

Results for the second quarter 2003

MOSCOW, September 30, 2003 - SUN Interbrew Limited (Lux: SUNB5-LX), a leading brewer in Russia and Ukraine, wishes to announce its financial results for the second quarter ended 30 June 2003.

RESULTS

Operational Highlights

The positive trend evolving over the last quarter of 2002 and the first quarter this year has followed through into the second quarter, supported by the following achievements by SUN Interbrew Ltd:

- Volume growth in Russia of 38%, far exceeding and significantly driving the total market growth of 8%. This resulted in a market share increase from 11.9% in the second quarter 2002 to 15.2 % in the second quarter 2003.
- Market leadership in Ukraine further strengthened, with volume growth of 39% and a market share increase from 30.6% to 33.8 %.
- EBITDA increased by €10m in Q2 2003 versus Q2 2002 and reached €36.5m.
- Excluding the negative currency impact, Organic EBITDA was €50m, or 23.5% more than in the second quarter 2002.
- Net Income was €9m for the period, 150% higher than in the same period last year.
- Organic Gross margins increased by 2.2%, primarily due to the company's continuous efforts to introduce higher margin products into the sales mix.
- *Klinskoye*® and *Sibirskaya Korona*® brands recovered, alongside significant growth for *Staropramen*® following its launch at the beginning of the year and a successful introduction of *Beloye*, a new variety of the *Sibirskaya Korona*® brand. The growth of *Stella Artois*® and *Chernigivske*® were also particular achievements in this quarter.
- Continued reduction in distribution costs resulting from the implementation of our cross brewing strategy.

Financial Highlights

| | Q2 2002 | Q2 2003 | Change | Change, % |
|-------------------------|---------|---------|--------|-----------|
| Volume, m hl, beer only | 3.6 | 5.0 | +1.4 | +38.6% |
| Gross Margin, % | 46.0% | 44.0% | | -2.0% |
| Operating Income, €m | 14.5 | 20.7 | +6.2 | +42.8% |
| EBITDA, €m | 26.5 | 36.5 | +10.0 | +37.7% |
| EBITDA Margin, % | 20.7% | 25.1% | | +4.4% |
| Net Income, €m | 3.5 | 9.0 | +5.4 | +154,3% |

FINANCIAL PERFORMANCE IN THE SECOND QUARTER

Despite the continuing negative currency impact SUN Interbrew initiated and achieved a number of positive developments in the second quarter 2003.

Sales, marketing and distribution costs for the second quarter were €36.9m versus €35.3m in the same quarter last year. Marketing costs were flat versus the same period last year, whilst volumes were almost 40% higher this quarter.

The average distribution cost per hl was almost €1 lower in the quarter compared to the same period last year.

Total sales and marketing costs for the quarter represent 12.9% of Net Turnover, compared to 14.4% in the second quarter 2002. General and administration costs for the quarter were €2.7m lower than in the same quarter last year, mainly driven by payroll and consultancy savings.

RUSSIA

In total the volume of SUN Interbrew beer sold in Russia in the second quarter was 3.20m hl versus 2.31m hl in the same period last year, representing an increase of 38%. At the same time the total market volume in Russia increased by only 8%.

Tolstiak® sales volume grew by 51% versus the second quarter 2002. This growth was stimulated by further PET expansion, an efficient pricing policy and advertising focusing on improving the quality perception. *Klinskoye*® sales saw a recovery with volume growing by 17%. This growth was driven by the success of PIVOPACK® and new *Redkoye* variety launches as well as the introduction of a new label design.

Sibirskaya Korona® exceeded last year's sales by 52%, driven by a new proprietary PET bottle, PIVOPACK® that has the same shelf life as a glass bottle, and the launch of the new variety, *Beloye*.

Stella Artois® grew by 148% as a result of further national expansion of the brand.

Sales volumes for *Staropramen*® continued to increase following the successful launch in the first quarter 2003. Overall, the increase in share of premium and licensed brands in SUN Interbrew total portfolio during the second quarter 2003 had a positive effect on organic gross margins.

Sales volumes, m Hl

| | 2003 Q2 | 2002 Q2 | % change03 vs. 02 |
|------|---------|---------|-------------------|
| Beer | 3,20 | 2,31 | 38% |

Market Share Growth - 2002 plus 1H 2003 (Average for the period)

[[img1,center]]

UKRAINE

The volume of beer sales in Ukraine grew from 1.25m hl in the second quarter 2002 to 1.73m hl in the second quarter 2003, representing an increase of 39.2%, well ahead of the total market growth in the quarter of 25.9%.

Sales volumes, m Hl

| | 2003 Q2 | 2002 Q2 | % change03'vs 02 |
|-------------|---------|---------|------------------|
| Beer | 1,73 | 1,25 | +39,2% |
| Soft drinks | 0,35 | 0,30 | +17,8% |
| Total | 2,08 | 1,55 | +35,1% |

Market Share Growth - 2002 plus 1H 2003 (Average for the period)

[[img2,center]]

This growth has been achieved by the continued success of the following brands:

- *Rogan*®, 27% growth
- *Chernigivske*®, 54% growth
- Excellent growth of *Stella Artois*®, at 77%

SUMMARY AND OUTLOOK

The encouraging start to the year with strong performances in both Russia and Ukraine has been reinforced in the second quarter of 2003. SUN Interbrew pursued the strategy of building its diversified portfolio of brands and enabling it to take up strong positions in each segment of the market. This was supported by thoughtful and sizeable investments in marketing and commercial activities, resulting in the recovery of market share in Russia and continued growth in Ukraine.

Whilst the further strengthening of the Euro is expected to adversely affect our headline results, the bottom line performance for the year will be better than last year, provided the company keeps the momentum going in growing volumes with continued focus on higher margin products, whilst at the same time controlling costs in order to support our margin development.

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