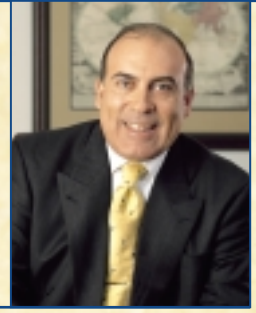


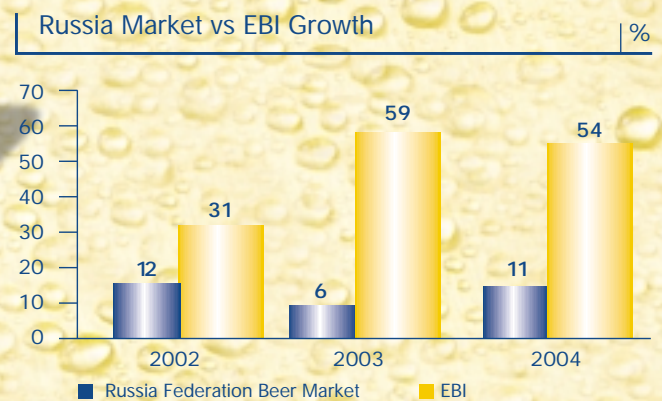
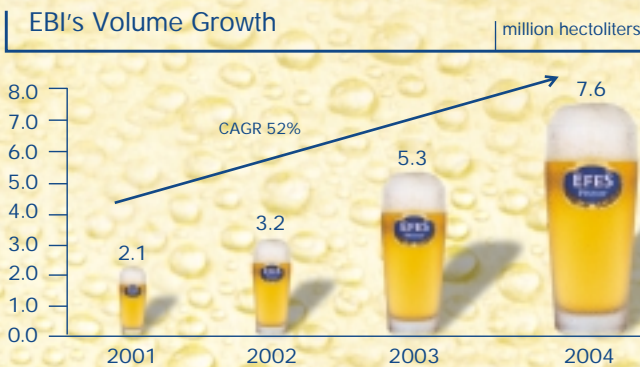


Letter to Shareholders



Dear Fellow Shareholders,
2004 was indeed the most important year in EBI's short history. We not only maintained the rapid organic and profitable growth of our business but also successfully completed an Initial Public Offering (IPO).

In 2004, EBI was the 4th largest brewer in **Russia**, the **world's fifth largest beer market**. We witnessed superior performance of our brands in the Russian beer market where competition is gaining momentum. Among the leading brands in the local premium segment, "Stary Melnik" was the overall best selling brand in the highly competitive



Leveraging our **fast, flexible and focused** organization enabled us to differentiate ourselves from most of our international competitors, ensuring delivery of remarkable organic growth.

In EBI we have been continuously investing in our diverse and dynamic workforce in order to enhance our production and marketplace capability. 2004 saw us launch "Efes Academy" internationally in EBI; starting with Russia where most of our workforce have access to and have gone through interactive training in the field of sales, marketing, production, finance, accounting and languages.

EBI is one of a handful of major emerging market brewers whose assets are scattered throughout Eastern Europe, Russia and the CIS, whose legal establishment is in Western Europe, with **headquarters in Amsterdam** and a listing on the **London Stock Exchange**.

Continuous enhancement of our **Corporate Governance** has always been a top priority and EBI is subject to the Dutch Corporate Governance Code since October 2004, and it is committed to be one of the vanguards of Corporate Governance amongst our peers and also in our region.

Moscow market and the 4th largest brand by value in the Russian beer market as a whole. We enriched our portfolio by the addition of **Czech brand "Zlatopramen"** in the licensed category supporting "Warsteiner" and

Russia - Top Brands by Value (%)		Moscow - Top Brands by Value (%)	
Baltika (Carlsberg/S&N)	13	Stary Melnik	11
Klinskoe (InBev)	6	Baltika (Carlsberg/S&N)	10
Arsenalnoe	4	Klinskoe (InBev)	9
Stary Melnik	4	Ochakov	7
Ochakov	4	Z. Bochka (SABMiller)	5

Source: AC Nielsen YTD Dec' 2004

"Efes Pilsener" which performed successfully to become the **10th best** selling brand by value in the **Moscow** market. At the same time our "Sokol" and "Bely Medved" brands which were included in our portfolio and re-launched last year, **increased their sales volumes several times vs. prior year.**

EBI was also among the top three brewers in the other markets of operation, except for **Romania** where we retain a different but successful business structure as a joint venture with InBev.

In **Moldova**, we increased our volumes by **20%** and maintained our **leadership in the beer market with 75% market share**. Following the **re-launch of the "Viva" brand** we also solidified our position in the carbonated soft drinks market with **48% share**. Currently the upgrading of our facility is underway which will enable us to further capitalize on our already strong base.

In 2004, our sales volumes in **Kazakhstan** grew by **23%**. "**Karagandinskoe**" continued to be the best selling brand in the rapidly growing Kazakh beer market.

In September 2004, we completed the **acquisition of the majority shares of Zajecar Brewery** located in Zajecar, **Serbia & Montenegro**. Together with the **Pancevo Brewery** which was acquired in **August 2003**, we **increased our total capacity to 1.4 million hectoliters** and our share in the **Serbian beer market to 10%** thereby becoming the **third largest brewer in the market**. Our sales volume growth in the **Serbian beer market in 2004** was as high as **7 times vs. prior year** and we saw our "**Weifert**" brand re-launched in December 2003 **grow rapidly**.

Valued Shareholders,

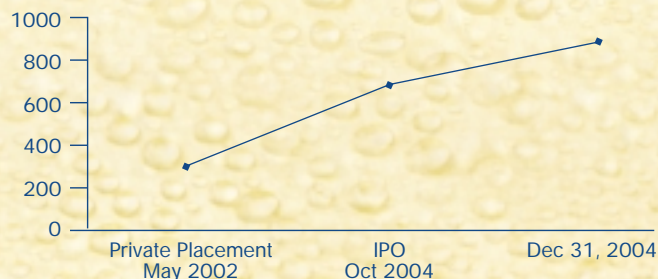
In 2004, we managed to grow our entire business significantly ahead of our already aggressive plans. **Sales volumes were up by 44% to reach 7.6 million hectoliters**. Corresponding revenue growth was **51% reaching USD 399 million** whilst **Operating Profit increased by 63% to USD 58 million**. **EBITDA grew by 54% to reach USD 98 million**, resulting in an **EBITDA margin of 25%**.

In 2004, we also completed an **initial public offering** which was announced to be one of the most successful emerging market offerings since 2000.

We offered EBI with a market capitalization of **USD 688 million** at listing. We have provided a gross **USD 119 million** of funds for EBI through the offering that reached a total size of **USD 194 million**. We saw that the value of EBI quickly increased to over **USD 900 million** in the year end evidencing the confidence of our investors to our successful profitable growth model. We will use these funds to finance the investments in line with our strategies to further accelerate the growth of our business.

EBI's Value Metrics

MCAP (m USD)



Dear Shareholders,

As we move into 2005 we continue to operate EBI with a constant eye for profitable growth. We have no doubt that in 2005 we will continue to demonstrate our ability to capture the opportunities in our operating territory and continue growing rapidly and profitably.

We will build on our solid and dynamic performance over the past 6 years and further improve the value of our company.

We wish to extend the gratitude of the Supervisory Board and the Board of Management to our esteemed shareholders for their wisdom and support.

We look forward to another dynamic year together.

Sincerely,

Tuncay Özilhan
Chairman of the
Supervisory Board

Muhtar Kent
Chairman of the Board
of Management

