

INTERBREW PLC

19 September, 2019.

Lefkosia, Cyprus

ANNOUNCEMENT

Re: Approval and Publication of the Half-Yearly Financial Report of Interbrew Plc, regarding the first semester of 2019 (non-audited results)

The Board of Directors of 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 2019, 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 2019, 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.interbrewplc.com/) from where it may be printed, and will be published and made available according to the applicable Transparency legislation and stock exchange rules.

Interbrew Plc contact:

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CC: Cyprus Securities and Exchange Commission

Interbrew Plc

HALF YEARLY FINANCIAL REPORT 2019

which includes the

**Non-Audited, Interim Condensed Consolidated
Financial Statements
for the six-month period ended 30 June 2019**

INTERBREW PLC

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INTERBREW PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors

Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer (“CEO”)
Alexander Balakhnov - Director and Chief Legal Officer and member of Nominations and Remuneration Committee (“CLO”)
Dmytro Shpakov - Director
Inter Jura CY (Directors) Limited – Director and member of Nominations and Remuneration Committee
Inter Jura CY (Management) Limited – Director
Costas Melanides – Independent, non-executive Director and member of the Audit Committee
Marios Chrysanthou – Independent, non-executive Director and Chairman of the Audit Committee
Yuliia Ponomarenko - Director and Chief Financial Officer (“CFO”) (Appointed on 28 February 2019)
Yevhenii Vizhul – Director and Chief Financial Officer (“CFO”) (Resigned on 28 February 2019)

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

INTERBREW PLC

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 2019

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 consolidated financial statements of Interbrew Plc (the "Company") for the six-month period ended 30 June 2019, confirm that, to the best of our knowledge:

a) the Interim Condensed Consolidated Financial Statements which are presented on pages 8 to 11:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union (IAS 34) 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 Interbrew Plc and the undertakings included in the consolidated accounts as a whole, and

(b) the Interim Management Report in pages 5 to 7 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
Alexander Balakhnov - Director and Chief Legal Officer and member of Nominations and Remuneration Committee ("CLO")	
Inter Jura CY (Directors) Limited - Director and member of Nomination and Remuneration Committee	
Inter Jura CY (Management) Limited - Director	
Denis Khrenov - Chairman of the Board, Director and Chief Executive Officer ("CEO")	
Dmytro Shpakov - Director	
Costas Melanides - Independent, non-executive Director and member of the Audit Committee	
Marios Chrysanthou - Independent, non-executive Director and Chairman of the Audit Committee	
Yuliia Ponomarenko - Director and Chief Financial Officer ("CFO")	

INTERBREW PLC

CONSOLIDATED 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 2019.

Principal activities and departure from the going concern basis

1. On 23 March 2018, the Group disposed its ownership interests in its significant subsidiaries in Russia and Ukraine to a related party. Following this date, the Group engaged only to investment holding activities. The Consolidated Financial Statements were prepared on a basis other than that of a going concern. For more information refer to Note 2.

During the year, the following changes to the group structure took place:

On 14 January of 2019, the Group liquidated INTERBREW FINANCE

The Group is in the process of liquidation of SUN BREWERIES (C.I.S.) LTD, ABBERTON CONSULTANTS LTD and DEVIZE INVESTMENTS LIMITED as soon as arrangements can be made.

Review of developments, position and performance of the Group's business

2. The loss of the Group for the six-month period ended 30 June 2019 was EUR 841 thousand (for the six-month period ended 30 June 2018: EUR 1,235 thousand). This is mostly driven by general and administrative expenses and financial costs.

The disposal of the Group's significant subsidiaries on 23 March 2018 resulted to a gain on disposal of EUR 564,487 thousand (Note 15).

There was no other Comprehensive Income for the six-month period ended 30 June 2019 (for the six-month period ended 30 June 2018: EUR 265,580 thousand). The overall positive impact on 2018 resulted from the disposal of the significant subsidiaries of the Group where the accumulated loss previously recognised in the consolidated financial statements was recycled back in other comprehensive income for the year ended December 2018.

On 30 June 2019 the total assets of the Group were EUR 794,522 thousand (on 31 December 2018: EUR 856,261 thousand) and the net assets were EUR 794,452 thousand (on 31 December 2018: EUR 795,443 thousand). The decrease in net assets is attributable to the losses of operating activities of the Group during the six-month period ended 30 June 2019.

The Group did not carry out any research and development activities during the six-month period ended 30 June 2019.

Future developments of the Group

3. At Extraordinary General Meetings of the shareholders of the Group subsidiaries Abberton Consultants Limited (HE 107879), Devize Investments Limited (HE 107880), SUN BREWERIES (C.I.S.) LTD (HE 277914), special resolutions were approved for the voluntary liquidation of these entities, and the liquidation is expected to materialize in the near future.

Results

4. The Group's results for the Half-Year are set out on page 8 of the consolidated financial statements.

Principal Risks and Uncertainties for the second semester of the financial year 2019

5. The principal risks and uncertainties faced by the Group were related with the respective businesses principally involved in the manufacturing, distribution, marketing and sale of Beer in Russia and Ukraine. The Group, following the disposal of its operating subsidiaries, has no risks for the second semester of the financial year 2019.

Share capital

6. The authorised share capital which amounts to GBP 1,552,786 is divided into 125,278,614 class A shares of GBP 0.01 each and 30,000,000 class B shares of GBP 0.01 each.
7. The current number of issued shares is 116,628,930 including A class shares (non-voting) of 88,832,710 and B class shares (voting) of 27,796,220. The titles issued by the Company and their ISIN number are as follows:

	ISIN
144A Class A GDR	US86677C1045
Regulation S EURO Class A GDR	US86677C4015
Regulation S Class A GDR	US86677C3025
144A Class B GDR	US86677C2035
Regulation S Class B GDR	US86677C7083
Class A share	GB0057139940
Class B share	GB0049659120

8. The shares/GDRs are listed on the Luxembourg Stock Exchange.
9. The special rights, restrictions and provisions applicable to the Class A shares are as follows:
- The dividends on the Class A shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the holders of Class B shares.
 - On winding up of the Company, the surplus assets available for distribution shall be distributed proportionately among the holders of the Class A shares and the holders of Class B shares according to the amounts of their respective holdings of such shares in the Company.
 - The holders of the Class A shares have a right to receive notice of and to attend any shareholder meeting of the Company, but do not have a right to vote at shareholders' meetings, other than at class meetings of the holders of Class A shares, which are necessary in respect of certain matters affecting the rights of the holders of Class A shares.
10. Class B shares have no restrictions on voting rights.
11. There was not a change in shareholders structure in 2019.

As of 30 June 2019 the Group, which is beneficially owned by Anheuser-Busch InBev, had the following shareholders' structure:

#	Name	Quantities			%
		A	B	Total	
1	Anheuser-Busch InBev N.V.	1	-	1	0.0000
2	InBev Belgium N.V.	1	-	1	0.0000
3	Brandbrew S.A.	1	-	1	0.0000
4	Interbrew International B.V.	-	1	1	0.0000
5	Worldoor Limited	73,014,377	12,285,318	85,299,695	73.1377
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominees) Limited - London	745,384	-	745,384	0.6391
8	Bank of New York (Nominees) Limited - New York	15,042,401	15,480,356	30,522,757	26.1708
		88,832,710	27,796,220	116,628,930	100.0000

The above shareholding remained unchanged as of five days before the date of approval of these consolidated financial statements.

The shareholders' structure as of 31 December 2018 was as follows:

#	Name	Quantities			%
		A	B	Total	
1	Anheuser-Busch InBev N.V.	1	-	1	0.0000
2	InBev Belgium N.V.	1	-	1	0.0000
3	Brandbrew S.A.	1	-	1	0.0000
4	Interbrew International B.V.	-	1	1	0.0000
5	Worldoor Limited	73,014,377	12,285,318	85,299,695	73.1377
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominees) Limited - London	745,384	-	745,384	0.6391
8	Bank of New York (Nominees) Limited - New York	15,042,401	15,480,356	30,522,757	26.1708
		88,832,710	27,796,220	116,628,930	100.0000

12. It is noted that for a valid transfer of shares to take place, the name of the transferee must be entered in the register of members in respect thereof.

Related party transactions

13. Related parties represent entities under common control and/or ownership.

Related parties may enter into transactions, which unrelated parties may not and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The transactions of the Company with related parties are stated under note 13 of the Non-Audited, Interim Condensed Consolidated Financial Statements.

Board of Directors

14. In the first six months of 2019 (28 February 2019), Ms. Yuliia Ponomarenko replaced Mr. Yevhenii Vizhul in the position of Director and Chief Financial Officer ("CFO"). There were no other significant changes in the composition, distribution of responsibilities or compensation of the Board of Directors.
15. There is no requirement in the Company's Articles of Association for retirement of Directors by rotation, all the Directors remain in office.

16. Directors' interests in the Company's share capital

Directors have no material direct or indirect shareholding in the Company's share capital or share options (including their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting) both at the end of the financial year and 5 days before the date the consolidated financial statements are approved by the board of Directors.

17. Branches

The Group did not operate through any branches during the first semester.

18. Events after the subsequent to the reporting date

There were no material events subsequent to the reporting date, which have a bearing on the understanding of the consolidated financial statements.

INTERBREW PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	6m 2019	6m 2018
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Selling, marketing and distribution expenses ¹		-	-
General and administrative expenses	5	(80)	(77)
Other operating income/(expenses), net		-	-
Non-recurring impairment losses		-	-
Results from operating activities		(80)	(77)
Finance income	6	1,086	1,315
Finance costs	6	(1,847)	-
Net finance costs		(761)	1,315
Loss before income tax		(841)	1,238
Income tax benefit		-	(3)
Loss for the year		(841)	1,235
Discontinued operations			
Profit/(Loss) for the year from discontinued operations		-	-
	15	-	526,263
Profit/(Loss) for the year		(841)	527,498
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising during the year		-	2,169
Reclassification adjustments relating to foreign operations disposed of in the year		-	263,411
Other comprehensive (loss)/income for the year		-	265,580
Total comprehensive loss for the year		(841)	793,078
Loss for the year attributable to:			
Owners of the Company		(841)	528,585
Non-controlling interests		-	(1,087)
Loss for the year		(841)	(527,498)
Total comprehensive income for the year attributable to:			
Owners of the Company		(841)	794,165
Non-controlling interests		-	(1,087)
Total comprehensive loss for the year		(841)	(793,078)
Loss per share			
Basic and diluted loss per share (EUR per share)		(0.01)	(4.53)

Items in other comprehensive income above are disclosed net of tax. There is no significant tax relating to each component of other comprehensive income.

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 8 to 11.

INTERBREW PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	30 June 2019	31 December 2018
Assets			
Non-current assets			
Property, plant and equipment		-	-
Intangible assets		-	-
Available for sale financial assets		-	-
Investments at Fair value through other comprehensive income		-	147
Non-current income tax assets		-	-
Deferred tax assets		-	-
Total non-current assets		-	147
Current assets			
Inventories		-	-
Loan granted to related party		-	-
Current income tax assets		144	148
Trade and other receivables		-	-
Prepayments		-	-
Cash and cash equivalents	14	794,378	855,966
Assets classified as held for sale		-	-
Total current assets		794,522	856,114
Total assets		794,522	856,261
Capital and reserves and liabilities			
Capital and reserves			
	10		
Share capital		1,809	1,809
Share premium		459,105	459,105
Accumulated losses		333,538	334,529
Translation reserve		-	-
Total capital and reserves attributable to the owners of the Company		794,452	795,443
Non-controlling interests		-	-
Total capital and reserves		794,452	795,443
Non-current liabilities			
Long-term loans and borrowings		-	-
Finance lease liabilities		-	-
Employee benefits		-	-
Total non-current liabilities		-	-
Current liabilities			
Loans and borrowings	11	-	60,699
Trade and other payables	12	70	119
Current income tax liabilities		-	-
Total current liabilities		70	60,818
Total liabilities		70	60,818
Total equity and liabilities		794,522	856,261

These consolidated financial statements were approved by the Board of Directors on 19 September 2019 and were signed on its behalf by:

Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO")

Yuliia Ponomarenko – Director and Chief Financial Officer ("CFO")

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 11.

INTERBREW PLC

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Attributable to equity holders of the Company				Non-controlling interests	Total	
	Share capital	Share premium	Retained earnings	Translation reserve			Total
Balance at 1 January 2018	1,809	459,105	(186,880)	(267,400)	6,634	(426)	6,208
Loss for the year	-	-	521,409	-	521,409	(1,819)	519,590
Exchange differences on translations of foreign operations:	-	-	-	-	-	-	-
Exchange differences arising during the year:	-	-	-	3,989	3,989	-	3,989
Reclassification adjustments relating to foreign operations disposed of in the year	-	-	-	263,411	263,411	-	263,411
Total comprehensive (loss)/income for the period	-	-	521,409	267,400	788,809	(1,819)	786,990
Disposal of subsidiaries - derecognition of non-controlling interest	-	-	-	-	-	2,245	2,245
Balance at 30 June 2018	1,809	459,105	334,529	-	795,443	-	795,443
Balance at 1 January 2019	1,809	459,105	334,529	-	795,443	-	795,443
Loss for the year	-	-	(841)	-	(841)	-	(841)
Defined benefit plan actuarial loss	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(841)	-	(841)	-	(841)
Disposal of subsidiaries - derecognition	-	-	(150)	-	(150)	-	(150)
Balance at 30 June 2019	1,809	459,105	333,538	-	794,452	-	794,452

(1) Share premium is not available for distribution in the form of dividend.

(2) Share premium includes an amount of EUR 99,615 thousand which relates to issuance of shares of subsidiaries during a reorganization of the Group before the redomiciliation of the Company to Cyprus.

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 8 to 11

INTERBREW PLC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	6m 2019	6m 2018
Cash flows from operating activities			
Loss for the year		(841)	527,498
<i>Adjustments for:</i>			
Gain on disposal	15		(564,487)
Depreciation and amortization		-	12,863
Reversal of impairment			(6,665)
Impairment losses on property, plant and equipment		-	2,375
Impairment losses on intangible assets		-	11,145
(Gain)/loss on disposal of property, plant and equipment		-	(209)
Interest expense, net of interest income		1,544	4,219
Unrealized foreign exchange (gain)/loss		(783)	1,058
Income tax benefit		-	(1,615)
Other non-cash items		-	(215)
Cash from operating activities before changes in working capital and provisions		(80)	(14,033)
Change in inventories		-	(5,337)
Change in prepayments for current assets		-	(348)
Change in trade and other receivables		-	3,270
Change in trade and other payables		(937)	(22,095)
Cash flows from operations before income tax and interest paid		(1,017)	(38,543)
Interest paid		(1,847)	(529)
Income taxes paid		-	(12,446)
Net cash used in/generated by operating activities		(2,864)	(51,517)
Cash flows from investing activities			
Loans granted		1,672	-
Loans repaid			28
Interest received		303	723
Proceeds from sale of property, plant and equipment		-	287
Net cash flow on disposal of subsidiary	15	-	861,824
Acquisition of property, plant and equipment		-	(6,807)
Proceeds from the sale of intangible assets			13
Net cash used in/generated in investing activities		1,975	856,068
Cash flows from financing activities			
Proceeds from borrowings		-	4,582
Repayment of borrowings		-	(74,007)
Net cash (used in)/generated by financing activities		-	(69,424)
Net increase in cash and cash equivalents		(889)	735,126
Cash and cash equivalents at the beginning of the year		795,267	124,366
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-
Cash and cash equivalents at the end of the year		794,378	859,492

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 8 to 11.

1. BACKGROUND

(a) Organisation and operations

SUN Interbrew Plc (the "Company") was redomiciled in Cyprus in December 2010, as a public limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company's registered office is 1 Lampousa 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. In the 18th of June 2019 the Company was registered under the name "INTERBREW PIC". The Company and its subsidiaries are collectively referred as the "Group". The Group is headed by Anheuser-Busch Inbev (the "Shareholder Group", "ABI").

As at 30 June 2019, 99.16% of the Company's preference shares (Class A) and 100% of the ordinary shares (Class B) were effectively owned by Anheuser-Busch InBev, which is the Company's ultimate parent company and ultimate controlling party (the "Parent"). The Company's immediate parent company is Worldoor Limited (the "Immediate Parent"), a company registered in Cyprus. The Company is listed on the Luxembourg Stock Exchange and has also a global depository receipts program that is listed on the Luxembourg Stock Exchange and admitted to trading on the over-the-counter markets of the Berlin Stock Exchange, Stuttgart Stock Exchange and Frankfurt Stock Exchange.

The Company through a number of holding companies incorporated in Cyprus, Netherlands and Germany had controlling interests in the legal entities registered in Russia and Ukraine, which own 5 breweries and 2 malt plants in the Russian Federation and 3 breweries in Ukraine till the 31 of March 2018. The Board of Directors of the Company approved the sale of its operating subsidiaries to a related party and the sale transaction was executed in March 2018.

The Group manufactured, marketed and distributed beers till the 31 of March 2018. The Group's operations were primary located in the Russian Federation and secondarily in Ukraine. 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 the Shareholder Group. As a result, the Group is economically dependent upon the Shareholder Group. In addition, the activities of the Group are closely linked with the requirements of the Shareholder Group. Basis of preparation

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), the requirements of the Cyprus Companies Law, Cap.113. and the Cyprus Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended.

(b) Departure from the Going concern basis

In August 2017, the ultimate parent company, Anheuser-Busch InBev ("AB InBev"), issued a press release announcing 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. This announcement followed AB InBev's acquisition of a 24% stake in Anadolu Efes as part of the AB InBev's combination with SABMiller, which was completed in October 2016. The merge transaction remained conditional on the completion of satisfactory due diligence and was subject to regulatory approvals in Russia, Ukraine and other regulatory authorities.

The 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. During 2018, the merger transaction was approved by the regulatory authorities and the relevant Framework agreement was concluded and signed by AB InBev Group and Anadolu Efes. As a part of the merger process between AB InBev Group and Anadolu Efes in Russia and Ukraine, the Company disposed of its ownership interests in its operating subsidiaries in Russia and Ukraine. Please refer for further information to Note 15.

Despite the Group's initial intention to continue to explore investment opportunities for acquiring or transferring new operating subsidiaries to the Group, the Shareholder Group management decided to explore alternative options. On 9 November 2018, the Shareholder Group appointed legal counsels to advise on the steps required to delist and ultimately liquidate the Company. As part of this process, a number of the Group's subsidiaries have been liquidated or are in the process of liquidation. This includes: Flexbury Ventures Limited, S.B. Management Services Limited, Interbrew YNTR Holding B.V., Sun Interbrew Finance, Sun Breweries (CIS) Limited, Devize Investments Limited and Abberton Consultants Limited. The management of the Company currently considers the option and feasibility to cease the activities of the Company and distribute the cash held by the Company to its shareholders (possibly through a liquidation of the Company) and to seek a delisting of the shares/GDRs of the Company from the Luxembourg Stock Exchange.

Accordingly, the Group is not going concern and the condensed consolidated interim financial statements have been prepared on a basis other than that of a going concern. The condensed consolidated interim financial statements have been prepared in accordance with IFRSs as adopted by the EU and do not include any provision for the future costs of the liquidation of the Group except to the extent that such costs were committed at the reporting date; while there were no onerous contractual commitments as at the reporting date since the transfer of businesses was effective through the disposal of shares that owned the businesses. In management's opinion, the use of this basis result in the most relevant and reliable financial information which reflect the circumstances existing at the end of the reporting period.

(c) Basis of measurement

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

(d) 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.

(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 2018.

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 2018.

4. OPERATING SEGMENTS

The Group's two reportable segments: breweries in the Russian Federation and breweries in Ukraine, were discontinued in the past year. The segment information reported below includes the investment activities of the Group which include the holding of cash and cash equivalents held in ABI cash pool (Note 14). The Group's reportable segment does not include any amounts relating to the Group's discontinued operations.

Segment assets	2019	2018
For the six-month period ended 30 June		
Investing activities	794,378	855,966

794,378855,966

5. GENERAL AND ADMINISTRATIVE EXPENSES
For the six-month period ended 30 June

'000 EUR	<u>2019</u>	<u>2018</u>
Fixed administrative costs	(80)	(77)
	<u>(80)</u>	<u>(77)</u>

Fixed administrative costs includes tax, legal and financial services.

The number of employees as at 30 June 2019 for continued operations was NIL. The average number of employees for the period up to the date of disposal of operating subsidiaries was 2,060.

6. Finance income and finance costs
For the six-month period ended 30 June

'000 EUR	<u>2019</u>	<u>2018</u>
Interest income on loans and receivables	-	-
Interest income on deposits	303	1,315
Net foreign exchange gain	783	-
Finance income	<u>1,086</u>	<u>1,315</u>
Interest expense on loans and borrowings	(1,847)	-
Net foreign exchange loss	-	-
Other	-	-
Finance costs	<u>(1,847)</u>	<u>-</u>
Net finance costs recognised in profit or loss	<u>(761)</u>	<u>1,315</u>

7. Income tax expense

Income taxes are based on taxable income and the varying tax rates applicable in Netherlands and Cyprus.

The statutory income tax rate applicable to the Cyprus companies is 12.5% (six-months ended 30 June 2018: 12.5%)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

'000 Euro	<u>2019</u>	<u>2018</u>
Current tax	-	(3)
Deferred income tax	-	-
	<u>-</u>	<u>(3)</u>

8. Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2019 the Company did not acquire assets (six-month period ended 30 June 2018: 18,192 thousand Euro for the disposed operating subsidiaries).

Capital commitments

As at 30 June 2019 the Company had not contracts to purchase property, plant and equipment delivery is expected during one-year period.

Impairment loss

As of the disposal date of the operating assets of the Group, the Group made an assessment whether there is any indication that property, plant and equipment may be impaired and concluded that no indications were presented taking into account the internal controls in place and significant profit on disposal.

The impairment loss recognized during 2018 in amount EUR 13,520 thousand relates to impairment of certain individual assets, which mostly represent plant and equipment in Russia and Ukraine and impairment of certain brands and trademarks in the Russian segment. The impairment loss was included into Discontinued operations line in profit or loss for the year (Note 15).

9. Inventories

During the six-month period ended 30 June 2019 an impairment loss has not been recognized (During the six-month period ended 30 June 2018 an impairment loss of 8 thousand Euro has been recognized, the impairment was included into Discontinued operations line in profit or loss for the year).

10. 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.

11. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

'000 EUR	Note	30 June 2019	31 December 2018
Current			
Bank and other overdraft	14	-	60,699
Current loans from bank		-	-
Current loans from related parties		-	-
		<u>-</u>	<u>60,699</u>

Overdraft has no fixed maturity date. Interest rate changed based on 1 month market interest rate plus 0.20%. In 2017 the Group signed a current account agreement with Cobrew, which also includes overdraft facilities.

Out of total interest expense of EUR 1,847 thousand (during the six-month period ended 30 June 2018: Out of total interest expense of EUR 6,698 thousand, EUR 5,383 thousand was recognized as part of the discontinued operations).

During the six-month period ended 30 June 2019 there were no new issuances of loans and borrowings.

12. Trade and other payables

'000 EUR	<u>30 June 2019</u>	<u>31 December 2018</u>
Trade payables	70	119
	<u>70</u>	<u>119</u>

13. 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	<u>2019</u>	<u>2018</u>
Salaries and bonuses	-	626
Contributions to State pension fund	-	79
Other service benefits provided	-	24
	<u>-</u>	<u>729</u>

(b) Other transactions

During the 2018 year the Group disposed its operating subsidiaries to a common control entity at a gain of EUR 564,487 thousand (Note 15).

The outstanding balances with related parties were as follows:

'000 EUR	<u>30 June 2019</u>	<u>31 December 2018</u>
Trade and other receivables	-	-
Trade and other payables	(70)	(120)
Demand Deposits	794,378	855,963
Current borrowings	-	(60,699)
Interest payable on loans	-	-
	<u>794,308</u>	<u>795,144</u>

14. Cash and cash equivalents

'000 EUR	<u>30 June 2019</u>	<u>31 December 2018</u>
Bank and other cash accounts	3	3
Demand deposits	794,375	855,963
Cash and cash equivalents in the consolidated statement of financial position excluding overdrafts used for cash management purposes	<u>794,378</u>	<u>855,966</u>
Overdrafts used for cash management purposes (Note 19)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>794,378</u>	<u>855,966</u>

The demand deposits comprise of:

	<u>Effective Interest</u>	<u>30 June 2019</u>	<u>31 December 2018</u>
Deposits in UAH	11% p.a	-	-
Deposits in RUB	5.7% p.a	-	-
Deposits with Cobrew S.A	1 month market rate minus 0.20%	794,375	855,963
Totals		<u>794,375</u>	<u>855,963</u>

In 2017 the Group signed a current account agreement with Cobrew S.A. (hereinafter «Cobrew»), a related party. This agreement has no fixed maturity date and provides notification period for payments from or deposits to this account of 2 to 5 days. Interest rate applied by Cobrew is based on 1 month market interest rate minus 0.20%.

The Group classifies the balance at Cobrew account as cash and cash equivalent. The net amount of outstanding balance at current account with Cobrew included into cash and cash equivalent in the statement of cash flows for the six-month period ended 30 June 2019 is EUR 794,735 thousand (30 June 2018 was EUR 799,319 thousand).

15. Disposal of subsidiaries

On 23 March 2018, the Group entered into a sale agreement for the disposal of its subsidiaries in Russia and Ukraine, which carried on its operations.

On 8 March 2018 the Board of Directors of the Company approved the sale of its direct and indirect ownership interests in operating subsidiaries in Russia (JSC SUN InBev Russia) and Ukraine (PJSC SUN InBev Ukraine) to AB INBEV WESTERN EUROPEAN HOLDING B.V a fellow subsidiary under common control. The divestment decision was made following the Parent company's decision to merge the ABI Group's operations in Russia and Ukraine with Anadolu Efes.

On 22 March 2018 AB INBEV WESTERN EUROPEAN HOLDING B.V and EFES BREWERIES INTERNATIONAL N.V. entered into a Framework Agreement (the "Framework Agreement"), pursuant to which the parties indicated their intention to contribute their respective businesses principally involved in the manufacturing, distribution, marketing and sale of beer in Russia and Ukraine, into a new entity named AB InBev Efes B.V. incorporated in Netherlands.

On 23 March 2018, the Company entered into a sale agreement with AB INBEV WESTERN EUROPEAN HOLDING B.V, for the sale of its subsidiaries SUN InBev Russia and Bevmar GmbH (direct and indirect interest in the operating subsidiary in Russia) for the consideration of EUR 824,407 thousand. It also sold to the same related party the indirectly held ownership interest in its subsidiary in Ukraine for the consideration of EUR 39,611 thousand. Accordingly, the Company effectively ceased to own its operating subsidiaries in 2018.

The following exchange rates have been applied:

	<u>3 month Average rate 2018</u>	<u>Disposal date rate 2018</u>
RUB for EUR 1	69.96	70.56
UAH for EUR 1	33.56	32.70

(i) Analysis of losses for the year from discontinued operations

	<u>Year ended 31/12/2018</u>			
'000 Euro	RU	UA	Inter-segment	Total
Revenue	65,994	20,242	396	86,632
Cost of sales	(56,806)	(13,228)	(392)	(70,426)

Gross profit	9,188	7,014	4	16,206
Selling, marketing and distribution expenses	(26,233)	(6,321)	(4)	(32,558)
General and administrative expenses	(5,030)	(1,795)	-	(6,825)
Other income (losses), net	132	92	-	224
Non-recurring impairment losses	(11,145)	-	-	(11,145)
Results from operating activities	(33,088)	(1,010)	-	(34,098)
Finance income	360	714	-	1,074
Finance costs	(5,778)	(1,038)	-	(6,816)
Loss before income tax	(38,506)	(1,334)	-	(39,840)
Income tax credit	179	1,437	-	1,616
Loss for the year	(38,327)	103	-	(38,224)
Gain on disposal of operation including cumulative exchange gain				564,487
Attributable income tax expense				-
Profit/(loss) for the year from discontinued operations				526,263
Profit/(loss) for the year from discontinued operations attributable to:				
Owner of the Company				528,082
Non-controlling interests				(1,819)
				526,263

(ii) Cash flows from discontinued operations

'000 Euro	Year ended 31/12/18		
	RU	UA	Total
Net cash inflows from operating activities	15,950	(6,138)	9,812
Net cash inflows investing activities	(3,129)	(3,531)	(6,660)
Net cash outflows from financing activities	(71,474)	2,086	(69,388)
Net cash inflows	(58,653)	(7,583)	(66,236)

15.1 Consideration received

Year ended
31/12/2018

Consideration received in cash and cash equivalents	864,018
Total consideration received	<u>864,018</u>

15.2 Analysis of asset and liabilities over which control was lost

				Year ended 31/12/2018
	RU	UA	Cons	KEUR
Non-current assets				
Property, plant and equipment	130,542	46,819	-	177,361
Intangible assets	2,556	448	-	3,004
Available for sale financial assets	45	1	-	46
Goodwill	45,213	-	-	45,213
Deferred income tax assets	55,592	10,580	-	66,172
Current assets				
Inventories	47,610	11,128	-	58,738
Current income tax assets	417	1,404	-	1,821
Trade and other receivables	47,459	8,403	(581)	55,281
Prepayments	4,812	748	-	5,560
Cash and cash equivalents	2,229	1,240	-	3,469
Non-current liabilities				
Employee benefits	-	(165)	-	(165)
Current liabilities				
Loans and borrowings	(122,544)	(23,376)	-	(145,920)
Bank overdrafts	-	(1,275)	-	(1,275)
Trade and other payables	(171,124)	(64,887)	581	(235,430)
Net assets disposed of				<u>33,875</u>

15.3 Gain on disposal of subsidiary

	Year ended 31/12/2018
Consideration received	864,018
Non-controlling interests	(2,245)
Net assets disposed of	(33,875)
Cumulative exchange gain in respect of net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries	(263,411)
Gain on disposal	<u>564,487</u>

The gain on disposal is included in the profit for the year from discontinued operations.

15.4 Net cash inflow on disposal of subsidiary

Year ended
31/12/2018

Consideration received in cash and cash equivalents
Less: cash and cash equivalent balances disposed of

864,018
(2,194)

861,824

16. 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.