

**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 March 31, 2007

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
(State or other jurisdiction of incorporation
or organization)

04-3284048
(I.R.S. Employer
Identification No.)

One Design Center Place, Suite 850, Boston, Massachusetts
(Address of principal executive offices)

02210
(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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.)

Yes No

Number of shares outstanding of each of the issuer's classes of common stock, as of May 4, 2007:

Class A Common Stock, \$.01 par value	10,207,167
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
MARCH 31, 2007
TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I.</u>	<u>FINANCIAL INFORMATION</u>
<u>Item 1. Consolidated Financial Statements</u>	
<u>Consolidated Balance Sheets as of March 31, 2007 and December 30, 2006</u>	3
<u>Consolidated Statements of Operations for the Three Months Ended March 31, 2007 and April 1, 2006</u>	4
<u>Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2007 and April 1, 2006</u>	5
<u>Notes to Consolidated Financial Statements</u>	6-8
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	9-14
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	14
<u>Item 4. Controls and Procedures</u>	14-15
<u>PART II.</u>	<u>OTHER INFORMATION</u>
<u>Item 1. Legal Proceedings</u>	15
<u>Item 1A. Risk Factors</u>	15
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	16
<u>Item 3. Defaults Upon Senior Securities</u>	16
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	16
<u>Item 5. Other Information</u>	16
<u>Item 6. Exhibits</u>	17
<u>SIGNATURES</u>	18
<u>EX-10.55 Amended and Restated Brewing Services Agreement between City Brewing Company LLC and Boston Beer Corporation effective as of August 1, 2006, as amended by Amendment dated April 10, 2007.</u>	
<u>EX-10.56 Addendum to Production Agreement between Miller Brewing Company and Boston Beer Corporation effective August 31, 2006.</u>	
<u>EX-10.57 Brewing Services Agreement between CBC Latrobe Acquisition, LLC and Boston Beer Corporation dated March 28, 2007.</u>	
<u>EX-31.1 Section 302 Certification of C.E.O.</u>	
<u>EX-31.2 Section 302 Certification of C.F.O.</u>	
<u>EX-32.1 Section 906 Certification of C.E.O.</u>	
<u>EX-32.2 Section 906 Certification of C.F.O.</u>	

PART I. Item 1. FINANCIAL INFORMATION**THE BOSTON BEER COMPANY, INC. AND SUBSIDIARIES**
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	<u>March 31,</u> <u>2007</u> (unaudited)	<u>December 30,</u> <u>2006</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 61,449	\$ 63,147
Short-term investments	20,025	19,223
Accounts receivable, net of allowance for doubtful accounts of \$484 and \$451 as of March 31, 2007 and December 30, 2006, respectively	19,737	17,770
Inventories	18,951	17,034
Prepaid expenses and other assets	4,398	2,721
Deferred income taxes	667	667
Total current assets	<u>125,227</u>	<u>120,562</u>
Property, plant and equipment, net	31,887	30,699
Other assets	1,797	1,837
Goodwill	1,377	1,377
Total assets	<u>\$ 160,288</u>	<u>\$ 154,475</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 14,622	\$ 17,942
Accrued expenses	22,184	22,928
Total current liabilities	36,806	40,870
Deferred income taxes	1,494	1,494
Other liabilities	3,420	3,522
Total liabilities	41,720	45,886
Commitments and Contingencies		
Stockholders' Equity:		
Class A Common Stock, \$.01 par value; 22,700,000 shares authorized; 10,199,426 and 9,992,347 issued and outstanding as of March 31, 2007 and December 30, 2006, respectively	102	100
Class B Common Stock, \$.01 par value; 4,200,000 shares authorized; 4,107,355 issued and outstanding	41	41
Additional paid-in-capital	84,367	80,158
Accumulated other comprehensive loss, net of tax	(197)	(197)
Retained earnings	34,255	28,487
Total stockholders' equity	<u>118,568</u>	<u>108,589</u>
Total liabilities and stockholders' equity	<u>\$ 160,288</u>	<u>\$ 154,475</u>

The accompanying notes are an integral part of these consolidated financial statements

THE BOSTON BEER COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Three months ended	
	March 31, 2007	April 1, 2006
Revenue	\$ 79,734	\$ 62,738
Less excise taxes	7,286	5,850
Net revenue	72,448	56,888
Cost of goods sold	32,126	24,215
Gross profit	40,322	32,673
Operating expenses:		
Advertising, promotional and selling expenses	26,506	25,378
General and administrative expenses	5,298	4,926
Total operating expenses	31,804	30,304
Operating income	8,518	2,369
Other income, net:		
Interest income	965	588
Other income, net	167	61
Total other income, net	1,132	649
Income before provision for income taxes	9,650	3,018
Provision for income taxes	3,882	1,197
Net income	<u>\$ 5,768</u>	<u>\$ 1,821</u>
Net income per common share — basic	<u>\$ 0.41</u>	<u>\$ 0.13</u>
Net income per common share — diluted	<u>\$ 0.40</u>	<u>\$ 0.13</u>
Weighted-average number of common shares — basic	14,118	13,856
Weighted-average number of common shares — diluted	<u>14,595</u>	<u>14,293</u>

The accompanying notes are an integral part of these consolidated financial statements

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

	<u>Three months ended</u>	
	<u>March 31,</u> <u>2007</u>	<u>April 1,</u> <u>2006</u>
Cash flows provided by (used in) operating activities:		
Net income	\$ 5,768	\$ 1,821
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,386	1,131
(Gain) loss on disposal of property, plant and equipment	(2)	26
Bad debt expense	33	105
Stock-based compensation expense	486	378
Excess tax benefit from stock-based compensation arrangements	(1,270)	(587)
Purchases of trading securities	(10,665)	(6,050)
Proceeds from sale of trading securities	9,863	28,475
Changes in operating assets and liabilities:		
Accounts receivable	(2,000)	(6,391)
Inventories	(1,917)	282
Prepaid expenses and other assets	(917)	(458)
Accounts payable	(3,320)	(805)
Accrued expenses	526	196
Other liabilities	(102)	(49)
Net cash provided by (used in) operating activities	<u>(2,131)</u>	<u>18,074</u>
Cash flows used in investing activities:		
Purchases of property, plant and equipment	(2,538)	(907)
Proceeds from disposal of property, plant and equipment	2	1
Increase in other assets	—	(45)
Net cash used in investing activities	<u>(2,536)</u>	<u>(951)</u>
Cash flows provided by financing activities:		
Repurchase of Class A common stock	—	(1,855)
Proceeds from exercise of stock options	1,620	1,764
Excess tax benefit from stock-based compensation arrangements	1,270	587
Net proceeds from sale of investment shares	79	38
Net cash provided by financing activities	<u>2,969</u>	<u>534</u>
Change in cash and cash equivalents	(1,698)	17,657
Cash and cash equivalents at beginning of period	<u>63,147</u>	<u>41,516</u>
Cash and cash equivalents at end of period	<u>\$ 61,449</u>	<u>\$ 59,173</u>
Supplemental disclosure of cash flow information:		
Income taxes paid	<u>\$ 592</u>	<u>\$ 255</u>

The accompanying notes are an integral part of these consolidated financial statements

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

A. Organization and Basis of Presentation

The Boston Beer Company, Inc. and its subsidiaries (the "Company") are engaged in the business of selling low alcohol beverages throughout the United States and in selected international markets, under the trade names, "The Boston Beer Company," "Twisted Tea Brewing Company," and "HardCore Cider Company." The Company's Samuel Adams® beer and Sam Adams Light® are produced and sold under the trade name, "The Boston Beer Company." The accompanying consolidated statement of financial position as of March 31, 2007 and the statements of consolidated operations and consolidated cash flows for the interim periods ended March 31, 2007 and April 1, 2006 have been prepared by the Company, without audit, in accordance with U.S. 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 for complete financial statements by generally accepted accounting principles 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 30, 2006.

Management's Opinion

In the opinion of the Company's management, the Company's unaudited consolidated financial position as of March 31, 2007 and the results of its consolidated operations and consolidated cash flows for the interim periods ended March 31, 2007 and April 1, 2006, 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

The Company's short-term investments consisted of municipal auction rate securities as of March 31, 2007 and December 30, 2006, and were classified as trading securities which are recorded at fair market value and whose change in fair market value is recorded in earnings.

The Company recorded no realized gains or losses on short-term investments for the interim periods ended March 31, 2007 and April 1, 2006.

C. Inventories

Inventories consist of raw materials, work in process, and finished goods. Raw materials, which principally consist of hops, brewing materials and packaging, are stated at the lower of cost, determined on the first-in, first-out basis, or market. The cost elements of work in process and finished goods inventory consist of raw materials, direct labor and manufacturing overhead. Inventories consist of the following:

	<u>March 31,</u> <u>2007</u>	<u>December 30,</u> <u>2006</u>
	(in thousands)	
Raw materials	\$ 12,465	\$ 11,767
Work in process	4,126	3,483
Finished goods	<u>2,360</u>	<u>1,784</u>
	<u>\$ 18,951</u>	<u>\$ 17,034</u>

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

D. Net Income per Share

The following table sets forth the computation of basic and diluted net income per share:

	Three months ended	
	March 31, 2007	April 1, 2006
	(in thousands, except per share data)	
Net income	\$ 5,768	\$ 1,821
Shares used in net income per common share — basic	14,118	13,856
Effect of dilutive securities:		
Stock options	460	429
Non-vested investment shares and restricted stock	17	8
Dilutive potential common shares	477	437
Shares used in net income per common share — diluted	14,595	14,293
Net income per common share — basic	\$ 0.41	\$ 0.13
Net income per common share — diluted	\$ 0.40	\$ 0.13

E. Comprehensive Income

Comprehensive income represents net income, plus minimum pension liability adjustment. The minimum pension liability adjustments for the interim periods ended March 31, 2007 and April 1, 2006 were not material.

F. Commitments and Contingencies*Purchase Commitments*

The Company had outstanding non-cancelable purchase commitments related to advertising contracts of approximately \$10.6 million at March 31, 2007.

The Company has entered into contracts for the supply of a portion of its hops requirements. These purchase contracts extend through crop year 2010 and specify both the quantities and prices, mostly denominated in euros, to which the Company is committed. Hops purchase commitments outstanding at March 31, 2007 totaled \$23.6 million, based on the exchange rates on that date.

Other outstanding purchase commitments totaled \$1.2 million at March 31, 2007.

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

Arrangements with Contract Breweries

On March 28, 2007, the Company entered into a Brewing Services Agreement (the "Agreement") with CBC Latrobe Acquisition, LLC ("CBC"), a Pennsylvania limited liability company whose sole member is City Brewing Company, LLC of Lacrosse, Wisconsin ("City Brewing"). Under the Agreement, the Company will be able to brew and package certain of its products at the brewery located in Latrobe, Pennsylvania that was acquired by CBC in 2006. Pursuant to the Agreement, CBC will ensure that a certain minimum capacity will be available to the Company throughout the term of the Agreement. The Company has committed to minimum production levels at the brewery during the 2007 and 2008 calendar years. As a material part of the Agreement, the Company will purchase equipment to be installed at the brewery in Latrobe for upgrades to the brew house, storage of the Company's proprietary yeasts, and packaging of the Company's products. Under the Agreement, CBC will be able to purchase such equipment from the Company at or prior to the end of the initial term of the Agreement at the amortized value of such equipment. City Brewing, with whom the Company currently has a brewing services agreement with respect to production at City Brewing's brewery located in Lacrosse, Wisconsin, has guaranteed the performance of the Agreement by CBC. As part of the discussion with City Brewing, the Company is in discussions to acquire an ownership interest in the Latrobe Brewery. The expected capital expenditures related to the Agreement and these discussions are between \$3 million and \$7 million.

G. Income Taxes

The Company adopted Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN No. 48), which is an interpretation of SFAS No. 109, Accounting for Income Taxes, in the first quarter of 2007. This interpretation clarifies the accounting and financial statement reporting for uncertainty in income taxes recognized by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The adoption of FIN No. 48 did not result in an adjustment to the beginning balance of retained earnings and also did not result in any material adjustments to reserves for uncertain tax positions. As of the Company's adoption date of December 31, 2006, the Company had approximately \$5.9 million of gross unrecognized income tax benefits. Of this total, \$3.9 million (state amounts net of federal benefit) represent the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate.

The Company's practice is to classify interest and penalties related to income tax matters in income tax expense. As of its adoption date of December 31, 2006, the Company had \$1.1 million accrued for interest and penalties.

The Company is subject to federal income tax as well as income tax of multiple state jurisdictions. The Company's federal income tax returns remain subject to examination for fiscal years 2003 through 2005. The Company's state income tax returns remain subject to examination for fiscal years 2003 through 2005. Federal income tax returns for 2004 and 2005, as well as certain state income tax returns for 2002 and 2003, are currently under examination.

Depending upon the outcome of state income tax return examinations that the Company is currently undergoing, it is reasonably possible that certain of the Company's amounts of unrecognized tax benefits could significantly decrease within twelve months of the date of this report. Based on the information that is available, the Company is not able to determine the amount of the possible decrease to its unrecognized tax benefits.

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

The following is a discussion of the significant factors affecting the consolidated operating results, financial condition and liquidity and cash flows of the Company for the three-month period ended March 31, 2007 as compared to the three-month period ended April 1, 2006. This discussion should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Consolidated Financial Statements of the Company and Notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2006.

RESULTS OF OPERATIONS

Boston Beer's flagship product is Samuel Adams Boston Lager®. For purposes of this discussion, Boston Beer's "core brands" include all products sold under the Samuel Adams®, Sam Adams®, Twisted Tea® and HardCore® trademarks. "Core brands" do not include the products brewed at the Company's brewery, located in Cincinnati, Ohio under contract arrangements for third parties. Volume produced under contract arrangements is referred to below as "non-core products."

Three Months Ended March 31, 2007 compared to Three Months Ended April 1, 2006

Net revenue. Net revenue increased by \$15.6 million or 27.4% to \$72.4 million for the three months ended March 31, 2007, as compared to \$56.9 million for the three months ended April 1, 2006. The increase was primarily due to an increase in the volume of Boston Beer's core brands, as well as an increase in net revenue per barrel of approximately 3%.

Volume. Total shipment volume increased by 22.2% to 396,000 barrels for the three months ended March 31, 2007, as compared to 324,000 barrels for the three months ended April 1, 2006. Shipment volume for the non-core products decreased by 3,000 barrels to 5,000 barrels. Shipment volume for the core brands increased by 23.7% to 391,000 barrels, due primarily to increases in the Samuel Adams® brand family offset by a slight decline in the Twisted Tea® brand family shipments. The growth in the Samuel Adams® brand family shipments was driven by double-digit growth rates in Samuel Adams Boston Lager®, Samuel Adams® Seasonals, Samuel Adams® Brewmaster's Collection and Sam Adams Light®.

Shipments to date and orders in-hand suggest that core shipments for the second fiscal quarter of 2007 could be up approximately 10%, resulting in the first half of 2007 shipments being up approximately 15%, compared to the same period in 2006. Actual shipments may differ, however, and no inferences should be drawn with respect to shipments in future periods.

Depletions, or sales by the wholesalers to retailers, of the Company's core products for the first quarter of 2007 increased by approximately 18% over the same period in 2006. The Company believes that wholesaler inventory levels at March 31, 2007 were ahead of preferred levels for this time of year, as reflected in shipments exceeding depletions by a larger amount than would be usual for the first quarter. The Company expects this inventory build to unwind through the rest of the year.

Net Selling Price. The selling price per barrel for core brands increased by 3.2% to \$184.11 per barrel for the three months ended March 31, 2007, as compared to \$178.49 for the same period last year. This increase in net revenue per barrel is due to price increases implemented in the first quarter and favorable changes in package and product mix.

Gross profit. Gross profit for core products was \$102.70 per barrel for the three months ended March 31, 2007, as compared to \$103.09 for the three months ended April 1, 2006. Gross margin for core products was 55.8% for the three months ended March 31, 2007, as compared to 57.8% for the three months ended April 1, 2006. The decrease in gross profit per barrel and gross margin is primarily due to an increase in cost of goods sold per barrel as compared to the prior year, only partially offset by price increases.

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

Cost of goods sold for core brands increased by \$6.02 per barrel to \$81.41 per barrel and was 44.2% as a percentage of net revenue for the three months ended March 31, 2007, as compared to \$75.40 per barrel and 42.2% as a percentage of net revenue for the three months ended April 1, 2006. The increase is due primarily to higher package material and ingredient costs and a slight shift in product mix. The Company expects most of these cost pressures to continue during the remainder of the year.

Based on current cost increase knowledge and preliminary pricing expectations, 2007 full year gross margin as a percent of net revenue could be down as much as two percentage points below full year 2006 levels.

The Company includes freight charges related to the movement of finished goods from its manufacturing locations to distributor locations in its advertising, promotional and selling expense line item. As such, the Company's gross margins may not be comparable to other entities that classify costs related to distribution differently.

Advertising, promotional and selling. Advertising, promotional and selling expenses increased by \$1.1 million, or 4.4%, to \$26.5 million for the three months ended March 31, 2007, as compared to \$25.4 million for the three months ended April 1, 2006. The increase is primarily due to increases in freight expenses to wholesalers and advertising. Advertising, promotional and selling expenses for core brands were 36.8% of net revenue, or \$67.79 per barrel, for the three months ended March 31, 2007, as compared to 45.0% of net revenue, or \$80.31 per barrel, for the three months ended April 1, 2006. The Company will invest in advertising and promotional campaigns that it believes are effective, but there is no guarantee that such investment will generate sales growth.

The Company conducts certain advertising and promotional activities in the wholesalers' markets, and the wholesalers make contributions to the Company for such efforts. These amounts are included in the Company's statement of operations as reductions to advertising, promotional and selling expenses. Historically, contributions from wholesalers for advertising and promotional activities have amounted to between 2% and 4% of net sales. The Company may adjust its promotional efforts in the wholesalers' markets if changes occur in these promotional contribution arrangements, depending on the industry and market conditions.

General and administrative. General and administrative expenses increased by \$0.4 million, or 7.5%, to \$5.3 million for the three months ended March 31, 2007, as compared to \$4.9 million for the same period last year. The increase primarily reflects increases in salary and benefit costs.

Total other income, net. Total other income, net increased by \$0.5 million to \$1.1 million for the three months ended March 31, 2007 primarily due to higher interest rates earned on increased average cash and investment balances during the first fiscal quarter of 2007 as compared to the same period in 2006.

Provision for income taxes. The Company's effective tax rate increased to approximately 40.2% for the three months ended March 31, 2007 from 39.7% for the same period last year. This increase in the effective tax rate is due to an increase in state income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased by \$1.7 million to \$61.4 million as of March 31, 2007 from \$63.1 million as of December 30, 2006. For the three months ended March 31, 2007, the decrease in cash and cash equivalents was mainly due to the timing of sales of trading securities and capital expenditures primarily related to the new brewery project. These decreases were partially offset by an increase in net income and cash provided by financing activities related to stock-based compensation arrangements.

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

Cash flows used in operating activities were \$2.1 million and cash provided by operating activities were \$18.1 million for the fiscal quarters ended March 31, 2007 and April 1, 2006, respectively. Cash provided by operating activities were significantly lower due to a \$23.2 million decrease in net proceeds of trading securities offset by a \$4.0 million increase in net income.

Cash flows used in investing activities increased by \$1.6 million due to higher capital expenditures in the first quarter 2007 primarily related to the new brewery project.

The Company continues to pursue its strategy of combining brewery ownership with brewing at breweries owned by others. The brewing arrangements with breweries owned by others have historically allowed the Company to take advantage of the excess capacity at those breweries, providing the Company flexibility, quality and cost advantages over its competitors while maintaining full control over the brewing process. As the number of available breweries declines, the risk of disruption increases, and the structure of the brewery strategy of ownership versus brewing at facilities owned by others changes. The Company continues to assess the viability of constructing a brewery in the Northeast for production capacity in excess of 1.0 million barrels of Samuel Adams® and Twisted Tea® brand products. The Company's current best estimate is that total project costs could be between \$170 million and \$210 million. The Company believes financing for this to be available. The cost of the project will ultimately depend on the final specifications. The Company also continues to evaluate other supply strategies given the growth of the craft beer category and known and unknown risks in supply chain alternatives.

During the quarter ended March 31, 2007, the Company's cash was primarily invested in high-grade taxable and tax-exempt money market funds and high-grade municipal auction rate securities with geographic diversification and short-term maturities. The Company's investment objectives are to preserve principal, maintain liquidity, optimize return on investment, and minimize expenses associated with the selection and management of investment securities.

Cash flows provided by financing activities was \$3.0 million for the quarter ended March 31, 2007 as compared to \$0.5 million for the same period last year, primarily due to a lower level of repurchases of the Company's Class A Common Stock under its Stock Repurchase Program.

During the three months ended March 31, 2007, the Company did not repurchase any of its Class A Common Stock. Through May 4, 2007, the Company has repurchased a cumulative total of approximately 7.8 million shares of its Class A Common Stock for an aggregate purchase price of \$92.6 million, and had \$7.4 million remaining on the \$100.0 million Stock Repurchase Program set by its Board of Directors. As of May 4, 2007, the Company had 10.2 million shares of Class A Common Stock and 4.1 million shares of Class B Common Stock outstanding. The Company continues to evaluate the best way to utilize its excess cash balance, and absent significant capital needs for its production strategy, may continue the Stock Repurchase Program within the parameters set by the Board of Directors.

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

With working capital of \$88.4 million and \$20.0 million in unused credit facilities as of March 31, 2007, the Company believes that its cash flows from operations and existing resources should be sufficient to meet the Company's short-term and long-term operating and capital requirements, based on its current projections of capital expenditures in 2007. The Company has increased its estimates of total capital expenditures in 2007 to be between \$17.0 and \$21.0 million, primarily driven by the need to purchase additional kegs to support its draft business. This revised estimate includes an investment between \$3 million and \$7 million in the Latrobe Brewery to support the restarting of the historic brew house and modifications to accommodate the Company's beers. Consistent with Boston Beer's commitment to the brewery, the parties are discussing the possibility of Boston Beer acquiring an ownership interest in the brewing facility. This capital expenditure estimate does not include any further investment in the new brewery project or any other major investments that result from the Company's evaluation of its long-term production strategy. The Company's capital investment would be significantly higher if major brewery investment projects are initiated. If the Company pursues this strategy, the Company would potentially seek alternative forms of funding including, but not limited to, borrowing arrangements with lending institutions.

The Company's \$20.0 million credit facility expires on March 31, 2008. The Company was not in violation of any of its covenants to the lender under the credit facility and there were no amounts outstanding under the credit facility as of the date of this filing.

2007 Outlook

The Company still expects 2007 earnings per diluted share to be between \$1.42 and \$1.55, absent any significant change in currently planned levels of brand support. The earnings per share range estimate does not include any significant brewery expenses associated with new brewery construction or ownership. As of March 31, 2007, the Company had capitalized \$3.0 million of new brewery project expenses that would need to be expensed if a decision were made not to proceed with the new brewery. The Company's ability to achieve this type of earnings growth in 2007 is dependent on its ability to achieve challenging targets for volume, pricing and costs.

THE POTENTIAL IMPACT OF KNOWN FACTS, COMMITMENTS, EVENTS AND UNCERTAINTIES

Off-balance Sheet Arrangements

At March 31, 2007, the Company did not have off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

Contractual Obligations

On March 28, 2007, the Company entered into a Brewing Services Agreement (the “Agreement”) with CBC Latrobe Acquisition, LLC (“CBC”), a Pennsylvania limited liability company whose sole member is City Brewing Company, LLC of Lacrosse, Wisconsin (“City Brewing”). Under the Agreement, the Company will be able to brew and package certain of its products at the brewery located in Latrobe, Pennsylvania that was acquired by CBC in 2006. Pursuant to the Agreement, CBC will ensure that a certain minimum capacity will be available to the Company throughout the term of the Agreement. The Company has committed to minimum production levels at the brewery during the 2007 and 2008 calendar years. As a material part of the Agreement, the Company will purchase equipment to be installed at the brewery in Latrobe for upgrades to the brew house, storage of the Company’s proprietary yeasts, and packaging of the Company’s products. Under the Agreement, CBC will be able to purchase such equipment from the Company at or prior to the end of the initial term of the Agreement at the amortized value of such equipment. City Brewing, with whom the Company currently has a brewing services agreement with respect to production at City Brewing’s brewery located in Lacrosse, Wisconsin, has guaranteed the performance of the Agreement by CBC. As part of the discussion with City Brewing, the Company is in discussions to acquire an ownership interest in the Latrobe Brewery. The expected capital expenditures related to the Agreement and these discussions are between \$3 million and \$7 million.

There were no other material changes outside of the ordinary course of the Company’s business to contractual obligations during the three month period ended March 31, 2007.

Critical Accounting Policies

There were no material changes to the Company’s critical accounting policies during the three month period ended March 31, 2007.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Company is required to adopt the provisions of SFAS No. 157 in the first quarter of 2008. The Company believes that the adoption of SFAS No. 157 will not have a material effect on its consolidated financial position, operations and cash flows.

In September 2006, the FASB issued SFAS No. 158, *Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans, an Amendment of FASB Statements No. 87, 88, 106 and 132(R)*, which applies to all plan sponsors who offer defined benefit postretirement plans. SFAS No. 158 requires recognition of the funded status of a defined benefit postretirement plan in the statement of financial position and expanded disclosures in the notes to financial statements. The Company adopted this provision for the year ended December 30, 2006 and the adoption did not have a material impact on its consolidated financial position. In addition, SFAS No. 158 requires measurement of plan assets and benefit obligations as of the date of the plan sponsor’s fiscal year end. The Company is required to adopt the measurement provision of SFAS No. 158 for its fiscal year ending December 27, 2008. The Company is in the process of evaluating the impact of the measurement provision of SFAS No. 158 on its 2008 consolidated financial position, operations and cash flows.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. SFAS No. 159 permits companies to choose to measure many financial instruments at fair value, that are not currently required to be measured at fair value, at specified election dates under its fair value option. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings at each subsequent reporting date. This Statement also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. The Company is required to adopt the provisions of SFAS No. 159 in the first quarter of 2008. The Company is in the process of evaluating the impact of SFAS No. 159 on its 2008 consolidated financial position, operations and cash flows.

FORWARD-LOOKING STATEMENTS

In this Quarterly Report on Form 10-Q and in other documents incorporated herein, as well as in oral statements made by the Company, statements that are prefaced with the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “intend,” “designed” and similar expressions, are intended to identify forward-looking statements regarding events, conditions, and financial trends that may affect the Company’s future plans of operations, business strategy, results of operations and financial position. These statements are based on the Company’s current expectations and estimates as to prospective events and circumstances about which the Company can give no firm assurance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect subsequent events or circumstances. Forward-looking statements should not be relied upon as a prediction of actual future financial condition or results. These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or unanticipated. Such risks and uncertainties include the factors set forth below in addition to the other information set forth in this Quarterly Report on Form 10-Q and in the section titled “Other Risks and Uncertainties” in the Company’s Annual Report on Form 10-K for the year ended December 30, 2006.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Since December 30, 2006, there have been no significant changes in the Company’s exposures to interest rate or foreign currency rate fluctuations. The Company currently does not enter into derivatives or other market risk sensitive instruments for the purpose of hedging or for trading purposes.

Item 4. CONTROLS AND PROCEDURES

As of March 31, 2007, the Company conducted an evaluation under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of the Company’s disclosure controls and procedures as defined in Rule 13a-15 of the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods and that such disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

[Table of Contents](#)

There was no change in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company, along with numerous other beverage alcohol producers, has been named as a defendant in a number of class action law suits in several states relating to advertising practices and under-age consumption. Each complaint contains substantially the same allegations that each defendant marketed its products to under-age drinkers and seeks an injunction and unspecified money damages on behalf of a class of parents and guardians. The Company has been defending this litigation vigorously. Two of the complaints have been withdrawn by the plaintiffs and all of the other active complaints have been dismissed with prejudice. However, the plaintiffs have appealed each of those dismissals. The appeals are in their earliest stages and it is not possible at this time to determine their likely outcome or the impact on the Company.

In November 2004, Royal Insurance Company of America and its affiliate ("RICA"), the Company's liability insurer during most of the period covered by the above-referenced complaints, filed a complaint in Ohio seeking declaratory judgment that RICA owes no duty to defend or indemnify the Company in the underlying actions filed in Ohio and has subsequently filed a motion for summary judgment. In April 2007, RICA's motion for summary judgment was denied and the court found that RICA has a duty to defend the Company in these underlying actions.

In July 2005, Royal Indemnity Company, successor in interest to RICA and its affiliate ("Royal"), filed a complaint in New York seeking declaratory judgment that Royal owes no duty to defend or indemnify the Company in five underlying actions filed in states other than Ohio, which was dismissed in November 2005. In August 2005, the Massachusetts Bay Insurance Company ("MBIC"), the Company's liability insurer for parts of 2004 and 2005, filed a complaint in Massachusetts seeking declaratory judgment that MBIC owes no duty to defend or indemnify the Company in the underlying actions filed during the policy period and that MBIC owes no duty to contribute to any obligation of Royal to defend or indemnify the Company as to those underlying actions. Royal joined in the MBIC action with its own declaratory judgment claim that it owes no duty to defend the Company in the five underlying actions filed in states other than Ohio. In December 2006, the motion for summary judgment was denied, resulting in declaration that the insurers do have a duty to defend the Company with respect to the underlying actions. Both Royal and MBIC have appealed this judgment.

The Company continues to believe that it has meritorious defenses, that it is entitled to insurance coverage of its defense costs with respect to the underlying class actions, and that it is premature to litigate indemnification issues for the class actions. However, the Company is not able to predict at this time the ultimate outcome of these insurance coverage disputes.

The Company is not a party to any other pending or threatened litigation, the outcome of which would be expected to have a material adverse effect upon its financial condition or the results of its operations.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 30, 2006, which could materially affect the Company's business, financial condition or future results. The risks described in the Company's Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

As of May 4, 2007, the Company has repurchased a cumulative total of approximately 7.8 million shares of its Class A Common Stock for an aggregate purchase price of \$92.6 million and had \$7.4 million remaining on the \$100.0 million share buyback expenditure limit.

During the three months ended March 31, 2007, the Company repurchased 268 shares of its Class A Common Stock as illustrated in the table below:

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
December 31, 2006 to February 3, 2007	—	\$ —	—	\$ 7,396,644
February 4, 2007 to March 3, 2007	—	—	—	7,396,644
March 4, 2007 to March 31, 2007	268	12.61	—	7,396,644
Total	268	\$ 12.61	—	\$ 7,396,644

All shares purchased during the current period represent repurchases of unvested investment shares issued under the Investment Share Program of the Company's Employee Equity Incentive Plan.

As of May 4, 2007, the Company had 10.2 million shares of Class A Common Stock outstanding and 4.1 million shares of Class B Common Stock outstanding.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

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

In February 2007, the sole holder of the Company's Class B Common Stock accepted the recommendations of the Compensation Committee of the Company's Board of Directors with respect to the bonus to be paid to the Company's CEO for his performance against his 2006 bonus goals and with respect to the CEO's annual base salary for 2007.

Item 5. OTHER INFORMATION

Not Applicable

[Table of Contents](#)

Item 6. EXHIBITS

<u>Exhibit No.</u>	<u>Title</u>
*+10.55	Amended and Restated Brewing Services Agreement between City Brewing Company LLC and Boston Beer Corporation effective as of August 1, 2006, as amended by Amendment dated April 10, 2007 and effective August 31, 2006.
*10.56	Addendum to Production Agreement between Miller Brewing Company and Boston Beer Corporation effective August 31, 2006.
*+10.57	Brewing Services Agreement between CBC Latrobe Acquisition, LLC and Boston Beer Corporation dated March 28, 2007.
11.1	The information required by Exhibit 11 has been included in Note D of the notes to the consolidated financial statements.
*31.1	Certification of the President and Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of the President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* 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.

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: May 10, 2007

By: /s/ Martin F. Roper
Martin F. Roper
President and Chief Executive Officer
(principal executive officer)

Date: May 10, 2007

By: /s/ William F. Urich
William F. Urich
Chief Financial Officer
(principal accounting and financial officer)

[*] DENOTES EXPURGATED INFORMATION

AMENDED AND REINSTATED BREWING SERVICES AGREEMENT
BETWEEN
CITY BREWING COMPANY, LLC
AND
BOSTON BEER CORPORATION

AGREEMENT entered into effective as of the 1st day of August, 2006 (the "Effective Date"), by and between CITY BREWING COMPANY, LLC, a Wisconsin limited liability company ("City Brewing"), and BOSTON BEER CORPORATION, a Massachusetts corporation ("Boston Beer"). Boston Beer and City Brewing are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

City Brewing and Boston Beer desire to enter into an agreement pursuant to which Boston Beer's proprietary malt beverages shall be brewed and packaged at City Brewing's facility located in La Crosse, Wisconsin (the "Brewery").

ACCORDINGLY, in consideration of the mutual agreements contained in this Agreement, the Parties, intending to be legally bound, hereby agree, as follows:

1. SCOPE OF AGREEMENT.

(a) During the Term of this Agreement, as defined in Section 5 below, and in accordance with the terms and conditions set forth herein, City Brewing shall give Boston Beer access to the Brewery and to make available to Boston Beer City Brewing's production personnel to allow Boston Beer to produce Boston Beer's proprietary Beer Products.

(b) For purposes of this Agreement, Boston Beer's "Beer Products" shall include those products set forth in Exhibit A attached hereto. Boston Beer shall periodically provide to City Brewing an updated schedule of all Boston Beer products which Boston Beer deems to be Beer Products, subject to this Agreement.

2. CONTROL OF PRODUCTION OF BEER PRODUCTS; PUBLIC STATEMENTS.

(a) It is the intention of the Parties that City Brewing will alternate proprietorship of the Brewery with Boston Beer so that Boston Beer will function as the brewer when the Beer Products are brewed and packaged at the Brewery ("Alternating Proprietorship"). All Beer Products shall be brewed and packaged according to Boston Beer's specifications, including the maintenance of standards and quality control programs. Boston Beer shall have ultimate responsibility and authority over every detail of the production process for Beer Products at the Brewery, with such responsibility and authority as to those parameters affecting beer taste and quality to be the same as if Boston Beer were the owner of the Brewery. Boston Beer shall monitor and review the practices and procedures of City Brewing in the production and packaging of Beer Products and periodically inspect the Brewery. The Beer Products shall be separated and identifiable from the beer products by City Brewing for itself or other brewers at all stages, including prior to fermentation, during fermentation, during cellar storage and as finished beer after production and before removal from the Brewery. If a decision made by Boston Beer in the exercise of its authority under this Section 2(a) results in additional costs

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over and above the costs of the then current operations, City Brewing shall be

entitled to be reimbursed by Boston Beer for such costs. In addition, in the exercise of its authority under this Section 2(a), Boston Beer shall not interfere with City Brewing's production processes for its own proprietary brands or for other brands that it produces under contract with third parties.

(b) Consistent with the provisions of Section 2(a) above, City Brewing and Boston Beer will, in any and all public statements or comments, recognize that Boston Beer controls the ingredients, recipe, brewing processes and procedures and quality and taste parameters for all Beer Products produced at the Brewery and that Boston Beer is the brewer of all such Beer Products. Neither party will make any public statements inconsistent with the foregoing.

(c) Each Party agrees to take all commercially reasonable steps to prevent any of its personnel from making disparaging or otherwise adverse remarks about the products of the other Party.

3. COMMITTED CAPACITY; COMMITMENT FEE.

(a) During the Term, City Brewing shall make available to Boston Beer for brewing of Beer Products up to [*] per month, and up to [*] per calendar year, of production at the Brewery (the "Committed Capacity"). The Committed Capacity is based on anticipated tank usage and availability and shall be increased or decreased in inverse proportion to the extent that actual average tank usage varies from five weeks per storage cycle. Boston Beer will, however, endeavor, to the extent reasonably possible, to provide City Brewing with fifty (50) days advance written notice of any expected increase or decrease in its expected production requirements which varies more than [*] from any previously submitted monthly forecasts for the period in question, in order to allow City Brewing to plan its capacity utilization at any Brewery. Beer Products shall primarily be produced in packaged units described in Section 7 below.

(b) Boston Beer shall pay a commitment fee to City Brewing in the amount of [*] for any year in which Boston Beer does not brew at least [*] of Beer Products at the Brewery pursuant to this Agreement, such fee to be due and payable within sixty (60) days after the end of the applicable calendar year.

4. FEE AND MANNER OF PAYMENT.

(a) Boston Beer shall pay City Brewing a brewing fee (the "Fee") for allowing Boston Beer access to the Brewery and use of City Brewing's employees for the production of the Beer Products produced at the Brewery as set forth in the Fee Schedule attached hereto as Exhibit B. The Fee for other packaging units not listed in Exhibit B shall be set by the Parties based on proportionate volume and packaging efficiencies relative to the units described in said Exhibit. City Brewing shall be entitled to increase each Fee, effective as of January 1 in each year while the Agreement remains in effect (the "inflation adjustment"), with the first such increase pursuant to this Agreement to be effective as of January 1, 2007, at a rate equal to [*] of the increase in the consumer price index in the preceding [*]. On the first January 1st after new or extended agreements with the bargaining units at the Brewery covering at least [*] of the Brewery workers are completed, and on each subsequent January 1st, if so decided by City Brewing, in lieu of the "inflation adjustment", the Fee will be increased by [*] of the average percentage increase in the wages of those bargaining units for the preceding [*].

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(b) The Fee includes compensation for City Brewing's employees, overhead, profit, and other costs, including lab tests listed in Exhibit D, incurred by City Brewing in the production of packaged Beer Products suitable for shipment by truck.

(c) The Fee excludes any federal and state excise taxes, which shall be paid by Boston Beer.

(d) City Brewing shall invoice daily for wort produced and transferred to fermentation that day. Boston Beer shall pay such invoice within [*]. Upon completion of packaging the Beer Products in cases or kegs, City Brewing shall send Boston Beer a final invoice representing the Fee and any additional Brewing Materials and non-Boston Beer owned packaging supplied by City Brewing. Boston Beer shall pay the final invoice within [*].

(e) City Brewing shall provide electronic reports to Boston Beer, in form and content mutually acceptable to the parties, showing the quantity of Beer Products actually shipped to customers of Boston Beer on the previous day.

(f) City Brewing shall have the right to increase the Fee to reflect City Brewing's actual incremental cost for any special services which use a more expensive brewing process or longer time frames or which have more expensive packaging processes than used to produce Samuel Adams Boston Lager(R). Fees and payment terms for special services shall be mutually agreed to in writing and in accordance with the foregoing provisions of this Section 4, including the timely invoicing requirements of paragraph (e) above.

Boston Beer shall be entitled to a proportional reduction in the Fee to the extent that City Brewing is able to achieve variable cost savings through changes in production procedures initiated by Boston Beer or arising out of any investment made by Boston Beer in City Brewing facilities, whether made prior or subsequent to the date of this Agreement.

(h) Volume Rebate: The Fee will be adjusted for each package based on the following volume reduction schedule, if in any calendar year the volume of Products produced reaches the following volume levels:

[*]

5. TERM.

The term of this Agreement (the "Term") shall commence as of the Effective Date and shall continue until terminated pursuant to Section 6 hereof. The Parties acknowledge that either Party's obligations pursuant to this Agreement to make payments to the other Party and the Parties' respective obligations under Sections 4 and 13, and City Brewing's obligations under Sections 14 and 15 shall survive the termination of this Agreement.

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

-3-

6. TERMINATION.

(a) Either Party may terminate this Agreement for any reason whatsoever on not less than twenty-four (24) months' prior written notice to the other Party, effective at any time on or after [*].

(b) Boston Beer may also terminate this Agreement effectively immediately upon written notice in the event that City Brewing is in default of any of its obligations to allow Boston Beer to brew, package and ship any Beer Products, which default continues for a period of [*] following receipt by City Brewing of written notice from Boston Beer regarding such default (each such event is hereinafter referred to as a "City Brewing Production Default".) City Brewing shall not be deemed to be in default of its obligations for purposes of this Section 6(b), if it is in good faith both seeking to correct the circumstances

giving rise to its failure to allow Boston Beer to brew, package and ship Beer Products and honoring its obligations under Section 14 hereof, to the extent applicable.

(c) Boston Beer may also terminate this Agreement effective immediately if (i) all or substantially all of City Brewing's business or assets have been acquired by a third party or (ii) a transaction or series of transactions results in the majority of voting control of City Brewing being acquired by a person or persons not currently holding an equity interest in City Brewery.

(d) City Brewing may terminate this Agreement on [*] prior written notice to Boston Beer in the event that Boston Beer is in arrears in payment of undisputed amounts (i) for the production of Beer Products in excess of [*] or (ii) for other charges in excess of [*], and such arrearage has remained outstanding for in excess of [*] after written demand for payment was made by City Brewing.

(e) In the event of bankruptcy by either Party, the non-bankruptcy Party shall have the right to terminate this Agreement.

(f) Upon termination of this Agreement, Boston Beer shall promptly pay to City Brewing all unpaid invoices in full and all unpaid costs incurred by City Brewing pursuant to this Agreement. City Brewing will use all reasonable efforts to minimize such costs upon termination, and Boston Beer will have the right to review documentation evidencing such costs.

7. PACKAGING, DEPOSITS AND MINIMUM PRODUCTION REQUESTS.

(a) Packaging of Beer Products shall consist of (i) twenty-four 12-ounce bottles, whether packaged as a 24 bottle loose case, a four 6-pack case or a two 12-pack case (each a "12-oz. Case Unit"), (ii) twelve 24-ounce bottles (a "24 oz. Case Unit"), (iii) 5.2 U.S. gallons (a "One-Sixth Barrel"), (iv) 7.75 U.S. gallons (a "Quarter Barrel"), and (v) 15.50 U.S. gallons (a "Half Barrel"), and any other package types or configurations that the parties mutually agree to use for packaging such Products. All kegs used will be Sankey-style kegs. Boston Beer has the right, subject to the approval of City Brewing, which approval will not be unreasonably withheld, to make changes in the packaging used to produce the Beer Products, including but not limited to, the packaging of the Beer Products in can units. The price for packaging in cans will be adjusted by the difference in City Brewing's costs between packaging in bottles and cans.

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

-4-

(b) Boston Beer shall have the right to package Beer Products at least [*]. Boston Beer shall submit production requests by the 10th of the preceding month not less than one production run (at present equivalent to one brew in the brew house, 200 Kegs on the racking line and 12,000 12-oz. Case Units and 3,000 24-oz. Case Units in the bottling line). Boston Beer acknowledges and agrees that the minimum production request applies to each beer style, individually, rather than in combination; provided, however, that production requests for the bottling line may consist of one shift (currently averaging 12,000 Case Units) of the Beer Products in combination and any bottling line order shall not be less than 3,000 Case Units of each beer style, except that for twenty-four ounce (24 oz.) bottles, an order may be comprised of as many as three styles of at least 1,000 cases each.

8. PACKAGING MATERIALS AND BREWING MATERIALS.

(a) Crowns, bottles, labels, six-packs, cases, partitions and other packing materials for Beer products (collectively, "Packaging Materials"), or any applicable federal or state taxes (but specifically excluding any taxes in the

nature of a tax on income or profits) are not included in the Fee and shall be borne directly by Boston Beer. All Packaging Materials supplied by Boston Beer to be used in the production of Beer Products shall be (i) purchased directly by Boston Beer at its cost for delivery to City Brewing, (ii) the property solely and exclusively of Boston Beer, and (iii) segregated and identified as such at the Brewery. City Brewing acknowledges that Boston Beer shall be afforded unrestricted 24-hour access to the facility.

(b) Boston Beer shall invoice City Brewing for all hops and flavorings shipped to City Brewing from Boston Beer's cold storage warehouse and City Brewing shall pay such invoice within [*]. City Brewing shall then provide all Brewing Materials, including but not limited to [*], for the brewing of beer and invoice Boston Beer when liquid is transferred to fermentation in accordance with the provisions of Section 4 (d).

(c) City Brewing shall provide to Boston Beer perpetual inventory of all Beer Products in progress, finished goods and Packaging Materials on a weekly basis and shall perform such inspections, counts, and other receiving checks similar to those performed on their own materials.

(d) Each quarter, on dates to be chosen by Boston Beer, Boston Beer shall, at its own expense, perform a physical inventory of all (i) Brewing Materials, (ii) Beer Products in process, and (iii) finished goods.

9. RISK OF LOSS.

Boston Beer shall bear the risk of loss for the Packaging Materials, Brewing Materials, Beer Products in process and finished goods, except where losses arise as a result of negligence or willful misconduct of City Brewing.

10. BREWERY OF RECORD.

(a) To the extent requested by Boston Beer, City Brewing shall use all commercially reasonable efforts to establish and maintain an Alternating Proprietorship at the Brewery, and, subject to and in compliance with all applicable federal, state or local laws, rules and regulations, to identify Boston, Massachusetts, as the sole label source for Beer Products.

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-5-

Boston Beer agrees to reimburse City Brewing promptly for its reasonable out-of-pocket costs, including, without limitation, legal expenses and increased clerical costs, incurred in connection therewith.

(b) City Brewing shall provide to Boston Beer, no less than five (5) calendar days prior to the date on which Boston Beer is required to submit its excise tax return and pay taxes as may be due to the TTB on the Beer Products that have been shipped from the Brewery, all information necessary for Boston Beer to make such submission and to pay such taxes. City Brewing shall also provide to Boston Beer on a timely basis such information as may be required in order for Boston Beer to complete and submit the Monthly Brewer's Report of Operations on Form 5130.9 to the TTB when due and such other reports and filings as may be necessary and or appropriate for Boston Beer to comply with applicable laws as the alternating proprietor of the Brewery with respect to the Beer Products.

11. STORAGE.

The Fee shall include storage of reasonable quantities of packaged Beer Products for [*]. City Brewing shall be entitled to charge Boston Beer a reasonable fee for the handling and storage of Beer Products beyond [*].

12. FORCE MAJEURE.

(a) If City Brewing is unable, by reason of a labor dispute, governmental action, act of God or the like, to perform its obligations as Host, it shall, in any event, to the extent it is still able to maintain production at such Brewery, continue to perform such services for Boston Beer at such Brewery in proportion to the capacity at such Brewery dedicated to the production of the Beer Products prior to the occurrence of the event in question.

13. CHANGE PARTS AND BREWERY MODIFICATIONS.

Boston Beer will pay for all Change Parts and Brewery modifications that are unique to running Boston Beer's packaged Beer Products, provided that City Brewing does not have such parts existing at the Brewery in question, Boston Beer shall retain ownership and title to the Change Parts and Boston Beer will have the responsibility to pay for any materials and repairs required to keep the Change Parts functioning to specifications. The Change Parts shall not be used in the manufacture of products other than those listed in Exhibit A or otherwise authorized in writing by Boston Beer.

14. AGENCY AND INDEMNIFICATION.

City Brewing and Boston Beer understand and agree that neither Party is, by virtue of this Agreement or anything contained herein, including City Brewing affixing to any Product and/or registering the name of "The Boston Beer Company," "Boston Beer Company," or "Twisted Tea Brewing Company" constituted or appointed the agent of the other Party for any purpose whatsoever, nor shall anything herein contained be deemed or construed as granting Boston Beer or City Brewing any right or authority to assume or to create any obligation or responsibility, express or implied, for or on behalf of or in the name of the other, or to bind the other in any manner or way whatsoever. Boston Beer shall indemnify and hold harmless City Brewing from and against any and all claims, expenses, causes of action or liabilities of any

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-6-

nature whatsoever (collectively, "Damages"), to the extent that Damages arise solely from the independent conduct of Boston Beer; provided that Damages shall not include any loss, liability, cost or expense incurred by City Brewing as a consequence of the exercise by Boston Beer of any of its rights under this Agreement.

15. PRODUCT LIABILITY.

(a) City Brewing and Boston Beer shall each maintain product liability insurance of not less than [*] and in the amount of [*] combined single limit in the aggregate relating to the Beer Products produced at the Brewery.

(b) City Brewing shall indemnify and hold harmless Boston Beer and all of its affiliates from and against any and all loss, liability, cost or expense of any nature whatsoever, including reasonable attorneys' fees (collectively, "Product Liability Damages"), arising out of or associated with all claims made against Boston Beer by any party or parties for personal injury or property damage caused by impurities, defects, or adulteration of any kind in the Beer Products manufactured and/or packaged at the Brewery, regardless of when manufactured or packaged; except to the extent that (i) Product Liability Damages when caused solely by (i) Boston Beer's improper storage, handling, or alteration of the Beer Products in question; (ii) Packaging Materials or Brewing Materials purchased, specified or otherwise approved by Boston Beer subsequent to written notice from City Brewing reasonably advising that such Packaging

Materials or Brewing Materials should not be used in the Beer Products for health and safety reasons: or (iii) Product Liability Damages resulting from inherent properties and/or characteristics of the Beer Products, including, by way of example and not of limitation, health and intoxicating effects of the Beer Products.

(c) Boston Beer shall indemnify and hold harmless City Brewing and all of its affiliates from and against any and all Product Liability Damages to the extent arising out of the causes except from City Brewing's indemnification obligations under Section 15(b) above.

(d) Notwithstanding the provisions of Sections 15(b) and (c) above, in no event shall either Party be liable to indemnify the other Party for consequential damages suffered by the other Party in an amount greater than one (1) times the aggregate Fee paid by Boston Beer for all Beer Products produced hereunder during the twelve (12) months preceding the month in which occurred the event giving rise to the claim for indemnification, unless such consequential damages are caused by the negligence or willful misconduct of the other Party

16. TRADEMARKS.

(a) City Brewing acknowledges that no trademark or trade name rights in any of the trademarks, trade names, service marks, domain names or logos owned by Boston Beer, including specifically but without limitation those identified on the Trademark Schedule attached hereto as Exhibit C (collectively, the "Trademarks") are granted by this Agreement.

(b) Boston Beer hereby represents, warrants and covenants that it has and will maintain the right to use the Trademarks and will indemnify and hold harmless City Brewing from any claim of alleged infringement brought by any party against City Brewing, including, but not limited to, City Brewing's reasonable costs of legal expenses.

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

-7-

17. SUCCESSORS AND ASSIGNS: FUTURE POTENTIAL ACQUISITIONS.

(a) The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, but shall not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld. No failure of a Party to consent to a proposed assignment of this Agreement by the other Party shall be deemed unreasonable if such Party believes in good faith that the proposed assignee is not capable of performing the financial or production obligations of the Party proposing to assign this Agreement. Transfer of ownership to a parent, subsidiary or affiliate of a Party shall not be deemed an assignment under this Section 17.

(b) Assignment of this Agreement shall not relieve the assigning Party of its financial obligations hereunder, including its indemnification obligations, if an assignee defaults in the performance of its assigned obligations.

(c) In the event that Boston Beer shall acquire substantially all of the business and assets of another company which produces and/or distributes beer, or, shall acquire all right, title and interest in and to the brands and trademarks of another company (hereinafter the "Acquired"), then, in such event, if the Acquired has products already being produced by City Brewing, then City Brewing agrees to make available to Boston Beer, for the same period of time that City Brewing has pre-existing commitments for the Acquired, such additional capacity which is equivalent to that with the Acquired; provided, however, that

the terms and conditions governing production, including pricing, shall be governed by the terms of this Agreement.

(d) If City Brewing acquires substantially all of the business and assets of another company which produces beer or acquires an additional brewery facility (hereinafter a "City Brewing Acquired Brewery"), then, in such event, if the City Brewing Acquired Brewery has a pre-existing agreement with Boston Beer for the production of Beer Products, City Brewing agrees to continue to make available to Boston Beer, for the same period of time which existed under the pre-existing agreement between Boston Beer and the City Brewing Acquired Brewery, the same capacity as had been committed to Boston Beer by the City Brewing Acquired Brewery; provided, however, that the terms and conditions governing production, including pricing, shall be governed by the terms of this Agreement.

18. GOVERNING LAW.

This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Massachusetts.

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

-8-

19. ARBITRATION.

Any disagreement, dispute, controversy or claim with respect to the validity of this Agreement or arising out of or in relation to the Agreement, or breach hereof, shall be finally settled by arbitration in a mutually agreeable location other than New York, New York, Boston, Massachusetts or Chicago, Illinois, in accordance with the articles of the American Arbitration Association for Commercial Arbitration. The arbitrators shall have the right to assess costs, including legal expenses, in favor of the prevailing Party, including, if applicable, travel costs. Notwithstanding the foregoing, the Parties may have recourse to the courts of the United States of America for the purpose of obtaining preliminary injunctive relief.

20. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same document.

21. AMENDMENTS.

No amendment, change, or modification of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed or initialed on behalf of the parties hereto by their duly authorized representatives.

22. NO THIRD PARTY BENEFICIARIES.

City Brewing and Boston Beer agree that this Agreement is solely for their benefit and does not nor is it intended to create any rights in favor of, or obligations owing to, any person not a party to this Agreement.

23. MERGER; SEPARABILITY.

This Agreement terminates and supersedes all prior formal or informal understandings among the Parties with respect to the subject matter contained herein. Should any provision or provisions of this Agreement be deemed ineffective or void for any reason whatsoever, such provision or provisions shall be deemed separable and shall not affect the validity of any other

provision.

24. NON-EXCLUSIVE NATURE OF AGREEMENT.

(a) Nothing contained in this Agreement shall require Boston Beer to avail itself of the Committed Capacity or preclude Boston Beer from engaging any other brewer for the purpose of producing and distributing Beer Products.

(b) Boston Beer acknowledges that City Brewing's business includes brewing specialty malt beverage products, including products that may compete directly with, use the same brewing ingredients and formulae as, and/or are of the same style as one or more of the Beer Products. Boston Beer agrees that nothing contained in this Section 24 shall in any manner prevent, limit, restrict or otherwise affect City Brewing's right to continue and expand such aspect of its business, including by introducing new products that compete directly with existing Beer Products, so long as City Brewing does not intentionally (i) copy the identical

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-9-

brewing formulae and ingredients of any Beer Product, (ii) use any proprietary yeast specifically supplied to City Brewing by Boston Beer solely for use in producing Beer Products; or (iii) use labeling or other packaging which infringes any of Boston Beer's Trademarks or copies Boston Beer's marketing position and strategy.

25. YEAST STRAINS.

City Brewing will keep all yeast strains provided by Boston Beer free of any contamination and will not use such yeast strains for the brewing of any beers other than the Beer Products. The obligations of City Brewing under this Section 25 shall survive any termination of this Agreement. City Brewing shall, upon the request of Boston Beer, return any proprietary yeast strains it may have in its possession or under its control.

26. LABORATORY ANALYSIS; QUALITY ASSURANCE

City Brewing will perform the laboratory analysis and monitor production and packaging of the Beer Products in accordance with standards set forth on Exhibit D attached hereto. Under such procedures, City Brewing will examine samples of each Product prior to and after packaging.

27. CONFIDENTIALITY.

The Parties agree that, except as they shall otherwise mutually determine from time to time, the terms of this Agreement and any notices given hereunder or other communications with respect to the substance of the relationship between them shall be maintained in confidence; provided that each Party shall be permitted to make such disclosures of confidential information to such courts and other public or governmental agencies as their counsel shall deem necessary to maintain compliance with and to prevent violation of applicable federal or state laws.

28. NOTICES.

All notices required herein shall be given by certified mail, return receipt requested, or by overnight courier service, to the following addresses (unless change thereof - has previously been given to the party giving notice) and shall be deemed effective when received:

If to Boston Beer:

Jeffrey D. White, Chief Operating Officer
Boston Beer Corporation
75 Arlington Street
Boston, MA 02116

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-10-

with a copy to:

Legal Department
Boston Beer Corporation
75 Arlington Street
Boston, MA 02116

If to City Brewing:

Randy Hull, Vice President of Business Development
City Brewing Company, LLC
925 South Third Street
La Crosse, WI 54601

29. RIGHTS OF OFFSET.

City Brewing and Boston Beer agree that, to the extent that either of them is at any time owed money by the other Party, including on regular invoices sent as provided herein, such Party may set off such amount against any undisputed monies owed by it to such Party from time to time, any such set-off to be accomplished by written notice to the owing Party, effective upon being sent.

30. DELIVERIES TO JOINT WHOLESALERS.

To the extent permitted by applicable law and at the request of Boston Beer, City Brewing will combine Beer Products and City Brewing products in single truckloads for delivery to "Joint Wholesalers," in which case freight costs shall be pro-rated. For this purpose, a "Joint Wholesaler" is a licensed beer wholesaler that has been duly authorized by both Boston Beer and City Brewing to distribute their respective products. City Brewing and Boston Beer will cooperate with each other in the coordination of order entry so as to facilitate such single truckload deliveries.

31. LIMITATION ON PERIOD OF CLAIMS.

Except as otherwise provided in this Agreement with respect to specific issues, all claims hereunder must be brought no later than one (1) year after such claim arose or the Party having such claim shall be deemed to have waived or forever released it; provided that, for purposes of this Section 31, a claim based on a claim by a third party shall be deemed to have arisen at the time that the Party asserting a claim first became aware of it.

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-11-

IN WITNESS WHEREOF, City Brewing and Boston Beer have executed this

Agreement as of the date first above written.

CITY BREWING COMPANY, LLC

By: /s/ Kenn Yartz

Kenn Yartz, Chief Operating Officer

BOSTON BEER CORPORATION

By: /s/ Martin F. Roper

Martin F. Roper, President and CEO

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-12-

Exhibit A

Beer Products

[*]

and any substitutions therefor and such other malt beverages as may be requested by Boston Beer from time to time and subject to approval by City Brewing, which approval will not be unreasonably withheld.

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-13-

Exhibit B

Fee Schedule

[*]

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

-14-

Exhibit C

Schedule of Trademarks

TRADEMARK -----	REGISTRATION NO., IF APPLICABLE -----	DATE OF ISSUANCE -----
Sam Adams (R)	1,987,061	July 16, 1996
Sam Adams (R) (Stylized)	2,054,509	April 22, 1997
Samuel Adams (R)	1,987,062	July 16, 1996
Samuel Adams Portrait Logo (R)	2,402,492	November 7, 2000
Samuel Adams Boston Lager (R)	1,522,026	January 24, 1989
Sam Adams Light (R)	2,597,646	July 23, 2002
Twisted Tea (R)	2,574,263	May 28, 2002

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-15-

Exhibit D

Laboratory Analysis and Quality Assurance Monitoring Procedures

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - WORT

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
pH	Each Brew
Starch Conversion (Brewing Dept.)	Each Brew
Color	As Requested
Dissolved Oxygen	1 Brew Weekly

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BEER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
END OF FERMENTATION	
Original Gravity	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Real Degree of Attenuation	Each Tank
VDK	Each Tank
pH	Each Tank
IBU	As Requested
Color	As Requested
RUH BEER	
Original Gravity	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Real Degree of Attenuation	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
pH	Each Tank
IBU	Each Tank

Color	Each Tank
Sensory Evaluation	Each Tank

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-16-

Exhibit D cont.

Laboratory Analysis and Quality Assurance Monitoring Procedures

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BEER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
PACKAGE RELEASE BEER	
Original Gravity	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Color	Each Tank
pH	Each Tank
Turbidity	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
CO2 (Brewing Dept.)	Each Tank
Temperature (Brewing Dept.)	Each Tank
Sensory Evaluation	Each Tank

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - WATER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
RAW WATER	
pH	Weekly
Alkalinity	Weekly
Turbidity	Weekly
Sensory Evaluation	Weekly
CARBON TREATED WATER	
Carbon	Weekly
BREWING WATER AND R.O. WATER	
pH	Daily
Alkalinity	Daily
Conductance	Daily
Turbidity	Daily
Sensory Evaluation	Daily
DILUENT	
Dissolved Oxygen (Brewing Dept.)	Each Tank

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Exhibit D cont.

Laboratory Analysis and Quality Assurance Monitoring Procedures

STANDARD ANALYTICAL TESTING SCHEDULE - PACKAGING - ALL PRODUCTS

TYPE OF TEST - PRODUCT -----	MINIMUM TEST FREQUENCY -----
Package Air (bottles and cans)	3 units/2 hours and Each Tank Change
CO2 (bottles and cans)	3 units/2 hours and Each Tank Change
Fill Volume (bottles and cans)	5 units/2 hours and Each Tank Change
Product Analysis (alcohol, RE, OG)	Start-up and Each Tank Change
NA Beer Analysis (alcohol, RE, OG)	Start and End of Each Run
TYPE OF TEST - PACKAGE	
Crown Crimp Check (Packaging Dept.)	2 sets/shift/crowner
Removal Torque	1 set/shift/crowner or capper
Filled Carton Package Evaluation (Packaging Dept.)	48 units/2 times/shift/line
Metal Exposure (cans)	12 units/2 times/shift/line
1st Operation Seam Check	1/week and after seamer maintenance
2nd Operation Seam Check	1/shift/seamer
Can Lubricant Contamination	1/shift/seamer
Seamer Lubricant Check (Packaging Dept.)	2/shift
Can Filtec Rejects Visual (Packaging Dept.)	Every hour/line
Sensory Evaluation	Each Tank Change
PACKAGING LINE EQUIPMENT	
Glass Inclusion Monitoring (QA/Packaging)	24 bottles/2 hrs. and 100 bottles at Start-up
Pasteurizer Temperature Monitoring (Packaging Dept.)	Every 2 hours/line
Pasteurizer PU Check (non-Juice products)	1/week/line and at changeovers
Pasteurizer PU Check (Juice products)	2/shift and at changeovers
Pasteurizer Pressure Switch Check (Packaging Dept.)	1/shift/line
Package Filtec Check (Packaging Dept.)	Every 2 hours/line
Full Case Filtec Check (Packaging Dept.)	2/shift/line
Date Coding-cans, bottles, carriers, cartons (Packaging)	Every 2 hours and line and changeovers
Carton Set-up and Gluing (Packaging Dept.)	Every 30 minutes/line

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BLENDED PRODUCTS

PRODUCT RELEASE TANKS

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
Original Gravity	Each Tank
Specific Gravity	Each Tank

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-18-

Exhibit D cont.

Laboratory Analysis and Quality Assurance Monitoring Procedures

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BLENDED PRODUCTS

PRODUCT RELEASE TANKS

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
Refractive Index	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Color	Each Tank
pH	Each Tank
Turbidity	Each Tank
Degrees Brix	Each Tank
Total Acidity	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
CO(2) (Brewing Dept.)	Each Tank
Temperature (Brewing Dept.)	Each Tank
Sensory Evaluation	Each Tank

STANDARD ANALYTICAL TESTING SCHEDULE - MICROBIOLOGY

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
WORT	
Cooler Wort (aerobes and anaerobes)	1/week
Pitched Wort (aerobes and anaerobes)	Each Fermenter
Pitched Wort Cell Count	1/week
Yeast % Solids (Brewing)	Each Brink
Dead Cell Count	1/day

IN-PROCESS PRODUCT

Ruh Storage Tanks (aerobes and anaerobes)	Each Tank
Package Release Tanks (aerobes and anaerobes)	Each/1 week
Filter Series (aerobes and anaerobes)	1/week
Extended Age Product >28 days	1/week/tank

PACKAGED PRODUCT

Bottles and Cans (aerobes and anaerobes)	1/line/week at start-up
Rinse Water	1/line/week
Jetter Water	1/line/week

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-19-

Exhibit D cont.

Laboratory Analysis and Quality Assurance Monitoring Procedures

STANDARD ANALYTICAL TESTING SCHEDULE - MICROBIOLOGY

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
WATER	
Well Water (coliforms)	1/month
Raw Water (aerobes)	1/week
Diluent Water (aerobes)	Each/1 week
Brewing Water (aerobes)	Each/1week
PITCHING YEAST	
Morphology	1/day
Dead Cells	1/day
Aerobes and Anaerobes	1/day
Wild Yeast	1/day

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-20-

AMENDMENT TO
 AMENDED AND RESTATED
 BREWING SERVICES AGREEMENT
 CITY BREWING COMPANY, LLC
 AND
 BOSTON BEER CORPORATION

THIS AMENDMENT, made as of the 10th day of April, 2007 (the "Amendment"), to the Amended and Restated Brewing Services Agreement (the "Agreement") dated as of August 1, 2006 between City Brewing Company, LLC ("City Brewing") and

Boston Beer Corporation ("Boston Beer").

WHEREAS, Boston Beer has been brewing and packaging Beer Products under the Agreement as an alternating proprietor at the brewery owned and operated by City Brewing pursuant to the Agreement;

WHEREAS, the Alcohol and Tobacco Trade and Tax Bureau of the U.S. Department of the Treasury (the "TTB"), pursuant to a letter to the parties dated March 12, 2007, requires that certain modifications to the Agreement be made in order to comply with the requirements for operating as an alternating proprietor pursuant to Industry Circular 2005-2, Alternating Proprietors at Brewery Premises, dated August 12, 2005 (the "Industry Circular"); and

WHEREAS, it is the intention of the parties that Boston Beer be able to continue to operate at City Brewing's brewery as an alternating proprietor in accordance with the Industry Circular and, thus, to adopt the changes required by the TTB;

NOW, THEREFORE, in consideration of the mutual agreements contained in this Amendment, the parties, intending to be legally bound, hereby agree as follows:

1. Paragraph 4(d) of the Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:
 - (d) City Brewing shall invoice daily for any Brewing Materials to be used in that days wort products supplied by City Brewing prior to initiation of brewing process. Boston Beer shall pay such invoices within [*]. Upon completion of packaging the Beer Products in cases or kegs, City Brewing shall send Boston Beer a final invoice representing the Fee and non-Boston Beer owned packaging supplies by City Brewing. Boston Beer shall pay the final invoice within [*].
2. The words "when liquid is transferred to fermentation" shall be deleted from paragraph 8(b) and the words "prior to initiation of the brewing process" shall be inserted in lieu thereof.
3. The words "and formulae" shall be deleted from paragraph 24 of the Agreement.
4. The effective date of this Amendment shall be August 31, 2006.

1

5. Except for the changes enumerated above, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City Brewing and Boston Beer have executed this Amendment as of the date first above written.

CITY BREWING COMPANY, LLC

By: /s/ Kenn Yartz

Kenn Yartz
Chief Operating Officer

BOSTON BEER CORPORATION

By: /s/ Martin F. Roper

Martin F. Roper,

President and Chief Executive
Officer

ADDENDUM TO
PRODUCTION AGREEMENT
BETWEEN
MILLER BREWING COMPANY
AND
BOSTON BEER CORPORATION

THIS ADDENDUM, made as of the 31st day of August, 2006, supplements and modifies the Amended and Restated Production Agreement (the "Agreement") dated as of November 1, 1998 between Miller Brewing Company ("Miller"), successor-in-interest to The Stroh Brewery Company, and Boston Beer Corporation ("Boston Beer"), successor-in-interest to Boston Beer Company Limited Partnership, as amended and modified by letter agreement dated September 9, 2000.

WHEREAS, Boston Beer has been brewing and packaging Beer Products under the Agreement as an alternating proprietor at the breweries owned and operated by Miller;

WHEREAS, the requirements for operating as an alternating proprietor have been modified pursuant to Industry Circular 2005-2 promulgated by the Alcohol and Tobacco Trade and Tax Bureau of the U.S. Department of the Treasury (the "TTB"), which, in turn, have required certain clarifications and/or changes to be made in the administration of the relationship between the Parties in order for Boston Beer to continue to operate at Miller's breweries as an alternating proprietor; and

WHEREAS, this Addendum is intended only to affect those processes or procedures as are necessary for Boston Beer to continue to brew and package its Beer Products under an alternating proprietorship approved by the TTB at Miller's breweries and is not intended to otherwise affect the existing contractual relationship or the economic arrangement between the Parties;

NOW, THEREFORE, in consideration of the mutual agreements contained in this Addendum, the parties, intending to be legally bound, hereby agree as follows:

1. It is the intention of the Parties that Miller will alternate proprietorship of Miller's brewery located in Eden, North Carolina (the "Eden Brewery") with Boston Beer so that Boston Beer will function as the brewer when the Beer Products are brewed and packaged at the Eden Brewery. Miller shall give Boston Beer access to the Eden Brewery and shall make available to Boston Beer its production personnel to allow Boston Beer to produce such volume of Boston Beer's proprietary Beer Products as has been agreed to by the Parties in the Agreement. All Beer Products shall be brewed and packaged according to Boston Beer's specifications, including the maintenance of standards and quality control programs. Boston Beer shall have ultimate responsibility and authority over every detail of the production process for Beer Products at the Brewery, with such responsibility and authority as to those

parameters affecting beer taste and quality to be the same as if Boston Beer were the owner of the Brewery. Boston Beer shall monitor and review the practices and procedures of Miller in the production and packaging of Beer Products and periodically inspect the Brewery. Miller acknowledges that Boston Beer shall be afforded unrestricted 24-hour access to the portion of the facility where Boston Beer's records are separately maintained and the warehouse area where Beer Products are stored, and shall be afforded access to the Miller facility during the time(s) that Boston Beer production requests are being processed. The Beer Products shall be

separated and identifiable from the beer products by Miller for itself or other brewers at all stages, including prior to fermentation, during fermentation, during cellar storage and as finished beer after production and before removal from the Brewery.

2. Miller has dedicated and will continue to maintain a space in the Eden Brewery where Boston Beer's records of operations and all other associated records are kept separate and apart from corresponding Miller records, pursuant to powers of attorney issued by Boston Beer to Miller employees.
3. The Price paid by Boston Beer to Miller for allowing Boston Beer access to the Brewery and use of Miller's employees for the production of the Beer Products at the Brewery, includes compensation for Miller's employees, overhead, profit, and other costs, including lab tests, cleaning, brewing and filtration processing aids, packaging glues, shrink wrap, packaging process supplies and the like, incurred by Miller in the production of packaged Beer Products suitable for shipment by truck.
 - (a) The Price does not include the cost of raw materials (such as hops, malt and flavorings), ingredients and packaging materials used in the production of the Beer Products, which costs shall be borne directly by Boston Beer.
 - (b) Further, the Price excludes any federal and state excise taxes (but specifically excluding any taxes in the nature of a tax on income or profits), which shall be paid by Boston Beer.
4. Miller shall issue a Bill of Sale in substantially the same form as attached hereto as Exhibit A for all raw materials, ingredients and other recipe materials used in the brewing of the Beer Products, including but not limited to hops, malt, and flavorings at the beginning of the manufacturing process, at which time title to all such brewing materials shall pass to and thereafter be the property solely and exclusively of Boston Beer and shall be segregated and identified as such at the brewery. The consideration for this sale and conveyance of the Production Materials will be incorporated into the lump sum charge to Boston Beer for the production of Beer Products at the Eden Brewery, which will be invoiced and paid by Boston Beer when the production of the malt beverage is completed pursuant to this Addendum and the underlying Production Agreement between Miller and Boston Beer.
5. Boston Beer shall bear the risk of loss for the packaging materials, raw materials, ingredients and other recipe materials used by Boston Beer in producing the Beer

-2-

Products, Beer Products in process and finished goods, except where losses arise as a result of gross negligence or willful misconduct of Miller.

6. It is understood that, consistent with the concept of an alternating proprietorship, Boston Beer's request to produce its Beer Products should not be referred to as "production orders" but, rather, "production requests." Therefore, wherever the words "minimum order" appears in the Agreement they shall be understood to mean "minimum production request."
7. The Parties shall cooperate in taking such other actions, including modification of this Addendum, if so required by the TTB in order for Boston Beer to maintain its alternating proprietorship at the Eden Brewery. In the event Boston Beer is not able to maintain its alternating proprietorship or directly due to the Addendum, experiences a material adverse change in its costs to produce, package and ship its Beer Products at the Eden Brewery or such other Miller brewery where Boston Beer produces its Beer Products pursuant to the Agreement, Boston Beer may, in its sole discretion, terminate this Addendum to the Agreement upon thirty (30) days

written notice to Miller.

- 8. In the event that Miller exercises its right to transfer the production of the Beer Products to another brewery in accordance with the terms of the Agreement, the terms and conditions of this Addendum shall apply to such brewery.
- 9. Except for the changes enumerated above, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Miller and Boston Beer have executed this Addendum to the Agreement as of the date first above written.

MILLER BREWING COMPANY

By: /s/ Michael T. Jones

 Michael R. Jones, Senior VP
 General Counsel

BOSTON BEER CORPORATION

By: /s/ C. James Koch

 C. James Koch, Chairman

-3-

EXHIBIT A

BILL OF SALE

THIS BILL OF SALE is given this ___ day of _____, 20__, by MILLER BREWING COMPANY ("Seller") to BOSTON BEER CORPORATION ("Purchaser").

Seller has bargained and sold and with this Bill of Sale conveys to Purchaser the raw materials, ingredients and packaging materials to be used by Purchaser in the brewing and packaging of a specified malt beverage product, which raw materials and ingredients and other recipe materials are listed and described on Schedule A attached to this Bill of Sale (the "Production Materials"). The specific malt beverage product/brand for which title to these Production Materials are hereby transferred is also identified on Exhibit A.

The consideration for this sale and conveyance of the Production Materials is incorporated into a lump sum charge to Purchaser for the production of specific malt beverage products at the brewing facility owned by Seller, which will be paid by Purchaser to Seller when the production of the malt beverage is completed pursuant to the Production Agreement between Seller and Purchaser (the "Agreement"). Subject to the Agreement, the unconditional obligation of Purchaser to pay to Seller the assigned costs of the Production Materials is confirmed by Purchaser by the beginning of the manufacturing process to produce the malt beverage product for which the Production Materials are purchased from the Seller.

Seller has caused this Bill of Sale to be executed by its duly authorized representative as of the day and year first above written.

MILLER BREWING COMPANY

By: _____

Typed Name: _____

Title: _____

1

SCHEDULE A
PRODUCTION MATERIALS

(product/brand)

	Material -----	Quantity -----	Cost -----
1 -	-----	-----	-----
2 -	-----	-----	-----
3 -	-----	-----	-----
4 -	-----	-----	-----
5 -	-----	-----	-----
6 -	-----	-----	-----
7 -	-----	-----	-----
8 -	-----	-----	-----
9 -	-----	-----	-----
10 -	-----	-----	-----
		Total Cost	\$ _____

2

[*] DENOTES EXPURGATED INFORMATION

BREWING SERVICES AGREEMENT
BETWEEN
CBC LATROBE ACQUISITION, LLC
AND
BOSTON BEER CORPORATION

AGREEMENT entered into effective as of the 28th day of March, 2007 (the "Effective Date"), by and between CBC Latrobe Acquisition, LLC, a Pennsylvania limited liability company ("CBC"), and BOSTON BEER CORPORATION, a Massachusetts corporation ("Boston Beer"). Boston Beer and CBC are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

City Brewing Company, LLC, the sole member of CBC "(City Brewing)", and Boston Beer are currently parties to an Amended and Restated Brewing Services Agreement effective as of August 1, 2006 relating to brewing services at City Brewing's brewery located in LaCrosse, Wisconsin (the "LaCrosse Brewery");

CBC has acquired a brewery located in Latrobe, Pennsylvania (the "Latrobe Brewery"); and

CBC and Boston Beer now desire to enter into an agreement pursuant to which Boston Beer's proprietary malt beverages shall be brewed and packaged at the Latrobe Brewery, which agreement shall be guaranteed by City Brewing.

ACCORDINGLY, in consideration of the mutual agreements contained in this Agreement, the Parties, intending to be legally bound, hereby agree, as follows:

1. SCOPE OF AGREEMENT.

(a) During the Term of this Agreement, as defined in Section 5 below, and in accordance with the terms and conditions set forth herein, CBC shall give Boston Beer access to the Latrobe Brewery and shall make available to Boston Beer CBC's production personnel to allow Boston Beer to produce Boston Beer's proprietary Products at the Latrobe Brewery.

(b) For purposes of this Agreement, Boston Beer's "Products" shall include those products set forth in Exhibit A attached hereto. Boston Beer shall periodically provide to CBC an updated schedule of all Boston Beer products which Boston Beer deems to be Products, subject to this Agreement.

2. CONTROL OF PRODUCTION OF PRODUCTS; PUBLIC STATEMENTS.

(a) It is the intention of the Parties that CBC will alternate proprietorship of the Brewery with Boston Beer so that Boston Beer will function as the brewer when the Products are brewed and packaged at the Latrobe Brewery ("Alternating Proprietorship"). All Products shall be brewed and packaged according to Boston Beer's specifications, including the maintenance of standards and quality control programs. Boston Beer shall have ultimate

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responsibility and authority over every detail of the production process for Products at the Latrobe Brewery, with such responsibility and authority as to those parameters affecting beer taste and quality to be the same as if Boston Beer were the owner of the Latrobe Brewery. Boston Beer shall monitor and review

the practices and procedures of CBC in the production and packaging of Products and periodically inspect the Latrobe Brewery. The Products shall be separated and identifiable from the beer products produced by CBC for itself or other brewers at all stages, including prior to fermentation, during fermentation, during cellar storage and as finished beer after production and before removal from the Latrobe Brewery. If a decision made by Boston Beer in the exercise of its authority under this Section 2(a) results in additional costs over and above the costs of the then current operations, CBC shall be entitled to be reimbursed by Boston Beer for such costs. In addition, in the exercise of its authority under this Section 2(a), Boston Beer shall not interfere with CBC's production processes for its own proprietary brands or for other brands that it produces under contract with third parties.

(b) Consistent with the provisions of Section 2(a) above, CBC and Boston Beer will, in any and all public statements or comments, recognize that Boston Beer controls the ingredients, recipe, brewing processes and procedures and quality and taste parameters for all Products produced at the Latrobe Brewery and that Boston Beer is the brewer of all such Products. Neither party will make any public statements inconsistent with the foregoing.

(c) Each Party agrees to take all commercially reasonable steps to prevent any of its personnel from making disparaging or otherwise adverse remarks about the products of the other Party.

3. COMMITTED CAPACITY; MINIMUM PRODUCTION COMMITMENT; SHORT-FALL FEE.

(a) During the Term, subject to the provisions of this Section 3, CBC shall make available to Boston Beer for brewing and packaging the following volumes for beer (lagers and ales) and for blending and packaging flavored malt beverage ("FMB") at the Latrobe Brewery (the "Committed Capacity"):

Product	Annual Minimum	Monthly Minimum	Annual Maximum	Monthly Maximum
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]

Notwithstanding the foregoing, the maximum Committed Capacity shall be [*] times the actual production at the Latrobe Brewery of the respective Product in the prior calendar year, except that in calendar year 2008 the maximum Committed Capacity shall be [*] times the actual production in 2007, but in no case shall the maximum Committed Capacity be less than the minimum Committed Capacity above. Boston Beer will endeavor, to the extent reasonably possible, to provide CBC with fifty (50) days advance written notice of any expected increase or decrease in its expected production requirements for both beer and FMB which varies more than [*] from any previously submitted monthly forecasts for the period in question, in order to allow CBC to plan its capacity utilization at any Latrobe Brewery. The foregoing minimum and maximum Committed Capacity volumes may be modified only by written consent of both Parties. Products shall primarily be produced in packaged units in accordance with the provisions of Section 7 below.

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(b) During calendar years 2007 and 2008, provided that Boston Beer has been able to successfully brew and package its proprietary beer, Samuel Adams Boston Lager(R), and an ale at the Latrobe Brewery meeting Boston Beer's quality

specifications on a consistent basis ("Boston Beer Brewing Standards"), Boston Beer shall produce at the Latrobe Brewery the following volumes of beer and/or FMB combined (the "Minimum Production Commitment"):

- (i) During the months of May through December in calendar year 2007, at least an average of [*] per month in each calendar quarter and [*] for the calendar year; and
- (ii) During calendar year 2008, at least an average of [*] per month in each calendar quarter and [*] for the calendar year.

For any month that Boston Beer is not able to produce its Products that meet the Boston Beer Brewing Standards at the Latrobe Brewery, the production volumes set forth in (i) and (ii) above shall be adjusted on a pro-rata basis. The proportional share of beer and/or FMB in the Minimum Production Commitment shall be in Boston Beer's sole discretion, subject to the provisions of Section 7 below. Effective January 1, 2009, Boston Beer shall have no further minimum production commitments during the Term of this Agreement.

(c) During calendar years 2007 and 2008, for any calendar quarter in which the Minimum Production Commitment applies, Boston Beer shall pay to City Brewery a short-fall fee (the "Short-Fall Fee") of [*] per barrel for each barrel less than the Minimum Production Commitment. Such Short-Fall Fee will be paid by Boston Beer within sixty (60) days after the end of the applicable calendar quarter in which Boston Beer produced less than the Minimum Production Commitment. By paying the Short-Fall Fee, Boston Beer shall be deemed to have met the Minimum Production Commitment.

(d) Effective January 1, 2009 and thereafter throughout the remainder of the Term, if, in any calendar year, Boston Beer produces less than the Annual Minimum for each Product set forth in paragraph (a) above, [*]. If the Maximum Committed Capacity has been adjusted in accordance with this provision and Boston Beer wishes to increase the Maximum Committed Capacity, it may do so by paying CBC an amount equal to [*] for each additional barrel of Committed Capacity for the relevant year.

(e) CBC may, at its sole option, fulfill some or all of its Committed Capacity obligations hereunder at the LaCrosse Brewery as long as the Parties have maintained an Alternating Proprietorship at the LaCrosse Brewery and provided that (i) there is no adverse impact on the production schedule and (ii) Boston Beer shall be reimbursed for any and all additional costs that are incurred by Boston Beer, including incremental freight and materials charges, as a result of such change in brewery. Any production that at the LaCrosse Brewery pursuant to this Section 3(e) shall be treated as if produced at the Latrobe Brewery under this Agreement.

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-3-

(f) In the event Boston Beer owns the land and buildings comprising the Latrobe Brewery, Boston Beer shall, during the Term, pay to CBC the sum of [*] a month in consideration of CBC providing the Committed Capacity to Boston Beer.

4. FEE AND MANNER OF PAYMENT.

(a) Boston Beer shall pay CBC a brewing fee (the "Fee") for allowing Boston Beer access to the Brewery and use of CBC's employees for the production of the Products at the Latrobe Brewery as set forth in the Fee Schedule attached hereto as Exhibit B. The Fee for other packaging units not listed in Exhibit B shall be set by the Parties based on proportionate volume and packaging efficiencies relative to the units described in said Exhibit. CBC shall be entitled to increase each Fee, effective as of January 1 in each year while the Agreement

remains in effect (the "inflation adjustment"), with the first such increase pursuant to this Agreement to be effective as of January 1, 2008, at a rate equal to [*] of the increase in the Producer Price Index -Total Manufacturing Industries (OMFG) as published by the United States Department of Commerce - Bureau of Labor Statistics in the preceding [*].

(b) The Fee includes compensation for CBC's employees, overhead, profit, and other costs, including cleaning, brewing and filtration processing aids (except for silica gel and filter powder), packaging glues, shrink wrap, packaging process supplies and the like, as well as the lab tests listed in Exhibit D, incurred by CBC in the production of packaged Products suitable for shipment by truck.

(c) The Fee excludes any federal and state excise taxes (but specifically excluding any taxes in the nature of a tax on income or profits), which shall be paid by Boston Beer.

(d) CBC shall invoice daily for any Brewing Materials supplied by CBC to be used that day in wort production prior to initiation of the brewing process. Boston Beer shall pay such invoice within [*]. Upon completion of packaging the Products in cases or kegs, CBC shall send Boston Beer a final invoice representing the Fee and any processing aids, including [*], and non-Boston Beer owned packaging supplied by CBC. Boston Beer shall pay the final invoice within [*].

(e) For Products shipped to Boston Beer customers and warehouses, CBC shall provide electronic reports to Boston Beer in a text file format stating shipment information as shown in Exhibit E on a daily basis for shipments from the previous day.

(f) CBC shall have the right to increase the Fee to reflect CBC's actual incremental cost for any special services which use a more expensive brewing process or longer time frames or which have more expensive packaging processes than used to produce Samuel Adams Boston Lager(R). Fees and payment terms for special services shall be mutually agreed to in writing and in accordance with the foregoing provisions of this Section 4, including the timely invoicing requirements of paragraph (e) above.

(g) Boston Beer shall be entitled to a proportional reduction in the Fee to the extent that CBC is able to achieve variable cost savings through changes in production procedures initiated by Boston Beer or arising out of any investment made by Boston Beer in CBC facilities, whether made prior or subsequent to the date of this Agreement.

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-4-

(h) Volume Rebate: If in any calendar year the volume of Products produced exceeds the levels set forth below, the Fee will be reduced as follows for each package, provided beer accounts for at least [*] of the total volume produced:

[*];

5. TERM.

(a) The initial term of this Agreement shall commence as of the Effective Date and shall expire on [*] unless extended as provided below or until terminated pursuant to Section 6 hereof.

(b) Boston Beer may, at its sole option, extend the term of this Agreement up to [*] times, each time for an additional term of [*] years, upon written notice given to CBC at least [*] prior to the expiration of the then current

term (the "Notice of Term Extension"), provided that, if Boston Beer will have produced less than [*] of Products at the Latrobe Brewery during the prior [*] term, Boston Beer shall pay the sum of [*] at the time it delivers the Notice of Term Extension to CBC. The initial term, as extended hereunder, shall be deemed to be the "Term" of this Agreement.

(c) The Parties acknowledge that either Party's obligations pursuant to this Agreement to make payments to the other Party and the Parties' respective obligations under Sections 4, 13, 27 and 31, and CBC's obligations under Sections 14, 15 and 25 shall survive the termination of this Agreement.

6. TERMINATION.

(a) Boston Beer may also terminate this Agreement effectively immediately upon written notice in the event that CBC is in default of any of its obligations to allow Boston Beer to brew, package and ship any Beer Products, which default continues for a period of [*] following receipt by CBC of written notice from Boston Beer regarding such default, or for such longer period during which CBC is making reasonable and good faith efforts to cure such default as determined by Boston Beer in its reasonable discretion (each such event is hereinafter referred to as a "CBC Production Default"). CBC shall not be deemed to be in default of its obligations for purposes of this Section 6(a), if it is in good faith both seeking to correct the circumstances giving rise to its failure to allow Boston Beer to brew, package and ship Products and honoring its obligations under Section 14 hereof, to the extent applicable.

(b) Boston Beer may also terminate this Agreement effective immediately if (i) all or substantially all of CBC's business or assets have been acquired by a third party or (ii) a transaction or series of transactions results in the majority of voting control of CBC being acquired by a person or persons not currently holding an equity interest in City Brewery.

(c) CBC may terminate this Agreement on [*] prior written notice to Boston Beer in the event that Boston Beer is in arrears in payment of undisputed amounts (i) for the production of Products in excess of [*] or (ii) for other charges in excess of [*], and such arrearage has remained outstanding for in excess of [*] after written demand for payment was made by CBC.

(d) In the event of bankruptcy by either Party, the non-bankruptcy Party shall have the right to terminate this Agreement.

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-5-

(e) Upon termination of this Agreement, Boston Beer shall promptly pay to CBC all unpaid invoices in full and all unpaid costs incurred by CBC pursuant to this Agreement. CBC will use all reasonable efforts to minimize such costs upon termination, and Boston Beer will have the right to review documentation evidencing such costs.

7. PACKAGING AND MINIMUM PRODUCTION REQUESTS.

(a) Packaging of the Products shall consist of (i) twenty-four 12-ounce bottles, whether packaged as a 24 bottle loose case, a four 6-pack case or a two 12-pack case in a tray (each a "12-oz. Case Unit"), (ii) 5.2 U.S. gallons (a "One-Sixth Barrel"), (iii) 7.75 U.S. gallons (a "Quarter Barrel"), and (iv) 15.50 U.S. gallons (a "Half Barrel"), and any other package types or configurations that the Parties mutually agree to use for packaging such Products. All kegs used will be Sankey-style kegs. Boston Beer has the right, subject to the approval of CBC, which approval will not be unreasonably withheld, to make changes in the packaging used to produce the Products, including but not limited to, the packaging of the Products in can units. The

price for packaging in cans will be adjusted by the difference in CBC's costs between packaging in bottles and cans.

(b) Boston Beer shall have the right to package Products at least [*]. Boston Beer shall submit production requests and a six month rolling forecast by the 10th of the preceding month not less than one production run (at present equivalent to one brew in the brew house, 200 Kegs on the racking line and 12,000 12-oz. Case Units in the bottling line). Boston Beer acknowledges and agrees that the minimum production request applies to each Product style, individually, rather than in combination; provided, however, that production requests for the bottling line may consist of one shift (currently averaging 12,000 Case Units) of the Beer Products in combination and any bottling line order shall not be less than 3,000 Case Units of each beer style.

8. PACKAGING MATERIALS AND BREWING MATERIALS.

(a) Crowns, bottles, labels, six-packs, cases, partitions and other packing materials for Beer products (collectively, "Packaging Materials"), or any applicable federal or state taxes are not included in the Fee and shall be borne directly by Boston Beer. All Packaging Materials supplied by Boston Beer to be used in the production of Products shall be (i) purchased directly by Boston Beer at its cost for delivery to CBC, (ii) the property solely and exclusively of Boston Beer, and (iii) segregated and identified as such at the Brewery. CBC acknowledges that Boston Beer shall be afforded unrestricted 24-hour access to the facility.

(b) Upon receipt of Packaging Materials, CBC shall inspect the goods for damage and accuracy of quantities delivered. CBC shall notify Boston Beer of any such issues immediately in writing via facsimile.

(c) Bills of lading for Packaging Materials received at CBC shall be signed and dated by a CBC employee and sent to Boston Beer via facsimile on a daily basis at the end of each day.

(d) CBC shall then provide all raw materials, ingredients and other recipe materials used in the brewing of the Products ("Brewing Materials") not provided by Boston Beer and invoice Boston Beer prior to the initiation of the brew.

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-6-

(e) CBC shall provide to Boston Beer perpetual inventory of all Beer Products in progress, finished goods and Packaging Materials on a weekly basis and at month-end as of Boston Beer's fiscal month-end and shall perform such inspections, counts, and other checks similar to those performed on their own materials.

(f) On at least a monthly basis, CBC shall perform cycle counts of all inventories of Boston Beer Products in progress, finished goods and Packaging Materials. In addition, on at least a semi-annual basis, on dates to be determined by Boston Beer, CBC shall perform a physical inventory of all Boston Beer inventory. Boston Beer shall reimburse CBC for reasonable out-of-pocket costs associated with both the cycle counts and physical counts and have the right to inspect and test to ensure these counts are performed in accordance with Boston Beer inventory policies and practices.

(g) Within the first sixty (60) days of the Term of this Agreement, CBC and Boston Beer will work together to develop a mutually agreeable Inventory Reporting Plan that will ensure that CBC provides reports to Boston Beer on a daily basis regarding all inventory orders, receipts and movements of Boston Beer property held by CBC pursuant to this Agreement, including all Packaging Materials, Brewing Materials, work-in-process and other personal property owned

by Boston Beer, in a format acceptable to Boston Beer. The Inventory Reporting Plan may require access by CBC personnel to Boston Beer operational and financial systems installed at CBC. If that is the case, Boston Beer shall pay for installation and all software licenses required in order to implement the Inventory Reporting Plan and CBC personnel shall use these systems in strict accordance with the instructions provided in the Inventory Reporting Plan.

9. RISK OF LOSS.

Boston Beer shall bear the risk of loss for the Packaging Materials, Brewing Materials, Products in process and finished goods, except where losses arise as a result of negligence or willful misconduct of CBC.

10. BREWERY OF RECORD.

(a) To the extent requested by Boston Beer, CBC shall use all commercially reasonable efforts to establish and maintain an Alternating Proprietorship at the Latrobe Brewery, and, subject to and in compliance with all applicable federal, state or local laws, rules and regulations, to identify Boston Beer as the sole producer of the Products. Boston Beer agrees to reimburse CBC promptly for its reasonable out-of-pocket costs, including, without limitation, legal expenses and increased clerical costs, incurred in connection therewith.

(b) CBC shall provide to Boston Beer, no less than five (5) calendar days prior to the date on which Boston Beer is required to submit its excise tax return and pay taxes as may be due to the Trade and Tax Bureau of the U.S. Department of the Treasury (the "TTB") on the Products that have been shipped from the Latrobe Brewery, all information necessary for Boston Beer to make such submission and to pay such taxes. CBC shall also provide to Boston Beer on a timely basis such information as may be required in order for Boston Beer to complete and submit the Monthly Brewer's Report of Operations on Form 5130.9 to the TTB when due and such other reports and filings as may be necessary and or appropriate for Boston

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-7-

Beer to comply with applicable laws as the alternating proprietor of the Latrobe Brewery with respect to the Products.

11. STORAGE.

The Fee shall include storage of reasonable quantities of packaged Products up to a maximum of [*] cases and [*] kegs. CBC shall be entitled to charge Boston Beer a reasonable fee for the handling and storage of the Products in excess of such amounts.

12. FORCE MAJEURE.

If CBC is unable, by reason of a labor dispute, governmental action, act of God or the like, to perform its obligations under this Agreement at the Latrobe Brewery, it shall, in any event, use its best efforts to make the production capacity available to Boston Beer at the LaCrosse Brewery in accordance with the provisions of Section 3(d) above in order to meet its Committed Capacity; otherwise, to the extent it is still able to maintain production at the Latrobe Brewery, City Brewery shall continue to perform such services for Boston Beer at the Latrobe Brewery in proportion to the capacity at such Brewery dedicated to the production of the Products prior to the occurrence of the event in question.

13. CHANGE PARTS AND BREWERY MODIFICATIONS.

(a) Provided that Boston Beer has given its written approval in advance of

the purchase, Boston Beer will reimburse CBC for the initial capital investment in machinery and equipment required to be made by CBC in the Latrobe Brewery to make such facility capable of brewing and packaging the beer Products that meet the Boston Beer Brewing Standards in accordance with the provisions of this Agreement up to an aggregate of [*]. In addition, at Boston Beer's sole discretion, Boston Beer may, at any time during the term of this Agreement, reimburse CBC in the amount of [*] for a portion of CBC's capital investment in machinery and equipment that is required to produce Boston Beer's [*] Products that meet Boston Beer Brewing Standards in accordance with the provisions of this Agreement. If Boston Beer makes this additional investment of [*], there will be a corresponding reduction of the Fee as set forth in Exhibit B. (All such machinery and equipment so paid for by Boston Beer shall be referred to as the "Equipment.")

(b) Provided there is no existing CBC Production Default, CBC may purchase the Equipment from Boston Beer at any time during the initial Term by paying Boston Beer the unamortized value thereof, which shall be determined by the depreciation rate multiplied by the number of months remaining in the initial Term. The depreciation rate is equal to the original purchase price of the equipment divided by number of months in the initial Term. After the initial Term, CBC may purchase the Equipment at a purchase price of [*]. If Boston Beer makes the additional investment in Equipment related to the production of the FBM Products as provided in subparagraph (a) above, and CBC is not in default under this Agreement, CBC may purchase such additional Equipment from Boston Beer upon the expiration of the then current Term of the Agreement by paying Boston Beer the unamortized value of such Equipment, which shall be [*]. Provided there is no existing CBC Production Default, CBC may purchase the additional Equipment from Boston Beer at any time during the initial Term by paying to Boston Beer the unamortized value thereof, which shall be determined by the depreciation rate multiplied by the number of months remaining in the initial Term. The depreciation rate is equal to the original purchase price of such additional equipment divided by the number of months remaining in the

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-8-

initial Term at the time of the original purchase of the additional equipment. During the Term, CBC shall have full responsibility for keeping the Equipment in good repair and working order. Provided there is no existing CBC Production Default, Boston Beer shall not remove the Equipment from the Latrobe Brewery.

(c) Until and unless purchased by CBC as set forth above, title to the Equipment shall at all times remain vested solely in Boston Beer. If for any reason, title to all or any portion of the Equipment is now or hereafter deemed to have passed from Boston Beer to CBC, CBC hereby grants to Boston Beer a continuing purchase money security interest in and to all such Equipment, together with any and all products and proceeds arising therefrom or any replacements thereto, all in order to secure all of the indebtedness, obligations and liabilities of CBC to Boston Beer, whether now existing or hereafter arising (including without limitation, all of the indebtedness, obligations and liabilities of CBC to Boston Beer arising under this Agreement). Upon purchase of the equipment by CBC, Boston Beer shall release the purchase money security interest thereon.

14. AGENCY.

CBC and Boston Beer understand and agree that neither Party is, by virtue of this Agreement or anything contained herein, including CBC affixing to any Product and/or registering the name of "The Boston Beer Company," "Boston Beer Company," or "Twisted Tea Brewing Company" constituted or appointed the agent of the other Party for any purpose whatsoever, nor shall anything herein contained be deemed or construed as granting Boston Beer or CBC any right or authority to

assume or to create any obligation or responsibility, express or implied, for or on behalf of or in the name of the other, or to bind the other in any manner or way whatsoever.

15. PRODUCT LIABILITY; INDEMNIFICATION.

(a) CBC and Boston Beer shall each maintain product liability insurance of not less than [*] and in the amount of [*] combined single limit in the aggregate relating to the Products produced at the Latrobe Brewery.

(b) CBC shall indemnify and hold harmless Boston Beer and all of its affiliates from and against any and all loss, liability, cost or expense of any nature whatsoever, including reasonable attorneys' fees (collectively, "Product Liability Damages"), arising out of or associated with all claims made against Boston Beer by any party or parties for personal injury or property damage caused by impurities, defects, or adulteration of any kind in the Products manufactured and/or packaged at the Brewery, regardless of when manufactured or packaged; except to the extent that (i) Product Liability Damages when caused solely by (i) Boston Beer's improper storage, handling, or alteration of the Products in question; (ii) Packaging Materials or Brewing Materials purchased, specified or otherwise approved by Boston Beer subsequent to written notice from CBC reasonably advising that such Packaging Materials or Brewing Materials should not be used in the Products for health and safety reasons; or (iii) Product Liability Damages resulting from inherent properties and/or characteristics of the Products, including, by way of example and not of limitation, health and intoxicating effects of the Products.

(c) Boston Beer shall indemnify and hold harmless CBC and all of its affiliates from and against any and all Product Liability Damages to the extent arising out of the causes except

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-9-

from CBC's indemnification obligations under Section 15(b) above. Boston Beer shall indemnify and hold harmless CBC from and against any and all claims, expenses, causes of action or liabilities of any nature whatsoever (collectively, "Damages"), to the extent that Damages arise solely from the independent conduct of Boston Beer; provided that Damages shall not include any loss, liability, cost or expense incurred by CBC as a consequence of the exercise by Boston Beer of any of its rights under this Agreement.

(d) Notwithstanding the provisions of Sections 15(b) and (c) above, in no event shall either Party be liable to indemnify the other Party for consequential damages suffered by the other Party in an amount greater than [*] paid by Boston Beer for all Products produced hereunder during the [*] preceding the month in which occurred the event giving rise to the claim for indemnification, unless such consequential damages are caused by the negligence or willful misconduct of the other Party

16. TRADEMARKS.

(a) CBC acknowledges that no trademark or trade name rights in any of the trademarks, trade names, service marks, domain names or logos owned by Boston Beer, including specifically but without limitation those identified on the Trademark Schedule attached hereto as Exhibit C (collectively, the "Trademarks") are granted by this Agreement.

(b) Boston Beer hereby represents, warrants and covenants that it has and will maintain the right to use the Trademarks and will indemnify and hold harmless CBC from any claim of alleged infringement brought by any party against CBC, including, but not limited to, CBC's reasonable costs of legal expenses.

17. SUCCESSORS AND ASSIGNS: FUTURE POTENTIAL ACQUISITIONS.

(a) The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, but shall not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld. No failure of a Party to consent to a proposed assignment of this Agreement by the other Party shall be deemed unreasonable if such Party believes in good faith that the proposed assignee is not capable of performing the financial or production obligations of the Party proposing to assign this Agreement. Transfer of ownership of a Party to a parent, subsidiary or affiliate of the Party shall not be deemed an assignment under this Section 17.

(b) Assignment of this Agreement shall not relieve the assigning Party of its financial obligations hereunder, including its indemnification obligations, if an assignee defaults in the performance of its assigned obligations.

(c) In the event that Boston Beer shall acquire substantially all of the business and assets of another company which produces and/or distributes beer, or, shall acquire all right, title and interest in and to the brands and trademarks of another company (hereinafter the "Acquired"), then, in such event, if the Acquired has products already being produced by CBC, then CBC agrees to make available to Boston Beer, for the same period of time that CBC has pre-existing commitments for the Acquired, such additional capacity which is equivalent to that with the Acquired; provided, however, that the terms and conditions governing production, including pricing, shall be governed by the terms of this Agreement.

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-10-

(d) If CBC acquires substantially all of the business and assets of another company which produces beer or acquires an additional brewery facility (hereinafter a "CBC Acquired Brewery"), then, in such event, if the CBC Acquired Brewery has a pre-existing agreement with Boston Beer for the production of Products, CBC agrees to continue to make available to Boston Beer, for the same period of time which existed under the pre-existing agreement between Boston Beer and the CBC Acquired Brewery, the same capacity as had been committed to Boston Beer by the CBC Acquired Brewery; provided, however, that the terms and conditions governing production, including pricing, shall be governed by the terms of this Agreement.

18. GOVERNING LAW.

This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Massachusetts.

19. ARBITRATION.

Any disagreement, dispute, controversy or claim with respect to the validity of this Agreement or arising out of or in relation to the Agreement, or breach hereof, shall be finally settled by arbitration in a mutually agreeable location other than New York, New York, Boston, Massachusetts or Chicago, Illinois, in accordance with the articles of the American Arbitration Association for Commercial Arbitration. The arbitrators shall have the right to assess costs, including legal expenses, in favor of the prevailing Party, including, if applicable, travel costs. Notwithstanding the foregoing, the Parties may have recourse to the courts of the United States of America for the purpose of obtaining preliminary injunctive relief.

20. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same document.

21. AMENDMENTS.

No amendment, change, or modification of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed or initialed on behalf of the parties hereto by their duly authorized representatives.

22. NO THIRD PARTY BENEFICIARIES.

CBC and Boston Beer agree that this Agreement is solely for their benefit and does not nor is it intended to create any rights in favor of, or obligations owing to, any person not a party to this Agreement or Guaranty.

23. MERGER; SEPARABILITY.

This Agreement terminates and supersedes all prior formal or informal understandings among the Parties with respect to the subject matter contained herein. Should any provision or provisions of this Agreement be deemed ineffective or void for any reason whatsoever, such provision or provisions shall be deemed separable and shall not affect the validity of any other provision.

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-11-

24. NON-EXCLUSIVE NATURE OF AGREEMENT.

(a) Nothing contained in this Agreement shall require Boston Beer to avail itself of the Committed Capacity or preclude Boston Beer from engaging any other brewer for the purpose of producing and distributing Products.

(b) Boston Beer acknowledges that CBC's business includes brewing specialty malt beverage products, including products that may compete directly with, use the same brewing ingredients as, and/or are of the same style as one or more of the Products. Boston Beer agrees that nothing contained in this Section 24 shall in any manner prevent, limit, restrict or otherwise affect CBC's right to continue and expand such aspect of its business, including by introducing new products that compete directly with existing Products, so long as CBC does not intentionally (i) copy the identical brewing formulae and ingredients of any Product, (ii) use any proprietary yeast specifically supplied to CBC by Boston Beer solely for use in producing Products; or (iii) use labeling or other packaging which infringes any of Boston Beer's Trademarks or copies Boston Beer's marketing position and strategy.

25. YEAST STRAINS.

It is understood and agreed that the Latrobe Brewery shall be able to accommodate no less than two (2) Boston Beer proprietary yeasts at all times. CBC will keep all yeast strains provided by Boston Beer free of any contamination and will not use such yeast strains for the brewing of any beers other than the Products. The obligations of CBC under this Section 25 shall survive any termination of this Agreement. CBC shall, upon the request of Boston Beer, return any proprietary yeast strains it may have in its possession or under its control.

26. LABORATORY ANALYSIS; QUALITY ASSURANCE

CBC will perform the laboratory analysis and monitor production and packaging of the Beer Products in accordance with standards set forth on Exhibit D attached hereto. Under such procedures, CBC will examine samples of each Product prior to and after packaging.

27. CONFIDENTIALITY.

The Parties agree that, except as they shall otherwise mutually determine from time to time, the terms of this Agreement and any notices given hereunder or other communications with respect to the substance of the relationship between them shall be maintained in confidence; provided that each Party shall be permitted to make such disclosures of confidential information to such courts and other public or governmental agencies as their counsel shall deem necessary to maintain compliance with and to prevent violation of applicable federal or state laws.

28. NOTICES.

All notices required herein shall be given by certified mail, return receipt requested, or by overnight courier service, to the following addresses (unless change thereof - has previously been given to the party giving notice) and shall be deemed effective when received:

If to Boston Beer:

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-12-

Thomas W. Lance, Vice President of Operations
Boston Beer Corporation
One Design Center Place, Suite 850
Boston, MA 02210

with a copy to:

Legal Department
Boston Beer Corporation
One Design Center Place, Suite 850
Boston, MA 02210

If to CBC:

Randy Hull, Vice President of Business Development
CBC Latrobe Acquisition, LLC
925 South Third Street
La Crosse, WI 54601

If to City Brewing:

Randy Hull, Vice President of Business Development
City Brewing, LLC
925 South Third Street
La Crosse, WI 54601

With a copy to:

Andrew R. Bosshard, Esq.
Bosshard Parke Ltd.
505 King Street, Suite 334
La Crosse, WI 54601

29. RIGHTS OF OFFSET.

CBC and Boston Beer agree that, to the extent that either of them is at any time owed money by the other Party, including on regular invoices sent as provided herein, such Party may set off such amount against any undisputed monies owed by it to such Party from time to time, any such set-off to be accomplished by written notice to the owing Party, effective upon being sent.

30. DELIVERIES TO JOINT WHOLESALERS.

To the extent permitted by applicable law and at the request of Boston Beer, CBC will combine Products and CBC products in single truckloads for delivery to "Joint Wholesalers," in which case freight costs shall be pro-rated. For this purpose, a "Joint Wholesaler" is a licensed beer wholesaler that has been duly authorized by both Boston Beer and CBC to distribute their respective products. CBC and Boston Beer will cooperate with each other in the coordination of order entry so as to facilitate such single truckload deliveries.

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-13-

31. LIMITATION ON PERIOD OF CLAIMS.

Except as otherwise provided in this Agreement with respect to specific issues, all claims hereunder must be brought no later than [*] after such claim arose or the Party having such claim shall be deemed to have waived or forever released it; provided that, for purposes of this Section 31, a claim based on a claim by a third party shall be deemed to have arisen at the time that the Party asserting a claim first became aware of it.

32. FINANCIAL STATEMENTS.

Each year during the Term, no later than 90 days after CBC's fiscal year end, CBC shall provide to Boston Beer audited financial statements ("the Financial Statements") and a 12-month forward cash flow forecast ("Cash Flow Forecast"). The Financial Statements shall include a balance sheet, income statement and statement of cash flows and shall be prepared in accordance with US generally accepted accounting principles. The Cash Flow Forecast shall provide details on projected month ending cash balances as well as expected cash inflows and outflow by month, as well as any supplementary data including debt arrangements or other financing plans to support CBC's ability to continue as a going concern for at least twelve (12) months from the previous fiscal year end.

33. GUARANTY.

Subject to the terms and conditions herein, City Brewing hereby unconditionally guarantees the due, punctual and faithful performance by CBC of its obligations, duties, covenants and responsibilities under this Agreement. City Brewing shall be entitled to assert any defenses or claims that City Brewing or CBC may have under this Agreement or otherwise against any claim made by Boston Beer and does not otherwise waive any defenses whatsoever to its obligations under this Agreement.

IN WITNESS WHEREOF, CBC and Boston Beer have executed this Agreement as of the date first above written.

CBC LATROBE ACQUISITION, LLC

By: /s/ Kenn Yartz

Kenn Yartz, Chief Operating Officer

BOSTON BEER CORPORATION

By: /s/ Martin F. Roper

Martin F. Roper, President and CEO

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-14-

City Brewing enters into this Agreement solely for purposes of providing the guaranty set forth in Section 33 hereof.

CITY BREWING COMPANY, LLC, Guarantor

By: /s/ Randy Smith

President

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-15-

EXHIBIT A

PRODUCTS

[*]

and any substitutions therefor and such other malt beverages as may be requested by Boston Beer from time to time and subject to approval by CBC, which approval will not be unreasonably withheld.

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-16-

EXHIBIT B

FEE SCHEDULE

[*]

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidentiality treatment.

-17-

EXHIBIT C
SCHEDULE OF TRADEMARKS

TRADEMARK -----	REGISTRATION NO., IF APPLICABLE -----	DATE OF ISSUANCE -----
Sam Adams (R)	1,987,061	July 16, 1996
Sam Adams (R) (Stylized)	2,054,509	April 22, 1997
Samuel Adams (R)	1,987,062	July 16, 1996
Samuel Adams Portrait Logo (R)	2,402,492	November 7, 2000
Samuel Adams Boston Lager (R)	1,522,026	January 24, 1989
Sam Adams Light (R)	2,597,646	July 23, 2002
Twisted Tea (R)	2,574,263	May 28, 2002

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-18-

EXHIBIT D

LABORATORY ANALYSIS AND QUALITY ASSURANCE MONITORING PROCEDURES

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - WORT

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
pH	Each Brew
Starch Conversion (Brewing Dept.)	Each Brew
Color	As Requested
Dissolved Oxygen	1 Brew Weekly

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BEER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
END OF FERMENTATION	
Original Gravity	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Real Degree of Attenuation	Each Tank
VDK	Each Tank
pH	Each Tank
IBU	As Requested
Color	As Requested

RUH BEER

Original Gravity	Each Tank
------------------	-----------

Real Extract	Each Tank
Alcohol	Each Tank
Real Degree of Attenuation	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
pH	Each Tank
IBU	Each Tank
Color	Each Tank
Sensory Evaluation	Each Tank

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EXHIBIT D CONT.

LABORATORY ANALYSIS AND QUALITY ASSURANCE MONITORING PROCEDURES

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BEER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
PACKAGE RELEASE BEER	
Original Gravity	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Color	Each Tank
pH	Each Tank
Turbidity	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
CO(2) (Brewing Dept.)	Each Tank
Temperature (Brewing Dept.)	Each Tank
Sensory Evaluation	Each Tank

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - WATER

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
RAW WATER	
pH	Weekly
Alkalinity	Weekly
Turbidity	Weekly
Sensory Evaluation	Weekly
CARBON TREATED WATER	
Carbon	Weekly
BREWING WATER AND R.O. WATER	
pH	Daily
Alkalinity	Daily
Conductance	Daily
Turbidity	Daily

Sensory Evaluation Daily

DILUENT

Dissolved Oxygen (Brewing Dept.) Each Tank

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EXHIBIT D CONT.

LABORATORY ANALYSIS AND QUALITY ASSURANCE MONITORING PROCEDURES

STANDARD ANALYTICAL TESTING SCHEDULE - PACKAGING - ALL PRODUCTS

TYPE OF TEST - PRODUCT -----	MINIMUM TEST FREQUENCY -----
Package Air (bottles and cans)	3 units/2 hours and Each Tank Change
CO(2) (bottles and cans)	3 units/2 hours and Each Tank Change
Fill Volume (bottles and cans)	5 units/2 hours and Each Tank Change
Product Analysis (alcohol, RE, OG)	Start-up and Each Tank Change
NA Beer Analysis (alcohol, RE, OG)	Start and End of Each Run

TYPE OF TEST - PACKAGE	
Crown Crimp Check (Packaging Dept.)	2 sets/shift/crowner
Removal Torque	1 set/shift/crowner or capper
Filled Carton Package Evaluation (Packaging Dept.)	48 units/2 times/shift/line
Metal Exposure (cans)	12 units/2 times/shift/line
1st Operation Seam Check	1/week and after seamer maintenance
2nd Operation Seam Check	1/shift/seamer
Can Lubricant Contamination	1/shift/seamer
Seamer Lubricant Check (Packaging Dept.)	2/shift
Can Filtec Rejects Visual (Packaging Dept.)	Every hour/line
Sensory Evaluation	Each Tank Change

PACKAGING LINE EQUIPMENT	
Glass Inclusion Monitoring (QA/Packaging)	24 bottles/2 hrs. and 100 bottles@Start-up
Pasteurizer Temperature Monitoring (Packaging Dept.)	Every 2 hours/line
Pasteurizer PU Check (non-Juice products)	1/week/line and at changeovers
Pasteurizer PU Check (Juice products)	2/shift and at changeovers
Pasteurizer Pressure Switch Check (Packaging Dept.)	1/shift/line
Package Filtec Check (Packaging Dept.)	Every 2 hours/line
Full Case Filtec Check (Packaging Dept.)	2/shift/line
Date Coding-cans, bottles, carriers, cartons (Packaging)	Every 2 hours and line and changeovers
Carton Set-up and Gluing (Packaging Dept.)	Every 30 minutes/line

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - FMB PRODUCTS

PRODUCT RELEASE TANKS

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
Original Gravity	Each Tank
Specific Gravity	Each Tank

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confidentiality treatment.

-21-

EXHIBIT D CONT.

LABORATORY ANALYSIS AND QUALITY ASSURANCE MONITORING PROCEDURES

STANDARD ANALYTICAL TESTING SCHEDULE - BREWING - BLENDED FMB PRODUCTS

PRODUCT RELEASE TANKS

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
Refractive Index	Each Tank
Real Extract	Each Tank
Alcohol	Each Tank
Color	Each Tank
pH	Each Tank
Turbidity	Each Tank
Degrees Brix	Each Tank
Total Acidity	Each Tank
Dissolved Oxygen (Brewing Dept.)	Each Tank
CO(2) (Brewing Dept.)	Each Tank
Temperature (Brewing Dept.)	Each Tank
Sensory Evaluation	Each Tank

STANDARD ANALYTICAL TESTING SCHEDULE - MICROBIOLOGY

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
WORT	
Cooler Wort (aerobes and anaerobes)	1/week
Pitched Wort (aerobes and anaerobes)	Each Fermenter
Pitched Wort Cell Count	1/week
Yeast % Solids (Brewing)	Each Brink
Dead Cell Count	1/day
IN-PROCESS PRODUCT	
Ruh Storage Tanks (aerobes and anaerobes)	Each Tank
Package Release Tanks (aerobes and anaerobes)	Each/1 week
Filter Series (aerobes and anaerobes)	1/week
Extended Age Product >28 days	1/week/tank

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-22-

LABORATORY ANALYSIS AND QUALITY ASSURANCE MONITORING PROCEDURES

PACKAGED PRODUCT

Bottles and Cans (aerobes and anaerobes)	1/line/week at start-up
Rinse Water	1/line/week
Jetter Water	1/line/week

STANDARD ANALYTICAL TESTING SCHEDULE - MICROBIOLOGY

TYPE OF TEST -----	MINIMUM TEST FREQUENCY -----
-----------------------	---------------------------------

WATER

Well Water (coliforms)	1/month
Raw Water (aerobes)	1/week
Diluent Water (aerobes)	Each/1 week
Brewing Water (aerobes)	Each/1week

PITCHING YEAST

Morphology	1/day
Dead Cells	1/day
Aerobes and Anaerobes	1/day
Wild Yeast	1/day

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EXHIBIT E

ELECTRONIC REPORTING TEXT FILE FORMAT

CITY2	[INV#]000470	[BBC ORDER#][YYYYMMDD]
L[QTY]	[PROD #]	[CITY CHARGE][KEG DEPOSIT CHARGE]
L000028	999BB	0021000 0000000

T[TOTAL SHIPMENT CHARGE]

CITY2	343543000011	76028520061222
L000720	101301	0105192 0000000
L000015	999BB	0011250 0000000
T000116442		

CITY2	343544000522	76341320061222
L000528	101301	0077141 0000000
L000011	999BB	0008250 0000000
T000085391		

CITY2	343566000108	76100220061222
L000043	106099	0023057 0051600

L000384	101201	0054259	0000000
L000072	146099	0038678	0086400
L000018	999BB	0013500	0000000
T000267494			

CITY2	343567000408	76120520061222	
L000012	106099	0006434	0014400
L000080	149099	0056424	0096000
L000048	146099	0025786	0057600
L000020	998BSK	0030000	0000000
L000005	999BB	0003750	0000000
T000290394			

CITY2	343569000059	76174220061222	
L001344	101176	0189907	0000000
L000028	999BB	0021000	0000000

[*] indicates that information has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidentiality treatment.

I, Martin F. Roper, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Boston Beer Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2007

/s/ Martin F. Roper
Martin F. Roper
President and Chief Executive Officer
[Principal Executive Officer]

I, William F. Urich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Boston Beer Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2007

/s/ William F. Urich

William F. Urich
Chief Financial Officer
[Principal Financial Officer]

The Boston Beer Company, Inc.

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Boston Beer Company, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2007 as filed with the Securities and Exchange Commission (the "Report"), I, Martin F. Roper, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2007

/s/ Martin F. Roper

Martin F. Roper

President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Boston Beer Company, Inc. and will be retained by The Boston Beer Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The Boston Beer Company, Inc.

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Boston Beer Company, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2007 as filed with the Securities and Exchange Commission (the "Report"), I, William F. Urich, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2007

/s/ William F. Urich
William F. Urich
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Boston Beer Company, Inc. and will be retained by The Boston Beer Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.