Interbrew

THE WORLD'S LOCAL BREWER

PRESS RELEASE

Interbrew: net profit up 66.5% in first half year

Brussels, 5 September, 2001

Today, Interbrew, *The World's Local Brewer ©*, published outstanding half year 2001 results. Compared with the same period of last year and excluding Bass Brewers' UK beer business, net profit increased 66.5%, net turnover was up 34.8% and EBITDA increased 16.2% . Earnings per share before goodwill amortisation stand at EUR 0.53, a 15.6% increase. Interbrew's results, its sound financial structure and the successful execution of its strategy provide a solid basis for continued value creation for shareholders.

Half year results reflect sustained growth of overall business

With a 66.5% increase in the first half of 2001, net profit delivers the best performance of the last decade. Net turnover increased 34.8%, of which 7% is organic growth, the rest being attributable to the impact of the acquisitions of Whitbread Beer Company, Rogan Brewery and Prague Breweries. EBITDA showed 16.2% growth, of which 6.4% stems from organic growth. EPS before goodwill amortisation increased 15.6%.

Unaudited consolidated key figures

	HY 2000	**HY 2001 incl. Bass Brewers**	**Δ %**	**HY 2001 excl. Bass Brewers**	**Δ %**
Volume (1)	32.0	45.8	43.1	38.1	19.1
Net turnover(2)	2065	3480	68.5	2784	34.8
EBITDA(2)	439	646	47.2	510	16.2
EBIT(2)	209	326	56.0	265	26.8
Net profit(2)	122	200	63.9	203	66.5
EPS (3)	0.46	0.56	22.3	0.53	15.6
ROIC (%)	11.1	10.6	-4.5	12.7	14.4

(1) Million HL, including FEMSA pro rata

(2) EUR million; presented as net of excise duties

(3) EPS is expressed in EUR and means EPS before goodwill amortisation and is calculated on the basis of the average number of outstanding shares, which at 30 June, 2001 was 428.0 million. The fully diluted number of shares (calculated as a quarterly average) at the same date in 2000 was 436.9 million.

All regions delivered strong performance

In *Western Europe*, Interbrew maintained its volumes despite general volume decline in many Western European markets and a below normal May/June weather pattern. In addition, volume growth was fueled by the company's acquisition agenda. The same effect is witnessed in terms of net turnover. Through carefully targeted acquisitions, Interbrew achieved a 61% growth in net turnover and a 45% volume growth. The organic EBITDA decrease of -1.7% should be seen against the impact of good weather and Euro 2000 in the first half of last year.

In *the Americas*, volumes were up 3%, while growth in net turnover (+10%) and EBITDA (+12%) was considerably stronger, mainly driven by organic growth. In Canada, the Oland Specialty Beer Company realised 31% growth, while the Blue Light brand re-launch resulted in 19% growth.

In the *Developing Markets*, the organic growth in net turnover was a strong 17%, mainly fueled by Interbrew's continued focus on core brands and an organic volume growth of 3%. Organic EBITDA growth was an outstanding 21.0%. Again, these results underline Interbrew's drive for growing value rather than volume.

Segmental information

	HY 2000	***Organic Growth***	***Scope changes***	***Currency impact***	***HY 2001***
Western Europe					
Volume(1)	8.2	0	3.7	-	11.9
Net Turnover(2)	772	10	462	(3)	1241
EBITDA(2)	180	(3)	11	-	188
EBIT(2)	107	(2)	(13)	-	92
North America					
Volume(1)	6.7	0.2	-	-	6.9
Net Turnover(2)	772	51	-	25	848
EBITDA(2)	152	15	-	3	170
EBIT(2)	86	25	-	2	113
Dev. Markets					
Volume(1)	12.1	0.4	2.4	-	14.9
Net Turnover(2)	505	84	58	(18)	629
EBITDA(2)	119	25	9	(5)	148
EBIT(2)	32	31	5	(2)	66

(1) Million HL, excl. Femsa and exports

(2) EUR million

Interbrew continues value creation through growth strategy

Interbrew's unique vision, to be *The World's Local Brewer ©*, is realised through the parallel and simultaneous execution of four core strategic themes:

- building and leveraging strong local platforms to drive profitable growth in the different geographies;
- building and developing a broad brand portfolio, which allows access to all segments of the market;
- maintaining a careful balance of exposure to mature and developing market positions, thus realising a superior risk-return profile;
- taking active part in the consolidation of the world brewing industry.

In the first half of 2001, Interbrew increased its shareholding in its Luxembourg and Rumanian subsidiaries, while assuring its long-term interests in the Korean affiliate. More recently, Interbrew entered the German beer market. The closing of the Diebels acquisition occurred on 31 August, 2001. On 1 September, 2001, the shareholders of Beck & Co unanimously approved the sale of their company to Interbrew. This transaction is still subject to the approval of the relevant competition authorities and is expected to be closed in the first quarter of 2002.

External growth, provided by such acquisitions as Prague Breweries, Rogan and Whitbread Beer Company, which took place last year, have created value in the first half of 2001. The net turnover per hectolitre (excluding Bass Brewers' UK beer business) has improved considerably from EUR 64.5 per HL in the first half of 2000 to EUR 73.1 per HL in the first half of this year, mainly driven by price and mix improvement.

Over the past four years (1996-2000), Interbrew has delivered sustained value creation. With a 24.6% compound annual growth rate, EPS growth before goodwill is impressive, even taking into account the 30% increase in the average number of shares which occurred after the IPO.

Interbrew is well positioned for the future

Interbrew's outstanding financial performance and the business development in all its regions, provide the company with a solid basis for further growth. "*The superior execution of our strategy, as well as our balanced presence in mature and developing markets, puts us in an ideal position to continue our sustained growth strategy."* says Hugo Powell, CEO of Interbrew. *"We have a strong basis for sustained value creation for our shareholders."*

Outlook

Barring unforeseen circumstances, Interbrew is on track to meet its objectives.
For the full year 2001, and excluding the contribution of Bass Brewers' UK beer business, Interbrew targets organic EBITDA growth exceeding 8%.
For the full year 2001, Interbrew also targets growth of EPS before goodwill amortisation of at least 12%.
Over the next three years, based on the end-2000 EPS before goodwill of EUR 1.21, Interbrew targets to deliver a double digit average annual growth in EPS before goodwill amortisation, irrespective of scope changes and acquisition activity.

Shareholders' agenda

Live webcast of half-year results presentation
In line with Interbrew's commitment to equivalence of information for all shareholders, the presentation of the first half year results to sell-side analysts shall be webcast life on Interbrew's website www.interbrew.com on 5 September at 15.00 CET or 09.00 NY time. It will remain accessible in the video archive during the next six months.

Nine months trading update
On 29 October, 2001, Interbrew will publish a trading update covering the first nine months of 2001.

Additional publication agenda
On 6 September, 2001, half year statements shall be published by Sun Interbrew Ltd and Interbrew North America.

Additional information

Pictures for media use
Pictures for media use can be downloaded from the corporate news section on www.interbrew.com.

Interbrew – *The World's Local Brewer©*
Interbrew is the second brewer in the world in terms of volume. The company is headquartered in Belgium and employs over 34,000 people worldwide. Interbrew, *The World's Local Brewer©*, is committed to combining its global position and ambition with leveraging its local brands. The strength of its portfolio is the combination of strong local brands, in many cases market leaders, with world brands including Stella Artois®, Hoegaarden®, Leffe®, Bass® Ale and Labatt®. In total, Interbrew's beers are sold in over 110 countries. Visit Interbrew at corporate web site www.interbrew.com.

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THE WORLD'S LOCAL BREWER

Unaudited Group Financial Statements as at June 30, 2001

1. Unaudited consolidated income statements ended June 30, 2001 and 2000

in millions of euro	**6 months period ended June 30**			
	2000	**2001**	**Restatement to IAS**	**2001 restated**
Turnover[4]	2,832.7	5,051.0	0.0	5,051.0
Changes in inventories of finished goods and work in progress	5.9	12.1	5.9	18.0
Other operating revenue[1]	89.3	109.2	11.9	121.1
Operating Revenue	***2,927.9***	***5,172.3***	***17.8***	***5,190.1***
Raw materials and consumables used	1,425.3	2,773.2	0.0	2,773.2
Services and other goods	609.6	1,042.3	-0.2	1,042.1
Payroll and related benefits	384.3	619.7	0.0	619.7
Depreciation and amortization[2]	205.1	281.5	0.0	281.5
Inventory provisions and bad debt expense	8.8	17.8	0.0	17.8
Increase (decrease) in provisions	-14.2	-12.0	-0.1	-12.1
Other operating expenses	75.5	85.5	11.8	97.3
Amortization of goodwill	24.8	38.0	0.0	38.0
Operating profit	***208.7***	***326.3***	***6.3***	***332.6***
Financial income	90.1	106.4	7.9	114.3
Financial expense	-182.4	-205.7	-9.7	-215.4
Profit before tax	116.4	227.0	4.5	231.5
Income tax expense	-36.7	-45.7	-1.2	-46.9
Profit after tax	***79.7***	***181.3***	***3.3***	***184.6***
Share in the result of associated companies	17.3	30.7	-0.9	29.8
Minority interests	6.0	-12.2	-0.2	-12.4
Net profit from ordinary activities	103.0	199.8	2.2	202.0
Extraordinary items [3]	19.4	0.4	-0.4	0.0
Net profit for the period	***122.4***	***200.2***	***1.8***	***202.0***

[1] Including work performed by the Company and capitalized.
[2] Excluding amortization of goodwill.
[3] Gross of tax
[4] Excise duties are included in turnover (+) and in RM and consumables used (-). For 2000, excise duties amount up to (767.5) mio euro, for 2001, (1570.7) mio euro.

2. Unaudited consolidated balance sheets as at June 30, 2001 and December 31, 2000

in millions of euro				
	December 31, 2000	June 30, 2001		
ASSETS		Before restatement	Restatement to IAS	After restatement
Property, plant and equipment	3,724.9	3,799.0	0.0	3,799.0
Intangible assets (excl. goodwill)	58.7	69.1	-2.2	66.9
Goodwill	2,737.8	2,860.8	0.0	2,860.8
Investments in associates	628.8	738.0	55.4	793.4
Other financial assets	163.1	180.0	0.0	180.0
Long-term receivables	741.9	761.6	-0.7	760.9
Deferred tax assets	0.2	0.6	147.9	148.5
Non-current assets	***8,055.4***	***8,409.1***	***200.4***	***8,609.5***
Inventories	452.0	545.4	43.8	589.2
Trade and other receivables	1,691.7	2001.0	-152.5	1,848.5
Prepayments and deferred expenses	143.4	104.5	0.0	104.5
Short term investments	399.6	38.2	0.0	38.2
Cash and cash equivalents	416.6	263.4	0.0	263.4
Current assets	***3,103.3***	***2,952.5***	***-108.7***	***2,843.8***
Total assets	***11,158.7***	***11,361.6***	***91.7***	***11,453.3***

2. Unaudited consolidated balance sheets as at June 30, 2001 and December 31, 2000 *(continued)*

in millions of euro				
EQUITY AND LIABILITIES	**December 31, 2000**	**June 30, 2001**		
		Before restatement	**Restatement to IAS**	**After restatement**
Issued capital	329.4	330.8	0.0	330.8
Share premium	3,194.9	3,198.9	0.0	3,198.9
Reserves	-13.3	186.8	9.7	196.5
Cumulative translation adjustment	385.3	601.7	76.3	678.0
Net gains & losses not recognized in the income statement	0.0	0.0	-1.3	-1.3
Deferred government grants	3.9	3.8	-3.8	0.0
Capital and reserves	***3,900.2***	***4,322.0***	***80.9***	***4,402.9***
Minority interests	***416.0***	***414.9***	***1.2***	***416.1***
Interest bearing borrowings	2,752.7	2,416.1	10.4	2,426.5
Other long-term liabilities	171.8	195.4	3.8	199.2
Pensions and similar obligations	315.6	328.4	0.0	328.4
Provisions, other than pensions and similar obligations	258.1	255.0	-27.3	227.7
Deferred tax liabilities	229.9	237.5	13.9	251.4
Non-current liabilities	***3,728.1***	***3,432.4***	***0.8***	***3,433.2***
Current portion of long-term liabilities	835.1	875.5	0.0	875.5
Short-term borrowings and bank overdrafts	158.4	172.0	0.0	172.0
Trade payables	895.6	1,048.9	0.0	1,048.9
Social and tax liabilities	846.0	806.6	0.0	806.6
Other payables	192.6	97.6	14.6	112.2
Accrued charges and deferred income	186.7	191.7	-5.8	185.9
Current liabilities	***3,114.4***	***3,192.3***	***8.8***	***3,201.1***
Total liabilities	***11,158.7***	***11,361.6***	***91.7***	***11,453.3***

3. Unaudited consolidated cash flow statements as of June 30, 2001, December 31, 2000 and June 30, 2000

in millions of euro	June 30, 2000	December 31, 2000	June 30, 2001
Net result	122.4	-910.1	200.2
Minority interest	-6.0	-20.5	12.2
Equity income net of dividend received	-16.9	-41.6	-2.2
Gain on disposal of fixed assets	-31.2	-152.0	-12.0
Loss on disposal of fixed assets	3.4	12.7	15.8
Depreciation & amortization	229.9	1,857.7	319.5
Operating expenses capitalized to fixed assets	-3.0	-8.3	-3.1
Amounts written off	8.8	29.1	19.3
Movements on provisions	-5.4	9.4	-12.1
Movements on deferred taxes	-5.3	-119.3	-2.7
Amortization of government grants/appraisal surplus	-0.3	-0.5	-0.2
CASH GENERATED BY OPERATIONS	296.4	656.6	534.7
CHANGES IN WORKING CAPITAL AND OTHER	-292.8	58.7	-374.8
OPERATIONAL CASH FLOW	***3.6***	***715.3***	***159.9***
Acquisition of capital assets	214.1	487.0	271.1
Operating expenses capitalized to fixed assets	-3.1	-8.3	-3.1
Acquisition of financial assets	704.9	4,511.2	22.3
New deposits	0.0	402.4	4.2
SUB-TOTAL INVESTMENTS	-915.9	5,392.3	294.5
Proceeds on disposal of fixed assets	26.6	61.9	43.9
Proceeds on disposal of financial assets	58.3	347.6	0.0
Repayment of loans	2.2	0.0	368.1
SUB-TOTAL DISPOSALS	87.1	409.5	412.0
CASH (USED IN) INVESTMENT ACTIVITIES	***-828.8***	***-4,982.8***	***117.5***
Capital increase subscribed by third parties	2.5	3,223.9	5.4
Gross dividend paid to shareholders	0.0	-89.8	0.0
Gross dividend paid to minority shareholders	-17.4	-21.8	-14.9
Repayment of loans	0.0	-4.223.3	-687.3
New loans	697.3	5,646.8	252.6
CASH GENERATED BY (USED IN) FINANCING ACTIVITIES	***682.4***	***4,535.8***	***-444.2***
INCREASE IN CASH DEPOSITS AND CASH	-142.8	268.3	-166.8
Cash deposits and cash at the beginning of the period	-10.1	-10.1	258.2
Cash deposits and cash at the end of the period	-152.9	258.2	91.4

4. Unaudited consolidated changes in equity for the 6 months period ended June 30, 2001

In millions of euro	**Issued capital**	**Share premium**	**Reserves**	**Cumulative translation adjustment**	**Net gains & losses not recognized in the income statement**	**Deferred government grants**	**Total**
As of December 31, 2000	329.4	3,194.9	-13.3	385.3	-	3.9	3,900.2
Net profit for the period			200.2				200.2
Translation adjustment for the period				216.4			216.4
Capital increases	1.4	4.0					5.4
Net movement Revaluation Surplus / Government Grants			-0.1			-0.1	-0.2
As of June 30, 2001 (before restatement)	**330.8**	**3,198.9**	**186.8**	**601.7**	**-**	**3.8**	**4,322.0**
Restatements as a result of first time application of IAS			17.3	76.7		-3.8	90.2
Restatement as a result of adopting IAS 39			-7.6	-0.4	-1.3		-9.3
As of June 30, 2001 (restated to IAS)	**330.8**	**3,198.9**	**196.5**	**678.0**	**-1.3**	**0.0**	**4,402.9**

5. Unaudited consolidated segment information

The amounts for 2001 are before restatement to IAS [4]. Income information is shown for the 6 month periods ended June 30, 2000 and 2001 respectively. Invested capital relates to the periods ended June 30, 2000 and June 30, 2001.

in millions of euro	**Western Europe**		**The Americas**		**Developing markets**		**Bass**		**Other**		**Consolidated**	
	2000	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**	**2001**
Net turnover	771.9	1,240.8	771.9	847.5	505.0	628.8	0.0	695.9	16.4	67.3	2,065.2	3,480.3
EBITDA	180.2	187.9	151.9	170.2	118.9	148.0	0.0	135.9	-12.4	3.8	438.6	645.8
Operating profit	106.5	91.5	86.0	112.6	31.5	65.7	0.0	60.5	-15.3	4.0	208.7	326.3
Net financing costs											-92.3	-99.3
Income tax expenses											-36.7	-45.7
Income from associates											17.3	30.7
Minority interest											6.0	-12.2
Extraordinary items											19.4	0.4
Net profit for the period											***122.4***	***200.2***
Invested capital	*719*	*1,108*	*1,786*	*1,971* [5]	*1,780*	*1,744*	*0*	*2,139*	*67*	*216*	*4,352*	*7,178*

[4] See income statement and balance sheet for restatement to IAS
[5] Including Femsa stake

6. Accounting policies and explanatory notes

Basis of presentation of financial statements
The financial statements for the six months period ended June 30, 2001 are prepared as follows :

1. On the same basis as our December 31, 2000 year-end financial statements, in accordance with the requirements of Belgian Generally Accepted Accounting Principles and Interbrew's accounting policies which, to a large extent, comply with International Accounting Standards.
2. Restated according to the accounting principles of International Accounting Standards ("IAS").
3. Restated as a result of the first time application of IAS 39 "Financial Instruments : Recognition and Measurement", standard applicable as of January 1, 2001.

The half year results have not been audited.

Restatement to IAS
Our request to present our financial statements in accordance with IAS was approved by the Belgian Banking and Finance Commission on December 19, 2000. Hence we will present our December 31, 2001 financial statements in full compliance with IAS.

The impact on equity of the first time application of IAS is as follows :

	in mio euro
Increase retained earnings as of December 31, 1999	23.7
Decrease in net profit of consolidated companies for the year 2000	-2.4
Decrease in equity income of associated companies for the year 2000	-8.5
Increase retained earnings as of December 31, 2000	12.8
Increase in cumulative translation adjustment as of December 31, 2000	67.4
Decrease (reclassification) in government grants as of December 31, 2000	-3.9
Total increase in equity as of December 31, 2000	**76.3**

The single most important impact relates to the consolidation of the investment in our associated company Femsa (Mexico) as from the date of the initial acquisition in July 1995 (as part of the Labatt deal). The change in accounting method results in the recognition of additional goodwill and related amortization charges as well as a different amount of cumulative translation adjustment (the investment was previously considered to be a US$ asset in the period between July 1995 and January 1998). The other impact relating to Femsa consists of the recognition of a deferred tax charge on monetary revaluations (Mexico was subject to hyperinflation during the past years). The net impact is a reduction of equity income by euro 18.1 million, which is composed of an increase in investment value by euro 49.9 million and a positive cumulative translation adjustment of euro 68,0 million.

Other significant adjustments include :
Additional deferred tax liabilities (although smaller than originally forecasted due to a change in IAS 12, applicable as of January 1, 2001 which now no longer requires the set-up of a deferred tax liability on tax exempted reserves);
Reversal of provisions not meeting all recognition criteria required under IAS37;
Additional overhead allocation to inventories;
Additional write-off of capitalized costs;

Impact of the first time application of IAS 39

On June 30, 2001, the first time application of IAS 39 results into a net decrease in equity by euro 9.3 million, broken down in the following items :
Net decrease in equity by euro 5.0 million on opening balances as per January 1, 2001;
Net losses recognized in the income statement of euro 2.6 million;
Net losses not recognized in the income statement of euro 1.3 million;
Decrease in cumulative translation adjustment as of June 30, 2001 by euro 0.4 million.

New investments

No new major investments took place during the 6 months period ended June 30, 2001.

Seasonality of operations

Beer consumption is affected by seasonality typically resulting in higher demand during the peak summer season and lower profitability and turnover during the first half of the year. In addition thereto in some Western countries and in North America also December is one of the peak months.

Unusual items

There were no important unusual items affecting assets, liabilities, equity, net income or cash-flows during the 6 months period ending June 30, 2001.

On 3 January 2001, the UK Secretary of State for Trade and Industry denied Interbrew the right to merge the UK brewing operations of Bass Brewing Ltd. and Whitbread Beer Company. He further decided that Interbrew should be required to divest the UK beer business of Bass Brewers. On 2 February 2001, Interbrew applied in the UK for a judicial review of the decision with the High Court of Justice Administrative Court.

In May, 2001 the High Court of Justice Administrative Court granted judicial review of the decisions of the Competition Commission and the Secretary of State for Trade and Industry. The High Court's ruling lead to the quashing of the Secretary of State's decision and to a reconsideration of remedies by the

Secretary of State for Trade and Industry with assistance from the Director General of Fair Trading.

In June, 2001 the Office of Fair Trading invited third parties to make comments on remedies to address adverse effects identified in the Competition Commission's report.

In July, the Office of Fair Trading consulted on four specific proposed remedies, namely, the Bass Brewers remedy, the Carling Brewers remedy, the International Brewers remedy and the Whitbread Brewing Company remedy.

The public consultation period has been closed on 18 July, 2001. The reviewed decision of the UK Secretary of State for Trade and Industry is to be released later in 2001.

Impact of fluctuations in exchange rates

Fluctuations in exchange rates favourably influenced our net assets as follows (in million euro) :

Mexican Pesos	106.0
Canadian Dollar	55.8
Korean Won	19.8
Pound Sterling	17.3
Other currencies	17.5
Total	**216.4**