

**SUN Interbrew Plc**

**Separate Financial Statements  
for the year ended 31 December 2012**

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## **Board of Directors and other officers**

### **Board of Directors**

Andrii Gubka – Chief Executive Officer (“CEO”)  
Nand Khemka – Director (Chairman of the Board)  
Shiv Khemka – Director  
Uday Khemka – Director  
Denis Khrenov – Chief Legal Officer (“CLO”)  
Liudmyla Nakonechnaya – Director  
Matias Tavella – Chief Financial Officer (“CFO”)  
Oleksandr Balakhnov – Director and member of Audit Committee and Nomination and Remuneration Committee  
Oraz Durdyev – Director and member of Audit Committee and Nomination and Remuneration Committee  
Inter Jura CY (Directors) Limited – Director and member of Audit Committee and Nomination and Remuneration Committee  
Inter Jura CY (Management) Limited – Director  
Tunc Mustafa Cerrahoglu (resigned 5 November 2012)  
Khamzat Khasbulatov (resigned 29 August 2012)  
Christopher Lloyd (resigned 29 August 2012)  
Anna Gorodilova (resigned 26 February 2013)

### **Company Secretary**

**Inter Jura CY (Services) Ltd**  
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 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 financial statements of SUN Interbrew Plc (the "Company") for the year ended 31 December 2012, we confirm that, to the best of our knowledge:

- (a) the annual separate financial statements of the Company which are presented on pages 15 to 40:
- (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
- (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 together with a description of the main risks and uncertainties that its facing.

### Members of the Board of Directors

Name and surname	Signature
Andrii Gubka – Chief Executive Officer	
Nand Khemka – Chairman	
Shiv Khemka – Director	
Uday Khemka – Director	
Denis Khrenov – Chief Legal Officer	
Liudmyla Nakonechnaya – Director	
Matias Tavella – Chief Financial Officer	
Oleksandr Balakhnov – Director	
Oraz Durdyev – Director	
Inter Jura CY (Management) Limited – Director	
Inter Jura CY (Directors) Limited – Director	

### Responsible for the preparation of the financial statements

Name and surname	Position	Signature
Matias Tavella	Chief Financial Officer	

## Report of the Board of Directors

1 The Board of Directors presents its report together with the audited separate financial statements of the Company for the year ended 31 December 2012.

### Principal activities

2 The principal activities of the Company, which are unchanged from last year, are to act as a holding and investment company for specific businesses belonging to the controlling shareholder of the Company and the provision of loans within the Group.

### Review of developments, position and performance of the Company's business

3 The loss of the Company for the year ended 31 December 2012 was EUR82,461,548 (2011: profit of EUR7,775,286). On 31 December 2012 the total assets of the Company were EUR1,783,281,207 (2011: EUR1,877,544,981) and the net assets were EUR1,783,220,683 (2011: net assets EUR1,865,682,501). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

### Principal risks and uncertainties

4 The principal risks and uncertainties faced by the Company are disclosed in Notes 2,16 and 17 of the financial statements.

### Future developments of the Company

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

### Results

6 The Company's results for the year are set out on page 15. The Board of Directors does not propose the payment of a dividend (2011: nil).

### Dividends

7 No dividends were recommended by the Board of Directors.

### Share capital

8 There were no changes in the share capital of the Company. The authorized share capital which amounts to GBP1,552,786 is divided into 125,278,614 class A shares of GBP0.01 each and 30,000,000 class B shares of GBP0.01 each.

9 The Company's share ownership is disclosed in the Company's Annual Report available on the Company's website [www.suninterbrew.ru](http://www.suninterbrew.ru).

## Report of the Board of Directors (continued)

### Share capital (continued)

10 The Class A shares have 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.

11 Class B shares have no restrictions on voting rights.

### Board of Directors

12 The members of the Board of Directors at 31 December 2012 and at the date of this report are shown on page 3. All of them were members of the Board throughout the year 2012, except Mr Khamzat Khasbulatov and Mr Christopher Lloyd, who resigned on 29 August 2012 and Mr Tunc Mustafa Cerrahoglu who resigned on 5 November 2012. Mrs Anna Gorodilova, resigned on 26 February 2013.

13 There being no requirement in the Company's Articles of Association for retirement of Directors by rotation, all the Directors remain at office. The new Directors will be re-appointed at the next Annual General Meeting.

### 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 6 December 2011.

15 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 [www.suninterbrew.ru](http://www.suninterbrew.ru).

### General rules

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

17 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").

## Report of the Board of Directors (continued)

### General rules (continued)

18 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.

19 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.

20 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.

21 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.

22 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 the Board of Directors (continued)

### General rules (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.

23 The current number of issued shares is 116,628,930 including A class shares (non-voting) of 88,832,710 and B class shares (voting) of 27,796,220. The titles issued by the Company and their ISIN number are as follows:

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



## **Report of the Board of Directors (continued)**

### **General rules (continued)**

24 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.

### **Competences of the Board**

25 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.

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

27 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.

### **Functioning of the Board**

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

29 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**

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

### **Chairmanship**

31 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.

32 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.

## **Report of the Board of Directors (continued)**

### **Existence and nature of the internal control and risk management system**

33 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.

### **Evaluation of the Board**

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

35 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.

36 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**

37 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.

### **Remuneration policy for Board Members and Senior Managers**

38 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.

39 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.

40 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.

## Report of the Board of Directors (continued)

### Contracts with Directors and related parties

41 Other than the transactions and the balances with related parties referred to in Note 18 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries at 31 December 2012 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.

### Directors' interests in the Company's share capital

42 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

43 As at 31 December 2012 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
2	InBev Belgium N.V./S.A. *	0	1	1	0.0001
3	Brandbrew S.A. *	0	1	1	0.0001
4	Interbrew International B.V. *	0	1	1	0.0001
5	Worldoor Limited *	70,154,537	9,519,598	79,674,135	68.3141
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominees) Limited - London **	745,384	0	745,384	0.6390
8	Bank of New York (Nominees) Limited - New York **	15,042,401	15,480,356	30,522,757	26.1701
	<b>Total:</b>	<b>88,832,610</b>	<b>27,796,220</b>	<b>116,628,830</b>	<b>100.0000</b>

\* Companies are related parties to Anheuser-Busch Inbev.

\*\* Beneficiary owner is Anheuser-Busch Inbev.

### Events after the balance sheet date

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

### Branches

45 The Company did not operate through any branches during the year.

## Report of the Board of Directors (continued)

### Independent Auditors

46 The Independent Auditors, PricewaterhouseCoopers Limited, 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 Executive Officer**

22 April 2013





# **Independent auditor's report**

## **To the Members of SUN Interbrew Plc**

### **Report on the financial statements**

We have audited the accompanying financial statements of SUN Interbrew Plc (the "Company"), which comprise the balance sheet as at 31 December 2012, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements give a true and fair view of the financial position of SUN Interbrew Plc as at 31 December 2012, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113.

### **Report on other legal requirements**

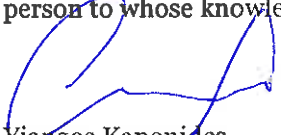
Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- 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 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 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 financial statements.

According to the requirements of the direction OD190-2007-04 of the Cyprus Capital Market Board, we report that a statement of corporate governance code has been issued regarding paragraphs (a), (b), (c), (f) and (d) of Article 5 of the given direction and consist 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 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 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.



Yiannos Kaponides  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Limassol, 22 April 2013

## Statement of comprehensive income for the year ended 31 December 2012

Expressed in EUR	Note	2012	2011
Dividend income		-	951,065
Other losses – net	5	(83,536,419)	-
Administrative expenses	6	(144,307)	(125,303)
Other expenses	7	-	(1,042)
<b>Results from operating activities</b>		<b>(83,680,726)</b>	<b>824,720</b>
Finance income/(costs) - net	8	1,351,764	7,708,813
<b>(Loss)/profit before tax</b>		<b>(82,328,962)</b>	<b>8,533,533</b>
Income tax expense	9	(132,586)	(758,247)
<b>(Loss)/profit and total comprehensive (loss)/income for the year</b>		<b>(82,461,548)</b>	<b>7,775,286</b>
<b>(Losses)/earnings per share</b>			
Basic and diluted (losses)/earnings per share (EUR)	20	(0.707)	0.067
<b>Weighted average number of shares</b>		<b>116,628,930</b>	<b>116,628,930</b>

The notes on pages 19 to 40 are an integral part of these financial statements.

## Statement of financial position at 31 December 2012

Expressed in EUR	Note	2012	2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10	1,654,241,054	1,197,877,183
<b>Total non-current assets</b>		<u>1,654,241,054</u>	<u>1,197,877,183</u>
<b>Current assets</b>			
Loans receivable	11	109,947,651	679,065,623
Trade and other receivables	12	269,676	269,676
Current tax assets		120,398	-
Cash and cash equivalents	13	18,702,428	332,499
<b>Total current assets</b>		<u>129,040,153</u>	<u>679,667,798</u>
<b>Total assets</b>		<u><u>1,783,281,207</u></u>	<u><u>1,877,544,981</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	14	1,808,651	1,808,651
Share premium	14	357,932,250	357,932,250
Retained earnings		1,423,480,052	1,505,941,600
<b>Total equity</b>		<u>1,783,220,953</u>	<u>1,865,682,501</u>
<b>Non-current liabilities</b>			
Loans payable	11	-	11,561,527
<b>Total non-current liabilities</b>		<u>-</u>	<u>11,561,527</u>
<b>Current liabilities</b>			
Trade and other payables	15	60,254	42,707
Current tax liabilities		-	258,246
<b>Total current liabilities</b>		<u>60,254</u>	<u>300,953</u>
<b>Total liabilities</b>		<u>60,254</u>	<u>11,862,480</u>
<b>Total equity and liabilities</b>		<u><u>1,783,281,207</u></u>	<u><u>1,877,544,981</u></u>

On 22 April 2013 the Board of Directors of SUN Interbrew Plc authorized these financial statements for issue.

Andrii Gubka, Chief Executive Officer

Matias Tavella, Chief Financial Officer

The notes on pages 19 to 40 are an integral part of these financial statements.



## Statement of changes in equity for the year ended 31 December 2012

Expressed in EUR	Share capital	Share premium(1)	Retained earnings(2)	Total
<b>Balance at 1 January 2011</b>	<u>1,808,651</u>	<u>357,932,250</u>	<u>1,498,166,314</u>	<u>1,857,907,215</u>
<b>Comprehensive income</b>				
Profit for the year	<u>-</u>	<u>-</u>	<u>7,775,286</u>	<u>7,775,286</u>
Total comprehensive income for the year 2011	<u>-</u>	<u>-</u>	<u>7,775,286</u>	<u>7,775,286</u>
<b>Balance at 31 December 2011/ 1 January 2012</b>	<u>1,808,651</u>	<u>357,932,250</u>	<u>1,505,941,600</u>	<u>1,865,682,501</u>
<b>Comprehensive income</b>				
Loss for the year	<u>-</u>	<u>-</u>	<u>(82,461,548)</u>	<u>(82,461,548)</u>
Total comprehensive income for the year 2012	<u>-</u>	<u>-</u>	<u>(82,461,548)</u>	<u>(82,461,548)</u>
<b>Balance at 31 December 2012</b>	<u>1,808,651</u>	<u>357,932,250</u>	<u>1,423,480,052</u>	<u>1,783,220,953</u>

- (1) Share premium is not available for distribution in the form of dividend.
- (2) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 19 to 40 are an integral part of these financial statements.

## Statement of cash flows for the year ended 31 December 2012

Expressed in EUR

	Note	2012	2011
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(82,461,548)	7,775,286
Adjustments for:			
Income from previously written-off loan to subsidiary	5	-	(31,123,040)
Impairment of investment in subsidiaries	5	83,536,419	31,123,040
Interest income	8	(1,390,668)	(7,931,540)
Interest expense	8	39,646	223,015
Forex income – net	8	(742)	(288)
Income tax expense	9	132,586	758,247
Other expenses – non-cash	7	-	1,042
<b>Cash from operating activities before changes in working capital and provisions</b>		<b>(144,307)</b>	<b>825,762</b>
Change in trade and other receivables		-	89,817
Change in trade and other payables		29,134	(110,294)
<b>Net cash from operating activities before income taxes and interest paid</b>		<b>(115,173)</b>	<b>805,285</b>
Income tax paid		(511,230)	(501,043)
<b>Net cash (used in)/from operating activities</b>		<b>(626,403)</b>	<b>304,242</b>
<b>Cash flows from investing activities</b>			
Contributions to investments in subsidiaries		(539,900,290)	(31,123,040)
Repayment of loan from subsidiary (previously written off)		-	31,123,040
Loans granted	18 (f)	-	(658,038,473)
Loan repayments received from related parties	18 (e)	570,085,210	653,893,009
Interest received		423,430	4,145,464
<b>Net cash from investing activities</b>		<b>30,608,350</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Repayments of bank borrowings		(11,561,572)	-
Interest paid		(50,446)	(2,015)
<b>Net cash used in financing activities</b>		<b>(11,612,018)</b>	<b>(2,015)</b>
<b>Net increase in cash and cash equivalents</b>		<b>18,369,929</b>	<b>302,227</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>332,499</b>	<b>30,272</b>
<b>Cash and cash equivalents at end of year</b>	13	<b>18,702,428</b>	<b>332,499</b>

The notes on pages 19 to 40 are an integral part of these financial statements.

## Notes to the financial statements

### 1. General information

#### Country of incorporation

SUN Interbrew Plc (the “Company”) was redomiciled in Cyprus on 1 December 2010 and was registered as a public limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company’s registered office is 1 Lampousa Street, 1095 Nicosia, Cyprus. Before 1 December 2010 the Company, was registered under the name “SUN Interbrew Limited” and, was incorporated in Jersey, the Channel Islands. The Company and its subsidiaries are collectively referred as the “Group”. The Group is headed by Anheuser – Busch InBev (the “Shareholder Group”).

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are to act as a holding and investments company for specific businesses belonging to the controlling shareholder of the Company and the provision of loans within the Group.

### 2. Basis of preparation

#### Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2012 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 “Financial Instruments: Recognition and Measurement” relating to portfolio hedge accounting.

Management of the Company believes that the financial statements present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the ‘Framework for preparation and presentation of financial statements’ (Framework). The application of IFRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

These financial statements are prepared for the year ending 31 December 2012 as separate financial statements. The Company has prepared these separate financial statements to comply with the Cyprus Transparency Requirements (securities for Trading on Regulated Markets) Law 2007 and the Cyprus Income Tax Laws and Regulations.

Consolidated financial statements are required by International Accounting Standard IAS 27 “Consolidated and Separate Financial Statements” have been prepared and are available from the registered office of the Company at 1 Lampousa Street, 1095 Nicosia, Cyprus. In the consolidated financial statements, subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations, have been fully consolidated.

Users of these separate financial statements should read them together with the Group’s consolidated financial statements as at end of the year ended 31 December 2012, in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole.

## 2. Basis of preparation (continued)

### **Basis of measurement**

The financial statements are prepared on the historical cost basis. The Company's investments in subsidiaries are carried at cost less impairment losses.

### **Functional and presentation currency**

The Company's functional currency and the currency in which these financial statements are presented is Euro ("EUR"). Management considers that EUR reflects the economic substance of the underlying events and circumstances of the Company.

### **Use of estimates and judgments**

The preparation of 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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in Note 17 Contingencies in the financial statements.

### **Critical judgments in applying accounting policies**

#### *Initial recognition of related party transactions*

In the normal course of business the Company enters into transactions with its related parties. IAS 39 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses.

#### *Impairment of investments in subsidiaries*

The Company follows the guidance of IAS 36 in determining when an investment is impaired. This determination requires significant judgement. In making this judgment, the Company determines whether the recoverable amount of an investment is less than its carrying amount.

The Company carried out a test of the estimated recoverable amount of the investments in subsidiaries, where indications for impairment were present, and compared to its carrying value and an impairment charge was deemed necessary for the year ended 31 December 2012 of EUR 83,536,419 (2011: EUR 31,123,040).

## 3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

### 3. Accounting policies (continued)

#### Revenue recognition

*(a) Dividend income*

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

*(b) Finance income*

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

#### Foreign currency translation

##### *Foreign currency transactions and balances*

Transactions in foreign currencies are translated to the functional currency 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. 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 income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "Finance income/cost – net".

#### Financial instruments

##### *Non-derivative financial assets*

Non-derivative financial instruments comprise loans receivable, trade and other receivables and cash and cash equivalents.

The Company 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 Company becomes a party to the contractual provisions of the instrument.

### 3. Accounting policies (continued)

#### Financial instruments (continued)

##### *Non-derivative financial assets (continued)*

The Company 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 Company 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 Company 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 Company has the following non-derivative financial assets: cash and cash equivalents, loans receivable and trade and other receivables.

##### *Cash and cash equivalents*

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

##### *Loans and receivables*

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

##### *Non-derivative financial liabilities*

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company 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 Company 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 Company classifies non-derivative financial liabilities into the other financial liabilities category. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Other financial liabilities comprise loans payable and trade and other payables.

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the loan using the effective interest method.

### 3. Accounting policies (continued)

#### 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 of share capital*

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. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. 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 transferred to/from retained earnings.

#### Impairment

##### *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 are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse exchanges in the payment status of borrowers or issuers in the Company the disappearance of an active market for a security.

The Company 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 Company 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.

### 3. Accounting policies (continued)

#### Impairment (continued)

##### *Financial assets (continued)*

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 in profit or loss and reflected in an allowance account against 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.

##### *Non-financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Finance costs

Finance costs comprise interest expense on borrowings and foreign currency losses. 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 in profit or loss.

#### Current and deferred 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 income. In this case, the tax is also recognised in equity or in other comprehensive income, respectively.

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, and any adjustment to tax payable in respect of previous years.

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.



### **3. Accounting policies (continued)**

#### **Current and deferred income tax (continued)**

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.

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.

#### **Earnings per share**

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

#### **Provisions**

A provision is recognized 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 recognized as finance cost.

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

### 3. Accounting policies (continued)

#### Subsidiaries at cost

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies so as to obtain economic benefits generally accompanying a shareholding of more than one half of the voting rights. The Company carries the investments in subsidiaries at cost less any impairment in its separate financial statements.

Transactions involving transfers of investments in subsidiaries to fellow subsidiaries are accounted for at transaction price.

Transfer of subsidiaries in the form of dividends distribution by subsidiaries are recognized at the fair value of the investment received.

#### Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2012. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements the following financial reporting standards were issued by the International Accounting Standards Board but were not yet effective:

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

##### New standards

- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 12, "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013).
- IAS 27, "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
- IAS 28, "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2014).

### 3. Accounting policies (continued)

#### Adoption of new and revised IFRSs (continued)

##### (i) Adopted by the European Union (continued)

#### Amendments

- Amendment to IAS 12 “Income Taxes” on deferred tax relating to recovery of underlying assets (effective for annual periods beginning on or after 1 January 2013).
- Amendment to IFRS 1 “First-time adoption of International Financial Reporting Standards” on severe hyperinflation and removal of fixed dates for First Time Adopters (effective for annual periods beginning on or after 1 January 2013).
- Amendment to IAS 1 “Financial Statements Presentation” on Presentation of Items of Other Comprehensive Income” (effective for annual periods beginning on or after 1 July 2012).
- Amendments to IAS 19 “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 7 “Financial Instruments: Disclosures” on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 32 “Financial Instruments: Presentation” on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

#### New IFRICs

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” (effective for annual periods beginning on or after 1 January 2013).

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

#### New standards

- IFRS 9 “Financial Instruments” (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2015).

#### Amendments

- Amendment to IFRS 1 “First-time adoption of International Financial Reporting Standards” on IAS 20 ‘Accounting for Government Grants and Disclosure on Government Assistance’ - exemption on the retrospective application of IFRSs in relation to government grants (effective for annual periods beginning on or after 1 January 2013).
- Annual Improvements 2011 (effective for annual periods beginning on or after 1 January 2013).

### 3. Accounting policies (continued)

#### Adoption of new and revised IFRSs (continued)

##### (ii) Not adopted by the European Union (continued)

#### Amendments (continued)

- Amendments to IFRS 10, IFRS 12 and IAS 27 on consolidation for investment entities (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10, IFRS 11 and IFRS 12 on transition guidance (effective for annual periods beginning on or after 1 January 2013).

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

### 4. Determination of fair values

A number of the Company'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.

#### 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.

#### 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.

#### 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. Other losses – net

Expressed in EUR	<u>2012</u>	<u>2011</u>
Impairment of investment in subsidiaries (Note 10)	(83,536,419)	(31,123,040)
Reversal of write off of loan from subsidiary	-	31,123,040
	<u>(83,536,419)</u>	<u>-</u>

## 6. Administrative expenses

Expressed in EUR	<u>2012</u>	<u>2011</u>
Audit fees	91,649	52,597
Counsel fees	32,265	13,201
Other expenses	20,393	59,505
	<u><b>144,307</b></u>	<u><b>125,303</b></u>

Audit fees include an amount of EUR36,000 (2011: EUR41,000) charged by the Company's statutory auditors. Audit fees include an amount of EUR1,906 (2011: nil) for tax services charged by the Company's statutory auditors.

## 7. Other expenses

Expressed in EUR	<u>2012</u>	<u>2011</u>
Correction of accruals, bank and reserves	-	1,042
	<u>-</u>	<u><b>1,042</b></u>

## 8. Finance income/(costs) – net

Expressed in EUR	<u>2012</u>	<u>2011</u>
Interest income	1,390,668	7,931,540
Interest expense	(39,646)	(223,015)
Foreign exchange gain – net	742	288
Net finance income recognized in profit or loss	<u><b>1,351,764</b></u>	<u><b>7,708,813</b></u>

## 9. Income tax expense

Expressed in EUR	<u>2012</u>	<u>2011</u>
Current tax expense:		
Corporation tax	<u><b>132,586</b></u>	<u><b>758,247</b></u>

Expressed in EUR	<u>2012</u>	<u>2011</u>
(Loss)/profit before tax	<u>(82,328,962)</u>	<u>8,533,533</u>
Tax calculated at the applicable corporation tax rate of 10%	(8,232,896)	853,353
Tax effect of expenses not deductible for tax purposes	8,365,482	3,139,245
Tax effect of allowances and income not subject to tax	-	(3,234,351)
Income tax expense	<u><b>132,586</b></u>	<u><b>758,247</b></u>

## 9. Income Tax (continued)

The Company is subject to corporation tax on taxable profits at the rate of 10%.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and only subject to special defense contribution at the rate of 10%; increased to 15% as from 31 August 2011.

In certain cases dividends received from abroad may be subject to special defense contribution at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% from 1 January 2012 to 31 December 2013.

As from tax year 2012 brought forward losses of only five years may be utilized.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

## 10. Investments in subsidiaries

Expressed in EUR	2012	2011
At beginning of year	1,197,877,183	1,197,877,183
Additions	539,900,290	31,123,040
Impairment	(83,536,419)	(31,123,040)
<b>At end of year</b>	<b>1,654,241,054</b>	<b>1,197,877,183</b>

The Company's interests in its subsidiaries, all of which are unlisted, were as follows:

Name	Country of incorporation	Principal activities	% interest held 2012	% interest held 2011
Cantorne Trading Ltd	Cyprus	Provision of financing services	100%	100%
S.B. Management Services Ltd	Cyprus	Dormant	100%	100%
SUN Breweries (C.I.S.) Ltd	Cyprus	Investment holding and provision of financing services	100%	100%
SUN Interbrew Finance	Russia	Dormant	100%	100%
SUN InBev Russia	Russia	Manufacturing, marketing and distribution of beer and soft drinks	84,27%	84,27%
Interbrew RSR Holding B.V.	Netherlands	Dormant	100%	100%

During 2012, the Company contributed additional EUR84,800,000 to its 100% subsidiary Cantorne Trading Limited through an increase of its share capital. In addition, during 2012, the Company recognized an impairment charge of EUR 83,536,419 for the investment in Cantorne Trading Limited. The recoverable amount of this investment was based on the net assets.

In addition, during 2012, the Company contributed additional EUR455,100,290 (RUB18,419,557,200) to its 84.27% subsidiary SUN InBev Russia through an increase of its share capital. The increase of share capital of SUN InBev Russia is proportionate to all of its shareholders and there is no change in the structure of shareholding since 2011.

During 2011, the Company contributed additional EUR31,123,040 to its 100% subsidiary Interbrew RSR Holding B.V. through an increase of its share premium. The Funds injected were used to repay back a loan due to the Company.

## 10. Investments in subsidiaries (continued)

In addition, during 2011, the Company recognized an impairment for the investment in Interbrew RSR Holding B.V., as the Company's management decided to liquidate the company. The impairment charge amounted to EUR31,123,040.

## 11. Loans receivable and loans payable

Expressed in EUR	2012	2011
<b>Current:</b>		
Loans receivable (Note 18 (e))	109,947,651	679,065,623
	<b>109,947,651</b>	<b>679,065,623</b>
<b>Non-current:</b>		
Loans payable (Note 18 (d))	-	11,561,527
	-	<b>11,561,527</b>

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost. No more information about the Company's exposure to interest rate, credit risk and liquidity risk, see Note 17.

All loan counterparts are related parties and are companies within the Group, as follows:

Expressed in EUR	Currency	Nominal interest rate	Year of maturity	2012		2011	
				Face value	Carrying amount	Face value	Carrying amount
<b>Subsidiaries:</b>							
Cantome Trading Limited	EUR	zero	2012	-	-	17,203,683	17,203,683
<b>Related parties:</b>							
Cobrew	EUR	1m EURIBOR – 0.2%	on demand	109,947,651	109,947,651	658,038,473	661,861,940
<b>Loans receivable</b>				<b>109,947,651</b>	<b>109,947,651</b>	<b>675,242,156</b>	<b>679,065,623</b>
<b>Related parties:</b>							
Cobrew	EUR	3m EURIBOR + 0.25%	2018	-	-	11,561,527	11,573,114
<b>Loans payable</b>				<b>-</b>	<b>-</b>	<b>11,561,527</b>	<b>11,573,114</b>

All of the above loans are unsecured.

All amounts receivable are current and expected to be recoverable in full.

None of the loans receivable are past due or considered as impaired and no provision for impairment had been made.

The Company believes that nominal amount included in the financial statements for loans receivable is not materially different from fair value.

All the carrying amounts of the Company's loans receivable are denominated in EUR.

The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of receivables mentioned above.

The Company has no undrawn borrowing facilities.

## 12. Trade and other receivables

Expressed in EUR	2012	2011
<b>Current</b>		
Other receivables from related parties (Note 18 (c))	269,676	269,676
	<u>269,676</u>	<u>269,676</u>

All amounts receivable are current and expected to be recoverable in full. No amounts receivable are past due or considered as impaired and no provision for impairment had been made. The Company believes that nominal amount included in the financial statements is not materially different from fair value.

All the carrying amounts of the Company's trade and other receivables are denominated in EUR.

The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of receivables mentioned above.

## 13. Cash and cash equivalents

Expressed in EUR	2012	2011
Short-term bank deposits	18,702,428	332,499
Cash and cash equivalents in the statement of financial position and statement of cash flows	<u>18,702,428</u>	<u>332,499</u>

The Company has not used any overdraft facilities during the year.

Cash and cash equivalents are denominated in the following currencies:

	2012	2011
Euro - functional and presentation currency	18,702,428	332,499
	<u>18 702 428</u>	<u>332,499</u>

## 14. Share capital and share premium

Number of shares unless otherwise stated	Preference shares (Class A)		Ordinary shares (Class B)	
	2012	2011	2012	2011
Authorised shares	125,278,614	125,278,614	30,000,000	30,000,000
Par value	GBP 0.01	GBP 0.01	GBP 0.01	GBP 0.01
On issue at 1 January	88,832,710	88,832,710	27,796,220	27,796,220
Issued for cash	88,832,710	88,832,710	27,796,220	27,796,220
On issue at 31 December, fully paid	<u>88,832,710</u>	<u>88,832,710</u>	<u>27,796,220</u>	<u>27,796,220</u>



## 14. Share capital and share premium (continued)

### 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.

### Share premium

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

### Distributable reserves

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

## 15. Trade and other payables

Expressed in EUR	2012	2011
Trade payables to third parties	60,254	31,120
Accrued interest in loan payable (Note 18 (d))	-	11,587
	<u>60,254</u>	<u>42,707</u>

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

## 16. Financial risk management

### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (which includes fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

### Market risk

#### *Cash flow and fair value interest rate risk*

The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value 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 Company's exposure should be to fixed or variable rates, as the Company's loans is drawn from related parties.

#### **Fair value sensitivity analysis for fixed rate instruments**

As at 31 December 2012, the Company doesn't have any fixed rate instruments.

#### **Cash flow sensitivity analysis for variable rate instruments**

As at 31 December 2012, the Company is not expose to any material interest rate risk due to variable rate instruments.

### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures from loans advanced to related parties, including outstanding receivables and committed transactions.

Substantially all such outstanding receivables are from the companies within the Group.

#### *Loans to related party*

The Company granted a loan to an entity controlled by the Parent company (Note 18 (e)). The Company 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.

#### *Cash and cash equivalents*

The Company has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The Company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately.

The bank balances are with one bank and the loans receivable are from a related party (Note 18 (e)). No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

## 16. Financial risk management (continued)

### Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

EUR	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
<b>At 31 December 2012</b>				
Trade and other payables	60 254	-	-	-
	<b>60 254</b>	-	-	-
<b>At 31 December 2011</b>				
Borrowings	-	-	-	13,514,721
Trade and other payables	42,707	-	-	-
	<b>42,707</b>	-	-	<b>13,514,721</b>

### Capital risk management

The Company is continuously optimizing its capital structure targeting to maximize shareholder value which keeping the desired financial flexibility to execute the strategic projects. The Company manages its capital based on its debt to equity ratio.

## 17. Contingencies

### Russian business environment

The Company has investments which their operations are primarily located in the Russian Federation. Consequently, the Company 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 financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

Russian transfer pricing legislation enacted in 2011 and is effective prospectively to new transactions from 1 January 2012. It introduces significant reporting and documentation requirements. The transfer pricing legislation that is applicable to transactions on or prior to 31 December 2011, also provides the possibility for tax authorities to make transfer pricing adjustments and to impose additional tax liabilities in respect of all controllable transactions, provided that the transaction price differs from the market price by more than 20%. Controllable transactions include transactions with interdependent parties, as determined under the Russian Tax Code, all cross-border transactions (irrespective of whether performed between related or unrelated parties), transactions where the price applied by a taxpayer differs by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time, and barter transactions. Significant difficulties exist in interpreting and applying transfer pricing legislation in practice. Any prior existing court decisions may provide guidance, but are not legally binding for decisions by other, or higher level, courts in the future.

## 17. Contingencies (continued)

### Russian business environment (continued)

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

The taxation system in the Russian Federation continues to evolve and is characterized 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 financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

The international sovereign debt crisis, stock market volatility and other risks could have a negative effect on the Russian financial and corporate sectors. Management determined impairment provisions by considering the economic situation and outlook at the end of the reporting period.

The future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the government to sustain growth, and to change the tax, legal and regulatory environment. Management believes it is taking all necessary measures to support the sustainability and development of the Company's business in the current business and economic environment.

Amended Russian transfer pricing legislation took effect from 1 January 2012. The new transfer pricing rules appear to be more technically elaborate and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organization for Economic Cooperation and Development (OECD). The new legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

Management believes that its pricing policy is arm's length and it has implemented internal controls to be in compliance with the new transfer pricing legislation.

Given that the practice of implementation of the new Russian transfer pricing rules has not yet developed, the impact of any challenge of the Company's transfer prices cannot be reliably estimated; however, it may be significant to the financial conditions and/or the overall operations of the Company.

## 17. Contingencies (continued)

### Operating environment of Ukraine

The Company also has investments through subsidiaries which operate in Ukraine. 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.

Management is unable to predict all developments which could have an impact on the Ukrainian economy and consequently what effect, if any, they could have on the future financial position of the Company.

Management believes it is taking all the necessary measures to support the sustainability and development of the Company's business.

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

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

## 18. Related party transactions

The Company is controlled by Worldoor Limited, incorporated in Cyprus, which effectively owns 68.31% of the Company's shares. 31.63% are also effectively controlled by other related companies within the Shareholder Group. The Company's ultimate controlling party is AB InBev.

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

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

## 18. Related party transactions (continued)

The remuneration of key management for the year amounted EUR24,482 (2011: EUR 13,202). In addition, during 2012 there was an exit compensation provided to the two members of the board that resigned in the amount of US\$10,000 (EUR 7,565). Key management includes members of the Board of Directors.

The amounts outstanding at the yearend are disclosed in notes 11, 12 and 15.

The following transactions were carried out with related parties:

### (a) Contributions to investments in subsidiaries

Expressed in EUR	2012	2011
<b>Investments in subsidiaries:</b>		
Contributions (Note 10)	539,900,290	-
	<b>539,900,290</b>	<b>-</b>

### (b) Dividend Income

Expressed in EUR	2012	2011
<b>Dividend income from:</b>		
Subsidiary	-	951,065
	<b>-</b>	<b>951,065</b>

### (c) Year-end balances

Expressed in EUR	2012	2011
<b>Receivable from related parties:</b>		
Subsidiaries	241,794	241,794
Related party	27,782	27,782
	<b>269,676</b>	<b>269,676</b>

### (d) Loans from related parties

Expressed in EUR	2012	2011
<b>Loans from related parties:</b>		
At the beginning of the year	11,573,114	11,570,673
Interest charged	11,587	211,094
Loans repaid during year	(11,561,572)	-
Interest paid	(23,129)	(208,653)
<b>At the end of the year</b>	<b>-</b>	<b>11,573,114</b>

The loans from related parties bear interest at the rate of 3 months EURIBOR + 0,25% p.a. and was repayable by 16 December 2018, however the loan was fully repaid during 2012.

## 18. Related party transactions (continued)

### (e) Loans to related parties

Expressed in EUR	2012	2011
<b>Loans to company under common control:</b>		
At the beginning of the year	661,861,940	654,143,559
Loans advanced during year	-	658,038,473
Interest charged	1,390,412	7,927,034
Loans repaid during year	(552,881,527)	(653,893,009)
Interest paid	(423,174)	(4,354,117)
<b>At the end of the year</b>	<b>109,947,651</b>	<b>661,861,940</b>

The loans to company under common control bear interest at the rate of 1 month EURIBOR - 0.20% p.a. and is repayable on demand by written notice.

Expressed in EUR	2012	2011
<b>Loans to subsidiary:</b>		
At the beginning of the year	17,203,683	17,203,683
Loans repaid during year	(17,203,683)	-
<b>At the end of the year</b>	<b>-</b>	<b>17,203,683</b>

The above loans to subsidiary bear no interest and were repayable by 31 December 2012.

### (f) Reversal of amounts previously written-off

During 2011, the Company received EUR 31,123,040 from its 100% subsidiary Interbrew RSR Holding B.V. which have been written off in the previous years as non recoverable. As a result a gain of EUR 31,123,040 was recognized in the profit or loss (Note 5).

### (g) Interest income and interest expense

Expressed in EUR	2012	2011
<b>Interest income:</b>		
Companies under common control	1,390,412	7,927,034
<b>Interest expense:</b>		
Companies under common control	11,587	211,094

## 19. Financial instruments by category

Expressed in EUR	2012	2011
<b>Loans and receivables</b>		
Loans receivable	109,947,651	679,065,623
Trade and other receivables	269,676	269,676
Cash and cash equivalents	18,702,428	332,499
	<b>128,919,755</b>	<b>679,667,798</b>
<b>Expressed in Euros</b>	<b>2012</b>	<b>2011</b>
<b>Financial liabilities</b>		
Trade and other payables	60,254	42,707
Loans payable	-	11,561,527
	<b>60,254</b>	<b>11,604,234</b>

## 20. Earnings per share

Basic earnings per share is calculated by dividing the (loss)/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.

2012	<b>Profit (Numerator) EUR</b>	<b>Shares (Denominator)</b>	<b>Per share- amount EUR</b>
<i>Basic and diluted EPS</i>			
Attributable to holders of class "A" participating shares	(62,808,454)	88,832,710	(0.707)
Attributable to holders of class "B" participating shares	(19,653,094)	27,796,220	(0.707)
<b>Total attributable to participating shares</b>	<b>(82,461,548)</b>	<b>116,628,930</b>	<b>(0.707)</b>
2011	<b>Profit (Numerator) EUR</b>	<b>Shares (Denominator)</b>	<b>Per share- amount EUR</b>
<i>Basic and diluted EPS</i>			
Attributable to holders of class "A" participating shares	5,922,199	88,832,710	0.067
Attributable to holders of class "B" participating shares	1,853,087	27,796,220	0.067
<b>Total attributable to participating shares</b>	<b>7,775,286</b>	<b>116,628,930</b>	<b>0.067</b>

## 21. Events after the balance sheet date

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

Independent auditors' report on pages 13 to 14.