Original

SUN Interbrew Plc

Report and financial statements
31 December 2010

SUN Interbrew Plc

Consolidated Financial Statements
for the year ended 31 December 2010

Contents

SUN Interbrew Plc

Board of Directors and other officers

Tunc Mustafa Cerrahoglu
Franciso de Sa Neto
Andrii Gubka (appointed on 07.04.2010)
Nand Khemka
Shiv Khemka
Patricia Capel (resigned on 01.01.2011)
Khamzat Khasbulatov
Christopher Lloyd
Uday Khemka
Denis Khrenov
Anna Gorodilova
Lyudmila Nakonechnaya

Company Secretary

Inter Jura CY (services) Limited

1, Lampousa Street
CY-1095 Nicosia
Cyprus

Registered office

1, Lampousa Street
CY-1095 Nicosia
Cyprus

Declaration of Directors and other responsible officers of the Company for the preparation of the Consolidation Financial Statements

In accordance with Article 9 sections (3 (c)) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law 2007 ("Law") we, the members of the Board of Directors and the other responsible persons for the consolidated financial statements of SUN Interbrew Plc (the "Company") for the year ended 31 December 2010, we confirm that, to the best of our knowledge:

(a) the annual consolidated financial statements which are presented on pages 14 to 65:

(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 Article 9, Section (4) of the Law, and

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

(b) the Board of Directors' report provides a fair view of the developments and the performance of the business as well as the financial position of the Company and the undertakings included in the consolidated accounts as a total, together with a description of the main risks and uncertainties that are facing.

Members of the Board of Directors

Name and surname	Signature
Tunc Mustafa Cerrahoglu	
Franciso de Sa Neto	
Andrii Gubka	
Nand Khemka	
Shiv Khemka	
Patricia Capel	
Khamzat Khasbulatov	
Christopher Lloyd	
Uday Khemka	
Denis Khrenov	
Anna Gorodilova	
Lyudmila Nakonechnaya	

Responsible for the preparation of the consolidated financial statements

Name and surname	Position	Signature
....	Chief finance officer	

Report of Board of Directors

1 The Board of Directors presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010.

Change of secretary

2 The Company's secretary has been changed during the year ended 31/12/2010. The previous secretary was Bailhanch Labesse Secretaries Limited with its registered office at Piermont House, 33/35 Pier Road, St. Helier, Jersey, Channel Islands.

Redomicilliation and change of name

3 SUN Interbrew Plc (the "Company") was redomiciled in Cyprus on December 2010. 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.

Principal activities

4 The principal activities of the Group, which are unchanged from last year, are manufacturing, marketing and distribution of beer and soft drinks.

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

5 The profit of the Group for the year ended 31 December 2010 was 13 172 thousand Euro (2009: profit of 22 871 thousand Euro). On 31 December 2010 the total assets of the Group were 1 753 541 thousand Euro (2009: 1 072 454 thousand Euro) and the net assets were 661 370 thousand Euro (2009: net assets 605 700 thousand Euro). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

Principal risks and uncertainties

6 The principal risks and uncertainties faced by the Group are disclosed in Notes 2, 23 and 26 of the consolidated financial statements.

Future developments of the Group

7 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.

Results

8 The Group's results for the year are set out on pages 16 and 17. The Board of Directors doesn't recommend the payment of a dividend and the profit is retained.

Report of Board of Directors (continued)

Dividends

9 No dividends were recommended by the Board of Directors.

Share capital

10 There were no changes in the share capital of the Company during the year. The authorized share capital which amounts to GBP1,552,786 is divided into 125 270 614 class A shares of GBP 0.01 each and 30 000 000 class B shares of GBP 0.01 each.

11 The Company's share ownership is disclosed in the Company's Annual Report available on the Company's website www.suninterbrew.ru.

Board of Directors

12 The members of the Board of Directors at 31 December 2010 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2010, except Andrii Gubka, who was appointed as Director on 7 April 2010. Mrs Patricia Capel, who held office on 1 January 2010, resigned at 1 January 2011.

13 In accordance with the Company's Articles of Association Messrs Shiv Khemka, Uday Khemka, Nand Khemka, Lyudmila Nakonechnaya, Anna Gorodilova, Denis Khrenov, Tunc Cerrahoglu, Francisco de Sa Neto, Khamzat Khasbulatov, Christopher Lloyd and Andrii Gubka, retire at the next Annual General Meeting, and, being eligible, offer themselves for re-election.

Corporate governance

14 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 Company is not required to comply with the provisions of corporate governance code of Luxemburg Stock Exchange. The Company has voluntarily applied corporate governance practices, mentioned in the Corporate Governance charter, which is available to public on company's website suninterbrew.ru.

15 General rules

The directors have power to delegate any of their powers to committees consisting of such directors or other persons as they think fit.

In order to carry out its work more effectively the Board has appointed a nomination and remuneration committee (the "Nomination and Remuneration Committee") and an audit committee (the "Audit Committee").

These committees handle business within their respective areas and present recommendations and reports on which the Board may base its decisions and actions. All members of the Board have the same responsibility for all decisions taken irrespective of whether the issue in question has been reviewed by such a committee or not.

Report of Board of Directors (continued)

The internal regulations of each committee are laid down hereunder. A quorum shall be three committee members present or represented by alternate committee members. All decisions by the committees require a simple majority of votes cast. In case of ballot the Chairman of the committee has a casting vote.

Each committee regularly evaluates its own composition, organization and effectiveness as a collective body and makes recommendations to the Board for any necessary adjustments in its internal regulations and, where necessary, take appropriate steps to improve its performance.

The committees of the Board should perform their tasks within the framework of the regulations that they have been given and ensure that they report regularly on their activity and on the results of their work to the Board.

Each committee of the Board may seek expert assistance in obtaining the necessary information for the proper fulfillment of their duties. The Company should provide each committee with the financial resources it needs for this purpose.

a. Regulations for the Nomination and Remuneration Committee

i. Role

The Responsibility of the Nomination and Remuneration Committee includes issues regarding appointment and remuneration of directors and appointment and salaries, pension plans, bonus programs and other employments terms of the CEO, CFO, CLO and other senior management. The Nomination and Remuneration Committee shall in particular:

- submit proposals to the Board regarding the appointment and remuneration of directors and Senior Management and ensure that its proposals are in accordance with the remuneration policy adopted by the Company;
- discuss with the CEO the performance of the other members of Senior Management at least once a year based on evaluation criteria clearly defined. The CEO should not be present at the discussion of his own evaluation;
- ensure that the remuneration of non-executive directors is proportional to their responsibilities and the time devoted to their functions;
- assisting the Board in the selection of directors. It considers all proposals submitted by the shareholders, the Board or the Senior Management commending suitable candidates to the Board and assisting the Board in making for every position to be filled an evaluation of the existing and required skills, knowledge and experience. On the basis of this evaluation the Nomination and Remuneration Committee will assist the Board in drawing up a description of the role together with the skills, knowledge and experience required.

Report of Board of Directors (continued)

a. Regulations for the Nomination and Remuneration Committee (continued)

ii. Composition

The Nomination and Remuneration Committee is composed exclusively of 4 non-executive directors of which 2 are independent. The Chairman of the Board or another non-executive director chairs the Nomination and Remuneration Committee.

iii. Working rules

The Nomination and Remuneration Committee should meet as often as it considers necessary, but at least once a year. After each meeting of the Nomination and Remuneration Committee, its chairman should make a report to the Board. The chairman of the Nomination and Remuneration Committee ensures that minutes of meetings are prepared.

b. Regulations for the Audit Committee

i. Role

The Audit Committee assists the Board in the selection of the independent auditor to be proposed for appointment to the shareholders vote. The Audit Committee assumes also the function of prime entry point of the auditor to the Company on any audit aspects of the financials and of the internal control and risk evaluation procedures. The Audit Committee assists the Board on specific risks analysis and descriptions as well as on risk control systems to be implemented.

ii. Composition

The Audit Committee is composed exclusively of 4 non-executive directors of which 2 are independent. The Chairman of the Board or another non-executive director chairs the Remuneration and Nomination Committee

iii. Working rules

The Audit Committee should meet as often as it considers necessary. After each meeting of the Audit Committee, its chairman should report to the Board of the Company. The chairman of the Audit Committee ensures that minutes of meetings are prepared.

Report of Board of Directors (continued)

16 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 tittles 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

The shares/GDRs of which are listed on the Luxembourg Stock Exchange and its GDRs are admitted to trading on the over-the-counter markets ("Freiverkehr") of the Berlin Stock Exchange, Stuttgart Stock Exchange and Frankfurt Stock Exchange.

The Class A shares has no right of conversion or redemption. 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 amongst 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.

Class B shares have no restrictions on voting rights.

17 Competences of the Board

The Board is vested with the broadest powers to perform all acts necessary or useful for accomplishing the Company's purposes. All powers not expressly reserved by law to the general meeting of shareholders are in the competence of the Board.

The Board provides effective support for and control of the activities of the executive management of the Company.

The Board of Directors, subject to approval by the Company's shareholders, to issue or to purchase Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing law and the principle of fair treatment to all existing shareholders.

Report of Board of Directors (continued)

18 Functioning of the Board

The Board meets upon call by the Chairman. A meeting of the Board must be convened if any director so requires.

Any director may act at any meeting of the Board by appointing any person (other than a person disqualified by law from being a director of a company) as an alternate director to attend and vote in his place. A quorum of the Board may be fixed by the directors, and unless so fixed at any other number shall be four. Decisions are taken by the affirmative votes of a majority of the votes cast.

Conflicts of Interest

The rules governing the handling of conflict of interests are set out in the Articles of Association.

19 Chairmanship

The Board chooses from among its members a Chairman and/or deputy chairman and/or vice-chairman. The Board also chooses a secretary who need not be a director who will be responsible for keeping the minutes of the meetings of the Board and of the shareholders.

The Chairman, or in his absence the deputy chairman, or in his absence, the vice-chairman, presides at all meetings of shareholders and of the Board, but in his absence the Board will appoint another director as chairman pro tempore by vote of the majority of directors present at such meeting.

20 Existence and nature of the internal control and risk management system

The Board has overall responsibility for the Company's internal control systems and for monitoring their effectiveness. The Company's senior management (including among others the Chief Executive Officer, Chief Financial Officer and Chief Legal Officer) are responsible for the implementation and maintenance of the internal control systems which are subject to periodic review. The Board monitors the ongoing process by which critical risks to the business are identified, evaluated and managed. Management is responsible for reviewing and monitoring the financial risks to the Company and for considering the risks in the Company's businesses. Similarly, management also monitors risks associated with information technology, human resource management and regulatory compliance.

Report of Board of Directors (continued)

21 Evaluation of the Board

The Board regularly carries out an evaluation of its performance and its relationship with the Senior Management of the Company.

The appointment and replacement of the members of the Board of Directors is done by the Company at its Annual General Meeting in accordance with the provisions of the Company's Articles of Association. The Company's Articles of Association provides that the Board of Directors has the power to appoint, at any time, any person as Director and such person that is appointed by the Board of Directors will hold his office until the next Annual General Meeting of the Company.

The Company's Articles of Association can be modified by the passing of a Special Resolution at an Extraordinary General Meeting of the shareholders.

Senior Management

The Board has delegated the daily management of the Company to the CEO who is assisted by a CFO and a CLO. The performance of the CEO, CFO and CLO is examined and evaluated on a yearly basis by the Board in accordance with the procedures it has established.

22 Remuneration policy for Board Members and Senior Managers

The total amount of remuneration granted directly or indirectly by the Company to the members of its Board and to the CEO, CFO and CLO is fully described in the Notes to the consolidated financial statements of the Company as disclosed in its Annual Report.

Compensation of senior management is determined by the Board after consultation of the Remuneration Committee. The members of the Board receive Board fees. The Board fees are determined by the Annual General Meeting of shareholders upon a recommendation from the Nomination and Remuneration Committee.

Variable and non-variable components of the remuneration and links between remuneration and performance are reviewed by the Nomination and Remuneration Committee. The variable element of remuneration for the Senior Management is determined by the Board of Directors. Performance plans are based on success criteria which are agreed by the Board of Directors. The plans are reviewed during the year; the remuneration is based on the success of these performance criteria.

Contracts with Directors and related parties

23 Other than the transactions and the balances with related parties referred to in Note 28 of the consolidated financial statements, there were no other significant contracts with the Company, or its subsidiaries at 31 December 2010 in which the Directors or related parties had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Report of Board of Directors (continued)

Directors' interests in the Company's share capital

24 Directors have no direct or indirect shareholding in the Company's share capital (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 year end and 30 days before the notice for the AGM or 5 days before the date the financial statements are approved by the board of directors.

Shareholders holding more than 5% of the Company's share capital

25 On 31 December 2010 and 30 days before the AGM the Company has the following shareholders structure:

#	Name	A	B	Total	%
1	InBev S.A.	2,859,843	2,765,718	5,625,561	4.8235
	InBev Belgium N.V./S.A.	0	1	1	0.0001
	Brandbrew S.A.	0	1	1	0.0001
	Interbrew International B.V.	0	1	1	0.0001
2	Worldoor Limited	70,154,537	9,519,598	79,674,135	68.3141
3	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
4	Bank of New York (Nominees) Limited - London	745,284	0	745,284	0.6390
5	Bank of New York (Nominees) Limited - New York	15,042,401	15,480,355	30,522,756	26.1701
		88,832,610	27,796,219	116,628,829	100.0000

Report of the Board of Directors (continued)

Branches

26 The Group did not operate through any branches during the year.

Events after the balance sheet date

27 There were no material post balance sheet events, other than those stated in note 30 to these consolidated financial statements.

Independent Auditors

28 The Independent Auditors, PricewaterhouseCoopers Limited were appointed on 13th September 2010, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

Andrii Gubka
Chief Legal Officer

Independent Auditor's Report
To the Members of Sun Interbrew Plc

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sun Interbrew Plc (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2010, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of the Cyprus Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Pursuant to the requirements of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a corporate governance statement has been made for the information relating to paragraphs (a), (b), (c), (f) and (g) of article 5 of the said Directive, and it forms a special part of the Report of the Board of Directors.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Cyprus Companies Law, Cap. 113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited

Chartered Accountants

Limassol

5 April 2011

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Note	2010	2009
ASSETS			
Non-current assets			
Property, plant and equipment	12	731,191	737,808
Intangible assets	13	139,503	133,612
Available for sale financial asset		196	301
Deferred income tax assets	14	8,144	2,942
Total non-current assets		**879,034**	**874,663**
Current assets			
Inventories	15	116,484	101,760
Loan granted to related party	28(a)(ii)	653,893	-
Current income tax assets		11,774	2,978
Trade and other receivables	16	53,744	63,408
Prepayments		6,558	4,645
Cash and cash equivalents	17	32,054	25,000
Total current assets		**874,507**	**197,791**
Total assets		**1,753,541**	**1,072,454**

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 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Note	2010	2009
EQUITY AND LIABILITIES			
Equity	18		
Share capital		1,809	1,809
Share premium		459,105	459,105
Retained earnings		397,533	400,362
Translation reserve		(242,902)	(283,295)
Total equity attributable to equity holders of the Company		**615,545**	**577,981**
Non-controlling interests		**45,825**	**27,719**
Total equity		**661,370**	**605,700**
Non-current liabilities			
Loans and borrowings	20	656,688	85,276
Employee benefits	21	199	268
Provisions		-	95
Deferred income tax liabilities	14	1,904	-
Total non-current liabilities		**658,791**	**85,639**
Current liabilities			
Trade and other payables	22	358,814	266,693
Current income tax liabilities		-	2,105
Borrowings	20	74,566	112,317
Total current liabilities		**433,380**	**381,115**
Total liabilities		**1,092,171**	**466,754**
Total equity and liabilities		**1,753,541**	**1,072,454**

These consolidated financial statements were approved by the Board of Directors on 5 April 2011 and were signed on its behalf by:

Business Unit President ________________

Chief Legal Officer ________________

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 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	**Note**	**2010**	**2009**
Revenue	7	1,210,231	1,136,269
Cost of sales		(661,774)	(645,228)
Gross profit		**548,457**	**491,041**
Selling, marketing and distribution expenses		(406,602)	(327,985)
General and administrative expenses		(105,561)	(81,345)
Other gains, net	8	2,482	4,442
Results from operating activities		**38,776**	**86,153**
Finance income	10	3,615	730
Finance costs	10	(16,127)	(40,854)
Net finance costs		**(12,512)**	**(40,124)**
Profit before income tax		**26,264**	**46,029**
Income tax expense	11	(13,092)	(23,158)
Profit for the year		**13,172**	**22,871**
Other comprehensive income/(loss)			
Defined benefit plan actuarial losses	21	(49)	-
Foreign currency translation differences		42,547	(28,490)
Other comprehensive income/(loss) for the year		42,498	(28,490)
Total comprehensive income/(loss) for the year		**55,670**	**(5,619)**
Profit/(loss) attributable to:			
Owners of the Company		14,529	22,420
Non-controlling interests		(1,357)	451
Profit for the year		**13,172**	**22,871**

The consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	**Note**	**2010**	**2009**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		54,873	(4,386)
Non-controlling interests		797	(1,233)
Total comprehensive income/(loss) for the year		**55,670**	**(5,619)**
Earnings per share			
Basic and diluted earnings per share (EUR)	19	**0.12**	**0.19**

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 consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Attributable to equity holders of the Company						
	Share capital	Share premium	Retained earnings	Translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2009	1,809	459,105	377,942	(256,489)	582,367	28,952	611,319
Comprehensive income							
Profit for the year	-	-	22,420	-	22,420	451	22,871
Other comprehensive income/(loss)							
Foreign currency translation differences	-	-	-	(26,806)	(26,806)	(1,684)	(28,490)
Total comprehensive income/(loss) for the year	-	-	**22,420**	**(26,806)**	**(4,386)**	**(1,233)**	**(5,619)**
Balance at 31 December 2009	**1,809**	**459,105**	**400,362**	**(283,295)**	**577,981**	**27,719**	**605,700**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Attributable to equity holders of the Company						
	Share capital	Share premium (1)	Retained earnings	Translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2010	1,809	459,105	400,362	(283,295)	577,981	27,719	605,700
Comprehensive income for the year							
Profit (loss) for the year	-	-	14,529	-	14,529	(1,357)	13,172
Other comprehensive income/(loss)							
Defined benefit plan actuarial losses	-	-	(49)	-	(49)	-	(49)
Foreign currency translation differences	-	-	-	40,393	40,393	2,154	42,547
Total comprehensive income for the year	-	-	**14,480**	**40,393**	**54,873**	**797**	**55,670**
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Disposal to non controlling interest as a result of restructuring, refer note 6, and total transactions with owners	-		(17,309)	-	(17,309)	17,309	-
Balance at 31 December 2010	**1,809**	**459,105**	**397,533**	**(242,902)**	**615,545**	**45,825**	**661,370**

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

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Note	2010	2009
Cash flows from operating activities			
Profit for the year		**13,172**	**22,871**
Adjustments for:			
Depreciation and amortisation	12, 13	148,641	143,505
Impairment losses on property, plant and equipment	12	4,675	6,001
Gain on disposal of property, plant and equipment	8	(3,609)	(974)
Interest expense, net of interest income	10	14,217	33,344
Unrealized foreign exchange gain		(3,435)	(4,808)
Income tax expense	11	13,092	23,158
Other non-cash items		(393)	-
Cash from operating activities before changes in working capital and provisions		**186,360**	**223,097**
Change in inventories		(8,574)	71,113
Change in trade and other receivables		4,630	(39,313)
Change in prepayments for current assets		(1,913)	3,715
Change in trade and other payables		89,303	31,594
Change in provisions and employee benefits		(237)	(1,018)
Cash flows from operations before income taxes and interest paid		**269,569**	**289,188**
Income tax paid		(28,010)	(20,740)
Interest paid		(19,308)	(35,517)
Net cash from operating activities		**222,251**	**232,931**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	**Note**	**2010**	**2009**
Cash flows from investing activities			
Loans granted	28(a)(ii)	(653,893)	-
Proceeds from sale of property, plant and equipment		4,323	3,143
Interest received		913	-
Acquisition of property, plant and equipment	12	(79,883)	(68,395)
Acquisition of intangible assets	13	(4,835)	(3,205)
Net cash used in investing activities		**(733,375)**	**(68,457)**
Cash flows from financing activities			
Proceeds from borrowings		732,289	540,452
Repayment of borrowings		(214,791)	(681,277)
Net cash from/(used in) financing activities		**517,498**	**(140,825)**
Net increase in cash and cash equivalents		**6,374**	**23,649**
Cash and cash equivalents at beginning of year		25,000	1,389
Effect of exchange rate fluctuations on cash and cash equivalents		(3,573)	(38)
Cash and cash equivalents at end of year	17	**27,801**	**25,000**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 22 to 65.

1 Background

(a) Business environment

Russian business environment

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Ukrainian business environment

Ukraine is 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 Ukraine involve risks that typically do not exist in other markets. In addition, the contraction in the capital and credit markets and its impact on the economy of the Ukraine have further increased the level of economic uncertainty in the environment. These consolidated financial statements reflect management's current assessment of the impact of the 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 liability 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 31 December 2010 the Company's ordinary shares (Class B) were effectively 99.89% owned and the preference shares (Class A) effectively 99.97% 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 depositary 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 Luxembourg, 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 significant subsidiaries of the Group are listed in Note 29.

The Group manufactures, markets and distributes beer and soft drinks.

As at 31 December 2010 the Group was involved in a restructuring process aiming to streamline its group structure during which the 98.34% ownership interest in OJSC SUN InBev Ukraine was effectively transferred by the Company to OJSC SUN InBev Russia, another subsidiary of the Company. This resulted in a decrease in effective ownership interest in OJSC SUN InBev Ukraine as the Company's ownership interest in OJSC SUN InBev Russia is 88.12% (see note 6).

The majority of the Group's funding is from other entities within the group headed by Anheuser-Busch InBev (the "Shareholder Group"). As a result the Group is economically dependent upon the Shareholder Group headed by Anheuser-Busch InBev. In addition, the activities of the Group are closely linked with the requirements of the Shareholder Group headed by Anheuser-Busch InBev. Related party transactions are disclosed in note 28.

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, and the requirements of the Cyprus Companies Law, Cap. 113.

(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. It was noted that the Consolidated Financial Statements for the year ended 31 December 2009 note 2 (c) inadvertently mentioned that the Company's functional currency is the Russian Rouble instead of the Euro. In the current year's financial statements the mistyping has been corrected. This had no impact on the financial information presented.

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 Ukrainian Hryvna respectively. Management has elected 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) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 23 – allowances for trade receivables

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 13 – goodwill impairment testing assumptions
- Note 26 – contingencies.

(e) Changes in accounting policies

With effect from 1 January 2010, the Group changed its accounting policies in the following area:

- accounting for leases of land

(i) Accounting for leases of land

The amendment to IAS 17 *Leases* regarding the leases of land became effective from 1 January 2010. The amendment removed the earlier exemption which allowed leases of land to be classified as operating leases regardless of the length of the lease term. The amended guidance requires all existing leases of land to be reassessed and reclassified if necessary as finance leases if the finance lease classification criteria are met. At 1 January 2010, the Group reassessed all existing land lease contracts and as a result it was assessed that existing land lease contracts do not qualify as finance lease contracts and therefore, the classification was not changed (see note 24).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) ***Transactions with non-controlling interests***

Acquisitions and disposals of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net identifiable assets of the subsidiary.

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising in retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive loss/income.

(ii) ***Foreign entities***

The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on acquisition, are translated to EUR at the exchange rates at the reporting date. The income and expenses of foreign entities are translated to EUR at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive loss/income, and presented in the foreign currency translation reserve in equity. However, if the entity is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign entity is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign entity is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign entity while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign entity while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign entity is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign entity and are recognised in other comprehensive loss/income, and presented in the translation reserve in equity.

The results and financial position of all the group entities that bare a functional currency different from presentation currency are translated to presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented (ie including comparatives) shall be translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each statement of comprehensive income or separate income statement presented (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(c) all resulting exchange differences shall be recognized in other comprehensive income.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise of available for sale financial assets, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are a category of financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables category comprise the following classes of assets: trade and other receivables as presented in note 16 and cash and cash equivalents as presented in note 17.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid investments with maturities at initial recognition of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months at the end of reporting period. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(h)(i)) and foreign currency differences on available-for-sale debt instruments (see note 3(b)(i)), are recognised in other comprehensive loss/income and presented within equity in the fair value reserve. When an investment is derecognised or impaired, the cumulative gain or loss in equity is reclassified to profit or loss. Unquoted equity instruments whose fair value cannot reliably be measured are carried at cost.

Available-for-sale financial assets comprise equity securities.

(ii) ***Non-derivative financial liabilities***

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

(iii) ***Share capital***

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity until the shares are cancelled or reissued. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(d) Property, plant and equipment

(i) ***Recognition and measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 January 2008, the date of transition to IFRSs, was determined by reference to its carrying amount that would be included in the Company's consolidated financial statements, based on the Company's date of transition to IFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the Company acquired the Group.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other gains/(losses)-net in profit or loss.

(ii) ***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) ***Depreciation***

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	10 to 20 years
• plant and equipment	8 to 15 years
• transportation and office equipment	5-10 years
• packaging materials	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note 3h(ii))

(e) Intangible assets

(i) ***Goodwill***

Goodwill (negative goodwill) that arises on the acquisition of subsidiaries is included in intangible assets.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(ii) ***Brands and Trademarks***

Brands and trademarks which are acquired by the Group have indefinite useful life and are not amortized but tested for impairment annually. Expenditure on internally generated brands is recognised in the income statement as an expense as incurred.

(iii) ***Other intangible assets***

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) ***Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(v) ***Amortisation***

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- software 3-5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Leased assets

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's consolidated statement of financial position.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Impairment

(i) ***Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Receivables

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised within selling and marketing cost in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) ***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans, including Russia's State pension fund, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of excise duties, returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. Payments to retailers for advertising and marketing services which are not linked to sales transactions and are independent of volumes sold are accounted for as commercial costs.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For sales of beer and soft drinks, transfer usually occurs when the product is shipped to the carrier. Generally for such products the buyer has no right of return.

The Group accounts for the returnable containers as its property, plant and equipment and does not derecognise them as part of a sales transaction. On delivery of beer to customers, the Group collects a deposit for each container delivered and it has an obligation to refund this deposit when the customers return the containers.

(l) Other expenses

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(m) Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets other than trade and other accounts receivables.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive loss/income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date where the company and its subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In accordance with the tax legislation of the Russian Federation and Ukraine, tax losses and current tax assets of a company in the Group may not be set off against taxable profits and current tax liabilities of other Group companies. In addition, the tax base is determined separately for each of the Group's main activities and, therefore, tax losses and taxable profits related to different activities cannot be offset.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by Anheuser-Busch InBev's CEE Zone President (the "Zone President") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Zone President is considered to be the Chief Operating Decision Maker in accordance with IFRS8.

Segment results that are reported to the Zone President include items directly attributable to a segment.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(q) Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the balance sheet date, if payment under a contract becomes probable, and the amount recognised less cumulative amortization.

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies under common control, the Group considers these to be insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(r) New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2010, and have not been applied in preparing these consolidated financial statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

*(i) **Adopted by the European Union***

- Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. When the revised standard is applied, the group and the parent will need to disclose any transactions between its subsidiaries. The Group has not yet analysed the likely impact of the revised standard on the disclosure of its operations with related parties.

- Amendment to IAS 32 'Financial Instruments: Presentation – Classification of Rights Issues' clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount are classified as equity instruments even if the fixed amount is determined in foreign currency. A fixed amount can be determined in any currency provided that entity offers these instruments pro rata to all of the existing owners of the same class of its own non-derivative equity instruments. The amendment is applicable for annual periods beginning on or after 1 February 2010. The amendment is expected to have no impact on the Group's consolidated financial statements.

- Amendment to IFRS 1 'Limited Exemption from Comparative IFRS 7 Disclosures for First Time Adopters' (effective for annual periods beginning on or after 1 July 2010). The amendment is expected to have no impact on the Group's consolidated financial statements.
- Amendment to IFRIC 14 'Prepayments of a Minimum Funding Requirement' (effective for annual periods beginning on or after 1 January 2011). The amendment is expected to have no impact on the Group's consolidated financial statements.
- Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2011. The Group has not yet analysed the likely impact of the improvements on its financial position or performance. IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after 1 July 2010). The amendment is expected to have no impact on the Group's consolidated financial statements.

(ii) ***Not adopted by the European Union***

- Amended IFRS 7 'Disclosures – Transfers of Financial Assets' introduces additional disclosure requirements for transfers of financial assets in situations where assets are not derecognised in their entirety or where the assets are derecognised in their entirety but a continuing involvement in the transferred assets is retained. The new disclosure requirements are designated to enable the users of financial statements to better understand the nature of the risks and rewards associated with these assets. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group has not yet analysed the likely impact of the new amendment on its financial position or performance.
- IFRS 9 'Financial Instruments' will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 'Financial Instruments: Recognition and Measurement'. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during the first half of 2011. The Group recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Group's consolidated financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued. The Group does not intend to adopt this standard early.
- Amendment to IAS 12 'Income Taxes' (effective for annual periods beginning on or after 1 January 2012). The Group has not yet analysed the likely impact of the new amendment on its financial position or performance.
- Amendment to IFRS 1 'First-time adoption of International Financial Reporting Standards' (effective for annual periods beginning on or after 1 July 2011). The amendment is expected to have no impact on the Group's consolidated financial statements.

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(b) Loans to related parties

The fair value of loans to related parties, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5 Operating segments

The Group has two reportable segments: breweries operating in the Russian Federation and breweries operating in Ukraine. Segment information is presented by geographical segments, consistent with the IFRS-based information that is available and evaluated regularly by the Zone President.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Zone President. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the industry.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(i) Information about reportable segments

2010

'000 EUR	**Russia**	**Ukraine**	**Total**
Segment and external revenue	886,432	323,799	1,210,231
Profit or loss			
Cost of goods sold	(468,244)	(193,530)	(661,774)
Selling, marketing and distribution expenses	(329,734)	(76,868)	(406,602)
General and administrative expenses	(87,394)	(18,167)	(105,561)
Operating (loss)/income, net	(1,731)	4,213	2,482
Finance income	796	2,819	3,615
Finance costs	(14,927)	(1,200)	(16,127)
Reportable segment (loss)/profit before income tax	**(14,802)**	**41,066**	**26,264**
Assets			
Reportable segment assets	1,474,225	292,485	1,766,710
Inter-segment loans issued	(6,109)	(7,060)	(13,169)
Total	**1,468,116**	**285,425**	**1,753,541**
Liabilities			
Reportable segment liabilities	(988,062)	(117,278)	(1,105,340)
Inter-segment borrowings	7,060	6,109	13,169
Total	**(981,002)**	**(111,169)**	**(1,092,171)**

Other items

2010

'000 EUR	**Russia**	**Ukraine**	**Total**
Interest income	947	217	1,164
Interest expense	(14,374)	(1,007)	(15,381)
Capital expenditure	43,880	40,838	84,718
Depreciation and amortisation	105,643	42,998	148,641
Impairment on property, plant and equipment	3,700	975	4,675

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

2009

'000 EUR	**Russia**	**Ukraine**	**Total**
Segment and external revenue	829,087	307,182	1,136,269
Profit or loss			
Cost of sales	(462,200)	(183,028)	(645,228)
Selling, marketing and distribution expenses	(261,795)	(66,190)	(327,985)
General and administrative expenses	(67,253)	(14,092)	(81,345)
Operating income, net	1,760	2,682	4,442
Finance income	520	210	730
Finance costs	(27,428)	(13,426)	(40,854)
Reportable segment profit before income tax	**12,691**	**33,338**	**46,029**
Assets			
Reportable segment assets	953,939	253,594	1,207,533
Inter-segment loans issued	(128,436)	(6,643)	(135,079)
Total	**825,503**	**246,951**	**1,072,454**
Liabilities			
Reportable segment liabilities	347,609	254,224	601,833
Inter-segment borrowings	(6,643)	(128,436)	(135,079)
Total	**340,966**	**125,788**	**466,754**

Other items

2009

'000 EUR	**Russia**	**Ukraine**	**Total**
Interest income	730	-	730
Interest expense	(24,972)	(9,102)	(34,074)
Capital expenditure	34,786	36,814	71,600
Depreciation and amortisation	101,151	42,354	143,505
Impairment on property, plant and equipment	5,232	769	6,001

(ii) ***Major customer***

In 2010 as well as in 2009 there were no customers which represent more than 10% of the Group's total revenue or any of the segments' revenue. Russia and Ukraine revenue is predominantly generated from customers within the respective country.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

6 Disposal to non-controlling interests

In December 2010, as part of the restructuring process described in note 1(b), the Company effectively transferred its entire interest in OJSC SUN InBev Ukraine to another subsidiary of the Company, OJSC SUN InBev Russia. As a result, the Group's effective ownership in SUN InBev Ukraine decreased from 98.34% to 86.66%.

The carrying amount of OJSC SUN InBev Ukraine's identifiable net assets in the consolidated financial statements on the date of restructuring was EUR 148,158 thousand. The Group recognised an increase in non-controlling interests and a decrease in retained earnings of EUR 17,309 thousand.

7 Revenue

'000 EUR	2010	2009
Beer	1,197,537	1,123,371
Soft drinks	12,694	12,898
Total revenues	**1,210,231**	**1,136,269**

8 Other gains, net

'000 EUR	2010	2009
Gain on disposal of property, plant and equipment	3,609	974
Other	(1,127)	3,468
Other gains, net	**2,482**	**4,442**

9 Personnel costs

'000 EUR	2010	2009
Wages and salaries	109,604	85,904
Compulsory social security contributions and contributions to State pension fund	24,241	19,166
Other employee benefits	15,500	10,128
	149,345	**115,198**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

10 Finance income and finance costs

'000 EUR	2010	2009
Interest income on loans and receivables	248	32
Interest income on bank deposits	916	698
Net foreign exchange gain	2,366	-
Other	85	-
Finance income	3,615	730
Interest expense on financial liabilities measured at amortised cost	(15,381)	(34,074)
Net foreign exchange loss	-	(6,055)
Other	(746)	(725)
Finance costs	(16,127)	(40,854)
Net finance costs recognised in profit or loss	**(12,512)**	**(40,124)**

11 Income tax expense

Income taxes are provided for based on taxable income and the varying tax rates applicable in Russia, Ukraine, the Netherlands, Luxembourg, Jersey and Cyprus. Certain costs and expenses, including some types of employees' compensation, benefits, and interest, which are included as expenses in the consolidated statement of comprehensive income are not deductible when determining taxable income. The Company and certain of its subsidiaries, which were registered in Jersey, the Channel Islands until December 2010, had been granted "Exempt Company" status and were exempt from Jersey income taxes. Starting from December 2010, those companies have been redomiciled and registered in Cyprus and became subject to Cypriot tax legislation. The statutory income tax rate applicable to the Russian companies is 20% (2009: 20%). The statutory income tax rate applicable to the Ukrainian companies is 25% (2009: 25%).

The statutory income tax applicable to Cyprus companies is 10%. From 1 January 2009, onwards, under certain conditions, interest may be exempt from Cyprus income tax and only subject to defence contribution at the rate of 10%. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 15%.

With effect from 1 January 2011, the income tax rate for the Ukrainian companies has been reduced to 22%.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	2010	2009
Current tax expense		
Current year	12,897	28,137
Prior years taxes	3,241	5,885
	16,138	34,022
Deferred tax expense		
Origination and reversal of temporary differences (Note 14)	(4,088)	(10,864)
Change in tax rate	1,042	-
	(3,046)	(10,864)
Total income tax expense	**13,092**	**23,158**

Reconciliation of effective tax rate:

	2010		2009	
	'000 Euro	%	'000 Euro	%
Profit before income tax	26,264	100	46,029	100
Income tax at applicable tax rate – 10%	(2,626)	(10)	-	-
Effect of income taxed at higher rates applicable to the Russian and Ukrainian subsidiaries	(5,813)	(22)	(10,873)	(24)
Reduction in tax rate	(1,043)	(4)	-	-
Tax concessions for capital investments in Russian operations	720	3	934	2
Non-deductible expenses	(1,089)	(16)	(7,334)	(16)
Under provided in prior years	(3,241)	-	(5,885)	(13)
	(13,092)	**(50)**	**(23,158)**	**(50)**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

12 Property, plant and equipment

'000 EUR	Land and buildings	Plant and equipment	Transportation and office equipment	Packaging materials	Under construction	Total
Cost						
Balance at 1 January 2009	311,365	760,255	212,383	48,815	92,404	1,425,222
Additions	3,631	18,451	14,365	10,632	21,316	68,395
Interest capitalisation	-	-	-	-	338	338
Disposals	(331)	(1,831)	(12,555)	(8,314)	-	(23,031)
Transfers	4,534	23,167	2,706	21	(34,861)	(4,432)
Effect of movements in exchange rates	(14,320)	(34,905)	(11,077)	(2,676)	(4,400)	(67,378)
Balance at 31 December 2009	**304,880**	**765,137**	**205,822**	**48,478**	**74,797**	**1,399,114**
Balance at 1 January 2010	304,880	765,137	205,822	48,478	74,797	1,399,114
Additions	289	9,887	23,562	15,815	30,330	79,883
Interest capitalisation	-	-	-	-	14	14
Disposals	(426)	(12,878)	(11,597)	(11,679)	-	(36,580)
Transfers	3,763	10,549	3,521	-	(20,321)	(2,488)
Effect of movements in exchange rates	23,383	58,918	15,995	3,904	5,719	107,919
Balance at 31 December 2010	**331,889**	**831,613**	**237,303**	**56,518**	**90,539**	**1,547,862**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Land and buildings	Plant and equipment	Transportation and office equipment	Packaging materials	Under construction	Total
Depreciation and impairment losses						
Balance at 1 January 2009	(89,088)	(339,021)	(128,209)	(14,412)	-	(570,730)
Depreciation for the year	(17,968)	(69,962)	(34,510)	(14,659)	-	(137,099)
Impairment loss	-	(4,041)	(1,539)	(84)	(337)	(6,001)
Disposals	178	1,831	12,535	6,318	-	20,862
Transfers	169	3,626	261	(21)	212	4,247
Effect of movements in exchange rates	3,993	15,841	6,379	1,204	(2)	27,415
Balance at 31 December 2009	**(102,716)**	**(391,726)**	**(145,083)**	**(21,654)**	**(127)**	**(661,306)**
Balance at 1 January 2010	(102,716)	(391,726)	(145,083)	(21,654)	(127)	(661,306)
Depreciation for the year	(19,917)	(74,909)	(31,979)	(12,066)	-	(138,871)
Impairment recovery/(loss)	167	(1,552)	354	(913)	(2,731)	(4,675)
Disposals	376	12,674	11,415	11,401	-	35,866
Transfers	9	9	-	-	2,867	2,885
Effect of movements in exchange rates	(7,848)	(29,961)	(11,207)	(1,545)	(9)	(50,570)
Balance at 31 December 2010	**(129,929)**	**(485,465)**	**(176,500)**	**(24,777)**	**-**	**(816,671)**
Carrying amounts						
At 1 January 2009	**222,277**	**421,234**	**84,174**	**34,403**	**92,404**	**854,492**
At 31 December 2009	**202,164**	**373,411**	**60,739**	**26,824**	**74,670**	**737,808**
At 31 December 2010	**201,960**	**346,148**	**60,803**	**31,741**	**90,539**	**731,191**

Depreciation expense of EUR 99,498 thousand has been charged to cost of goods sold, EUR 33,397 thousand to distribution expenses and EUR 5,976 thousand to administrative expenses. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 11%.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(a) Impairment loss

The impairment loss recognized during the year in amount of EUR 4,675 thousand related to obsolete brewing production facilities. EUR 4,512 thousand of impairment loss was included in cost of sales. The recoverable amount of the assets was their fair value less costs to sell determined by reference to an active market.

(b) Property, plant and equipment under construction

During the year ended 31 December 2010 the Group continued the construction of waste water treatment facilities for all Russian and several Ukrainian breweries under the group-wide waste water cleaning project commenced in 2009 in order to decrease environment pollution charges. The project costs incurred up to the reporting date totalled EUR 29.3 million.

13 Intangible assets

'000 EUR	Goodwill	Software	Software under development	Other intangibles	Brands and trademarks	Total
Cost						
Balance at 1 January 2009	101,254	19,514	5,238	4,268	23,822	154,096
Other acquisitions – separately acquired	-	1,832	1,373	-	-	3,205
Interest capitalisation	-	-	21	-	-	21
Disposals	-	-	-	(3,476)	-	(3,476)
Transfers	-	5,176	(4,887)	(289)	-	-
Effect of movement in exchange rates	(5,215)	(707)	(269)	(25)	(1,069)	(7,285)
Balance at 31 December 2009	**96,039**	**25,815**	**1,476**	**478**	**22,753**	**146,561**
Balance at 1 January 2010	96,039	25,815	1,476	478	22,753	146,561
Other acquisitions – separately acquired	-	3,877	958	-	-	4,835
Disposals	-	(133)	-	(9)	-	(142)
Transfers	-	131	(258)	(841)	-	(968)
Effect of movement in exchange rates	7,978	1,920	81	1,047	1,733	12,759
Balance at 31 December 2010	**104,017**	**31,610**	**2,257**	**675**	**24,486**	**163,045**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Goodwill	Software	Software under development	Other intangibles	Brands and trademarks	Total
Amortisation and impairment losses						
Balance at 1 January 2009	-	(5,949)	-	(4,236)	(5)	(10,190)
Amortisation for the year	-	(6,387)	-	(19)	-	(6,406)
Disposals	-	-	-	3,476	-	3,476
Transfers	-	(307)	-	307	-	-
Effect of movement in exchange rates	-	146	-	25	-	171
Balance at 31 December 2009	-	**(12,497)**	-	**(447)**	**(5)**	**(12,949)**
Balance at 1 January 2010	-	(12,497)	-	(447)	(5)	(12,949)
Amortisation for the year	-	(5,397)	-	(6)	-	(5,403)
Impairment loss	-	-	-	-	(4,367)	(4,367)
Disposals	-	133	-	9	-	142
Transfers	-	15	-	-	-	15
Effect of movement in exchange rates	-	(778)	-	(205)	3	(980)
Balance at 31 December 2010	-	**(18,524)**	-	**(649)**	**(4,369)**	**(23,542)**
Carrying amounts						
At 1 January 2009	**101,254**	**13,565**	**5,238**	**32**	**23,817**	**143,906**
At 31 December 2009	**96,039**	**13,318**	**1,476**	**31**	**22,748**	**133,612**
At 31 December 2010	**104,017**	**13,086**	**2,257**	**26**	**20,117**	**139,503**

(a) Amortisation and impairment charge

Amortization expense has been recognised as part of general and administrative expenses.

(b) Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments as reported in note 5.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

The aggregate carrying amounts of goodwill allocated to each unit and the related impairment losses recognised are as follows:

'000 EUR	**Goodwill 2010**	**Impairment 2010**	**Goodwill 2009**	**Impairment 2009**
Russian business unit	79,099	-	73,529	-
Ukrainian business unit	24,918	-	22,510	-
	104,017	-	**96,039**	-

The recoverable amount of each unit was based on its value in use. The carrying amount of the units was determined to be lower than the units' respective recoverable amounts, therefore no impairment loss was recognised.

Value in use was determined by discounting the future cash flows generated from the continuing use of the units. Unless indicated otherwise, value in use in 2010 was determined similarly as in 2009.

Key assumptions used in discounted cash flow projections

(i) The first year is based on management best estimates of the free cash flow outlook for the current year;

(ii) In the second to forth year, free cash flows are based on the Group's strategic plan as approved by the Parent's key management. The Group strategic plan is prepared by country and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experiences and planned initiatives which will impact market share, revenue, variable and fixed costs, capital expenditure and working capital, MACO per hectolitre which is one of the Group's key performance indicators (revenue less production and logistics costs), is calculated based on projected volumes and consumer price increases.

(iii) For subsequent six years the data from the strategic plan is extrapolated generally using simplified assumptions such as constant volumes and variable cost per hectolitre, and fixed cost linked to inflation, as obtained from external sources.

(iv) Cash flow after the first ten year period are extrapolated generally using expected annual long-term consumer price indices, based on external sources, in order to calculate the terminal value.

(v) Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital and comprised of approximately 9% for Russia and 16% for Ukraine.

(c) Sensitivity to changes in assumptions

The impairment test is not particularly sensitive to changes in EBITDA growth rates and discount rates. If there is no EBITDA growth after 2010, the units' values in use will exceed the respective carrying amounts. Similarly, an increase in the discount rate by 5 percentage points will not result in impairment loss for each unit.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

14 Deferred income tax assets and liabilities

(a) Recognised deferred income tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
'000 EUR	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Property, plant and equipment	2,719	-	(13,799)	(18,859)	(11,080)	(18,859)
Intangible assets	146	164	(5,574)	(139)	(5,428)	25
Inventories	-	2,117	(281)	(1,152)	(281)	965
Employee benefits	50	-	-	-	50	-
Valuation allowance	12,555	6,792	-	-	12,555	6,792
Trade and other receivables	1,733	978	(232)	-	1,501	978
Trade and other payables	8,923	13,041	-	-	8,923	13,041
Tax assets/(liabilities)	26,126	23,092	(19,886)	(20,150)	6,240	2,942
Set off of tax where right of set-off exists	(17,982)	(20,150)	17,982	20,150	-	-
Net tax assets/(liabilities)	**8,144**	**2,942**	**(1,904)**	-	**6,240**	**2,942**

Movement in temporary differences during the year

'000 EUR	**1 January 2010**	**Recognised in profit or loss (Note 11)**	**Change in tax rate (Note 11)**	**Recognised in other comprehensive income-foreign exchange differences**	**31 December 2010**
Property, plant and equipment	(18,859)	10,219	(117)	(2,323)	(11,080)
Intangible assets	25	(5,222)	2	(233)	(5,428)
Inventories	965	(1,516)	50	220	(281)
Interest-bearing loans	-	(8)	-	8	-
Employee benefits	-	50	(6)	6	50
Valuation allowances	6,792	4,259	59	1,445	12,555
Trade and other receivables	978	440	39	44	1,501
Trade and other payables	13,041	(4,134)	(1,069)	1,085	8,923
	2,942	**4,088**	**(1,042)**	**252**	**6,240**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	1 January 2009	Recognised in profit or loss (Note 11)	Foreign exchange differences	31 December 2009
Property, plant and equipment	(18,359)	(1,424)	924	(18,859)
Intangible assets	(3,651)	3,520	156	25
Inventories	(1,146)	2,142	(31)	965
Valuation allowance	4,128	3,037	(373)	6,792
Trade and other receivables	602	434	(58)	978
Trade and other payables	10,245	3,155	(359)	13,041
	(8,181)	**10,864**	**259**	**2,942**

Valuation allowance relates to allowance for receivables and inventory.

15 Inventories

'000 EUR	2010	2009
Raw materials	54,926	44,779
Own-produced malt	14,605	22,772
Work in progress	9,956	6,128
Finished goods and goods for resale	23,473	17,939
Other	13,524	10,142
	116,484	**101,760**
Write-down of inventories in the current year	(2,224)	(1,058)
Reversal of previous write-down of inventories	201	-

In 2010 raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to EUR 478,222 thousand (2009: EUR 466,353 thousand). The write-down of inventories to net realisable value and reversal of write-downs are included in cost of sales.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

16 Trade and other receivables

'000 EUR	Note	2010	2009
Trade receivables		41,601	47,334
Trade receivables due from entities under common control	28(b)	-	1,672
Trade receivables due from Parent	28(b)	9	4,068
Non-income taxes receivable		5,361	4,543
Other receivables due from entities under common control	28(b)	4,045	1,714
Other receivables		2,728	4,077
		53,744	**63,408**

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 23.

17 Cash and cash equivalents

'000 EUR	2010	2009
Bank balances	10,301	13,013
Call deposits	21,753	11,987
Cash and cash equivalents in the statement of financial position	**32,054**	**25,000**
Bank overdrafts used for cash management purposes	(4,253)	-
Cash and cash equivalents in the statement of cash flows	**27,801**	**25,000**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

18 Capital and reserves

(a) Share capital

Number of shares unless otherwise stated	**Ordinary shares (Class B)**		**Preference shares (Class A)**	
	2010	**2009**	**2010**	**2009**
Authorised shares	30,000,000	30,000,000	125,278,614	125,278,614
Par value-per share	GBP 0.01	GBP 0.01	GBP 0.01	GBP 0.01
Shares in issue at 1 January and 31 December, fully paid	27,796,220	27,796,220	88,832,710	88,832,710

Ordinary shares

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

Non-redeemable preference shares

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.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(c) Share premium

Share premium is a difference between the nominal and purchase cost of shares issued.

(d) Distributable reserves

The amounts available for distribution to the Group's shareholders in the form of dividends are the distributable reserves of the Company.

19 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary and to preference shareholders by the weighted average number of ordinary and preference shares outstanding respectively during the year. The Company has no dilutive potential ordinary shares.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

2010	**Profit (Numerator) '000 EUR**	**Shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	11,066	88,832,710	0.12
Attributable to holders of class "B" participating shares	3,463	27,796,220	0.12
Total attributable to participating shares	**14,529**	**116,628,930**	**0.12**

2009	**Profit (Numerator) '000 EUR**	**Shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	17,077	88,832,710	0.19
Attributable to holders of class "B" participating shares	5,343	27,796,220	0.19
Total attributable to participating shares	**22,420**	**116,628,930**	**0.19**

20 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. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 23.

'000 EUR	**Note**	**2010**	**2009**
Non-current liabilities			
Loan from entity under common control	28(b)	656,688	85,276
Current liabilities			
Bank overdraft		4,253	-
Unsecured bank loans		-	15,930
Current loans from entities under common control	28(b)	70,313	96,387
		74,566	112,317

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(a) **Terms and debt repayment schedule**

Terms and conditions of outstanding loans were as follows:

	31 December 2010					31 December 2009	
'000 EUR	**Currency**	**Nominal interest rate**	**Year of maturity**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Non-current loan from an entity under common control	RUB	10.5%	2011	-	-	85,276	85,276
Non-current loan from an entity under common control	RUB	8.25%	2018	656,688	656,688	-	-
Bank overdraft	RUB	6.15% - 6.80%	2010	4,253	4,253	-	-
Current unsecured bank facility	UAH	from 21.00% - 29.50%	2010	-	-	15,930	15,930
Current loans from an entity under common control	EUR	3m EURIBOR+ 0.25%	on demand	11,562	11,562	-	-
Current loans from an entity under common control	RUB	10.50%	2011	58,668	58,668	-	-
Current loans from an entity under common control	EUR	EURIBOR+ 0.25%	2010	83	83	11,373	11,373
Current loans from an entity under common control	RUB	11.84%- 18.21%	2010	-	-	60,409	60,409
Current loans from an entity under common control	RUB	17.25%	2010	-	-	24,605	24,605
Total interest-bearing liabilities				**731,254**	**731,254**	**197,593**	**197,593**

All the above loans are unsecured.

The group has the following undrawn borrowing facilities:

'000 EUR	**2010**	**2009**
Floating rate:		
- Expiring within one year	26,121	-

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

21 Employee benefits

SUN InBev Ukraine makes contributions to a defined benefit plan that provides pension benefits for its employees upon retirement. The subsidiary recognises all actuarial gains and losses arising from the plan in other comprehensive loss/income and all expenses related to the plan in personnel expenses in profit or loss.

22 Trade and other payables

'000 EUR	2010	2009
Trade payables	276,788	200,774
Non-income taxes payable	56,062	38,027
Payroll and social security payables	9,812	10,731
Other payables and accrued expenses	16,152	17,161
	358,814	**266,693**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

23 Financial instruments and risk management

Financial instruments by category

'000 Euro	**2010**	**2009**
Loans and receivables measured at amortized cost		
Loan granted to related party	653,893	-
Trade and other receivables	53,744	63,408
Cash and cash equivalents	32,054	25,000
	739,691	88,408
Available for sale		
Available for sale financial asset investments	196	301
Total financial assets	**739,887**	**88,709**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 Euro	2010	2009
Financial liabilities measured at amortized cost		
Trade and other payables excluding taxes payable	302,752	228,666
Current loans and borrowings	74,566	112,317
Non-current loans and borrowings	656,688	85,276
Total financial liabilities	**1,034,006**	**426,259**

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Parent's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Parent has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Parent's Board of Directors on its activities.

The Parent's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Parent's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Parent's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Parent's Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and the loan granted to related party.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(i) ***Trade and other receivables***

Sales are performed through the network of independent distributors and direct distribution. The direct distribution consists of two major groups of companies: key accounts (large supermarkets and malls) and selling points.

To increase service level to its retail customers, the Group has also actively developed its own direct distribution network. In 2010, the Group launched additional direct distribution centres in four Russian cities.

There was no significant concentration of credit risk by region or with any single counterparty as at 31 December 2010 (2009: none).

A credit assessment is performed on each of the Group's customers in order to determine their financial strength. Credit limits are set per customer depending on the customer's financial profile and risk category and on the collaterals and guarantees received from the customer, if any. Credit limits are reviewed at least once a year. The credit control for all customers is carried out on a daily basis. If the credit limit is exceeded shipments to customers are suspended.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

(ii) ***Loan granted to related party***

As part of the restructuring process described in note 1(b), the Company granted a loan to an entity controlled by the ultimate parent company. The Group assesses the credit risk relating to this loan as low as the Shareholder Group is an established business and is expected to have sufficient liquidity to repay the loan when due.

(iii) ***Cash and cash equivalents***

Cash and cash equivalents are held at financial instructions with external credit ratings of A1 and better.

(iv) ***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
'000 EUR	**2010**	**2009**
Available for sale financial assets	196	301
Loan granted to related party	653,893	-
Trade and other receivables	53,744	63,408
Cash and cash equivalents	32,054	25,000
	739,887	**88,709**

The Group does not issue financial guarantees to third parties.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

Impairment losses

The ageing of trade and other receivables at the reporting date was:

'000 EUR	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
Not past due	49,309	-	62,093	(1,180)
Past due 0-30 days	3,202	-	4,003	(2,120)
Past due 31- 59 days	1,321	(288)	2,835	(2,559)
Past due 60 - 89 days	88	(50)	80	(17)
Past due 90 - 179 days	1,204	(1,045)	208	(57)
Past due 180- 359 days	2,884	(2,881)	851	(729)
Past due more than 360 days	4,402	(4,402)	3,587	(3,587)
	62,410	**(8,666)**	**73,657**	**(10,249)**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

'000 EUR	2010	2009
Balance at beginning of the year	(10,249)	(9,239)
Increase during the year	-	(6,284)
Decrease due to reversal	1,583	5,274
Balance at end of the year	**(8,666)**	**(10,249)**

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Group charges an allowance for impairment on the individual basis and in respect of the following amounts: 100% balance receivable for the amounts past due more than 90 days and 50% for the amounts past due from 45 to 90 days adjusted for individually unimpaired amounts, unless the Group is clear that the debt will be collected. The Group may charge an impairment allowance for amounts that are past due by less than 45 days when there is strong evidence that the debt will not be collected.

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of cash have historically been cash flows from operating activities, the issuance of debt and bank borrowings. The Group's material cash requirements include debt service and capital expenditures.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

The Group believes that cash flows from operating activities, available cash and cash equivalent 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 by using cash from operating activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. The maturity of financial guarantees issued is disclosed in note 27.

2010

'000 EUR	Carrying amount	Contractual cash flows	0-12 mths	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Non-derivative financial liabilities								
Trade and other payables, excluding taxes payable	302,752	302,752	302,752	-	-	-	-	-
Current loans payable	74,566	76,161	76,161	-	-	-	-	-
Non-current loan from related party	656,688	1,088,916	54,177	54,177	54,177	54,177	54,177	818,031
	1,034,006	**1,467,829**	**433,090**	**54,177**	**54,177**	**54,177**	**54,177**	**818,031**

2009

'000 EUR	Carrying amount	Contractual cash flows	0-12 mths	1-2 yrs
Non-derivative financial liabilities				
Trade and other payables, excluding taxes payable	228,666	228,666	228,666	-
Current loans payable	112,317	120,516	120,516	-
Non-current loans from related parties	85,276	103,184	8,954	94,230
	426,259	**452,366**	**358,136**	**94,230**

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(i) *Currency risk*

The Group is exposed to currency risk on sales, purchases, loans granted and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Russian Rouble (RUB) and Ukrainian Hryvna (UAH). The currencies in which these transactions primarily are denominated are EUR and USD.

Interest on borrowings is denominated in the currency of the borrowing. 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 derivatives contracts.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

'000 EUR	USD-denominated	EUR-denominated	USD-denominated	EUR-denominated
	2010	2010	2009	2009
Trade and other payables	(13,221)	(92,400)	(13,411)	(39,509)
Current loans from related parties	-	(11,645)	-	(11,373)
Current loans granted to related party	-	653,893	-	-
Trade and other receivables	508	6,703	23	7,579
Net exposure	**(12,713)**	**556,551**	**(13,388)**	**(43,303)**

The following significant exchange rates applied during the year:

in EUR	Average rate		Reporting date spot rate	
	2010	2009	2010	2009
RUB for EUR 1	40.2980	44.1299	40.3331	43.3883
UAH for EUR 1	10.5313	10.8679	10.5731	11.4489

Sensitivity analysis

A strengthening of the RUB and UAH, as indicated below, against the following currencies at 31 December would have increased (decreased) equity and profit or loss before taxes by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009, albeit that the reasonably possible foreign exchange changes rate variances were different, as indicated below.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

'000 EUR	Strengthening		Weakening	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2010				
USD (+/-10% movement in exchange rate)	+1,271	+1,271	-1,271	-1,271
EUR (+/-10% movement in exchange rate)	-55,655	-55,655	+55,655	+55,655
31 December 2009				
USD (+/-10% movement in exchange rate)	+1,339	+1,339	-1,339	-1,339
EUR (+/-10% movement in exchange rate)	+4,330	+4,330	-4,330	-4,330

A weakening of the RUB and UAH against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) ***Interest rate risk***

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates, as the majority of the Group's loans is drawn from related parties.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
'000 EUR	**2010**	**2009**
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(715,356)	(186,220)
	(715,356)	**(186,220)**
Variable rate instruments		
Financial assets	653,893	-
Financial liabilities	(15,898)	(11,373)
	637,995	**(11,373)**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments as fair value through profit or loss or as available-for-sale. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

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Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before taxes by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

	Profit or loss		Equity	
'000 EUR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
2010				
Variable rate instruments	6,380	(6,380)	6,380	(6,380)
Cash flow sensitivity (net)	**6,380**	**(6,380)**	**6,380**	**(6,380)**
2009				
Variable rate instruments	(114)	114	(114)	114
Cash flow sensitivity (net)	**(114)**	**114**	**(114)**	**114**

(e) Accounting classifications and fair values

(i) Fair values versus carrying amounts

Management believes that there is no significant difference between the carrying amounts and fair values of financial assets and liabilities. The basis for determining fair values is disclosed in note 4.

(f) Capital management

The Parent has overall responsibility for the establishment and oversight of the Group's capital management framework. The Group is continuously optimizing its capital structure targeting to maximize shareholder value while keeping the desired financial flexibility to execute the strategic projects.

The Group manages its capital based on their debt to capital ratio. The Group's debt to capital ratio at the end of the reporting period was as follows:

'000 EUR	**2010**	**2009**
Total liabilities	(1,092,171)	(466,754)
Less: cash and cash equivalents	32,054	25,000
Net debt	**(1,060,117)**	**(441,754)**
Total equity	(661,370)	(605,700)
Debt to capital ratio at 31 December	**1.6**	**0.7**

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 Operating leases

The Group leases a number of warehouses and plots of land under operating leases. Lease payments are usually increased annually to reflect market rentals.

Since the land title does not pass, the Group has determined that the land leases are operating leases. The rent paid to the landlords of the warehouses is increased to market rent at regular intervals, and the Group does not participate in the residual value of the warehouses, it was determined that substantially all the risks and rewards of the warehouses are with the landlords. As such, the Group determined that the leases are operating leases.

25 Commitments

At 31 December 2010 the Group had outstanding contractual commitments totalling approximately EUR 14.6 million (2009: EUR 3 million) to purchase property, plant and equipment. In addition, the Group had commitments to purchase raw and packaging materials worth EUR 33.6 million at 31 December 2010 (2009: EUR 29 million).

26 Contingencies

Taxation contingencies in the Russian Federation

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes 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 and substance-based 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.

Taxation contingencies in the Ukraine

The Group also performs its operations in the 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.

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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.

27 Financial guarantees

On 12 July 2008, the Parent entered into a borrowing facility agreement under which the Group became one of the guarantors. The amount of the Group's guarantee was set at USD 850,000 thousand (EUR 537,220 thousand at the spot rate as at that date). On 6 April 2010, the Parent fully repaid the loans and the Group's guarantee obligations were released.

28 Related party transactions

For the purposes of these financial statements, parties are considered related if one party has the ability to control the other party or exercise significant influence over the financial or operational decisions of the other party as determined by the IAS 24 "Related Party Disclosures". In determining each possible related party relationship, consideration is given to the substance of the relationship and not the legal form. Related parties may enter into transactions that may not be possible between non-related parties and transactions between related parties may not be made on the same terms and conditions and amounts for transactions with non-related parties.

(a) Control relationships

The Company's immediate and ultimate parent companies are disclosed in note 1(b). The ultimate parent company produces publicly available financial statements in accordance with IFRSs.

(i) Management remuneration

Key management of the Group includes members of its Board of Directors. Key management received the following remuneration during the year, which is included in personnel costs (see note 9):

'000 EUR	**2010**	**2009**
Salaries and bonuses	1,035	708
Contributions to State pension fund	23	35
Other service benefits	523	207
	1,581	**950**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

(ii) ***Auditor's remuneration***

Auditor's remuneration was EUR 340 thousand (2009: EUR 375 thousand).

(b) Transactions with other related parties

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 2010 service expenditures and royalties amounted to EUR 66,654 thousand (2009: EUR 59,812 thousand) under these agreements. Interest expense charged by related parties amounted to EUR 14,569 thousand (2009: EUR 16,400 thousand).

Purchases from other related parties amounted to EUR 4,385 thousand for 2010 (2009: EUR 713 thousand).

In 2010, the Group received two long-term interest-bearing loans and one short-term loan from the entities under common control in the amount of RUB 26,486,263 thousand (EUR 656,688 thousand), EUR 133,875 thousand and RUB 700,000 (EUR 17,355) (2009: RUB 3,279,000 thousand). The loan in EUR was repaid within one day and was reported in cash flow on a net basis. The balances at 31 December 2010 and key terms are disclosed in Note 20. The remaining balance of this short-term loan at 31 December 2010 amounted to EUR 11,562 thousand. In addition, the Company revised the terms of the loan, which became payable on demand.

Also, in 2010 the Group granted a short-term unsecured loan to an entity under common control in the amount of EUR 653,893 thousand which bears interest at the rate of 6 months EURIBOR on a 360-day year basis.

The outstanding balances with related parties were as follows:

'000 EUR	**31 December 2010**	**31 December 2009**
Accounts receivable from the Parent	9	4,068
Accounts and other receivable from entities under common control	4,045	3,386
Accounts payable to the Parent	(52,085)	(41,077)
Accounts payable to the entities under common control	(5,624)	(10,337)
Loan granted to an entity under common control	653,893	-
Current loans from entities under common control	(63,712)	(80,533)
Interest payable to entities under common control	(6,601)	(15,854)
Non-current loans from entities under common control	(656,688)	(85,276)
	(126,763)	**(225,623)**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

29 Significant subsidiaries

Subsidiary	Country of incorporation	2010 Ownership/voting	2009 Ownership/voting
Sun Interbrew Finance Ltd.	Russian Federation	100%/100%	100%/100%
OJSC Sun InBev Russia	Russian Federation	88.12%/88.12%	88.12%/88.12%
OJSC Sun InBev Ukraine	Ukraine	86.66%/98.34%	98.34%/98.34%

30 Events subsequent to the reporting date

Effective from 1 January 2011, the excise duty on beer in Russia has been increased by 1 Rouble, from 9 to 10 Rouble per hectolitre. We are unable to assess the financial effect of the increase.

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