SUN Interbrew Plc

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2012

Contents

Board of Directors and other officers

Board of Directors

Tunc Mustafa Cerrahoglu
Olexander Balakhnov
Andrii Gubka
Nand Khemka
Shiv Khemka
Khamzat Khasbulatov
Christopher Lloyd
Uday Khemka
Denis Khrenov
Anna Gorodilova
Lyudmila Nakonechnaya
Matias Tavella
Oraz Dyrdyev
Inter Jura CY (Directors) LTD
Inter Jura (Management) LTD

Company Secretary

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

Registered office

1 Lampousas Street
CY-1095 Nicosia
Cyprus

Report of the Board of Directors

The Board of Directors presents its report together with the condensed financial statements of the Company and its subsidiaries (the "Group") for the six-months ended 30 June 2012.

1. Principal activities

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

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

The loss of the Group for the six-months ended 30 June 2012 was 46,866 thousand Euro (six-months ended 30 June 2010: 54,101 thousand Euro). On 30 June 2012 the total assets of the Group were 1,820,465 thousand Euro (31 December 2011: 1,772,264 thousand Euro) and the net assets were 572,341 thousand Euro (31 December 2011: net assets 612,251 thousand Euro). The financial position, development and performance of the Group as presented in these financial statements are considered satisfactory.

3. Principal risks and uncertainties

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

4. Future developments of the Group

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

5. Results

The Group's results for the year are set out on page 7. The Board of Directors does not propose the payment of a dividend (six months ended 30 June 2011: nil).

6. Dividends

No dividends were recommended by the Board of Directors.

7. Share capital

There were no changes in the share capital of the Group during the six month ended 30 June 2012. The authorized share capital which amounts to 1,552,786 GBP is divided into 125,270,614 class A shares of 0.01 GBP each and 30,000,000 class B shares of 0.01 GBP each.

8. Board of Directors

The members of the Board of Directors at 31 December 2011 and at the date of this report are shown on page 3. All of them were members of the Board throughout the six month ended 30 June 2012.

9. Corporate Governance

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

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

10. Events after the balance sheet date

August 7, the company announced its decision to shut down the brewery in Kursk and reallocate production to other sites in Russia due to the fact of extra pressure on the beer industry and thwarted its growth, including quadrupling of the excise tax since 2009 and various legislative restrictions and bans. The brewery will be shut down and must now first go through the completion of a number of technological and administrative processes. There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

11. Branches

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

By Order of the Board
Andrii Gubka,

Chief Executive Officer

'000 Euro	Note	30 June 2012	31 December 2011
Assets			
Non-current assets			
Property, plant and equipment	6	677,634	686,334
Intangible assets	7	134,217	135,312
Investments		193	191
Deferred tax assets		37,933	22,932
Total non-current assets		**849,976**	**844,768**
Current assets			
Inventories	8	123,820	113,090
Loan granted to related party		682,986	693,025
Current tax assets		13,219	18,833
Trade and other receivables		69,092	68,437
Prepayments		5,613	4,692
Cash and cash equivalents		75,758	29,418
Total current assets		**970,489**	**927,496**
Total assets		**1,820,465**	**1,772,264**
Equity and liabilities			
Equity	9		
Share capital		1,809	1,809
Share premium		459,105	459,105
Retained earnings		306,920	347,378
Translation reserve		(228,707)	(234,567)
Total equity attributable to the equity holders of the Company		**539,128**	**573,724**
Minority interest		**33,214**	**38,527**
Total equity		**572,341**	**612,251**
Non-current liabilities			
LT Loans and borrowings	10	774,054	786,776
Employee benefits		279	271
Deferred tax liabilities		869	864
Total non-current liabilities		**775,202**	**787,911**
Current liabilities			
Loans and borrowings	10	4,603	15,664
Trade and other payables		467,231	353,982
Current tax liabilities		1,088	2,456
Total current liabilities		**472,921**	**372,102**
Total liabilities		**1,248,124**	**1,160,013**
Total equity and liabilities		**1,820,465**	**1,772,264**

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 10 to 17.

For the 6 months ended 30 June '000 Euro	Note	2012	2011
Revenue		634,387	597,988
Cost of sales		(370,985)	(350,736)
Gross profit		**263,401**	**247,252**
Selling, marketing and distribution expenses		(237,122)	(227,645)
General and administrative expenses		(50,430)	(53,055)
Other income, net		1,385	(1,344)
Results from operating activities		**(22,766)**	**(34,791)**
Finance income		3,092	2,323
Finance costs		(35,714)	(31,364)
Net finance costs		**(32,621)**	**(29,041)**
Profit before income tax		**(55,387)**	**(63,832)**
Income tax expense		8,521	9,732
Profit for the period		**(46,866)**	**(54,101)**
Other comprehensive income			
Foreign currency translation difference		6,955	(12,969)
Other comprehensive income for the period		**6,955**	**(12,969)**
Total comprehensive income for the period		**(39,910)**	**(67,070)**
Profit/(loss) attributable to:			
Owners of the Company		(40,458)	(47,923)
Minority interest		(6,408)	(6,178)
Profit for the period		**(46,866)**	**(54,101)**
Total comprehensive income attributable to:			
Owners of the Company		(34,597)	(58,707)
Minority interest		(5,313)	(8,363)
Total comprehensive income for the period		**(39,910)**	**(67,070)**
Earnings per share			
Basic and diluted earnings per share (Euro)		**(0.35)**	**(0.41)**

These condensed consolidated interim financial statements were approved by management on 29 August 2012 and were signed on its behalf by:

Andrii Gubka Chief Executive Officer

Matias Tavella Chief Financial Officer

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 10 to 17.

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

	Attributable to equity holders of the Company						
'000 Euro	**Share capital**	**Share premium**	**Retained earnings**	**Translation reserve**	**Total**	**Minority interest**	**Total**
Balance at 1 January 2012	**1,809**	**459,105**	**347,378**	**(234,567)**	**573,725**	**38,527**	**612,252**
Profit for the period	-	-	(40,458)	-	**(40,458)**	(6,408)	**(46,866)**
Other comprehensive income							
Translation difference	-	-	-	5,860	**5,860**	1,095	**6,955**
Total comprehensive income for the period	-	-	-	**5,860**	**(34,597)**	**(5,313)**	**(39,910)**
Balance at 30 June 2012	**1,809**	**459,105**	**306,921**	**(228,707)**	**539,128**	**33,214**	**572,341**

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 10 to 17.

For the 6 months ended 30 June '000 Euro	Note	2012	2011
Cash flows from operating activities			
Profit for the year		**(46,866)**	**(54,101)**
Adjustments for:			
Depreciation and amortization		76,429	69,971
Impairment losses on property, plant and equipment		827	104
Gain on disposal of property, plant and equipment	6	(1,241)	(455)
Interest expense, net of interest income		33,861	26,342
Unrealized foreign exchange gain		(1,933)	2,355
Income tax expense	5	(8,521)	(9,732)
Other non-cash items		63	803
Cash from operating activities before changes in working capital and provisions		**52,620**	**35,288**
Change in inventories		(8,162)	(24,168)
Change in prepayments		(920)	1,540
Change in trade and other receivables		(15,484)	8,782
Change in trade and other payables		126,075	97,983
Change in provisions and employee benefits		(386)	(4)
Cash flows from operations before income tax and interest paid		**153,744**	**119,421**
Income tax paid		(2,105)	1,329
Interest paid		(36,762)	(34,335)
Net cash from operating activities		**114,876**	**86,415**
Cash flow from investing activities			
Loans granted		(1,329)	4,672
Interest received		1,747	1,220
Repayments of loans granted		11,711	-
Proceeds from sale of property, plant and equipment		2,104	(49,893)
Acquisition of property, plant and equipment	6	(52,922)	(1,505)
Acquisition of intangible assets		(727)	(4,369)
Net cash used in investing activities		**(39,417)**	**(49,875)**
Cash flow from financing activities			
Proceeds from borrowings		45,185	73,295
Repayment of borrowings		(75,447)	(52,321)
Dividends paid		(38)	-
Net cash used in financing activities		**(30,300)**	**20,973**
Net increase in cash and cash equivalents		**45,160**	**57,513**
Cash and cash equivalents at 1 January 2011		30,170	27,802
Effect of exchange rate changes on cash and cash equivalents		428	(3,475)
Cash and cash equivalents at 30 June		**75,757**	**81,841**

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 10 to 17.

1 Background

(a) Business environment

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

(b) Organisation and operations

SUN Interbrew Plc (the "Company") was redomiciled in Cyprus on December 2010, as a public limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company's registered office is 1 Lampousas Street, 1095 Nicosia, Cyprus. Before December 2010 the company, was registered under the name "Sun Interbrew Limited" and, was incorporated in Jersey, the Channel Islands.

As at 30 June 2012 the Company's ordinary shares (Class B) were effectively 99.89% owned and the preference shares (Class A) effectively 99.97% owned by AB InBev which is the Company's ultimate parent company (the "Parent"). The Company's immediate parent company is Worldoor Limited (the "Immediate Parent"), a company registered in Cyprus. The Company's shares are listed on the Luxemburg Stock Exchange and has also a global depositary program that is listed on the Luxemburg Stock Exchange and admitted to trading on the over-the-counter markets of the Berlin Stock Exchange, Stuttgart Stock Exchange and Frankfurt Stock Exchange.

The Company through a number of holding companies incorporated in Luxemburg, the Netherlands and Cyprus has a controlling interest in 10 breweries and 6 malt plants in the Russian Federation and 3 breweries in Ukraine (referred to collectively as the "Group"). The Group manufactures, markets and distributes beer and soft drinks.

The majority of the Group's funding is from other entities within the group headed by AB InBev. As a result the Group is economically dependent upon the Group headed by AB InBev. In addition, the activities of the Group are closely linked with the requirements of the Group headed by AB InBev and determination of the pricing of the Group's services to the Group headed by AB InBev is undertaken in conjunction with other companies in the Group headed by AB InBev. Related party transactions are disclosed in note 12.

2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These are not the Company's statutory financial statements.

(b) Basis of measurement

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

(c) Functional and presentation currency

The Company's functional currency is the Euro.

The functional currencies of the Russian and Ukrainian subsidiaries are the Russian Rouble and Ukrainian Hryvna respectively. Management has elected to use the Euro as the presentation currency for the consolidated financial statements. All financial information presented in Euro has been rounded to the nearest thousand.

(d) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. As at 30 June 2012 the Group's current assets exceeded its current liabilities by 497,567 thousand Euro (31 December 2011: 555,394 thousand Euro). A significant portion of current assets represent loans received from related parties (see note 10).

The consolidated financial statements do not include any adjustments should the Group be unable to continue as a going concern.

(e) Use of estimates and judgements

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

4 Operating segments

(i) *Information about reportable segments*

For the six-month period ended 30 June 2012 '000 Euro	Russia	Ukraine	Total
External and segment revenue	445,584	195,480	641,064
Inter-segment revenue	-	(6,677)	(6,677)
Reportable segment profit before income tax	**(55,737)**	**8,872**	**(46,866)**

For the six-month period ended 30 June 2011 '000 Euro	Russia	Ukraine	Total
External and segment revenue	431,376	167,767	599,143
Inter-segment revenue	-	(1,156)	(1,156)
Reportable segment profit before income tax	**(51,426)**	**(2,675)**	**(54,101)**

As at 30 June 2012 '000 Euro	Russia	Ukraine	Total
Assets			
Reportable segment assets	1,456,553	370,731	1,827,284
Inter-segment loans issued	(2,675)	(4,144)	(6,819)
Total	**1,453,878**	**366,587**	**1,820,465**
Liabilities			
Reportable segment liabilities	(1,096,295)	(158,648)	(1,254,943)
Inter-segment borrowings	4,144	2,675	6,819
Total	**(1,092,150)**	**(155,973)**	**(1,248,124)**

As at 31 December 2011 '000 Euro	Russia	Ukraine	Total
Assets			
Reportable segment assets	1,464,646	311,281	1,775,927
Inter-segment loans issued	(753)	(2,910)	(3,663)
Total	**1,463,893**	**308,371**	**1,772,264**
Liabilities			
Reportable segment liabilities	(1,048,580)	(115,095)	(1,163,675)
Inter-segment borrowings	2,910	753	3,663
Total	**(1,045,670)**	**(114,342)**	**(1,160,012)**

(ii) *Information about reportable segments*

The major change in segment assets of Russia and Ukraine relates to the increase in cash and equivalents in amount of 46,340 thousand Euro. The major change in liabilities of Russia and

Ukraine relates to the increase of trade and other payables equivalents by 113,249 thousand Euro which resulted primarily from realized measures targeted at improvement of working capital.

5 Income tax expense

Income taxes are provided for based on taxable income and the varying tax rates applicable in Russia, Ukraine, the Netherlands and Cyprus. Certain costs and expenses, including some types of employees' compensation, benefits, and interest, which are included as expenses in the condensed consolidated statement of comprehensive income are not deductible when determining taxable income.

The statutory income tax rate applicable to the Russian companies is 20% (six-month period ended 30 June 2011: 20%). The statutory income tax rate applicable to the Ukrainian companies is 21% (six-month period ended 30 June 2011: January – March 25%, April – June – 23%). The statutory income tax rate applicable to the Cyprus companies is 10% (six-months ended 30 June 2011: 10%)

The Group's consolidated effective tax rate for the six-month period ended 30 June 2012 was 15% (six-month period ended 30 June 2011: 15%).

For the six-month period ended 30 June **'000 Euro**	**2011**	**2010**
Current tax	(6,506)	(2,854)
Deferred income tax	15,027	12,586
	8,521	**9,732**

6 Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2012 the Group acquired assets with a cost, excluding capitalized borrowing costs, of 42,169 thousand Euro (six-month period ended 30 June 2011: 49,854 thousand Euro).

Assets with a carrying amount of 9,991 thousand Euro were disposed of during the six-month period ended 30 June 2011 (six-month period ended 30 June 2011: 1,031 thousand Euro), resulting in a gain on disposal of 1,229 thousand Euro (six-month period ended 30 June 2011: 455 thousand Euro), which is included in other income.

Capital commitments

As at 30 June 2011 the Group had contracts to purchase property, plant and equipment for about 20,728 thousand Euro (31 December 2011: 27,968 thousand Euro); delivery is expected during one-year period.

7 Intangible assets

As at 30 June 2012 management reviewed intangible assets and property, plant and equipment for indications of impairment since the end of 2011 to determine whether a detailed impairment calculation at the end of interim period was required. No such indications were identified. As a result no impairment losses were recognized in the interim financial statement for the six-month period ended 30 June 2012 (six-month period ended 30 June 2011: nil).

8 Inventories

During the six-month period ended 30 June 2012 an impairment loss of 399 thousand Euro has been recognized (six-month period ended 30 June 2011: Euro 979 thousand Euro). The impairment is included in cost of sales and selling, marketing and distribution expenses in the condensed consolidated interim statement of comprehensive income.

9 Share capital and share premium

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

As at 30 June 2012 and 31 December 2011 the Company's ordinary shares (Class B) were 99.89% owned and controlled by AB InBev and the preference shares (Class A) were 99.97% owned and controlled by AB InBev.

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

- The dividends on the preference shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the ordinary shareholders in such year;

- On winding up of the company, the surplus assets available for distribution to its members shall be distributed proportionately amongst the holders of the preference share and the ordinary shares according to the amounts of their respective holdings of such shares in the Company;

- The holders of the preference shares do not have right to vote in shareholders' meeting, except for the matters affecting the rights of the holders of preference shares, including "change of control" transaction as defined in the "Article of Association" of the Company.

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

10 Loans and borrowings

				30 June 2012		31 December 2011	
'000 Euro	**Currency**	**Interest rate nominal**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Non-current loan from an entity under common control	RUB	8.25%	2018	640,957	640,957	635,594	635,594
Non-current loan from an entity under common control	RUB	Mosprime + 2%	2013	133,097	133,097	151,183	151,183
Current loans from an entity under common control	EUR	3m EURIBOR+0.25 %	on demand	1,737	1,737	11,726	11,726
Current interest payable	n/a	n/a	n/a	2,866	2,866	3,937	3,937
				778,657	778,657	802,440	802,440

During the six-month period ended 30 June 2011 there were no new issuances of loans and borrowings.

11 Taxation contingencies

(a) Taxation contingencies in the Russian Federation

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(b) Taxation contingencies in Ukraine

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

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

12 Related party transactions

(a) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs:

For the six-month period ended 30 June **'000 Euro**	**2012**	**2011**
Salaries and bonuses	626	515
Contributions to State pension fund	1	3
Other service benefits provided	230	271
	858	**789**

(b) Other transactions

The Group has entered into various service agreements with other entities controlled by AB InBev. These services include management support, general technical assistance, provision of loans, publicity, marketing, use of brands and various other services. The amount of the service fees is agreed annually between the parties. During the six-month period ended 30 June 2012 service expenditures and royalties amounted to 30,223 thousand Euro (six-month period ended 30 June 2011: 32,806 thousand Euro) under these agreements. Interest expense charged by related parties amounted to 35,478 thousand Euro (six-month period ended 30 June 2011: 30,877 thousand Euro).

Purchases from other related parties amounted to 1,054 thousand Euro for the six-month period ended 30 June 2012 (six-month period ended 30 June 2011: 838 thousand Euro).

The outstanding balances with related parties were as follows:

'000 Euro	**30 June 2012**	**31 December 2011**
Accounts receivable from the Parent	9	9
Accounts receivable from entities under common control	-	369
Prepayments from entities under common control	4,802	10,008
Accounts payable to the Parent	(22,935)	(14,972)
Accounts payable to the entities under common control	(9,050)	(10,381)
Loan granted to an entity under common control	682,986	693,025
Current loans from entities under common control	(1,737)	(11,726)
Interest payable to the entities under common control	(2,866)	(3,930)
Non-current loans from entities under common control	(774,054)	(786,777)
	(122,845)	**(127,373)**

13 Events after the balance sheet date

August 7, the company announced its decision to shut down the brewery in Kursk and reallocate production to other sites in Russia due to the fact of extra pressure on the beer industry and thwarted its growth, including quadrupling of the excise tax since 2009 and various legislative restrictions and bans. The brewery will be shut down and must now first go through the completion of a number of technological and administrative processes. There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.