Interbrew

THE WORLD'S LOCAL BREWER©

PRESS RELEASE

Interbrew outperforms global beer market in first half of 2003

Brussels, 9 September 2003

Key results

- Strong organic growth: volume +4.5% (more than double the volume growth of the global beer industry); EBITDA +4.7%; EBIT +10.5%
- Margins improved as percentage of net turnover: EBITDA from 18.6% to 19.1%; EBIT from 8.9% to 9.3%, pre 2002 restructuring charges
- Market-share gains in almost all of Interbrew's markets, through strong brand management and successful innovation
- Net profit up +3.6% versus first-half 2002, despite significant currency-translation impact

Commenting on the results, John Brock, Interbrew's Chief Executive Officer said:
"Our half-year results confirm the success of Interbrew's focus on overall operating performance and particularly on volume growth. Currency effects have been significant, but do not detract from the underlying strength of our business. Further, as we increase our strategic focus on brand building, operational excellence and selective acquisitions, we anticipate strong continued growth."

	Consolidated key figures[1]		**Overall variance % △**	**Organic growth % △**
	Half Year 2003	**Half Year 2002**		
Volume[2]	45	42	+7.1%	+4.5%
Net turnover[3]	3,250	3,417	-4.9%	+2.9%
EBITDA[4]	622	573	+8.6%	+4.7%
EBIT[4]	302	244	+23.8%	+10.5%
Net profit[4]	171	165	+3.6%	N/A
EPS [5] post restructuring	0.53	0.51	+3.9%	N/A
EPS [5] pre restructuring	0.53	0.62	-14.5%	N/A

(1) Unaudited
(2) Million hectolitres
(3) Million euro
(4) Million euro; 2002 figures include restructuring charges of 61m euro on EBITDA and EBIT, and 47m euro on net profit. If restructuring charges are excluded, the overall variance percentages for EBITDA, EBIT and net profit are -1.9%, -1.0% and -19.3%, respectively.
(5) Euro; represents net profit, plus amortization/impairment of goodwill, divided by the weighted average number of ordinary shares

Organic performance by region

Unless otherwise indicated, all growth figures mentioned in the sections below refer to organic growth, which excludes currency impact and acquisitions/divestitures. These organic growth figures also are stated pre 2002 restructuring charges.

Western Europe
The region continued to deliver solid growth in the first half of the year, driving market-share growth in Interbrew's most important Western European markets. EBITDA was up +11.0%, and EBIT +30.5%.

Despite an estimated -4.8% decline of the German beer market—the result of the new deposit tax on non-returnable packaging—Interbrew's market share improved to 7.4%. Beck's Gold® was voted the Best Beer Innovation of 2003 in Germany by the readers of "Lebensmittel Zeitung". The integration of the Gilde Brauerei is on track, and the Hasseröder® brand is building on its continuing success.

Market share grew in the UK to approximately 18.4%, thanks to the strong performance of Stella Artois® (+12.3% volume) and Tennant's® lager (+4.6%).

In Belgium, Interbrew's market share remained stable. Both Jupiler®, the leading domestic mainstream brand, and Leffe®, one of the company's global speciality brands grew share. Interbrew's margin improved as a result of pricing and the mix of liquid and packaging.

The Americas
Overall, volume remained stable, with the Canadian volume gain offsetting softness in the US. Net turnover rose by +1.3%, while EBITDA and EBIT came in at -5.7% and -8.6%, respectively.

In Canada, volume was up and market share rose to 42.8%, driven by the continued success of Interbrew's premium and speciality beer portfolio. Oland Specialty Beer Company's volume grew organically by +23.0%. The estimated cost of the strike at Interbrew's Montreal brewery for the first six months of 2003 is 10 million euro. Currently, discussions are taking place with the unions to achieve an acceptable resolution.

Overall, industry volumes in the US import segment declined by -1.4%. Volumes of Interbrew's Canadian and Mexican import brands were down. Stella Artois® volume rose +55.3%, and Bass® Ale has been successfully integrated into Labatt USA as of the 1st of July. Beck's® volume declined by -12.7%, but the brand was re-launched in April 2003.

Emerging markets
Overall, volume was up +11.8%, and net turnover +7.2%. EBITDA and EBIT grew by +17.0% and +37.9%, respectively.

In Eastern Europe, volume was up +25.5%, and EBITDA +37.0%, versus the overall market, which grew at only 4% to 5%. In Russia, market share grew to 14.4%. Tolstiak® increased volumes by +49.5%, Sibirskaya Corona® by +22.9% and Klinskoye® by +5.2%. Volume, market share and margin have all been accelerated by innovations in liquid, packaging and brands. In the Ukraine, market share grew to 34.0%. The success of Chernigivske® (+54.2%) and Rogan® (+27.4%) fuelled this continued share growth.

In Central Europe, volume grew +8.0% and EBITDA +11.2%. Market share increased in each of the markets, except for Hungary and Croatia, where it remained stable. During the first half of the year Interbrew expanded on its successful deployment of the innovative PET Pivopack, the new PET technology which provides beer in plastic bottles with a shelf life comparable to its shelf life in glass bottles.

In South Korea, market share has been stable since year-end 2002. The relaunch of the OB® brand in April 2003 has brought indications of renewed brand health and improved market-share performance, but it is too early to make an overall assessment. The +6% price increase across the board early in the year led to margin improvement.

In China, K.K. Brewery's early results were encouraging, but have not been included; the brewery was acquired in April 2003. Nanjing Breweries realised a +8.7% volume growth, despite SARS. In early August, Zhujiang Brewery, Interbrew's strategic partner, reported strong growth, with volume of the Zhujiang® brand up +13.0% (this is not consolidated in Interbrew's accounts).

On 5 September, Interbrew announced an agreement reached with the Malaysian Lion Group to become their strategic partner in the Chinese beer market. This new partnership makes Interbrew the third largest brewer in China with a 9% market share and 21 million hectolitres sold. It strengthens Interbrew's position in the Guangdong, Zhejiang and Jiangsu provinces and gives access to three new provinces, Hubei, Hunan and Shandong, with a very comprehensive brand portfolio of mainstream lagers, premium brands and speciality beers.

Financials

The negative impact of currency changes on the reported results amounted to 273 million euro at the net turnover level and 0.10 euro at the earnings per share level. The main areas of impact were in US dollars, Canadian dollars, British pounds and Korean won, where the euro strengthened by +24%, +16%, +10%, and +15%, respectively, compared to the same period last year. Because Interbrew's Russian operations report in euro, there is also an estimated embedded negative impact of 22 million euro on EBIT. This is not included in the comparisons above.

Segment information

Million euro (except for volume, in million hectoliters)	Half Year 2002	Half Year 2002 restructuring charges	Organic growth	Acquisitions/ divestitures	Currency translation	Half Year 2003
Western Europe						
Volume	17.9	-	0.2	1.1	N/A	19.2
Net turnover	1,684	-	48	3	(65)	1,670
EBITDA	220	61	31	15	(9)	318
EBIT	57	61	36	(4)	(5)	145
The Americas						
Volume	7.8	-	-	-	N/A	7.8
Net turnover	976	-	13	2	(157)	834
EBITDA	175	-	(10)	(7)	(25)	133
EBIT	116	-	(10)	(10)	(16)	80
Emerging markets						
Volume	15.3	-	1.8	(0.1)	N/A	17.0
Net turnover	681	-	49	(5)	(52)	673
EBITDA	153	-	26	-	(16)	163
EBIT	58	-	22	-	(8)	72
Holding companies & global exports						
Volume	1.0	-	(0.1)	0.1	N/A	1.0
Net turnover	76	-	(10)	6	1	73
EBITDA	25	-	(17)	(1)	1	8
EBIT	13	-	(16)	9	(1)	5
Total						
Volume	**42.0**	**-**	**1.9**	**1.1**	**N/A**	**45.0**
Net turnover	**3,417**	**-**	**100**	**6**	**(273)**	**3,250**
EBITDA	**573**	**61**	**30**	**7**	**(49)**	**622**
EBIT	**244**	**61**	**32**	**(5)**	**(30)**	**302**

Outlook

Interbrew expects that, excluding currency impact, it will achieve organic volume and organic EBIT growth for 2003 broadly in line with that achieved at the half year. If exchange rates were to remain at current levels, Interbrew would expect earnings per share 2003 to be only slightly lower than earnings per share 2002, pre-restructuring, of 1.51 euro.

Shareholders' agenda

Live webcast of 2003 half-year results presentation

The presentation of 2003 half-year results to sell-side analysts will be webcast live today on Interbrew's website www.interbrew.com at 09:30, Central European Time (3:30 a.m. NY/Eastern Standard Time).

Financial calendar

- Nine-month trading update: 28 October 2003, 07:00 Central European Time
- 2003 results: 3 March 2004

Interbrew - *The World's Local Brewer©*

A public company (INTB – Euronext) based in Brussels, Belgium, Interbrew is one of the oldest beer companies in the world. Our strategy, The World's Local Brewer©, is to build strong local platforms in the major beer markets of the world. We have a portfolio of more than 200 brands and we employ more than 35,000 people. We run operations in 21 countries across the Americas, Europe and Asia Pacific and have strategic minority stakes in various brewers around the globe. In 2002 we realised a net turnover of close to 7 billion euro.

Visit us on web site www.interbrew.com for more information.

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Unaudited Interim Financial Report
As at and for the six month period ended 30 June 2003

Unaudited Consolidated Income Statement
Prepared in accordance with International Financial Reporting Standards (IFRS)

For the six month period ended 30 June Million euro (except per share figures)	2003	2002
Net Turnover	**3,250**	**3,417**
Cost of sales	(1,576)	(1,692)
Gross Profit	**1,674**	**1,725**
Distribution expenses	(364)	(384)
Sales & marketing expenses	(675)	(709)
Administrative expenses	(296)	(302)
Other operating income/(expenses)	(37)	(25)
Profit from operations pre restructuring charges	**302**	**305**
Restructuring charges	-	(61)
Profit from operations	**302**	**244**
Net financing costs	(74)	(59)
Income from associates	20	36
Profit before tax	**248**	**221**
Income tax expense	(57)	(48)
Profit after tax	**191**	**173**
Minority interests	(20)	(8)
Net profit	**171**	**165**
Weighted average number of ordinary shares (million shares)	432	431
Fully diluted weighted average number of ordinary shares (million shares)	434	435
Period-end number of ordinary shares (million shares)	432	431
Basic earnings per share (euro)	0.40	0.38
Diluted earnings per share (euro)	0.40	0.38
Earnings per share before goodwill and restructuring [1] (euro)	0.53	0.62
Diluted earnings per share before goodwill and restructuring [2] (euro)	0.53	0.61
Earnings per share before goodwill and after restructuring [3] (euro)	0.53	0.51

[1] Net profit excluding restructuring charges plus amortisation/impairment of goodwill, divided by the weighted average number of ordinary shares.
[2] Net profit excluding restructuring charges plus amortisation/impairment of goodwill, divided by the fully diluted weighted average number of ordinary shares.
[3] Net profit plus amortisation/impairment of goodwill, divided by the weighted average number of ordinary shares.

Unaudited Consolidated Balance Sheet
Prepared in accordance with International Financial Reporting Standards (IFRS)

Million euro As at	30 June 2003	31 December 2002
ASSETS		
Non-current assets		
Property, plant and equipment	3,325	3,512
Goodwill	3,666	3,658
Intangible assets other than goodwill	235	133
Interest-bearing loans granted	11	10
Investments in associates	546	625
Investment securities	292	277
Deferred tax assets	202	199
Employee benefits	34	32
Long-term receivables	348	345
	8,659	**8,791**
Current assets		
Interest-bearing loans granted	3	1
Investment securities	12	31
Inventories	501	444
Income tax receivable	82	92
Trade and other receivables	1,589	1,572
Cash and cash equivalents	153	215
	2,340	**2,355**
Total assets	**10,999**	**11,146**
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	333	333
Share premium	3,213	3,212
Reserves	(6)	108
Retained earnings	1,070	1,041
	4,610	**4,694**
Minority interests	**403**	**463**
Non-current liabilities		
Interest-bearing loans and borrowings	2,019	1,433
Employee benefits	330	329
Trade and other payables	46	45
Provisions	231	252
Deferred tax liabilities	229	242
	2,855	**2,301**
Current liabilities		
Bank overdrafts	111	122
Interest-bearing loans and borrowings	815	1,320
Income tax payable	174	224
Trade and other payables	1,968	1,940
Provisions	63	82
	3,131	**3,688**
Total equity and liabilities	**10,999**	**11,146**

Unaudited Consolidated Cash Flow Statement

Prepared in accordance with International Financial Reporting Standards (IFRS)

Million euro For the period ended	30 June 2003	30 June 2002
OPERATING ACTIVITIES		
Net profit from ordinary activities	171	165
Depreciation	247	258
Amortisation and impairment of goodwill	57	54
Amortisation intangible assets	18	16
Impairment losses/(reversals) other than goodwill	(1)	1
Write-offs on non-current and current assets	-	1
Unrealised foreign exchange losses/(gains)	27	14
Interest income	(18)	(13)
Investment income	(20)	(38)
Interest expense	72	76
Investment expense	16	14
Loss/(gain) on sale of plant and equipment	(9)	(6)
Loss/(gain) on sale of intangible assets	-	(2)
Income tax expense	57	48
Income from associates	(20)	(36)
Minority interests	20	8
Profit from operations before changes in working capital and provisions	**617**	**560**
Decrease/(increase) in trade and other receivables	(112)	9
Decrease/(increase) in inventories	(66)	(82)
Increase/(decrease) in trade and other payables	74	(224)
Increase/(decrease) in provisions	(40)	46
Cash generated from operations	**473**	**309**
Interest paid	(72)	(74)
Interest received	16	12
Dividends received	54	23
Income taxes (paid)/received	(89)	(32)
CASH FLOW FROM OPERATING ACTIVITIES	**382**	**238**
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	35	36
Proceeds from sale of intangible assets	1	11
Proceeds from sale of investments	48	5
Repayments of loans granted	6	3
Sale of subsidiaries, net of cash disposed of	-	1,869
Acquisition of subsidiaries, net of cash acquired	(88)	(1,732)
Acquisition of property, plant and equipment	(215)	(221)
Acquisition of intangible assets	(118)	(55)
Acquisition of other investments	(51)	(160)
Payments of loans granted	(7)	(12)
CASH FLOW FROM INVESTING ACTIVITIES	**(389)**	**(256)**
FINANCING ACTIVITIES		
Proceeds from the issue of share capital	1	-
Proceeds from borrowings	4,948	3,694
Repayment of borrowings	(4,829)	(3,756)
Payment of finance lease liabilities	(5)	(4)
Dividends paid	(160)	(135)
CASH FLOW FROM FINANCING ACTIVITIES	**(45)**	**(201)**
Net increase/(decrease) in cash and cash equivalents	**(52)**	**(219)**
Cash and cash equivalents at beginning of period	93	349
Effect of exchange rate fluctuations on cash held	1	(5)
Cash and cash equivalents less bank overdrafts at end of period	**42**	**125**

Unaudited Consolidated Statement of Changes in Equity
Prepared in accordance with International Financial Reporting Standards (IFRS)

Million euro For the six month period ended 30 June 2002	Issued capital	Share premium	Treasury Shares	Translation Reserves	Hedging Reserves	Retained Earnings	Total
As per 31December 2001	**332**	**3,209**	**-**	**533**	**(8)**	**752**	**4,818**
Recognised gains and losses	-	-	-	(264)	-	165	(99)
Other items recognised directly in equity	-	-	-	-	12	(2)	10
Change in measurement currency of an affiliate.	-	-	-	20	-	(52)	(32)
Shares issued	-	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-	(125)	(125)
As per 30 June 2002	**332**	**3,209**	**-**	**289**	**4**	**738**	**4,572**

For the six month period ended 30 June 2003	Issued capital	Share premium	Treasury Shares	Translation Reserves	Hedging Reserves	Retained Earnings	Total
As per 31 December 2002	**333**	**3,212**	**(6)**	**122**	**(8)**	**1,041**	**4,694**
Recognised gains and losses	-	-	-	(106)	-	171	65
Other items recognised directly in equity	-	-	-	-	(8)	-	(8)
Shares issued	-	1	-	-	-	-	1
Dividend to shareholders	-	-	-	-	-	(142)	(142)
As per 30 June 2003	**333**	**3,213**	**(6)**	**16**	**(16)**	**1,070**	**4,610**

Notes to the Unaudited Consolidated Interim Financial Statements

Basis of presentation

These unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee. The consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as in the 31 December 2002 annual financial statements. This interim financial report is in compliance with IAS 34, Interim Financial Reporting.

Segment Information

Million euro, except volume (million hl).

For the six month period ended 30 June	Western Europe		The Americas		Emerging markets		Bass		Holding companies and global export		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Volume	19.2	16.8	7.8	7.8	17.0	15.3	-	1.1	1.0	1.0	45.0	42.0
Net turnover	1,670	1,599	834	976	673	681	-	85	73	76	3,250	3,417
EBITDA	318	216	133	175	163	153	-	4	8	25	622	573
Profit from operations (EBIT)	145	66	80	116	72	58	-	(9)	5	13	302	244

Acquisition and disposal of subsidiaries

In April 2003, Interbrew acquired a 70% stake in the brewing operations of the K.K. Group located in the Yangtze delta of China. The financial position, results from operations and cash flows of the K.K. Group have not been included in these interim financial statements because the recency of the acquisition makes it impracticable to do so.

Seasonality of operations

Beer consumption is seasonal, typically resulting in higher demand during the summer season and accordingly lower profitability and turnover during the first half of the year. Further, December is a peak month in the UK and in Canada.

Unusual items

There were no important unusual items affecting assets, liabilities, equity, net profit, or cash flows during the six month period ended 30 June 2003.

Subsequent events

Subsequent to 30 June 2003, the following events have occurred:

- Early July the European Commission agreed to the sale of our 28.9% stake in Namibian Breweries.
- Late July Sun Interbrew acquired an additional 41% of the Yantar brewery in Ukraine, bringing their shareholding up to 97.5%.
- On 1 August, Sun Interbrew acquired 100% of Kombinat Napitkov, a brewery in Novochebaksark, Republic of Chuvaskia. The acquired brewery has a capacity of one million hectolitres.
- On 5 September, Interbrew signed an agreement to enter into a strategic partnership with the Malaysian Lion Group in their beer business in China.

None of the above transactions have been reflected in the 30 June 2003 financial statements.