SUN Interbrew Plc

Separate Financial Statements
for the year ended 31 December 2013

Contents Pages

Board of Directors and other officers

Board of Directors

Andrii Gubka – Director and Chief Executive Officer ("CEO")
Nand Khemka – Director (Chairman of the Board)
Shiv Khemka – Director
Uday Khemka – Director
Denis Khrenov – Director and Chief Legal Officer ("CLO")
Oleksandr Balakhnov – Director and member of the Audit Committee and Nomination and Remuneration Committee
Anton Chvanov – Director, member of the Audit Committee and Nomination and Remuneration Committee and Chief Financial Officer ("CFO") (appointed 26 February 2013)
Inna Ivanova – Director (appointed 11 November 2013)
Dmytro Shpakov – Director (appointed 11 November 2013)
Oraz Durdyev – Director and member of the Audit Committee and Nomination and Remuneration Committee
Inter Jura CY (Directors) Limited – Director and member of the Audit Committee and Nomination and Remuneration Committee
Inter Jura CY (Management) Limited – Director
Anna Gorodilova – Director (resigned 26 February 2013)
Liudmyla Nakonechnaya – Director (resigned 11 November 2013)
Matias Tavella –Director and Chief Financial Officer ("CFO") (resigned 11 November 2013)

Company Secretary

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

Registered office

1 Lampousa Street
CY-1095 Nicosia
Cyprus

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

In accordance with Section 9 sub-sections (3 (c)) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law 2007 ("Law") we, the members of the Board of Directors and the other responsible persons for the financial statements of SUN Interbrew Plc (the "Company") for the year ended 31 December 2013, we confirm that, to the best of our knowledge:

(a) the annual financial statements of the Company which are presented on pages 17 to 43:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 9, Sub-section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of SUN Interbrew Plc and

(b) the Board of Directors' report provides a fair view of the developments and the performance of the business as well as the financial position of the Company together with a description of the main risks and uncertainties that its facing.

Members of the Board of Directors

Name and surname	**Signature**
Andrii Gubka – Director and Chief Executive Officer	
Nand Khemka - Chairman	
Shiv Khemka – Director	
Uday Khemka – Director	
Oraz Durdyev - Director	
Inna Ivanova - Director	
Denis Khrenov – Director and Chief Legal Officer	
Dmytro Shpakov – Director	
Anton Chvanov – Director and Chief Financial Officer	
Oleksandr Balakhnov – Director	
Inter Jura CY (Directors) Limited – Director	
Inter Jura CY (Management) Limited – Director	

Responsible for the preparation of the financial statements

Name and surname	**Position**	**Signature**
Anton Chvanov	Chief Financial Officer	

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited parent company financial statements of the Company for the year ended 31 December 2013.

Principal activities

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

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

3 The loss of the Company for the year ended 31 December 2013 was €250,130,135 (2012: €82,461,548). On 31 December 2013 the total assets of the Company were €1,418,969,456 (2012: €1,783,281,207) and the net assets were €1,418,854,334 (2012: net assets €1,783,220,953). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties

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

Future developments of the Company

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

Results

6 The Company's results for the year are set out on page 17. The Board of Directors recommended the payment of a dividend as detailed below. The loss for the year is carried forward.

Dividends

7 On 28 August 2013 the Board of Directors approved the payment of an interim dividend of EUR 0.98 for each issued and fully paid Class A share and for each issued and fully paid Class B share, amounting to EUR114,236,484. The dividends were fully paid on 31 October 2013.

Share capital

8 There were no changes in the share capital of the Company during the year.

9 The authorized share capital which amounts to GBP1,552,786 is divided into 125,278,614 class A shares of GBP0.01 each and 30,000,000 class B shares of GBP0.01 each.

Report of the Board of Directors (continued)

Share capital (continued)

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

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

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

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

- The dividends on the Class A shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the holders of Class B shares.
- On winding up of the Company, the surplus assets available for distribution shall be distributed proportionately amongst the holders of the Class A shares and the holders of Class B shares according to the amounts of their respective holdings of such shares in the Company.
- The holders of the Class A shares have a right to receive notice of and to attend any shareholder meeting of the Company, but do not have a right to vote at shareholders’ meetings, other than at class meetings of the holders of Class A shares, which are necessary in respect of certain matters affecting the rights of the holders of Class A shares.

13 Class B shares have no restrictions on voting rights.

14 As of 31 December 2013 the Company, which is beneficiary owned by Anheuser-Busch InBev, had the following shareholders' structure. This structure remained unchanged as of five days before the date of approval of these financial statements.

#	Name	A	B	Total	%
1	InBev S.A.	2,859,843	2,765,718	5,625,561	4.8235
2	InBev Belgium N.V./S.A.	-	1	1	0.0001
3	Brandbrew S.A.	-	1	1	0.0001
4	Interbrew International B.V.	-	1	1	0.0001
5	Worldoor Limited	70,154,537	9,519,598	79,674,135	68.3142
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominees) Limited - London	745,384	-	745,384	0.6390
8	Bank of New York (Nominees) Limited - New York	15,042,401	15,480,356	30,522,757	26.1706
	TOTAL	88,832,710	27,796,220	116,628,930	100.0000

Report of the Board of Directors (continued)

Share capital (continued)

15 It is noted that for a valid transfer of shares to take place, the name of the transferee must be entered in the register of members in respect thereof.

Board of Directors

16 The members of the Board of Directors at 31 December 2013 and at the date of this report are shown on page 3. All of them were members of the Board throughout the year 2013, except Mr Matias Tavella and Mrs Liudmyla Nakonechnaya, who resigned on 11 November 2013 and Mrs Anna Gorodilova who resigned on 26 February 2013. Mrs Inna Ivanova and Mr Dmytro Shpakov were appointed on 11 November 2013. Mr Anton Chvanov was appointed as Director and Chief Financial Officer on 26 February 2013.

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

Directors' interests in the Company's share capital

18 Directors have no direct or indirect shareholding in the Company's share capital (including their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting) both at the end of the financial year and 30 days before the notice for the AGM or 5 days before the date the financial statements are approved by the board of directors.

Events after the balance sheet date

19 Other than as disclosed in Note 21 to financial statements, there were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Branches

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

Independent Auditors

21 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law").

Paragraphs 5(a) – (c) of the Directive – Corporate Governance

22 The Company is voluntarily subject to the provisions of the Corporate Governance Charter, adopted by the Board of Directors at the meeting of the Board of Directors held on 12 August 2012, which is available to the public on the Company's website: www.suninterbrew.com

23 The Company is not required to comply with the provisions of the corporate governance code of the Luxembourg Stock Exchange, although, the Corporate Governance Charter it applies, is generally based on the "Ten Principles of Corporate Governance" of the Luxembourg Stock Exchange. The Company has voluntarily applied corporate governance practices, mentioned in the Corporate Governance Charter. The Articles of Association of the Company further provide for the powers, duties and procedures of the Directors, and are also available on the Company's website, as cited above.

Paragraph 5(d) of the Directive – description of the main features of the issuers' internal control and risk management systems in relation to the composition, preparation and drafting of the periodic information of Part II of the Law

24 The periodic information referred to in Part II of the Law, comprises of the annual financial report, the half-yearly financial report, the first and second semester interim management statements, and the indicative results. Issuers whose titles are admitted to trading on a regulated market are obliged to prepare and disclose such information in accordance with the provisions and the time schedules stipulated in Part II of the Law. Moreover, and as stipulated in Part II of the Law, the financial reports of the Company and of the Group are prepared based on the applicable International Accounting Standards, the Law, as well as the provisions of the Companies Law, Cap. 113 in order to provide a true and fair picture of the financial affairs of the Company and the Group, respectively.

25 The Secretary, the professional advisers of the Company along with the Board of Directors through the use of adequate control procedures and risk management, ensure the lawful drafting, preparation, compilation and publication of periodic information, which is required based on the above.

26 The Compliance Officers of the Company in relation to the obligations of the Law, ensure the timely publication of the necessary periodic information, and that this information includes the information required by the Law. This information is disclosed in accordance with the manner and time schedules set out in the Law and the relevant Transparency Directives. Finally, it should be noted that, pursuant to the Law, the Annual Financial Reports of the Group and the Company are audited by the External Auditors of the Company, PricewaterhouseCoopers Limited, in accordance with the provisions of the Companies Law and the applicable International Accounting Standards.

Par. 5(e) of the Directive: Significant shareholders holding the Company's share capital

27 See above Board of Directors' Report, under "Share Capital".

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

Par. 5(f) – (g) of the Directive: types of shares and attached rights

28 See above Board of Directors' Report under "Share Capital" regarding special rights attributed to classes of shares.

Par. 5(h) of the Directive: Rules governing the appointment and replacement of Board Members and the amendment of the Articles of Association

29 According to the Article 76 of the Articles of Association of the Company, the minimum number of directors shall be two and the maximum number shall be fifteen. Directors are appointed either by the general meeting of shareholders or by the board of directors. Pursuant to Articles 98 – 101 of the Articles of Association of the Company, the Company at a general meeting may appoint any person to be a director and to determine the period for which such person is to hold office. Further, the Company may, by ordinary resolution of which special notice has been given in accordance with Section 136 of the Cypriot Companies Law, remove any director before the expiration of his period of office.

30 In accordance with the provisions of the Cypriot Companies Law, the Company may, by special resolution, amend its Articles of Association. A special resolution may be approved by a majority not less than three quarters of the shareholders present which are entitled to vote at a general meeting, for which a suitable notification of at least twenty one days has been given, determining the intention to propose the resolution as a special resolution.

Par. 5(i) of the Directive: the powers of the members of the Board of Directors

Competences of the Board

31 The powers and duties of the Directors are stated in Articles 83 – 96 of the Articles of Association of the Company and the Corporate Governance Charter.

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

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

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

Functioning of the Board

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

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

Par. 5(i) of the Directive: the powers of the members of the Board of Directors (continued)

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

Conflicts of Interest

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

Chairmanship

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

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

Existence and nature of the internal control and risk management system

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

Evaluation of the Board

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

Senior Management

42 The Board of Directors has delegated the daily management of the Company to the CEO, who is assisted by a CFO and a CLO. During the financial year 2013, the CEO, CFO and CLO, remained the same, and were respectively Messrs Andrii Gubka (CEO), Anton Chvanov (CFO) and Denis Khrenov ("CLO").

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

<u>Par. 5(i) of the Directive: the powers of the members of the Board of Directors</u> (continued)

Remuneration policy for Board Members and Senior Managers

43 The total amount of remuneration granted directly or indirectly by the Company to the members of its Board and to the CEO, CFO and CLO is fully described in Note 18 to the financial statements.

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

45 Variable and non-variable components of the remuneration and links between remuneration and performance are reviewed by the Nomination and Remuneration Committee. The variable element of remuneration for the Senior Management is determined by the Board of Directors. Performance plans are based on success criteria which are agreed by the Board of Directors. The plans are reviewed during the year; the remuneration is based on the achievement of these performance criteria. The remuneration of the Board of Directors and the key management is disclosed in Note 18 to the financial statements.

Contracts with Directors and related parties

46 Other than the transactions and the balances with related parties referred to in Note 18 of the financial statements, there were no other significant contracts with the Company at 31 December 2013 in which the Directors or their related persons had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Delegation of Director's powers to committees

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

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

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

<u>Par 5(j) of the Directive</u>

50 Non-Applicable.

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

Par 5(k) of the Directive: the composition and operation of the administrative, management and supervisory bodies of the Company and their committees (continued)

51 The composition of and operation of the Board of Directors, was stated in pg. 1 of this Report, and above, under the heading "Par 5(i) of the Directive: the powers of the members of the Board of Directors".

52 The composition, operation and internal regulation of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors are stated below.

General rules regarding both committees

53 A quorum shall be three committee members present or represented by alternate committee members. All decisions by the committees require a simple majority of votes. In case of ballot the Chairman of the committee has a casting vote.

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

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

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

(a) Regulations for the Nomination and Remuneration Committee

(i) Role

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

- submit proposals to the Board regarding the appointment and remuneration of directors and Senior Management and ensure that its proposals are in accordance with the remuneration policy adopted by the Company;

- discuss with the CEO the performance of the other members of Senior Management at least once a year based on evaluation criteria clearly defined. The CEO should not be present at the discussion of his own evaluation;

  ensure that the remuneration of non-executive directors is proportional to their responsibilities and the time devoted to their functions;

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

Par 5(k) of the Directive: the composition and operation of the administrative, management and supervisory bodies of the Company and their committees (continued)

(b) Regulations for the Nomination and Remuneration Committee (continued)

(i) Role (continued)

- assisting the Board in the selection of directors. It considers all proposals submitted by the shareholders, the Board or the Senior Management commending suitable candidates to the Board and assisting the Board in making for every position to be filled an evaluation of the existing and required skills, knowledge and experience. On the basis of this evaluation the Nomination and Remuneration Committee will assist the Board in drawing up a description of the role together with the skills, knowledge and experience required.

(ii) Composition

58 The Nomination and Remuneration Committee is composed exclusively of 4 directors of which 1 is independent. The Chairman of the Board or another non-executive director chairs the Nomination and Remuneration Committee.

(iii) Working rules

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

(c) Regulations for the Audit Committee

(i) Role

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

(ii) Composition

61 The Audit Committee is composed exclusively of 4 directors of which1 is independent. The Chairman of the Board or another non-executive director chairs the Remuneration and Nomination Committee.

Report of the Board of Directors (Continued)

Statement on Corporate governance pursuant to paragraph 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission regarding the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Law") (continued)

Par 5(k) of the Directive: the composition and operation of the administrative, management and supervisory bodies of the Company and their committees (continued)

(c) Regulations for the Audit Committee (continued)

(iii) Working rules

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

By Order of the Board

Andrii Gubka
Chief Executive Officer

23 April 2014

Independent auditor's report

To the Members of SUN Interbrew Plc

Report on the financial statements

We have audited the accompanying financial statements of parent company SUN Interbrew Plc (the "Company"), which comprise the balance sheet as at 31 December 2013, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company SUN Interbrew Plc as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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Emphasis of matter

We draw attention to Note 21 to the financial statements which indicate that the operations of the Company, and those of other entities in Ukraine, have been effected and may continue to be affected for the foreseeable future, by the continuing uncertainties in Ukraine. Our opinion is not qualified in respect of this matter.

Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.

- In our opinion, proper books of account have been kept by the Company, so far as appears from examination of these books.

- The Company's financial statements are in agreement with the books of account.

- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

According to the requirements of the Directive OD190-2007-04 of the Cyprus Capital Market Board, we report that a statement of corporate governance code has been issued regarding paragraphs (a), (b), (c), (f) and (d) of Article 5 of the given direction and consist a special part of the report of the board of directors.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2013.

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 23 April 2014

Statement of comprehensive income for the year ended 31 December 2013

Expressed in EUR	Note	**2013**	**2012**
Dividend income	18 (b)	247,500,000	-
Impairment losses	5	(497,742,339)	(83,536,419)
Administrative expenses	6	(253,245)	(144,307)
Results from operating activities		(250,495,584)	(83,680,726)
Finance income - net	8	435,425	1,351,764
Loss before tax		(250,060,159)	(82,328,962)
Income tax expense	9	(69,976)	(132,586)
Loss and total comprehensive loss for the year		(250,130,135)	(82,461,548)

Losses per share			
Basic and diluted losses per share (EUR)	20	(2,145)	(0.707)
Weighted average number of shares		116,628,930	116,628,930

The notes on pages 21 to 43 are an integral part of these financial statements.

Statement of financial position at 31 December 2013

Expressed in EUR	Note	2013	2012
ASSETS			
Non-current assets			
Investments in subsidiaries	10	1,201,967,871	1,654,241,054
Total non-current assets		1,201,967,871	1,654,241,054
Current assets			
Loans receivable	11	128,833,986	109,947,651
Other receivables	12	100	269,676
Current tax assets		113,866	120,398
Cash and cash equivalents	13	88,053,633	18,702,428
Total current assets		217,001,585	129,040,153
Total assets		1,418,969,456	1,783,281,207
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	1,808,651	1,808,651
Share premium	14	357,932,250	357,932,250
Retained earnings		1,059,113,433	1,423,480,052
Total equity		1,418,854,334	1,783,220,953
Current liabilities			
Trade and other payables	15	115,122	60,254
Total current liabilities		115,122	60,254
Total liabilities		115,122	60,254
Total equity and liabilities		1,418,969,456	1,783,281,207

On 23 April 2014 the Board of Directors of SUN Interbrew Plc authorized these financial statements for issue.

Anton Chvanov, Chief Financial Officer

Andrii Gubka, Chief Executive Officer

The notes on pages 21 to 43 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2013

Expressed in EUR	Note	**Share capital**	**Share premium(1)**	**Retained earnings(2)**	**Total**
Balance at 1 January 2012		1,808,651	357,932,250	1,505,941,600	1,865,682,501
Comprehensive income					
Loss for the year		-	-	(82,461,548)	(82,461,548)
Total comprehensive income for the year 2012		-	-	(82,461,548)	(82,461,548)
Balance at 31 December 2012/1 January 2013		1,808,651	357,932,250	1,423,480,052	1,783,220,953
Comprehensive income					
Loss for the year		-	-	(250,130,135)	(250,130,135)
Total comprehensive income for the year 2013		-	-	(250,130,135)	(250,130,135)
Transaction with owners					
Dividends to equity holders	7	-	-	(114,236,484)	(114,236,484)
Total transaction with owners		-	-	(114,236,484)	(114,236,484)
Balance at 31 December 2013		1,808,651	357,932,250	1,059,113,433	1,418,854,334

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

(2) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 21 to 43 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2013

Expressed in EUR

	Note	2013	2012
Cash flows from operating activities			
Loss for the year		(250,130,135)	(82,461,548)
Adjustments for:			
Impairment of investment in subsidiaries	10	497,742,339	83,536,419
Interest income	8	(437,326)	(1,390,668)
Interest expense	8	1,870	39,646
Forex loss/(income) – net	8	31	(742)
Income tax expense	9	69,976	132,586
Cash from operating activities before changes in working capital and provisions		**247,246,755**	**(144,307)**
Change in other receivables		269,576	-
Change in trade and other payables		53,631	29,134
Net cash from operating activities before income taxes and interest paid		**247,569,962**	**(115,173)**
Income tax paid		(63,445)	(511,230)
Net cash from/(used in) operating activities		**247,506,517**	**(626,403)**
Cash flows from investing activities			
Additions/contributions to investments in subsidiaries	10	(45,469,156)	(539,900,290)
Repayment of loan from subsidiary (previously written off)		-	-
Proceeds from sale of investments		-	-
Loans granted to related parties	18 (e)	(18,961,635)	-
Loan repayments received from related parties	18 (e)	75,300	570,085,210
Interest received		436,663	423,430
Net cash (used in)/from investing activities		**(63,918,828)**	**30,608,350**
Cash flows from financing activities			
Repayments of bank borrowings		-	(11,561,572)
Interest paid		-	(50,446)
Dividends paid	7	(114,236,484)	-
Net cash used in financing activities		**(114,236,484)**	**(11,612,018)**
Net increase in cash and cash equivalents		69,351,205	18,369,929
Cash and cash equivalents at beginning of year		18,702,428	332,449
Cash and cash equivalents at end of year	13	88,053,633	18,702,428

The notes on pages 21 to 43 are an integral part of these financial statements.

Notes to the financial statements

1. General information

Country of incorporation

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

Principal activities

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

The Business Environment which affects the Company is disclosed in Note 17.

2. Basis of preparation

Statement of compliance

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

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 “Financial Instruments: Recognition and Measurement” relating to portfolio hedge accounting.

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

These financial statements are prepared for the year ending 31 December 2013 as separate financial statements. The Company has prepared these separate financial statements to comply with the Cyprus Transparency Requirements (securities for Trading on Regulated Markets) Law 2007 and the Cyprus Income Tax Laws and Regulations.

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

Users of these separate financial statements should read them together with the Group’s consolidated financial statements as at end of the year ended 31 December 2013, in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole.

2. Basis of preparation (continued)

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

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

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in note 17 (Contingencies) of the financial statements.

Critical judgements in applying accounting policies

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

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

The Company carried out a test of the estimated recoverable amount of the investments in subsidiaries, where indications for impairment were present, and compared to its carrying value and an impairment charge was deemed necessary for the year ended 31 December 2013 of EUR 497,742,339 (2012: EUR 83,536,419).

2. Basis of preparation (continued)

Critical judgements in applying accounting policies (continued)

Impairment of investments in subsidiaries (continued)

Key assumptions used in discounted cash flow projections

In relation to the investment in Cantorne Trading Limited and SB Management Services Limited the recoverable amount was estimated using the expected funds that will be made available for distribution based on the recoverable amount of their net assets (these companies are dormant).

In relation to the investment in SUN InBev Russia the following assumptions were made:

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

(ii) In the second to fourth year, free cash flows are based on the strategic plan as approved by the Shareholder Group. The strategic plan is prepared by country and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experiences and planned initiatives which will impact market share, revenue, variable and fixed costs, capital expenditure and working capital assumptions.

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

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

(v) Projections are made in the functional currency of each business unit and discounted at the unit's weighted average cost of capital and comprised of approximately 11,6% (2012: 9%) for Russia and 14,1% (2012: 14%) for Ukraine.

Sensitivity to changes in assumptions:

The value in use estimates are more sensitive in changes in the discount rate. If revised estimated pre-tax discount rate applied to discounted cash flow of Russian and Ukrainian business unit had been 1 percentage point higher than management's estimation, the Company would need to reduce the carrying value of the investment in SUN InBev Russia by a further EUR 128,517 thousand.

3. Accounting policies

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

Revenue recognition

(a) Dividend income

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

(b) Finance income

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

3. Accounting policies (continued)

Foreign currency translation

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

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

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

Financial instruments

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

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company has the following non-derivative financial assets: cash and cash equivalents, loans receivable and trade and other receivables.

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

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

3. Accounting policies (continued)

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

Share capital

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

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

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

Repurchase of share capital
When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Impairment

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

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

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management’s judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3. Accounting policies (continued)

Impairment (continued)

Financial assets (continued)

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

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

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

Foreign currency gains and losses are reported on a net basis in profit or loss.

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

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.

3. Accounting policies (continued)

Current and deferred income tax (continued)

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

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

Earnings per share

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

Provisions

A provision is 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.

Subsidiaries at cost

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

For subsidiaries which are acquired as a result of reorganisation of the group structure in a manner that satisfies the following criteria:

(a) the new parent obtains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent;

(b) the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation; and

(c) the owners of the original parent before the reorganisation have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganisation,

the Company measures cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganization. The difference between this investment cost and the legally issued share capital and share premium of the Company is recorded in other reserves.

3. Accounting policies (continued)

Subsidiaries at cost (continued)
The Company recognises income from investments in subsidiaries to the extent that the Company receives distributions from accumulated profits of the subsidiaries arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of investment.

Transactions with equity holders
The Company enters into transactions with its shareholders. When consistent with the nature of the transaction (i.e. when these transactions are not at arm's length prices), the Company's accounting policy is to recognise any gains or losses with equity holders, directly through equity and consider these transactions as the receipt of additional capital contribution or the distribution of dividends. Similar transactions with non-equity holders, or parties which are not under the control of the parent company, are recognised through the income statement in accordance with IAS 39, Financial Instruments - Recognition and Measurement. The Company believes that this policy provides a fair representation of the Company's activities.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Company with the exception of the following:

- Amendment to IAS 1 "Financial Statements Presentation" on Presentation of Items of Other Comprehensive Income. As a result of the adoption of this amendment, the groups items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).
- IFRS 13, "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Standard resulted in additional disclosures in these financial statements.

At the date of approval of these financial statements, a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these separate financial statements of the parent company:

New Standards, interpretations and amendments, not yet adopted by the Company

(i) Adopted by the European Union

- IAS 27 (revised 2011), 'Separate financial statements' (effective for annual periods beginning on or after 1 January 2013; EU effective date for 1 January 2014).
- IAS 28 (revised 2011), 'Associates and joint ventures' (effective for annual periods beginning on or after 1 January 2013; EU effective date for 1 January 2014).
- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013; EU effective date for 1 January 2014.
- IFRS 11, 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2013; EU effective date for 1 January 2014).

3. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

New Standards, interpretations and amendments, not yet adopted by the Company (continued)

(i) Adopted by the European Union (continued)

- IFRS 12, 'Disclosures of interests in other entities' (effective for annual periods beginning on or after 1 January 2013; EU effective date for 1 January 2014).
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (issued in December 2011 and effective for annual periods beginning on or after 1 January 2014; EU effective date for 1 January 2014).
- Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12 (issued on 28 June 2012 and effective for annual periods beginning 1 January 2013; EU effective date for 1 January 2014).
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment entities (issued on 31 October 2012 and effective for annual periods beginning 1 January 2014; EU effective date for 1 January 2014).
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (issued on 27 June 2013 and effective for annual periods beginning on or after 1 January 2014).

(ii) Not yet adopted and not yet endorsed by the European Union

- IFRIC 21 – Levies (issued on 20 May 2013 and effective for annual periods beginning on 1 January 2014).
- IFRS 9, 'Financial Instruments: Classification and Measurement'. The amendments made to IFRS 9 in November 2013 removed its mandatory effective date, thus making application of the standard voluntary.
- Annual Improvements to IFRSs 2013 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014).
- Annual Improvements to IFRSs 2012 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014, unless otherwise stated).
- IFRS 14, Regulatory Deferral Accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 19 – Defined benefit plans: Employee contributions (issued in November 2013 and effective for annual periods beginning 1 July 2014).

The Group management assesses the impact of new standards and interpretations at the point when these are endorsed by the European Union. As a result the impact of the above new standards and interpretations that have not been endorsed by the European Union has not been assessed.

4. Determination of fair values

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

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Other receivables

The fair value of 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. The fair value of other receivables approximates their carrying amount at the balance sheet date. The fair value is within level 3 of the fair value hierarchy.

Loans to related parties

The fair value of loans to related parties, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value of loans to related parties approximates their carrying amount. The fair value is within level 3 of the fair value hierarchy.

5. Impairment losses

Expressed in Euros	**2013**	**2012**
Impairment of investment in subsidiaries (Note10)	(497,742,339)	(83.536.419)
	(497,742,339)	**(83.536.419)**

6. Administrative expenses

Expressed in Euros	**2013**	**2012**
Audit fees	62,866	91,649
Counsel fees	7,548	32,265
Other expenses	182,831	20,393
	253,245	**144,307**

Audit fees include an amount of EUR38,500 (2012: EUR36,000) charged by the Company's statutory auditors. Audit fees include an amount of EUR650 (2012: EUR1,906) for tax services charged by the Company's statutory audit firm.

7. Dividends per share

On 28 August 2013 the Board of Directors approved the payment of interim dividends of EUR0.98 for each issued and fully paid Class A share and for each issued and fully paid Class B share, amounting to EUR114,236,484. The dividends were fully paid on 31 October 2013.

8. Finance income/(costs) – net

Expressed in EUR	**2013**	**2012**
Interest income	437,326	1,390,668
Interest expense	(1,870)	(39,646)
Foreign exchange income – net	(31)	742
Net finance income recognised in profit or loss	**435,425**	**1,351,764**

9. Income tax expense

Expressed in EUR	**2013**	**2012**
Current tax:		
Corporation tax	**69,976**	**132,586**

Expressed in EUR	**2013**	**2012**
Loss before tax	(250,060,159)	(82,328,962)
Tax calculated at the applicable corporation tax rate of 12,5% (2012: 10%)	(31,257,520)	(8,232,896)
Tax effect of expenses not deductible for tax purposes	62,264,996	8,365,482
Tax effect of allowances and income not subject to tax	(30,937,500)	-
Income tax charge	**69,976**	**132,586**

The Company is subject to income tax on taxable profits at the rate of 10% up to 31 December 2012 and at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised. Up to 31 December 2008, under certain conditions interest may be subject to special contribution for defence at the rate of 10%. In such cases 50% of the same interest will be exempt from income tax thus having an effective tax rate burden of approximately 15%.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% as from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

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

10. Investments in subsidiaries

Expressed in Euros	**2013**	**2012**
Opening balance	1,654,241,054	1,197,877,183
Additions	45,469,156	539,900,290
Impairment (Note 5)	(497,742,339)	(83,536,419)
Closing balance	**1,201,967,871**	**1,654,241,054**

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

Name	**Country of incorporation**	**Principal activities**	**% interest held 2013**	**% interest held 2012**
Cantorne Trading Ltd	Cyprus	Dormant	100%	100%
SB Management Services Ltd	Cyprus	Dormant	100%	100%
SUN Breweries CIS	Cyprus	Investment and consulting services	100%	100%
SUN Interbrew Finance	Russia	Dormant	100%	100%
SUN InBev Russia *	Russia	Manufacturing, marketing and distribution of beer and soft drinks	84,27%	84,27%
Interbrew RSR Holding B.V.	Netherlands	Dormant	100%	100%
Bevmar GmbH	Germany	Investment holding	100%	-

*The Company holds directly 84,27% of SUN InBev Russia and 3,84% through Bermar GmbH which was acquired in 2013 (see below).

During 2013 the Company contributed additional EUR14,450,000 to its 100% subsidiary SB Management Services Limited through an increased of its share capital. In addition, the Company recognized an impairment charge of EUR13,477,188 for the investment in SB Management Services Limited.

In July 2013 the Company contributed an amount of EUR19,156 to its 100% subsidiary Interbrew RSR Holding B.V. through an increase of its share capital.

On 10 October 2013 the Company acquired the 100% of Bevmar GmbH for a total consideration of EUR 31,000,000.

In addition during 2013, the Company recognised an impairment loss of EUR 483 million in relation to the investment in SUN InBev Russia. The recoverable amount of the subsidiary was based on value in use estimates. Value in use was determined by discounting the future cash flows expected to be generated from the investment. For more details of the assumptions used in the discounted cash flow projections refer to Note 2.

The investment in Cantorne Trading Limited has been fully impaired in 2013. An impairment of EUR1,265,151 was recognised as this company is in the process of liquidation.

During 2012, the Company contributed additional EUR 84,800,000 to its 100% subsidiary Cantorne Trading Limited through an increase of its share capital. In addition, during 2012, the Company recognized an impairment charge of EUR 83,536,419 for the impairment investment in Cantorne Trading Limited. The recoverable amount of this investment was based on the net assets.

In addition, during 2012, the Company contributed additional EUR 455,100,290 (RUB 18,419,557,200) to its 84.27% subsidiary SUN InBev Russia through an increase of its share capital.

11. Loan receivable

Expressed in Euros	**2013**	**2012**
Current:		
Loan receivable (Note 18 (e))	128,833,986	109,947,651
	128,833,986	**109,947,651**

This note provides information about the contractual terms of the Company’s interest-bearing loans, which are measured at amortized cost. For more information about the Company’s exposure to interest rate, credit risk and liquidity risk, see Note 16.

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

				2013		**2012**	
Expressed in Euros	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Related parties:							
Cobrew	EUR	1m EURIBOR-0,2%	on demand	128,833,986	128,833,986	109,947,651	109,947,651
				128,833,986	**128,833,986**	**109,947,651**	**109,947,651**

All of the above loans are unsecured.

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

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

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

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

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

12. Other receivables

Expressed in Euros	**2013**	**2012**
Current		
Other receivables from related parties (Note 18 (c))	100	269,676
	100	**269,676**

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

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

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

13. Cash and cash equivalents

Expressed in Euros	**2013**	**2012**
Cash at bank	88,053,633	18,702,428
Cash and cash equivalents in the statement of financial position and statement of cash flows	**88,053,633**	**18,702,428**

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

Cash and cash equivalents are denominated in the following currencies:

	2013	**2013**
Euro - functional and presentation currency	**88,053,633**	18,702,428

14. Share capital and share premium

Number of shares unless otherwise stated	**Non-redeemable preference shares (Class A)**		**Ordinary shares (Class B)**	
	2013	**2012**	**2013**	**2012**
Authorised shares	125,278,614	125,278,614	30,000,000	30,000,000
Par value	GBP 0.01	GBP 0.01	GBP 0.01	GBP 0.01
On issue at 1 January	88,832,710	88,832,710	27,796,220	27,796,220
Issued for cash	88,832,710	88,832,710	27,796,220	27,796,220
On issue at 31 December, fully paid	**88,832,710**	**88,832,710**	**27,796,220**	**27,796,220**

There were no changes in the share capital during the year.

Ordinary shares

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Non-redeemable preference shares

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

- The dividends on the preference shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the ordinary shareholders in such year;
- On winding up of the company, the surplus assets available for distribution to its members shall be distributed proportionately amongst the holders of the preference share and the ordinary shares according to the amounts of their respective holdings of such shares in the Company;
- The holders of the preference shares do not have right to vote in shareholders' meeting, except for the matters affecting the rights of the holders of preference shares, including "change of control" transaction as defined in the "Article of Association" of the Company.

14. Share capital and share premium (continued)

Share premium

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

Distributable reserves

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

15. Trade and other payables

Expressed in Euros	2013	2012
Trade payables to third parties	29,965	60,254
Other payables to third parties	85,157	-
	115,122	**60,254**

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

16. Financial risk management

Financial risk factors

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

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Cash flow and fair value interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's income and cash flows are substantially independent of changes in market interest rates. The Company is not exposed to cash flow or fair value interest rate risk as the Company's loan is from related party.

Fair value sensitivity analysis for fixed rate instruments

As at 31 December 2013, the Company doesn't have any fixed rate instruments.

Cash flow sensitivity analysis for variable rate instruments

As at 31 December 2013, the Company is not exposed to any material interest rate risk due to variable rate instruments.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

16. Financial risk management (continued)

Credit risk

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

Substantially all such outstanding receivables are from the companies within the Group. Thus the Company's management does not consider credit risk is significant.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Loans to related party

The Company granted a loan to an entity controlled by the Parent company (Note 18 (e)). The Company assesses the credit risk relating to this loan as low as the Shareholder Group is an established business and is expected to have sufficient liquidity to repay the loan when due.

Cash and cash equivalents

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

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

Liquidity risk

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

EUR	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
At 31 December 2013				
Trade and other payables	115,122	-	-	-
	115,122	**-**	**-**	**-**
At 31 December 2012				
Trade and other payables	60,254	-	-	-
	60,254	**-**	**-**	**-**

Capital risk management

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

17. Business environment

Operating environment of Russia

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

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

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

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

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

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

17. Business environment (continued)

Operating environment of Russia (continued)

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

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

The Board of Directors believe that the pricing policy is arm's length and it has implemented internal controls to be in compliance with the new transfer pricing legislation.

Operating environment of Ukraine

The Company also has investments through subsidiaries which operate in Ukraine. Ukraine is experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Ukraine involve risks that typically do not exist in other markets. In addition, the contraction in the capital and credit markets and its impact on the economy of the Ukraine have further increased the level of economic uncertainty in the environment.

The Ukrainian economy is considered to be developing and characterised by relatively high economic and political risks. The future stability of the Ukrainian economy is largely dependent upon reforms and the effectiveness of economic, financial and monetary measures undertaken by government, together with tax, legal, regulatory, and political developments. As a developing economy, it is vulnerable to market downturns and economic slowdowns elsewhere in the world. In 2013, the world demand for Ukraine's main export commodities, steel and iron ore, was weak. The Government of Ukraine introduced a number of restrictions in relation to foreign exchange aiming to support the national currency, the Ukrainian Hryvnia. Inflation during the year was close to zero as the National Bank of Ukraine reduced the money supply. The national foreign exchange reserves reduced to the level of 3 month imports at year end due to reduced inflows from sale of commodities and agro produce, the need to settle scheduled payments, primarily with International Monetary Fund, and to pay the current and past purchase of natural gas. The anticipated association agreement with the European Union was not signed at the end of November. The Government announced a deal with the Russian Federation for the purchase of Ukrainian Government bond up to USD 15 billion, of which USD 3 billion was provided in December 2013.

17. Business environment (continued)

Operating environment of Ukraine (continued)

The political system of Ukraine experienced severe instability with a number of protests against the Government's actions in late 2013 and street violence in January - March 2014. At the end of January 2014, the President of Ukraine accepted the resignation of Ukraine's Prime Minister. Following this, the Russian Government suspended the support of the Ukrainian Government and Moody's Investors Service downgraded Ukraine's government bond rating to Caa2 from Caa1 with a negative outlook. To stabilise the deteriorating political situation, the Parliament voted return of the 2004 Constitution and dismissed the President. On 26 February, the newly formed Parliament majority coalition appointed a Prime Minister and the Government.

Since the beginning of 2014, the Ukrainian Hryvnia saw a significant decrease in value against the major world currencies. The government in Crimea held a referendum on joining the Russian Federation on 16 March, following which the region of Crimea and the Russian Federation announced the joining of Crimea to Russia.

The final resolution and the effects of the political and economic crisis are difficult to predict but they have further severe effects on the Ukrainian economy.

The Board of Directors believe that current liquidity position allows to consider the Company as going concern.

The Board of Directors believe that is taking all the necessary measures to support the sustainability and development of the Company's business.

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

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

18. Related party transactions

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

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

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

The remuneration of the Directors for the year amounted EUR 2,400 (2012: EUR 24,482). In addition, during 2013 there was an exit compensation provided to three members of the board that resigned in the amount of EUR7,547 (2012: US$10,000).

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

The following transactions were carried out with related parties:

(a) Contribution to investments in subsidiaries

Expressed in EUR	**2013**	**2012**
Investments in subsidiaries:		
Additions/contributions (Note 10)	45,469,156	539,900,290
	45,469,156	**539,900,290**

(b) Dividend Income

Expressed in EUR	**2013**	**2012**
Dividend income from:		
Subsidiary	247,500,000	-
	247,500,000	**-**

(c) Year-end balances

Expressed in EUR	**2013**	**2012**
Receivable from related parties:		
Subsidiaries	-	241,794
Related party	100	27,783
	100	**269,676**

(d) Loans from related parties

Expressed in EUR	**2013**	**2012**
Borrowings from subsidiary:		
At the beginning of the year	-	11,573,115
Interest charged	-	11,587
Loans repaid during year	-	(11,561,572)
Interest paid	-	(23,129)
At the end of the year	**-**	**-**

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

18. Related party transactions (continued)

(e) Loans to related parties

Expressed in EUR	**2013**	**2012**
Loans to companies under common control:		
At the beginning of the year	109,947,651	661,861,940
Loans advanced during year	18,961,635	-
Interest charged	436,661	1,390,412
Loans repaid during year	(75,300)	(552,881,527)
Interest paid	(436,661)	(423,174)
At the end of the year	**128,833,986**	**109,947,651**

The loan to company under common control bears interest at the rate of 1 months EURIBOR - 0.20% p.a. and is repayable by written notice.

Expressed in EUR	**2013**	**2012**
Loans to subsidiaries:		
At the beginning of the year	-	17,203,683
Loans repaid during year	-	(17,203,683)
At the end of the year	**-**	**-**

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

(f) Interest income and interest expense

Expressed in EUR	**2013**	**2012**
Interest income:		
Companies under common control	436,661	1,390,412
Interest expense:		
Companies under common control	-	11,587

19. Financial instruments by category

Expressed in Euros	**2013**	**2012**
Loans and receivables		
Loans receivable	128,833,986	109,947,651
Trade and other receivables	100	269,676
Cash and cash equivalents	88,053,633	18,702,428
	216,887,719	**128,919,755**

Expressed in Euros	**2013**	**2012**
Financial liabilities		
Trade and other payables	115,122	60,254
	115,122	**60,254**

20. Earnings per share

Basic earnings per share is calculated by dividing the loss 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.

2013	Loss (Numerator) EUR	Shares (Denominator)	Per share-amount EUR
Basic and diluted EPS			
Attributable to holders of class “A” participating shares	(190,516,519)	88,832,710	(2,145)
Attributable to holders of class “B” participating shares	(59,613,616)	27,796,220	(2,145)
Total attributable to participating shares	**(250,130,135)**	**116,628,930**	**(2,145)**

2012	Loss (Numerator) EUR	Shares (Denominator)	Per share-amount EUR
Basic and diluted EPS			
Attributable to holders of class “A” participating shares	(62,808,454)	88,832,710	(0,707)
Attributable to holders of class “B” participating shares	(19,653,094)	27,796,220	(0,707)
Total attributable to participating shares	**(82,461,548)**	**116 ,628,930**	**(0,707)**

21. Events after the balance sheet date

The following exchange rates were noted as of 15 April 2014 and during the period between 1st of January 2014 and 15th of April 2014:

	Average rate		Spot rate	
	Period 1 January 2014 until 15 April 2014	Year ended 31 December 2013	15 April 2014	31 December 2013
RUB for EUR 1	48.3016	42.4001	49.8232	44.9699
UAH for EUR 1	12.6768	10.6157	17.1255	11.0415

In 2013, the world demand for Ukraine's main export commodities, steel and iron ore, was weak. The year was marked by one of record crop harvests; however world prices for wheat, corn and sunflower seed reduced significantly due to peak harvests in other crop producing regions. In 2013 Ukraine's GDP was flat year on year (2012: increase by 0.2%), while industrial output contracted by 4.7% (2012: reduction by 0.5%). The Government of Ukraine introduced a number of restrictions in relation to foreign exchange aiming to support the national currency, the Ukrainian Hryvnia. Inflation during the year was close to zero as the National Bank of Ukraine reduced the money supply. The national foreign exchange reserves reduced to the level of 3 month imports at year end due to reduced inflows from sale of commodities and agro produce, the need to settle scheduled payments, primarily with the International Monetary Fund, and to pay the current and past purchase of natural gas.

21. Events after the balance sheet date (continued)

The anticipated association agreement with the European Union was not signed at the end of November 2013. The Government announced a deal with the Russian Federation for the purchase of Ukrainian Government bonds up to USD 15 billion, of which USD 3 billion was provided in December 2013. The political system of Ukraine experienced instability with a number of protests against the Government's actions in late 2013 and street violence in January - February 2014. At the end of January 2014, the President of Ukraine accepted the resignation of Ukraine's Prime Minister. Following this, the Russian Government suspended the support of the Ukrainian Government and Moody's Investors Service downgraded Ukraine's government bond rating to Caa2 from Caa1 with a negative outlook. To stabilise the deteriorating political situation, the Parliament voted a return of the 2004 Constitution and dismissed the President. On 26 February, the newly formed Parliament majority coalition appointed a Prime Minister and the Government.

During January-February 2014, the Ukrainian Hryvnia saw a significant decrease in value against the major world currencies. The new Government called for immediate dialogue with the International Monetary Fund to provide financing and avoid possible default. On 1 March, the Russian parliament granted approval for the use of armed forces in Ukraine. Russian troops are believed to be occupying government offices and other locations in Crimea. The Ukrainian armed forces were put on full alert.

The final resolution and the effects of the political and economic crisis are difficult to predict but they may have further severe effects on the Ukrainian economy and the Company's business.

The Board of Directors continue to monitor the situation and undertake all possible measure to eliminate possible financial risks. The Board of Directors believes that current liquidity position allows to consider the Company as going concern.

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

Independent auditor's report on pages 15 to 16.