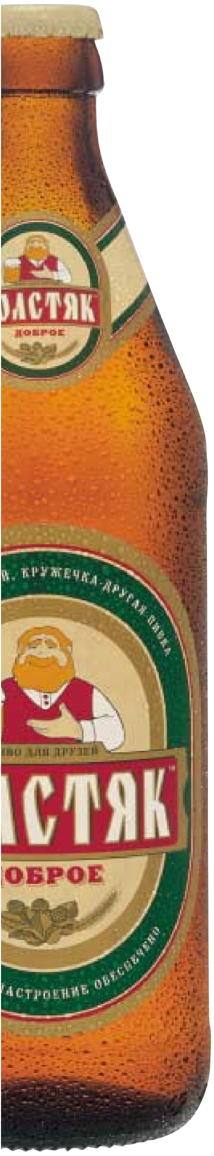
PROMISE AND DELIVERY



What we said

In our last annual report, we set out what you could expect of us in 2001. We made three clear statements identifying the factors that would carry us forward.

> “We have the beer quality, brand strength and investment resources to make 2001 another dramatic year.”
>
> “The evolution of the market, the radical steps we have taken, and the positive response of consumers – all combine to give us an exciting opportunity for growth and profitability.”
>
> “In years to come we expect our results to improve significantly, based on a clear strategic vision and focused investment.”

What we did

Did we measure up to that promise? We can report that the enthusiasm of consumers for the quality of our brands brought a result that was impressive: a 39% increase in Net Net Sales. Good growth was matched by excellent profitability: a 55% increase in Operating Income. By building on the steps taken in 2000, we achieved a 26% increase in Gross Margin, 46% increase in EBITDA and a 29% increase in Beer and Soft sales Volume. The highlight of the overall improvement in our figures was the doubling of net profit: a 107% increase in Net Income. The results exceeded expectations on all the most important financial indicators - net profit, net turnover, EBITDA and margins. This impressive financial performance was achieved despite a small loss in market share in the year. We have addressed the issues needed to stop the decline in our market share. We can look back on the year’s performance and see that the 2001 we promised a year ago has been delivered.

What comes next

SUN Interbrew operates in a market that is developing at an unprecedented pace, where there are many opportunities to be seized. In such a dynamic situation, we have been disciplined in setting the priorities we believe will deliver long-term growth — in terms of beer quality and brand focus as well as managerial effectiveness. We believe we have taken the steps necessary both to continue the improvement in our financial performance and grow our market share in 2002. This will be achieved via our full portfolio strategy in both brands and packaging and by the improvement in our cost profile by cross-brewing in our breweries and other cost changes. We take pride in the achievements so far, and are extremely confident of our future performance.

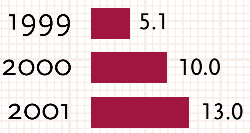
Three-year review

KEY FIGURES

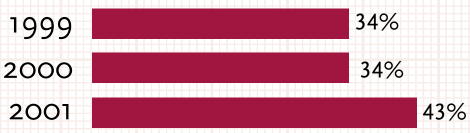
Financial Highlights SIL

Including soft drinks

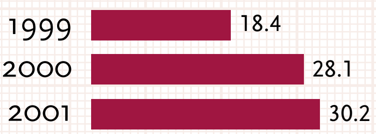
Total volume, m hl



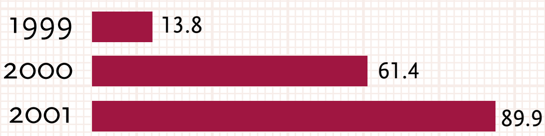
Gross Margin, % of NNS



NNS per hl, euro/hl



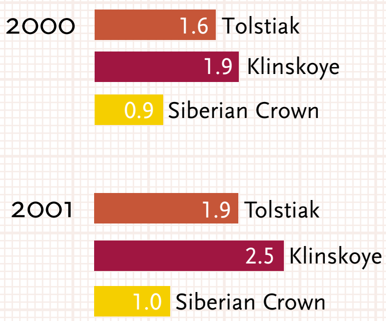
EBITDA, m euro



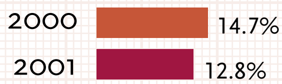
Financial Highlights Russia

Excluding soft drinks

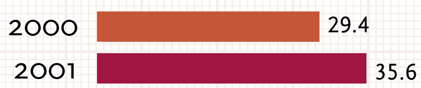
Total volume, m hl



Market share, %



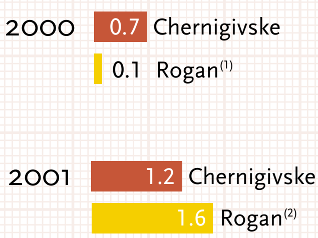
NNS per hl, euro/hl



Financial Highlights Ukraine

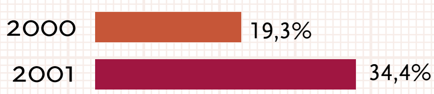
Excluding soft drinks

Total volume, m hl

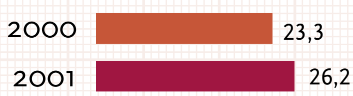


(1) one month sales
(2) one year sales

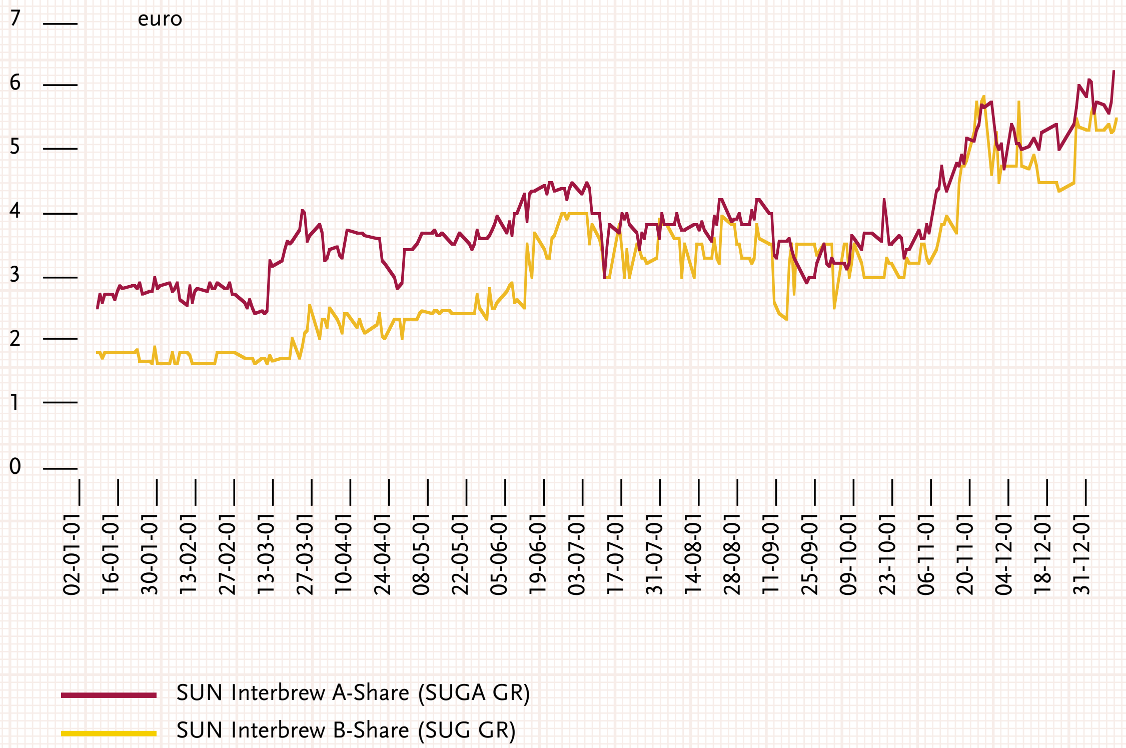
Market share, %



NNS per hl, euro/hl



SUN interbrew share price, 2001



LETTER TO SHAREHOLDERS

A significantly improved business

We are very pleased with our performance in 2001. We delivered excellent financial results while continuing to develop the potential of SUN Interbrew, as we make the transition from a local manufacturing network into a regional group managed along the lines of an international sales and marketing company. We made progress in all the most important areas. On the brand front, we relaunched Klinskoye, Sibirskaya Korona and Chernigivske, and introduced Stella Artois. The major events were the introduction of EFAS in Russia which completed the establishment of an integrated financial system to coordinate all the operations of the group in both Russia and Ukriane, and the incorporation of the second largest Ukrainian brewery, Rogan, which gave us market leadership in Ukraine in terms of volume. In addition, the management team was strengthened in line with the continued growth of the business.

The relaunch of Klinskoye epitomised the important progress made on brands

Market conditions

The economy in Russia improved beyond all forecasts. We experienced a stable currency and a drop in the weighted average cost of capital. As the government's taxation strategy delivered higher revenues, the potential problem of the 2003 debt repayment lessened. Investment began to return to Russia, and higher wages drove an increase in consumption. Meanwhile, there are signs of an improving economic situation in Ukraine. The hryvna was stable, and interest rates became more conducive to investment. Liquidity improved and there was greater political stability, despite senior government changes.

Wealth creation is evident in both countries, and their governments are creating a more business-friendly environment. On our side in both Russia and Ukraine, we are demonstrating ourselves to be good long-term partners, investing in local industry and giving back to the community. Meanwhile, the beer market continues to develop rapidly, offering more and more choice to consumers. There is almost a revolution in packaging, as PET increases at a fast pace and the market share of cans improves dramatically. It is a challenging time for the company, operating in a constantly changing market, and we will have to remain focused on selecting the very best opportunities.

Outlook

Russia and Ukraine are new economies, and we must have patience and understanding to function in this market. Conditions are likely to remain challenging, and there may be some setbacks down the road. But this is a vital region in which to do business and SUN Interbrew is a committed long-term player to the region. We have set our targets high, and while, naturally, much remains to be done, we are on track to achieve our goals.

Nand Khemka

Nand Khemka, chairman - 15 March 2002

CORPORATE GOVERNANCE

SUN Interbrew is a public company with its stock traded on international exchanges. Having adopted the US GAAP reporting system, we continue to take a lead in developing best practice in Corporate Governance. The company follows the Interbrew code of ethical conduct, and has clearly defined the roles and responsibilities of the Board of Directors and the Executives of the company. Approximately one third of board members are independent of the two major shareholders, and have been selected for their ability and reputation.

The Board is assisted by two Committees, both with a balanced representation of independent directors. The Compensation Committee advises on top-level company organisation and remuneration, while the Audit Committee ensures that adequate systems of control are in place, and that the annual accounts reflect the economic reality of the company. The Audit Committee is also responsible for all issues of Corporate Governance, and ensures that all commercial activities are carried out at arm's length, especially those involving Interbrew and the SUN Group.

Overall strategy is coordinated by a small Executive Committee consisting of one representative from each of our two main shareholders, SUN and Interbrew, and the Chief Executive Officer. The most senior executives of the company come together to form the SUN Interbrew Management Committees in Russia and Ukraine.

This is a best practice company

We performed ahead of expectations

FINANCIAL PERFORMANCE

Performance in 2001

Our performance in 2001 exceeded expectations, with a doubling of net profit from €10.8m to €22.4m. This growth in profits was built on Net Net Sales up 39%, volume growth up 29%, the improvement in net turnover per hectolitre and a reduction in the average cost per hectolitre.

Growth in net sales well exceeded volume increase

SUN Interbrew volumes rose from 10m to 13m hectolitres, an increase of 29%. We look for volume quality, not just volume quantity, and this emphasis was reflected in the consistent improvement in net turnover per hectolitre of beer quarter by quarter. It rose from €26.8 at the start of the year to €31.9 in the final quarter. The average for the year as a whole rose from €28.1 in 2000 to €30.2 in 2001, an increase of 7%.

This improvement in revenue was matched by a better manufacturing performance. Average costs per hectolitre dropped significantly, from €18.5 to €17.2, a decrease of 7%. As a result, we can report a growth in gross margin of 26%.

We believe brands are the most important asset in a beer business, and SUN Interbrew is committed to building the brands of the future. We continued to invest substantially in both Russia and Ukraine, which lifted our selling, marketing and distribution expenses from 14% to 21% of net turnover. General and administrative costs increased from 7% to 8% of net turnover, and from €2.1 to €2.3 per hectolitre.

This is a business which is producing highly satisfactory returns. Operating profit rose by 55%, up from 13% to 14% of net turnover. EBITDA also leapt ahead by 46% from €61.4m in 2000 to €89.9m in 2001. In 2001, we also secured an overall improvement in the effective tax rate. The final outcome exceeded our expectations. Net profit rose by 107% from €10.8m to €22.4m.

Shareholder value

A new focus on unlocking shareholder value began in earnest at the start of 2001. Having appointed financial advisers and a financial public relations company, SUN Interbrew widened the ambit of its press releases and other communications. At roadshows in the US and Europe, we explained our market outlook and growth prospects face to face. During this process, we met people from the majority of investment funds holding our shares, and answered all minority shareholder concerns. We were, of course, also able to deliver good news on the company's progress.

We were able to report a year-on-year improvement in quarterly results to investors and the approval of shareholders and the investment community in general was reflected in the performance of the company's share price. The price of class A shares rose from €1.8 to €5.85 during the course of 2001, and the price of B shares also moved up, from €2.5 to €5.75. We will continue to focus on communicating what is happening within the company and the business to shareholders and potential investors, and we feel that these efforts will further assist the marketplace to value the company more appropriately.

Investing in our business

Investment in brewery upgrading and additional capacity in the two countries topped €71m. The business felt the beneficial impact of our new Klin brewery near Moscow, which went online in May, and of the additional PET line installed at Desna in Ukraine. Our overall investment in packaging was €11m, and we expect this sum to increase in 2002. We were by far the biggest spender in terms of marketing in Russia as we continued the long-term process of building strong brands. We are establishing the sound fundamentals for our brands, for SUN Interbrew to build on in the next 10 to 20 years.

Stella Artois is successfully launched

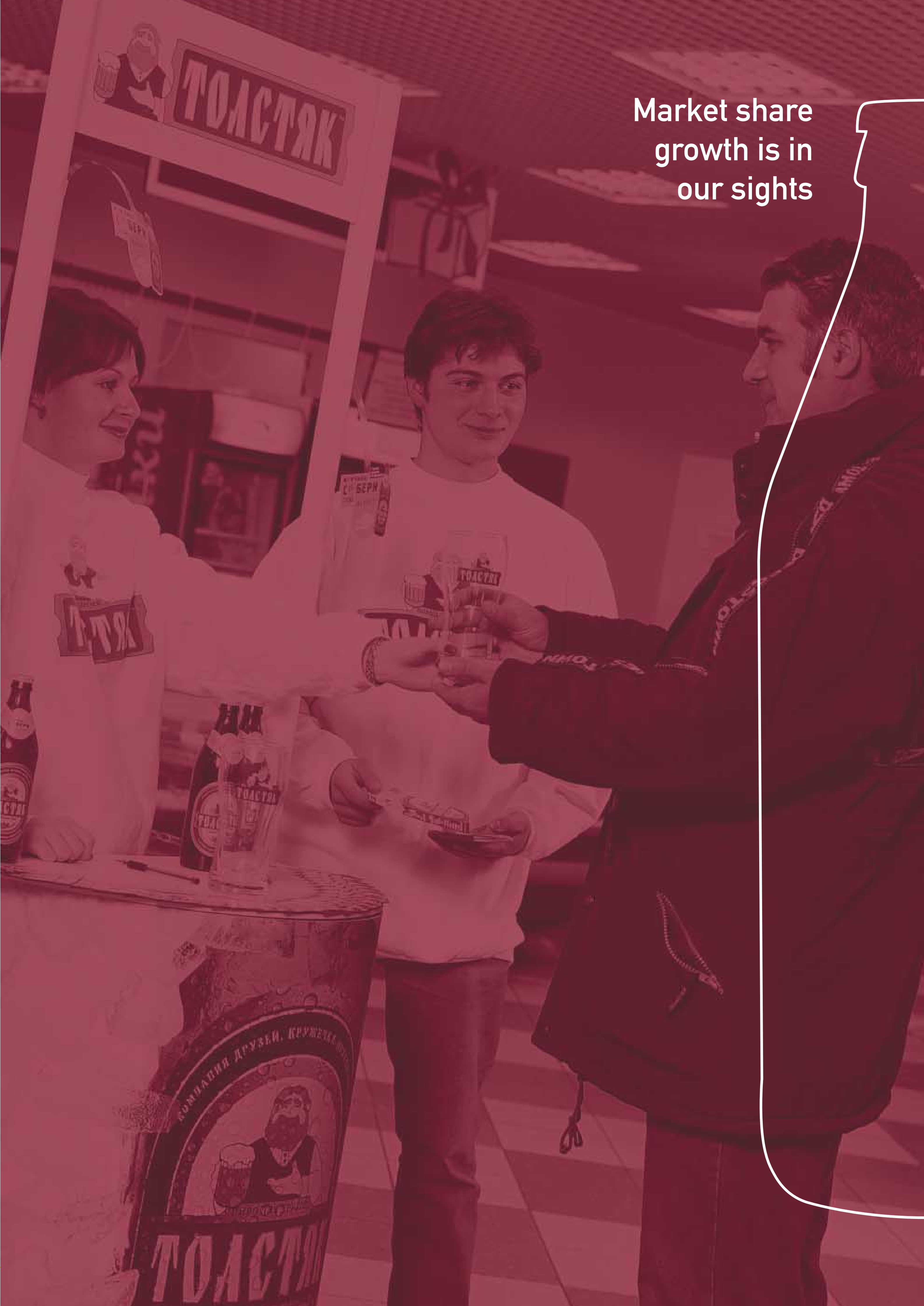
Malting initiatives

Long-term malt supply agreements were signed for both Russia and Ukraine. In Russia, we are working with Russmalt, which is a joint venture between Malteurop and Greencore, two of the world's leading malting businesses. Through this collaboration, we are drawing up plans for improvement of quality malt supply, and agreeing the steps and investments needed. Meanwhile, in Ukraine, Malteurop will purchase the SUN Interbrew malting plant at Desna, and will also construct a new malting plant at the Rogan Brewery in Kharkov. The malt produced at both plants will make the SUN Interbrew breweries in Ukraine self-sufficient in local quality malt supply.

Future expectations

While we delivered strong volume growth last year, we feel we can do even better. We have identified the areas where improvements can be made and we are in the process of implementing them. Steps will be taken to fill the gaps in our business. We need to complete our product portfolio, improve our distribution and develop our packaging. This was a year of adjusting our stance. We recognise that scale is a key factor hindering our growth, but it is a factor that is within our power to remedy. We intend to improve our scale and, as a result, expect to grow our market share in 2002.

Market share
growth is in
our sights



RUSSIA

The market

Overall, the beer market in Russia increased significantly, by 17%. The most notable growth came in three key segments: the National Premium segment, where we had no presence until October; the PET packaging segment, now 25% of the market, where we were constrained; and the can packaging segment, now 3% of the market, where we were not represented. We compensated for our lack of a National Premium brand and of PET and cans by better Core brand growth. The total market Core segment grew 17% compared to last year and now makes up 36% of the market.

Our results

SUN Interbrew volumes in Russia grew but below the growth in the total market, resulting in a loss of market share, down from 14.7% to 12.8%. Prices rose in line with the market, and net turnover per hectolitre grew on an improved sales mix. We achieved a further increase in the percentage of our volumes in the Core segment, which rose by 26% from 3.5m hectolitres in 2000 to 4.4m in 2001. The improved sales mix can also be seen in the rise in Net Net Sales per hectolitre of beer. This rose from €31.5 in the first quarter to €37.6.

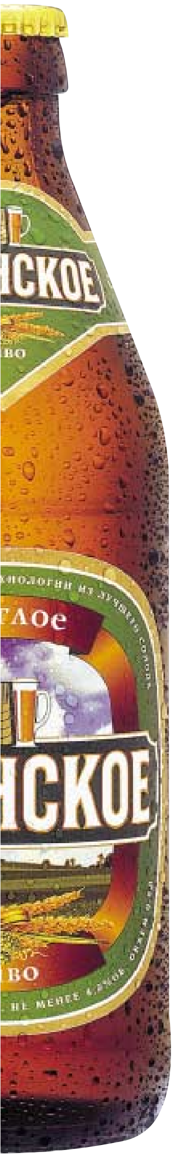
The performance of our Russian portfolio

In 2000, SUN Interbrew established three key brands, each with a regional focus: Klinskoye in Moscow, Tolstiak in the central area, and Sibirskaya Korona in Siberia. Building on that success, in 2001 we positioned ourselves to go to market with a full offering across the whole country: Stella Artois for the growing International Premium segment, Sibirskaya Korona as a National Premium brand in a segment which is now growing fast, Klinskoye in the Upper Core, and Tolstiak in the Lower Core.

Stella Artois was launched in April, to compete against established international brands. Wide distribution was achieved: 100% in large supermarkets, 60% in Western food stores, and 20% in kiosks & pavilions. Stella Artois made an auspicious debut. It outsold two of the three leaders in its segment in Moscow, and continued to grow beyond the end of the season.

We have great confidence in Sibirskaya Korona. Volumes went up by 8% in 2001 and the brand was repositioned into the National Premium segment in October, with early results promising success. Sibirskaya Korona has roots, a good image and a reputation as a quality beer.

RUSSIA
UKRAINE



Klinskoye grew 35% on already very large volumes, following the opening of the new Klin brewery. Klinskoye became the leader in its segment in Moscow and generated such huge demand elsewhere that, during peak weeks, we were unable to satisfy it. In recognition of this public following, it won the Brand of the Year award which, last year, was awarded to Tolstiak, and it also carried off the international Effie award for advertising effectiveness.

Tolstiak, our Lower Core brand, showed 17% volume growth compared to 2000. Brand health is still strong and we expect to grow Tolstiak in 2002 with the addition of PET.

Tolstiak volumes grow fast

Reorganisation of the business units

2001 saw a sea-change in our business to improve our customer focus. We switched the focus of the four business units from production to selling, to put the business closer to the market. New senior appointments strengthened our sales and marketing expertise, and represented a good mix between beer industry and emerging market experts from international fast-moving consumer goods companies.

We also hired the sales people the company needs, building commercial teams in Moscow and the regions. A first for the Russian beer industry was the creation of a team of merchandisers to assist them. We are essentially implementing best international practice, but doing it with Russian staff. To support the policy of providing a full brand portfolio, we switched to a system of preferred distributors. A company with strong brands will always attract good distributors interested in handling the product. The dramatic growth in our main brands over the past two years helped persuade good distributors that there is a long-term future in becoming a partner with us.

Introduction of EFAS, a mini ERP system

The introduction of the EFAS financial information system into SUN Interbrew was pioneered in Ukraine in 2000, when projects to set up a general ledger, logistics module and commercial module were completed. In Russia in 2001, a team of 250 people put EFAS into 8 breweries and 11 distribution centres in 8 months. EFAS touches the whole business, including financial control, supply chain and operations and sales. It gives us immediate access to the information we need to manage the business.

UKRAINE

Our results

The beer market grew strongly, up 18% from 9.7m to 11.5 hectolitres. SUN Interbrew beer volumes grew even faster, up 112%. We accordingly gained the market share, up 78% from 19.3% to 34.4%. Ukraine now represents 33.9% of SUN Interbrew total beer volume.

The business improved its earnings through the benefit of the Rogan acquisition, currency gain, and organic growth. Price increases around inflation were achieved and the synergies of Rogan began to come through. In addition, Rogan was integrated into the National Sales and Distribution company, which now operates countrywide.

Ukraine moved into profit during the last quarter. The quality of our revenues improved as net turnover per hectolitre of beer grew throughout the year. It rose from €23.10 in the first quarter to €29.39 at the end of the year. The average for the year was up 13%, from €23.29 to €26.23. Divesting the Krym brewery at a good price brought extra funds into the business to reduce our interest expense.

The performance of our Ukrainian portfolio

We grew sales in the more profitable Premium and Core segments of the market, from less than 30% of our total volume in 2000 to more than 70% in 2001 through important improvements of our brand's equity. And we achieved this with only a minimal loss of market share (from 35.3% down to 34.6%). Though later than planned, we managed to catch up in the fast growing PET segment after installing, in July, a PET bottling line in Desna, the last of our breweries that did not have one. All our Core and Value brands are now sold in a range of PET sizes and variants, giving customers and consumers a full offering.

The first brewing of Stella Artois in Desna to supply an International Premium brand for both Russia and Ukraine was an immediate success, achieving the ambitious target set. Stella Artois is now poised for steady growth.

We re-launched Chernigivske to become Ukraine's leading Upper Core brand. Successful re-design of the packaging and a new advertising campaign resulted in growth of glass bottle sales by 43%. The introduction of a 1.0 litre PET packaging for its main variants boosted growth further to a total increase for the brand of 59%, breaking the 1 million hectolitres benchmark for the first time in its history! Brand health parameters turned around and started growing again to top-market level.

RUSSIA UKRAINE

Finally, we moved Rogan Monastyrske from the Value segment strongly into the Core. Despite the largest price move of any Ukrainian brand, Monastyrske continued to grow. Yantar is our brand for an average beer drinker, and competes in the Upper Value segment. It had a strong enough following to maintain its volumes without marketing support. As for Krym, volumes were up 14%, a strong performance that helped us to achieve an attractive price in the disposal required by the competition authorities.

Taking the business forward

Both Russia and Ukraine present major challenges, in terms of opportunities and potential difficulties.

There is still a great deal to do, but we have the tools, the resources and, most importantly, the talent. Our management teams are highly motivated. This is because we are building our business from the ground up, and construction is more fulfilling than renovation. Our people respond to the challenge of emerging markets. They see more output for their input, whatever their role in the company. We salute the efforts everybody has made and extraordinary achievements they have pulled off.

For all our employees, for our business partners, and for our investors, there is a bright future ahead. The beer market in this region is still growing, even though the rate is slowing. Brands are being established and put on the map. It is a period of high opportunity.

We have operating plans in place to make sure everyone works in the same direction to deliver the key initiatives — to push up our market share, to develop and build a better relationship with our distributors and to improve the production and packaging flexibility of our breweries. We are getting the basics right. This company can, and will, continue its exciting growth.

Who's who in our management team

MANAGEMENT

The Board of Directors

Nand Khemka Chairman

Piers Cumberlege[1][2]

Stefan Descheemaeker

Shiv Khemka

Uday Khemka

Christopher Lloyd[1]

Luc Missorten

Fred Packard[1]

Georges Soenen

Andre Weckx

Audit Committee

Nand Khemka

Piers Cumberlege[2]

Luc Missorten

[1] Independent Directors

[2] Resigned on 31/12/2001, will be replaced in 2002

Compensation Committee

Shiv Khemka

Luc Missorten

Fred Packard

Executive Committee

Andre Weckx

Shiv Khemka

Stefan Descheemaeker

Chief Executive Officer

Andre Weckx

General Manager Russia

Louis Morin

General Manager Ukraine

Joe Strella

Chief Financial Officer

Alan Hibbert

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of SUN Interbrew Limited and subsidiaries

We have audited the accompanying consolidated balance sheet of SUN Interbrew Limited and subsidiaries (the "Group") as of December 31, 2001 and the related consolidated statements of operations, changes in shareholders' equity and cash flows for the year then ended. The consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The accompanying consolidated financial statements of SUN Interbrew Limited and subsidiaries as of December 31, 2000 were audited by other auditors whose report thereon dated February 23, 2001 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SUN Interbrew Limited and subsidiaries as of December 31, 2001 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG Limited

KPMG Limited
Moscow, Russian Federation
15 March 2002

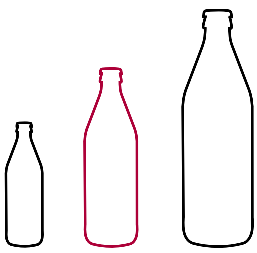
Financial report of SUN Interbrew Ltd.

SUN Interbrew Limited and Subsidiaries
Consolidated Statements of Operations
For the Years Ended December 31, 2001 and 2000

(Euros in thousands, except per share amounts)

(in euro)	2001	2000
Net Sales	392,246	282,999
Cost of goods sold	(223,132)	(186,470)
Gross Margin	169,114	96,529
Selling and distribution expenses	(84,222)	(39,974)
General and administrative expenses	(29,711)	(21,008)
Operating Income	55,181	35,547
Other Income (Expense)		
Interest income	1,381	2,285
Interest expense	(4,168)	(4,585)
Foreign exchange loss	(6,270)	(3,382)
Gain (loss) from equity investments	1,443	(1,228)
Other – net	(5,371)	1,272
Net other expense	(12,985)	(5,638)
Income before income taxes and minority interest	42,196	29,909
Income taxes	(17,733)	(16,552)
Income before minority interest	24,463	13,357
Minority interest	(2,030)	(2,544)
Net Income	22,433	10,813
Basic Earnings per Share	0.21	0.11
Diluted Earnings per Share	0.21	0.11

See Notes to the Consolidated Financial Statements



SUN Interbrew Limited and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2001 and 2000

(Euros in thousands)

(in euro)	2001	2000
ASSETS		
Current Assets		
Cash and cash equivalents	9,477	44,665
Accounts receivable, net	25,650	10,049
Inventories	73,565	61,958
Assets held for disposal	-	13,771
Deferred tax assets	1,578	1,081
Other current assets	36,242	17,543
Total Current Assets	146,512	149,067
Plant and equipment, net	354,658	304,436
Intangible assets, net	5,802	2,851
Goodwill	26,649	26,261
Long-term deferred tax assets	5,483	6,589
Other long-term assets, net	13,095	8,720
Total Assets	552,199	497,923
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	26,980	36,630
Taxes payable	2,728	7,752
Deferred tax liabilities	1,075	864
Accrued expenses	8,211	13,825
Short-term obligations	51,318	6,584
Short-term debt	40,641	32,782
Total Current Liabilities	130,953	98,437
Long-term deferred tax liabilities	8,084	9,947
Other long-term liabilities	104	719
Total Liabilities	139,141	109,103
Minority interests in equity of subsidiaries	51,124	49,319
Shareholders' Equity		
Class A Shares, one pence par; authorized 125,278,614 shares; issued 81,094,119 shares	1,304	1,304
Class B Shares, one pence par; authorized 30,000,000 shares; issued 27,796,220 shares	387	387
Additional paid-in capital	319,308	319,308
Retained earnings	40,935	18,502
Total Shareholders' Equity	361,934	339,501
Total Liabilities and Shareholders' Equity	552,199	497,923

See Notes to the Consolidated Financial Statements

SUN Interbrew Limited and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2001 and 2000

(Euros in thousands)

(in euro)	2001	2000
Operating Activities		
Net Income	22,433	10,813
Adjustments to reconcile net income to net cash provided by operations		
Depreciation	40,061	29,189
Minority interest	2,030	2,544
Deferred taxes	(670)	1,284
Allowance for doubtful accounts	1,217	3,149
Other non-cash items	5,339	2,916
Changes in current assets and current liabilities net of effect from acquisitions		
Accounts receivable	(16,293)	(1,777)
Inventories	(11,373)	(25,236)
Other current assets	(10,023)	4,143
Taxes payable	(18,630)	(29)
Accounts payable	(7,356)	4,821
Accrued expenses	818	2,418
Net cash provided by operating activities	7,553	34,235
Investing Activities		
Purchase of intangible assets and plant and equipment (net of proceeds from disposal)	(103,389)	(105,015)
Acquisitions of consolidated subsidiaries (net of cash acquired)	(4,734)	(40,170)
Cash acquired in acquisitions of breweries	-	27,836
Sale of investment	13,769	-
Net cash used in investing activities	(94,354)	(117,349)
Financing Activities		
Net proceeds from issuance of shares	-	123,071
Proceeds (payments) of loans payable – related parties	7,149	(13,982)
Proceeds (payments) from loans	44,464	(11,489)
Net cash provided by financing activities	51,613	97,600
Increase (decrease) in cash and cash equivalents	(35,188)	14,486
Cash and cash equivalents, beginning of year	44,665	30,179
Cash and cash equivalents, end of year	9,477	44,665
Cash paid during the period for		
Interest	1,355	5,364
Income taxes	25,916	16,998
Supplemental Schedule of Non-cash Investing and Financing Activities		
Issuance of stock to acquire breweries	-	35,258

See Notes to the Consolidated Financial Statements

SUN Interbrew Limited and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2000 and 2001

(Euros in thousands)

(in euro)	Share Capital Class "A" Shares	Share Capital Class "B" Shares	Additional Paid-in Capital	Retained Earnings	Total
Balances at January 1, 2000	587	387	162,856	7,689	171,519
Shares issued for acquisition of Klin brewery	246	-	35,012	-	35,258
Proceeds from charter capital increase	471	-	121,440	-	121,911
Net income	-	-	-	10,813	10,813
Balances at December 31, 2000	1,304	387	319,308	18,502	339,501
Net income	-	-	-	22,433	22,433
Balances at December 31, 2001	1,304	387	319,308	40,935	361,934

See Notes to the Consolidated Financial Statements

SUN INTERBREW LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2001 and 2000

1. Description of Business

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

The Company's voting shares (Class "B") are 34% owned and controlled by S.U.N. Trade (International) Limited (together with its affiliates, "STI") and 34% owned and controlled by Interbrew S.A. (together with its affiliates, "Interbrew"). The remainder of the voting shares are widely circulated.

The Company's non-voting shares (Class "A") are owned and controlled by Interbrew, with an interest of 77%, and STI, with an interest of 12% as of December 31, 2001. The remainder of the non-voting shares are widely circulated.

2. Summary of Significant Accounting Policies

Changes in Accounting Polices

Effective January 1, 2001, the Group adopted the Financial Accounting Standards Board ("FASB") Statement of Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities-An Amendment of FASB Statement No. 133." SFAS No. 133 and SFAS No. 138 establish new accounting and reporting standards for derivative instruments and hedging activities and require recognition of all derivatives as assets or liabilities in the balance sheet and measurement of those instruments at fair value. The effect of the adoption of these standards on the Group's operations and consolidated financial statements was not material.

Basis of Presentation

The accompanying 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 the Russian Federation and Ukraine (the "Russian subsidiaries" and "Ukrainian subsidiaries") maintain accounting records and prepare their financial statements in Russian roubles and Ukrainian hryvnas in accordance with the requirements of Russian and Ukrainian accounting and tax legislation. The accompanying financial statements differ from the financial statements prepared for statutory purposes in Russia and Ukraine in that 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.

Principles of Consolidation

The consolidated financial statements include the accounts of majority-owned subsidiaries (except as described below). All significant intercompany transactions have been eliminated.

The Group records its ownership in non-majority-owned subsidiaries where the Group believes it does not have significant influence at cost. The Group has recorded its majority interest in Yekaterinburg Brewing Company Limited ("YBC") at cost due to its conclusion that it does not control the assets, nor has the ability to exercise authority and influence over YBC.

During September 2001, the Group disposed of its entire stake of 83.98% in Krym Brewery, Ukraine. The disposal of the Group's stake in Krym Brewery follows its acquisition of Rogan Brewery in December 2000, which was approved by the Anti-Monopoly Committee of Ukraine, on condition of the divestment of the Group's stake in Krym Brewery.

During 2001, the Group recorded its investment in Krym Brewery according to the equity method of accounting until disposal of the investment on November 1, 2001.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation

The Group follows a translation policy in accordance with Statement on Financial Accounting Standards No. 52 "Foreign Currency Translation" ("FAS 52"). Under this standard, a Group operating in hyperinflation economies, such as Russia and Ukraine, should use their reporting currency as their functional currency. Under FAS 52, all foreign currency financial statements are translated into euro using the remeasurement method. Monetary assets and liabilities are translated into the reporting currency at the rate as of the balance sheet date. Non-monetary balance sheet amounts are translated at the rate prevailing on the date of the transaction. Revenue and expenses are translated at the monthly average rate for the month in which such transactions occurred, except for the periods when the exchange rate fluctuated significantly. In such instances, a daily translation of revenue and expense has been applied. Translation (remeasurement) gains and losses are separately disclosed in other income (expense).

Exchange rates of local Russia and Ukraine currencies (Rouble "RUR" and Hryvna "UAH" respectively) to euro have changed from 26.14 RUR and 5.057 UAH for 1 euro respectively at December 31, 2000 to 26.49 RUR and 4.670 UAH for 1 euro respectively at December 31, 2001. The 2001 average exchange rate was 1 euro = RUR 26.13 and 1 euro = UAH 4.81.

The Russian rouble and Ukrainian hryvna are not fully convertible currencies outside the territory of the Russian Federation 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 rate shown or at any other exchange rates.

Income Taxes

Deferred income taxes are accounted for under the liability method and reflect the tax effect of all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements. A valuation allowance is provided when it is not probable that some portion or all of the deferred tax assets will be realised.

Revenue Recognition

Sales are recognised when products are delivered to customers.

Accounting for Stock-Based Compensation

The Group has adopted the provisions of Statement of Financial Accounting Standards Number 123 "Accounting for Stock-Based Compensation" ("SFAS 123"). SFAS 123 encourages, but does not require companies to record at fair value compensation for stock-based employee compensation plans. The Group has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. In accordance with the provisions of SFAS 123, the effect of these options as it relates to the proforma disclosures of compensation was not significant.

Earnings Per Share

Basic earnings per share is based on the weighted average number of ordinary (common) shares outstanding during the period. Diluted earnings per share is based on the weighted average number of ordinary (common) shares and ordinary (common) share equivalents (stock options and convertible shares) outstanding during the period. The effects of share equivalents are not included in the calculation of diluted earnings per share where their effects would be antidilutive.

Cash and Cash Equivalents

The Group's cash at December 31, 2001 consists of cash in banks and cash in transit. The Group's cash and cash equivalents at December 31, 2000 consist of cash in banks and investments in commercial paper.

Concentration of Credit Risk and Fair Value of Financial Instruments

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable.

The Group places the majority of its excess cash in recognised financial institutions outside the Russian Federation and fully registered branches of international banks within Russia and Ukraine. The Group also limits the amount of credit exposure to any one institution. The Group has not experienced losses on such accounts. The Group's customer base includes primarily beer and soft drink distributors throughout the European portion of the Russian Federation and Ukraine. The Group does not generally require collateral for its accounts receivable with its larger distributors and maintains an allowance for doubtful accounts. Such losses, in the aggregate, have not exceeded management's estimates.

The carrying amount of financial instruments, including cash and cash equivalents and short-term obligations, approximates fair value due to the short-term maturities of these instruments.

Concentration of Business Risk

The Group's principal operating activities are within Russia and Ukraine. Laws and regulations affecting businesses operating in these countries are subject to rapid changes and the Group's assets and operations could be at risk due to negative changes in the political and business environment.

Inventories

Inventories are recorded at the lower of cost or market value, with costs determined on a first-in, first-out (FIFO) basis.

Plant and Equipment

Plant and Equipment are recorded at cost. Cost includes major expenditures for improvements and replacements, which extend useful lives or increase capacity and interest costs associated with significant capital additions. Depreciation on production assets is recorded within cost of goods sold. Normal maintenance and repairs are expensed. Depreciation is computed under the straight-line method utilising estimated useful lives as follows:

Buildings	10 to 20 years
Machinery and equipment	8 to 15 years
Transportation and other	3 to 10 years
Returnable packaging	5 to 10 years

Intangible Assets

Identifiable intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives from 3 to 4 years.

Long-term Assets

The Group continually reviews and evaluates whether changes have occurred that would suggest the carrying value of its long-lived assets and identifiable intangibles, including goodwill, may be impaired based on the estimated cash flows of the entity acquired on an undiscounted basis over the remaining amortisation period. If this review indicates that the remaining useful life requires revision or that the asset is not recoverable, the carrying amount of the asset is reduced by the estimated shortfall of cash flows on a discounted basis. Goodwill, which represents the excess of purchase price over fair value of net assets acquired, is amortised using the straight-line method over the shorter of the estimated useful life or 20 years. Estimated useful lives of goodwill range from 13 to 20 years.

Short-term Obligations

Short-term obligations consist primarily of short-term loans and overdraft facilities from banks with varying interest rates from 4.6% to 16%.

Advertising

Advertising costs are charged to expense as incurred and amounted to 29.0m euro and 12.1m euro for the years ended December 31, 2001 and 2000 respectively.

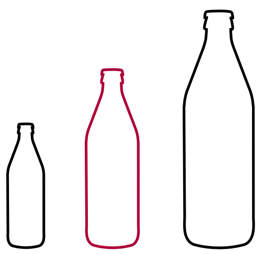
Recent Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 141 "Business Combinations". SFAS No. 141 requires the purchase method of accounting for all business combinations initiated after June 30, 2001 and applies to all business combinations accounted for by the purchase method that are completed after June 30, 2001. The standard has had no impact on the consolidated financial statements.

In June 2001, the FASB issued SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 142 revises the accounting standards for intangible assets that are acquired individually or with a group of other assets, other than those acquired in a business combination, upon their acquisition and thereafter. Under SFAS No. 142, goodwill and certain intangible assets will no longer be amortised, but will be subject to annual impairment tests. SFAS No. 142 applies to fiscal years beginning after December 15, 2001. The Group will adopt the standards in the financial year beginning January 1, 2002 and is currently assessing the impact.

In July 2001, the FASB issued SFAS No.143 "Accounting for Asset Retirement Obligations". SFAS No.143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying amount of the related long-lived asset. Subsequently, the asset retirement obligation should be amortised to expense using a systematic and rational method. The standard is effective for fiscal years beginning after June 15, 2002. The Group will adopt the standard in the financial year beginning January 1, 2003 and is currently assessing the impact.

In October 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", which addresses financial accounting and reporting for the impairment of long-lived assets to be disposed of. The standard supersedes, with exceptions, SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", and is effective for fiscal years beginning after December 15, 2001. The Group will adopt the standard in the financial year beginning January 1, 2002 and is currently assessing the impact.



3. Net Sales

Net sales for the years ended December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Beer	383,180	272,650
Soft drinks	6,559	4,914
Malt	2,507	788
Other	-	4,647
	392,246	282,999

4. Accounts Receivable

Accounts receivable as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Accounts receivable	31,631	14,730
Less: allowance for doubtful accounts	5,981	4,681
Accounts receivable, net	25,650	10,049

5. Inventories

Inventories as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Raw materials	36,518	33,625
Work-in-process	7,133	10,332
Finished goods	15,715	10,779
Other	14,199	7,222
	73,565	61,958

6. Other Current Assets

Other current assets as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Advances to suppliers	7,137	4,685
Prepaid taxes	21,142	7,909
Deposits and other prepaids	7,963	4,949
	36,242	17,543

7. Plant and Equipment

Plant and Equipment as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Buildings	84,416	70,271
Machinery and equipment	234,915	180,112
Transportation and other	22,245	21,305
Packaging materials	31,766	25,865
Construction-in-progress*	66,761	62,312
	440,103	359,865
Less: accumulated depreciation	85,445	55,429
Plant and equipment, net	354,658	304,436

** Construction-in-progress is not depreciated until an asset is placed into service.*

8. Intangible Assets

Intangible Assets as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Intangible Assets	6,842	4,636
Less: accumulated depreciation	1,040	1,785
Intangible Assets, net	5,802	2,851

9. Related Party Transactions

The Group has entered into various services agreements with Interbrew and STI. The services to be provided under the general services agreement include management support, general technical assistance, financial operations, publicity, marketing and various other services, which both STI and Interbrew will provide to the Group. Under the general services agreement, a fee equal to 0.875 per cent of net sales revenue is payable by the Group to each of STI and Interbrew per annum. Additionally, the Group obtains specific services from Interbrew and STI as needed. Such services are purchased at a market rate.

During 2001 and 2000, the Group had expenditures of 13.0m euro and 11.5m euro, respectively under these agreements.

In 2000, the Group entered into an agreement with Interbrew to obtain short-term financing of up to 50.0m euro. At December 31, 2000, the Group had drawn down a further 32.8m euro at interest rates of 7%. During 2001, the Group has drawn further 11.9m euro and repaid 4.0m euro. The interest rate on the loan from Interbrew was a 5.3% as at December 31, 2001 (EUROIBOR plus 2%).

The proceeds were used to finance acquisition of Rogan Brewery and for financing of working capital needs.

10. Short-term Obligations

Short-term obligations as of December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Short-term loans payable	48,292	3,202
Related party loans	495	1,460
Other short-term obligations	2,531	1,922
	51,318	6,584

As at December 31, 2001, the Group has credit line agreements totalling 65m euro with various banks. As at December 31, 2001 an amount of 48m euro has been drawn at interest rates varying between 4.6% and 6.8% on euro denominated loans, an average 16% on rouble denominated loans and 5.8% on US dollar denominated loans. All short-term loans have variable interest rates. In 2000, one brewery had direct loans from Interbrew of 0.7m euro at an interest rate 9%.

11. Loans Payable and Other Long-term Liabilities

Loans payable and other long-term liabilities as at December 31, 2001 and 2000 consisted of the following:

(000s in euro)	2001	2000
Loans payable	7	-
Other long-term liabilities	97	719
	104	719
Less current portion	-	-
	104	719

Other long-term liabilities of 97 euro and 719 euro thousand as at December 31, 2001 and 2000 respectively represents provision for pension costs in the Klin Brewery.

12. Income Taxes

Income taxes are provided based on taxable income and the varying tax rates as required by Russian Federation, Ukrainian, Dutch, Jersey and Cyprus tax legislations. Certain costs and expenses, including some types of employees' compensation and benefits and interest, which are included as expenses in the consolidated statements of operations, are not deductible in determining the taxable income. The Company and certain of its subsidiaries, which are registered in Jersey, the Channel Islands, have been granted "Exempt Company" status and are exempt from Jersey income taxes.

The statutory income tax rate applicable to Russian subsidiaries was changed from 30% to 35% as of January 1, 2001. During August 2001, the rate was further changed to 24%, effective as of January 1, 2002. The statutory income tax rate applicable to Ukrainian subsidiaries remained the same and amounted to 30%.

A reconciliation between income tax based on the application of the Jersey tax rate to income before taxes as set forth in the Consolidated Statements of Operations is as follows:

(000s in euro)	2001	2000
Tax at Jersey tax rate (0%)	-	-
Effect of different tax rates in different jurisdictions		
- Effects of Russian operations	14,475	17,968
- Effects of Ukraine operations	3,140	(2,197)
- Effects of other international operations	(5,134)	(5,530)
	12,481	10,241
Effect of change in tax rates in Russia	(295)	-
Effect of tax losses not capitalised	635	3,190
Tax concessions for capital investments in Russian operations	(14,082)	(9,583)
Change in valuation allowance	426	(1,283)
Non-taxable and non-deductible expenses	18,568	13,987
Effective income tax	17,732	16,552

The company did not offset deferred tax liabilities and assets attributable to different tax-paying components of the Group. As of December 31, 2001 and 2000, temporary differences that give rise to deferred tax liabilities and assets comprised the following:

(000s in euro)	2001	2000
Deferred tax assets		
Long-term assets	5,876	6,718
Accounts receivable	930	477
Other current assets	3	677
Accrued expenses	1,345	465
Total gross deferred tax assets	8,154	8,337
Deferred tax liabilities		
Long-term assets	(8,084)	(9,947)
Inventories	(573)	(609)
Advances received	(502)	(255)
Total gross deferred tax liabilities	(9,159)	(10,811)
Net deferred tax liability	(1,005)	(2,474)
Valuation allowances	(1,093)	(667)
Deferred tax liability net of allowance	(2,098)	(3,141)

A valuation allowance was provided in 2001 and 2000 because of the uncertainty as to the recoverability of deferred tax assets in the Ukrainian breweries and Bavaria Brewery.

Realisation of the net deferred tax assets is dependent on future reversals of existing taxable temporary differences and adequate future taxable income, exclusive of reversing temporary differences. Although realisation is not assured, management believes that it is more likely than not that the net deferred tax assets will be realised. The amount of the net deferred tax assets considered realisable, however, could be reduced in the near term if actual future taxable income is lower than estimated, or if there are differences in the timing or amount of future reversals of existing taxable temporary differences.

13. Post Retirement Benefits

Russian and Ukrainian entities are required by federal laws to contribute an amount to state pension funds for certain of their employees. The Group's contributions are approximately 28% and 32% of the employees' salaries for Russia and Ukraine respectively. The contributions are accounted for on an accrual basis, and totalled 9.1m euro and 4.6m euro for 2001 and 2000 respectively.

With minor exceptions, the Group did not provide private pensions or other post-retirement benefits to its employees.

14. Shareholders' Equity

During 2000, the Group initiated increases in the share capital of the 8 Russian breweries through capital contributions. These contributions were paid off partially. According to the Russian legislation, shareholder receivables for increase of share capital should be paid off within one year. During 2001, the Group reached an agreement with Breweries not to pay off the remaining receivables concerning share capital increase, and shares relating to these receivables will be cancelled at Annual Breweries Board meetings in March to May, 2002.

15. Commitments and Contingencies

The Russian Federation and Ukraine has been experiencing political and economic changes which have affected, and may continue to affect, the activities of enterprises operating in these environments. Consequently, operations in the Russian Federation and Ukraine involve risks that do not typically exist in other markets. The accompanying financial statements reflect management's assessment of the impact of the Russian and Ukraine business environments on the operations and the financial position of the Group. The future business environments may differ from management's assessment. The impact of such differences on the operations and the financial position of the Group may be significant.

The taxation system in the Russian Federation and Ukraine are relatively new and are characterised by numerous taxes and frequently changing legislation, which may be applied retroactively and is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Russia and Ukraine substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

The Group's policy is to accrue contingencies in the accounting period in which a loss is deemed probable and the amount is reasonably determinable. In this regard, because of the uncertainties associated with the tax and legal systems, the ultimate taxes, as well as penalties and interest, if any, assessed, may be in excess of the amounts paid to date and accrued. Management believes, based upon its best estimates, that the Group has paid or accrued all taxes that are applicable for the current and prior years, and has complied with all essential provisions of laws and regulations. In management's opinion, the ultimate determination of the Group's overall tax liability and potential loss contingencies, to the extent not previously provided for, will not have a material effect on the financial position of the Group.

At December 31, 2001 and 2000 the Group had outstanding contractual commitments totalling approximately 27.2m euro and 22.7m euro respectively, to purchase capital equipment. In addition, the Group had commitments to purchase raw materials of 48.9m euro at December 31, 2001 and 7.9m euro at December 31, 2000.

As of December 31, 2001, the Company has issued guarantees aggregating to 65m euro in respect of bank loans taken by Russian and Ukrainian subsidiaries. It is remote that the Company would be required to make payments under these guarantees. No amount has been accrued for the Company's obligation under its guaranty arrangements.

16. Earnings Per Share

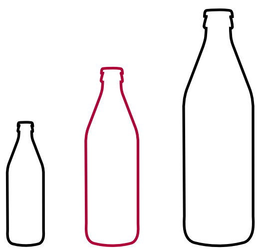
The reconciliation of basic earnings per share and diluted earnings per share for the year ended December 31, 2001 and 2000 follows:

2001			
(in euro)	Income (Numerator)	Shares (Denominator)	Per share amount
Basic EPS			
Income available to ordinary (common) shareholders	22,433	108,735,470	0.21
Diluted EPS			
Income available to ordinary (common) shareholders and assumed conversions	22,433	108,735,470	0.21

As at December 31, 2001, the Company has 116,667 potentially dilutive shares which were not included due to their anti-dilutive effect on EPS.

2000			
(in euro)	Income (Numerator)	Shares (Denominator)	Per share amount
Basic EPS			
Income available to ordinary (common) shareholders	10,813	101,715,947	0.11
Diluted EPS			
Income available to ordinary (common) shareholders and assumed conversions	10,813	101,715,947	0.11

The Company had no potentially dilutive shares at December 31, 2000.



17. Segment information

There are two operating segments in the Group that are organised around geographic areas, Russia and Ukraine. These operating segments have similar economic characteristics and were aggregated into a single operating segment.

2001

(in euro)	Revenues	Long-lived assets (excluding negative goodwill)
Russia	283,148	275,590
Ukraine	109,098	111,519
Total	392,246	387,109

2000

(in euro)	Revenues	Long-lived assets (excluding negative goodwill)
Russia	233,965	229,806
Ukraine	49,034	103,742
Total	282,999	333,548

18. Quarterly Financial Information (Unaudited)

The Group's financial results by quarter were as follows:

2001

(000s, in euro)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	60,823	115,374	138,079	77,970
Operating income (loss)	4,701	17,022	33,385	73
Net income (loss)	(688)	8,568	12,127	2,426
Basic earnings (loss) per share	(0.01)	0.08	0.11	0.02
Diluted earnings (loss) per share	(0.01)	0.08	0.11	0.02

2000

(000s, in euro)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	43,091	75,796	93,411	70,701
Operating income (loss)	(414)	8,808	21,353	5,800
Net income (loss)	(2,364)	887	12,076	214
Basic earnings (loss) per share	(0.03)	0.01	0.11	0.00
Diluted earnings (loss) per share	(0.03)	0.01	0.11	0.00

Note: Quarterly earnings (loss) per share are independently computed using weighted-average shares outstanding for the quarter. As a result, the sum of the quarterly earnings per share will not necessarily equal the annual earnings per share.