

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 27, 1997

OR

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

For the transition period from .....to.....

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 of incorporation (I.R.S. Employer  
or organization) Identification No.)

75 ARLINGTON STREET, BOSTON, MASSACHUSETTS  
(Address of principal executive offices)  
02116  
(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  
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Number of shares outstanding of each of the issuer's classes of common stock, as of October 31, 1997:

CLASS A COMMON STOCK, \$.01 PAR VALUE	16,338,274
CLASS B COMMON STOCK, \$.01 PAR VALUE	4,107,355
(Title of each class)	(Number of shares)

THE BOSTON BEER COMPANY, INC.  
FORM 10-Q

QUARTERLY REPORT  
SEPTEMBER 27, 1997

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	PAGE
Item 1.	Consolidated Financial Statements	
	Consolidated Balance Sheets September 27, 1997 and December 28, 1996	3
	Consolidated Statements of Operations for the Three and Nine Months Ended September 27, 1997 and September 28, 1996	4
	Consolidated Statements of Cash Flows for the Nine Months Ended September 27, 1997 and September 28, 1996	5
	Notes to Consolidated Financial Statements	6-8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	9-11
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	12
Item 2.	Changes in Securities	12
Item 3.	Defaults Upon Senior Securities	12
Item 4.	Submission of Matters to a Vote of Security Holders	12
Item 5.	Other Information	12
Item 6.	Exhibits and Reports on Form 8-K	12-18
SIGNATURES		19

THE BOSTON BEER COMPANY, INC.  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)  
(unaudited)

	September 27, 1997	December 28, 1996
	-----	-----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 5,060

Short term investments	35,735	35,926
Accounts receivable	21,366	18,109
Allowance for doubtful accounts	(1,952)	(1,930)
Inventories	16,535	13,002
Prepaid expenses	468	674
Deferred income taxes	2,990	2,968
Other current assets	1,213	3,882
	-----	-----
Total current assets	76,355	77,691
Restricted investments	-	611
Equipment and leasehold improvements, at cost	37,648	21,043
Accumulated depreciation	(9,544)	(6,412)
Deferred income taxes	87	151
Other assets	2,967	3,469
	-----	-----
Total assets	\$107,513	\$96,553
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 8,751	\$17,783
Line of credit	14,275	-
Accrued expenses	14,083	12,064
Current maturities of long-term debt	-	75
	-----	-----
Total current liabilities	37,109	29,922
Long-term debt, less current maturities	-	1,800
Commitments and Contingencies	-	-
Stockholders' Equity:		
Class A Common Stock, \$.01 par value; 20,300,000 shares authorized; 16,335,073 and 15,972,058 issued and outstanding as of September 27 1997 and December 28, 1996, respectively	163	160
Class B Common Stock, \$.01 par value; 4,200,000 shares authorized; 4,107,355 issued and outstanding as of September 27, 1997 and December 28, 1996	41	41
Additional paid-in-capital	56,010	55,391
Unearned compensation	(218)	(363)
Unrealized loss on investments in marketable securities	(1,868)	(442)
Unrealized (loss) gain on forward exchange contract	-	31
Retained earnings	16,276	10,013
	-----	-----
Total stockholders' equity	70,404	64,831
	-----	-----
Total liabilities and stockholders' equity	\$107,513	\$96,553
	=====	=====

The accompanying notes are an integral part of the financial statements

3

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

	Three months ended		Nine months ended	
	September 27, 1997	September 28, 1996	September 27, 1997	September 28, 1996
	-----	-----	-----	-----
Sales	\$55,664	\$51,598	\$159,621	\$160,457
Less excise taxes	7,047	5,486	19,311	17,145
	-----	-----	-----	-----
Net sales	48,617	46,112	140,310	143,312
Cost of sales	22,000	22,901	68,578	71,831
	-----	-----	-----	-----
Gross profit	26,617	23,211	71,732	71,481
Operating expenses:				
Advertising, promotional and selling expenses	17,415	17,118	51,802	51,488
General and administrative expenses	3,190	2,402	9,217	8,251
	-----	-----	-----	-----
Total operating expenses	20,605	19,520	61,019	59,739
	-----	-----	-----	-----
Operating income	6,012	3,691	10,713	11,742
Other income (expense):				
Interest income	451	522	1,340	1,455
Interest expense	(183)	(57)	(540)	(182)
Other income (expense), net	(511)	(28)	(389)	(32)
	-----	-----	-----	-----
Total other income	(243)	437	411	1,241
Income before income taxes	5,769	4,128	11,124	12,983
Provision for income taxes	2,521	1,832	4,861	5,686
	-----	-----	-----	-----
Net income	\$ 3,248	\$ 2,296	\$ 6,263	\$ 7,297
	=====	=====	=====	=====
Net income per common and common equivalent share	\$0.16	\$0.11	\$0.31	\$0.36

Weighted average number of common and common equivalent shares	20,509	20,427	20,453	20,397
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The accompanying notes are an integral part of the financial statements

4

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

	Nine months ended	
	September 27, 1997	September 28, 1996
Cash flows from operating activities:		
Net income	\$ 6,263	\$ 7,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,029	1,874
Deferred income taxes	42	-
Bad debt expense	118	670
Stock option compensation expense	185	132
Changes in assets and liabilities:		
Accounts receivable	(3,353)	(5,091)
Inventory	(3,533)	(4,982)
Prepaid expenses	206	(202)
Other current assets	1,106	354
Other assets	502	169
Accounts payable	(9,032)	7,635
Accrued expenses	2,019	569
Total adjustments	( 8,711)	1,128
Net cash (used in) provided by operating activities	(2,448)	8,425
Cash flows for investing activities:		
Purchases of fixed assets	(15,042)	(8,549)
Purchases of marketable securities	-	(4,286)
Purchases of government securities	(1,232)	1,048
Purchases of restricted investments	(625)	1,213
Proceeds from maturities of restricted investments	1,236	(1,222)
Net cash (used in) investing activities	(15,663)	(11,796)
Cash flows from financing activities:		
Proceeds from exercise of management incentive options	628	493
Proceeds from sale of common stock under stock purchase plan	23	-
Principal payments on long-term debt	(1,875)	(75)
Net borrowings under lines of credit	14,275	1,076
Net cash provided by financing activities	13,051	1,494
Net decrease in cash and cash equivalents	(5,060)	(1,877)
Cash and cash equivalents at beginning of period	5,060	1,877
Cash and cash equivalents at end of period	\$ -	\$ -
Supplemental disclosure of cash flow information:		
Interest paid	\$ 391	\$ 224
Taxes paid	\$ 5,471	\$ 4,708

The accompanying notes are an integral part of the financial statements

5

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

A. BASIS OF PRESENTATION:

The Boston Beer Company, Inc. (the "Company") is engaged in the business of brewing, marketing, and selling beer and ale products throughout the United States and select international markets. The accompanying consolidated financial position as of September 27, 1997 and the results of its consolidated operations and consolidated cash flows for the interim periods ended September 27, 1997 and September 28, 1996 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 28, 1996.

#### UTILIZATION OF ESTIMATES

To prepare the financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. In particular, the Company records reserves for estimated product returns, for the valuation of inventory, and regarding the collectibility of accounts receivable. Actual results could differ from the estimates and assumptions used by management.

#### RECLASSIFICATIONS

Beginning in the fourth quarter of 1996, certain expenses which were previously classified as general and administrative expenses were reclassified as advertising, promotional, and selling expenses. All prior period financial information has been reclassified to conform with the current presentation. Certain other period amounts have also been reclassified to conform with the current year's presentation.

#### MANAGEMENT'S OPINION

In the opinion of the management of the Company, the Company's unaudited consolidated financial position as of September 27, 1997 and the results of its consolidated operations and consolidated cash flows for the interim periods ended September 27, 1997 and September 28, 1996, reflect all adjustments (consisting only of normal and recurring adjustments) necessary to present fairly the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

#### B. SHORT TERM INVESTMENTS:

Short term investments include marketable equity securities having a cost of \$4,289,000 and \$4,286,000 and a market value of \$2,421,000 and \$3,844,000 at September 27, 1997 and December 28, 1996, respectively. This resulted in an unrealized loss of \$1,868,000 and \$442,000 at the end of the respective periods. In addition, the Company has investments in U.S. Government securities having a cost of \$33,314,000 and \$32,082,000 at September 27, 1997 and December 28, 1996, respectively, which approximate fair value.

#### C. INVENTORIES:

Inventories, which consist principally of hops, brewery materials 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 27, 1997	December 28, 1996
	-----	-----
Raw materials, principally hops	\$13,935	\$12,677
Work in process	841	0
Finished goods	1,759	325
	-----	-----
	\$16,535	\$13,002
	=====	=====

D. FINANCIAL INSTRUMENTS:

During 1996 and 1997, the Company entered into several forward exchange contracts to reduce exposure to currency movements affecting existing foreign currency denominated assets, liabilities, and firm commitments. The duration of the contracts match the duration of the currency positions. The future value of the contracts and the related currency positions are subject to offsetting market risk resulting from foreign currency exchange rate volatility. There were no material gains or losses on the contracts in the nine months ended September 27, 1997. It is the intention of the Company to enter into such foreign exchange contracts periodically.

E. DEBT

On March 21, 1997, the Company entered into a credit agreement to increase its existing \$14,000,000 line of credit to \$15,000,000 ("the \$15,000,000 line") and to establish an additional \$30,000,000 line of credit ("the \$30,000,000 line"). On March 31, 1999, the \$15,000,000 line expires and the balance outstanding under the \$30,000,000 line converts to a term note. Principal payments on the term note are payable in twenty quarterly installments, with the final payment due at maturity, December 31, 2003. Through March 31, 1999, interest is payable quarterly on both the \$15,000,000 and \$30,000,000 lines at either the Prime Rate or the applicable Adjusted Libor Rate plus .50%. After March 31, 1999, interest on the term note is payable quarterly at either the Prime Rate or the applicable Adjusted Libor Rate plus .75%.

As of September 27, 1997, \$4,274,864 and \$10,000,000 are outstanding under the \$15,000,000 and \$30,000,000 lines, respectively, at an average interest rate for the quarter of 6.54%. The Company must pay a commitment fee of .15% per annum on the average daily unused portion of the total \$45,000,000 commitment. Additionally, the Company is obligated to meet certain financial covenants, including the maintenance of specified levels of tangible net worth and net income.

F. RECENT ACCOUNTING STANDARDS:

In February, 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS 128) and No. 129, "Disclosure of Information About Capital Structure" (SFAS 129). SFAS 128 specifies the computation, presentation and disclosure requirements for earnings per share and is designed to improve earnings per share information and increase comparability of per share data on an international basis. SFAS 129 requires the disclosure of certain information about an entity's capital structure which would include a brief discussion of rights and privileges for securities outstanding. These standards will be effective for financial statement periods ending after December 15, 1997.

The Company has reviewed the adoption and impact of SFAS No. 128, "Earnings Per Share" and SFAS No. 129, "Disclosure of Information About Capital Structure", but does not expect either recent accounting standard to have a material impact on the Company's results of operations or its financial position.

8

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 three and nine-month periods ended September 27, 1997 as compared to the three and nine-month periods ended September 28, 1996. 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. On March 1, 1997, the Company acquired all of the equipment and other brewery related personal property of an independent brewing company located in Cincinnati, Ohio. This Cincinnati Brewery is currently managed by the Samuel Adams Brewery Company, Ltd., a wholly owned affiliate of the Company. The results of operations of the Samuel Adams Brewery Company, Ltd. are included in the accompanying consolidated financial statements since the date of acquisition.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 27, 1997 COMPARED TO THREE MONTHS ENDED SEPTEMBER 28, 1996

Sales volume increased by 21.4% from 294,000 barrels in the three months ended September 28, 1996 to 357,000 barrels in the three months ended September 27, 1997. This increase was due primarily to the inclusion of 53,000 barrels in 1997 of non-company products, produced and sold by the Samuel Adams Brewery Company, Ltd. beginning March 1, 1997. Net sales increased by 5.4% from \$46,112,000 in the three month period ended September 28, 1996 to \$48,617,000 in the three month period ended September 27, 1997. Net sales increased primarily due to the increased volume for Boston Beer Company's branded products, and to a lesser extent, the inclusion of sales to others by the Samuel Adams Brewery Company, Ltd. as well as the implementation of selected price increases to the company's wholesalers. Net sales were also positively impacted by the reclassification of all royalties earned year to date from other income to revenue.

Gross profit increased by 14.7% from \$23,211,000 in the three months ended September 28, 1996 to \$26,617,000 in the three months ended September 27, 1997. Cost of sales decreased from 49.7% of net sales in the three months ended September 28, 1996 to 45.3% in the three months ended September 27, 1997. This decrease is primarily due to favorable raw material and packaging costs as well as a decrease in certain other costs, such as net deposits and benefits from reused returnable glass. No inferences should be drawn from the reduction in

cost of sales for the quarter.

Advertising, promotional, and selling expenses in total increased by 1.7% from \$17,118,000 in the three months ended September 28, 1996 to \$17,415,000 in the three months ended September 27, 1997. This increase was primarily attributable to an increase in sales salaries and related benefit expenses, and an increase in promotional spending. Partially offsetting these increases were decreases in advertising and travel expenses. As a percentage of net sales, total advertising, promotional, and selling expenses decreased from 37.1% in the three months ended September 28, 1996 to 35.8% in the three months ended September 27, 1997.

General and administrative expenses increased by 32.8% from \$2,402,000 in the three months ended September 28, 1996 to \$3,190,000 in the three months ended September 27, 1997. This increase is primarily due to the inclusion of the Samuel Adams Brewery Company, Ltd. which is not reflected in our 1996 numbers. As a percentage of net sales, general and administrative expenses increased from 5.2% for the three months ended September 28, 1996 to 6.6% for the three months ended September 27, 1997.

Other income (expense) net, for the three months ended September 27, 1997, was (\$243,000), representing a decrease of \$680,000 vs other income net, for the three months ended September 28, 1996. The decrease is due to a charge for the repurchase of certain overseas distribution rights, the reclassification of all royalties earned year to date to revenue and an increase in interest expense due to increased borrowings against the revolving line of credit.

9

THE BOSTON BEER COMPANY, INC.

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

Net income increased by 41.5% to \$3,248,000 in the three months ended September 27, 1997 compared to \$2,296,000 in the three months ended September 28, 1996. The combined effective tax rate decreased to 43.7% in the three months ended September 27, 1997 compared to 44.4% in the three months ended September 28, 1996, due primarily to a lower projected income level for 1997.

NINE MONTHS ENDED SEPTEMBER 27, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 28, 1996

Sales volume increased by 12.3% from 913,000 barrels in the first nine months of 1996 to 1,025,000 barrels in the first nine months of 1997. This increase in 1997, was due to the inclusion of 144,000 barrels of non-company products produced and sold by the Samuel Adams Brewery Company, Ltd., beginning March 1, 1997. Despite this, net sales decreased by 2.1% from \$143,312,000 in the first nine months of 1996 to \$140,310,000 in the first nine months of 1997, as sales of products produced by the Samuel Adams Brewery Company, Ltd. to others are made at prices much lower than those of other Company products.

Gross profit increased from \$71,481,000 in the first nine months of 1996 to \$71,732,000 in the first nine months of 1997. Cost of sales decreased to 48.9% of net sales in the first nine months of 1997 from 50.1% of net sales in the first nine months of 1996. This decrease in cost of sales as a percent of sales was primarily due to favorable raw material and packaging costs and a shift in the core business package mix towards kegs, which resulted in decreased packaging material costs.

Advertising, promotional, and selling expenses in total increased from \$51,488,000 in the first nine months of 1996 to \$51,802,000 in the first nine months of 1997. This increase was primarily attributable to increases in sales salaries and related personnel and travel expenses, and the costs of promotional materials, partially offset by lower purchases of point of sales material, and



lower advertising spending. As a percentage of net sales, total advertising, promotional, and selling expenses increased from 35.9% in the first nine months of 1996 to 36.9% in the first nine months of 1997.

General and administrative expenses increased by 11.7% from \$8,251,000 in the first nine months of 1996 to \$9,217,000 in the first nine months of 1997. This increase is primarily due to the inclusion of the Samuel Adams Brewery Company, Ltd. which is not reflected in our 1996 numbers. As a percentage of net sales, general and administrative expenses increased from 5.8% in the first nine months of 1996 to 6.6% in the first nine months of 1997.

Other income (expense) net, decreased from \$1,241,000 in the first nine months of 1996 to \$411,000 for the first nine months of 1997. The net decrease is due primarily to a charge for the repurchase of certain overseas distribution rights and an increase in interest expense due to increased borrowings against the revolving line of credit.

Net income decreased by 14.2% to \$6,263,000 in the first nine months of 1997 compared to \$7,297,000 in the first nine months of 1996. Income taxes decreased by \$825,000. The combined effective tax rate was 43.7% in the first nine months of 1997 compared to 43.8% in the first nine months of 1996.

10

THE BOSTON BEER COMPANY, INC.

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

LIQUIDITY AND CAPITAL RESOURCES

During the first nine months of 1997, the Company recorded net income of \$6,263,000, and net cash used in operating activities was \$2,448,000. This \$8,711,000 is primarily due to increases in accounts receivable, inventory, and a reduction in accounts payable, and were offset by a decrease in other current assets and an increase in accrued expenses.

During the first nine months of 1997, the Company used \$15,663,000 in investing activities. This primarily reflects the purchase of fixed assets, consisting of brewery and packaging equipment for the Cincinnati brewery and the addition of new sankey kegs.

During the first nine months of 1997, the Company generated \$13,051,000 from financing activities which primarily reflects amounts borrowed against the Company's revolving lines of credit. As of September 27, 1997, net borrowings were \$14,275,000. On July 15, 1997, the Company repaid the remaining \$1,875,000 owed under the MIFA loan.

The Company's management believes that working capital as of September 27, 1997 of \$39,246,000 (of which 91.1% is in cash and equivalents and short term investments), in conjunction with existing lines of credit, should be sufficient to meet the Company's operating, capital, and debt service requirements through the next twelve months.

RECENT ACCOUNTING STANDARDS

In February, 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS 128) and No. 129, "Disclosure of Information About Capital Structure" (SFAS 129). SFAS 128 specifies the computation, presentation and disclosure requirements for earnings per share and is designed to improve earnings per share information and increase comparability of per share data on an international basis. SFAS 129 requires the disclosure of certain information about an entity's capital structure which

would include a brief discussion of rights and privileges for securities outstanding. These standards will be effective for financial statement periods ending after December 15, 1997.

The Company has reviewed the adoption and impact of SFAS No. 128, "Earnings Per Share" and SFAS No. 129, "Disclosure of Information About Capital Structure", and does not expect either recent accounting standard to have a material impact on the Company's results of operations or its financial position.

#### SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This Form 10-Q filing contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current expectations and involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements.

Factors which may cause actual future results to differ from forward-looking statements include, among others, the following: changes in consumer preferences; general economic and business conditions; increasing competition in the craft-brewed and high-end beer segments; success of operating initiatives; possible future increases in operating costs; advertising and promotional efforts; changes in brand awareness; the existence or absence of adverse publicity; changes in business strategy; quality of management; availability, terms and deployment of capital; business abilities and judgment of personnel; availability of qualified personnel; labor and employee benefit costs; change in, or the failure to comply with, government regulations; and other factors.

11

THE BOSTON BEER COMPANY, INC.

#### PART II. OTHER INFORMATION

##### ITEM 1. LEGAL PROCEEDINGS

The Company is a party to certain claims and litigation in the ordinary course of business. The Company does not believe any of these proceedings will result, individually or in the aggregate, in a material adverse effect upon its financial condition or results of operations.

##### 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

EXHIBIT INDEX

EXHIBIT NO. -----	TITLE -----
3.1	Articles of Organization (incorporated by reference to Exhibit 3.2 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).
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).

12

THE BOSTON BEER COMPANY, INC.

PART II. OTHER INFORMATION (CONTINUED)

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

EXHIBIT INDEX (CONTINUED)

EXHIBIT NO. -----	TITLE -----
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 10.2 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 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 the Company's Form 10-K, filed on April 1, 1996).

THE BOSTON BEER COMPANY, INC.

PART II.       OTHER INFORMATION (CONTINUED)

ITEM 6.       EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

Exhibit Index (continued)

EXHIBIT NO. -----	TITLE -----
+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).
+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).

THE BOSTON BEER COMPANY, INC.

PART II. OTHER INFORMATION (CONTINUED)

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

Exhibit Index (continued)

EXHIBIT NO. -----	TITLE -----
10.17	Services Agreement and Fee Schedule of Mellon Bank, N.A. Escrow Agent Services for The Boston Beer Company, Inc. dated as of October 27, 1995. (incorporated by reference to the Company's Registration Statement No. 33-96162.)
10.18	Amendment to Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and the Partnership (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement No. 33-96164).
10.19	1996 Stock Option Plan for Non-Employee Directors

(incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).

- +10.20 Production Agreement between The Stroh Brewery Company and Boston Beer Company Limited Partnership, dated January 14, 1997 (incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).
- +10.21 Letter Agreement between The Stroh Brewery Company and Boston Beer Company Limited Partnership, dated January 14, 1997 (incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).
- +10.22 Agreement between Boston Beer Company Limited Partnership and The Schoenling Brewing Company, dated May 22, 1996 (incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).
- 10.23 Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and The Boston Beer Company, Inc., dated as of March 21, 1997 (incorporated by reference to the Company's Form 10-Q, filed on May 12, 1997).
- +10.24 Amended and Restated Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, Inc. dated April 30, 1997 (incorporated by reference to the Company's Form 10-Q, filed on August 11, 1997).
- \*11 Schedule of Computation of Net Earnings Per Share.

THE BOSTON BEER COMPANY, INC.

PART II. OTHER INFORMATION (CONTINUED)

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

Exhibit Index (continued)

EXHIBIT NO.	TITLE
-----	-----
21.1	List of subsidiaries of The Boston Beer Company, Inc. (incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).
*27	Financial Data Schedule (electronic filing only).
*	Filed with this report.
+	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.

The Company filed no reports on Form 8-K with the Securities and Exchange Commission during the quarter ended September 27, 1997.

## THE BOSTON BEER COMPANY, INC.

## PART II. OTHER INFORMATION (CONTINUED)

## ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED)

Exhibit 11  
-----STATEMENT REGARDING COMPUTATION OF NET EARNINGS PER SHARE  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Three months ended		Nine months ended	
	Sept 27, 1997	Sept 28, 1996	Sept 27, 1997	Sept 28, 1996
Weighted average number of common shares outstanding	20,427,036	20,051,470	20,289,222	19,963,466
Add: Common equivalent shares representing shares issuable upon conversion of stock options	81,910	375,217	163,538	433,505
Weighted average number of common and common equivalent shares	20,508,946	20,426,687	20,452,760	20,396,971
Net Income	\$ 3,249	\$ 2,296	\$ 6,263	\$ 7,297
Primary earnings per share	\$ 0.16	\$ 0.11	\$ 0.31	\$ 0.36
Fully diluted earnings per share	\$ 0.16	\$ 0.11	\$ 0.31	\$ 0.36

## 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: November 7, 1997  
-----By: /s/: C. JAMES KOCH  
-----

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

Date: November 7, 1997  
-----By: /s/: ALFRED W. ROSSOW, JR.  
-----

Alfred W. Rossow, Jr. Executive  
Vice President, Chief Financial  
Officer (principal financial and

accounting officer) Treasurer and  
Director



<ARTICLE> 5

<LEGEND>

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

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<F1>THIS NUMBER INCLUDES 16,335,073 SHARES OF CLASS A COMMON STOCK WITH A PAR VALUE OF \$163,000 AND 4,107,355 SHARES OF CLASS B STOCK WITH A PAR VALUE OF \$41,000.

</FN>