

SUN Interbrew reports results for the first quarter 2002

YEAR ON YEAR SALES VOLUME INCREASES BY 15 % - NET NET SALES BY 38%

«We have laid the foundations to maximize the opportunities for growth during the traditionally strong summer season.»

MOSCOW, May 15, 2002 - SUN Interbrew Limited (Lux: SUNB5-LX), a leading brewer in Russia and Ukraine, is pleased to announce its financial results for the first quarter 2002.

	Q1 2002	Q1 2001	Change
Volume, m hl including soft drinks	2.6	2.3	+15%
Total Net Net Sales, €m	84.1	60.8	+38%
Gross Margin	41%	38%	+8%
EBITDA, €m	8.0	11.8	-32%
Net Loss, €m	7.8	0.7	-7.1m

FINANCIAL PERFORMANCE IN 1Q 2002

The overall financial performance in the quarter is ahead of original company estimates but superficially, appears to suffer when compared to last year. Net loss for the period was higher than in previous periods and against market expectations. However this result was due to the necessary, pre-seasonal, investment carried out to position SUN Interbrew to take full advantage of the opportunities to grow that will be offered over the up-coming two summer quarters. Particular factors to be considered are as follows:

- Volume growth of 15%; Volumes in Russia recovered to their normal growth pattern and stayed in line with the market growth thereby maintaining market share despite the gaps in packaging formats. In Ukraine our market leading position was maintained with the same market share and Chernigivske continuing to grow ahead of the market.
- 23% improvement in the Net Net Sales of beer per hl from €28.78 in 2001 to €35.27 in 2002, which is higher than any quarter in 2001.
- The production costs are lower than last year but due to a higher value product mix the average cost/hl increased from €16.6 in 2001 to €18.9 in 2002.
- Gross margin for the 1st quarter 2002 increased by 8% versus the same period 2001.
- The distribution costs quarter on quarter are higher by €3m as a result of the inefficient cost of transporting beer over large distances until cross-brewing can be implemented.
- Marketing costs increased by €5m over the same period last year, which is a planned increase in the support level for Klinskoye and the launch cost of positioning Sibirskaya Korona in the local premium segment. Support levels for Chernigivske have also been increased in Ukraine.
- The investment in our sales force has also been expanded in both Russia and Ukraine with the objective of increasing sales volumes above market growth levels. This has resulted in an increase in SM & D costs prior to the summer seasonality peak. All sales staff has received support and training during the quarter.
- Fixed costs include one time costs in the quarter.

Net cash provided by operating activities improved to €8.95m in first quarter 2002 from net cash used in operating activities of €28.5m in the last quarter of 2001. This is a €5.5m improvement over the same period in 2001 despite the adverse net income. The working capital has been tightened over the quarter and there will be further improvements.

RUSSIA

In Russia SUN Interbrew continued to grow its Core and Local Premium brands in 2002.

Brand	Growth in volume (1st quarter 2001 to 1st quarter 2002)
<i>Tolstiak</i>	+4%
<i>Klinskoye</i>	+36%
<i>Sibirskaya Korona</i>	+36%

The brand policy in Russia continues to show excellent results with two of our brands demonstrating growth above market levels. The launch of Sibirskaya Korona in the Local Premium sector has been well received, particularly in Moscow, and its growth has been achieved at the expense of other well established brands owned by international competitors.

Net Net Sales (beer) per hl in Russia continued to improve as follows:

Beer Sales Per hl, €

	2001	2002	
Q1	31.47	37.86	+20%

The improvement in Net Net Sales per hl was achieved through the improvement in the sales mix and price increases.

UKRAINE

In the first quarter of 2002 beer sales including export were up 8% versus first quarter last year.

Brand	Growth in volume (1st quarter 2001 to 1st quarter 2002)
<i>Chernigivske</i>	+78.6%
<i>Taller</i>	+4.1%

Growth of Chernigivske was attributed to strong 1.0L PET sales, distribution growth, and successful advertising campaign and the brand achieved the market share of 11.9% in 1st quarter 2002. Rogan volume was lower versus last year as the result of re-pricing initiatives. We also started to produce Tolstiak locally in order to meet the demand created by the TV advertising campaigns in Russia.

In the first quarter of 2002 beer market grew 18.7% versus last year. Our market share was stable at 30.5% versus 31% of last year.

We are the only brewer in the country, supplying customers with a full portfolio range from Super premium sector (Stella Artois) to discount sectors (Yantar). We believe this gives us significant competitive advantage.

In Ukraine Net Net Sales (beer) per hl have grown as follows:

Beer Sales Per hl, €

	2001	2002	
Q1	23.10	29.27	+27%

OUTLOOK

The company has taken steps during the last quarter to position itself to take advantage of the opportunities for growth during the summer season and later in the year. Whilst this has resulted in a net loss in the quarter it is in line with company strategy, which is targeted at achieving real market share growth in Russia; building on our leading position in Ukraine and delivering an improved financial result ahead of previous years.

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