22 September, 2016.

Lefkosia, Cyprus.

ANNOUNCEMENT

Re: Approval and Publication of the Half-Yearly Financial Report of SUN Interbrew Plc, regarding the first semester of 2016 (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 2016, 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 2016, 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 "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:

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NAP Regulatory Compliance Services Ltd
Regulatory Compliance Officer for the Company

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Email: info@napcompliance.com

CC: Cyprus Securities and Exchange Commission

SUN Interbrew Plc

HALF YEARLY FINANCIAL REPORT 2016

which includes the

**Non-Audited, Interim Condensed Consolidated Financial Statements
for the six-month period ended 30 June 2016**

Contents

Board of Directors and other officers (22 September 2016)

Board of Directors

Nand Lal Khemka - Director (Chairman of the Board)
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
Uday Harsh Khemka - Director
Timur Miretskyy - Director
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

The Half-Yearly Financial Report 2016, including the Non-Audited, Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2016 was approved by the Board of Directors on the 22nd of September 2016.

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 2016

In accordance with the provisions of Section 10, sub- sections (3) (c)) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law 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 2016 (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
Nand Lal Khemka - Chairman	
Denis Khrenov – Director and Chief Executive Officer	
Shiv Vikram Khemka – Director	
Uday Harsh Khemka – Director	
Timur Miretskyy - Director	
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 2016.

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.

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

In 2016, 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 2016, with the Group’s volumes down approximately 2% as compared to the corresponding period in 2015, due mainly to market share loss. However, we estimate that we continue to gain share in Premium/Super Premium brands, led by the Budweiser beer brand. Management’s focus continues to be the premiumization of our portfolio and striking the optimal balance between volume, revenue and profitability. In Ukraine, beer volumes declined by 3% in the first half of 2016 as compared to the corresponding period in 2015, with weak industry performance due to the continuing repercussions of the severe political situation and tensions.

Revenue increased organically by 10,1% in the first half of 2016 as compared to the first half of 2015. Meanwhile Cost of sales increased organically by 18,7% for the corresponding period. EBITDA[1] organically decreased by 19,4% in the first half of 2016 with a margin of 13.8%, a decrease of 500 basis points as compared to the corresponding period in 2015. Net finance costs were 9,400 thousand Euro in the first half of 2016 as compared to 30,942 thousand Euro in the first half of 2015. Normalized losses attributable to equity holders decreased in nominal terms to 19,009 thousand Euro in the first half of 2016 as compared to 41,560 thousand Euro in the first half of 2015, mainly due to decrease in finance costs. Normalized earnings per share (EPS) was -0.15 Euro in the first half of 2016 compared with -0.33 Euro in the first half of 2015.

On 30 June 2016 the total assets of the Group were 494,636 thousand Euro (30 June 2015: 789,693 thousand Euro) and the net assets were 26,490 thousand Euro (30 June 2015: net assets 111,719 thousand Euro). The total assets of the Group and net assets on the 31st of December 2015 were respectively 443,544 thousand Euro and 43,564 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 2016

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

[1] Earnings Before Interest, Taxes, Depreciation and Amortization

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 2016:

- for beer with alcohol 0,51% - 8,6 % - to 20 RUB/ litre (in 2015 - 18 RUB/ litre);
- for beer with alcohol over 8,61% - to 37 RUB/ litre (in 2015 - 31 RUB/ litre).

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

Change in retail legislation in 2016 decreased retail retro-bonus down to 5% of price (was 10%) starting from the 1st January 2017. The change does not impact interim Group results.

(b) Ukraine

Parliament approved the state budget and adopted changes to the Tax Code of Ukraine in 2016 as follows:

- The excise beer duty rate was 100% increased to 2,48 UAH/ litre (in 2015 – 1,24 UAH / litre).
- Monthly advanced Corporate Income Tax payments are eliminated, but quarterly reporting and tax payment terms shall be established for the majority of taxpayers. Reporting period for 2015 is annual tax return.
- Personal income tax rate will be 18% for most types of income instead of 15%/20%.
- Unified Social Contribution (USC) will be paid only by the employer. Employees are relieved from paying of this contribution.
- The general USC rate will be only 22% (except for special decreased rates for contributions regarding disabled people, etc.). USC rate was 37,18% in 2015.
- Local authorities will approve the property tax rate, but not higher than 3% of the amount of the minimal wage established by the legislation as of January 1 of the reporting (tax) year per 1 sq. m. of the tax base.

Currency restrictions

On 30 December 2015, the Board of the National Bank of Ukraine ("NBU") adopted Resolution No. 996 ("Resolution"). The Resolution amends certain rules for registration of loan agreements with non-residents on a permanent basis, specifically:

- Cancels temporary ban on registration of amendments to loan agreements with non-residents regarding replacement of creditor/debtor.
- Toughens the requirements for documents submitted to register loan agreements (additional documents would be needed in certain cases).
- Strengthens the control requirements during loan agreements registration procedure, particularly:
  - Mandates that banks thoroughly check risks related to loans from non-residents.
  - Sets out the 30-day term for the NBU to consider additional documents related to loan agreements.
  - Extends the general term for considering registration documents related to loans from non-residents in a bank and the NBU.

Interim Management Report (continued)

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 2016

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 2016. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise 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 2016 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 2016. 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.

Interim Management Report (continued)

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

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.

Interim Management Report (continued)

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, 22 September 2016

'000 Euro	Note	30 June 2016	31 December 2015
Assets			
Non-current assets			
Property, plant and equipment	6	166,655	171,876
Intangible assets	7	59,572	54,139
Available for sale financial assets		100	89
Non-current income tax		1,855	1,984
Deferred income tax assets		62,035	51, 978
Total non-current assets		**290,217**	**280,066**
Current assets			
Inventories	8	52,508	46,675
Loan granted to related party		773	-
Current income tax assets		493	1,044
Trade and other receivables		42,759	38,976
Prepayments		6,402	4,898
Cash and cash equivalents		92,418	62,254
Assets classified as held for sale		9,066	9,631
Total current assets		**204,419**	**163,478**
Total assets		**494,636**	**443,544**
Capital and reserves and liabilities			
Capital and reserves	9		
Share capital		1,809	1,809
Share premium		459,105	459,105
Retained earnings		(165,606)	(147,688)
Translation reserve		(269,032)	(270,968)
Total capital and reserves attributable to the equity holders of the Company		**26,276**	**42,258**
Non-controlling interest		214	1,306
Total capital and reserves		**26,490**	**43,564**
Non-current liabilities			
Employee benefits		103	108
Total non-current liabilities		**103**	**108**
Current liabilities			
Loans and borrowings	10	188,836	156,304
Trade and other payables		278,960	243,363
Current income tax liabilities		247	205
Total current liabilities		**468,043**	**399,872**
Total liabilities		**468,146**	**399,980**
Total capital and reserves and liabilities		**494,636**	**443,544**

These condensed consolidated interim financial statements were approved by management on 22 September 2016 and were signed on its behalf by:
Denis Khrenov *Chief Executive Officer*
Olesia Sheppard *Chief Financial Officer*

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 14 to 20.

'000 EUR	**Note**	**2016**	**2015**
Revenue		277,541	305,634
Cost of sales		(172,755)	(189,270)
Gross profit		**104,786**	**116,364**
Selling, marketing and distribution expenses		(103,564)	(108,215)
General and administrative expenses		(18,419)	(25,642)
Other expenses, net		2,719	(1,645)
Results from operating activities		**(14,478)**	**(19,138)**
Finance income		631	268
Finance costs		(9,400)	(30,942)
Net finance costs		**(8,769)**	**(30,674)**
Loss before income tax		**(23,247)**	**(49,812)**
Income tax credit		4,238	8,252
Loss for the year		**(19,009)**	**(41,560)**
Other comprehensive income/(loss)			
Foreign currency translation differences		1,935	(19,255)
Other comprehensive loss for the year		**1,935**	**(19,255)**
Total comprehensive loss for the year		**(17,074)**	**(60,815)**
Loss attributable to:			
Owners of the Company		(17,918)	(38,798)
Non-controlling interests		(1,091)	(2,762)
Loss for the year		**(19,009)**	**(41,560)**
Total comprehensive loss attributable to:			
Owners of the Company		(15,982)	(58,053)
Non-controlling interests		(1,092)	(2,762)
Total comprehensive loss for the year		**(17,074)**	**(60,815)**
Loss per share			
Basic and diluted loss per share (EUR)		**(0,15)**	**(0,33)**

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 14 to 20.

	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 2015	**1,809**	**459,105**	**(44,811)**	**(252,223)**	**163,880**	**8,654**	**172,534**
Loss for the period	-	-	(38,798)	-	**(38,798)**	(2,762)	**(41,560)**
Foreign currency translation difference	-	-	-	(19,255)	**(19,255)**	-	**(19,255)**
Total comprehensive loss for the period	-	-	**(38,798)**	**(19,255)**	**(58,053)**	**(2,762)**	**(60,815)**
Balance at 30 June 2015	**1,809**	**459,105**	**(83,609)**	**(271,478)**	**105,827**	**5,892**	**111,719**

	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	-	-	(17,918)	-	**(17,918)**	(1,091)	**(19,009)**
Foreign currency translation difference	-	-	-	1,936	**1,936**	(1)	**1,935**
Total comprehensive loss for the period	-	-	**(17,918)**	**1,936**	**(15,982)**	**(1,092)**	**(17,074)**
Balance at 30 June 2016	**1,809**	**459,105**	**(165,606)**	**(269,032)**	**26,276**	**214**	**26,490**

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 14 to 20.

'000 EUR	**Note**	**2016**	**2015**
Cash flows from operating activities			
Loss for the year		**(19,009)**	**(41,560)**
Adjustments for:			
Depreciation and amortisation		25,927	30,238
Impairment losses on property, plant and equipment		75	29
Loss on disposal of property, plant and equipment	6	579	1,035
Interest expense, net of interest income		8,784	23,938
Unrealized foreign exchange loss		(7,357)	(484)
Income tax credit	5	(4,238)	(8,252)
Other non-cash items		(636)	475
Cash from operating activities before changes in working capital and provisions		**4,125**	**5,419**
Change in inventories		(5,833)	(3,624)
Change in prepayments for current assets		(1,505)	(1,695)
Change in trade and other receivables		(3,783)	(9,309)
Change in trade and other payables		35,723	77,029
Change in provisions and employee benefits		(127)	(926)
Cash flows from operations before income taxes and interest paid		**28,600**	**66,894**
Income tax (paid) /recovered		(20)	(363)
Interest paid		(7,663)	(21,238)
Net cash (used in)/generated by operating activities		**20,917**	**45,293**
Cash flows from investing activities			
Loans granted		(773)	-
Loans repaid		50	-
Interest received		631	273
Proceeds from sale of property, plant and equipment		2,577	1,294
Proceeds from sale of assets held for sale		375	654
Acquisition of property, plant and equipment	6	(10,314)	(18,388)
Acquisition of intangible assets		(418)	(203)
Net cash used in investing activities		**(7,872)**	**(16,370)**
Cash flows from financing activities			
Proceeds from borrowings		42,570	13,037
Repayment of borrowings		(22,246)	(46,354)
Other financing costs		(7,240)	(3,828)
Net cash generated by/ (used in) financing activities		**13,084**	**(37,145)**
Net increase/(decrease) in cash and cash equivalents		**26,129**	**(8,222)**
Cash and cash equivalents at beginning of the year		62,254	148,901
Effect of exchange rate fluctuations on cash and cash equivalents		4,035	722
Cash and cash equivalents at end of year		**92,418**	**141,401**

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 14 to 20.

1 Background

(a) Business environment

The Russian Federation and Ukraine have been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation and Ukraine involve risks that typically do not exist in other markets. In addition, the contractions in the capital and credit markets and its impact on the Russian and Ukrainian economies have further increased the level of economic uncertainty in the environment. These consolidated financial statements reflect management's assessment of the impact of the Russian and Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(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 2015.

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 2015.

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 2015.

4 Operating segments

(i) Information about reportable segments

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**

For the six-month period ended 30 June 2015

'000 Euro	**Russia**	**Ukraine**	**Total**
External and segment revenue	229,922	77,026	306,948
Inter-segment revenue	(1,314)	-	(1,314)
Total Revenue	**228,608**	**77,026**	**305,634**

As at 30 June 2016

'000 Euro	**Russia**	**Ukraine**	**Total**
Assets			
Reportable segment assets	420,129	75,183	495,312
Inter-segment loans issued	(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)**

As at 31 December 2015

'000 Euro	**Russia**	**Ukraine**	**Total**
Assets			
Reportable segment assets	356,892	87,880	444,772
Inter-segment assets	(839)	(389)	(1,228)
Total	**356,053**	**87,491**	**443,544**
Liabilities			
Reportable segment liabilities	(327,307)	(73,901)	(401,208)
Inter-segment borrowings	389	839	1,228
Total	**(326,918)**	**(73,062)**	**(399,980)**

(ii) Information about reportable segments

No inter-segment revenue in 2016 is explained by restrictions on trade between the two countries. The major change in segment assets of Russia relates to increase in cash and equivalents in amount of 32,500 thousand Euro (decrease for 2,325 in Ukraine), seasonal increase in Trade and other receivables in amount of 11,236 thousand Euro and increase in Deferred tax asset for 10,000 thousand Euro. There was also a decrease in Property, plant and equipment in Ukraine. The change in liabilities is driven by new Loans and borrowings for 42,686 thousand Euro and seasonal increase of Trade and other payables in amount of 32,345 thousand Euro.

5 Income tax expense

Income taxes are provided for 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 2015: 20%). The statutory income tax rate applicable to the Ukrainian companies is 18% (six-month period ended 30 June 2015: 18%). The statutory income tax rate applicable to the Cyprus companies is 12.5% (six-months ended 30 June 2015: 12.5%)

For the six-month period ended 30 June ‘000 Euro	**2016**	**2015**
Current tax	(689)	(603)
Deferred income tax	4,927	8,855
	4,238	**8,252**

6 Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2016 the Company acquired assets with a cost, excluding capitalized borrowing costs, of 12,333 thousand Euro (six-month period ended 30 June 2015: 18,171 thousand Euro).

Assets with a carrying amount of 4,385 thousand Euro were disposed of during the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: 2,110 thousand Euro), resulting in a gain on disposal of 1,132 thousand Euro (gain on disposal six-month period ended 30 June 2015: 1,035 thousand Euro), which is included in other income.

Capital commitments

As at 30 June 2016 the Company had contracts to purchase property, plant and equipment for about 3,850 thousand Euro (31 December 2015: 22,798 thousand Euro); delivery is expected during one-year period.

7 Intangible assets

As at 30 June 2016 management reviewed intangible assets and property, plant and equipment for indications of impairment since the end of 2015 to determine whether a detailed impairment calculation at the end of interim period was required. No such indications were identified. As a result no impairment losses were recognized in the interim financial statement for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: nil).

8 Inventories

During the six-month period ended 30 June 2016 an impairment loss of 11 thousand Euro has been recognized (six-month period ended 30 June 2015: 55 thousand Euro). The impairment is included in cost of sales and selling, marketing and distribution expenses in the condensed consolidated interim statement of comprehensive income.

9 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.

10 Loans and borrowings

				30 June 2016		31 December 2015	
'000 EUR	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Bank overdraft	EUR	6.15% - 6.80%	n/a	7,215	7,215	7,103	7,103
Bank overdraft	RUB	12.80%	n/a	-	-	2,528	2,528
Current loans from banks	UAH	15.5% - 21.5%	2016	4,934	4,934	14,987	14,987
Current loans from an entity under common control	USD	Mosprime + 2%	2016	113,748	113,748	72,775	72,775
Current loans from an entity under common control	USD	Libor 3m + 2%	2016	63,052	63,052	64,297	64,297
Current interest payable	N/A	N/A	n/a	7,102	7,102	4,245	4,245
Total interest-bearing liabilities				**196,051**	**196,051**	**165,935**	**165,935**

During the six-month period ended 30 June 2016 there were no new issuances of loans and borrowings.

11 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**	**2016**	**2015**
Salaries and bonuses	91	100
Contributions to State pension fund	7	9
Other service benefits provided	10	12
	108	**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 2016 service expenditures and royalties amounted to 11,132 thousand Euro (six-month period ended 30 June 2015: 18,613 thousand Euro) under these agreements. Interest expense charged by related parties amounted to 7,569 thousand Euro (six-month period ended 30 June 2015: 22,404 thousand Euro).

12 Related party transactions (continued)

(b) Other transactions (continued)

The outstanding balances with related parties were as follows:

'000 Euro	**30 June 2016**	**31 December 2015**
Other receivable from entities under common control	6,260	4,767
Accounts payable to the entities under common control	(35,585)	(29,937)
Loan granted to an entity under common control	773	-
Current loans from entities under common control	(177,118)	(136,995)
Interest payable to the entities under common control	(6,784)	(4,322)
	(212,454)	**(166,487)**

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.