SUN Interbrew Limited

Consolidated Financial Statements
for the year ended 31 December 2009

Contents

ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Independent Auditors' Report

The Board of Directors

SUN Interbrew Limited

We have audited the accompanying consolidated financial statements of SUN Interbrew Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at 31 December 2009, 31 December 2008 and 1 January 2008, and the consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the years ended 31 December 2009 and 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2009, 31 December 2008 and 1 January 2008, and its consolidated financial performance and its consolidated cash flows for the years ended 31 December 2009 and 31 December 2008 in accordance with International Financial Reporting Standards.

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ZAO KPMG
21 June 2010

'000 Euro	**Note**	**31 December 2009**	**31 December 2008**	**1 January 2008**
Assets				
Non-current assets				
Property, plant and equipment	12	737,808	854,492	995,150
Intangible assets	13	133,612	143,906	171,645
Investments		301	379	596
Deferred tax assets	14	2,942	-	-
Total non-current assets		**874,663**	**998,777**	**1,167,391**
Current assets				
Inventories	15	101,760	177,384	181,856
Current tax assets		2,978	15,721	11,380
Trade and other receivables	16	63,408	31,619	105,514
Prepayments	17	4,645	8,360	16,135
Cash and cash equivalents	18	25,000	1,389	5,449
Total current assets		**197,791**	**234,473**	**320,334**
Total assets		**1,072,454**	**1,233,250**	**1,487,725**
Equity and liabilities				
Equity				
Share capital	19	1,809	1,809	1,809
Share premium	19	459,105	459,105	459,105
Retained earnings		400,362	377,942	412,295
Translation reserve		(283,295)	(256,489)	(115,423)
Total equity attributable to the equity holders of the Company		**577,981**	**582,367**	**757,786**
Minority interest		27,719	28,952	39,323
Total equity		**605,700**	**611,319**	**797,109**
Non-current liabilities				
Loans and borrowings	21	85,276	100,229	122,169
Employee benefits		268	744	1,338
Provisions		95	2,018	3,536
Deferred tax liabilities	14	-	8,181	10,041
Total non-current liabilities		**85,639**	**111,172**	**137,084**
Current liabilities				
Loans and borrowings	21	112,317	254,523	279,123
Trade and other payables	22	266,693	254,867	273,826
Current tax liabilities	22	2,105	1,369	583
Total current liabilities		**381,115**	**510,759**	**553,532**
Total liabilities		**466,754**	**621,931**	**690,616**
Total equity and liabilities		**1,072,454**	**1,233,250**	**1,487,725**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 48.

'000 Euro	**Note**	**2009**	**2008**
Revenue	7	1,136,269	1,428,578
Cost of sales		(645,228)	(832,357)
Gross profit		**491,041**	**596,221**
Selling, marketing and distribution expenses		(327,985)	(473,642)
General and administrative expenses		(81,345)	(86,109)
Other income, net	8	4,442	1,049
Results from operating activities		**86,153**	**37,519**
Finance income	10	730	197
Finance costs	10	(40,854)	(63,246)
Net finance costs		**(40,124)**	**(63,049)**
Profit/(loss) before income tax		**46,029**	**(25,530)**
Income tax expense	11	(23,158)	(12,147)
Profit/(loss) for the year		**22,871**	**(37,677)**
Other comprehensive income			
Foreign currency translation difference		(28,490)	(148,113)
Other comprehensive income for the year		(28,490)	(148,113)
Total comprehensive income for the year		**(5,619)**	**(185,790)**
Profit/(loss) attributable to:			
Owners of the Company		22,420	(34,353)
Minority interest		451	(3,324)
Profit/(loss) for the year		**22,871**	**(37,677)**
Total comprehensive income attributable to:			
Owners of the Company		(4,386)	(175,419)
Minority interest		(1,233)	(10,371)
Total comprehensive income for the year		**(5,619)**	**(185,790)**
Earnings per share			
Basic and diluted earnings per share	20	0.19	(0.29)

These consolidated financial statements were approved by management on 21 June 2010 and were signed on its behalf by:

Chief Executive Office ________________

Chief Financial Officer ________________

The consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 48.

'000 Euro	**Note**	**2009**	**2008**
Cash flows from operating activities			
Profit/(loss) for the year		**22,871**	**(37,677)**
Adjustments for:			
Depreciation and amortization	12,13	143,505	162,038
Impairment losses on property, plant and equipment	12	6,001	6,483
(Gain)/loss on disposal of property, plant and equipment	8	(974)	268
Interest expense, net of interest income	10	33,344	38,201
Unrealized foreign exchange (gain)/loss		(4,808)	19,434
Income tax expense		23,158	12,147
Cash from operating activities before changes in working capital and provisions		**223,097**	**200,894**
Change in inventories		71,113	(25,516)
Change in prepayments		3,715	7,775
Change in trade and other receivables		(39,313)	49,972
Change in trade and other payables		31,594	23,464
Change in provisions and employee benefits		(1,018)	(3,551)
Cash flows from operations before income tax and interest paid		**289,188**	**253,038**
Income tax paid		(20,740)	(19,022)
Interest paid		(35,517)	(34,407)
Net cash from operating activities		**232,931**	**199,609**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		3,143	5,621
Proceeds from sale of investments		-	119
Acquisition of property, plant and equipment		(68,395)	(223,523)
Acquisition of intangible assets		(3,205)	(6,227)
Net cash used in investing activities		**(68,457)**	**(224,010)**
Cash flow from financing activities			
Proceeds from borrowings		540,452	506,406
Repayment of borrowings		(681,277)	(485,763)
Net cash (used in)/from financing activities		**(140,825)**	**20,643**
Net increase/ (decrease) in cash and cash equivalents		23,649	(3,758)
Cash and cash equivalents at 1 January		1,389	5,449
Effect of exchange rate changes on cash and cash equivalents		(38)	(302)
Cash and cash equivalents at 31 December	18	**25,000**	**1,389**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 48.

	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 2008	1,809	459,105	412,295	(115,423)	757,786	39,323	797,109
Loss for the year	-	-	(34,353)	-	(34,353)	(3,324)	(37,677)
Other comprehensive income							
Translation difference	-	-	-	(141,066)	(141,066)	(7,047)	(148,113)
Total comprehensive income for the year	**-**	**-**	**(34,353)**	**(141,066)**	**(175,419)**	**(10,371)**	**(185,790)**
Balance at 31 December 2008	**1,809**	**459,105**	**377,942**	**(256,489)**	**582,367**	**28,952**	**611,319**
Profit for the year	-	-	22,420	-	22,420	451	22,871
Other comprehensive income							
Translation difference	-	-	-	(26,806)	(26,806)	(1,684)	(28,490)
Total comprehensive income for the year	**-**	**-**	**22,420**	**(26,806)**	**(4,386)**	**(1,233)**	**(5,619)**
Balance at 31 December 2009	**1,809**	**459,105**	**400,362**	**(283,295)**	**577,981**	**27,719**	**605,700**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 48.

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 contraction 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 Limited (the "Company") is incorporated on Jersey, the Channel Islands. The Company's registered address is PO box 207, 13-14 Esplanade, St. Helier, Jersey JE1 1BD.

As at 31 December 2009 the Company's ordinary shares (Class B) were effectively 100% owned and the preference shares (Class A) effectively 99.83% owned by AB InBev which is the Company's ultimate parent company (the "Parent"). The Company's immediate parent company is Worldoor Company (the "Immediate Parent"). The Company's shares are listed on the Luxemburg Stock Exchange.

The Company through a number of holding companies incorporated in Jersey, 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 27.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in note 5.

These are not the Company's statutory financial statements.

(b) Basis of measurement

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

(c) Functional and presentation currency

The Company's functional currency is the Russian Rouble.

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

(d) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. As at 31 December 2009 the Group's current liabilities exceeded its current assets by Euro 183,324 thousand (2008: Euro 276,286 thousand; 2007: Euro 233,198 thousand). A significant portion of current liabilities represent loans payable to related parties (see note 21).

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

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

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

Note 13 Intangible assets

Note 23(b) Financial instruments – Credit risk

Note 25 Taxation contingencies.

(f) Changes in accounting policies

Accounting for borrowing costs

As part of its transition to IFRS, the Group elected to apply the transitional provisions set out in paragraphs 27 and 28 of IAS 23.

As a result, in respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously the Company immediately recognised all borrowing costs as an expense. Comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share.

The Company has capitalised borrowing costs with respect to property, plant and equipment under construction (see note 12).

3 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements and in preparing the opening IFRS statement of financial position at 1 January 2008 for the purposes of the transition to IFRSs, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations

As part of its transition to IFRSs, the Group elected to restate business combinations that occurred prior to 1 January 2008 as described in note 5.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Transactions elimination on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

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

(ii) Foreign operations

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

Foreign currency differences are recognised directly in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

Foreign exchange gains and losses arising from a monetary item received from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

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

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

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

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

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. 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.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3 (h)) and foreign currency differences on available-for-sale debt instruments (see note 3(b)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised or impaired, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses. Investments in equity securities that are not quoted on a stock exchange are principally valued using valuation techniques such as discounted cash flow analysis, option pricing models and comparisons to other transactions and instruments that are substantially the same. Where fair value cannot be reliably measured, investments are stated at cost less impairment losses.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

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

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Share capital

Ordinary shares

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

Preference share capital

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

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

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

Buildings	10 to 20 years
Plant and equipment	8 to 15 years
Transportation and office equipment	3 to 10 years
Packaging materials	5 to 10 years

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

(e) Intangible assets

(i) Goodwill

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

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

(ii) Acquisitions of minority interests

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange. Goodwill/negative goodwill arising on the acquisition of a minority interest in a subsidiary is recognised directly in equity.

(iii) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(iv) Other intangible assets

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

(v) Subsequent expenditure

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

(vi) Amortisation

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

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

- software 3-5 years

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

(f) Leased assets

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

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

(g) Inventories

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

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

(h) Impairment

(i) Financial assets

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

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

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised 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.

(ii) Non-financial assets

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

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

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash generating unit to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Group of units) on a pro rata basis.

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

Goodwill that forms part of the carrying amount of an investment in an equity accounted investee is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an equity accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity accounted investee may be impaired.

(i) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

(j) Provisions

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

(k) Revenue

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale. For sales of beer and soft drinks, transfer usually occurs when the product is received at the customer's warehouse. Generally for such products the buyer has no right of return.

(l) Other expenses

(i) Lease payments

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

(m) Finance income and costs

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

Finance costs comprise interest expense on borrowings, foreign currency losses and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(n) Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, 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 the following temporary differences: 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, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(o) Earnings per share

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

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by AB InBev's CEE Zone President (the "Zone President") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 6).

Inter-segment pricing is determined on an arm's length basis.

(q) Financial guarantee contracts

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

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

(r) New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2009, and have not been applied in preparing these consolidated financial statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount are classified as equity instruments even if the fixed amount is determined in foreign currency. A fixed amount can be determined in any currency provided that entity offers these instruments pro rata to all of the existing owners of the same class of its own non-derivative equity instruments. The amendment is applicable for annual periods beginning on or after 1 February 2010. The amendment is expected to have no significant impact on the Group's consolidated financial statements.
- Amendment to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions which clarifies that the entity receiving goods or services in a share-based payment transaction that is settled by any other entity in the Group or any shareholder of such an entity in cash or other assets is required to recognise the goods or services received in its financial statements. Amendment will come into effect on 1 January 2010. The amendment is expected to have no significant impact on the Group's consolidated financial statements.

- Revised IFRS 3 Business Combinations (2008) and amended IAS 27 (2008) Consolidated and Separate Financial Statements came into effect on 1 July 2009 (i.e. they become mandatory for the Group's 2010 consolidated financial statements). The revisions address, among other things, accounting for step acquisitions, require acquisition-related costs to be recognised as expenses and remove the exception for changes in contingent consideration to be accounted by adjusting goodwill. The revisions also address how non-controlling interests in subsidiaries should be measured upon acquisition and require the effects of transactions with non-controlling interests to be recognised directly in equity.
- IFRS 9 Financial Instruments will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in several phases and is intended to replace International Financial Reporting Standard IAS 39 Financial Instruments: Recognition and Measurement once the project is completed by the end of 2010. The first phase of IFRS 9 was issued in November 2009 and relates to the recognition and measurement of financial assets. The Group recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Group's consolidated financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued.
- Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2010. The Group has not yet analysed the likely impact of the improvements on its financial position or performance.

4 Determination of fair values

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

(a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of plant, equipment, fixtures and fittings is based on market approach and cost approaches using quoted market prices for similar items when available.

When no quoted market prices are available, the fair value of property, plant and equipment is primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economical depreciation, and obsolescence.

(b) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) 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.

(d) 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 Explanation of transition to IFRSs

As stated in note 2(a), these are the Group's first consolidated financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2009, the comparative information presented in these financial statements for the year ended 31 December 2008 and in the preparation of an opening IFRS statement of financial position at 1 January 2008 (the Group's date of transition) except that the accounting policy for borrowings costs has been changed as at 1 January 2009 as explained in note 2(f).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with US GAAP (previous GAAP). The Group has measured its assets and liabilities at the carrying amounts that would be included in the Parent's consolidated financial statements, based on the Parent's date of transition to IFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the Group.

The Group has not prepared consolidated financial statements under previous GAAP for any period subsequent to 31 December 2009.

An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity at 1 January 2008 (date of transition to IFRSs)

'000 Euro	Note	Previous GAAP	Changes in presentation	Reclassifi-cations and restate-ments	Effect of transition to IFRSs	IFRSs
Assets						
Non-current assets						
Property, plant and equipment	a)	1,004,128	-	360	(9,338)	995,150
Intangible assets	b)	148,856	-	-	22,789	171,645
Investments		956	-	(360)	-	596
Total non-current assets		**1,153,940**	**-**	**-**	**13,451**	**1,167,391**
Current assets						
Inventories	d)	181,955	-	-	(99)	181,856
Deferred tax assets	c)	16,659	-	-	(16,659)	-
Taxes receivable		30,689	(30,689)	-	-	-
Current tax assets		-	11,380	-	-	11,380
Trade and other receivables		85,050	19,309	1,155	-	105,514
Prepayments		16,135	-	-	-	16,135
Cash and cash equivalents		5,449	-	-	-	5,449
Total current assets		**335,937**	-	1,155	**(16,758)**	**320,334**
Total assets		**1,489,877**	**-**	**1,155**	**(3,307)**	**1,487,725**
Equity and liabilities						
Equity						
Share capital		1,809	-	-	-	1,809
Share premium		459,105	-	-	-	459,105
Retained earnings		372,482	-	10,448	29,365	412,295
Translation reserve		(105,118)	-	-	(10,305)	(115,423)
Total equity attributable to the equity holders of the Company		**728,278**	-	**10,448**	**19,060**	**757,786**
Minority interest		35,103	-	-	4,220	39,323
Total equity		**763,381**	-	**10,448**	**23,280**	**797,109**

‘000 Euro	Note	Previous GAAP	Changes in presentation	Reclassifi-cations and restate-ments	Effect of transition to IFRSs	IFRSs
Non-current liabilities						
Loans and borrowings		122,169	-	-	-	122,169
Employee benefits		1,338	-	-	-	1,338
Provisions		3,972	(436)	-	-	3,536
Deferred tax liabilities	c)	31,702	4,926	-	(26,587)	10,041
Total non-current liabilities		**159,181**	**4,490**	-	**(26,587)**	**137,084**
Current liabilities						
Loans and borrowings		279,062	61	-	-	279,123
Trade and other payables		212,352	67,135	(5,661)	-	273,826
Accrued expenses		49,225	(49,225)	-	-	-
Deferred tax liability		4,926	(4,926)	-	-	-
Taxes payable		21,750	(18,118)	(3,632)	-	-
Current tax liabilities		-	583	-	-	583
Total current liabilities		**567,315**	**(4,490)**	**(9,293)**	**-**	**553,532**
Total liabilities		**726,496**	**-**	**(9,293)**	**(26,587)**	**690,616**
Total equity and liabilities		**1,489,877**	**-**	**1,155**	**(3,307)**	**1,487,725**

Reconciliation of equity at 31 December 2008

'000 Euro	Note	Previous GAAP	Changes in presentation	Reclassifi-cations and restate-ments	Effect of transition to IFRSs	IFRSs
Assets						
Non-current assets						
Property, plant and equipment	a)	886,501	-	360	(32,369)	854,492
Intangible assets	b)	120,213	-	-	23,693	143,906
Investments		739	-	(360)	-	379
Total non-current assets		**1,007,453**	**-**	**-**	**(8,676)**	**998,777**
Current assets						
Inventories	d)	175,285	-	-	2,099	177,384
Deferred tax asset	c)	17,550	-	-	(17,550)	-
Taxes receivable		19,673	(23,191)	3,518	-	-
Current tax assets		-	15,721	-	-	15,721
Trade and other receivables		23,213	7,470	936	-	31,619
Prepayments		8,360	-	-	-	8,360
Cash and cash equivalents		1,389	-	-	-	1,389
Total current assets		**245,470**	-	**4,454**	**(15,451)**	**234,473**
Total assets		**1,252,923**	**-**	**4,454**	**(24,127)**	**1,233,250**
Equity and liabilities						
Equity						
Share capital		1,809	-	-	-	1,809
Share premium		459,105	-	-	-	459,105
Retained earnings		356,864	-	2,119	18,959	377,942
Translation reserve		(233,009)	-	-	(23,480)	(256,489)
Total equity attributable to the equity holders of the Company		**584,769**	-	**2,119**	**(4,521)**	**582,367**
Minority interest		27,826	-	-	1,126	28,952
Total equity		**612,595**	-	**2,119**	**(3,395)**	**611,319**
Non-current liabilities						
Loans and borrowings		100,229	-	-	-	100,229
Employee benefits		744	-	-	-	744
Provisions		2,350	(332)	-	-	2,018
Deferred tax liabilities	c)	26,332	2,581		(20,732)	8,181
Total non-current liabilities		**129,655**	**2,249**		**(20,732)**	**111,172**

'000 Euro	**Note**	**Previous GAAP**	**Changes in presentation**	**Reclassifi-cations and restate-ments**	**Effect of transition to IFRSs**	**IFRSs**
Current liabilities						
Loans and borrowings		254,523	-	-	-	254,523
Trade and other payables		170,373	83,513	981	-	254,867
Accrued expenses		52,998	(52,998)	-	-	-
Deferred tax liability	c)	2,581	(2,581)	-	-	-
Taxes payable		30,198	(31,552)	1,354	-	-
Current tax liabilities		-	1,369	-	-	1,369
Total current liabilities		**510,673**	**(2,249)**	**2,335**	**-**	**510,759**
Total liabilities		**640,328**	**-**	**2,335**	**(20,732)**	**621,931**
Total equity and liabilities		**1,252,923**	**-**	**4,454**	**(24,127)**	**1,233,250**

a) Differences in carrying values of the property, plant and equipment under US GAAP and IFRS and differences in accounting policies in relation to capitalization of borrowing costs;

b) Adjustment to goodwill resulting from different fair values of acquired assets and liabilities at respective dates of acquisitions under US GAAP and IFRS;

c) Net-off of current and non-current portions of deferred tax. Adjustments to the deferred tax assets and liabilities resulting from different carrying amounts of property, plant and equipment and intangible assets.

d) Effect of different depreciation expense capitalized in inventory.

Reconciliation of comprehensive income for the year ended 31 December 2008

'000 Euro

	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
Revenue		1,428,578	-	1,428,578
Cost of sales	a)	(833,033)	676	(832,357)
Gross profit		**595,545**	**676**	**596,221**
Selling, marketing and distribution expenses	a)	(475,491)	1,849	(473,642)
General and administrative expenses	a)	(81,129)	(4,980)	(86,109)
Other income, net	b)	2,413	(1,364)	1,049
Results from operating activities		**41,338**	**(3,819)**	**37,519**
Finance income		**-**	197	197
Finance costs	c)	(47,717)	(15,529)	(63,246)
Net finance costs		**(47,717)**	**(15,332)**	**(63,049)**
Loss before income tax		**(6,379)**	**(19,151)**	**(25,530)**
Income tax expense	d)	(10,455)	(1,692)	(12,147)
Loss for the year		(16,834)	(20,843)	(37,677)
Other comprehensive income				
Foreign currency translation difference		(133,952)	(14,161)	(148,113)
Other comprehensive income for the year		(133,952)	(14,161)	(148,113)
Total comprehensive income for the year		**(150,786)**	**(35,004)**	**(185,790)**
Loss attributable to:				
Owners of the Company		(15,618)	(18,735)	(34,353)
Minority interest	e)	(1,216)	(2,108)	(3,324)
Loss for the year		**(16,834)**	**(20,843)**	**(37,677)**
Total comprehensive income attributable to:				
Owners of the Company		(143,509)	(31,910)	(175,419)
Minority interest		(7,277)	(3,094)	(10,371)
Total comprehensive income for the year		**(150,786)**	**(35,004)**	**(185,790)**
Earnings per share				
Basic and diluted earnings per share (Euro)		(0.13)	(0.16)	(0.29)

a) Difference in the depreciation charge for the year resulted from the following: 1) different carrying values of property, plant and equipment under US GAAP and IFRS; 2) different accounting policy for borrowing costs.

b) Difference in the result from fixed assets disposal due to differences in carrying values of the property, plant and equipment for US GAAP and IFRS purposes;

c) Recognition of borrowing costs capitalized under US GAAP in the statement of comprehensive income;

d) Differences in deferred tax for US GAAP and IFRS resulting primarily from different carrying values of property plant and equipment under US GAAP and IFRS;

e) Change in minority interest due to change in loss for the year.

6 Operating segments

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

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

(i) Information about reportable segments

2009 year

'000 Euro	**Russia**	**Ukraine**	**Total**
Segment revenue	833,604	307,182	1,140,786
Inter-segment revenue	(4,517)	-	(4,517)
External revenue	829,087	307,182	1,136,269
Cost of sales	(462,200)	(183,028)	(645,228)
Selling, marketing and distribution expenses	(261,795)	(66,190)	(327,985)
General and administrative expenses	(67,253)	(14,092)	(81,345)
Operating income, net	1,760	2,682	4,442
Finance income	520	210	730
Finance costs	(27,428)	(13,426)	(40,854)
Reportable segment profit before income tax	**12,691**	**33,338**	**46,029**
Assets			
Reportable segment assets	953,939	253,594	1,207,533
Inter-segment loans issued	(128,436)	(6,643)	(135,079)
Total	**825,503**	**246,951**	**1,072,454**
Liabilities			
Reportable segment liabilities	347,609	254,224	601,833
Inter-segment borrowings	(6,643)	(128,436)	(135,079)
Total	**340,966**	**125,788**	**466,754**

Other items 2009

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

2008 year

‘000 Euro	**Russia**	**Ukraine**	**Total**
Segment revenue	1,053,580	375,250	1,428,830
Inter-segment revenue	(252)	-	(252)
External revenue	1,053,328	375,250	1,428,578
Profit or loss			
Cost of goods sold	(598,164)	(234,193)	(832,357)
Selling, marketing and distribution expenses	(379,343)	(94,299)	(473,642)
General and administrative expenses	(71,749)	(14,360)	(86,109)
Operating income, net	646	403	1,049
Finance income	135	62	197
Finance costs	(32,179)	(31,067)	(63,246)
Reportable segment profit before income tax	**(27,326)**	**1,796**	**(25,530)**
Assets			
Reportable segment assets	1,112,567	285,780	1,398,347
Inter-segment loans issued	(143,345)	(21,752)	(165,097)
Total	**969,222**	**264,028**	**1,233,250**
Liabilities			
Reportable segment liabilities	483,347	303,681	787,028
Inter-segment borrowings	(21,752)	(143,345)	(165,097)
Total	**461,595**	**160,336**	**621,931**

Other items 2008

’000 EUR	**Russia**	**Ukraine**	**Total**
Interest income	138	59	197
Interest expense	(27,142)	(11,256)	(38,398)
Capital expenditure	122,494	107,256	229,750
Depreciation and amortisation	121,455	40,583	162,038
Impairment on property, plant and equipment	2,773	3,710	6,483

7 Revenue

‘000 Euro	**2009**	**2008**
Beer	1,136,211	1,409,259
Soft drinks	58	19,319
	1,136,269	**1,428,578**

8 Other income, net

’000 Euro	2009	2008
Gain on disposal of property, plant and equipment	974	628
Other income	3,653	4,176
Total income	4,627	4, 804

’000 Euro	2009	2008
Loss on disposal of property, plant and equipment	-	(896)
Other expense	(185)	(2,859)
Total expenses	(185)	(3,755)
Other income, net	**4,442**	**1,049**

9 Personnel costs

’000 Euro	2009	2008
Wages and salaries	85,904	101,689
Contributions to State pension fund	19,166	24,032
Expenses related to defined contribution plans	1,548	2,608
Expenses related to defined benefit plans	102	171
Other employee benefits	8,478	11,748
	115,198	**140,248**

10 Finance income and finance costs

’000 Euro	2009	2008
Recognised in profit or loss		
Interest income on loans and receivables	32	90
Interest income on bank deposits	698	107
Finance income	730	197
Interest expense on financial liabilities measured at amortised cost	(34,074)	(38,398)
Net foreign exchange loss	(6,055)	(23,608)
Other	(725)	(1,240)
Finance costs	(40,854)	(63,246)
Net finance costs recognised in profit or loss	**(40,124)**	**(63,049)**

11 Income tax expense

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 statement of comprehensive income 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 companies is 20% (2008: 24%). With effect from 1 January 2009, the income tax rate for the Russian companies was reduced to 20%. The statutory income tax rate applicable to the Ukrainian companies is 25% (2008: 25%).

'000 Euro	**2009**	**2008**
Current tax expense		
Current year	28,137	10,482
Underprovided in prior years	5,885	1,994
	34,022	12,476
Deferred tax expense		
Origination and reversal of temporary differences	(10,864)	(389)
Reduction in tax rate	-	60
	(10,864)	(329)
Total income tax expense	**23,158**	**12,147**

Reconciliation of effective tax rate:

	2009		**2008**	
	'000 Euro	**%**	**'000 Euro**	**%**
Profit/(loss) before income tax	46,029	100	(25,530)	100
Income tax at applicable tax rate	-	-	-	-
Effect of income taxed at higher rates applicable to the Russian and Ukrainian subsidiaries	(10,873)	(23.6%)	6,109	23.9%
Reduction in tax rate	-	-	60	0.2%
Tax concessions for capital investments in Russian operations	934	2.0%	313	1.2%
Non-deductible expenses	(7,334)	(15.9%)	(16,635)	(65.1%)
Underprovided in prior years	(5,885)	(12.8%)	(1,994)	(7.8%)
	(23,158)	**(50.3%)**	**(12,147)**	**(47.6%)**

12 Property, plant and equipment

'000 Euro	**Land and buildings**	**Plant and equipment**	**Transportation and office equipment**	**Packaging materials**	**Construction in progress**	**Total**
Cost						
Balance at 1 January 2008	248,844	750,361	206,723	50,427	273,010	1,529,365
Additions	25,644	79,570	42,230	27,666	48,413	223,523
Disposals	(144)	(5,362)	(3,407)	(12,488)	-	(21,401)
Transfers	95,659	91,220	14,744	468	(202,684)	(593)
Effect of movements in exchange rates	(58,638)	(155,534)	(47,907)	(17,258)	(26,335)	(305,672)
Balance at 31 December 2008	**311,365**	**760,255**	**212,383**	**48,815**	**92,404**	**1,425,222**
Balance at 1 January 2009	311,365	760,255	212,383	48,815	92,404	1,425,222
Additions	3,631	18,451	14,365	10,632	21,316	68,395
Interest capitalisation	-	-	-	-	338	338
Disposals	(331)	(1,831)	(12,555)	(8,314)	-	(23,031)
Transfers	4,535	23,167	2,706	21	(34,861)	(4,432)
Effect of movements in exchange rates	(14,320)	(34,905)	(11,077)	(2,676)	(4,400)	(67,378)
Balance at 31 December 2009	**304,880**	**765,137**	**205,822**	**48,478**	**74,797**	**1,399,114**
Depreciation and impairment losses						
Balance at 1 January 2008	(83,556)	(326,736)	(108,463)	(15,460)	-	(534,215)
Depreciation for the year	(21,810)	(77,680)	(49,893)	(8,561)	-	(157,944)
Impairment loss	(471)	(4,616)	(450)	(513)	(433)	(6,483)
Disposals	131	6,235	3,337	5,809	-	15,512
Transfers	(2)	(14)	176	-	433	593
Effect of movements in exchange rates	16,620	63,790	27,084	4,313	-	111,807
Balance at 31 December 2008	**(89,088)**	**(339,021)**	**(128,209)**	**(14,412)**	**-**	**(570,730)**

'000 Euro	Land and buildings	Plant and equipment	Transportation and office equipment	Packaging materials	Construction in progress	Total
Balance at 1 January 2009	(89,088)	(339,021)	(128,209)	(14,412)	-	(570,730)
Depreciation for the year	(17,968)	(69,962)	(34,510)	(14,659)	-	(137,099)
Impairment loss	-	(4,041)	(1,539)	(84)	(337)	(6,001)
Disposals	178	1,831	12,535	6,318	-	20,862
Transfers	169	3,626	261	(21)	212	4,247
Effect of movements in exchange rates	3,993	15,841	6,379	1,204	(2)	27,415
Balance at 31 December 2009	**(102,716)**	**(391,726)**	**(145,083)**	**(21,654)**	**(127)**	**(661,306)**
Carrying amounts						
At 1 January 2008	**165,288**	**423,625**	**98,260**	**34,967**	**273,010**	**995,150**
At 31 December 2008	**222,277**	**421,234**	**84,174**	**34,403**	**92,404**	**854,492**
At 31 December 2009	**202,164**	**373,411**	**60,739**	**26,824**	**74,670**	**737,808**

Depreciation expense of Euro 96,232 thousand (2008: Euro 99,687 thousand) has been charged to cost of sales, Euro 34,878 thousand (2008: Euro 49,629 thousand) to selling, marketing and distribution expenses and Euro 5,989 thousand (2008: Euro 8,628 thousand) to general and administrative expenses.

Impairment losses resulted mainly from certain changes in technological processes: some items of equipment were deemed obsolete before the end of their useful lives.

13 Intangible assets

'000 Euro	Goodwill	Software	Software under development	Other intangibles	Brands and trademarks	Total
Cost						
Balance at 1 January 2008	124,292	18,249	4,477	4,440	27,630	179,088
Other acquisitions	-	2,121	4,102	-	4	6,227
Disposals	-	(102)	-	-	-	(102)
Transfers	-	2,439	(2,439)	-	-	-
Effect of movement in exchange rates	(23,038)	(3,193)	(902)	(172)	(3,812)	(31,117)
Balance at 31 December 2008	**101,254**	**19,514**	**5,238**	**4,268**	**23,822**	**154,096**

‘000 Euro	**Goodwill**	**Software**	**Software under development**	**Other intangibles**	**Brands and trademarks**	**Total**
Balance at 1 January 2009	101,254	19,514	5,238	4,268	23,822	154,096
Other acquisitions	-	1,832	1,373	-	-	3,205
Interest capitalisation	-	-	21	-	-	21
Disposals	-	-	-	(3,476)	-	(3,476)
Transfers	-	5,176	(4,887)	(289)	-	-
Effect of movement in exchange rates	(5,215)	(707)	(269)	(25)	(1,069)	(7,285)
Balance at 31 December 2009	**96,039**	**25,815**	**1,476**	**478**	**22,753**	**146,561**
Amortisation and impairment losses						
Balance at 1 January 2008	-	(3,065)	-	(4,326)	(52)	(7,443)
Amortisation for the year	-	(4,019)	-	(75)	-	(4,094)
Disposals	-	102	-	-	-	102
Effect of movement in exchange rates	-	1,033	-	165	47	1,245
Balance at 31 December 2008	**-**	**(5,949)**	**-**	**(4,236)**	**(5)**	**(10,190)**
Balance at 1 January 2009	-	(5,949)	-	(4,236)	(5)	(10,190)
Amortisation for the year	-	(6,387)	-	(19)	-	(6,406)
Disposals	-	-	-	3,476	-	3,476
Transfers	-	(307)	-	307	-	-
Effect of movement in exchange rates	-	146	-	25	-	171
Balance at 31 December 2009	**-**	**(12,497)**	**-**	**(447)**	**(5)**	**(12,949)**
Carrying amounts						
At 1 January 2008	**124,292**	**15,184**	**4,477**	**114**	**27,578**	**171,645**
At 31 December 2008	**101,254**	**13,565**	**5,238**	**32**	**23,817**	**143,906**
At 31 December 2009	**96,039**	**13,318**	**1,476**	**31**	**22,748**	**133,612**

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

(a) Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's business unit level which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments as reported in note 6.

The aggregate carrying amounts of goodwill allocated to each business unit are as follows:

'000 Euro	Goodwill 2009	Goodwill 2008	Goodwill 2007
Russian business unit	73,529	76,984	88,783
Ukraine business unit	22,510	24,270	35,509
	96,039	**101,254**	**124,292**

The Group cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the asset values reported. The Group believes that all of its estimates are reasonable: they are consistent with the internal reporting and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control.

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. Goodwill is tested for impairment at the business unit level (that is the same level as the operational segments) and the recoverable amounts are determined as value in use.

The key judgments, estimates and assumptions used in the impairment test are as follows:

- From 2010 to 2013, free cash flows are based on the Group's strategic plan as approved by the Parent's key management. The Group's strategic plan is prepared by country and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and planned initiatives which will impact market share, revenue, variable and fixed costs, capital expenditure and working capital. MACO per hectoliter, which is one of the Group's key performance indicators (revenue less variable production and logistics costs), is calculated based on projected volumes and consumer price increases.

- For subsequent six years the data from the strategic plan are extrapolated using constant volumes and variable costs per hectoliter, and fixed costs linked to inflation, as obtained from external sources.

- The pre-tax discount rate was estimated based on past experience, and industry average weighted average cost of capital and comprised approximately 20% for Russia and 24% for Ukraine.

Based on the impairment test performed, the value in use of each business unit exceeds the carrying amount of the non-current assets. The Group ran some sensitivity analysis on the impairment testing. If the industry recovery in 2011 is ignored and there is no growth in subsequent years, the value in use would also exceed the carrying amount. A decrease in sales volume by 10% in 2010 would not result in impairment of the Group's non-current assets, either.

14 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
'000 Euro	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Property, plant and equipment	-	-	(18,859)	(18,359)	(18,859)	(18,359)
Intangible assets	164	80	(139)	(3,731)	25	(3,651)
Inventories	2,117	1,005	(1,152)	(2,151)	965	(1,146)
Trade and other receivables	978	602	-	-	978	602
Provisions	6,792	4,128	-	-	6,792	4,128
Trade and other payables	13,041	10,245	-	-	13,041	10,245
Tax assets/(liabilities)	23,092	16,060	(20,150)	(24,241)	2,942	(8,181)
Set off of tax	(20,150)	(16,060)	20,150	16,060	-	-
Net tax assets/(liabilities)	**2,942**	**-**	**-**	**(8,181)**	**2,942**	**(8,181)**

(b) Movement in temporary differences during the year

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

'000 Euro	**1 January 2008**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**31 December 2008**
Property, plant and equipment	(19,213)	(1,021)	1,875	(18,359)
Intangible assets	(3,390)	(571)	310	(3,651)
Inventories	(2,085)	1,353	(414)	(1,146)
Trade and other receivables	-	(5)	607	602
Provisions	6,962	(1,682)	(1,152)	4,128
Trade and other payables	11,184	(1,244)	305	10,245
Tax loss carry-forwards	(3,499)	3,499	-	-
	(10,041)	**329**	**1,531**	**(8,181)**

15 Inventories

'000 Euro	**2009**	**2008**	**2007**
Raw materials	44,779	77,979	85,421
Own-produced malt	22,772	41,497	43,564
Work-in-progress	6,128	5,908	10,188
Finished goods and goods for resale	17,939	36,293	21,778
Other	10,142	15,707	20,905
	101,760	**177,384**	**181,856**

Impairment provision of EUR 1,058 thousand has been recognized in respect of inventories as of 31 December 2009 (2008: EUR 5,758 thousand).

In 2009 raw materials, own-produced malt and changes in finished goods, goods for resale and work in progress recognised as cost of sales amounted to EUR 466,353 (2008: EUR 627,560).

16 Trade and other receivables

'000 Euro	**2009**	**2008**	**2007**
Trade receivables due from entities under common control and the Parent	9,161	4,336	4,227
Other trade receivables	45,260	16,835	76,530
Non-income taxes receivable	4,543	7,470	19,309
Other receivables	4,444	2,978	5,448
	63,408	**31,619**	**105,514**

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

17 Prepayments

As at 31 December 2009 prepayments include EUR 4,645 thousand of advances paid to suppliers (2008: EUR 8,360 thousand).

18 Cash and cash equivalents

'000 Euro	**2009**	**2008**	**2007**
Bank balances	13,013	1,389	5,449
Call deposits	11,987	-	-
Cash and cash equivalents in the statement of financial position and in the statement of cash flows	**25,000**	**1,389**	**5,449**

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

19 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 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. All shares on issue are fully paid.

As at 31 December 2009, 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.

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.

20 Earnings per share

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

The following is a reconciliation of the weighted average number of shares:

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

2008	Net Loss (Numerator) '000 Euro	Shares (Denominator)	Per share-amount Euro
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	(26,166)	88,832,710	(0.29)
Attributable to holders of class "B" participating shares	(8,187)	27,796,220	(0.29)
Total attributable participating shares	**(34,353)**	**116,628,930**	**(0.29)**

21 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 23.

'000 Euro	2009	2008	2007
Current bank loans payable, including interest payable	15,930	148,354	217,749
Current loans from entities under common control, including interest payable	96,387	6,685	61,374
Current unsecured bonds issued	-	99,484	-
	112,317	**254,523**	**279,123**
Non-current unsecured bonds issued	-	-	111,316
Non-current loans from entities under common control	85,276	100,229	10,853
	85,276	**100,229**	**122,169**

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				31 December 2009		**31 December 2008**		**31 December 2007**	
'000 Euro	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying Amount**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Current loans from related parties	RUR	11.84%-18.21%	2010	60,409	60,409	-	-	-	-
Current loans from related parties	RUR	17.25%	2010	24,605	24,605	-	-	-	-
Current loans from related parties	RUR	7.00%	2008	-	-	-	-	61,374	61,374
Current loans from related parties	EUR	EURIBOR+0.25%	2010	11,373	11,373	-	-	-	-
Current loans from related parties	RUR	10.50%	2009	-	-	6,685	6,685	-	-
Current unsecured bank loans	RUR	15.25%	2009	-	-	36,191	36,191	-	-
Current unsecured bank loans	RUR	20.67%-26.45%	2009	-	-	36,518	36,518	-	-
Current unsecured bank loans	RUR	8.10%	2009	-	-	15,113	15,113	-	-
Current unsecured bank loans	RUR	25.05%	2009	-	-	2,918	2,918	-	-
Current unsecured bank loans	RUR	7.25%-8.34%	2008	-	-	-	-	153,945	153,945
Current unsecured bank loans	UAH	from 21.00% - 29.50%	2009	-	-	57,614	57,614	-	-
Current unsecured bank loans	UAH	from 21.00% - 29.50%	2010	15,930	15,930	-	-	-	-
Current unsecured bank loans	UAH	From 8.75%- 10.25%	2008	-	-	-	-	63,804	63,804
Current unsecured bond	RUR	8.00%	2009	-	-	99,484	99,484	-	-
Non-current unsecured bond	RUR	8.00%	2009	-	-	-	-	111,316	111,316
Non-current loan from related parties	RUR	10.50%	2011	85,276	85,276	89,283	89,283	-	-
Non-current loan from related parties	EUR	EURIBOR+0.25%	2010	-	-	10,946	10,946	10,853	10,853
				197,593	**197,593**	**354,752**	**354,752**	**401,292**	**401,292**

22 Trade and other payables

’000 Euro	2009	2008	2007
Trade payables	200,774	200,711	236,067
Non-income taxes payable	38,027	30,183	15,535
Payroll and social security payables	10,731	8,822	13,188
Income tax payable	2,105	1,369	583
Other payables and accrued expenses	17,161	15,151	9,036
	268,798	**256,236**	**274,409**

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

23 Financial instruments

(a) Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

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

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers.

(i) Trade and other receivables

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

To increase service level to its retail customers, the Group has also actively developed its own direct distribution network. In 2009, the Group launched additional direct distribution centres in six cities.

Unisan is the only customer whose sales have been approximately 5.3% of the Group's total revenue for 2009, for other customers, sales have been less than 5%.

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

(ii) Exposure to credit risk

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

	Carrying amount		
'000 Euro	**2009**	**2008**	**2007**
Investments	301	379	596
Trade and other receivables	63,408	31,619	105,514
Cash and cash equivalents	25,000	1,389	5,449
	88,709	**33,387**	**111,559**

There was no significant concentration of credit risk by region or with any single counterparty as at 31 December 2009 (2008: none; 2007: none).

The Group's does not issue financial guarantees to third parties.

Impairment losses

The aging of accounts receivables at the reporting date was:

'000 Euro	**Gross 2009**	**Impairment 2009**	**Gross 2008**	**Impairment 2008**
Not past due	62,093	(1,180)	26,690	(80)
Past due 0-30 days	4,003	(2,120)	2,462	(718)
Past due 31- 59 days	2,835	(2,559)	1,954	(962)
Past due 60 - 89 days	80	(17)	1,540	(293)
Past due 90 - 179 days	208	(57)	4,525	(4,210)
Past due 180- 359 days	851	(729)	705	(553)
Past due more than 360 days	3,587	(3,587)	2,982	(2,425)
	73,657	**(10,249)**	**40,858**	**(9,239)**

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

’000 Euro	**2009**	**2008**
Balance at beginning of the year	(9,239)	(3,180)
Increase during the year	(6,284)	(6,059)
Decrease due to reversal	5,274	-
Balance at end of the year	(10,249)	(9,239)

At 31 December 2009, the Group recorded an impairment loss of approximately Euro 2,305 thousand in respect of one of its customers.

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

(c) Liquidity risk

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

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

The Group believes that cash flows from operating activities, available cash and cash equivalent and access to the Parent’s borrowing facilities, will be sufficient to finance capital expenditures and debt.

It is the Group’s objective to continue to reduce its financial indebtedness by using cash from operating activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. The maturity of financial guarantees is disclosed in note 26.

2009

'000 Euro	**Carrying amount**	**Contractual cash flows**	**0-12 mths**	**1-2 yrs**
Financial liabilities				
Trade and other payables	266,693	266,693	266,693	-
Current loans payable	112,317	120,516	120,516	-
Non-current loans from related parties	85,276	103,184	8,954	94,230
	464,286	490,393	396,163	94,230

2008

'000 Euro	**Carrying amount**	**Contractual cash flows**	**0-12 mths**	**1-2 yrs**
Financial liabilities				
Trade and other payables	254,867	254,867	254,867	-
Current loans payable	155,039	157,412	157,412	-
Current unsecured bonds issued	99,484	104,790	104,790	-
Non-current loans from related parties	100,229	127,231	11,110	116,121
	609,619	**644,300**	**528,179**	**116,121**

(d) Market risk

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

Commodity prices

The commodity markets have experienced and are expected to continue to experience price fluctuations. The Group uses fixed purchasing contracts and does not have any commodity derivatives.

(i) Currency risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily Euro and U.S. Dollars (USD).

Exposure to currency risk

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

'000 Euro	USD-denominated 2009	Euro-denominated 2009	USD-denominated 2008	Euro-denominated 2008	USD-denominated 2007	Euro-denominated 2007
Trade and other payables	(13,411)	(39,509)	(9,236)	(71,573)	(11,111)	(100,762)
Current loans from related parties	-	(11,373)	-	-	-	-
Non-current loans from related parties	-	-	-	(10,946)	-	(10,853)
Trade and other receivables	23	7,579	-	3,710	-	4,034
Net exposure	**(13,388)**	**(43,303)**	**(9,236)**	**(78,809)**	**(11,111)**	**(107,581)**

Exchange rates changed from 41.4 RUR and 10.9 UAH for 1 Euro respectively at 31 December 2008 to 43.4 RUR and 11.5 UAH for 1 Euro respectively at 31 December 2009. The 2009 average exchange rate was RUR 44.1 and UAH 10.7 for 1 Euro respectively.

Sensitivity analysis

A strengthening of the RUR and UAH, as indicated below, against the following currencies at 31 December would have changed the balances payable and receivable, and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

'000 Euro	Profit or loss	Equity
2009		
USD (+/-10% movement in exchange rate)	+1,339/-1,339	+1,339/-1,339
EUR (+/-10% movement in exchange rate)	+4,330/-4,330	+4,330/-4,330
2008		
USD (+/-10% movement in exchange rate)	+924/-924	+924/-924
EUR (+/-10% movement in exchange rate)	+7,881/-7,881	+7,881/-7,881

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

(ii) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates.

Profile

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

	Carrying amount		
'000 Euro	**2009**	**2008**	**2007**
Fixed rate borrowings			
Current loans payable, including interest payable	15,930	148,354	217,749
Current loans from related parties, including interest payable	85,014	6,685	61,374
Current unsecured bonds issued	-	99,484	-
Non-current unsecured bonds issued	-	-	111,316
Non-current loans from related parties	85,276	89,283	-
	186,220	**343,806**	**390,439**
Variable rate borrowings			
Current loans from related parties, including interest payable	11,373	-	-
Non-current loans from related parties	-	10,946	10,853
	11,373	**10,946**	**10,853**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit or loss	
'000 Euro	**100 bp increase**	**100 bp decrease**
2009		
Current loans from related parties	(114)	114
Cash flow sensitivity (net)	(114)	114
2008		
Non-current loans from related parties	(109)	109
Cash flow sensitivity (net)	(109)	109
2007		
Non-current loans from related parties	(109)	109
Cash flow sensitivity (net)	(109)	109

(e) Fair values versus carrying amounts

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

(f) Capital management

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

24 Commitments

At 31 December 2009 the Group had outstanding contractual commitments totalling approximately Euro 3 million (2008: Euro 18 million) to purchase property, plant and equipment. In addition, the Group had commitments to purchase raw materials worth Euro 29 million at 31 December 2009 (2008: Euro 27 million).

25 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.

In October 2008 the tax inspectorate completed their audit of JSC "SUN InBev Ukraine", a Ukrainian subsidiary of the Group, for 2006-2007. Based on the results of the audit, the tax inspectorate claimed additional VAT in total amounting to Euro 1.0 million. The claim relates to acquisition of PET preforms from supplier, whose supplier, based on the tax inspectorate position, did not fulfil is tax obligation in full and was claimed as unreliable taxpayer. As a result, the tax inspectorate disallowed the deduction of VAT receivables related to the PET preforms from VAT obligation The Group disagreed with the decision and in 2009 filed a claim to the administrative court. In December 2009 Administrative court of first instance ruled a decision in SUN InBev Ukraine's favour. Tax authorities appealed this decision and currently the case is being proceeded in the appeal Court. Management provided for the amount of the claim by tax authorities in full.

26 Financial guarantees

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

27 Related party transactions

(a) Control relationship

The Company's immediate parent company is Worldoor Company. The ultimate parent company AB InBev produces publicly available financial statements in accordance with IFRSs.

(b) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs (see note 9):

'000 Euro	**2009**	**2008**
Salaries and bonuses	708	1,799
Contributions to State pension fund	35	70
Other service benefits provided	207	493
	950	**2,362**

(c) 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 2009 service expenditures and royalties amounted to

Euro 59,812 thousand (2008: Euro 67,523 thousand) under these agreements. Interest expense charged by related parties amounted to Euro 16,400 thousand (2008: Euro 9,301 thousand).

Purchases from other related parties amounted to Euro 713 thousand for 2009 (2008: Euro 745 thousand).

In 2009, the Company received a loan from an entity under common control in the amount of RUR 3,279,000 thousand (2008: RUR 3,700,000 thousand).

The outstanding balances with related parties were as follows:

'000 Euro	**2009**	**2008**	**2007**
Accounts receivable from the Parent	4,184	1,779	4,002
Accounts receivable from entities under common control	4,977	2,557	225
Accounts payable to the Parent	4,886	18,125	28,786
Accounts payable to the entities under common control	46,528	52,861	27,638
Current loans from entities under common control	80,533	-	58,049
Interest payable to the entities under common control	15,854	6,685	3,325
Non-current loans from entities under common control	85,276	100,229	10,853

(d) Pricing policies

Related party transactions are based on market prices.

28 Significant subsidiaries

Subsidiary	**Country of incorporation**	**2009** Ownership percentage	**2008** Ownership percentage
Sun Interbrew Finance Ltd.	Russian Federation	100%	100%
OJSC Sun InBev Russia	Russian Federation	88.12%	88.12%
OJSC Sun InBev Ukraine	Ukraine	98.32%	98.32%

29 Events subsequent to the reporting date

Effective from 1 January 2010, the excise duty on beer in Russia has been increased by three times, from 3 to 9 Rouble per hectoliter.

Effective from 1 July 2010, the excise duty on beer in Ukraine will be increased from 60 to 74 Hryvna per hectoliter. Besides it the water tax will be increased by UAH 0.017 per liter.