

Ukraine / Consumer Goods

Sun Interbrew & Slavutych

Betting On Pricing

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	Price USD	12M target USD	Upside	Rec.
SUNI	0.11	0.13	18%	BUY
SLAV	0.79	0.86	9%	HOLD

	# of shares, mln	MCap, USD mln	Free float	
			%	USD mln
SUNI	9,510.7	1035.8	4.0%	41.4
SLAV	495.7	396.2	6.5%	25.8

With this report we initiate coverage of Ukraine's two traded beer producers – Sun Interbrew Ukraine (SUNI) and Slavutych (SLAV). These stocks offer exposure to Ukraine's consumer goods industry and are the two most liquid in the segment. We believe the market has already factored in SLAV's strong fundamentals and good corporate governance standards, while SUNI is undervalued. Our target price for SUNI is USD 0.13 per share, which implies an upside of 18%, while our target for SLAV is USD 0.86 per share with a 9% upside. We recommend BUY for SUNI and HOLD for SLAV.

Market moves toward saturation

After a 25% yoy surge in 2005, growth in beer production in Ukraine began stabilizing with a 12% yoy increase in 2006. We expect it to slow to a still respectable 5-6% in 2007. In monetary terms, the market will be positively influenced by growth in the average beer price, which we expect to accelerate from an estimated 7% last year to 9-10% in 2007.

Sun Interbrew Ukraine – higher profitability after consolidation

The largest beer producer in Ukraine consolidated its three production units and distribution company under one umbrella last year. We believe that optimization of operational processes caused growth in profitability margins in 2006 and estimate that its EBITDA margin rose from 23% (consolidated) in 2005 to 25% in 2006. Further sales growth will stem primarily from an increase in the average price of its beer, as escalating production will be restrained by antimonopoly regulations since Sun Interbrew already controls ~35% of the domestic market.

Slavutych – turnaround story in the making

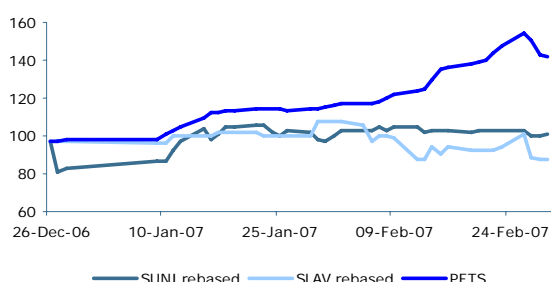
We expect that Slavutych's management that was appointed last spring will beef up the company's market share, which has been declining since 2005. Last year, the new management was only able to slow the downward trend. We believe the company's next step will be to optimize its brand portfolio to enable expansion on the market and result in margins improving to the industry's average levels. We expect the turnaround to culminate in 2008-09, when BBH consolidates its assets, giving Slavutych shareholders exposure to BBH's other company - Lvivska Pyvovarnya.

Valuation

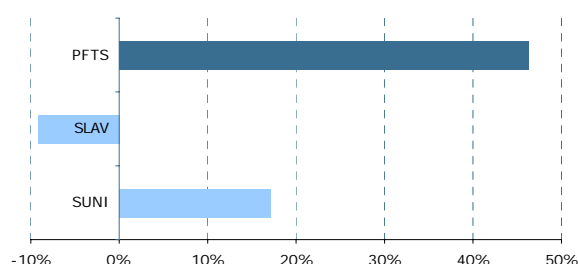
Given that the beer price in Ukraine is currently on average 35% lower than in Russia, we see solid room for growth in beer prices on the domestic market and think that EV/output multiples, which best capture this potential, is the most adequate valuation metric. Peer comparison on EV/output suggests that SLAV and SUNI are undervalued 22% and 43%, respectively. On financials-based multiples, SLAV looks overvalued, while SUNI is fairly valued. We calculate target prices as an equally weighted average of the financial-based multiples and EV/output.

WATCH for both companies' financial results to be announced in early March.

SUNI & SLAV vs PFTS



Performance YTD



Investment Case

Beer market maturing

Tightening competition in Ukraine's beer market will benefit the following players:

Companies affiliated with multinationals, which can afford larger marketing budgets (Sun Interbrew, controlled by InBev and BBH-controlled Slavutych). We expect this advantage to eventually lead local players (Obolon and Sarmat) to sell out to foreign companies that are looking to establish a presence in Ukraine. We expect the sale of Sarmat as early as this year. Heineken, Sabmiller and Efes are rumoured to be interested.

Companies with an established presence. Newcomers will have to spend more to snatch part of the market.

We believe Sun Interbrew is best positioned to meet the changes awaiting Ukraine's beer market. Slavutych will have to fight to regain its market share, which has been slipping since 2005.

Outlook for 2007

Slavutych to bet on pricing and volumes

We expect 19% growth in Slavutych's sales in 2007 to USD 173 mln. For comparison, the beer market is expected to post a 14% increase in sales. We also anticipate an increase in the company's profitability in spite of tightening competition on the market, an outcome of the management's planned efforts to optimize Slavutych's brand portfolio. Slavutych is likely to retain its share in the high-margin premium segment, where it boasted leadership last year.

Preference on premium products at Sun Interbrew

We believe Sun Interbrew's sales will grow in line with the market, while profitability is likely to be preserved at 2006's high levels. The company intends to resist increasing competition by developing its premium product segment, which would lead to a rise in the average price of its beer. The company's market share has reached ~35% and we estimate it will not grow much further. Surpassing the 35% threshold would classify Sun Interbrew as a monopolist and likely result in action by the Antimonopoly Committee.

Exposure to consumer goods segment

Sun Interbrew and Slavutych are two of a few relatively liquid opportunities in Ukraine's rapidly developing but still very modest consumer goods segment of the stock market. Given that Ukrainian blue chips primarily consist of basic materials, energy and pipe stocks that are currently priced close to their fair values, we think the consumer goods sector represents an opportune avenue for portfolio diversification. We expect higher trading volumes in SUNI due to investors' interest in this segment. SLAV's liquidity is likely to improve after subscription for its additional share issue finishes on Nov. 15, 2007.

Exemplary corporate governance

Both breweries, which are controlled by multinational companies, scored high in our Corporate Governance ratings. Slavutych's better results were mainly attributed to better management accessibility: it is at the top of our 'above average' group while Sun Interbrew is in the middle of the 'average' group (for more details see our Ukrainian Corporate Governance report of February 6, 2007).

Valuation

Our valuation is based on a comparison of SUNI and SLAV with a peer group of beer producers from the developing world. Since we expect the average beer price in Ukraine to grow at a faster pace compared to Russia and Eastern Europe due Ukrainian beer being significantly cheaper, we consider EV/output as the most adequate measure of the companies' value.

	EV, USD mln	Production, mln dal, 2006E	EV/Output, USD/dal
SUNI	1107.7	92.6	12.0
SLAV	441.6	30.8	14.3
Baltika	5190.5	356	14.6
Grupa Zywiec	1937.6	111	17.5
Pivovarna Lasko	425.3	22.3	19.1
Average			17.1
Implied share price, USD			
SUNI			0.16
SLAV			0.97

	Country	MCap, USD mln	EV/Sales			EV/EBITDA			P/E		
			2005	2006E	2007E	2005	2006E	2007E	2005	2006E	2007E
SUNI*		1073.5	4.2	3.2	2.7	18.0	12.6	10.9	33.5	25.3	21.1
SLAV		392.6	3.6	3.0	2.4	20.2	13.8	10.3	122.7	42.2	30.7
Companhia De Bebidas	BRAZIL	33,894.6	5.3	4.7	4.0	15.0	11.1	9.4	51.2	25.6	22.2
Grupo Modelo	MEXICO	17,930.1	3.5	3.2	2.9	10.7	9.4	8.2	26.2	22.3	17.8
Baltika	RUSSIA	5,246.4	4.3	3.6	2.4	13.4	10.9	8.4	23.4	18.7	12.4
Bavaria	COLOMBIA	5,121.6	2.6	n/a	n/a	9.8	n/a	n/a	neg	n/a	n/a
Anadolu Efes	TURKEY	3,882.5	3.1	2.1	1.8	9.1	8.7	7.4	18.1	18.6	16.9
Hite Brewery	S.KOREA	2,394.6	2.9	4.1	3.8	10.4	13.4	12.1	44.7	21.7	13.9
Compania Cervecerias	CHILE	1,904.6	2.1	1.9	1.7	9.7	8.1	7.2	20.2	15.1	13.3
Grupa Zywiec	POLAND	1,870.9	2.2	n/a	n/a	9.0	n/a	n/a	18.3	n/a	n/a
Beijing Yanjing	CHINA	1,559.5	2.8	2.1	1.9	14.4	13.0	11.9	45.5	39.7	33.3
Guinness Anchor	MALAYSIA	569.8	2.1	1.8	1.7	11.9	9.9	9.3	20.1	16.9	15.9
Average			3.1	2.9	2.5	11.3	10.6	9.2	29.7	22.3	18.2
Median			2.8	2.6	2.1	10.5	10.4	8.9	23.4	20.2	16.4
Implied share price, USD											
SUNI											
by mean			0.07	0.10	0.10	0.06	0.09	0.09	0.10	0.10	0.09
by median			0.07	0.09	0.08	0.06	0.09	0.09	0.08	0.09	0.08
SLAV											
by mean			0.67	0.76	0.83	0.41	0.58	0.70	0.19	0.42	0.47
by median			0.61	0.68	0.69	0.37	0.57	0.67	0.15	0.38	0.42

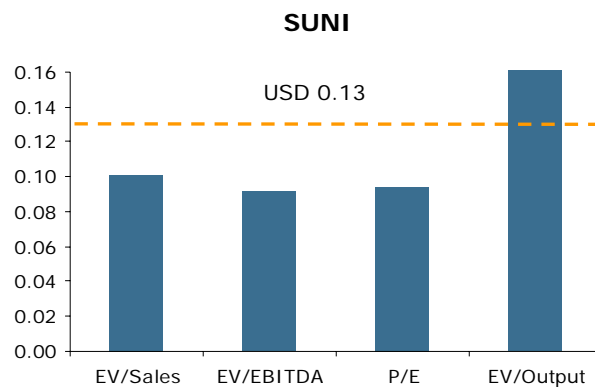
* Calculations for 2005 are based on aggregated data for the companies, which were consolidated under one share in 2006

Source: Company Data, Thomson Financial, Concorde Capital estimates

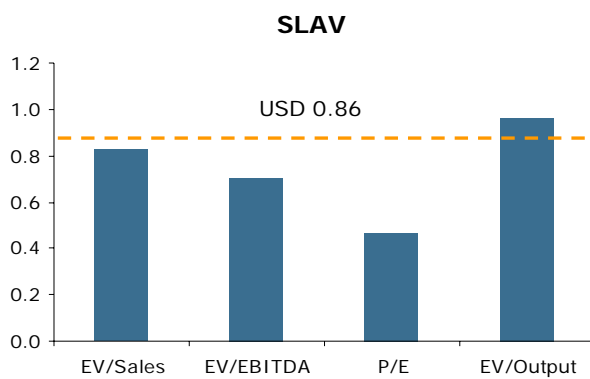
While for SUNI financial-based multiples provide consistent valuation range of USD 0.08-0.10 per share, for SLAV the P/E multiple implies a significantly lower share price compared to those based on EV/Sales and EV/EBITDA. We believe that the P/E valuation for SLAV was disturbed by relatively higher D&A expenses, which are likely due to different depreciation method being used. We believe this technical inconsistency in calculating non-cash expenses should not exert downward pressure on SLAV's target and do not take the P/E-implied price into consideration when calculating SLAV's target.

We calculate target prices for both companies, assigning a 50% weight to production-based multiples to account for potential sales growth as a result of price advances ahead of its peers. The other 50% is assigned to financial-based multiples.

Valuation summary



Source: Concorde Capital estimates



Source: Concorde Capital estimates

Market Trends

Production expectations for Ukraine's Big-4 in 2007

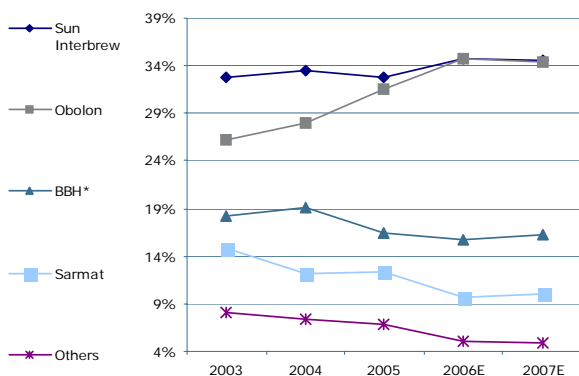
Sun Interbrew's production will be, in our opinion, in line with the market this year at 5-6% yoy. We estimate the company's market share in Ukraine will be slightly above 35% in 2006. Further growth might trigger an antimonopoly case.

We expect production at **Slavutych** to grow by 8% in 2007, ahead of the market, as the company's management strives to win back the market share it lost in 2005-06.

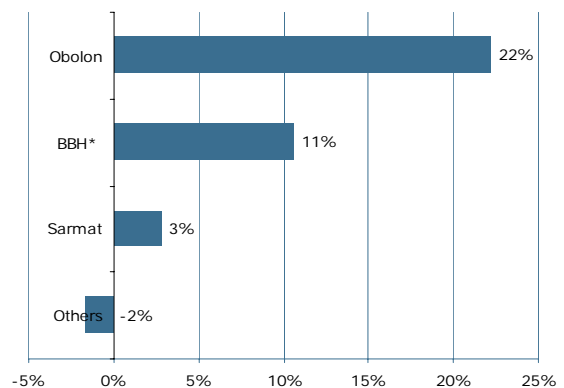
We also expect **Sarmat**, which has been losing its market position in the last two years, to be acquired by a multinational company in 2007. We believe Heineken, Sabmiller and Efes are interested. We expect its new owner to invest in the company; look for production to grow faster than the market average.

We project that **Obolon**, which posted the highest 4YCAGR in terms of production and accounts for 35% of Ukraine's beer production, will lose some of its competitive positions to multinationals, which are expected to spend heavily to expand their market shares.

Production share dynamics, % of total



2003-07E production 4Y CAGR



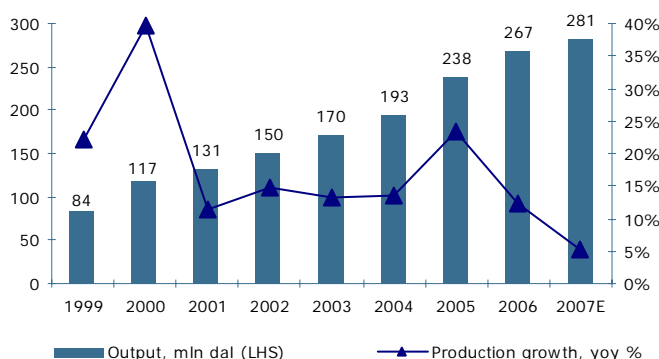
Source: Company Data, Concorde Capital estimates

Production growth to normalize at 5-6% yoy

We expect the beer market's growth to slow down to 5-6% yoy in 2007, with its pace afterward gradually declining until 2010, as the market saturates.

After record 25% yoy growth in 2005, beer production increased 12% to 267 mln dal in 2006. The triggers in 2006 were growth in domestic consumption by 10% to 239 mln dal, an increase in exports by 16% to 30 mln dal, and a drop in imports by more than half to 2 mln dal.

Beer production in Ukraine

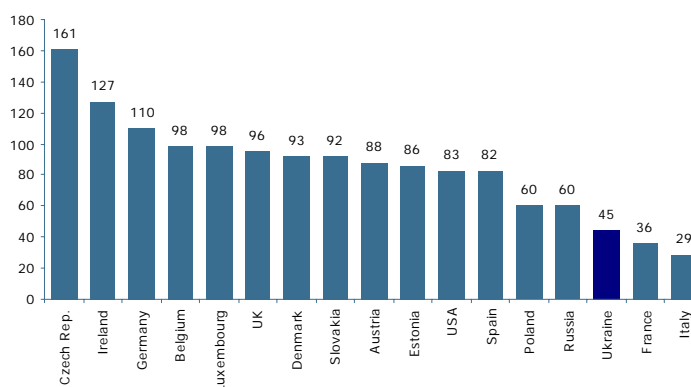


Source: State Statistics Committee of Ukraine, Concorde Capital

Per capita consumption to grow at 6% CAGR in 2006-10

Ukraine's per capita beer consumption is far less than in Russia and other countries. In 2006 it grew by 11% to 51L. We expect it to come close to 65L by 2010 due to steady growth in disposable income.

Per capita beer consumption in 2005, L.



Source: Euromonitor International

Premium segment to develop at fastest pace

We estimate beer sales in USD increased 23% yoy in 2006, which allows us to approximate growth in the average market price of beer (on the shelf) by 7-8% to USD 0.89 per L by yearend. Except for inflation, according to market players, the major reason for the increase in the average market price for beer is the fast pace of premium beer segment growth, compared to economy and mainstream segments.

We project the average shelf price for beer to grow at 8% CAGR in 2006-10 to USD 1.05 per L.

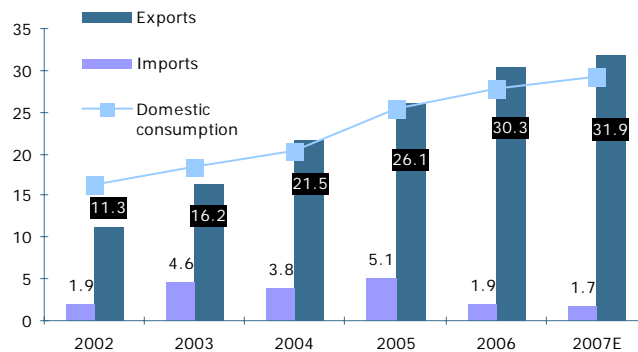
We believe major beer producers will focus on pushing premium products because of their higher margins, estimated at 15-20% higher than for the mainstream segment.

Exports to grow, imports to shrink

We expect decreasing imports and moderately growing exports to contribute to overall growth in Ukraine's beer production in the mid-term.

Ukraine boasts a relatively high share of exports in total production at 11% last year. However, this is still lower compared to 16% in the Czech Republic, the leader in terms of the export share in sales, but is impressive compared to the 6% global average.

Ukraine's foreign trade in beer vs domestic consumption, mln dal



Source: Company Data

Ukraine exports a large share of production because of its proximity to the attractive Russian market, where beer prices are ~30% higher than in Ukraine, which is enough to offset transportation expenses. Ukraine mainly exports local brands to Russia. Exports from companies related to multinationals are restrained since their major brands are produced in Russia.

Obolon is the most active exporter (accounting for 77% of Ukraine's beer exports in 2006) thanks to active production growth and its assortment of brands that are only produced in Ukraine.

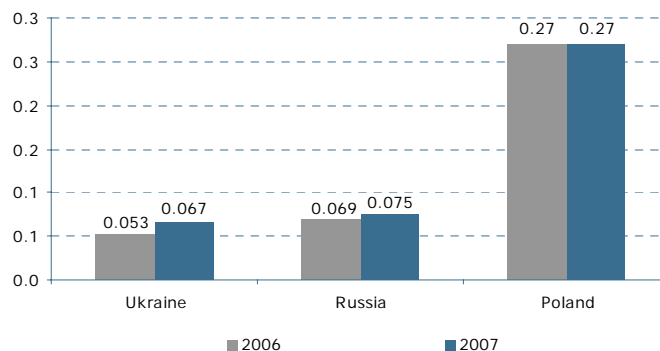
We believe Ukraine's beer exports will grow in line with the Russian market at 4-5% CAGR in 2006-2010.

Imports will continue to have an insignificant share in total domestic consumption (less than 1% last year or 1.9 mln dal), and we expect them to decrease further as new multinational companies establish themselves in Ukraine and start local production to replace importing. If Heineken acquires Sarmat, we expect imports to fall by at least 9% next year.

Regulation to become stricter

Starting from January 1, the excise tax for beer rose by 26% to USD 0.067 per L. Advances in the excise tax will account for 1% of the 9-10% beer price growth that we expect in 2007. The beer excise tax is still lower than in Russia and Poland, and we believe will be raised further in subsequent years as the government exploits its alternatives to fill budget gaps.

Excise tax USD/ L of beer



Source: BBH

As BBH's management told us, beer producers have already passed the excise tax increase on to the final price of beer. We believe that as competition becomes stronger and excise taxes start rising and further encroaching on beer prices, producers' margins will be negatively affected.

Another major regulatory threat in the mid-term is a possible limitation on TV advertising by breweries during the day, which might slow growth in beer consumption. The ban might be similar to that strong alcohol producers are faced with: a prohibition on TV advertising during the day.

Slavutych

SLAV UZ

HOLD

<http://www.slavutich.com>

Target Price (USD)

Upside

0.86
9%

Breweries	Brands
Slavutych (Kyiv)	Economy: Arsenal
Slavutych (Zaporizhya)	Mainstream: Slavutych
	Premium: Baltika Tuborg Carlsberg

Turnaround awaited in 2007

We expect the management's strategy aimed at reversing downward trend in the company's market share to result in Slavutych growing ahead of the market in 2007 in terms of both production volumes and average price of its beer.

The company's management will move to reposition its eponymous Slavutych brand, whose poor performance likely caused Slavutych's market share to dip starting in 2005. We expect their efforts to begin to pay off in 2007 with a slight increase in Slavutych's market share from 11.5% in 2006 to 12%.

Pepsi to get more attention

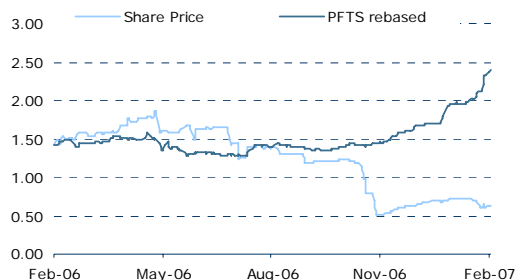
Slavutych, the exclusive bottler of Pepsi in Ukraine, plans to invest heavily in marketing to increase soft drinks' share in the company's revenues from 8% last year to 11% in 2007.

Asset consolidation expected in 2008

Slavutych currently controls breweries in Zaporizhya and Kyiv, which belong to BBH. Lvivska Pyvovarnya operates as a separate company, though it is under the close supervision of Slavutych's management. We expect BBH to consolidate its assets in Ukraine in 2008, similarly to what it did in Russia last year. Slavutych's shareholders stand to benefit from exposure to the currently higher margins of Lvivska Pyvovarnya.

Investments in capacity expansion

Slavutych is now in the process of increasing its charter fund by USD 59 mln. The subscription is from Nov. 15, 2006 to Oct. 31, 2007 (first stage) and Nov. 01, 2007 to Nov. 15, 2007 (second stage). Part of the raised funds (60%) will be spent to increase capacity by 46% at its Zaporizhya plant to 35 mln dal per year and to launch a new Pepsi bottling line in Kyiv. The rest will be used to improve marketing and logistics. We expect this increase in equity to cause a decrease in the company's Net Debt to Equity ratio from 0.6 in 2006 to 0.2 in 2007.



MARKET INFORMATION

Market price*, USD	0.79
Price impact**	3
52 Wk H/L, USD	1.86 / 0.51
Chg 3m/6m/52w	5% / -55% / -60%
Chg vs PFTS 3m/6m/52w	-55% / -127% / -126%
Chg YTD	-12%
Avg Mo Tr Vol 6M, USD ths	264.0
MCap, USD mln	396.2
Free float, %	6.5%
FF MCap, USD mln	25.8
No of shares, mln	495.7
Par Value, UAH	1.00
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

BBH	92.0%
Management	1.5%
Other	6.5%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	3.0	2.4
EV/EBITDA	13.8	10.3
P/E	42.1	30.6
P/B	3.0	1.6

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	18%	22%	23%
Net Margin	2.6%	6.4%	7.4%
ROE	5%	14%	16%
Net Debt/Equity	0.6	0.6	0.2

** Price "Impact" is the opinion of Concorde's trading desk on stocks to help investors estimate the reliability of quoted prices:

1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size
2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E
Net Revenues	69.5	70.8	93.1	121.8	145.2	172.8
Change y-o-y	-	1.8%	31.6%	30.8%	19.2%	19.0%
Gross Profit	40.7	41.2	51.9	73.0	86.5	108.0
EBITDA	16.8	14.4	18.6	21.5	31.9	40.6
margin, %	24.2%	20.3%	20.0%	17.6%	22.0%	23.5%
Depreciation	(5.6)	(6.2)	(8.7)	(13.5)	(15.0)	(19)
EBIT	11.2	8.2	9.9	8.0	16.9	21.6
margin, %	16.1%	11.5%	10.6%	6.6%	11.6%	12.5%
Interest Expense	(1.1)	(1.3)	(2.5)	(3.4)	(4.5)	(4.5)
Other income/(expense)	(0.3)	(0.3)	5.5	2.7	-	-
PBT	9.8	6.6	12.9	7.2	12.4	17.1
Tax	(3.6)	(3.7)	(3.8)	(4.1)	(3.1)	(4)
Effective tax rate	36.7%	56.0%	29.1%	56.0%	25.0%	25.0%
Net Income	6.2	2.9	9.1	3.2	9.3	12.8
Net Margin, %	8.9%	4.1%	9.8%	2.6%	6.4%	7.4%

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E
Current Assets	17.7	22.9	31.4	40.3	49.9	59.4
Cash & Equivalents	0.7	0.7	3.0	0.3	0.3	0.4
Trade Receivables	5.7	5.7	6.2	12.5	15.1	18.0
Inventories	9.4	11.1	17.7	19.5	22.0	26.2
Other	1.9	5.5	4.5	8.1	12.5	14.9
Fixed Assets	35.5	78.7	100.6	112.9	116.4	147.4
PP&E, net	32.9	34.1	95.7	104.0	102.8	133.8
Other	2.6	44.6	4.9	8.9	13.6	13.6
Total Assets	53.2	101.6	132.0	153.3	166.3	206.8
Shareholders' Equity	22.2	50.0	62.3	68.7	77.9	149.7
Share Capital	9.2	34.1	37.3	39.1	39.1	98.1
Retained Earnings	10.5	13.1	22.1	26.0	35.1	47.9
Other	2.4	2.8	2.9	3.6	3.7	3.7
Current Liabilities	14.0	29.5	33.3	54.0	62.7	37.8
ST Interest Bearing Debt	4.3	15.9	6.1	14.8	26.5	10.0
Trade Payables	6.7	4.7	4.0	11.5	13.3	14.7
Other	3.1	8.9	23.2	27.7	22.9	13.1
LT Liabilities	17.1	22.1	36.4	30.6	25.7	19.3
LT Interest Bearing Debt	17.1	22.1	33.8	27.8	22.8	16.4
Other	-	-	2.6	2.7	2.9	2.9
Total Liabilities & Equity	53.2	101.6	132.0	153.3	166.3	206.8

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	15.1	29.4	31.1	17.5	18.2	34.6	43.3	25.6	22.6	46.2	52.7
Change y-o-y	23.1%	30.2%	46.0%	19.9%	20.5%	17.6%	39.3%	46.8%	23.9%	33.3%	21.8%
EBITDA	0.0	6.7	8.9	3.1	2.7	11.8	9.3	(2.3)	2.8	11.3	14.8
margin, %	0.0%	22.6%	28.6%	17.6%	14.6%	34.1%	21.5%	-8.9%	12.3%	24.4%	28.0%
EBIT	(1.7)	4.9	6.6	0.1	(0.5)	8.5	5.9	(5.9)	(0.8)	7.7	11.1
margin, %	-10.9%	16.5%	21.3%	0.3%	-2.5%	24.5%	13.5%	-23.0%	-3.4%	16.7%	21.1%
Net Income	(2.3)	9.8	4.2	(2.5)	(1.0)	7.0	3.7	(6.5)	(2.2)	6.4	8.5
Net Margin, %	-15.4%	33.2%	13.4%	-14.2%	-5.8%	20.2%	8.5%	-25.3%	-9.9%	13.9%	16.1%

Sun Interbrew

SUNI UZ

BUY

<http://www.suninterbrew.ua>
Target Price (USD)
0.13
Upside
16%

Breweries	Brands
Desna (Chernihiv)	Economy: Rogan
Yantar (Mykolayiv)	Yantar
Rogan (Kharkiv)	Mainstream: Chernigivske Taller
	Premium: Stella Artois Becks Staropramen Brahma

Price-driven growth targeted

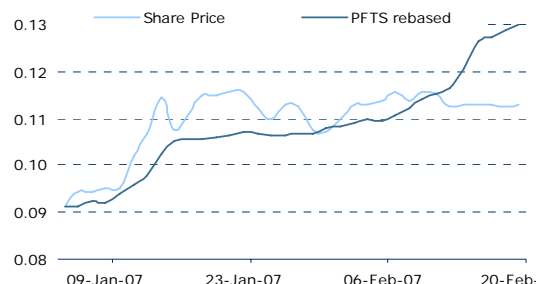
As Ukraine's leading beer producer, Sun Interbrew Ukraine, accounted for 35% of total domestic production in 2006. We expect sales volumes to grow in line with the market average, as further increases in market share might lead to anti-monopoly claims. Sales are likely to be driven by an increase in the average prices of its products. The company is expected to concentrate on developing export markets in 2007.

Margins improve after consolidation

The company benefited from an optimized organizational structure and the introduction of a centralized purchasing system after asset consolidation in 2006. Sun Interbrew posted higher profitability margins than Slavutych in 9M06 due to a relatively lower SG&A at 33% of sales, compared to Slavutych's 39%. An economy of scale is the most likely explanation for this.

Investing in distribution

We estimate total 2006 investments at USD 100 mln (EUR 80 mln). In 1H06, the company invested USD 18 mln (EUR 14 mln) to develop distribution and reported CapEx of USD 26 mln (EUR 21 mln). We do not expect it to increase capacity significantly as a result of limited growth in production volumes.



MARKET INFORMATION

Market price, USD	0.11
Price impact**	3
52 Wk H/L, USD	0.12 / 0.09
Chg 3m/6m/52w	n/a / n/a / n/a
Chg vs PFTS 3m/6m/52w	-61% / -72% / -66%
Chg YTD	18%
Avg Mo Tr Vol 6M, USD ths	422.82
MCap, USD mln	1036.7
Free float, %	4.0%
FF MCap, USD mln	41.5
No of shares, mln	9510.7
Par Value, UAH	0.01
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Interbrew International B.V.	63.7%
Interbrew DSN Holding B.V.	13.5%
Yantar Holding	9.4%
Rogan Holding	9.4%
Other	4.0%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	3.2	2.7
EV/EBITDA	12.6	10.9
P/E	25.3	21.1
P/B	5.7	4.5

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	17%	25%	25%
Net Margin	5.4%	11.7%	12.2%
ROE	294%	231%	27%
Net Debt/Equity	0.2	0.4	0.3

** Price "impact" is the opinion of Concorde's trading desk on stocks to help investors estimate the reliability of quoted prices:

1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size

2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size

3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln*

	2003	2004	2005	2006E	2007E
Net Revenues	38.9	59.7	80.5	351.0	403.7
Change y-o-y	-	53.6%	34.8%	n/a	15.0%
Gross Profit	37.6	55.1	86.7	217.7	249.7
EBITDA	(1.7)	12.3	13.5	87.8	100.9
margin, %	-4.4%	20.6%	16.8%	25.0%	25.0%
Depreciation	(2.2)	(4.3)	(6.9)	(24.6)	(28)
EBIT	(3.9)	8.1	6.6	63.2	72.6
margin, %	-10.0%	13.5%	8.2%	18.0%	18.0%
Interest Expense	(0.9)	(1.4)	(1.0)	(8.5)	(7.0)
Other income/(expense)	(0.4)	(0.6)	0.8	-	-
PBT	(5.2)	6.0	6.4	54.7	65.6
Tax	(0.5)	(1.8)	(2.1)	(13.7)	(16)
Effective tax rate	-10.5%	30.8%	32.6%	25.0%	25.0%
Net Income	(5.7)	4.1	4.3	41.0	49.2
Net Margin, %	-14.8%	6.9%	5.4%	11.7%	12.2%

BALANCE SHEET SUMMARY, USD mln*

	2003	2004	2005	2006E	2007E
Current Assets	15.3	26.1	19.5	89.1	105.6
Cash & Equivalents	0.6	3.9	1.1	2.3	5.5
Trade Receivables	9.1	14.0	9.7	3.7	4.5
Inventories	1.9	2.6	2.7	68.8	79.1
Other	3.7	5.5	5.9	14.3	16.4
Fixed Assets	12.6	20.0	28.2	218.1	249.5
PP&E, net	8.7	14.3	22.7	155.7	187.6
Other	3.9	5.6	5.5	62.4	62.4
Total Assets	27.9	46.1	47.7	307.2	355.0
Shareholders' Equity	(2.7)	1.5	17.8	182.6	231.8
Share Capital	1.0	1.0	13.1	42.5	42.5
Retained Earnings	(3.7)	0.5	4.7	128.3	177.5
Other	-	-	-	11.8	11.8
Current Liabilities	30.6	44.6	29.9	124.6	123.1
ST Interest Bearing Debt	16.1	27.0	5.4	74.2	65.0
Trade Payables	11.9	14.1	16.9	30.8	35.6
Other	2.5	3.5	7.6	19.5	22.5
LT Liabilities	-	-	-	0.1	0.1
LT Interest Bearing Debt	-	-	-	0.1	0.1
Other	-	-	-	-	-
Total Liabilities & Equity	27.9	46.1	47.7	307.2	355.0

QUARTERLY ANALYSIS, USD mln*

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	8.5	15.5	5.6	30.1	12.2	22.3	28.4	17.6	15.0	157.2	125.6
Change y-o-y	37.3%	34.1%	-52.6%	223.3%	44.0%	43.7%	406.6%	-41.6%	22.7%	605.0%	342.8%
EBITDA	1.1	3.7	(6.3)	13.8	(1.4)	5.7	9.4	(0.2)	0.1	41.4	42.6
margin, %	13.4%	23.6%	-111.8%	45.8%	-11.2%	25.4%	33.1%	-0.9%	0.8%	26.3%	33.9%
EBIT	0.2	2.7	(5.9)	11.0	(2.7)	4.0	7.5	(2.2)	(1.8)	31.8	35.1
margin, %	2.8%	17.7%	-105.0%	36.4%	-22.5%	18.2%	26.5%	-12.4%	-12.3%	20.2%	28.0%
Net Income	(0.1)	2.4	(5.9)	7.8	(3.2)	4.1	6.7	(3.3)	(1.9)	26.1	27.0
Net Margin, %	-1.4%	15.5%	-105.4%	25.7%	-26.0%	18.3%	23.6%	-18.5%	-13.0%	16.6%	21.5%

* Financial statements for 2003-2005 are for Sun Interbrew Ltd (distribution company with three production units) and are presented as reported by the company, not consolidated. For 9M06, the company's reported statements include 1Q unconsolidated financials, 2Q and 3Q06 consolidated financials, and to derive 2006 estimates we added 4Q06 consolidated estimates. Projections for 2007 are prepared as for the consolidated company.

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