would have resulted in a net increase of \$1,214,000 from the nine months ended September 30, 1995 to the nine months ended September 28, 1996. This net increase is due primarily to interest earned on the remaining proceeds of the November 1995 sale of common stock.

Net income increased by 55% to \$7,297,000 in the first nine months of 1996 compared to \$4,702,000 in the first nine months of 1995. Excluding the tax effected income generated from the sale of the distribution rights mentioned previously, net income increased by 72% to \$7,297,000 in the nine months ended September 28, 1996 compared to \$4,241,000 in the nine months ended September 30, 1995. Income taxes increased by \$2,127,000. The combined effective tax rate increased to 43.8% in the first nine months of 1996 compared to 43.1% in the first nine months of 1995, due primarily to higher projected income levels for 1996.

Liquidity and Capital Resources

During the first nine months of 1996, the Company recorded net income of \$7,297,000, while net cash provided by operating activities was \$8,425,000. This \$1,128,000 difference is primarily due to the increase in inventory, which

Page 10

THE BOSTON BEER COMPANY, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

reflects an increase of glass and packaging material, and the increase in accounts receivable, offset by increases in accounts payable and accrued expenses and a reduction in non-trade receivables.

During the first nine months of 1996, the Company used \$12,844,000 in investing activities. This primarily reflects the addition to fixed assets for brewery and packaging equipment as well as computer equipment and new business software and the purchase of marketable securities for investment purposes.

While, during the first nine months of 1996, the Company borrowed against its revolving line of credit. As of September 28, 1996, the Company had no outstanding net borrowings under the line of credit.

The Company believes that working capital as of September 28, 1996 of \$46,186,000 (of which 71% is in cash and equivalents) in conjunction with existing lines of credit should be sufficient to meet the Company's operating, capital, and debt service requirements during the remainder of 1996.

Page 11

THE BOSTON BEER COMPANY, INC.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Not Applicable

Item 2. CHANGES IN SECURITIES

Not Applicable

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

Item 5. OTHER INFORMATION

Not Applicable

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

The following is a list of exhibits filed as part of this report:

Exhibit No.	Title
3.1	Articles of Organization (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement No. 33-96162).
3.2	By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement No. 33-96162).
3.3	Restated Articles of Organization of the Company (incorporated by reference to Exhibit 3.3 to the Company's Form 10-K filed on April 1, 1996).
3.4	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.4 to the Company's Form 10-K filed on April 1, 1996).

THE BOSTON BEER COMPANY, INC.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K (continued)

4.1 Form of Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 33-96164).

10.1 Revolving Credit Agreement between Fleet Bank of

Massachusetts, N.A. and Boston Beer Company Limited Partnership (the "Partnership"), dated as of May 2, 1995 (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement No. 33-96162).

- 10.2 Loan Security and Trust Agreement, dated October 1, 1987, among Massachusetts Industrial Finance Agency, the Partnership and the First National Bank of Boston, as Trustee, as amended (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement No. 33-96164).
- 10.3 Deferred Compensation Agreement between the Partnership and Alfred W. Rossow, Jr., effective December 1, 1992 (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement No. 33-96162).
- 10.4 The Boston Beer Company, Inc. Employee Equity Incentive Plan, as adopted effective November 20, 1995 and amended effective February 23, 1996 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 333-1798).
- 10.5 Form of Employment Agreement between the Partnership and employees (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement No. 33-96162).
- 10.6 Services Agreement between The Boston Beer Company, Inc. and Chemical Mellon Shareholder Services, dated as of October 27, 1995 (incorporated by reference to Exhibit 10.6 to the Company's Form 10-K filed on April 1, 1996).
- 10.7 Form of Indemnification Agreement between the Partnership and certain employees and Advisory Committee members (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement No. 33-96162).
- 10.8 Stockholder Rights Agreement, dated as of December, 1995, among The Boston Beer Company, Inc. and the initial Stockholders (incorporated by reference to Exhibit 10.8 to the Company's Form 10-K filed on April 1, 1996).
- + 10.9 Agreement between Boston Brewing Company, Inc. and The Stroh Brewery Company, dated as of January 31, 1994 (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement No. 33-96164).
- + 10.10 Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, dated as of July 25, 1995 (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement No. 33-96164).

Page 13

THE BOSTON BEER COMPANY, INC.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K (continued)

- + 10.11 Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc., dated as of February 28, 1989 (incorporated by reference to

Exhibit 10.11 to the Company's Registration Statement No. 33-96164).

- 10.12 Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company, Boston Brewing Company, Inc. and G. Heileman Brewing Company, Inc., dated December 13, 1989 (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement No. 33-96162).
- + 10.13 Second Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. dated as of August 3, 1992 (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement No. 33-96164).
- + 10.14 Third Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc., dated December 1, 1994 (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement No. 33-96164).
- 10.15 Fourth Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc., dated as of April 7, 1995 (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement No. 33-96162).
- + 10.16 Letter Agreement between Boston Beer Company Limited Partnership and Joseph E. Seagram & Sons, Inc. (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement No. 33-96162).
- 10.17 Services Agreement and Fee Schedule of Mellon Bank, N.A. Escrow Agent for The Boston Beer Company, Inc., dated as of October 27, 1995 (incorporated by reference to Exhibit 10.17 to the Company's Form 10-K filed on April 1, 1996).
- 10.18 Amendment to Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and the Partnership (incorporated by reference to Exhibit 10.18 to the Company's Form 10-K filed on April 1, 1996).
- + Portions of this Exhibit have been omitted pursuant to an application for an order declaring confidential treatment filed with the Securities and Exchange Commission.

(b) Reports on Form 8-K.

Not Applicable.

Page 14

THE BOSTON BEER COMPANY, INC.

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
11.	Statement Regarding Computation of Net Earnings Per Share

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

THE BOSTON BEER COMPANY, INC.
(Registrant)

Date: 11/13/96

By: C. JAMES KOCH

C. James Koch
President, Chief Executive
Officer, Clerk and Director
(principal executive officer)

Date: 11/13/96

By: ALFRED W. ROSSOW, JR.

Alfred W. Rossow, Jr. Chief Operating
Officer, Treasurer, Chief Financial
Officer (principal financial and
accounting officer) and Director

Exhibit 11.

THE BOSTON BEER COMPANY, INC.
 STATEMENT REGARDING COMPUTATION OF NET EARNINGS PER SHARE
 (in thousands, except per share data)
 (Unaudited)

	Quarter ended		Nine months ended	
	Sept.28, 1996 -----	Sept.30, 1995 ----- (Pro forma) <F1>	Sept. 28, 1996 -----	Sept. 30, 1995 ----- (Pro forma) <F1>
Weighted Average of Common Shares Outstanding	20,051,470	16,991,001	19,963,466	16,991,001
Add: Common equivalent shares representing shares issuable upon conversion of stock options (using the treasury stock method)	375,217	685,511	433,505	685,511
Add: Common equivalent shares per SAB Topic 1B (3)	-	272,884	-	272,884
	-----	-----	-----	-----
Weighted average number of common and common equivalent shares	20,426,687	17,949,396	20,396,971	17,949,396
	=====	=====	=====	=====
Net income	\$ 2,296	\$ 1,828	\$ 7,297	\$ 4,702
	=====	=====	=====	=====
Primary and fully diluted earnings per share	\$ 0.11	\$ 0.10	\$ 0.36	\$ 0.26
	=====	=====	=====	=====

<FN>

<F1> Pro forma, see Note 4 on the accompanying Notes to the Consolidated
 Financial Statements.

</FN>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BOSTON BEER COMPANY, INC.'S CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENTS OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<CURRENCY> US DOLLAR

<PERIOD-TYPE>	9-MOS	
<FISCAL-YEAR-END>		DEC-31-1996
<PERIOD-START>		JAN-1-1996
<PERIOD-END>		SEP-28-1996
<EXCHANGE-RATE>		1.000
<CASH>		32,606
<SECURITIES>		3,875
<RECEIVABLES>		21,320
<ALLOWANCES>		808
<INVENTORY>		14,262
<CURRENT-ASSETS>		74,407
<PP&E>		18,239
<DEPRECIATION>		5,405
<TOTAL-ASSETS>		92,329
<CURRENT-LIABILITIES>		28,221
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		200<F1>
<OTHER-SE>		62,108
<TOTAL-LIABILITY-AND-EQUITY>		92,329
<SALES>		160,457
<TOTAL-REVENUES>		143,312
<CGS>		71,831
<TOTAL-COSTS>		131,570
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		182
<INCOME-PRETAX>		12,983
<INCOME-TAX>		5,686
<INCOME-CONTINUING>		11,742
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		7,297
<EPS-PRIMARY>		0.36
<EPS-DILUTED>		0.36
<FN>		

<F1>THIS NUMBER INCLUDES 15,869,555 SHARES OF CLASS A STOCK WITH A PAR VALUE OF \$159,000 AND 4,107,355 SHARES OF CLASS B STOCK WITH A PAR VALUE OF \$41,000.

</FN>