

Results For The First Quarter Of 2004

MOSCOW, May 31, 2004 - SUN Interbrew Limited (Lux: SUNB5-LX), a leading brewer in Russia and Ukraine, wishes to announce its financial results for the 1st quarter ended 31 March 2004.

RESULTS

Operational Highlights

The Company has had a very successful 1st quarter marked by a number of significant achievements:

- Beer volume grew by 48.6% versus the 1st quarter of 2003.
- Net Turnover increased by 60.7% versus the 1st quarter of 2003.
- EBITDA for the 1st quarter was €17.2m, or 126.9% higher than in the same period in 2003. Excluding the negative currency, EBITDA was €18.5m, a 144.1% increase versus the same quarter in 2003.
- EBIT growth for the 1st quarter of 2004 was €6.0m versus the 1st quarter of last year.
- Net Loss was reduced to € (1.8)m from € (7.1)m.

We continued to build on last year's key initiatives; strengthening our route to market; introducing new higher margin brands; and optimizing our operational efficiency.

In Russia, these activities led to a volume growth of 61.0% for the 1st quarter leading to an improvement in market share to 16.0% up from 12.8% in the same period of 2003.

In Ukraine, the Company realised a volume increase of 21.4%. In the 1st quarter the market share reached 34.3%.

The following examples illustrate the Company's efforts in brand innovation:

- Tolstiak® Grechishnoye, Klinskoye® Arriva and Sibirskaya Korona® Yantarnoye and Georgievskoye were launched into the Russian market.
- In March, the Company started producing Stella Artois® at Novocheboksarsk brewery in Russia.
- Chernigivske® Bagryane and Yantar® Unfiltered were introduced on the Ukrainian market.

Financial Highlights of the 1st quarter of 2004:

	Q1 2004	Q1 2003	Change	Change, %
Volume, m hl, beer only	3,9	2,6	+1,3	+48,6
Net Sales, €m	133,6	83,2	+50,4	+60,7
Gross Margin, %	35,6	35,4	+ 0,2	
Operating Income, €m	5,3	-1,9	+7,3	
EBITDA, €m	17,2	7,6	+9,6	+126,9
EBITDA Margin, %	12,9	9,1	3,8	

Net Loss, €m	-1,8	-7,1	+5,2
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FINANCIAL PERFORMANCE IN THE 1st QUARTER OF 2004

The financial performance of SUN Interbrew Limited in the 1st quarter of 2004 was underpinned by strong volume growth in both Russia and Ukraine.

The Euro exchange rate evolution had a €1.3m negative impact on EBITDA.

It is important to note the evolution of accounts receivable turnover ratio (net of VAT) going from 21 days in the 1st quarter 2003 down to 15 days in the same period this year. At the same time gross margin remained stable.

Sales, marketing and distribution costs increased by 41% to €36.1 m in the 1st quarter of 2004 from €25.6 m for the same period of the last year.

The average distribution cost per hl was €4.8 in the 1st quarter of 2004 versus €4.0 in the same quarter last year.

Sales development in more distant locations and unexpected railway tariff increases were the main causes of the increase in transport cost.

Total sales and marketing costs in the 1st quarter of 2004 represented 12.0% of Net Turnover, compared to 16.6% in the same period of 2003.

General and administration costs for the quarter were €6.1m versus €5.8m in the same period of 2003, reflecting the Company's continuous focus on cost control mainly resulting in payroll and consultancy savings.

RUSSIA

In the 1st quarter of 2004 SUN Interbrew Russia sold 2.9m hl of beer versus 1.8m hl in the same period last year. This represents an increase of 61.0% compared to overall beer market growth of 17.9%.

Sales volumes, m hl

	Q1 2004	Q1 2003	% change
Beer	2,86	1,78	+61,0%

РОССИЯ

Stella Artois® grew by 69.7% in volume versus the 1st quarter of 2003.

Both Staropramen® continued its successful growth and the initial performance of Beck's® looks promising.

Sibirskaya Korona® exceeded last year's sales by 159.1%, due to successful launches of new packaging and brand extensions.

Klinskoye® achieved volume growth of 63.0% versus the 1st quarter of 2003. This growth was driven by the success of PIVOPACK®, SUN Interbrew's new proprietary bottle, and the powerful launch of Klinskoye® Arriva.

Tolstiak® sales volume grew by 28.9% following the successful geographical expansion of the brand, the introduction of a new PET bottle shape and the launch of a new brand extension Tolstiak® Grechishnoye.

UKRAINE

Beer sales by volume grew by 21.4% versus the same period of the previous year and reached 1.0 m hl.

Sales volumes, m hl

	Q1 2004	Q1 2003	% change
Beer	1,01	0,83	+21,4%

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Chernigivske® grew volumes by 45.2% compared to the same period of 2003, largely driven by success of Chernigivske® Bile.

Stella Artois® continued to grow strongly, increasing volumes by 62.7% in the quarter compared to the same period last year.

PET volume grew by 65.1% making it the fastest growing on a quarter-on-quarter basis.

SUN Interbrew Ukraine grew its keg volume by 28.8%, versus an overall keg market volume of 24.9%.

Bottle volumes declined by 2.5%.

The can segment share now represents 9.8% of total volumes. No beer was sold in cans in the 1st quarter last year.

SUMMARY AND OUTLOOK

The strong performance of our business in 2003 continued into the 1st quarter of 2004 with SUN Interbrew Russia sales far exceeding market growth and improving drastically Operating Profit.

There is now a real momentum to the volume growth and we will continue our effective emphasis on cost control, although in the short term this will be partially mitigated by some increases in raw material and distribution costs. The business is very well placed to continue its market outperformance and we are confident of further successful development in 2004.

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