

MOLSON COORS BREWING CO  
Form 11-K  
June 29, 2006

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

OR

**TRANSITION REPORT PURSUANT TO SECTION 15 (D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 0-8251

**A. 401(K) SAVINGS PLAN FOR HOURLY EMPLOYEES  
AT THE MEMPHIS, TENNESSEE BREWERY**

311 10th Street  
Golden, Colorado 80401

**B. MOLSON COORS BREWING COMPANY**

1225 17TH Street  
Denver, Colorado 80202

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 28, 2006

401(k) Savings Plan for Hourly Employees at the Memphis, Tennessee  
Brewery

/s/ Michael J. Rumley

Name: Michael J. Rumley

Acting on Behalf of the Molson Coors Brewing Company U.S. Pension  
Committee

**401(k) SAVINGS PLAN  
FOR HOURLY EMPLOYEES AT THE  
MEMPHIS, TENNESSEE BREWERY**

**Golden, Colorado**

**FINANCIAL STATEMENTS  
December 31, 2005 and 2004**

3

---

TABLE OF CONTENTS

	<b>Page</b>
<b><u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	5
<b>FINANCIAL STATEMENTS</b>	
<u>Statements of Net Assets Available for Benefits</u>	6
<u>Statement of Changes in Net Assets Available for Benefits</u>	7
<u>Notes to Financial Statements</u>	8
<b><u>SUPPLEMENTAL INFORMATION</u></b>	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	13
<b><u>EXHIBITS INDEX</u></b>	
Consent of Independent Registered Public Accounting Firm	16

**Report of Independent Registered Public Accounting Firm**

Clifton Gunderson LLP Certified Public Accountants and Consultants

To the Molson Coors Brewing Company U.S. Pension Committee  
as Trustee for the 401(k) Savings Plan for Hourly  
Employees at the Memphis, Tennessee Brewery  
Golden, Colorado

We have audited the accompanying statements of net assets available for benefits of 401(k) Savings Plan for Hourly Employees at the Memphis, Tennessee Brewery as of December 31, 2005 and 2004 and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of 401(k) Savings Plan for Hourly Employees at the Memphis, Tennessee Brewery as of December 31, 2005 and 2004 and the changes in net assets available for benefits for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Clifton Gunderson LLP

Denver, Colorado  
June 20, 2006

5

---

**401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES AT THE MEMPHIS, TENNESSEE BREWERY  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

**December 31, 2005 and 2004**

**(In \$ thousands)**

	<b>2005</b>	<b>2004</b>
<b>INVESTMENTS</b>		
At fair value:		
Investment in mutual funds and money market funds	\$ 3,768	\$ 4,269
Investment in company stock	148	239
Participant loans	431	323
	4,347	4,831
At contract value:		
Investment in Fixed Fund	6,429	6,381
Total investments	10,776	11,212
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 10,776</b>	<b>\$ 11,212</b>

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

**401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES AT THE MEMPHIS, TENNESSEE BREWERY  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

**For the Year Ended December 31, 2005**

**(In \$ thousands)**

**ADDITIONS TO NET ASSETS**

Interest and dividends	\$ 485
------------------------	--------

Participants Contributions	708
----------------------------	-----

Total additions to net assets	1,193
-------------------------------	-------

**DEDUCTIONS FROM NET ASSETS**

Participant benefit payments	1,620
------------------------------	-------

Management fees	2
-----------------	---

Net depreciation of investments in fair value	7
---	---

Total deductions from net assets	1,629
----------------------------------	-------

<b>NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>(436 )</b>
--	---------------

<b>NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<b>11,212</b>
---	---------------

<b>NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR</b>	<b>\$ 10,776</b>
---	------------------

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

**401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES AT THE MEMPHIS, TENNESSEE BREWERY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005 and 2004**

**NOTE 1 GENERAL DESCRIPTION OF PLAN**

On February 9, 2005, Adolph Coors Company and Molson Inc. merged (the Merger) and Adolph Coors Company changed its name to Molson Coors Brewing Company (MCBC). The 401(k) Savings Plan for Hourly Employees at the Memphis, Tennessee Brewery (the Memphis Plan or the Plan) was not affected by the Merger, except that the Coors Common B stock held in the Coors stock fund is subsequently referred to as the Molson Coors stock fund. Former Molson employees are not eligible to participate in the Memphis Plan.

The 401(k) Savings Plan for Hourly Employees at the Memphis, Tennessee Brewery was established effective September 1, 1990 and was amended and restated effective January 1, 1997, and from time to time is amended to comply with regulatory changes and for other purposes. The Memphis Plan's purpose is to encourage eligible employees of the Memphis, Tennessee brewery of the former Adolph Coors Company and subsidiaries (the Company) to accumulate savings systematically in order to provide an additional source of income upon retirement, disability or death. Participants should refer to the Memphis Plan agreement for a more complete description of its provisions. The Memphis Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The U.S. Pension Committee (the Committee), consisting of MCBC employees, is appointed by the Board of Directors of MCBC and acts as fiduciary for the Plan. In accordance with its power as fiduciary, the Committee has entered into trust and management agreements with Fidelity Management Trust Company (Fidelity), the Memphis Plan's trustee.

**Investment in Corporate Stock**

The Plan's Investment in Company Stock is a unitized fund holding cash and Class B common stock. For the year ended December 31, 2004, the fund held Adolph Coors Company Stock. On February 9, 2005, Adolph Coors Company merged with Molson, Inc. The merger was effected through an exchange of stock. As a result, the Adolph Coors Company Class B common stock held in the Plan's fund was exchanged for Molson Coors Brewing Company Class B common stock, effective February 9, 2005.

**Eligibility**

This Plan covers all hourly, non-seasonal, employees at the Company's Memphis, Tennessee brewery and who are members of a collective bargaining unit represented at this brewery location by I.B.T. Local 1196.

**Contributions**

Participants may contribute up to a maximum of 100% in 2005 and 2004 in whole percentages of their annual base compensation, or \$14,000 plus \$4,000 catch up for those age 50 and over in 2005 and \$13,000 plus \$3,000 catch up for those age 50 and over in 2004.

**Participant Accounts**

Fidelity is responsible for preparing, maintaining and allocating amounts to individual participant's accounts. Each participant's account is credited with the participant's and employer's contributions and an allocation of plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.



### **Vesting**

Participants are immediately vested in their voluntary contributions and all investment earnings on these contributions that are credited to their account.

### **Distributions**

On termination of service, a participant may receive a lump sum amount equal to the value of his or her account. Distributions are subject to the applicable provisions of the Plan agreement.

### **Participant Loans**

Participants may borrow up to 50% of the total value of their accounts. The minimum loan amount is \$1,000 and the maximum loan amount is \$50,000. These loans are available to active employees or parties-in-interest who are participants. Only one loan may be outstanding at any time. The interest rate is set at one percent above prime rate on the first business day of the month in which the loan is made and remains fixed throughout the term of the loan. Loans are subject to certain repayment provisions upon termination of employment, lay-off, unpaid leave of absence or disability. When participants fail to repay their loan balance in accordance with their terms, the unpaid balance is considered a distribution and may be subject to a 10% penalty tax. Participants defaulted on \$4,314 and \$53,157 of loans during 2005 and 2004, respectively.

### **Plan Expenses**

Participants pay expenses incurred to manage the Plan's assets in that they are netted against investment earnings. The employer pays all other expenses incident to the administration and record keeping of the Plan.

## **NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The Plan's financial statements are prepared on the accrual basis of accounting, and reflect management's estimates and assumptions, such as those regarding fair value, that affect the recorded amounts. Significant estimates used are discussed throughout the notes to financial statements.

### **Investment Valuation and Income Recognition**

The Plan's investments are comprised of the following:

The Master Trust, which is comprised of the following investments:

- A Fixed Fund that consists of a Short Term Investment Fund ( STIF ) and Global Wrap Contracts with insurance companies and other entities that are stated at contract value (cost plus accrued interest).
- Mutual funds which are stated at the respective funds' net asset value, which is determined by the investment manager based on market value.
- A money market fund stated at market value as determined by the investment manager.
- Molson Coors Stock Fund which is a unitized stock fund, which holds shares of MCBC Class B non-voting common stock stated at the quoted market price at the period end, and cash.

Participant loans are stated at cost, which approximates fair value.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

### **Participant Accounts**



## Benefits

Benefit payments are recorded when paid.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Risks and Uncertainties

The Plan provides for various investment options in stocks and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

## NOTE 3 INVESTMENTS IN MASTER TRUST

The Plan's assets are held by Fidelity under a Master Trust Agreement, under which Fidelity executes all transactions at the direction of the Committee.

Some of the Plan's investment assets are held in a Fixed Fund, commingled with investment assets of the Molson Coors Savings and Investment Plan. Both plans participating in the Fixed Fund collectively own the assets in the Fixed Fund based upon investment percentages. Participant transaction activity and income are allocated to benefit plans based upon their relative investment percentages. All other assets of the Master Trust are participant directed.

The total value of the Fixed Fund was \$226,276,658 and \$233,508,560 at December 31, 2005 and 2004, respectively. The total net investment interest income of the Fixed Fund for the years ended December 31, 2005 and 2004 was approximately \$10,037,853 and \$10,380,523 respectively. The Plan's interest in the Fixed Fund as a percentage of net assets of the Fixed Fund was 2.8% and 2.72% at December 31, 2005 and 2004, respectively.

Included in the Fixed Fund are Global Wrap contracts which are reported in the financial statements at contract value because they are fully benefit-responsive. There are no reserves against contract value for credit risk of the contract issuers or otherwise. The total fair value and cost of the fully benefit-responsive Global Wrap Contracts at December 31, 2005 was approximately \$220,911,133 and \$223,165,025 respectively, and at December 31, 2004 was approximately \$234,389,669 and \$230,796,270 respectively. The fair value of the benefit responsive features of the contracts at December 31, 2005 and 2004 were \$2,253,892 and \$0, respectively. The portfolio average yield was approximately 4.30% and 4.50%, respectively for 2005 and 2004. The portfolio crediting interest rate was approximately 4.11% and 4.11%, respectively for 2005 and 2004. The crediting interest rate is based on a formula agreed upon with the issuer and is reset quarterly for the Global Wrap Contracts, but cannot be less than zero.

The other investment options offered to participants include twenty mutual funds, a money market fund and the Molson Coors Stock Fund. At December 31, 2005, eighteen of these fund options had balances.

The total dividend and interest in the Mutual Fund Investments, the money market fund and for the Molson Coors Stock Fund was \$16,217,961 for the year ended December 31, 2005.

**NOTE 4 INVESTMENTS**

The following investments at December 31, 2005 and 2004 exceed 5% of net assets available for benefits (in \$ thousands):

Identity	Description	Contract Value	
		2005	2004
Fixed Fund	Investment contract fund	\$ 6,429	\$ 6,381

Identity	Description	Fair Value	
		2005	2004
Fidelity Low Price Stock Fund	Mutual Fund	\$ 593	\$ 704
Fidelity Growth & Income	Mutual Fund	N/A	\$ 603

Net appreciation (depreciation) in fair value of investments is comprised of the following for the year ended December 31, 2005 (in \$ thousands):

	Net Appreciation (Depreciation)
Investment in company stock	\$ (44 )
Mutual Funds and Money Market Fund	37
<b>Total</b>	<b>\$ (7 )</b>

The cost of investments sold or transferred is determined on a participant level by the average cost method.

**NOTE 5 PLAN TERMINATION**

The company established the Plan with the intention that it continue indefinitely, but reserves the right to terminate the Plan at any time. In the event of Plan termination, any decrease or increase in net assets as determined by the trustee will be allocated to the participants based on the current investment elections. The entire amount in each participant account will be distributed with the participant's consent.

In the first quarter 2005, MCBC announced plans to close the Memphis, Tennessee brewery. The Company's decision to terminate the Plan has not yet been made.

**NOTE 6 INCOME TAXES**

The Internal Revenue Service ( IRS ) has determined and informed the Company by a letter dated June 3, 2003, that the Plan and related trust are designed in accordance with applicable sections of Internal Revenue Code ( IRC ). The Plan has been amended since receiving the determination letter. However, the Memphis Plan's administrator and tax counsel believe that the Memphis Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been made in the Memphis Plan's financial statements.

**NOTE 7 PARTIES-IN-INTEREST TRANSACTIONS**

Certain Memphis Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions are party-in-interest transactions under ERISA. Fees are reported as a reduction to investment return. The Company pays administration fees.

This information is an integral part of the accompanying financial statements.



**SUPPLEMENTAL INFORMATION**

12

---

**401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES AT THE MEMPHIS, TENNESSEE BREWERY**  
**SCHEDULE H LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2005**

**(In \$ thousands)**

(a) Party-in interest	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current Value
<b>Plan's Interest In Fixed Fund</b>			
<b><u>Global Wrap Contracts</u></b>			
	JP Morgan	4.28% interest	55,791
	Monumental Life	4.28% interest	55,791
	Rabo Bank	4.28% interest	55,791
	UBS AG	4.28% interest	55,791
			223,164
<b><u>Other</u></b>			
*	Fidelity Management Company STIF	4.10% interest	3,113
<b>TOTAL FIXED FUND</b>			\$ 226,277
<b>Plan's Interest In Fixed Fund</b>			\$ 6,429

\* Party-in-interest

**401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES AT THE MEMPHIS, TENNESSEE BREWERY**  
**SCHEDULE H LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2005**

**(In \$ thousands, except units/shares)**

(a) Party-in-interest	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	Units/ Shares	Value Per Unit/ Share	(e) Current Value
*	Molson Coors Brewing Company	Common Stock	2,712	\$ 54.63	\$ 148
*	Fidelity RET Gov t Money Market	Money Market	87,200	1.00	87
<b>Plan s Interest in Mutual Funds</b>					
*	Fidelity Magellan	Mutual Fund	4,170	106.44	444
*	Fidelity Growth and Income	Mutual Fund	15,092	34.40	519
*	Fidelity Spartan U.S. Equity Index	Mutual Fund	5,255	44.16	232
*	Fidelity Diversified International	Mutual Fund	5,477	32.54	178
*	Fidelity Fund	Mutual Fund	7,076	31.82	225
*	Fidelity Equity Income	Mutual Fund	4,398	52.78	232
*	Fidelity Blue Chip Growth	Mutual Fund	8,206	43.16	354
*	Fidelity Low-Priced Stock	Mutual Fund	14,506	40.84	593
*	Fidelity Asset Manager	Mutual Fund	3,104	16.05	50
*	Fidelity Asset Manager: Growth	Mutual Fund	2,623	15.08	40
*	Fidelity Asset Manager: Income	Mutual Fund	5,927	12.83	76
	American New Perspective R4	Mutual Fund	10,842	28.46	309
	USAA International	Mutual Fund	775	23.34	18
	PIMCO Total Return	Mutual Fund	13,560	10.50	142
	AIM Small Company Growth Fund	Mutual Fund	20,272	13.26	269
					3,681
Participant loans; interest rates ranging from 5% to 8%					431
<b>TOTAL PLAN ASSETS (HELD AT END OF YEAR)</b>					<b>\$ 10,776</b>

\* Party-in-interest



**EXHIBITS INDEX**

<b>Exhibit No.</b>	<b>Description</b>	<b>Page No</b>
23	Consent of Independent Registered Public Accounting Firm	16

15

---