

Analyst King of Suds Sector Falls Flat with Molson-Coors

Globe & Mail, July 28, 2004

After covering the beer industry for more than 25 years, **Michael Palmer** is acknowledged as the doyen of beer analysts. Widely respected, but apparently not universally loved. Thus, while other analysts received an invitation to eat salad, chicken and berries with the CEOs of Molson and Coors yesterday, **Palmer** was conspicuously absent -- invited only to listen in by telephone as the beer barons tried to sell skeptical investors on the merits of the proposed merger.

You might think Molson and Coors would want to win over Pistol **Palmer** more than anyone; he remains the most quoted and influential of beer analysts. And they do. Problem is, he ain't easy to win. Here's a nugget from one of his research reports: "At the end of our lunch, Molson suggested that our reports were overly negative. We suggested that its press releases were overly positive."

In fact, last May, he bet a friend \$100 that CEO Dan O'Neill's tenure would end before the company's annual general meeting in June. **Palmer** lost the wager and paid up.

It's not the first time **Palmer**, president of **Veritas Investment Research Corp.**, has been shunned by Molson. Back in 2002, after it waded into the financial jungles of Brazil by buying Cervejarias Kaiser brewery, the company organized an analysts trip to its new Brazilian swamp -- I mean, playground. **Palmer** was critical of the investment. Guess who wasn't invited along?