

# 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®* in an aluminum bottle, coupled with a new marketing campaign.

**Financial Highlights - Q3 2004**

	<b>Q3 2004</b>	<b>Q3 2003</b>	<b>Change</b>	<b>Change, %</b>
Volume, m hl, beer only	5,8	4,9	+0,9 млн.	+16,9%
Net Sales, €m	214,1	162,8	+51,4 m	+31,5%
Gross Margin, %	43,3%	46,2%	-2,9%	
Operating Income, €m	40,0	29,5	+10,6 m	+35,8%
EBITDA, €m	54,7	42,9	+11,8 m	+27,6%
EBITDA Margin, %	25,6%	26,4%	-0,8%	
Net Income, €m	27,3	18,7	+8,6 m	+45,9%

**Financial Highlights - YTD 2004:**

	<b>YTD 2004</b>	<b>YTD 2003</b>	<b>Change</b>	<b>Change, %</b>
Volume, m hl, beer only	15,5	12,5	+2,9 m	+23,8%
Net Sales, €m	563,5	391,9	+171,6 m	+43,8%
Gross Margin, %	40,5%	43,3%	-2,8%	
Operating Income, €m	76,8	49,4	+27,4 m	+55,6%
EBITDA, €m	123,8	88,1	+35,7 m	+40,5%
EBITDA Margin, %	22,0%	22,5%	-0,5%	
Net Income, €m	47,3	23,2	+24,1 m	+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*® 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*® 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.

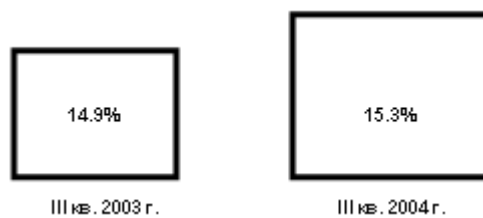
*Tolstiak* sales volumes were down -9.5% for the quarter, due to increased competition in the value segment. For the first nine months *Tolstiak* sales increased by +5.9% versus the same period 2003.

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

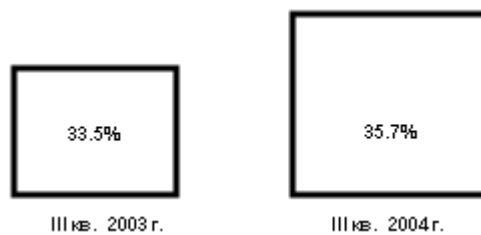
#### UKRAINE

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.

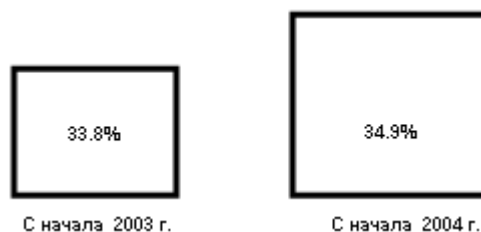
SUN Interbrew further increased its beer market leadership with beer volume growth of +28.2% for the third quarter 2004 and +17.9% YTD 2004 well ahead of a total market growth of +19.6% in the quarter and +13.1% YTD 2004. Beer volumes grew to 2.1m hl in the quarter and 5.0m hl YTD.

	2004 Q3	2003 Q3	% change '04 vs '03	2004 YTD	2003 YTD	% change '04 vs '03
Beer	2,1	1,6	+28,2%	5,0	4,2	17,9%
Soft drinks	0,3	0,3	+10,8%	1,0	0,9	4,9%
Total	2,4	1,9	+25,7%	5,9	5,1	15,6%

### 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*® 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 11 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.

**For further information please contact:**

SUN Interbrew Limited  
Joseph W.Strella, Chief Executive Officer  
Luc Vanheel, Chief Financial Officer  
+7 (501) 960-2360

Financial Dynamics  
Ben Foster  
+44 (20) 7269 7247  
Caroline Ledosquet  
+44 (20) 7269 7233