

# NEWS RELEASE



FOR IMMEDIATE RELEASE

10 November, 2004

## RESULTS FOR THE THIRD QUARTER AND FIRST NINE MONTHS 2004

### STRONG PERFORMANCE CONTINUED INTO THE THIRD QUARTER 2004, NET SALES GROWTH EXCEEDED 30%

MOSCOW, November 10, 2004 - SUN Interbrew Limited (Lux: SUNB5-LX), a leading brewer in Russia and Ukraine, today announces its financial results for the third quarter and nine months ended 30 September 2004.

#### RESULTS

##### Operational Highlights

The excellent performance of SUN Interbrew Ltd. in the third quarter was underpinned by the following achievements:

- In the third quarter beer volume was 5.8m hl, **+16.9%** versus the same quarter last year. YTD beer volume increased by **23.8%** and comprised 15.5m hl.
- Net Sales reached €214.1m, **+31.5%** up compared to the third quarter last year and €563.5m, **+43.8%** YTD.
- Operating income comprised €40.0m in the third quarter and €76.8m YTD what is **+35.8%** and **+55.6%** higher than in the same periods last year.
- EBITDA increased by **+27.6%** to €54.7m in the third quarter and by **+40.5%** to €123.8m YTD.
- EBIT increased by **+42.3%** to €38.8m in the third quarter 2004 and by **+63.6%** to €76.6m YTD.
- Net Income was €27.3m in the third quarter 2004 and €47.3m for nine months 2004, **+45.9%** and **+103.7%** respectively versus the same periods last year.

SUN Interbrew continues to achieve market share growth. Beer volume in Russia increased in the third quarter 2004 by +11.3% versus a market growth of +10.5%, taking our market share to 15.3%, compared to 14.9% in the third quarter last year. For the first nine months 2004 our market share comprised 16.0% versus 14.3% in the same period last year, as a consequence of +26.7% volume growth against a market growth of +12.6%.

Ukraine had a strong third quarter with beer volume up +28.2%, exceeding the market volume growth of +19.6%. Beer volume growth YTD 2004 comprised +17.9% versus a market volume growth of +13.1%. In the third quarter our market share grew by +2.2 percentage points to 35.7% versus 33.5% in the same period last year. Market share for the first nine months of the year grew +1.1% from 33.8% in 2003 to 34.9% in 2004.

Strong brand performance of *Klinskoye* and *Sibirskaya Korona* in Russia and *Chernigivske* in Ukraine strengthened our position in the core and local premium segments. Our global brands continued to grow, reinforcing the strong performance in the first half 2004.

The operational and financial performance in the third quarter 2004 was driven by brand, production and packaging innovations and by initiatives launched in the first half 2004. This further growth was helped in the third quarter by new initiatives:

Russia:

- Launch of a unique glass bottle and innovative metallic label for PET and glass bottles for *Tolstiak* and *Permskoye Gubernskoye*.

Ukraine:

- Introduction of *Chernigivske FITNESS+* in 0.5l cans in August.
- Launch of *Chernigivske Bagryane* in PET 1l bottles.
- Launch of *Stella Artois*<sup>®</sup> in an aluminum bottle, coupled with a new marketing campaign.

### Financial Highlights – Q3 2004

	Q3 2004	Q3 2003	Change	Change, %
Volume, m hl, beer only	5.8	4.9	+0.9m	+16.9%
Net Sales, €m	214.1	162.8	+51.4m	+31.5%
Gross Margin, %	43.3%	46.2%	-2.9%	
Operating Income, €m	40.0	29.5	+10.6m	+35.8%
EBITDA, €m	54.7	42.9	+11.8m	+27.6%
EBITDA Margin, %	25.6%	26.4%	-0.8%	
Net Income, €m	27.3	18.7	+8.6m	+45.9%

### Financial Highlights - YTD 2004:

	YTD 2004	YTD 2003	Change	Change, %
Volume, m hl, beer only	15.5	12.5	+2.9m	+23.8%
Net Sales, €m	563.5	391.9	+171.6m	+43.8%
Gross Margin, %	40.5%	43.3%	-2.8%	
Operating Income, €m	76.8	49.4	+27.4m	+55.6%
EBITDA, €m	123.8	88.1	+35.7m	+40.5%
EBITDA Margin, %	22.0%	22.5%	-0.5%	
Net Income, €m	47.3	23.2	+24.1m	+103.7%

## FINANCIAL PERFORMANCE IN THE THIRD QUARTER

The financial performance of SUN Interbrew in the third quarter 2004 was driven by continued organic growth in the business. In both countries, SUN Interbrew outperformed the market and continued to gain market share. Total beer and soft drinks volumes were 6.1m hl in the third quarter 2004 and 16.5m hl YTD, an increase of +16.7% and +22.5% respectively versus last year's periods.

Currency translation had a minor impact of €2.5m on EBITDA for the third quarter. Excluding the negative currency impact, organic EBITDA was €57.3m. YTD EBITDA, excluding the negative currency impact, comprised €129.7m versus €123.8m in the first nine months of 2003.

Sales, marketing and distribution costs increased by +9.1% compared with the same quarter last year and by +25.5% for the first nine months. Total sales, marketing and distribution costs for the quarter and YTD represented 20.1% and 22.7% of net turnover, respectively, compared to 24.2% and 26.0% for the previous year's periods. Total Sales and Marketing costs margin decreased by -3.3% compared with the same quarter last year. Distribution cost per hl decreased by -6.8% versus Q2 2004.

The accounts receivable turnover ratio (net of VAT) for the first nine months 2004 decreased by -4.4 days compared with the same period last year underlining our continuous efforts within this area.

General and administration costs were +€3.2 m higher than in the third quarter last year and year to date +€5.1m higher.

## RUSSIA

In total, beer volumes sold in Russia in the third quarter were up +11.3% at 3.7m hl versus 3.3m hl in the same quarter last year. Volumes sold YTD 2004 comprised 10.5m hl, representing a +26.7% increase versus last year. Consequently, our market share reached 15.3% for the third quarter 2004 and 16.0% YTD, +0.4% and +1.7% respectively higher versus the same periods 2003.

*Stella Artois*<sup>®</sup> was further expanded nationally and grew +3.8% in volumes in the third quarter 2004 and by +34.9% YTD 2004 versus the respective 2003 periods.

Sales volumes for *Staropramen*<sup>®</sup> grew by +9.4% in the third quarter 2004 and +59.0% YTD versus last year.

*Sibirskaya Korona* exceeded last year's sales for the third quarter by +14.4%. Nine-month period sales of *Sibirskaya Korona* increased by +56.5% versus the same period in 2003.

*Klinskoye* significantly outperformed the segment with volume growth of +30.4% versus the third quarter of 2003. This growth was driven by the successful launch of *Klinskoye Arriva* in the first half of the year. Totally the YTD 2004 growth of *Klinskoye* sales comprised +35.2% versus the same period last year.

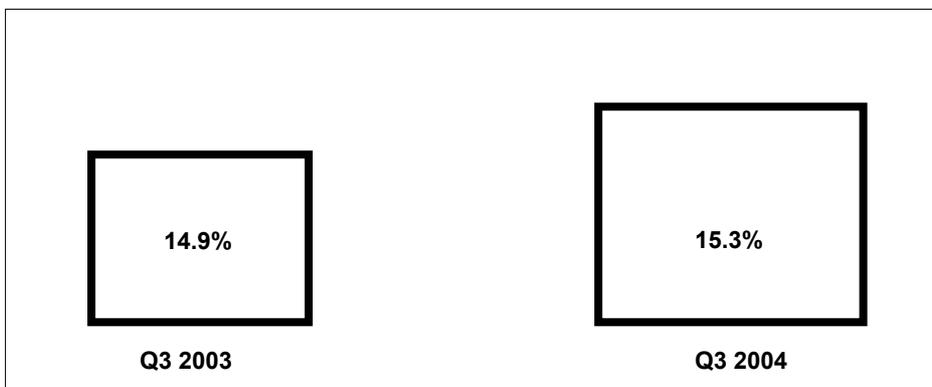
*Tolstiak* sales volumes were down -9.5% for the quarter, due to increased competition in the value segment. For the first nine months *Tolstiak* sales increased by +5.9% versus the same period 2003.

PET volumes grew moderately by +5.5% compared with the same quarter last year, whilst bottle and can packaging grew significantly, by +19.4% and +25.8% respectively for the quarter. YTD growth of PET packaging of +31.4% exceeds YTD growth of bottle and can packaging which comprised +29.1% and +24.1% respectively.

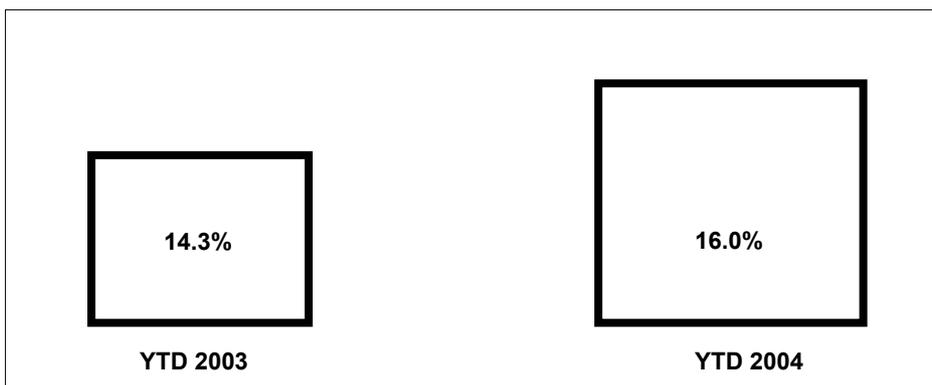
### Sales volumes, m Hl

	2004 Q3	2003 Q3	% change '04 vs '03	2004 YTD	2003 YTD	% change '04 vs '03
Beer	3.7	3.3	+11.3%	10.5	8.3	+26.7%

### Market Share Growth - Average for Q3 2004



### Market Share Growth - Average for YTD 2004



## UKRAINE

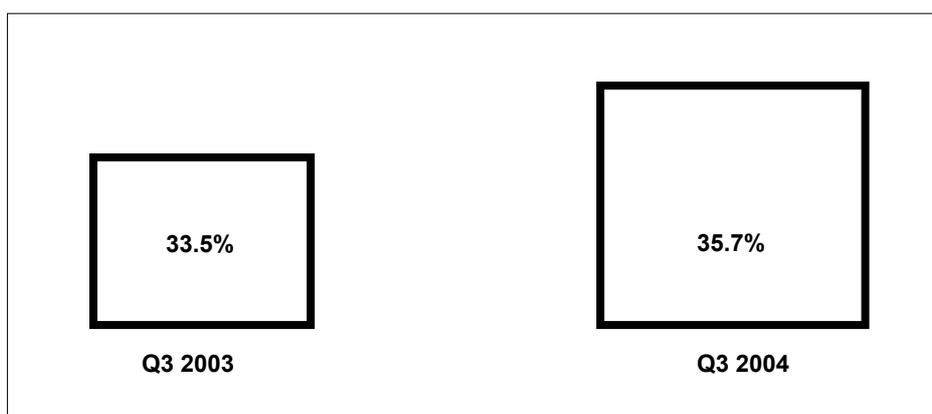
In Ukraine, SUN Interbrew achieved significant total market share growth of +2.2% to 35.7% for the third quarter and +1.1% to 34.9% for the nine-month period versus last year.

SUN Interbrew further increased its beer market leadership with beer volume growth of +28.2% for the third quarter 2004 and +17.9% YTD 2004 well ahead of a total market growth of +19.6% in the quarter and +13.1% YTD 2004. Beer volumes grew to 2.1m hl in the quarter and 5.0m hl YTD.

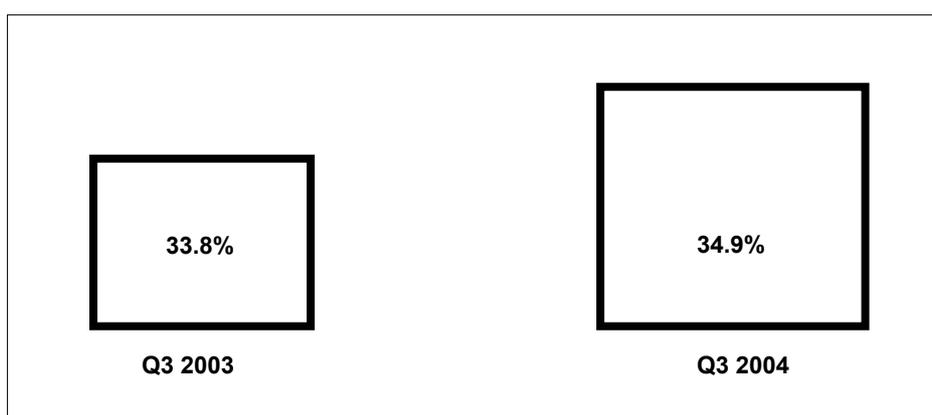
### Sales volumes, m Hl

	2004 Q3	2003 Q3	% change '04 vs '03	2004 YTD	2003 YTD	% change '04 vs '03
<b>Beer</b>	<b>2.1</b>	<b>1.6</b>	<b>+28.2%</b>	<b>5.0</b>	<b>4.2</b>	<b>17.9%</b>
<b>Soft drinks</b>	<b>0.3</b>	<b>0.3</b>	<b>+10.8%</b>	<b>1.0</b>	<b>0.9</b>	<b>4.9%</b>
<b>Total</b>	<b>2.4</b>	<b>1.9</b>	<b>+25.7%</b>	<b>5.9</b>	<b>5.1</b>	<b>15.6%</b>

### Market Share Growth - Average for Q3 2004



### Market Share Growth - Average for YTD 2004



This growth in market share and total volumes was achieved by the timely expansion of production capacities in our three Ukrainian breweries as well as a number of sales, marketing and packaging initiatives for the Ukrainian and international brands.

*Stella Artois*<sup>®</sup> continued to grow strongly at +77.7% in the reported quarter versus the same period last year and +67.8% YTD. *Chernigivske* grew +45.7% in volume in the quarter versus last year, YTD increase comprised +39.0%. In August we successfully launched *Chernigivske Bagryane* in 1l PET bottles.

## SUMMARY AND OUTLOOK

Despite the increasing competition in both markets the strong performances in both Russia and Ukraine in the first half of this year were maintained in the third quarter. SUN Interbrew continued to achieve organic volume and profit growth through its strategy of expanding its diversified portfolio of brands and packaging and developing its distribution, enabling it to pick up further market share in each segment. This was complemented by targeted investments in distribution and marketing activities along with new varieties and brand innovations launched in previous quarters.

Our successful track record in innovation combined with the broadening of our brand portfolio makes us confident of achieving an outstanding performance during this year.

### ENDS

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### Notes to Editors:

SUN Interbrew Limited is the second largest brewer in Russia and the largest brewer in Ukraine. The company is a strategic partnership between InBev\*, the No. 1 global brewer, and the SUN Group, operating in the region since 1958, and in the beer sector of Russia and CIS since the beginning of 1990s.

The company's main brands are *Stella Artois*<sup>®</sup>, *Beck's*<sup>®</sup>, *Staropramen*<sup>®</sup>, *Klinskoye*, *Sibirskaya Korona*, and *Tolstiak* in Russia, and *Stella Artois*<sup>®</sup>, *Beck's*<sup>®</sup>, *Chernigivske*, *Rogan*, *Taller* and *Yantar* in Ukraine.

SUN Interbrew is a public company registered in Jersey, whose shares are listed and traded on the Luxembourg, Frankfurt and Berlin exchanges.

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\* Following the transaction closed on August 27, 2004 Interbrew has been re-branded into InBev (Euronext: INTB).

**SUN Interbrew Limited and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2004 and 2003**  
**(Euros in thousands, except per share amounts)**  
**(Unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2004	2003	2004	2003
<b>Net sales</b>	€ 214,145	€ 162,789	€ 563,515	€ 391,905
Cost of goods sold	<u>(121,524)</u>	<u>(87,520)</u>	<u>(335,053)</u>	<u>(222,043)</u>
<b>Gross Margin</b>	<b>92,621</b>	<b>75,269</b>	<b>228,462</b>	<b>169,862</b>
Selling, marketing and distribution expenses	<u>(42,962)</u>	<u>(39,368)</u>	<u>(127,918)</u>	<u>(101,909)</u>
General and administrative expenses	<u>(9,618)</u>	<u>(6,426)</u>	<u>(23,744)</u>	<u>(18,595)</u>
<b>Operating Income</b>	<b>40,041</b>	<b>29,475</b>	<b>76,800</b>	<b>49,358</b>
<b>Other Income (Expense)</b>				
Other operating expense	<u>(1,262)</u>	<u>(2,248)</u>	<u>(2,619)</u>	<u>(2,578)</u>
Interest expense, net	<u>(3,653)</u>	<u>(2,707)</u>	<u>(12,393)</u>	<u>(7,069)</u>
Foreign exchange gain / (loss)	<u>(432)</u>	<u>(1,858)</u>	<u>2,196</u>	<u>(6,246)</u>
Gain from sale of subsidiary	<u>-</u>	<u>-</u>	<u>2,408</u>	<u>-</u>
Other financial expenses	<u>(416)</u>	<u>(492)</u>	<u>(4,956)</u>	<u>(1,382)</u>
Net other expense	<u>(5,763)</u>	<u>(7,305)</u>	<u>(15,364)</u>	<u>(17,275)</u>
Income before income taxes and minority interest	<b>34,278</b>	<b>22,170</b>	<b>61,435</b>	<b>32,083</b>
Income taxes	<u>(6,546)</u>	<u>(3,051)</u>	<u>(13,935)</u>	<u>(7,967)</u>
Income before minority interest	<b>27,732</b>	<b>19,119</b>	<b>47,501</b>	<b>24,116</b>
Minority interest	<u>(418)</u>	<u>(392)</u>	<u>(199)</u>	<u>(895)</u>
<b>Net Income</b>	€ <u><u>27,314</u></u>	€ <u><u>18,727</u></u>	€ <u><u>47,302</u></u>	€ <u><u>23,221</u></u>
<b>Basic Earnings per Share</b>	€ <u><u>0.23</u></u>	€ <u><u>0.16</u></u>	€ <u><u>0.41</u></u>	€ <u><u>0.17</u></u>
<b>Diluted Earnings per Share</b>	€ <u><u>0.23</u></u>	€ <u><u>0.16</u></u>	€ <u><u>0.41</u></u>	€ <u><u>0.17</u></u>

See Notes to the Condensed Consolidated Financial Statements

**SUN Interbrew Limited and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
**As of September 30, 2004 and December 31, 2003**  
**(Euros in thousands)**

	<u>September 30, 2004</u> (unaudited)	<u>December 31, 2003</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	€ 2,613	€ 2,529
Accounts receivable, net	24,477	23,799
Inventories	84,673	76,033
Taxes receivable	17,685	20,417
Deferred tax assets	7,596	8,872
Other current assets	<u>23,560</u>	<u>17,689</u>
<b>Total Current Assets</b>	<b>160,604</b>	<b>149,339</b>
Plant and equipment, net	463,534	420,456
Intangible assets, net	2,826	3,497
Goodwill	57,555	56,859
Long-term deferred tax assets	258	6,451
Other long-term assets, net	<u>5,661</u>	<u>10,043</u>
<b>Total Assets</b>	<b>€ <u>690,438</u></b>	<b>€ <u>646,645</u></b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	€ 48,434	€ 43,011
Taxes payable	12,603	8,623
Deferred tax liabilities	1,538	1,764
Accrued expenses	17,589	13,808
Short term obligations	<u>113,387</u>	<u>130,097</u>
<b>Total Current Liabilities</b>	<b>193,551</b>	<b>197,303</b>
Long-term deferred tax liabilities	18,831	24,767
Non-current bonds payable	69,465	69,435
Other long-term liabilities	<u>436</u>	<u>463</u>
<b>Total Liabilities</b>	<b>282,283</b>	<b>291,968</b>
Minority interests in equity of subsidiaries	8,484	14,228
<b>Shareholders' Equity</b>		
Class A Shares, one pence par; authorized 125,278,614 shares; issued 88,777,585 shares	1,421	1,421
Class B Shares, one pence par; authorized 30,000,000 shares; issued 27,796,220 shares	387	387
Additional paid-in-capital	357,679	357,679
Retained earnings	105,928	58,626
Accumulated other comprehensive loss	<u>(65,744)</u>	<u>(77,664)</u>
<b>Total Shareholders' Equity</b>	<b><u>399,671</u></b>	<b><u>340,449</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ <u>690,438</u></b>	<b>€ <u>646,645</u></b>

See Notes to the Condensed Consolidated Financial Statements

**SUN Interbrew Limited and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2004 and 2003**  
**(Euros in thousands)**

	Three months ended September 30,		Nine months ended September 30,	
	2004	2003	2004	2003
<b>Operating Activities:</b>				
<b>Net Income</b>	€ 27,314	€ 18,727	€ 47,302	€ 23,221
Adjustments to reconcile net loss to net cash provided from operations:				
Depreciation	15,958	14,164	47,245	38,702
Other non-cash items	1,810	2,104	2,143	1,290
Changes in working capital				
Accounts receivable	22,010	18,453	(1,520)	1,295
Inventories	1,213	5,565	(4,490)	1,280
Other current assets	5,146	(153)	(5,871)	(4,791)
Taxes payable	4,356	(8,905)	11,134	9,409
Accounts payable	(25,451)	(4,695)	1,740	6,422
Accrued income (expenses)	(1,497)	3,284	3,781	4,341
Net cash provided by operating activities	<u>50,858</u>	<u>48,544</u>	<u>101,464</u>	<u>81,169</u>
<b>Investing Activities:</b>				
Purchase of intangible assets and plant and equipment (net of proceeds from disposal)	(41,401)	(28,933)	(88,264)	(89,354)
Acquisitions of additional shares in subsidiaries	5,495	(61,710)	5,503	(62,686)
Net cash used in investing activities	<u>(35,906)</u>	<u>(90,643)</u>	<u>(82,761)</u>	<u>(152,040)</u>
<b>Financing Activities:</b>				
Net proceeds from issuance of shares	-	-	-	888
Payments of loans payable - related parties	-	17,000	-	13,959
Proceeds of loans	(17,171)	25,784	(19,926)	54,387
Net cash used/provided by financing activities	<u>(17,171)</u>	<u>42,784</u>	<u>(19,926)</u>	<u>69,234</u>
Effect of exchange rate changes on cash	226	-	1,307	-
Increase (Decrease) in cash and cash equivalents	(1,993)	685	84	(1,637)
Cash and cash equivalents, beginning of the period	4,606	5,506	2,529	7,828
Cash and cash equivalents, end of the period	€ <u>2,613</u>	€ <u>6,191</u>	€ <u>2,613</u>	€ <u>6,191</u>
<b>Cash paid during the period for:</b>				
Interest	4,992	1,929	15,703	7,086
Income taxes	5,127	3,466	5,736	5,944
<b>Schedule of non-cash financing activities</b>				
Proceeds from shares issue offset with loan	-	-	-	37,600

See Notes to the Condensed Consolidated Financial Statements.

**Notes to Condensed Consolidated Financial Statements  
For Nine Months Ended September 30, 2004 and 2003**

The accompanying consolidated financial statements of SUN Interbrew Limited and Subsidiaries (the "Company") have been prepared in conformity with the accounting principles generally accepted in the United States of America ("US GAAP"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. It is suggested that these condensed, consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2003 audited financial statements. The results of operations for the nine months ended September 30, 2004 and 2003 are not necessarily indicative of the operating results to be expected for the full year.

The majority-owned subsidiaries incorporated under the laws of the Russian Federation and Ukraine (the "Russian subsidiaries" and "Ukrainian subsidiaries") maintain accounting records and prepare their financial statements in Russian rubles and Ukrainian Hryvnas in accordance with the requirements of Russian and Ukrainian accounting and tax legislation. The accompanying financial statements differ from the financial statements prepared for statutory purposes in Russia and Ukraine in that they reflect certain adjustments, not recorded in the accounting books of the Russian or Ukrainian subsidiaries, which are appropriate to present the financial position, results of operations and cash flows in accordance with US GAAP.

**Significant Transactions**

There were no significant transactions in Q3 2004