SUN Interbrew Limited and subsidiaries

Consolidated Financial Statements
December 31, 2008 and 2007

Contents

Independent Auditors' Report

Consolidated Balance Sheets 4

Consolidated Statements of Operations 5

Consolidated Statements of Cash Flows 6

Consolidated Statements of Changes in Shareholders' Equity 7

Notes to the Consolidated Financial Statements 8

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Independent Auditors' Report

The Board of Directors
SUN Interbrew Limited:

We have audited the accompanying consolidated balance sheets of SUN Interbrew Limited and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, shareholders' equity and comprehensive income, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SUN Interbrew Limited and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

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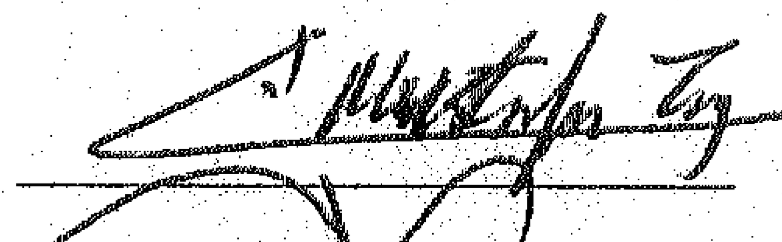
July 17, 2009

'000 Euro	Notes	December 31, 2008	December 31, 2007
Assets			
Cash and cash equivalents		1,389	5,449
Accounts receivable, net	4	23,213	85,050
Inventories	5	175,285	181,955
Taxes receivable		19,673	30,689
Deferred tax assets	12	17,550	16,659
Other current assets	6	8,360	16,135
Current assets		245,470	335,937
Plant and equipment, net	7	886,501	1,004,128
Intangible assets, net	8	25,317	34,323
Goodwill	9	94,896	114,533
Other non-current assets		739	956
Total assets		1,252,923	1,489,877
Liabilities and shareholders' equity			
Accounts payable		170,373	212,352
Taxes payable		30,198	21,750
Deferred tax liabilities	12	2,581	4,926
Accrued expenses		52,998	49,225
Current loans and borrowings	10	254,523	279,062
Current liabilities		510,673	567,315
Non-current deferred tax liabilities	12	26,332	31,702
Non-current loans and borrowings	10	100,229	122,169
Other non-current liabilities		3,094	5,310
Total liabilities		640,328	726,496
Minority interests in equity of subsidiaries		27,826	35,103
Class A Shares, one pence par; authorized 125,278,614 shares; issued 88,832,710 shares		1,422	1,422
Class B Shares, one pence par; authorized 30,000,000 shares; issued 27,796,220 shares		387	387
Additional paid-in-capital		459,105	459,105
Retained earnings		356,864	372,482
Accumulated other comprehensive loss		(233,009)	(105,118)
Shareholders' equity		584,769	728,278
Total liabilities and shareholders' equity		1,252,923	1,489,877

The Consolidated Financial Statements were approved on July 17, 2009.

Chief Executive Office 

'000 Euro	**Notes**	**2008**	**2007**
Net sales	3	1,428,578	1,463,985
Cost of goods sold		(833,033)	(765,352)
Gross profit		595,545	698,633
Selling, marketing and distribution expenses		(475,491)	(434,334)
General and administrative expenses		(81,129)	(71,758)
Operating income		38,925	192,541
Other income/(expense)		2,413	(1,529)
Interest expense, net		(22,679)	(15,883)
Foreign exchange loss		(23,892)	(5,487)
Other financial expense		(1,146)	(4,102)
		(45,304)	(27,001)
(Loss)/income before income taxes and minority interest		(6,379)	165,540
Income tax expense	12	(10,455)	(37,350)
(Loss)/income before minority interest		(16,834)	128,190
Minority interest		1,216	(10,494)
Net (loss)/income		(15,618)	117,696

'000 Euro	**December 31, 2008**	**December 31, 2007**
OPERATING ACTIVITIES		
Net (loss)/income	(15,618)	117,696
Adjustments to reconcile net (loss)/income to net cash provided from operations:		
Depreciation and amortization	153,906	124,007
Impairment loss	6,739	2,319
Minority interest	(1,216)	10,494
Impairment of inventories	1,474	2,052
Loss on sale of plant and equipment	4,237	5,896
Changes in working capital		
Accounts receivable	61,837	(25,626)
Inventories	6,670	(53,139)
Other current assets	7,775	1,848
Taxes payable	19,465	(4,825)
Accounts payable	(41,979)	(41,904)
Accrued expenses	3,773	32,309
Net cash provided by operating activities	207,063	171,127
INVESTING ACTIVITIES		
Purchase of intangible assets	(6,226)	(34,101)
Purchase of plant and equipment	(221,154)	(266,126)
Net cash used in investing activities	(227,380)	(300,227)
FINANCING ACTIVITIES		
Proceeds from loans	649,148	587,406
Repayment of loans	(630,496)	(462,317)
Net cash provided by financing activities	18,652	125,089
Effect of exchange rate changes on cash	(302)	113
Decrease in cash and cash equivalents	(1,967)	(3,898)
Cash and cash equivalents, beginning of the year	3,356	7,254
Cash and cash equivalents, end of the year	1,389	3,356
Cash paid during the year for:		
Interest	35,202	22,550
Income taxes	19,150	40,471

'000 Euro	Share Capital Class "A" shares	Share Capital Class "B" shares	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive loss	Total
Balances at December 31, 2006	1,422	387	459,105	254,786	(70,576)	645,124
Net income	-	-	-	117,696	-	117,696
Other comprehensive loss:						
Translation difference	-	-	-	-	(34,542)	(34,542)
Total comprehensive income	-	-	-	-	-	83,154
Balances at December 31, 2007	1,422	387	459,105	372,482	(105,118)	728,278
Net loss	-	-	-	(15,618)	-	(15,618)
Other comprehensive loss:						
Translation difference	-	-	-	-	(127,891)	(127,891)
Total comprehensive loss	-	-	-	-	-	(143,509)
Balances at December 31, 2008	1,422	387	459,105	356,864	(233,009)	584,769

1. Description of business

SUN Interbrew Limited (the "Company") is incorporated in Jersey, the Channel Islands, and has through holding companies incorporated in Jersey, the Netherlands and Cyprus a controlling interest in 12 breweries (referred to collectively as the "Group") in the Russian Federation ("Russia") and Ukraine. The Group manufactures, markets and distributes beer, malt and soft drinks.

2. Summary of significant accounting policies

2.1. Basis of presentation

These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). These are not the Company's statutory financial statements.

The majority-owned subsidiaries incorporated under the laws of Russia and Ukraine (the "Russian subsidiaries" and "Ukrainian subsidiaries") maintain accounting records and prepare their financial statements in Russian Roubles ("RUR") and Ukrainian Hryvnas ("UAH") in accordance with the requirements of Russian and Ukrainian accounting and tax legislation respectively. The financial statements of the Russian and Ukrainian subsidiaries included in these consolidated financial statements differ from those prepared for Russian and Ukrainian statutory purposes. They reflect certain adjustments not recorded in the statutory accounting of the Russian or Ukrainian subsidiaries, which are appropriate to present the financial position, results of operations and cash flows in accordance with US GAAP.

2.2. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and the majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

2.3. Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognized as part of additional paid-in-capital. Any cash paid for the acquisition is recognized directly in equity.

2.4. Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets; allowances for doubtful accounts and sales returns; the valuation of deferred tax assets, fixed assets, inventory and investments; and income tax uncertainties and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

2.5. Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments should the Group be unable to continue as a going concern. The shareholder group has undertaken to provide the Group with such financial and other support as is necessary to allow the Group to continue to trade at least until 31 December 2009 and thereafter for the foreseeable future.

2.6. Foreign currency translation

The functional currencies of the Russian and Ukrainian subsidiaries are the Russian Ruble and Ukrainian Hryvna respectively. Management of the Group has elected to use the Euro as the reporting currency for the consolidated financial statements.

At the reporting dates, translation from the functional currencies was conducted as follows:

- All assets and liabilities were translated from the functional to the reporting currency at the exchange rate effective at the reporting date;
- Equity items were translated from the functional to the reporting currency at historical exchange rates;
- Transactions in the income statement were translated from the functional currency to the reporting currency at rates approximating the exchange rates on the date of the transactions;
- Translation differences were included in other comprehensive loss in equity.

Exchange rates changed from 35.9 RUR and 7.5 UAH for 1 Euro respectively at December 31, 2007 to 41.4 RUR and 10.9 UAH for 1 Euro respectively at December 31, 2008. The 2008 average exchange rate was RUR 36.4 and UAH 7.6 for 1 Euro respectively.

The Russian Rouble and Ukrainian Hryvna are not fully convertible currencies outside the territories of Russia and Ukraine. Accordingly, the translation of amounts recorded in these currencies into Euro should not be construed as a representation that such currency amounts have been, could be or will in the future be converted into Euro at the exchange rates shown or at any other exchange rates.

2.7. Cash and cash equivalents

The Group's cash at December 31, 2007 and 2008 consists of cash in banks and cash in transit. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2.8. Receivables

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. The Group maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns,. The Group reviews its allowance for doubtful accounts monthly. Past due balances over 45 but fewer 90 days are provided for 50%, past

due balances over 90 days are provided for 100%. The Group does not have any off-balance-sheet credit exposure related to its customers.

2.9. Inventories

Inventories are stated at the lower of cost or market value. The cost of inventories is determined on a weighted average basis and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and their condition. The cost of manufactured inventories and work in progress includes an appropriate share of overheads based on normal operating capacity.

2.10. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include major expenditures for improvements and replacements, which extend the useful lives or increase capacity, and interest costs associated with significant capital additions. Depreciation of production assets is included in cost of goods sold. Normal maintenance and repairs are expensed. Depreciation is computed under the straight-line method using estimated useful lives as follows:

Buildings	10 to 20 years
Machinery and equipment	8 to 15 years
Transportation and office equipment	3 to 10 years
Returnable packaging	5 to 10 years

2.11. Intangible assets

Intangible assets, other than goodwill, which are acquired by the and which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. These assets are amortized under the straight-line method. Brands and trademarks have indefinite useful life and are not amortized but tested for impairment annually. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

The estimated useful live of software is 5-10 years.

2.12. Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase businesses combination. Goodwill is reviewed for impairment at least annually in accordance with the provisions of FASB Statement No. 142, Goodwill and Other Intangible Assets. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the enterprise must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation, in accordance with FASB Statement No. 141, Business Combinations. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed.

2.13. Impairment in long-lived assets

Long-lived assets, such as property, plant and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset against the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

A decline in the fair value of any available-for-sale security that is deemed to be other than temporary, results in a reduction of the carrying amount to fair value. The impairment is charged to the Income statement and a new cost basis for the security is established.

2.14. Current loans and borrowings

Current loans and borrowings consist primarily of current loans and overdraft facilities from banks.

2.15. Revenue recognition

Revenue from the sale of goods is recognised in the income statement when the products are shipped and the significant risks and rewards of ownership have been transferred to the buyer, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sale price is fixed or determinable. Revenue is presented net of taxes collected from customers and remitted to governmental authorities (VAT, excise taxes).

2.16. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Beginning with the adoption of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes as of January 1, 2007, the Group recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Prior to the adoption of FIN 48, the Group recognized the effect of income tax positions only if such positions were probable of being sustained.

The Group records penalties in selling, general, and administrative expenses.

2.17. Advertising

Advertising costs are charged to the income statement as incurred.

2.18. Basic and diluted earnings per share

Basic earnings per share is based on the weighted average number of ordinary (common) shares outstanding during the period. Diluted earnings per share is based on the weighted average number of ordinary (common) shares and ordinary (common) share equivalents (stock options and convertible shares) outstanding during the period.

2.19. Russian and Ukrainian business environment

The Group's principal operating activities are within Russia and Ukraine. Both countries 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 Russia and Ukraine involve risks that typically do not exist in other markets. In addition, the recent contraction in the capital and credit markets has further increased the level of economic uncertainty in the environment. The 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.

2.20. Recently issued accounting standards

In December 2007, the FASB issued FASB Statement No. 141(R), Business Combinations, and FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51. Statements 141(R) and 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both Statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. Statement 141(R) will be applied to business combinations occurring after the effective date. Statement 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date. The Group is currently evaluating the impact of adopting Statement 141(R) on its financial position and results of operations.

In February 2008, the FASB issued FASB Staff Position FAS 140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions." The objective of the FSP is to provide guidance on accounting for a transfer of a financial asset and repurchase financing. The FSP presumes that an initial transfer of a financial asset and a repurchase financing are considered part of the same arrangement (linked transaction) under Statement 140. However, if certain criteria are met, the initial transfer and repurchase financing shall not be evaluated as a linked transaction and shall be evaluated separately under Statement 140. FSP FAS 140-3 is effective for annual and interim periods beginning after November 15, 2008 and early adoption is not permitted. The Group is currently evaluating the provisions of this standard, but does not expect adoption to have a material impact on its financial position and results of operations.

In April 2008, the FASB issued FASB Staff Position FAS 142-3, "Determination of the Useful Life of Intangible Assets." FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under Statement 142. FSP FAS 142-3 is effective for fiscal years beginning after December 15, 2008. The Group is currently evaluating the impact, if any, of adopting FSP FAS 142-3 on its financial position and results of operations.

In December 2008, the FASB issued FASB Staff Position FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets." FSP FAS 132(R)-1 provides guidance on an employer's

disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP FAS 132(R)-1 also includes a technical amendment to FASB Statement No. 132(R), effective immediately, which requires nonpublic entities to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The disclosures about plan assets required by FSP FAS 132(R)-1 must be provided for fiscal years ending after December 15, 2009. The group is currently evaluating the impact of the FSP on its disclosures about plan assets.

In March 2008, the FASB issued FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133. Statement 161 requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. Statement 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of Statement 133 have been applied, and the impact that hedges have on an entity's financial position, financial performance, and cash flows. Statement 161 is effective for fiscal years and interim periods beginning after November 15, 2008. The Group is currently evaluating the impact of Statement 161 on the disclosures about its hedging activities and use of derivatives.

In June 2008, the FASB's Emerging Issues Task Force reached a consensus on EITF Issue No. 07-5, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock." This EITF Issue provides guidance on the determination of whether such instruments are classified in equity or as a derivative instrument. The Group will adopt the provisions of EITF 07-5 on January 1, 2009. The Group is currently evaluating the impact, if any, of adopting EITF 07-5 on its financial position and results of operations.

In November 2008, the FASB's Emerging Issues Task Force reached a consensus on EITF Issue No. 08-6, "Equity Method Investment Accounting Considerations". EITF 08-6 continues to follow the accounting for the initial carrying value of equity method investments in APB Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock, which is based on a cost accumulation model and generally excludes contingent consideration. EITF 08-6 also specifies that other-than-temporary impairment testing by the investor should be performed at the investment level and that a separate impairment assessment of the underlying assets is not required. An impairment charge by the investee should result in an adjustment of the investor's basis of the impaired asset for the investor's pro-rata share of such impairment. In addition, EITF 08-6 reached a consensus on how to account for an issuance of shares by an investee that reduces the investor's ownership share of the investee. An investor should account for such transactions as if it had sold a proportionate share of its investment with any gains or losses recorded through earnings. EITF 08-6 also addresses the accounting for a change in an investment from the equity method to the cost method after adoption of Statement 160. EITF 08-6 affirms the existing guidance in APB 18, which requires cessation of the equity method of accounting and application of FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities, or the cost method under APB 18, as appropriate. EITF 08-6 is effective for transactions occurring on or after December 15, 2008. The management does not anticipate that the adoption of EITF 08-6 will materially impact the Group's financial position or results of operations.

3. Net sales

Net sales for the years ended December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Beer	1,409,259	1,451,851
Soft drinks	19,319	12,134
	1,428,578	1,463,985

Sales are organized around two main geographic areas: Russia and Ukraine. The external revenue in these geographical areas was as follows:

'000 Euro	**2008**	**2007**
Russia	1,053,329	1,119,001
Ukraine	375,250	344,984
Total	1,428,578	1,463,985

4. Accounts receivable

Accounts receivable as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Accounts receivable	32,244	88,230
Less: allowance for doubtful debts	(9,031)	(3,180)
Accounts receivable, net	23,213	85,050

The movement in the allowance for doubtful debts is as follows:

'000 Euro	**2008**	**2007**
Allowance for doubtful debts - beginning of the year	(3,180)	(3,884)
Provisions created for the year	(6,282)	(69)
Release to other operating expense	431	773
Allowance for doubtful debts – end of year	(9,031)	(3,180)

5. Inventories

Inventories as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Raw materials	77,413	94,879
Produced malt	41,497	33,456
Work-in-process	6,447	11,199
Finished goods	36,269	21,519
Other (spare parts and point of sales materials)	13,659	20,902
	175,285	181,955

Impairment provision of EUR 1,474 thousand has been recognized in respect of inventories as of December 31, 2008 (2007: EUR 2,052 thousand).

6. Other current assets

Other current assets as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Advances to suppliers	8,360	13,573
Deposits and prepayments	-	2,562
	8,360	16,135

7. Plant and equipment

Plant and equipment as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Buildings	291,374	227,212
Machinery and equipment	959,494	929,620
Transportation and office equipment	23,459	23,998
Packaging materials	48,585	50,338
Construction-in-progress	93,063	258,479
Cost of plant and equipment	1,415,975	1,489,647
Less: accumulated depreciation and impairment losses	(529,474)	(485,519)
Plant and equipment, net	886,501	1,004,128

Depreciation expense for 2008 was Euro 149,771 thousand (2007: Euro 122,955 thousand).

Accumulated depreciation and impairment losses include impairment losses for the year of Euro 6,739 thousand (2007: Euro 2,319 thousand).

In 2008 interest costs of Euro 15,815 thousand were capitalized (2007: Euro 10,240 thousand).

8. Intangible assets

Intangible assets as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Software	16,474	15,037
Advance payments for software	5,235	11,231
Other intangibles	4,276	4,455
Cost of amortizable intangible assets	25,985	30,723
Brands and trademarks	8,940	10,309
Cost of unamortizable intangible assets	8,940	10,309
Cost of intangible assets	34,925	41,302
Less: accumulated amortization	(9,608)	(6,979)
Intangible assets, net	25,317	34,323

Software and advance payments for software relate mainly to implementation of SAP ERP in Russia and Ukraine.

Amortization expense for 2008 was Euro 4,135 thousand (2007: Euro 1,052 thousand).

Brands and trademarks were acquired during 2007 from a related party are stated at the cost.

9. Goodwill

Goodwill as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Cost as of January 1, 2008 and 2007	114,533	120,711
Foreign exchange difference	(19,637)	(6,178)
Goodwill	94,896	114,533

10. Loans and borrowings

Loans and borrowings as of December 31, 2008 and 2007 consisted of the following:

'000 Euro	**2008**	**2007**
Current loans payable, including interest payable	151,290	215,595
Current loans from related parties, including interest payable	6,710	61,374
Current unsecured bonds issued	96,523	-
Bank overdraft	-	2,093
	254,523	279,062
Non-current unsecured bonds issued	-	111,316
Non-current loans from related parties	100,229	10,853
	100,229	122,169

As of December 31, 2008, the Group had multi-currency credit facility agreements for the equivalent amount of Euro 151.3 million (December 31, 2007: Euro 217.7 million) with international banking institutions. Short-term indebtedness consisted of Ruble denominated loans and accrued interest equivalent to Euro 93.8 million with an average interest rate of 18.3% and Hryvna denominated loans and accrued interest equivalent to Euro 57.5 million with an average interest rate of 27.9%.

In August 2006 the Group issued bonds with a coupon interest of 8%. The number of bonds issued was 4,000,000 with a par value of RUR 1,000 and a total bond obligation of EUR 96.5 million (December 31, 2007: Euro 111.3 million). The maturity date of these bonds is September 2009. Coupon interest is payable semi-annually.

11. Post retirement benefits payable

Russian and Ukrainian entities are required by federal laws to contribute an amount to state pension funds. The Group's contributions are approximately 21% of the employees' salaries for Russia and 32% for Ukraine, respectively (2007: 18% for Russia and 33% for Ukraine). The contributions are accounted for on an accrual basis, and totalled Euro 21.0 million and Euro 21.4 million for 2008 and 2007, respectively.

In 2005 the Russian entity has entered into a defined contribution pension plan. All employees working for more than three years with the entity become members of this plan. The Company's contributions are limited to a fixed percentage of the member's salaries.

12. Income taxes

Income taxes are provided for based on taxable income and the varying tax rates applicable in Russia, Ukraine, the Netherlands, Jersey and Cyprus. Certain costs and expenses, including some types of employees' compensation, benefits, and interest, which are included as expenses in the consolidated income statement are not deductible when determining taxable income. The Company and certain of its subsidiaries, which are registered in Jersey, the Channel Islands, have been granted "Exempt Company" status and are exempt from Jersey income taxes.

The statutory income tax rate applicable to the Russian subsidiaries is 24% (2007: 24%). With effect from January 1, 2009 the income tax rate for the Russian subsidiaries has been changed to 20%. The statutory income tax rate applicable to the Ukrainian subsidiaries is 25% (2007: 25%).

The reconciliation of the income tax expense for the year compared to the amount of income tax expense that would result from applying the statutory tax rate in Jersey to the income before taxes is as follows:

'000 Euro	**2008**	**2007**
(Loss)/income before tax	(6,379)	165,540
Expected tax expense at Jersey tax rate (0%)	-	-
Effect of different tax rates in different jurisdictions:		
Russian operations	(2,520)	27,672
Ukrainian operations	1,030	12,560
Other international operations	-	(860)
Tax concessions for capital investments in Russian operations	(313)	(3,737)
Net non-taxable income and non-deductible expenses for Russian operations	5,548	1,015
Net non-taxable income and non-deductible expenses for Ukrainian operations	9,847	700
Change in tax rate in Russia	(3,137)	-
Income tax expense	10,455	37,350

'000 Euro	**2008**	**2007**
Current tax expense	14,239	38,293
Deferred tax benefit	(3,784)	(943)
Income tax expense	10,455	37,350

As at December 31, 2008 and 2007 temporary differences that give rise to deferred tax liabilities and assets were comprised of the following:

'000 Euro	**2008**	**2007**
Deferred tax assets:		
Accrued expenses	17,550	16,659
Total gross deferred tax assets	17,550	16,659
Deferred tax liabilities:		
Plant and equipment	(24,557)	(25,845)
Intangible assets	(3,470)	(5,857)
Inventories	(886)	(4,926)
Total gross deferred tax liabilities	(28,913)	(36,628)
Net deferred tax liability	(11,363)	(19,969)

Realisation of deferred tax assets is dependent on future reversals of existing taxable temporary differences and adequate future taxable profit. Although realisation is not assured, management believes that it is more likely than not that the deferred tax assets will be realised. The amount of the deferred tax assets is considered realisable, however, could be reduced in the near term if actual future taxable income is lower than estimated, or if there are differences in the timing or amount of future reversals of existing taxable temporary differences.

The Group should generate Euro 82,874 thousand of taxable income in subsequent periods to realise deferred tax asset at the balance sheet date. Taxable income should be generated during 10 years to realise deferred tax asset in full.

Taxable income for 2008 was Euro 57,630 thousand (2007: Euro 157,259 thousand).

As at December 31, 2008 and 2007 income tax receivable was comprised of:

'000 Euro	2008	2007
Income tax receivable	12,203	11,492
Income tax payable	(15)	(4,215)
Net income tax receivable	12,188	7,277

13. Advertising expenses

Advertising expenses for the years ended December 31, 2008 and 2007 consisted of the following:

'000 Euro	2008	2007
TV and radio	37,529	36,309
Outdoor advertising campaigns	14,616	11,105
Services of advertising agencies	2,836	3,242
Advertising in printings	1,368	1,315
Internet	626	2,177
Other	3,900	2,288
	60,875	56,436

14. Related party 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 2008 and 2007, service expenditures amounted to Euro 67.9 million and Euro 64.9 million, respectively, under these agreements. Interest expense to related parties amounted to Euro 9.3 million (2007: Euro 3.4 million).

Purchases from other related parties amounted to Euro 1.8 million for 2008 (2007: Euro 2.9 million).

As at December 31, 2008 and 2007 the outstanding balances with related parties were as follows:

'000 Euro	2008	2007
Accounts receivable	4,336	4,226
Accounts payable	70,968	56,193
Interest payable	6,710	2,933
Non-current loans from related parties at 10.5% per annum	89,283	58,441
Non-current loans from related parties at EURIBOR+0.25% per annum	10,946	10,853

15. Tax contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions. These are often unclear, contradictory and subject to varying levels of 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 fiscal year may remain open for 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 adequately provided 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.

16. Litigation contingencies

In July 2007 the tax inspectorate completed their audit of JSC "SUN InBev", a Russian subsidiary of the Company, for 2004-2005. Based on the results of the audit, the tax inspectorate claimed additional profit tax and VAT in total amounting to Euro 1.3 million. The major part of the claim relates to acquisition of packaging from several suppliers, who, based on the tax inspectorate position, did not fulfill their tax obligation in full. As a result, the tax inspectorate disallowed the deduction of cost of packaging for profit tax purposes and the related VAT.

The Company disagreed with the decision and in September 2007 filed a claim in the Russian arbitration court. In January 2008, the court of the first instance made a decision in favour of the tax authorities. Upon appeal of the Company, the arbitration court of the higher jurisdiction on 29 July 2008 confirmed the court decision made previously in respect of the accrual and payment of the income tax and VAT, however changed the accusation that The Company did not perform procedures to ensure that suppliers were bona-fide to the one saying that The Company did not perform sufficient procedures to ensure that suppliers were bona-fide. The Company decided not to proceed with the appeal to the court of higher jurisdiction. Both income tax and VAT were paid during July-September 2008.

17. Commitments

At December 31, 2008 and 2007 the Group had outstanding contractual commitments totaling approximately Euro 18 million and Euro 129 million respectively, to purchase property, plant and equipment. In addition, the Group had commitments to purchase raw materials worth Euro 27 million at December 31, 2008 and Euro 33 million at December 31, 2007.

18. Earnings per share

The reconciliation of basic earnings per share and diluted earnings per share for the year ended December 31, 2008 and 2007 are as follows:

2008	**Net income (Numerator) '000 Euro**	**Shares (Denominator)**	**Per share-amount Euro**
Basic EPS			
Attributable to holders of class "A" participating shares	(11,895)	88,832,710	(0.13)
Attributable to holders of class "B" participating shares	(3,723)	27,796,220	(0.13)
Total attributable participating shares	(15,618)	116,628,930	(0.13)
Diluted EPS			
Attributable to holders of class "A" participating shares	(11,895)	88,832,710	(0.13)
Attributable to holders of class "B" participating shares	(3,723)	27,796,220	(0.13)
Total attributable participating shares	(15,618)	116,628,930	(0.13)

2007	**Net income (Numerator) '000 Euro**	**Shares (Denominator)**	**Per share-amount Euro**
Basic EPS			
Attributable to holders of class "A" participating shares	89,645	88,832,710	1.01
Attributable to holders of class "B" participating shares	28,051	27,796,220	1.01
Total attributable participating shares	117,696	116,628,930	1.01
Diluted EPS			
Attributable to holders of class "A" participating shares	89,645	88,832,710	1.01
Attributable to holders of class "B" participating shares	28,051	27,796,220	1.01
Total attributable participating shares	117,696	116,628,930	1.01

In accordance with the Russian and Ukrainian legislation, distributable reserves are limited to the amount of retained earnings of the Russian and Ukrainian subsidiaries as determined in accordance with the statutory accounting principles.

19. Share capital

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 pence. 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 pence.

As at December 31, 2008 and 2007 the Company's ordinary shares (Class B) were 100% owned and controlled by AB InBev and the preference shares (Class A) were 99.83% 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.

No dividends have been recommended by the Board of Director at the balance sheet date.

20. Segment disclosure

Management organizes reportable segments around the different geographical areas, in which the Group operates. Russia and Ukraine have been identified as reportable geographical segments for 2008 and 2007. Foreign entities, which form part of the Russia and Ukrainian operations, are included in to the respective geographical segment.

		2008	
'000 Euro	**Russia**	**Ukraine**	**Total**
Total revenue	1,053,580	375,250	1,428,830
Inter-segment revenue	(252)	-	(252)
Revenue from external customers	1,053,328	375,250	1,428,578
Interest expense	(16,515)	(6,164)	(22,679)
Depreciation and amortization expense	(115,518)	(45,088)	(160,606)
Income tax benefit/(loss)	422	(10,877)	(10,455)
Segment loss	(9,008)	(6,610)	(15,618)
Segment assets	1,123,428	292,040	1,415,468
Inter-segment borrowings and investments	(162,545)	-	(162,545)
Total assets as reported	960,883	292,040	1,252,923
Acquisition of long-lived assets	123,493	107,498	230,991

		2007	
'000 Euro	**Russia**	**Ukraine**	**Total**
Total revenue	1,119,234	344,751	1,463,985
Inter-segment revenue	-	-	-
Revenue from external customers	1,119,234	344,751	1,463,985
Interest expense	(10,071)	(5,812)	(15,883)
Depreciation and amortization expense	(93,344)	(35,245)	(128,589)
Income tax expense	(25,961)	(11,389)	(37,350)
Segment profit	79,272	38,424	117,696
Segment assets	1,297,694	357,398	1,655,092
Inter-segment borrowings and investments	(165,215)	-	(165,215)
Total assets as reported	1,132,479	357,398	1,489,877
Acquisition of long-lived assets	209,327	96,431	305,758

21. Financial instruments

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's business. The Group does not hedge its exposure to such risk.

21.1. Credit risk

The Group does not require collateral in respect of financial assets. Credit evaluations are performed on all customers, other than related parties, requiring credit over a certain amount. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

21.2. Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

21.3. Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the respective Group entities. The currencies giving rise to this risk are primarily USD and Euro.

21.4. Fair values

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses approximate their fair value because of the short maturity of these instruments.

The current unsecured bonds issued were traded at 65.67% of their nominal value at the balance sheet date. The resulting fair value of the bonds was Euro 63,386 thousand at the balance sheet date.

The fair value of non-current loans from related parties was Euro 87,933 thousand at the balance sheet date, and the fair value of current bank loans was Euro 137,350 thousand at the balance sheet date, taking into the account average market interest rate for similar loans.

As of December 31, 2007 the carrying amounts of loans and borrowings approximated their fair value.

22. Subsequent events

Subsequent to December 31, 2008 the Group received a loan in the amount of EUR 50,000 thousand denominated in RUR from an entity under common control. The loan bears interest at a variable interest rate of 3-months MosIBOR and is repayable in one year from the date of receipt. The loan drawn was used to repay the Group's bank loans which became due in 2009.

In June 2009 the Group was in process of negotiating with its shareholders a further loan of RUR 4,000 million which will be used to redeem the Group's bonds to maturity in August 2009.

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