

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended September 27, 2003

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: 001-14092

**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.)

**75 Arlington Street, Boston, Massachusetts**

(Address of principal executive offices)

**02116**

(Zip Code)

**(617) 368-5000**

(Registrant's telephone number, including area code)

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

Yes

No

Indicate by check mark whether the registrant is an accelerated filer (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 October 23, 2003:

**Class A Common Stock, \$.01 par value**

**9,710,440**

**Class B Common Stock, \$.01 par value**

**4,107,355**

(Title of each class)

(Number of  
shares)

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**THE BOSTON BEER COMPANY, INC.  
FORM 10-Q**

**QUARTERLY REPORT  
SEPTEMBER 27, 2003**

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**THE BOSTON BEER COMPANY, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data)

	September 27, 2003	December 28, 2002
	(unaudited)	
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 19,626	\$ 20,608
Short-term investments	15,131	32,001
Accounts receivable, net of the allowance for doubtful accounts of \$524 and \$689 as of September 27, 2003 and December 28, 2002, respectively	14,528	17,830
Inventories	11,248	8,342
Prepaid expenses	1,016	1,284
Deferred income taxes	1,461	1,959
Other current assets	1,950	1,513
	<u>64,960</u>	<u>83,537</u>
Property, plant and equipment, net	18,134	20,202
Other assets	2,495	1,690
Goodwill	1,377	1,377
	<u>86,966</u>	<u>106,806</u>
Total assets	<u>\$ 86,966</u>	<u>\$ 106,806</u>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 9,603	\$ 8,997
Accrued expenses	16,869	15,874
	<u>26,472</u>	<u>24,871</u>
Total current liabilities	26,472	24,871
Long-term deferred income taxes	2,143	2,406
Other long-term liabilities	668	697
Commitments and Contingencies		
Stockholders' Equity:		
Class A Common Stock, \$.01 par value; 22,700,000 shares authorized; 16,808,907 and 16,674,556 issued as of September 27, 2003 and December 28, 2002, respectively	168	166
Class B Common Stock, \$.01 par value; 4,200,000 shares authorized; 4,107,355 issued and outstanding	41	41
Additional paid-in-capital	60,658	59,144
Unearned compensation	(284)	(189)
Other comprehensive income	147	419
Retained earnings	71,141	64,200
Less: Treasury Stock at cost, 7,066,267 and 5,011,947 shares as of September 27, 2003 and December 28, 2002, respectively	(74,188)	(44,949)
	<u>57,683</u>	<u>78,832</u>
Total stockholders' equity	57,683	78,832
	<u>\$ 86,966</u>	<u>\$ 106,806</u>
Total liabilities and stockholders' equity	<u>\$ 86,966</u>	<u>\$ 106,806</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		Nine months ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Revenue	\$ 61,584	\$ 62,602	\$ 173,868	\$ 178,298
Less excise taxes	6,039	6,043	16,684	17,207
Net revenue	55,545	56,559	157,184	161,091
Cost of sales	22,853	23,569	63,590	65,450
Gross profit	32,692	32,990	93,594	95,641
Operating expenses:				
Advertising, promotional and selling expenses	22,239	29,366	71,555	75,643
General and administrative expenses	4,348	3,397	11,820	10,745
Total operating expenses	26,587	32,763	83,375	86,388
Operating income	6,105	227	10,219	9,253
Other income:				
Interest income, net	287	334	941	731
Other income (expense)	3	13	(1)	1,039
Total other income	290	347	940	1,770
Income before provision for income taxes	6,395	574	11,159	11,023
Provision for income taxes	2,407	212	4,218	4,539
Net income	\$ 3,988	\$ 362	\$ 6,941	\$ 6,484
Earnings per common share – basic	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.40
Earnings per common share - diluted	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.39
Weighted average number of common shares – basic	14,183	15,878	15,001	16,196
Weighted average number of common shares – diluted	14,465	16,175	15,254	16,520

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)

	Nine months ended	
	September 27, 2003	September 28, 2002
	(unaudited)	(unaudited)
<b>Cash flows from operating activities:</b>		
Net income	\$ 6,941	\$ 6,484
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,232	4,497
Loss on disposal of fixed assets	30	206
Stock compensation expense	65	64
Bad debt expense	(39)	116
Realized gain on sale of marketable equity securities	(128)	(21)
Changes in assets and liabilities:		
Accounts receivable	3,344	(699)
Inventory	(2,906)	(2,343)
Prepaid expenses	268	38
Other current assets	(704)	(623)
Other assets	(1,411)	(942)
Deferred taxes	234	380
Accounts payable	606	2,311
Accrued expenses	1,392	2,413
Other long-term liabilities	(29)	(286)
Net cash provided by operating activities	11,895	11,595
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(1,504)	(1,663)
Proceeds on disposal of fixed assets	32	202
Proceeds from the sale of available-for-sale investments	20,410	16,080
Purchases of available-for-sale securities	(3,685)	(36,130)
Purchases of held-to-maturity securities	—	(9,027)
Net cash provided by (used in) investing activities	15,253	(30,538)
<b>Cash flows from financing activities:</b>		
Purchase of treasury stock	(29,239)	(9,877)
Proceeds from exercise of stock options	943	304
Net proceeds from the sale of investment shares	166	84
Net cash used in financing activities	(28,130)	(9,489)
Change in cash and cash equivalents	(982)	(28,432)
Cash and cash equivalents at beginning of period	\$ 20,608	45,838
Cash and cash equivalents at end of period	\$ 19,626	\$ 17,406
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 3,339	\$ 3,773

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 brewing and selling malt beverages and cider products throughout the United States and in selected international markets. The accompanying consolidated statement of financial position as of September 27, 2003 and the statement of consolidated operations and consolidated cash flows for the interim periods ending September 27, 2003 and September 28, 2002 have been prepared by the Company, without audit, in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 28, 2002.

**Management's Opinion**

In the opinion of the Company's management, the Company's unaudited consolidated financial position as of September 27, 2003 and the results of its consolidated operations and consolidated cash flows for the interim periods ended September 27, 2003 and September 28, 2002, reflect all adjustments (consisting only of normal and recurring adjustments) necessary to present fairly the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

**B. Short-Term Investments**

Short-term investments as of September 27, 2003 and December 28, 2002 were classified as follows, depending upon the Company's intent and the nature of the investment:

Investment Classification	As September 27, 2003 (in thousands)		As of December 28, 2002 (in thousands)	
	Fair Market Value	Unrealized Gain/(Loss)	Fair Market Value	Unrealized Gain/(Loss)
Available-for-sale	\$ 15,071	\$ 208	\$ 31,941	\$ 481
Trading	60	—	60	—
<b>Total</b>	<b>\$ 15,131</b>	<b>\$ 208</b>	<b>\$ 32,001</b>	<b>\$ 481</b>

The Company recorded realized gains of approximately \$128,000 and \$21,000 during the nine months ended September 27, 2003 and September 28, 2002, respectively.

**C. Inventories**

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

Inventories consist of the following (in thousands):

	September 27, 2003	December 28, 2002
Raw materials, principally hops	\$ 7,886	\$ 6,548
Work in process	707	758
Finished goods	2,655	1,036
	<b>\$ 11,248</b>	<b>\$ 8,342</b>

**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 earnings per share (in thousands, except per share data):

	For the three months ended		For the nine months ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net income	\$ 3,988	\$ 362	\$ 6,941	\$ 6,484
Shares used in earnings per common share - basic	14,183	15,878	15,001	16,196
Dilutive effect of common equivalent shares - stock options	282	297	253	324
	14,465	16,175	15,254	16,520
Shares used in earnings per common share - diluted				
Earnings per common share - basic	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.40
Earnings per common share - diluted	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.39

**E. Comprehensive Income**

Comprehensive income is as follows (in thousands):

	For the three months ended		For the nine months ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net income	\$ 3,988	\$ 362	\$ 6,941	\$ 6,484
Unrealized (loss) gain on available-for-sale securities	(234)	425	(272)	535
Comprehensive income	\$ 3,754	\$ 787	\$ 6,669	\$ 7,019

**F. Commitments and Contingencies***Purchase Commitments*

The Company had outstanding purchase commitments related to advertising contracts of approximately \$12.0 million at September 27, 2003, compared to \$22.0 million at December 28, 2002.

The Company has entered into contracts for the supply of a portion of its hops requirements. These purchase contracts, which extend through crop year 2008, specify both the quantities and prices to which the Company is committed. The prices of these contracts are denominated in euros. Hops purchase commitments outstanding at September 27, 2003 totaled \$10.9 million (based on the exchange rate at September 27, 2003), compared to \$13.4 million at December 28, 2002.



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

**G. Common Stock***Stock Compensation Plans*

The Company follows the disclosure provisions of SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure," and applies APB Opinion No. 25 and related interpretations for the Employee Equity Incentive Plan and the Stock Option Plan for Non-Employee Directors. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

	For the three months ended		For the nine months ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net income, as reported	\$ 3,988	\$ 362	\$ 6,941	\$ 6,484
Add: Stock-based employee compensation expense reported in net income, net of tax effects	14	14	41	39
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects	(180)	(175)	(759)	(636)
Pro forma net income	\$ 3,822	\$ 201	\$ 6,223	\$ 5,887
Earnings per share:				
Basic – as reported	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.40
Basic – pro forma	\$ 0.27	\$ 0.01	\$ 0.41	\$ 0.36
Diluted – as reported	\$ 0.28	\$ 0.02	\$ 0.46	\$ 0.39
Diluted – pro forma	\$ 0.26	\$ 0.01	\$ 0.41	\$ 0.36

**H. Treasury Stock**

During the third quarter 2003, the Company repurchased 781,100 shares of its outstanding Class A Common Stock, for an aggregate purchase price of \$11.9 million. On August 19, 2003, the Company's Board of Directors authorized an additional \$10.0 million for the repurchase of the Company's Class A Common Stock, increasing the aggregate expenditure limitation to \$80.0 million. Subsequent to quarter-end, and through October 23, 2003, the Company has repurchased an additional 32,200 shares, for an aggregate repurchase price of \$524,000. For the nine months ended September 27, 2003 and to date, the Company has repurchased a total of 2.1 and 7.1 million shares, respectively, under this program, at a cost of \$29.2 million and \$74.7 million, respectively.

**I. Legal Proceedings**

During the fourth quarter of 2002, Miller Brewing Company filed with the American Arbitration Association a demand for arbitration with respect to its right to terminate its obligation to produce certain of the Company's products under a contract brewing agreement after May 30, 2004. In its response, the Company, in addition to denying that Miller has the right to terminate, also asserted certain counterclaims against Miller. Hearings on the matter have taken place and the Company expects that the arbitrators will render a decision during the fourth quarter 2003. It is not possible, at this point, to predict the outcome of the arbitration.

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

The following is a discussion of the financial condition and results of operations of the Company for the three and nine-month periods ended September 27, 2003 as compared to the three and nine-month periods ended September 28, 2002. This discussion should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements of the Company and Notes thereto included in the Company's Form 10-K for the fiscal year ended December 28, 2002.

### RESULTS OF OPERATIONS

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

#### Three Months Ended September 27, 2003 compared to Three Months Ended September 28, 2002

**Net revenue.** Net revenue decreased by \$1.0 million or 1.8% to \$55.5 million for the three months ended September 27, 2003 from the three months ended September 28, 2002. The decrease is due to a decline in volume of the Company's core brands coupled with a 1% decline in net revenue per barrel as compared to the third quarter 2002.

**Volume.** Total volume decreased by 0.8% or 3,000 barrels to 333,000 barrels in the three months ended September 27, 2003 as compared to the same period 2002, due to a decline in Sam Adams Light® and Samuel Adams® Signature Series, partially offset by increases in Twisted Tea®, Samuel Adams Boston Lager® and Samuel Adams® Seasonal Brands. During the third quarter 2002, Sam Adams Light® was launched in a substantial number of the Company's markets and as a result, shipments of Sam Adams Light® were higher than normal levels as inventory was loaded into these markets.

Wholesalers had increased inventory levels by approximately 10,000 barrels during the third quarter 2002 as compared to an increase of approximately 2,000 barrels in the same period 2003.

**Selling Price.** The selling price per barrel of core brands decreased by approximately 1.0% to \$166.80 per barrel for the quarter ended September 27, 2003. This decrease is primarily due to changes in the packaging mix. The ratio of bottles to kegs decreased, with bottles representing 71.8% of total shipments in the net three months ended September 27, 2003 as compared to 74.4% for the same period last year. The shift in the mix to kegs from bottles reduced net revenue per barrel, as the selling price per equivalent barrel is higher for bottles than for kegs. This shift is primarily due to the higher shipment volume of Sam Adams Light® during the third quarter 2002 when the product was launched, as this product was only available in bottles in most markets.

**Gross Profit.** Gross profit was 58.9% as a percentage of net revenue or \$98.17 per barrel for the quarter ended September 27, 2003, as compared to 58.3% and \$98.25 for the quarter ended September 28, 2002.

Cost of sales decreased by \$1.56 per barrel to \$68.63 per barrel, or 41.1% as a percentage of net revenue for the quarter ended September 27, 2003, as compared to 41.7% as a percentage of net revenue or \$70.19 per barrel for the quarter ended September 28, 2002. This was due primarily to changes in the packaging mix as the cost of sales per equivalent barrel is higher for bottles than kegs (refer to the selling price discussion above for additional information relating to the packaging mix).

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

**Advertising, Promotional and Selling.** As a percentage of net revenue, advertising, promotional and selling expenses were 40.0% for the quarter ended September 27, 2003, as compared to 51.9% for the quarter ended September 28, 2002. Advertising, promotional and selling expenses decreased by \$7.1 million or 24.3% to \$22.2 million for the three months ended September 27, 2003, compared to the three months ended September 28, 2002. This decrease is primarily due to the high level of support for the launch of Sam Adams Light® during the quarter ended September 28, 2002.

**General and Administrative.** General and administrative expenses increased by 28.0% or \$951,000 to \$4.3 million for the quarter ended September 27, 2003 as compared to the same period last year. This increase was primarily due to higher legal fees incurred during the third quarter 2003 related to arbitration proceedings with Miller Brewing Company.

**Interest income, net.** Interest income decreased by 14.1% to \$287,000 for the quarter ended September 27, 2003 from \$334,000 for the quarter ended September 28, 2002. This decrease is primarily due to lower average cash and investment balances during the third quarter 2003 as compared to the same period last year.

**Provision for income taxes.** The Company anticipates that its effective tax rate will be approximately 38.0% for the year ending December 27, 2003. The overall decrease in the effective tax rate for 2003 is due to both the shifting of investments from taxable to tax-exempt instruments, as well as a restructuring of certain of the Company's corporate entities.

**Nine Months Ended September 27, 2003 compared to Nine Months Ended September 28, 2002**

**Net revenue.** Net revenue decreased by \$3.9 million or 2.4% to \$157.2 million for the nine months ended September 27, 2003 from \$161.1 million for the nine months ended September 28, 2002. The decrease is primarily due to a decline in volume of the Company's core brands, slightly offset by an increase in net revenue per barrel.

**Volume.** Total volume decreased by 3.2% or 31,000 barrels to 933,000 barrels in the nine months ended September 27, 2003 from the same period 2002, due to declines in Samuel Adams Boston Lager®, Samuel Adams® Signature Series and Seasonal Brands, partially offset by an increase in Sam Adams Light® and Twisted Tea®. During the first nine months of 2002, Sam Adams Light® was not distributed in all of the Company's markets as the national roll out of the product began in January 2002, excluding test markets. By the end of the nine months ended September 28, 2002, Sam Adams Light® was in markets representing over 85% of the Company's total volume.

The Company believes that the declines experienced in Samuel Adams' flagship brand and other core brands were due to a combination of factors, including a weak economy, poor weather conditions in the Northeast during the first half of 2003, world events during the first quarter of 2003 and cannibalization of other Samuel Adams® beers by Sam Adams Light®. The Company is actively working to minimize effects of this cannibalization.

Further impacting the Company's shipment volume for the first nine months 2003 as compared to the same period 2002 was an inventory build at wholesalers that began in January 2002 as the Company was rolling out Sam Adams Light®. Wholesalers had increased inventory levels by approximately 75,000 barrels during the first nine months 2002 as compared to approximately 26,000 barrels in 2003. During the fourth quarter of 2002, inventory levels decreased by approximately 40,000 barrels, ending the year with a cumulative inventory build of approximately 35,000 barrels. As of September 27, 2003, the Company believes inventory levels are approximately 10,000 barrels higher than normal levels for this time of year and expects to return to normal year end inventory levels or less by December 27, 2003.

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

**Selling Price.** The selling price per barrel increased by approximately 1% to \$168.47 per barrel for the nine months ended September 27, 2003. This increase is due to normal price increases.

**Gross Profit.** Gross profit was 59.5% as a percentage of net revenue or \$100.32 per barrel for the nine months ended September 27, 2003, as compared to 59.4% and \$99.21 for the nine months ended September 28, 2002. The increase per barrel was primarily due to price increases, partially offset by an increase in cost of sales.

Cost of sales increased by \$.27 per barrel to \$68.16 per barrel or 40.5% as a percentage of net revenue for the nine months ended September 27, 2003, as compared to \$67.89 per barrel or 40.6% as a percentage of net revenue for the nine months ended September 28, 2002. This was due primarily to changes in the product mix and normal increases in brewing costs. The Company anticipates slightly higher margins for the full year 2003 than in 2002.

**Advertising, Promotional and Selling.** As a percentage of net revenue, advertising, promotional and selling expenses were 45.5% for the nine months ended September 27, 2003, as compared to 47.0% for the nine months ended September 28, 2002. Advertising, promotional and selling expenses decreased by \$4.1 million or 5.4% to \$71.6 million for the nine months ended September 27, 2003, compared to the nine months ended September 28, 2002. This decrease is primarily due to the high level of support for the launch of Sam Adams Light® during the nine months ended September 28, 2002.

**General and Administrative.** General and administrative expenses increased by 10.0% or \$1.1 million to \$11.8 million for the nine months ended September 27, 2003 as compared to the same period last year. The increase was primarily due to significant legal fees incurred during the nine months ended September 27, 2003 related to arbitration proceedings with Miller Brewing Company.

**Interest income, net.** Interest income increased by 28.7% to \$941,000 for the nine months ended September 27, 2003 from \$731,000 for the same period ended September 28, 2002. This increase is primarily due to the receipt of distributions from certain investments in the first quarter, as well as moving funds into higher yielding investments in 2003.

**Provision for income taxes.** The Company anticipates that its effective tax rate will be approximately 38.0% for the year ending December 27, 2003. The overall decrease in the effective tax rate for 2003 is due to both the shifting of investments from taxable to tax-exempt instruments, as well as a restructuring of certain of the Company's corporate entities.

### LIQUIDITY AND CAPITAL RESOURCES

Cash and short-term investments decreased by \$17.9 million to \$34.8 million as of September 27, 2003 as compared to December 28, 2002. For the nine months ended September 27, 2003, the decrease in cash and short-term investments was primarily due to \$29.2 million of cash used in financing activities to repurchase shares of the Company's Class A Common Stock, partially offset by \$11.9 million in cash provided by operations.

The Company utilized \$29.2 million of cash during the nine months ended September 27, 2003 to repurchase 2.1 million shares of its outstanding Class A Common Stock, as compared to \$9.9 million during the same period 2002. On August 19, 2003, the Company's Board of Directors authorized an additional \$10.0 million for the repurchase of the Company's Class A Common Stock, increasing the aggregate expenditure limitation to \$80.0 million. Through October 23, 2003, the Company has repurchased a total of 7.1 million shares under this program, at a cost of \$74.7 million.

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

Cash provided by operations during the period ending September 27, 2003 increased by \$300,000 to \$11.9 million as compared to the same period last year. The increase was primarily due to a change in distributor credit terms that occurred during the third quarter of 2003 that reduced the accounts receivable balance by approximately \$5 million for the period ended September 27, 2003 as compared to the period ended September 28, 2002. This increase was substantially offset by timing differences relating to accounts payable.

With working capital of \$38.5 million and \$45.0 million in unused bank lines of credit as of September 27, 2003, the Company believes that its existing resources should be sufficient to meet the Company's short-term and long-term operating and capital requirements. The Company was in compliance with all covenants, and there were no amounts outstanding under the Company's credit facilities as of September 27, 2003, or as of the date of this filing.

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

#### *Brewery-Related Transactions*

During the fourth quarter of 2002, Miller Brewing Company filed with the American Arbitration Association a demand for arbitration with respect to its right to terminate its obligation to produce certain of the Company's products under a contract brewing agreement after May 30, 2004. In its response, the Company, in addition to denying that Miller has the right to terminate, also asserted certain counterclaims against Miller. Hearings on the matter have taken place and the Company expects that the arbitrators will reach a decision during the fourth quarter 2003. It is not possible, at this point, to predict the outcome of the arbitration.

The Company maintains ongoing discussions with its contract breweries and potential contract breweries and continues to believe that, regardless of the outcome of the Miller arbitration, it will be able to maintain sources of supply adequate to meet the expected demand for the Company's products beyond May 2004. The ultimate decision regarding production beyond May 2004 will, of course, depend on a number of factors, including the outcome of the Miller arbitration and other alternatives then available to the Company. Accordingly, additional capital or operating costs, if any, that the Company might actually incur in securing access to future capacity and ensuring that its products are produced to its quality and service requirements, remain uncertain.

#### **Contractual Obligations**

The following table presents contractual obligations as of September 27, 2003:

(in thousands)	Total	Payments Due by Period			
		Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Advertising Commitments	\$ 11,987	\$ 11,007	\$ 980	\$ —	\$ —
Hops Purchase Commitments	10,876	2,677	5,168	2,492	539
Operating Leases	3,748	1,179	2,210	227	132
Total Contractual Obligations	\$26,611	\$14,863	\$8,358	\$2,719	\$671

#### **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and

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

expenses, and related disclosure of contingent assets and liabilities. These items are monitored and analyzed by management for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are recorded in the period in which they become known. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from our estimates if past experience or other assumptions do not turn out to be substantially accurate.

*Inventory Reserves*

The reused glass reserve accounts for a significant portion of the inventory obsolescence reserve. The Company's accounting policy for reused glass inventory is to recognize a loss by establishing a reserve to the extent that inventory levels exceed expected usage. Based upon the amount of reused glass that is recycled and available, the Company determines in advance what quantity of this glass will be used for bottling, and a reserve is computed based upon an estimated percentage of glass that may not be able to be utilized. The computation of this reserve considers brewery capacity for bottling with reused glass, the amount of reused glass that is available and possible packaging obsolescence. Actual results may materially differ from management's estimates.

An additional component of the inventory obsolescence reserve is the excess hops inventory reserve. The Company's accounting policy for hops inventory and purchase commitments is to recognize a loss by establishing a reserve to the extent inventory levels and commitments exceed forecasted usage requirements. The computation of the excess hop inventory and purchase commitment reserve is based on the age of the hops on-hand and requires management to make certain assumptions regarding future sales growth, product mix, cancellation costs, and supply, among others. The Company will continue to manage hop inventory and contract levels as necessary. The current levels are deemed adequate, based upon foreseeable future brewing requirements. Actual results may materially differ from management's estimates.

*Promotional Activities Accrual*

Throughout the year, the Company's sales force engages in numerous promotional activities, and this requires that management make certain estimates and assumptions that affect the reported amounts of related liabilities at the date of the financial statements and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

*Distributor Promotional Discount Allowance*

The Company enters into discount agreements with its various wholesalers for certain periods of time. The agreed-upon discount rates are applied to the wholesalers' sales to retailers in order to determine the total discounted amount. The computation of the discount accrual requires that management make certain estimates and assumptions that affect the reported amounts of related assets at the date of the financial statements and the reported amounts of revenue during the reporting period. Actual results could differ from those estimates.

**FORWARD-LOOKING STATEMENTS**

In this 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

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

as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date factor that may emerge, 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 Form 10-Q.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Since December 28, 2002, 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**

On September 8, 2003, William F. Urich joined the Company as its Treasurer and Chief Financial Officer.

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(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 27, 2003, the Company's disclosure controls and procedures were effective to ensure that material information relating to the Company, including its consolidated subsidiaries, is recorded, processed, summarized and reported within the time periods specified.

During the three month period ended September 27, 2003, there were no significant changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. LEGAL PROCEEDINGS**

During the fourth quarter of 2002, Miller Brewing Company filed a Demand for Arbitration with the American Arbitration Association seeking a determination as to whether Miller has the right to terminate its existing contractual obligations to the Company, effective May 30, 2004. In its response, the Company, in addition to denying that Miller has the right to terminate, also asserted certain counterclaims against Miller. Hearings on the matter have taken place and the Company expects that the arbitrators will render a decision during the fourth quarter 2003. It is not possible, at this point, to predict the actual outcome of the arbitration.

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

**Item 2. CHANGES IN SECURITIES**

Not Applicable

**Item 3. DEFAULTS UPON SENIOR SECURITIES**

Not Applicable

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

Not Applicable

**Item 5. OTHER INFORMATION**

Not Applicable

**Item 6. EXHIBITS AND REPORTS ON FORM 8-K**

**(a) Exhibits**

<b>Exhibit No.</b>	<b>Title</b>
3.1	Amended and Restated By-Laws of the Company, dated June 2, 1998 (incorporated by reference to Exhibit 3.5 to the Company's Form 10-Q filed on August 10, 1998).
3.2	Restated Articles of Organization of the Company, dated July 21, 1998 (incorporated by reference to Exhibit 3.6 to the Company's Form 10-Q filed on August 10, 1998).
4.1	Form of Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 33-96164).



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<u>Exhibit No.</u>	<u>Title</u>
10.1	Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and Boston Beer Company Limited Partnership (the "Partnership"), dated as of May 2, 1995 (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement No. 33-96162).
10.2	Loan Security and Trust Agreement, dated October 1, 1987, among Massachusetts Industrial Finance Agency, the Partnership and The First National Bank of Boston, as Trustee, as amended (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement No. 33-96164).
10.3	Deferred Compensation Agreement between the Partnership and Alfred W. Rossow, Jr., effective December 1, 1992 (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement No. 33-96162).
10.4	The Boston Beer Company, Inc. Employee Equity Incentive Plan, as adopted effective November 20, 1995 and amended effective February 23, 1996 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 333-1798).
10.5	Form of Employment Agreement between the Partnership and employees (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement No. 33-96162).
10.6	Services Agreement between The Boston Beer Company, Inc. and Chemical Mellon Shareholder Services, dated as of October 27, 1995 (incorporated by reference to the Company's Form 10-K, filed on April 1, 1996).
10.7	Form of Indemnification Agreement between the Partnership and certain employees and Advisory Committee members (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement No. 33-96162).
10.8	Stockholder Rights Agreement, dated as of December, 1995, among The Boston Beer Company, Inc. and the initial Stockholders (incorporated by reference to the Company's Form 10-K, filed on April 1, 1996).
+10.9	Agreement between Boston Brewing Company, Inc. and The Stroh Brewery Company, dated as of January 31, 1994 (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement No. 33-96164).
+10.10	Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, dated as of July 25, 1995 (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement No. 33-96164).
+10.11	Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. dated as of February 28, 1989 (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement No. 33-96164).

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<u>Exhibit No.</u>	<u>Title</u>
10.12	Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company, Boston Brewing Company, Inc., and G. Heileman Brewing Company, Inc., dated December 13, 1989 (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement No. 33-96162).
+10.13	Second Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. dated as of August 3, 1992 (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement No. 33-96164).
+10.14	Third Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. dated December 1, 1994 (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement No. 33-96164).
10.15	Fourth Amendment to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. dated as of April 7, 1995 (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement No. 33-96162).
+10.16	Letter Agreement between Boston Beer Company Limited Partnership and Joseph E. Seagram & Sons, Inc. (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement No. 33-96162).
10.17	Services Agreement and Fee Schedule of Mellon Bank, N.A. Escrow Agent Services for The Boston Beer Company, Inc. dated as of October 27, 1995 (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement No. 33-96164).
10.18	Amendment to Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and the Partnership (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement No. 33-96164).
10.19	1996 Stock Option Plan for Non-Employee Directors (incorporated by reference to the Company's Form 10-K, filed on March 31, 1997).
+10.20	Production Agreement between The Stroh Brewery Company and Boston Beer Company Limited Partnership, dated January 14, 1997 (incorporated by reference to the Company's Form 10-K, filed on March 31, 1997).
+10.21	Letter Agreement between The Stroh Brewery Company and Boston Beer Company Limited Partnership, dated January 14, 1997 (incorporated by reference to the Company's Form 10-K, filed on March 31, 1997).
+10.22	Agreement between Boston Beer Company Limited Partnership and The Schoenling Brewing Company, dated May 22, 1996 (incorporated by reference to the Company's Form 10-K, filed on March 31, 1997).
10.23	Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and The Boston Beer Company, Inc., dated as of March 21, 1997 (incorporated by reference to the Company's Form 10-Q, filed on May 12, 1997).

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<u>Exhibit No.</u>	<u>Title</u>
+10.24	Amended and Restated Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, Inc. dated April 30, 1997 (incorporated by reference to the Company's Form 10-Q, filed on August 11, 1997).
+10.26	Fifth Amendment, dated December 31, 1997, to Amended and Restated Agreement between Pittsburgh Brewing Company and Boston Brewing Company, Inc. (incorporated by reference to the Company's Form 10-K, filed on March 26, 1998).
10.27	Extension letters, dated August 19, 1997, November 19, 1997, December 19, 1997, January 22, 1998, February 25, 1998 and March 11, 1998 between The Stroh Brewery Company and Boston Brewing Company, Inc. (incorporated by reference to the Company's Form 10-K, filed on March 26, 1998).
+10.28	Employee Equity Incentive Plan, as amended and effective on December 19, 1997 (incorporated by reference to the Company's Form 10-K, filed on March 26, 1998).
+10.29	1996 Stock Option Plan for Non-Employee Directors, as amended and effective on December 19, 1997 (incorporated by reference to the Company's Form 10-K, filed March 26, 1998).
+10.30	Glass Supply Agreement between The Boston Beer Company and Owens' Brockway Glass Container Inc., dated April 30, 1998 (incorporated by reference to the Company's Form 10-Q, filed on August 10, 1998).
10.31	Extension letters, dated April 13, 1998, April 27, 1998, June 11, 1998, June 25, 1998 and July 20, 1998 between The Stroh Brewery Company and Boston Brewing Company, Inc. (incorporated by reference to the Company's Form 10-Q, filed on August 10, 1998).
+10.33	Amended and Restated Production Agreement between The Stroh Brewery Company and Boston Beer Company Limited Partnership, dated November 1, 1998 (incorporated by reference to the Company's Form 10-K, filed on March 25, 1999).
10.34	Agreement between Boston Beer Company Limited Partnership, Pabst Brewing Company and Miller Brewing Company, dated February 5, 1999 (incorporated by reference to the Company's Form 10-K, filed on March 25, 1999).
10.35	Amendment to Revolving Credit Agreement between Fleet Bank of Massachusetts, N.A. and The Boston Beer Company, Inc., dated March 30, 1999 (incorporated by reference to the Company's Form 10-Q, filed on May 10, 1999).
+10.36	Agreement between Boston Beer Company Limited Partnership and Landstar Logistics and Transportation, dated January 9, 1999 (incorporated by reference to the Company's Form 10-Q, filed on May 10, 1999).

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Exhibit No.	Title
+10.37	Consent to Assignment of the Amended and Restated Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, Inc. dated April 30, 1997 to Monroe Brewing Co., LLC (now known as High Falls Brewing Company, LLC) dated December 15, 2000 (incorporated by reference to the Company's 10-K, filed on March 30, 2001).
+10.38	Guaranty of The Genesee Brewing Company, Inc. dated December 15, 2000 in favor of Boston Brewing Company, Inc., for itself and as the sole general partner of Boston Beer Company Limited Partnership in connection with the Consent of Assignment of the Amended and Restated Agreement between Boston Brewing Company, Inc. and the Genesee Brewing Company, Inc. dated April 30, 1997 to Monroe Brewing Co., LLC (now known as High Falls Brewing Company, LLC) dated December 15, 2000 (incorporated by reference to the Company's 10-K, filed on March 30, 2001).
+10.39	Second Amended and Restated Agreement between Boston Beer Corporation and High Falls Brewing Company, LLC effective as of April 15, 2002 (incorporated by reference to the Company's 10-Q, filed on August 13, 2002).
+10.40	Guaranty Release Agreement by and between GBC Liquidating Corp., formerly known as The Genesee Brewing Company, Inc., and Boston Beer Corporation, d/b/a The Boston Beer Company dated April 22, 2002 (incorporated by reference to the Company's 10-Q, filed on August 13, 2002).
10.41	Second Amended and Restated Credit Agreement between The Boston Beer Company, Inc. and Boston Beer Corporation, as Borrowers, and Fleet National Bank, effective as of July 1, 2002 (incorporated by reference to the Company's 10-Q, filed on August 13, 2002).
+10.42	Brewing Services Agreement between Boston Beer Corporation and City Brewing Company, LLC, effective as of July 1, 2002 (incorporated by reference to the Company's 10-Q, filed on November 12, 2002).
+10.43	Brewing Services Agreement between Boston Beer Corporation and Matt Brewing Co., Inc. dated as of March 15, 2003 (incorporated by reference to the Company's 10-K, filed on March 27, 2003).
*11.1	The information required by exhibit 11 has been included in Note D of the notes to the consolidated financial statements.
14.1	Code of Business Conduct and Ethics adopted by the Board of Directors on December 17, 2002 (incorporated by reference to the Company's 10-K, filed on March 27, 2003).
21.1	List of subsidiaries of The Boston Beer Company, Inc. (incorporated by reference to the Company's Form 10-K, filed on March 28, 1997).

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<u>Exhibit No.</u>	<u>Title</u>
21.2	List of subsidiaries of The Boston Beer Company, Inc. effective as of December 30, 2000 (incorporated by reference to the Company's Form 10-K, filed on March 30, 2001)
21.3	List of subsidiaries of The Boston Beer Company, Inc. effective as of September 28, 2002 (incorporated by reference to the Company's Form 10-Q, filed on May 14, 2002).
21.4	List of subsidiaries of The Boston Beer Company, Inc. effective as of December 28, 2002 (incorporated by reference to the Company's Form 10-K, filed on March 27, 2003).
*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 were omitted pursuant to an application for an order declaring confidential treatment filed with the Securities and Exchange Commission.

**(b) Reports on Form 8-K.**

On July 29, 2003, the Company furnished a report under Item 12 on Form 8-K to the Securities and Exchange Commission.

On August 20, 2003, the Company filed a report under Items 5 and 7 on Form 8-K 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: October 28, 2003

By: /s/ Martin F. Roper

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Martin F. Roper  
President and Chief Executive Officer  
(principal executive officer)

Date: October 28, 2003

By: /s/ William F. Urich

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William F. Urich  
Chief Financial Officer  
(principal accounting and  
financial officer)

I, Martin F. Roper, President and Chief Executive Officer of The Boston Beer Company, Inc., 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(s) 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)) 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) 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
  - (c) 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(s) 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: October 28, 2003

/s/ Martin F. Roper

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





I, William F. Urich, Chief Financial Officer of The Boston Beer Company, Inc., 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(s) 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)) 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) 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
  - (c) 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(s) 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: October 28, 2003

/s/ William F. Urich

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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 September 27, 2003 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: October 28, 2003

/s/ Martin F. Roper

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Martin F. Roper  
President and Chief  
Executive 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 September 27, 2003 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: October 28, 2003

/s/ William F. Urich

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William F. Urich  
Chief Financial Officer