14 September, 2017.

Lefkosia, Cyprus

ANNOUNCEMENT

Re: Approval and Publication of the Half-Yearly Financial Report of SUN Interbrew Plc, regarding the first semester of 2017 (non-audited results)

The Board of Directors of Sun Interbrew Plc (the "Company") at a meeting held today, considered and approved the Half-Yearly Financial Report of the Company and its subsidiaries (the "Group") for the first semester of 2017, which includes the interim financial statements with the half-yearly, consolidated, un-audited financial statements of the Group, regarding the six-monthly period which ended on 30 June 2017, pursuant to the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Laws of 2007 of the Republic of Cyprus, Law No. 190(I)/2007 as amended (the "Cypriot Transparency Law") (the "Report").

The full text of the Report is attached, and it is noted that the Non-Audited, Interim Condensed Consolidated Financial Statements have been prepared in accordance with the International Accounting Standard (IAS) 34.

The full text of the Report will also be uploaded on the website of the Company (www.suninterbrew.com/) from where it may be printed, and will be published and made available according to the applicable Transparency legislation and stock exchange rules.

SUN Interbrew Plc contact:
Denis Khrenov – Chief Executive Officer
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NAP Regulatory Compliance Services Ltd
Regulatory Compliance Officer for the Company

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CC: Cyprus Securities and Exchange Commission

SUN Interbrew Plc

<u>HALF YEARLY FINANCIAL REPORT 2017</u>

which includes the

Non-Audited, Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2017

Contents

Board of Directors and other officers (14 September 2017)

Board of Directors

Nand Lal Khemka - Director (Chairman of the Board) (resigned on 14 September 2017)
Denis Khrenov – Director and Chief Executive Officer ("CEO")
Alexander Balakhnov - Director and Chief Legal Officer and member of the Audit Committee and Nominations and Remuneration Committee ("CLO")
Olesia Sheppard - Director and Chief Financial Officer ("CFO")
Shiv Vikram Khemka – Director (resigned on 14 September 2017)
Uday Harsh Khemka – Director (resigned on 14 September 2017)
Timur Miretskyy - Director (resigned on 24 February 2017)
Anatolii Drozda – Director (resigned on 14 September, 2017)
Dmytro Shpakov - Director
Inter Jura CY (Directors) Limited – Director and member of the Audit Committee and Nomination and Remuneration Committee
Inter Jura CY (Management) Limited - Director

Company Secretary

Inter Jura CY (Services) Limited
1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registered office

1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registration number: HE277915

The Half-Yearly Financial Report 2017, including the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2017 was approved by the Board of Directors on the 14th of September 2017.

Statement by the Members of the Board of Directors and other responsible officers of the Company for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2017

In accordance with Section 10 sub-sections (3 (c)) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended (the "Law"), we, the Members of the Board of Directors and the other responsible persons for the preparation of the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2017 (the "Interim Condensed Consolidated Financial Statements") of SUN Interbrew Plc (the "Company") confirm to the best of our knowledge that:

(a) the Interim Condensed Consolidated Financial Statements which are presented on pages 10-13

  (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 10, sub-section (4) of the Law , and

  (ii) give a true and fair view of the assets, liabilities, the financial position and profit or loss of SUN Interbrew Plc and the undertakings included in the consolidated accounts as a whole, and

(b) the Interim Management Report in pages 5-9 includes a fair review of the information required under Section 10, subsection 6 of the Law.

Members of the Board of Directors

Name and surname	Signature
Denis Khrenov – Director and Chief Executive Officer	
Alexander Balakhnov – Director and Chief Legal Officer	
Dmytro Shpakov – Director	
Olesia Sheppard – Director and Chief Financial Officer	
Inter Jura CY (Directors) Limited – Director	
Inter Jura CY (Management) Limited – Director	

Responsible for the preparation of the consolidated financial statements

Name and surname	Position	Signature
Olesia Sheppard	Chief Financial Officer	

Interim Management Report

The Board of Directors presents its Interim Management Report to be followed by the Non-Audited, Interim Condensed Consolidated Financial Statements for the Company and its subsidiaries (the "Group") for the six-month period ended 30 June 2017.

1. Principal activities of the Group remain the same

The principal activities of the Group, which are unchanged from the beginning of the year, are manufacturing, marketing and distribution of beer and soft drinks in the Russian and Ukrainian markets.

2. Economic analysis of the results and comparative economic analysis in relation to the previous corresponding period

In 2017, the beer and soft drinks industry continues to be under pressure due to macroeconomic factors and an unstable local economic and political environment. Sanctions, foreign exchange rate fluctuations, strict government regulations, CPI rapid growth and GDP decline, negatively affect consumers' purchasing power.

Russian beer industry volumes continued to be weak in the first half of 2017, with the Group's volumes down approximately 15,7% as compared to the corresponding period in 2016. Volume decline is driven mainly by a ban in production and sales of alcoholic products in PET (plastic) bottles having more than 1.5 liter in capacity which accounted for 23% of last year volume, and market share decline in Russia by 4.8%. However, we estimate that we continue to gain share in Premium/Super Premium brands, Mix improvement in Russia through growth of Premium+ brands share such as the beer brands Corona, Hoegaarden and Bud.

In Ukraine, beer volumes declined by 7,2% in the first half of 2017 as compared to the corresponding period in 2016, with weak industry performance due to the industry decline of 1,8%, as well as market share decrease of 1.9%.

Revenue increased organically by 3,65% in the first half of 2017 as compared to the first half of 2016. Meanwhile Cost of sales increased organically by 7,24% for the corresponding period. EBITDA declined in the magnitude of -38.7% in the first half of 2017 as compared 2016, driven by volume decline.

Net finance costs were 7,178 thousands Euro in the first half of 2017 as compared to 9,400 thousand Euro in the first half of 2016. Normalized losses attributable to equity holders decreased in nominal terms to 18,262 thousand Euro in the first half of 2017 as compared to 19,009 thousand Euro in the first half of 2016, mainly due to decrease in finance costs. Normalized earnings per share (EPS) in the first half of 2017 remained at the same level as the first half of 2016 (-0.15 Euro).

On 30 June 2017 the total assets of the Group were 511,046 thousand Euro (30 June 2016: 494,636 thousand Euro) and the net assets were (3,903) thousand Euro (30 June 2016: net assets 26,490 thousand Euro); losses increased due to goodwill impairment as a result of the termination of the Trademark and Services Deed with SUN Trade (see under heading Other Substantial Information in Part 6 of the Interim Management Report, below). The total assets of the Group and net assets on the 31st of December 2016 were respectively 558,472 thousand Euro and 26,897 thousand Euro.

The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

3. Non-recurring or extraordinary activities for the 1st semester 2017

The Group did not conduct any non-recurring or extraordinary activities during the reporting period.

Interim Management Report (continued)

4. Important Events during the first six months of the financial year, and their impact on the interim financial results

(a) Russia

According to the Russian tax legislation the excise tax rate was changed starting as of 1st January 2017:

- for beer with alcohol 0,51% - 8,6 % - to 21 RUB/ litre (in 2016 - 20 RUB/ litre);
- for beer with alcohol over 8,61% - to 39 RUB/ litre (in 2016 - 37 RUB/ litre).

PET ban. Russian legislators continue to push ban beer bottled in PET plastic containers. The Russian beer union agreed to stop bottling alcohol in plastic bottles larger than 1.5 litres from 2017.

(b) Ukraine

Parliament approved the state budget and adopted changes to the Tax Code of Ukraine in 2017 as follows:

- The excise beer duty rate was 12% increased up to 2,78 UAH/ litre (in 2016 – 1,48 UAH / litre).
- A law amending the Transfer Pricing rules in Ukraine has been adopted (Widening requirements to the TP Documentation preparation, Increase in the financial threshold for declaring the Controlled transactions, ets.)
- Changes in rules of electronic tax invoice issuing and registration. The most important and negative is indication of a commodity code in the tax invoice is mandatory for all goods (not only for imported and excisable goods): goods are becoming traceable for the tax authorities through the chain of supplies down to the end customer
- Introduction of the procedure for suspension of electronic tax invoice registration (tax authorities are entitled to suspend registration of a tax invoice if there is an indication of a risky transaction based on criteria approved by the Ministry of Finance) – came into force form July 1st 2017.

Currency restrictions

- Starting from 03.01.2017: The National Bank of Ukraine changed some of administrative restrictions on operations with exports of services according to the Law of Ukraine № 1724-VIII "On Amendments to Certain Legislative Acts of Ukraine (regarding the removal of administrative barriers to exports of services)," which was adopted by the Parliament November 3, 2016, and which entered into force on 3 December 2016. For this purpose, the National Bank approved changes to the "Instruction on monitoring the export, import transactions" that simplify the operations of import/export services:

· Residents which conduct their activities of exports of services (excluding transport and insurance services), intellectual property rights, copyright and related rights will not have to follow the obligatory deadline of payments for these transactions (now a term of 120 days);

· Submitting documents to the bank, exporters will not be obliged to translate into Ukrainian documents, including account (invoice) set out in English or other foreign language if the other language of document is English;

· Banks can also accept copies of the documents, including invoice which obtained in electronic form for the purpose to control of export-import transactions of residents. For this purpose, the resident has to scan the original document obtained in paper form and certify it's with own electronic signature (for legal entities - authorized signature).

- Starting from 04.04.2017 National Bank changes the requirement for mandatory sale of revenues to Ukraine in foreign currency. From now on, legal entities will have to sell not 65%, and 50% of their foreign exchange earnings.
- Starting from 13.04.2017 National Bank of Ukraine allowed the repatriation of dividends accrued for 2014-2016 and simplified the mechanism for such payments. One person (issuer, depository institution or foreign investor) will be able to repatriate dividends for the specified years in the total amount of up to $ 5 million within one month. National Bank of Ukraine Increased from 1 to 5 million dollars the maximum amount of prepayment for import contracts, which does not require the use of a legal form of payment (with the confirmation of a first-class bank).
- Starting from 26.05.2017 - An increase in the maximum term for payments for export and import transactions for goods up to 180 days, it is allowed to repay external loans and loans ahead of time if liabilities of international financial institutions were provided as collateral for these transactions (using guarantees, reserve letters of credit, through authorized banks and / or foreign banks).
- Starting from 31.05.2017 According to the new rules set by the National Bank, obligations to maintain the account balance less than 100 000.00 USD on the day of currency purchase was removed, clients are not obliged to provide confirmation with account balance on current accounts in foreign currency

As a result, there may be significant uncertainty as to the implementation or interpretation of the new legislation and unclear or non-existent implementing regulations. Management's interpretation of such legislation as applied to the transactions and activity of the Company may be challenged by the relevant regional and State authorities.

5. Principal Risks and Uncertainties for the second semester of the financial year 2017

Political events in Ukraine and related sanctions adopted by the European Union and the United States against Russia and related countermeasures by Russia, may adversely affect the Company's operations in Ukraine, Russia and elsewhere in the region. The Group owns and operates beer production facilities in Ukraine and Russia. Continued political instability, civil strife, deteriorating macroeconomic conditions and actual or threatened military action in the region could have a material adverse effect on Group's operations in the region and on the results of operations of the Group. The future business environment may change from current management's assessment.

Further, recent events in Ukraine suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities of the Company that have not been challenged in the past, may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The international sovereign debt crisis, stock market volatility, changes in exchange rate and other risks could have a negative effect on the Group's financial and corporate sectors in second semester of 2017. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The management of the Group, manages each of these risks individually as well as on an interconnected basis, and defines strategies to manage the economic impact on Group companies performance in line with its financial risk management policy.

The Management of the Group believes that cash flows from operating activities, available cash and cash equivalents and access to the Parent's borrowing facilities, will be sufficient to finance capital expenditures and debt. It is the Group's objective to continue to reduce its financial indebtedness in second semester of 2017 by using cash from operating activities.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily RUB. This provides an economic hedge without a need to enter into derivative contracts.

Failure to generate significant cost savings and margin improvement through initiatives for improving operational efficiencies could adversely affect Group's profitability and the Group's ability to achieve its financial goals.

The nature of the risks to which the Company is exposed to, is not expected to change significantly during the second half of 2017. The principal risks and uncertainties faced by the Company are further elaborated in Notes 1 and 11 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

6. Other substantial information which affects or could affect the assessment or evaluation regarding profits and losses, the prospects and trends of the operations and gain or loss of important contracts or co-operations

SUN TRADE (INTERNATIONAL) LIMITED, WORLDOOR LIMITED and SUN Interbrew Plc were parties to a Trademark and Services Deed of October 26, 2005 (the 'Deed'), pursuant to which SUN Trade, as the owner of the name "SUN" and certain registered trademarks had granted to SUN Interbrew Plc an exclusive license to use the name "SUN" and certain registered trademarks in connection with the production, packaging, sale, marketing and distribution of beer or related products in a geographical region which includes Russia and Ukraine. On June 9, 2017 the parties to the Deed decided its termination. According to the termination deed, Sun Interbrew Plc may use the name "SUN" and the registered trademarks for a transitional term of 24 months following the termination date.

Anheuser-Busch InBev, the parent company and ultimate controlling party of Sun Interbrew Plc, of the Russian registered JSC SUN InBev and of the Ukrainian registered PJSC SUN InBev Ukraine has reached a non-binding agreement with Anadolu Efes, the leading brewer in Turkey, regarding a 50:50 merger of AB InBev's and Anadolu Efes' existing Russia and Ukraine businesses. The announcement of this non-binding agreement follows AB InBev's acquisition of a 24% stake in Anadolu Efes as part of the company's combination with SABMiller, which was completed in October 2016. The transaction remains conditional on the completion of satisfactory due diligence and is subject to regulatory approvals in Russia and Ukraine. This intended combination of the companies' operations in Russia and Ukraine would strengthen the competitive position of both AB InBev's and Anadolu Efes' brands in these markets, with the potential for further growth. The combined business' ambitions would be to lead the Russian and Ukrainian markets, with a diverse portfolio of brands and a broader range of beers for consumers. In addition, the combination would enhance AB InBev's existing relationship with Anadolu Efes and the value of its stake in Anadolu Efes. This intended combination of operations in Russia and Ukraine would strengthen the competitive position of both AB InBev's and Anadolu Efes' brands in these markets, with the potential for further growth. The combined business' ambitions would be to lead the Russian and Ukrainian markets, with a diverse portfolio of brands and a broader range of beers for consumers. In addition, the combination would enhance AB InBev's existing relationship with Anadolu Efes and the value of its stake in Anadolu Efes.

Both AB InBev and Anadolu Efes will work towards agreeing binding transaction documents in due course and further announcements will be made as the process progresses, with the completion of the transaction anticipated to complete by the end of first half in 2018. The legal form and structure of the participation of Sun Interbrew Plc in the intended combination of the companies' operations in Russia and Ukraine is yet to be decided.

The Group relies on the reputation of its brands and its success depends on its ability to maintain and enhance the image and reputation of its existing products and to develop a favourable image and reputation for new products. An event, or series of events, that materially damages the reputation of one or more of Group' s brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Further, any restrictions on the permissible advertising style, media and messages used or the introduction of similar restrictions may constraint Group's brand building potential and thus reduce the value of its brands and related revenues.

Following from the above, the Group may not be able to continue to protect in the same degree its current and future brands and products and defend its intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how, which could have a material adverse effect on its business, results of operations, cash flows or financial condition, and in particular, on the Group's ability to develop its business.

Certain of the Group's operations depend on independent distributors' or wholesalers' efforts to sell Group's products and there can be no assurance that such distributors will not give priority to Group's competitors. Further, any inability of the Group to replace unproductive or inefficient distributors or any limitations imposed on Group to purchase or own any interest in distributors or wholesalers as a result of contractual restrictions, regulatory changes, changes in legislation or the interpretations of legislation by regulators or courts could adversely impact the Group's business, results of operations and financial condition.

Changes in the availability or price of raw materials, commodities, energy and water could also have an adverse effect on the Group's results of operations to the extent that the Group fails to adequately manage the risks inherent in such volatility, including if Group's hedging and derivative arrangements do not effectively or completely hedge changes in commodity prices.

The Group relies on key third parties, including key suppliers for a range of raw materials for beer and for packaging material. The termination of or material change to arrangements with certain key suppliers or the failure of a key supplier to meet its contractual obligations could have a material impact on Group's production, distribution and sale of beer and have a material adverse effect on Group's business, results of operations, cash flows or financial condition.

Although the Group monitors brewing quality to ensure its high standards, to the extent that one of these key brand names or joint ventures invests in companies in which the Group does not own a controlling interest and Group's licensees are subject to negative publicity, this could have a material adverse effect on Group's business, results of operations, cash flows or financial condition.

Competition in its various markets and increased purchasing power of players in Group's distribution channels could cause Group to reduce pricing, increase capital investment, increase marketing and other expenditures, prevent Group from increasing prices to recover higher cost and thereby cause Group to reduce margins or lose market share. Any dilution of Group's brands as a result of competitive trends could also lead to a significant erosion of Group's profitability. Any of the foregoing could have a material adverse effect on Group's business, financial condition and results of operations. Also, innovation faces inherent risks, and the new products the Group introduces may not be as successful, while competitors may be able to respond faster to the emerging trends, such as the increasing consumer preference for “craft beers” produced by smaller microbreweries.

7. Other substantial information which affects or could affect the assessment or evaluation regarding profits and losses, the prospects and trends of the operations and gain or loss of important contracts or co-operations (continued)

The continued consolidation of retailers in markets in which the Group operates could result in reduced profitability for the beer industry as a whole and indirectly adversely affect Group’s financial results.

The Group could also incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern the Group's operations or the operations of its licensed third parties. Also, public concern about beer consumption and any resulting restrictions may cause the social acceptability of beer and soft drink to decline significantly and consumption trends to shift away from these products, which would have a material adverse effect on Group’s business, financial condition and results of operations.

Negative publicity regarding Group's products and brands or publication of studies indicating a significant risk in using Group’s products generally, or changes in consumer perceptions in relation to Group’s products could adversely affect the sale and consumption of Group’s products and could harm its business, results of operations, cash flows or financial condition.

The beer industry is subject to adverse changes in taxation, which makes up a large proportion of the cost of beer charged to consumers in many jurisdictions. Increases in excise applicable to Group’s products tend to adversely affect Group’s revenue or margins both by reducing overall consumption and by encouraging consumers to switch to other categories of beverages. An increase in beer excise taxes or other taxes could adversely affect the financial results of Group as well as its results of operations.

Furthermore, Group companies may be subject to increased taxation by local authorities or to new or modified taxation regulations and requirements.

Seasonal consumption cycles and adverse weather conditions in the markets in which Group companies operate may result in fluctuations in demand for Group’s products and therefore may have an adverse impact on Group's business, results of operations and financial condition.

8. Related parties’ transactions during the 1st semester of the financial year

The transactions of the Company with related parties are stated under note 12 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

Nicosia, 14 September 2017

'000 Euro	Note	30 June 2017	31 December 2016
Assets			
Non-current assets			
Property, plant and equipment	6	160,810	182,492
Intangible assets	7	56,257	67,030
Available for sale financial assets		105	111
Non-current income tax		1,608	1,768
Deferred income tax assets		67,160	65, 755
Total non-current assets		**285,941**	**317,156**
Current assets			
Inventories	8	59,854	58,429
Loan granted to related party		63,771	778
Current income tax assets		566	593
Trade and other receivables		64,105	63,300
Prepayments		6,301	5,290
Cash and cash equivalents		21,948	103,587
Assets classified as held for sale		8,560	9,339
Total current assets		**225,105**	**241,316**
Total assets		**511,046**	**558,472**
Capital and reserves and liabilities			
Capital and reserves	9		
Share capital		1,809	1,809
Share premium		459,105	459,105
Retained earnings		(187,422)	(169,827)
Translation reserve		(276,619)	(264,106)
Total capital and reserves attributable to the equity holders of the Company		(3,128)	26,981
Non-controlling interest		(775)	(84)
Total capital and reserves		**(3,903)**	**26,897**
Non-current liabilities			
LT Loans and borrowings		61,278	66,540
Employee benefits		151	158
Finance lease liabilities			238
Total non-current liabilities		**61,429**	**66,936**
Current liabilities			
Loans and borrowings	10	180,305	192,102
Trade and other payables		272,886	272,537
Current income tax liabilities		330	-
Total current liabilities		**453,520**	**464,639**
Total liabilities		**514,949**	**531,575**
Total capital and reserves and liabilities		**511,046**	**558,472**

These condensed consolidated interim financial statements were approved by management on 14 September 2017 and were signed on its behalf by:

Denis Khrenov _Chief Executive Officer_ __________

Olesia Sheppard _Chief Financial Officer_ __________

‘000 EUR	**Note**	**6m2017**	**6m2016**
Revenue		288,044	277,541
Cost of sales		(186,270)	(172,755)
Gross profit		**101,774**	**104,786**
Selling, marketing and distribution expenses		(103,396)	(103,564)
General and administrative expenses		(7,432)	(18,419)
Other expenses, net		893	2719
Non-recurring impairment losses		(5,397)	-
Results from operating activities		**(13,559)**	**(14,478)**
Finance income		840	631
Finance costs		(7,178)	(9,400)
Net finance costs		**(6,337)**	**(8,769)**
Loss before income tax		**(19,896)**	**(23,247)**
Income tax credit		1,609	4,238
Loss for the year		**(18,287)**	**(19,009)**
Other comprehensive income/(loss)			
Foreign currency translation differences		(12,512)	(1,935)
Other comprehensive loss for the year		**(12,512)**	**(1,935)**
Total comprehensive loss for the year		**(30,799)**	**(17,074)**
Loss attributable to:			
Owners of the Company		(17,595)	(17,918)
Non-controlling interests		(692)	(1,091)
Loss for the year		**(18,287)**	**(19,009)**
Total comprehensive loss attributable to:			
Owners of the Company		(30,108)	(15,982)
Non-controlling interests		(691)	(1,092)
Total comprehensive loss for the year		**(30,799)**	**(17,074)**
Loss per share			
Basic and diluted loss per share (EUR)		**(0,15)**	**(0,15)**

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 21.

	Attributable to equity holders of the Company						
'000 Euro	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Total**	**Minority interest**	**Total**
Balance at 1 January 2016	**1,809**	**459,105**	**(147,688)**	**(270,968)**	**42,258**	**1,306**	**43,564**
Loss for the period	-	-	(21,996)	-	**(38,798)**	(2,762)	**(41,560)**
	-	-	(143)	-	**(143)**	-	**(143)**
Foreign currency translation difference	-	-	-	6,862	**6,862**	(2)	**6,860**
Total comprehensive loss for the period	**-**	**-**	**(22,139)**	**6,862**	**(15,277)**	**(1,390)**	**(16,667)**
Balance at 30 June 2016	**1,809**	**459,105**	**(169,827)**	**(264,106)**	**26,980**	**(84)**	**26,896**

	Attributable to equity holders of the Company						
'000 Euro	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Total**	**Minority interest**	**Total**
Balance at 1 January 2017	**1,809**	**459,105**	**(169,827)**	**(264,106)**	**26,980**	**(84)**	**26,896**
Loss for the period	-	-	(17,595)	-	**(17,595)**	(692)	**(18,287)**
	-	-					
Foreign currency translation difference			-	(12,513)	**(12,513)**	1	**(12,512)**
Total comprehensive loss for the period	-	-	**(17,595)**	**(12,513)**	**(30,108)**	**(691)**	**(30,799)**
Balance at 30 June 2017	**1,809**	**459,105**	**(187,422)**	**(269,032)**	**(3,127)**	**(775)**	**(3,903)**

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 21.

'000 EUR	**Note**	**6m2017**	**6m2016**
Cash flows from operating activities			
Loss for the year		**(18,287)**	**(19,009)**
Adjustments for:			
Depreciation and amortisation		34,670	25,927
Impairment losses on property, plant and equipment		159	75
Loss on disposal of property, plant and equipment	6	(794)	579
Interest expense, net of interest income		6,251	8,784
Unrealized foreign exchange loss		(1,639)	(7,357)
Income tax credit	5	(1,609)	(4,238)
Other non-cash items		(430)	(636)
Cash from operating activities before changes in working capital and provisions		**18,322**	**4,125**
Change in inventories		(4,648)	(5,833)
Change in prepayments for current assets		(1,011)	(1,505)
Change in trade and other receivables		(3,369)	(3,783)
Change in trade and other payables		(1,673)	35,723
Change in provisions and employee benefits		(36)	(127)
Cash flows from operations before income taxes and interest paid		**7,585**	**28,600**
Income tax (paid) /recovered		(602)	(20)
Interest paid		(11,874)	(7,663)
Net cash (used in)/generated by operating activities		**(4,891)**	**20,917**
Cash flows from investing activities			
Loans granted		(65,716)	(773)
Loans repaid		2,208	50
Interest received		849	631
Proceeds from sale of property, plant and equipment		1,097	2,577
Proceeds from sale of assets held for sale		-	375
Acquisition of property, plant and equipment	6	(18,192)	(10,314)
Acquisition of intangible assets		(66)	(418)
Payment of finance lease liabilities		(120)	-
Net cash used in investing activities		**(79,940)**	**(7,872)**
Cash flows from financing activities			
Proceeds from borrowings		45,084	42,570
Repayment of borrowings		(41,600)	(22,246)
Other financing costs		6,895	(7,240)
Net cash generated by/ (used in) financing activities		**10,379**	**13,084**
Net increase/(decrease) in cash and cash equivalents		**(74,452)**	**26,129**
Cash and cash equivalents at beginning of the year		96,313	62,254
Effect of exchange rate fluctuations on cash and cash equivalents		86	4,035
Cash and cash equivalents at end of year		**21,948**	**92,418**

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 15 to 21.

1 Background

(a) Business environment

Russian business environment

Emerging markets such as Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

Starting from 2014, sanctions have been imposed in several packages by the U.S. and the E.U. on certain Russian officials, businessmen and companies. This led to reduced access of the Russian businesses to international capital markets.

The impact of further economic and political developments on future operations and financial position of the Group might be significant.

Ukrainian business and political environment

In the recent years, Ukraine has been in a political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. In 2016, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions. These events resulted in higher inflation, devaluation of the national currency against major foreign currencies, decrease of GDP, illiquidity and volatility of financial markets

In 2017, average inflation amounted to 8% comparing to 13.2% in 2016. Despite the fact that the cumulative inflation in Ukraine for the three latest years slightly exceeded 100%, the management believes that the Ukrainian economy is not hyperinflationary due to slowing down of inflation during 2016-2017 and lack of qualitative characteristics of the hyperinflationary economic environment.

The Ukrainian part of the Group business accounts for approximately 25,06 % of total Group revenues and 18,53 % of total Group assets. Apart from the mentioned impact the Group continues its business at Ukraine in usual way. However currently it is difficult to predict how further development of business and political environment in Ukraine could impact business of the Group in future.

(b) Organisation and operations

SUN Interbrew Plc (the “Company”) was redomiciled in Cyprus on December 2010, as a public limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company’s registered office is 1 Lampousas Street, 1095 Nicosia, Cyprus. Before December 2010 the company, was registered under the name “Sun Interbrew Limited” and, was incorporated in Jersey, the Channel Islands.

The majority of the Company’s funding comes from other entities within the group headed by AB InBev. As a result, the Company is economically dependent upon the Group headed by AB InBev. In addition, the activities of the Company are closely linked with the requirements of the Group headed by AB InBev and determination of the pricing of the Group’s services to the Group headed by AB InBev is undertaken in conjunction with other companies in the Group headed by AB InBev. Related party transactions are disclosed in note 12.

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2016.

These Interim Condensed Consolidated Financial Statements have not been audited by the external auditors of the Company.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

The Company's functional currency is the Euro. Items included in the Group's financial statements are measured using the currency of the primary economic environment in which each entity operates. The functional currencies of the Russian and Ukrainian subsidiaries are the Russian Rouble and the Ukrainian Hryvnia, respectively. Management has selected to use the Euro as the presentation currency for the consolidated financial statements. All financial information is presented in thousands of Euro unless stated otherwise and has been rounded to the nearest thousand.

(d) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business The majority of the Group's funding comes from cash generated from its normal operating activities. In addition, when necessary, the Group seeks additional sources of support from within the group of companies headed by Anheuser-Busch InBev (the "Shareholder Group").

The consolidated financial statements do not include any adjustments should the Company be unable to continue as a going concern.

(e) Use of estimates and judgements

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

3 Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended 31 December 2016.

4 Operating segments

(i) Information about reportable segments

For the six-month period ended 30 June 2017

'000 Euro	**Russia**	**Ukraine**	**Total**
External and segment revenue	215,863	72,181	288,044
Inter-segment revenue	-	-	-
Total Revenue	**215,863**	**72,181**	**288,044**

For the six-month period ended 30 June 2016

'000 Euro	**Russia**	**Ukraine**	**Total**
External and segment revenue	204,562	72,979	277,541
Inter-segment revenue	-	-	-
Total Revenue	**204,562**	**72,979**	**277,541**

As at 30 June 2017

'000 Euro	**Russia**	**Ukraine**	**Total**
Assets			
Reportable segment assets	429,533	81,514	511,046
Inter-segment loans issued	288	239	527
Total	**429,821**	**81,753**	**511,573**
Liabilities			
Reportable segment liabilities	425,423	89,527	514,950
Inter-segment borrowings	239	288	527
Total	**425,662**	**89,815**	**515,477**

As at 31 December 2016

'000 Euro	**Russia**	**Ukraine**	**Total**
Assets			
Reportable segment assets	420,129	75,183	495,312
Inter-segment assets	(293)	(383)	(676)
Total	**419,836**	**74,800**	**494,636**
Liabilities			
Reportable segment liabilities	(394,669)	(74,153)	(468,822)
Inter-segment borrowings	383	293	676
Total	**(394,286)**	**(73,860)**	**(468,146)**

(ii) Information about reportable segments

No inter-segment revenue in 2017 is explained by restrictions on trade between the two countries.

- The major change in segment assets of Russia relates to decrease in cash and equivalents in amount of 82,901 thousand Euro (increase for 1,263 thousand Euro in Ukraine), decrease in Trade and other receivables in amount of 1,568 thousand Euro as a result of increase in the number of the clients working at an advance payment in Russia, volume decline, impact of the Trade Law that regulates relationships between retailers and producers.

Seasonal increase in Trade and other receivables in amount of 2,374 thousand Euro for Ukraine. Increase in Deferred tax asset of 1,405 thousand Euro. The change in liabilities is driven by repayment Loans and borrowings of 17,059 thousand Euro.

Income tax expense

Income taxes are based on taxable income and the varying tax rates applicable in Russia, Ukraine, the Netherlands and Cyprus. Certain costs and expenses, including some types of employees' compensation, benefits, and interest, which are included as expenses in the condensed consolidated statement of comprehensive income are not deductible when determining taxable income.

The statutory income tax rate applicable to the Russian companies is 20% (six-month period ended 30 June 2016: 20%). The statutory income tax rate applicable to the Ukrainian companies is 18% (six-month period ended 30 June 2016: 18%). The statutory income tax rate applicable to the Cyprus companies is 12.5% (six-months ended 30 June 2016: 12.5%)

For the six-month period ended 30 June **'000 Euro**	**2017**	**2016**
Current tax	(1,018)	(689)
Deferred income tax	2,627	4,927
	1,609	**4,238**

5 Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2017 the Company acquired assets with a cost, excluding capitalized borrowing costs, of 18,192 thousand Euro (six-month period ended 30 June 2016: 12,333 thousand Euro).

Assets with a carrying amount of 445 thousand Euro were disposed of during the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: 4,385 thousand Euro), resulting in a gain on disposal of 871 thousand Euro (gain on disposal six-month period ended 30 June 2016: 1,132 thousand Euro), which is included in other income.

Capital commitments

As at 30 June 2017 the Company had contracts to purchase property, plant and equipment for about 6,548 thousand Euro (31 December 2016: 3,850 thousand Euro); delivery is expected during one-year period.

6 Intangible assets

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each CGU and the related impairment losses recognised are as follows:

'000 Euro	**Goodwill 30 June 2017**	**Impairment 30 June 2017**	**Goodwill 2016**	**Impairment 2016**
Russian operating segment	47,264	(5,012)	49,995	-
Ukrainian operating segment	-	-	-	-
	47,264	**(5,012)**	**4,238**	**4,238**

7 Inventories

During the six-month period ended 30 June 2017 an impairment loss of 8 thousand Euro has been recognized including 3 thousand Euro in Russia and 5 thousand Euro in Ukraine (six-month period ended 30 June 2016: 11 thousand Euro in Russia). The impairment is included in cost of sales and selling, marketing and distribution expenses in the condensed consolidated interim statement of comprehensive income.

8 Share Capital and Premium

The authorized share capital of the Group is comprised of 125.278.614 Class A shares (with no right to vote) and 30.000.000 Class B shares (with right to vote) with nominal par value of one 0,01 GBP each. The issued share capital is comprised of 88.832.710 Class A shares and 27.796.220 Class B shares with a nominal value of one 0,01 GBP. All issued shares are fully paid.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of shares. Share premium account can only be resorted to limited purposes, which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

9 Loans and borrowings

				30 June 2017		**31 December 2016**	
'000 EUR	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Non-current loan from an entity under common control	USD	4.945%	2018	61,277	61,277	66,450	66,450
Bank overdraft	EUR	6.15% - 6.80%	n/a	6	6	7,274	7,274
Current loans from banks	UAH	11.3% - 12.5%	2017	10,575	10,575	16,181	16,181
Current loans from an entity under common control	RUB	Mosprime + 2%	2017*	154,076	154,076	161,414	161,414
Current loans from an entity under common control	USD	Libor + 2%	2017*	-	-	586	586
Current loans from an entity under common control	EUR	8.2%	2017	7,507	7,507	7	7
Current interest payable	N/A	N/A	N/A	8,147	8,147	6,640	6,640
Total interest-bearing liabilities				**241,588**	**241,588**	**258,642**	**258,642**

During the six-month period ended 30 June 2017 there were no new issuances of loans and borrowings.

10 Taxation contingencies

(a) Taxation contingencies in the Russian Federation

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions.

11 Taxation contingencies (continued)

(a) Taxation contingencies in the Russian Federation (continued)

However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(b) Taxation contingencies in Ukraine

The Company performs a significant part of its operations in Ukraine and therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation which may be applied retroactively, open to wide interpretation and in some cases are conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and between the Ministry of Finance and other state authorities are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These facts create tax risks substantially more significant than typically found in countries with more developed systems. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

12 Related party transactions

(a) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs:

For the six-month period ended 30 June **'000 Euro**	**2017**	**2016**
Salaries and bonuses	959	91
Contributions to State pension fund	126	7
Other service benefits provided	82	10
	1,167	**121**

(b) Other transactions

The Company has entered into various service agreements with other entities controlled by AB InBev. These services include management support, general technical assistance, provision of loans, publicity, marketing, use of brands and various other services. The amount of the service fees is agreed annually between the parties. During the six-month period ended 30 June 2017 service expenditures and royalties amounted to 11,251 thousand Euro (six-month period ended 30 June 2016: 11,132 thousand Euro) under these agreements. Interest expense charged by related parties amounted to 12,190 thousand Euro (six-month period ended 30 June 2016: 7,569 thousand Euro).

12 Related party transactions (continued)

(b) Other transactions (continued)

The outstanding balances with related parties were as follows:

'000 Euro	**30 June 2017**	**31 December 2016**
Trade receivable from entities under common control	6,177	5,150
Trade payables to the entities under common control	(36,204)	(30,469)
Loan granted to an entity under common control	63,771	778
Current loans from entities under common control	(161,582)	(162,179)
Interest payable to the entities under common control	(7,963)	(6,468)
Non-current loans from entities under common control	(61,277)	(66,540)
	(197,078)	**(259,728)**

13 Events after the balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of the consolidated financial statements.