

# NEWS RELEASE



FOR IMMEDIATE RELEASE

18 March 2005

## RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2004

MOSCOW, March 18, 2005 - SUN Interbrew Limited (Lux: SUNB5-LX), a leading brewer in Russia and Ukraine, today announces its financial results for the fourth quarter and full year ended 31 December 2004.

### SUN Interbrew reports strong organic EBITDA growth of +40.1% for the FY 2004

#### Operational Highlights

- 2004 organic volume growth **+18.3%\*** vs. 2003. For the Q4 2004 organic volume growth **+3.8%** vs. Q4 2003.
- Organic net turnover **+27.9%** in 2004 and **+3.2%** in 4Q 2004
- Organic EBIT **+61.6%** for FY 2004
- EBITDA **+40.1%** in FY 2004 and **+165.7%** for Q4 2004. Furthermore the negative currency impact for FY 2004 is €7.5m and €0.8m for Q4 2004
- Net Income result for FY was **+136.5%** vs. 2003 becoming positive in Q4 2004 (**+ €3.1m** vs. **-€1.9m** in Q4 2003).
- The global flagship brands, *Stella Artois*<sup>®</sup>, *Staropramen*<sup>®</sup> and *Beck's*<sup>®</sup>, collectively grew by **+80.7%** in 2004 and **+44.0%** in Q4 2004

This solid financial and operational performance was achieved through strategic developments in the following areas:

- Strengthening of higher margin brands;
- Increase of our brewing capacity and the upgrading of existing equipment;
- Increased margin growth through the continued improvement in the route to market resulting from the building of even closer relationships with our distributors in Russia and Ukraine;
- Continued focus on and successful launch of beer and packaging innovations.

The tremendous growth of the company in 2004 was supported in both countries by following innovations:

#### Russia:

- *Tolstiak Grechishnoye*, *Klinskoye Arriva* and *Sibirskaya Korona Yantarnoye* and *Georgievskoye* were launched into the Russian market. These new varieties demonstrated strong continuous growth throughout 2004. The excellent growth of *Klinskoye Arriva* helped to drive core segment growth;

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\* Growth rates of SIL volumes are calculated on the base of the volumes including domestic sales and export.

- Having previously been brewed in Ukraine, the production of *Stella Artois*<sup>®</sup> and *Beck's*<sup>®</sup> commenced at the Novocheboksarsk brewery in Russia helping to increase the profitability of both brands whilst allowing the company to react even faster to increased consumer demand;
- The Company successfully launched multi-packs as well as a unique glass bottle. An innovative metallic label for PET and glass bottles for *Tolstiak* and *Permskoye Gubernskoye* were also launched during the year. In December the Company introduced a new 2.5l PET bottle for the *Tolstiak* brand.

Ukraine:

- During 2004 the Company successfully launched *Chernigivske Bagryane* and *Chernigivske Bila Nich (unfiltered dark beer)*, *Fitness+*, part of the *Chernigivske* brand, containing vitamin complexes was introduced into the market in 0.5l cans;
- The *Unfiltered* variety was added to the *Yantar* brand;
- The Company successfully introduced *Rogan Kampai* and *Rogan Arriva*;
- The packaging innovations included of *Chernigivske Bagryane* in PET 1l bottles and *Stella Artois*<sup>®</sup> in a new aluminum bottle.

**Q4 2004 Financial Highlights:**

	Q4 2004	Q4 2003	Organic growth	Organic growth, %
<b>Volume, m Hl</b>	<b>4.0</b>	<b>3.9</b>	<b>+0.1</b>	<b>+3.8%</b>
<b>Net Sales, €m</b>	<b>127.8</b>	<b>123.8</b>	<b>+3.9</b>	<b>+3.2%</b>
<b>Gross Margin, %</b>	<b>40.2%</b>	<b>36.0%</b>	<b>+4.2%</b>	
<b>Operating Margin, %</b>	<b>5.1%</b>	<b>0.9%</b>	<b>+4.2%</b>	
<b>EBITDA, €m</b>	<b>21.5</b>	<b>8.1</b>	<b>+13.4</b>	<b>+165.7%</b>
<b>EBITDA Margin, %</b>	<b>16.8%</b>	<b>6.5%</b>	<b>+10.3%</b>	
<b>EBIT, €m</b>	<b>8.6</b>	<b>-1.2</b>	<b>+9.8</b>	<b>n.a.</b>
<b>Net Income, €m</b>	<b>3.1</b>	<b>-1.9</b>	<b>+5.0</b>	<b>n.a.</b>
<b>Cash flow from operating activities, €m</b>	<b>10.1</b>	<b>2.3</b>	<b>+7.8</b>	<b>+347.9%</b>

**FY 2004 Financial Highlights:**

	FY 2004	FY 2003	Organic growth	Organic growth, %
<b>Volume, m Hl</b>	<b>20.5</b>	<b>17.3</b>	<b>+3.2</b>	<b>+18.3%</b>
<b>Net Sales, €m</b>	<b>691.3</b>	<b>540.3</b>	<b>+151.0</b>	<b>+27.9%</b>
<b>Gross Margin, %</b>	<b>40.5%</b>	<b>39.7%</b>	<b>+0.8%</b>	
<b>Operating Margin, %</b>	<b>12.1%</b>	<b>9.3%</b>	<b>+2.7%</b>	
<b>EBITDA, €m</b>	<b>141.2</b>	<b>100.8</b>	<b>+40.4</b>	<b>+40.1%</b>
<b>EBITDA Margin, %</b>	<b>20.4%</b>	<b>18.7%</b>	<b>+1.8%</b>	
<b>EBIT, €m</b>	<b>81.1</b>	<b>50.2</b>	<b>+30.9</b>	<b>+61.6%</b>
<b>Net Income, €m</b>	<b>50.4</b>	<b>21.3</b>	<b>+29.1</b>	<b>+136.5%</b>
<b>Cash flow from operating activities, €m</b>	<b>111.6</b>	<b>84.1</b>	<b>+27.4</b>	<b>+32.6%</b>

## FINANCIAL PERFORMANCE IN 2004

In 2004 Russia and Ukraine reported strong organic volume growth of +18.3%, helping to drive the excellent EBITDA and EBIT growth +40.1% and +61.6% respectively. Much of this growth can be attributed to the performance of our premium brands.

The EBITDA margin growth was restrained by the cost evolution in malt and glass bottles. The margin was also affected by higher logistics costs due to increased transport distances for our beer during high season sales. The negative impact of logistics costs was softened by the end of the year thanks to the Omsk site capacity expansion. Distribution cost per hl increased by +12.5% as a result of FY 2004 and fell by -4.6% in Q4 2004.

Sales, marketing and distribution costs were +17.7% and -3.9% in 2004 and in Q4 2004, respectively. SM&D costs for the FY and Q4 represent 23.6% and 27.7% of Net Sales down -2.1% for both FY and Q4 versus 2003. The lower SM&D margin was mainly caused by Sales and Marketing costs margin decrease which was -2.6% and -1.5% in FY2004 and Q4 2004 compared with 2003. The Distribution as a % of Net Sales did not fluctuate substantially.

The accounts receivable turnover ratio (net of VAT) for FY and Q4 2004 decreased by -6.5 and -5.3 days compared with the same periods last year.

In FY 2004 and 4Q the General and Administrative costs were +€7.9m and +€2.7m higher. At the same time the G&A margin remained stable, for the FY at 4.8% vs. 4.7% in 2003.

## RUSSIA

In 2004 the market growth was +10.9% FY and +5.2% Q4, while SUN Interbrew's beer volumes grew by +19.8% FY and decreased by -3.0% in Q4. On annual basis the global brands, as well as the domestic brands Sibirskaya Korona and Klinskoye achieved significantly faster growth. Overall, SUN Interbrew achieved excellent levels of profitability, despite the modest volume growth in Q4 2004, helping to underpin the annual results.

Consequently, our market share reached 15.6% FY and 14.2% Q4 what is +1.1% and -1.3% vs. previous year's periods.

*Stella Artois*<sup>®</sup> grew by +24.5% and decreased by -6.8% in volumes FY and Q4 respectively.

Sales volumes for *Staropramen*<sup>®</sup> grew by +52.4% FY and by +32.6% in Q4.

FY sales of *Sibirskaya Korona* increased by +37.7%. *Sibirskaya Korona* decreased versus last year's sales for Q4 by -14.6%.

Totally the FY 2004 growth of *Klinskoye* sales comprised +28.9%. *Klinskoye* volume growth in Q4 was +5.6%. This annual growth was driven by the successful launch of *Klinskoye Arriva* in the first half of the year.

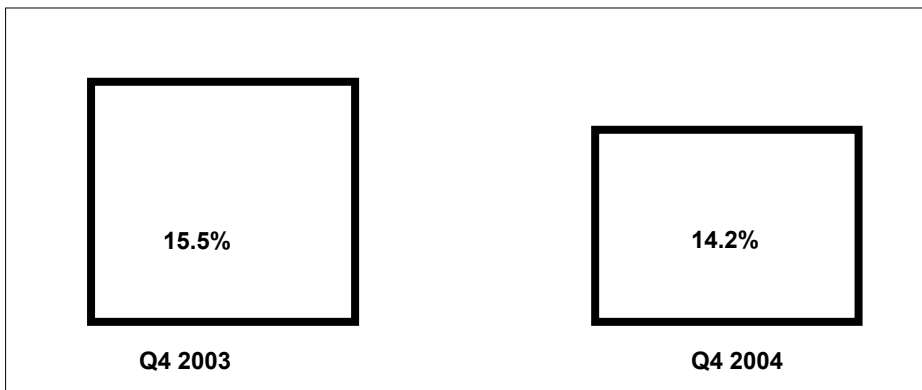
*Tolstiak* sales volumes were +3.1% for FY and -6.7% for Q4.

The main drivers of SIL Russian sales, PET and Bottle, on the FY basis carried out a regular growth equal to the total branch's growth. So bottle volumes were +20.9% FY and -6.5% Q4. PET was +24.0% FY and +1.9% Q4. Kegs decreased by -12.5% for FY as well for Q4. Cans were up by +18.2% for FY and -8.1% for Q4.

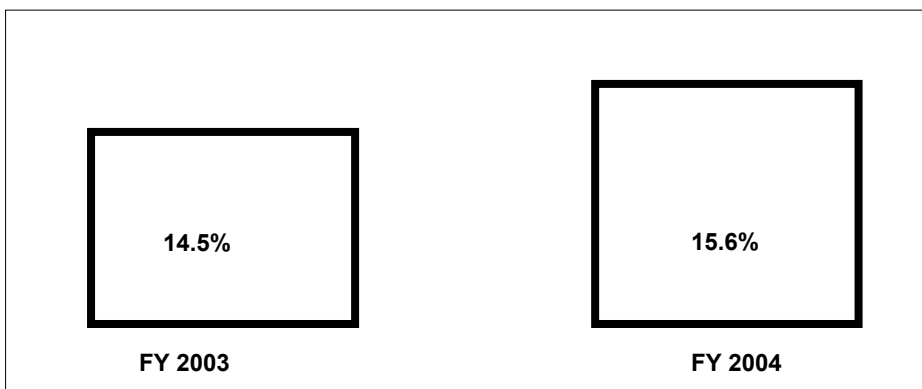
### Sales volumes, m Hl

	2004 Q4	2003 Q4	% change	2004 FY	2003 FY	% change
Beer	2.4	2.5	-3.0%	12.9	10.8	+19.8%

## Market Share Growth - Average for Q4 2004



## Market Share Growth - Average for FY 2004



## UKRAINE

In 2004 the market grew by +14.3%, with SUN Interbrew Ukraine growing +19.2%. For the Q4 2004 the growth rate was significantly higher: market grew +19.4% and SIL +24.2%. This performance helped SIL Ukraine end 2004 with record market shares of 35.5% FY and 37.8% in Q4. Thus, SUN Interbrew Ukraine boosted its market share by +1.2% compared with both FY 2003 and Q4 2003.

The increase in total volume growth and market share was a result of the company's continued focus on expanding the capacity of production and packaging operations and the successful introduction of new marketing and distribution initiatives.

The driver of the Ukrainian branch was *Chernigivske*, up by +34.6% FY and +20.0% Q4 2004. The success was based on newly launched varieties *Chernigivske Bagryane*, *Chernigivske Bila Nich* (unfiltered dark beer), *Chernigivske FITNESS+* which were targeted at the different segments of customers.

*Rogan* sales grew +4.0% FY and +30.9% Q4 2004. Partly the growth by the end of the year was supported by launch of *Rogan Kampai*.

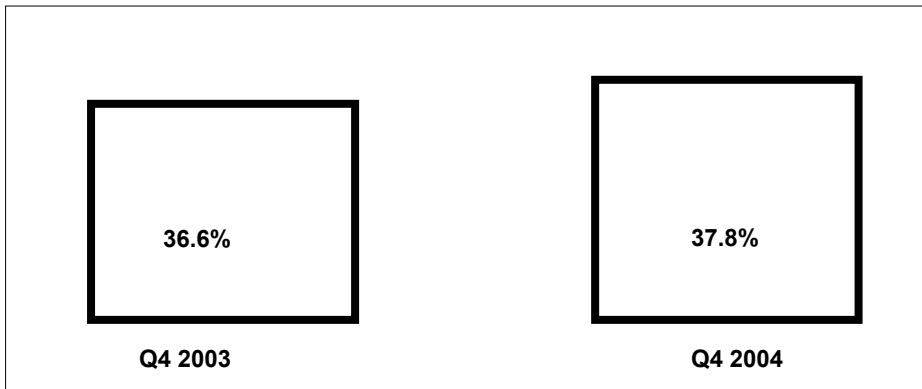
*Stella Artois*<sup>®</sup> continued to grow strongly +58.9% and +34.5% FY and Q4 respectively.

Bottle sales continue to be the largest packaging segment in which our brands are sold. At the same time the share of the bottle decreased because of a volume growth rate for FY of only +8.3%. The Q4 increase is in line with the overall growth rate and amounts +24.9%. PET volume continues growing aggressively by +36.8% for FY. For the quarter there is the seasonal weather affect and the growth comprised +20.2%. The Keg volume growth reached +24.5% FY and +33.2% Q4. Cans demonstrated the highest growth rate of +53.2% and +70.5% for FY and Q4, respectively.

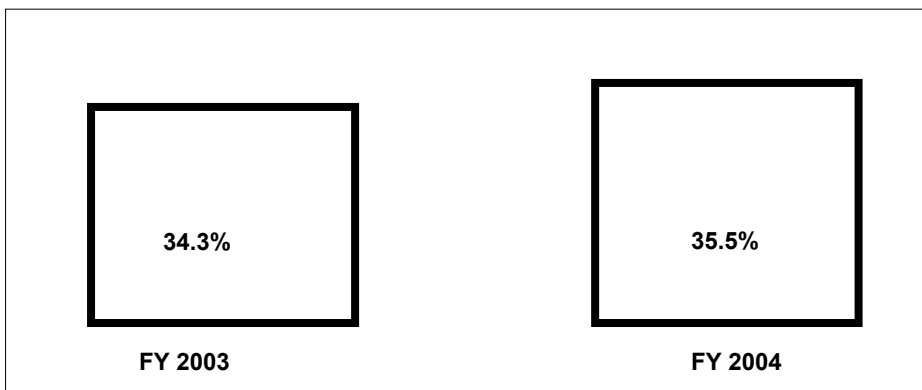
**Sales volumes, m hl**

	<b>Q4 2004</b>	<b>Q4 2003</b>	<b>% change</b>	<b>FY 2004</b>	<b>FY 2003</b>	<b>% change</b>
<b>Beer</b>	<b>1.3</b>	<b>1.1</b>	<b>+24.2%</b>	<b>6.3</b>	<b>5.3</b>	<b>+19.2%</b>
<b>Soft Drinks</b>	<b>0.3</b>	<b>0.3</b>	<b>-14.9%</b>	<b>1.2</b>	<b>1.2</b>	<b>+ 0.0%</b>
<b>Total</b>	<b>1.6</b>	<b>1.3</b>	<b>+15.5%</b>	<b>7.5</b>	<b>6.5</b>	<b>+15.6%</b>

**Market Share Growth - Average for Q4 2004**



**Market Share Growth - Average for FY 2004**



## SUMMARY AND OUTLOOK

During 2004 SUN Interbrew continued its strategy of portfolio diversification, brand extension and improvement in our route to market policy. Despite some negative cost factors, this resulted in significantly increased profitability both on gross margin and on EBIT level.

In 2005 we are continuing our successful strategy. Though as was noticeable in Q4 2004 the competition became fiercer, we are expecting further strong increase on both top and bottom lines.

**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 was set up in 1999 as 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 in Luxembourg and traded on the Luxembourg, Frankfurt and Berlin stock exchanges.

**SUN Interbrew Limited and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**For the Three and Twelve Months Ended December 31, 2004 and 2003**  
**(Euros in thousands, except per share amounts)**

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2003	2004	2003
	Unaudited	Unaudited		
<b>Net sales</b>	€ 127,753	€ 123,834	€ 691,268	€ 540,306
Cost of goods sold	<u>(76,365)</u>	<u>(79,197)</u>	<u>(411,418)</u>	<u>(325,807)</u>
<b>Gross Margin</b>	<b>51,388</b>	44,637	<b>279,850</b>	214,499
Selling, marketing and distribution expenses	<u>(35,427)</u>	(36,879)	<u>(163,345)</u>	(138,788)
General and administrative expenses	<u>(9,442)</u>	<u>(6,696)</u>	<u>(33,186)</u>	<u>(25,291)</u>
<b>Operating Income</b>	<b>6,519</b>	1,062	<b>83,319</b>	50,420
<b>Other Income (Expense)</b>				
Other expense	<u>(2,036)</u>	2,308	<u>(4,473)</u>	(270)
Interest income	-	-	-	-
Interest expense, net	<u>(3,095)</u>	(2,762)	<u>(15,486)</u>	(9,831)
Foreign exchange (loss) / gain	<u>(1,730)</u>	(3,234)	466	(9,480)
Gain from sale of subsidiaries	-	-	2,226	-
Loss on disposal of investments	-	-	<u>(3,314)</u>	-
Other financial expenses	<u>(410)</u>	<u>(909)</u>	<u>(2,052)</u>	<u>(2,291)</u>
Net other expense	<u>(7,271)</u>	(4,597)	<u>(22,633)</u>	(21,872)
Income before income taxes and minority interest	<u>(752)</u>	(3,535)	<u>60,686</u>	28,548
Income taxes	<u>3,972</u>	<u>1,973</u>	<u>(9,963)</u>	<u>(5,994)</u>
Income before minority interest	<u>3,220</u>	(1,562)	<u>50,723</u>	22,554
Minority interest	<u>(125)</u>	<u>(352)</u>	<u>(324)</u>	<u>(1,247)</u>
<b>Net Income</b>	€ <u><u>3,095</u></u>	€ <u><u>(1,914)</u></u>	€ <u><u>50,399</u></u>	€ <u><u>21,307</u></u>
<b>Basic Earnings per Share</b>	€ <u><u>0.03</u></u>	€ <u><u>(0.02)</u></u>	€ <u><u>0.43</u></u>	€ <u><u>0.19</u></u>
<b>Diluted Earnings per Share</b>	€ <u><u>0.03</u></u>	€ <u><u>(0.02)</u></u>	€ <u><u>0.43</u></u>	€ <u><u>0.19</u></u>

See Notes to the Condensed Consolidated Financial Statements

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

	<u>December 31, 2004</u>	<u>December 31, 2003</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	€ 6 300	€ 2 529
Accounts receivable, net	15 221	23 799
Inventories	91 918	76 033
Taxes receivable	23 239	20 417
Deferred tax assets	8 211	8 872
Other current assets	<u>21 530</u>	<u>17 689</u>
<b>Total Current Assets</b>	<b>166 419</b>	<b>149 339</b>
Plant and equipment, net	500 268	420 456
Intangible assets, net	2 425	3 497
Goodwill	56 078	56 859
Long-term deferred tax assets	243	6 451
Other long-term assets, net	<u>5 780</u>	<u>10 043</u>
<b>Total Assets</b>	<b>€ <u>731 213</u></b>	<b>€ <u>646 645</u></b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	€ 55 923	€ 43 011
Taxes payable	7 862	8 623
Deferred tax liabilities	1 871	1 764
Accrued expenses	13 313	13 808
Short term obligations	<u>179 661</u>	<u>130 097</u>
<b>Total Current Liabilities</b>	<b>258 630</b>	<b>197 303</b>
Long-term deferred tax liabilities	16 331	24 767
Non-current bonds payable	66 120	69 435
Other long-term liabilities	<u>207</u>	<u>463</u>
<b>Total Liabilities</b>	<b>341 288</b>	<b>291 968</b>
Minority interests in equity of subsidiaries	7 411	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	109 025	58 626
Accumulated other comprehensive loss	<u>(85 998)</u>	<u>(77 664)</u>
<b>Total Shareholders' Equity</b>	<b><u>382 514</u></b>	<b><u>340 449</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ <u>731 213</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 Twelve Months Ended December 31, 2004 and 2003**  
**(Euros in thousands)**

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2003	2004	2003
<b>Operating Activities:</b>				
<b>Net Income</b>	€ 3,097	€ (1,914)	€ 50,399	€ 21,307
Adjustments to reconcile net loss to net cash provided from operations:				
Depreciation	12,928	11,930	60,173	50,729
Other non-cash items	1,969	11,718	5,419	11,819
Changes in working capital				
Accounts receivable	8,130	(8,098)	6,610	(6,803)
Inventories	(13,438)	(13,514)	(17,928)	(11,142)
Other current assets	2,030	2,401	(3,841)	(2,390)
Taxes payable	(9,847)	(1,731)	1,286	7,678
Accounts payable	7,725	(4,133)	9,466	2,290
Accrued income (expenses)	(4,276)	5,592	(495)	9,933
Net cash provided by operating activities	<u>8,318</u>	<u>2,251</u>	<u>111,089</u>	<u>83,421</u>
<b>Investing Activities:</b>				
Purchase of intangible assets and plant and equipment (net of proceeds from disposal)	(83,280)	(22,846)	(171,544)	(112,200)
Cash received from disposal of subsidiaries/(Cash paid) for acquisition of subsidiaries, net of cash (disposed)/acquired.	(740)	197	4,763	(62,489)
Net cash used in investing activities	<u>(84,020)</u>	<u>(22,649)</u>	<u>(166,781)</u>	<u>(174,689)</u>
<b>Financing Activities:</b>				
Net proceeds from issuance of shares	-	-	-	888
Payments of loans payable - related parties	-	(17,000)	-	(3,041)
Proceeds of loans	79,389	33,736	59,463	88,122
Net cash used/provided by financing activities	<u>79,389</u>	<u>16,736</u>	<u>59,463</u>	<u>85,969</u>
Increase (Decrease) in cash and cash equivalents	3,687	(3,662)	3,771	(5,299)
Cash and cash equivalents, beginning of the period	2,613	6,191	2,529	7,828
Cash and cash equivalents, end of the period	€ <u>6,300</u>	€ <u>2,529</u>	€ <u>6,300</u>	€ <u>2,529</u>
<b>Cash paid during the period for:</b>				
Interest	1,382	1,960	17,085	9,046
Income taxes	2,941	2,064	8,677	8,008
<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.

**SUN INTERBREW Limited and Subsidiaries**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the Years ended December 31, 2004 and 2003**  
**(in thousands)**

	Share Capital Class "A" shares	Share Capital Class "B" shares	Additional Paid-in Capital	Retained Earnings	Other comprehensive loss	Total
<b>Balances at January 1, 2003</b>	1,304	387	319,308	37,319	(14,808)	343,510
Net Income	-	-	-	21,307	-	21,307
Proceeds from share issue	117	-	38,371	-	-	38,488
Recognition of deferred tax					(20,683)	(20,683)
Unrealized loss from foreign currency translation	-	-	-	-	(42,173)	(42,173)
<b>Balances at December 31, 2003</b>	1,421	387	357,679	58,626	(77,664)	340,449
Net Income	-	-	-	50,399	-	50,399
Unrealized loss from foreign currency translation	-	-	-	-	(8,334)	(8,334)
<b>Balances at December 31, 2004</b>	€ <u>1,421</u>	€ <u>387</u>	€ <u>357,679</u>	€ <u>109,025</u>	€ <u>(85,998)</u>	€ <u>382,514</u>

See Notes to Consolidated Financial Statements

**SUN Interbrew Limited and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**For the Years Ended December 31, 2004 and 2003**

**1. Financial Presentation and Disclosure**

These consolidated financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America ("US GAAP").

The majority-owned subsidiaries incorporated under the laws of Russia and Ukraine (the "Russian subsidiaries" and "Ukrainian subsidiaries") maintain accounting records and prepare their financial statements in Russian Roubles ("RUR") and Ukrainian Hryvnas ("UAH") in accordance with the requirements of Russian and Ukrainian accounting and tax legislation respectively. The financial statements of the Russian and Ukrainian subsidiaries included in these consolidated financial statements differ from those prepared for Russian and Ukrainian statutory purposes as 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.

**2. Description of Business Environment**

SUN Interbrew Limited (the "Company") is incorporated in Jersey, the Channel Islands, and has through holding companies incorporated in Jersey; the Netherlands; and Cyprus, a controlling interest in 11 breweries (referred to collectively as the "Group") in the Russian Federation ("Russia") and Ukraine. The Group manufactures, markets and distributes beer, malt and soft drinks.

The Company's voting shares (Class "B") are 34.25% owned and controlled by S.U.N. Trade (International) Limited (together with its affiliates, "STI") and 41.23% owned and controlled by Interbrew S.A., reorganized in 2004 to InBev S.A. (together with its affiliates, "InBev") as of December 31, 2004 (December 31, 2003: 34.25% and 34.25%, respectively). The remainder of the voting shares is widely held.

The Company's non-voting shares (Class "A") are owned and controlled by InBev, with an interest of 86.09% and STI, with an interest of 10.04% as of December 31, 2004 (December 31, 2003: 86% and 10%, respectively). The remainder of the non-voting shares is widely held.

**3. Currencies**

The functional currency of the Russian subsidiaries is the Russian Ruble and the functional currency of the Ukrainian subsidiaries is the Ukrainian Hryvna. Management of the Company has elected to use the Euro as the reporting currency for the consolidated financial statements.

At the reporting dates, translation from the functional currency was conducted as follows:

- All assets and liabilities are translated from the functional to the reporting currency at the exchange rate effective at the reporting date;
- Equity items are translated from the functional to the reporting currency at the historical exchange rates;
- Transactions in the statement of operations are translated from the functional currency to the reporting currency at the average exchange rate, which approximates the exchange rate at the date of the transaction;
- Translation adjustments are included in accumulated other comprehensive loss in equity.

Exchange rates have changed from 36.82 RUR and 6.66 UAH for € 1 respectively at December 31, 2003 to 37.81 RUR and 7.22 UAH for € 1 respectively at December 31, 2004. The 2004 average exchange rate was € 1=RUR 35.66 and € 1=UAH 6.56.

The Russian Ruble and Ukrainian Hryvna are not fully convertible currencies outside of the territory of Russia and Ukraine. Accordingly, the translation of amounts recorded in these currencies into Euro should not be construed as a representation that such currency amounts have been, could be or will in the future be converted into Euro at the exchange rates shown or at any other exchange rates.

#### **4. Significant Transactions**

During the year, the Company wrote-off its investments in Ekaterinbourg brewery and sold its shares in the Bavaria Brewery to management of the brewery. These transactions resulted in a loss of € 3.3 million and a gain of € 2.2 million, respectively.

There were no significant transactions in Q4 2004.

#### **5. Subsequent events**

At the extraordinary General Meeting held on January 31, 2005 Company's shareholders approved the acquisition by InBev of up to 10,491,176 of the Company's Class B shares from STI and up to 6,061,930 of the Company's Class B shares from Eco Holdings Limited and its affiliates. As a result of this acquisition, InBev will own 97.3% of the B (voting) shares and 98.8% of the A (non-voting) shares in the Company, which represent a 98.5% economic interest in the Company.

In accordance with the employee stock option plan, all employee stock options outstanding at the moment of this decision become vested. The Company will re-purchase those shares at the price, which will be agreed between the parties. This price may be significantly higher than the market price at the balance sheet date. The estimated additional costs relating to the repurchase of the shares is approximately €10.6 m.