

SUN Interbrew Plc

**Condensed Consolidated Interim Financial Statements
for the six-month period ended 30 June 2011**

Contents

Board of directors and other officers	3
Report of the Board of Directors	4
Condensed Consolidated Interim Statement of Financial Position	6
Condensed Consolidated Interim Statement of Comprehensive Income	7
Condensed Consolidated Interim Statement of Changes in Equity	8
Condensed Consolidated Interim Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	10

Board of Directors and other officers

Board of Directors

Tunc Mustafa Cerrahoglu
Franciso de Sa Neto
Andrii Gubka
Nand Khemka
Shiv Khemka
Khamzat Khasbulatov
Christopher Lloyd
Uday Khemka
Denis Khrenov
Anna Gorodilova
Lyudmila Nakonechnaya
Matias Tavella
Elena Vaschuk

Company Secretary

Inter Jura CY (Services) Ltd
1 Lampousas Street
CY-1095 Nicosia
Cyprus

Registered office

1 Lampousas Street
CY-1095 Nicosia
Cyprus

Report of the Board of Directors

The Board of Directors presents its report together with the condensed financial statements of the Company and its subsidiaries (the “Group”) for the six-months ended 30 June 2011.

1. Principal activities

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

The loss of the Group for the six-months ended 30 June 2011 was 54,101 thousand Euro (six-months ended 30 June 2010: profit of 2,071 thousand Euro). On 30 June 2011 the total assets of the Group were 1,809,105 thousand Euro (31 December 2010: 1,753,541 thousand Euro) and the net assets were 594,300 thousand Euro (31 December 2010: net assets 661,370 thousand Euro). The financial position, development and performance of the Group as presented in these financial statements are considered satisfactory.

3. Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in Notes 1 and 11 of the financial statements.

4. Future developments of the Group

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Group in the foreseeable future.

5. Results

The Group's results for the year are set out on page 7. The Board of Directors does not propose the payment of a dividend (six months ended 30 June 2010: nil).

6. Dividends

No dividends were recommended by the Board of Directors.

7. Share capital

There were no changes in the share capital of the Group during the six month ended 30 June 2011. The authorized share capital which amounts to 1,552,786 GBP is divided into 125,270,614 class A shares of 0.01 GBP each and 30,000,000 class B shares of 0.01 GBP each.

8. Board of Directors

The members of the Board of Directors at 31 December 2010 and at the date of this report are shown on page 3. All of them were members of the Board throughout the six month ended 30 June 2011.

9. Corporate Governance

The Board of Directors is subject to the provisions of the corporate governance charter, adopted by the Board of Directors at the meeting of the Board of Directors held on 13 October 2010.

The Group has voluntarily applied corporate governance practices, mentioned in the Corporate Governance charter, which is available to public on Group's website www.suninterbrew.com

10. Events after the balance sheet date

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

11. Branches

The Group did not operate through any branches during the period.

By Order of the Board
Matias Tavella,



Chief Financial Officer



'000 Euro	Note	30 June 2011	31 December 2010
Assets			
Non-current assets			
Property, plant and equipment	6	694,664	731,191
Intangible assets	7	136,203	139,503
Investments		194	196
Deferred tax assets		18,150	8,144
Total non-current assets		849,211	879,034
Current assets			
Inventories	8	140,032	116,484
Loan granted to related party		661,339	653,893
Current tax assets		6,935	11,774
Trade and other receivables		64,729	53,744
Prepayments		5,018	6,558
Cash and cash equivalents		81,841	32,054
Total current assets		959,894	874,507
Total assets		1,809,105	1,753,541
Equity and liabilities			
Equity			
	9		
Share capital		1,809	1,809
Share premium		459,105	459,105
Retained earnings		349,610	397,533
Translation reserve		(253,686)	(242,902)
Total equity attributable to the equity holders of the Company		556,838	615,545
Non-controlling interest		37,462	45,825
Total equity		594,300	661,370
Non-current liabilities			
Loans and borrowings	10	656,841	656,688
Trade and other payables		274	-
Employee benefits		183	199
Deferred income tax liabilities		-	1,904
Total non-current liabilities		657,298	658,791
Current liabilities			
Loans and borrowings	10	86,812	74,566
Trade and other payables		469,969	358,814
Current tax liabilities		726	-
Total current liabilities		557,507	433,380
Total liabilities		1,214,805	1,092,171
Total equity and liabilities		1,809,105	1,753,541

SUN Interbrew Plc
Condensed Consolidated Interim Statement of Comprehensive Income
for the six-month period ended 30 June 2011

For the six-month period ended 30 June

'000 Euro	Note	2011	2010
Revenue		597,988	552,731
Cost of sales		<u>(350,736)</u>	<u>(314,041)</u>
Gross profit		247,252	238,690
Selling, marketing and distribution expenses		(227,645)	(189,298)
General and administrative expenses		(53,055)	(37,934)
Other income, net		<u>(1,344)</u>	<u>608</u>
Results from operating activities		(34,792)	12,066
Finance income		2,323	7,562
Finance costs		<u>(31,364)</u>	<u>(10,272)</u>
Net finance costs		(29,041)	(2,710)
Profit before income tax		(63,833)	9,356
Income tax expense	5	<u>9,732</u>	<u>(7,285)</u>
Profit for the period		<u>(54,101)</u>	<u>2,071</u>
Other comprehensive income			
Foreign currency translation difference		<u>(12,969)</u>	<u>88,158</u>
Other comprehensive income for the period		(12,969)	88,158
Total comprehensive income for the period		<u>(67,070)</u>	<u>90,229</u>
Profit/(loss) attributable to:			
Owners of the Company		(47,923)	3,739
Minority interest		<u>(6,178)</u>	<u>(1,668)</u>
Profit for the period		<u>(54,101)</u>	<u>2,071</u>
Total comprehensive income attributable to:			
Owners of the Company		(58,707)	86,879
Minority interest		<u>(8,363)</u>	<u>3,350</u>
Total comprehensive income for the period		<u>(67,070)</u>	<u>90,229</u>
Earnings per share			
Basic and diluted earnings per share (Euro)		<u>(0.41)</u>	<u>0.03</u>

These condensed consolidated interim financial statements were approved by management on 31 August 2011 and were signed on its behalf by:

Business Unit President

Chief Financial Officer

	Attributable to equity holders of the Company				
	Share capital	Share premium	Retained earnings	Translation reserve	Total
'000 Euro					
Balance at 1 January 2010	1,809	459,105	400,362	(283,295)	577,981
Profit for the period	-	-	3,739	-	3,739
Other comprehensive income					
Translation difference	-	-	-	83,140	83,140
Total comprehensive income for the period	-	-	3,739	83,140	86,879
Balance at 30 June 2010	1,809	459,105	404,101	(200,155)	664,860
				Minority interest	Total
				27,719	605,700
				(1,668)	2,071
				5,018	88,158
				3,350	90,229
				31,069	695,929

	Attributable to equity holders of the Company				
	Share capital	Share premium	Retained earnings	Translation reserve	Total
'000 Euro					
Balance at 1 January 2011	1,809	459,105	397,533	(242,902)	615,545
Profit for the period	-	-	(47,923)	-	(47,923)
Other comprehensive income					
Translation difference	-	-	-	(10,784)	(10,784)
Total comprehensive income for the period	-	-	(47,923)	(10,784)	(58,707)
Balance at 30 June 2011	1,809	459,105	349,610	(253,686)	556,838
				Minority interest	Total
				45,825	661,370
				(6,178)	(54,101)
				(2,185)	(12,969)
				(8,363)	(67,070)
				37,462	594,300

SUN Interbrew Limited
Condensed Consolidated Interim Statement of Cash Flows
for the six-month period ended 30 June 2010

For the six-month period ended 30 June

'000 Euro	Note	<u>2011</u>	<u>2010</u>
Cash flows from operating activities			
Profit for the year		(54,101)	2,071
Adjustments for:			
Depreciation and amortization		69,971	73,459
Impairment losses on property, plant and equipment		104	2,339
Gain on disposal of property, plant and equipment	6	(455)	(453)
Interest expense, net of interest income		26,342	9,987
Unrealized foreign exchange gain		2,355	(5,362)
Income tax expense	5	(9,732)	7,285
Other non-cash items		803	327
Cash from operating activities before changes in working capital and provisions		35,287	89,653
Change in inventories		(24,168)	(17,315)
Change in prepayments		1,540	(1,838)
Change in trade and other receivables		8,782	(22,321)
Change in trade and other payables		97,983	160,834
Change in provisions and employee benefits		(4)	(137)
Cash flows from operations before income tax and interest paid		119,420	208,876
Income tax paid		1,329	(5,280)
Interest paid		(34,335)	(14,615)
Net cash from operating activities		86,414	188,981
Cash flow from investing activities			
Interest received		4,672	302
Proceeds from sale of property, plant and equipment		1,220	776
Acquisition of property, plant and equipment	6	(49,893)	(22,356)
Acquisition of intangible assets		(1,505)	(1,179)
Payments of loans granted		(4,369)	-
Net cash used in investing activities		(49,875)	(22,457)
Cash flow from financing activities			
Proceeds from borrowings		73,295	63,262
Repayment of borrowings		(52,321)	(137,223)
Net cash used in financing activities		20,974	(73,961)
Net increase in cash and cash equivalents		57,513	92,563
Cash and cash equivalents at 1 January		27,801	25,000
Effect of exchange rate changes on cash and cash equivalents		(3,473)	8,146
Cash and cash equivalents at 30 June		81,841	125,709

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.

As at 30 June 2011 the Company's ordinary shares (Class B) were effectively 99.89% owned and the preference shares (Class A) effectively 99.97% owned by AB InBev which is the Company's ultimate parent company (the "Parent"). The Company's immediate parent company is Worldoor Limited (the "Immediate Parent"), a company registered in Cyprus. The Company's shares are listed on the Luxemburg Stock Exchange and has also a global depositary program that is listed on the Luxemburg 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 Luxemburg, the Netherlands and Cyprus has a controlling interest in 10 breweries and 6 malt plants in the Russian Federation and 3 breweries in Ukraine (referred to collectively as the "Group"). The Group manufactures, markets and distributes beer and soft drinks.

The majority of the Group's funding is from other entities within the group headed by AB InBev. As a result the Group is economically dependent upon the Group headed by AB InBev. In addition, the activities of the Group 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 Group as at and for the year ended 31 December 2010.

These are not the Company's statutory financial statements.

(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 Russian Rouble.

The functional currencies of the Russian and Ukrainian subsidiaries are the Russian Rouble and Ukrainian Hryvna respectively. Management has elected to use the Euro as the presentation currency for the consolidated financial statements. All financial information presented in Euro 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. As at 30 June 2011 the Group's current assets exceeded its current liabilities by 402,386 thousand Euro (31 December 2010: 421,127 thousand Euro). A significant portion of current assets represent loans received from related parties (see note 10).

The consolidated financial statements do not include any adjustments should the Group 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 Group'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 2010.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

4 Operating segments

(i) Information about reportable segments

For the six-month period ended 30 June 2011

'000 Euro	Russia	Ukraine	Total
External and segment revenue	431,376	167,767	599,143
Inter-segment revenue	-	(1,156)	(1,156)
Reportable segment profit before income tax	<u>(51,426)</u>	<u>(2,675)</u>	<u>(54,101)</u>

For the six-month period ended 30 June 2010

'000 Euro	Russia	Ukraine	Total
External and segment revenue	394,424	158,307	552,731
Reportable segment profit before income tax	<u>(13,916)</u>	<u>23,272</u>	<u>9,356</u>

As at 30 June 2011

'000 Euro	Russia	Ukraine	Total
Assets			
Reportable segment assets	1,499,180	312,699	1,811,879
Inter-segment loans issued	(49)	(2,724)	(2,774)
Total	<u>1,499,130</u>	<u>309,975</u>	<u>1,809,105</u>

Liabilities

Reportable segment liabilities	1,062,860	154,719	1,217,579
Inter-segment borrowings	(2,724)	(49)	(2,774)
Total	<u>1,060,136</u>	<u>154,670</u>	<u>1,214,806</u>

As at 31 December 2010

'000 Euro	Russia	Ukraine	Total
Assets			
Reportable segment assets	1,474,225	292,485	1,766,710
Inter-segment loans issued	(6,109)	(7,060)	(13,169)
Total	<u>1,468,116</u>	<u>285,425</u>	<u>1,753,541</u>

Liabilities

Reportable segment liabilities	988,062	117,278	1,105,340
Inter-segment borrowings	(7,060)	(6,109)	(13,169)
Total	<u>981,002</u>	<u>111,169</u>	<u>1,092,171</u>

(ii) Information about reportable segments

The major change in segment liabilities of Russia relates to the increase of trade and other payables equivalents by 64,358 thousand Euro which resulted primarily from realized measures targeted at improvement of working capital.

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 2010: 20%). The statutory income tax rate applicable to the Ukrainian companies is 23% (six-month period ended 30 June 2010: 25%). The statutory income tax rate applicable to the Cyprus companies is 10% (six-months ended 30 June 2010: 10%)

The Group's consolidated effective tax rate for the six-month period ended 30 June 2011 was 15% (six-month period ended 30 June 2010: 78%). The change in effective tax rate was caused mainly by better tax planning and income tax overprovided in previous years.

For the six-month period ended 30 June

'000 Euro	2011	2010
Current tax	(2,854)	(17,001)
Deferred income tax	12,586	9,715
	<u>9,732</u>	<u>(7,285)</u>

6 Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2011 the Group acquired assets with a cost, excluding capitalized borrowing costs, of 49,854 thousand Euro (six-month period ended 30 June 2010: 22,356 thousand Euro).

Assets with a carrying amount of 1,031 thousand Euro were disposed of during the six-month period ended 30 June 2011 (six-month period ended 30 June 2010: 323 thousand Euro), resulting in a gain on disposal of 455 thousand Euro (six-month period ended 30 June 2010: 453 thousand Euro), which is included in other income.

Capital commitments

As at 30 June 2011 the Group had contracts to purchase property, plant and equipment for about 27,968 thousand Euro (31 December 2010: 14,661 thousand Euro); delivery is expected during one-year period.

7 Intangible assets

As at 30 June 2011 management reviewed intangible assets and property, plant and equipment for indications of impairment since the end of 2010 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 2011 (six-month period ended 30 June 2010: nil).

8 Inventories

During the six-month period ended 30 June 2011 an impairment loss of 979 thousand Euro has been recognized (six-month period ended 30 June 2010: Euro 615 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 share premium

The authorized share capital is comprised of 125,278,614 Class A preference shares and 30,000,000 Class B ordinary shares with nominal par value of one 0.01 GBP. The issued share capital is comprised of 88,832,710 Class A preference shares and 27,796,220 Class B ordinary shares with a nominal value of one 0.01 GBP. All shares on issue are fully paid.

As at 30 June 2010 and 31 December 2009 the Company's ordinary shares (Class B) were 99.89% owned and controlled by AB InBev and the preference shares (Class A) were 99.97% owned and controlled by AB InBev.

Preference shares have no right of conversion or redemption. The special rights, restrictions and provisions applicable to the preference shares are as follows:

- The dividends on the preference shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the ordinary shareholders in such year;
- On winding up of the company, the surplus assets available for distribution to its members shall be distributed proportionately amongst the holders of the preference share and the ordinary shares according to the amounts of their respective holdings of such shares in the Company;
- The holders of the preference shares do not have right to vote in shareholders' meeting, except for the matters affecting the rights of the holders of preference shares, including "change of control" transaction as defined in the "Article of Association" of the Company.

Share premium is a difference between the nominal and purchase cost of shares issued, contributions of shareholders other than contributions in the share capital, and any difference between consideration paid to acquire (received in disposal of) minority interests and the carrying amount of those minority interests.

10 Loans and borrowings

'000 Euro	Currency	Interest rate nominal	Year of maturity	30 June 2011		31 December 2010	
				Face value	Carrying amount	Face value	Carrying amount
Non-current loans from related parties	RUB	8.25%	2018	655,866	655,866	656,688	656,688
Non-current loans from related parties	EUR	EURIBOR +0.25%	2016	975	975	-	-
Bank overdraft	RUB	6.15% - 6.80%	2010	-	-	4,253	4,253
Current loans from related parties	EUR	3m EURIBOR +0.25%	on demand	11,562	11,562	11,562	11,562
Current loans from related parties	RUB	10.50%	2011	53,708	53,708	58,668	58,668
Current loans from related parties	EUR	EURIBOR +0.25%	2010	114	114	83	83
Current loans from related parties	EUR	EURIBOR +0.25%	on demand	137	137	-	-
Current loans from related parties	RUB	10.50%	2011	19,808	19,808	-	-
Current loans from related parties	RUB	8.25%	2011	1,483	1,483	-	-
				743,653	743,653	731,254	731,254

During the six-month period ended 30 June 2011 there were new issuances of loans and borrowings. The main part of loans were received from an entity under common control on the amount of 19,808 thousand Euro.

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. 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 Group 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

	<u>2011</u>	<u>2010</u>
Salaries and bonuses	2,915	1,331
Contributions to State pension fund	16	49
Other service benefits provided	399	194
	<u><u>3,330</u></u>	<u><u>1,574</u></u>

(b) Other transactions

The Group 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 2011 service expenditures and royalties amounted to 32,806 thousand Euro (six-month period ended 30 June 2010: 29,224 thousand Euro) under these agreements. Interest expense charged by related parties amounted to 30,877 thousand Euro (six-month period ended 30 June 2009: 9,638 thousand Euro).

Purchases from other related parties amounted to 838 thousand Euro for the six-month period ended 30 June 2010 (six-month period ended 30 June 2009: 346 thousand Euro).

The outstanding balances with related parties were as follows:

'000 Euro	30 June 2011	31 December 2010
Accounts receivable from the Parent	9	9
Accounts receivable from entities under common control	4,023	4,045
Accounts payable to the Parent	(58,362)	(52,085)
Accounts payable to the entities under common control	(6,777)	(5,624)
Loan granted to an entity under common control	661,339	653,893
Current loans from entities under common control	(83,504)	(63,712)
Interest payable to the entities under common control	(3,308)	(6,601)
Non-current loans from entities under common control	(656,841)	(656,688)
	(143,421)	(126,763)

13 Events after the balance sheet date

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

