

BOSTON BEER co.

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Boston Beer Reports Return To Double Digit Growth

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Sam Adams Light[®] Adding Incremental Volume For Fourth Straight Quarter

BOSTON, MA (2/13/03) -- The Boston Beer Company, Inc. (NYSE: SAM) today announced 4th quarter 2002 volume, revenue and earnings.

4th Quarter Results

For the 13 week period ended December 28, 2002, The Boston Beer Company recorded net sales of \$54.3 million, a 14.6% increase from the 4th quarter in 2001. Net revenue per barrel increased by 3.1% during the quarter, due to product mix changes and normal price increases. As reflected on the following chart, reported sales volume for the period was 322,992 barrels, an 11.6% increase from prior year.



During the quarter, total Boston Beer Brand distributor sales to retail (depletions) totaled 357,845 barrels, a 12.7% increase from the same quarter 2001.

The Company recorded \$2.1 million in net income or \$.13 per diluted share for the quarter versus a net loss of (\$3.1) million and (\$.19) per diluted share for the same period last year. Gross margins as a percent of net sales were 57.8% as compared to 48.4% in the prior year 4th quarter. Operating expenses for the quarter were down 1% in comparison to the same period last year. It should be noted that the Company did incur a significant asset write-off during the 4th quarter of 2001 related to the disposal of excess hop inventories. But for the 2001 write-off, the Company would have reported gross margin of 57.0% and a net loss of (\$.04) per share for the 4th quarter 2001.

Year to Date Results

For the year ended December 28, 2002, The Boston Beer Company recorded net sales of \$215.4 million, a 15.3% increase from 2001. Net revenue per barrel increased by 4.4% during the year due to product mix changes and normal price increases. As reflected on the following chart, reported sales volume for the period was 1,286,375 barrels, a 10.4% increase from prior year.



Boston Beer Brand distributor sales to retail (depletions) totaled 1,244,000 barrels, a 10.1% increase from 2001.

The Company recorded \$8.6 million in net income or \$.52 per diluted share for the year versus net income of \$7.8 million and \$.47 per diluted share for the same period last year. Gross margins as a percent of net sales were 59.0% as compared to 56.3% recorded last year. Operating expenses for the year were 23% higher than 2001 primarily due to sales and marketing investments behind the roll-out of the Company's new product, Sam Adams Light[®]. Operating income rose 1.6% from prior year as the result of the increased gross profit generated from higher volume and gross margins partially offset by higher sales and marketing expenditures. Net income of \$8.6 million was 9.2% higher than prior year.

It should be noted that two notable transactions were recorded, one in 2001 and one in 2002. In 2001 the Company took a charge of (\$2.5) million, net of tax, related to the disposal of excess hop inventories. In 2002, the Company received stock from the demutualization of a 3rd party insurance provider that was sold for a gain of \$821,000, net of tax. Excluding these transactions, earnings per share would have been \$.47 per diluted share in 2002 compared to \$.62 in 2001.

Shipments and orders in-hand suggest that core business shipments for the 1st quarter 2003 will be down approximately 5% as compared to the same period 2002. Actual shipments for the 1st quarter 2003 may differ, however, and no inferences should be drawn with respect to shipments in future periods. During 2002 wholesaler inventories increased by over 35,000 barrels and as a result, softer orders in the first quarter 2003 have been received as wholesalers sell those inventories through to customers.

"2002 was a very good year for our Company" reported Jim Koch, Chairman of The Boston Beer Company, Inc. "We are continuing to see double-digit volume increases due to growth from Sam Adams Light net of some low cannibalization of Samuel Adams Boston Lager and Seasonals. This growth has justified the significant investments behind Sam Adams Light. Based on the current performance we expect double-digit growth for the first half of 2003 along with earnings improvement for the full year of 2003."

Martin Roper, President and CEO of The Boston Beer Company, Inc. reported on the status of other improvement factors. "Although the notable transactions in both 2002 and 2001 make comparisons somewhat complicated, it should be noted that in 2002 there was improvement in gross margins through higher price realization and reductions in cost of goods sold, both of which should continue into 2003."

It is important to note that the Company's actual volume results and operating results could differ materially from management's projections, depending primarily on the results of the continued launch of Sam Adams Light®.

During the 4th quarter of 2002, the Company did not repurchase any shares of its Class A Common Stock. The Board of Directors has approved up to \$50.0 million for the repurchase of its Class A Common Stock. Through February 12, 2003 the Company has repurchased a total of approximately 5.0 million shares of its Class A Common Stock for an aggregate purchase price of \$45.0 million. It is anticipated that the Company will recommence the repurchase of Class A Common Stock during the first quarter of 2003. As of February 12, 2003, the Company has 11.7 million shares of Class A Common Stock outstanding and 4.1 million shares of Class B Common Stock outstanding.

The Boston Beer Company is America's leading brewer of world-class beer. Founded in 1984 by sixth-generation brewer Jim Koch, the Company has won more than 500 international awards for its better-tasting beers. Samuel Adams Boston Lager® is the Company's flagship brand, celebrated worldwide for its high-quality ingredients and traditional brewing techniques. The result is a beer renowned by drinkers for its full flavor, balance, complexity, and consistent quality. For more information, visit the web-site at www.samadams.com or visit www.bostonbeer.com for financial information.

Statements made in this press release that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings, including but not limited to the Company's report on Form 10-K for the year ended December 29, 2001 and for December 30, 2000. Copies of these documents may be obtained by contacting the Company or the SEC.

