

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of
Efes Breweries International N.V.
Amsterdam

Introduction

We have reviewed the accompanying consolidated interim balance sheet of Efes Breweries International N.V. (the Company) and its subsidiaries as of June 30, 2004 and the related consolidated interim cash flow statement and the selected note thereto for the six-month period then ended (together consolidated interim financial statements). These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with the International Standards on Auditing applicable to review engagements. These standards require that we plan and perform the review to obtain moderate assurance about whether the consolidated interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not presented fairly, in all material respects, in accordance with International Financial Reporting Standards.

Amsterdam, August 20, 2004

Ernst & Young Accountants

Efes Breweries International N.V. and its Subsidiaries

CONSOLIDATED INTERIM BALANCE SHEET

As at June 30, 2004

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

	<u>Notes</u>	<u>June 30, 2004</u> (unaudited)	<u>December 31, 2003</u> (audited)
ASSETS			
Current assets			
Cash and cash equivalents		31,282	32,677
Trade and other receivables		26,032	17,700
Due from related parties	9	3,693	4,616
Inventories		43,084	37,798
Prepayments and other current assets		20,446	15,351
Total current assets		<u>124,537</u>	<u>108,142</u>
Non-current assets			
Investments in securities	6	1,756	1,754
Property, plant and equipment	7	286,643	267,639
Intangible assets	8	64,215	65,266
Deferred tax assets		3,795	3,361
Prepayments and other non-current assets		2,300	2,442
Total non-current assets		<u>358,709</u>	<u>340,462</u>
Total assets		<u>483,246</u>	<u>448,604</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		46,087	30,890
Due to related parties	9	16,124	13,751
Income tax payable		2,572	491
Short-term borrowings	10	29,991	32,769
Current portion of long-term borrowings	10	16,415	12,960
Total current liabilities		<u>111,189</u>	<u>90,861</u>
Non-current liabilities			
Long-term borrowings-net of current portion	10	62,105	71,534
Deferred tax liability		10,783	12,087
Other non-current liabilities		4,539	1,277
Total non-current liabilities		<u>77,427</u>	<u>84,898</u>
Minority interest		<u>60,518</u>	<u>53,781</u>
Equity			
Issued capital	4	124,630	124,630
Share premium		21,567	21,567
Currency translation reserve		19,411	16,537
Legal reserves and accumulated profit		68,504	56,330
Total equity		<u>234,112</u>	<u>219,064</u>
Total liabilities and equity		<u>483,246</u>	<u>448,604</u>

The accompanying policies and explanatory notes on pages F-7 through F-14 form an integral part of these consolidated interim financial statements.

Efes Breweries International N.V. and its Subsidiaries
CONSOLIDATED INTERIM INCOME STATEMENT
For the six-month periods ended June 30, 2004 and 2003

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

	<u>Notes</u>	<u>Six month period ended June 30, 2004 (unaudited)</u>	<u>Six month period ended June 30, 2003 (unaudited)</u>
Sales		184,425	106,236
Cost of sales		<u>(95,363)</u>	<u>(53,955)</u>
Gross profit		<u>89,062</u>	<u>52,281</u>
Selling and marketing expenses		<u>(42,468)</u>	<u>(24,371)</u>
General and administrative expenses		<u>(22,120)</u>	<u>(14,252)</u>
Profit from operations		<u>24,474</u>	<u>13,658</u>
Financial (expense)/income		<u>(1,439)</u>	<u>575</u>
Other (expense)/income		<u>(2,446)</u>	<u>727</u>
Profit before tax		<u>20,589</u>	<u>14,960</u>
Income tax		<u>(5,438)</u>	<u>(1,310)</u>
Profit after tax		<u>15,151</u>	<u>13,650</u>
Minority interest		<u>(2,977)</u>	<u>(832)</u>
Net profit		<u><u>12,174</u></u>	<u><u>12,818</u></u>
Earnings per share (based on a par value of €100 per share) (in full amounts of U.S. Dollars)			
Basic		10.0	10.6
Diluted		10.0	10.6

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Efes Breweries International N.V. and its Subsidiaries
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six-month periods ended June 30, 2004 and 2003
(Currency — In thousands of U.S. Dollars unless otherwise indicated)

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Currency Translation Reserve</u>	<u>Legal Reserves and Accumulated Profit</u>	<u>Total</u>
Balance at January 1, 2003	121,641	18,671	8,581	3,204	152,097
Issue of share capital	2,989	2,896	—	—	5,885
Currency translation reserve	-	—	6,303	—	6,303
Net profit for the six-month period ended June 30, 2003	—	—	—	12,818	12,818
Balance at June 30, 2003 (unaudited)	<u>124,630</u>	<u>21,567</u>	<u>14,884</u>	<u>16,022</u>	<u>177,103</u>
Balance at January 1, 2004	124,630	21,567	16,537	56,330	219,064
Currency translation reserve	—	—	2,874	—	2,874
Net profit for the six-month period ended June 30, 2004	—	—	—	12,174	12,174
Balance at June 30, 2004 (unaudited)	<u>124,630</u>	<u>21,567</u>	<u>19,411</u>	<u>68,504</u>	<u>234,112</u>

The accompanying policies and explanatory notes on pages F-7 through F-14 form an integral part of these consolidated interim financial statements.

Efes Breweries International N.V. and its Subsidiaries
CONSOLIDATED INTERIM CASH FLOW STATEMENT
As at June 30, 2004 and 2003

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

	Six-month period ended June 30, 2004 (unaudited)	Six-month period ended June 30, 2003 (unaudited)
Cash flows from operating activities		
Net profit before minority interest and income tax	20,589	14,960
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Gain on sale of subsidiaries and investment in securities	(470)	(384)
Depreciation and amortisation	16,341	9,832
Provision for bad debt	245	98
Provision for inventories	773	330
Income recognised from reversal of provision for bad debt	(138)	—
Income recognised from reversal of provision for inventories	(86)	(17)
Impairment in property, plant and equipment	3,006	—
Foreign exchange gain on loans	(31)	—
Loss from disposal of property, plant and equipment	94	85
Reserve for vacation pay liability	197	88
Other non-cash expenses	16	85
Interest expense	3,078	2,581
Interest income	(89)	(158)
Net income adjusted for non-cash items	43,525	27,500
(Increase)/decrease in inventories	(5,974)	(3,876)
(Increase)/decrease in trade receivables	(8,439)	(10,913)
Decrease/(increase) in due from related parties	923	(700)
Increase/(decrease) in trade and other payables	14,131	7,399
Increase/(decrease) in due to related parties	2,373	5,825
(Increase)/decrease in other current assets	(5,049)	1,312
Decrease/(increase) in other non-current assets	142	(223)
Increase/(decrease) in other non-current liabilities	3,262	(69)
Taxes paid	(5,306)	(1,873)
Interest received	45	54
Interest paid	(3,348)	(2,718)
Net cash provided by operating activities	36,285	21,718
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(32,774)	(27,584)
Proceeds from sale of property, plant and equipment	639	1,945
Proceeds from the sale of investment in securities	—	1,938
Acquisition of subsidiary, net of cash acquired	(323)	(12,025)
Capital increase at subsidiaries by minority shareholders	4,836	—
Net cash used in investing activities	(27,622)	(35,726)
Cash flows from financing activities		
Net (decrease)/increase in short-term debt	(2,136)	4,641
Proceeds from long-term debt	154	4,836
Repayment of long-term debt	(6,486)	(4,064)
Proceeds from issuance of share capital	—	2,989
Increase in share premium	—	2,896
Net cash provided by financing activities	(8,468)	11,298
Currency translation differences	(1,590)	(287)
Net increase in cash and cash equivalents	(1,395)	(2,997)
Cash and cash equivalents at beginning of year	32,677	38,974
Cash and cash equivalents at end of period	31,282	35,977

The accompanying policies and explanatory notes on pages F-7 through F-14 form an integral part of these consolidated interim financial statements.

Efes Breweries International N.V. and its Subsidiaries

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended June 30, 2004

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

1. GENERAL

Efes Breweries International N.V. (the Company) was incorporated in the Netherlands on October 2, 1996. The registered office of the Company is located at Strawinskylaan 633, 1077XX Amsterdam, The Netherlands.

In June 2003, the articles of association were changed and the Company transformed its legal status from a B.V. into a N.V.

The parent of the Company is Anadolu Efes Biracilik ve Malt Sanayii Anonim Şirketi (Anadolu Efes-the Parent Company). Anadolu Efes is a Turkish Corporation, which was established in Istanbul in 1966. The operations of Anadolu Efes consist of production of beer and its raw materials. Certain shares of Anadolu Efes are listed on the Istanbul Stock Exchange.

Nature of Activities of the Company/Group

The Company acts as a Dutch Holding company, facilitating investments in breweries.

For the purpose of the unaudited consolidated interim financial statements, the Company and its consolidated subsidiaries are referred to as “the Group”.

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2004 and December 31, 2003 were as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and voting rights %	
			June 30, 2004	December 31, 2003
ZAO Moscow-Efes Brewery (Efes Moscow) . . .	Russia	Production and marketing of beer	71.00	71.00
OAO Amstar (Amstar) (**)	Russia	Production of beer	71.00	71.00
ZAO Efes Entertainment (Efes Entertainment) (**)	Russia	Entertainment	60.35	60.35
CJSC Efes Karaganda Brewery(Efes Karaganda)	Kazakhstan	Production and marketing of beer	100.00	100.00
Interbrew Efes Brewery S.A (Interbrew Efes) (*)	Romania	Production of beer	49.99	49.99
Efes Ukraine Brewery (Efes Ukraine) (***) . . .	Ukraine	Production and marketing of beer	58.91	51.00
Efes Vitanta Moldova Brewery S.A.(Efes Vitanta)	Moldova	Production and marketing of beer, soft drinks, low alcoholic drinks and mineral water	96.50	96.50
Efes Weifert Brewery d.o.o (Efes Weifert)	Serbia	Production and marketing of beer	62.85	62.85
Efes Commerce d.o.o Belgrade (Efes Commerce)	Serbia	Production and marketing of beverages	100.00	100.00
Efes Romania Industrie Si Comert S.A. (ERIC)	Romania	Distribution of Beer	99.996	99.996
Efes Productie S.R.L. (Efes Productie)	Romania	Distribution of Beer	69.70	69.70
Euro-Asian Brauerein Holding GmbH (Euro Asian)	Germany	Investment Company	100.00	100.00

(*) Together with 0.01% shares owned by Anadolu Efes, the Company’s ultimate shareholder, the Company controls 50% of Interbrew Efes.

(**) Subsidiaries of Efes Moscow, which are consolidated under its financial statements.

(***) Refer to Note 3 for detailed information.

Efes Breweries International N.V. and its Subsidiaries

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six-month period ended June 30, 2004

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

Environments and Economic Conditions of Subsidiaries

The countries in which the consolidated subsidiaries are operating, have undergone substantial, political and economical changes in the recent years. Accordingly such markets do not possess well-developed business infrastructures and the operations in such countries might carry risks that are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the subsidiaries' ability to operate commercially.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparation of the consolidated interim financial statements of the Company, the same accounting policies and methods of computation were followed in the unaudited consolidated interim financial statements as compared to the most recent annual financial statements. The consolidated interim financial statements have been prepared in compliance with IAS 34.

3. CHANGES IN GROUP'S ORGANISATION

In April 2004, the Company entered into an agreement to acquire 13% of the share capital of Efes Ukraine for a cash consideration of USD 323.

In April 2004, Efes Ukraine increased its share capital by USD 9,860 where the cash contributions of the Company and the minority shareholders were USD 5,024 and USD 4,836, respectively.

As a result of these transactions the effective shareholding of the Company in Efes Ukraine has increased from 51.00% to 58.91% and the Company has recognised a gain on sales of participation of USD 470 in the consolidated income statement.

4. SHARE CAPITAL

	June 30, 2004	December 31, 2003
	Number of shares	Number of shares
Common shares, 100 EUR, par value		
Authorised	1,361,400	1,361,400
Issued and outstanding	1,223,238	1,223,238

Movements in share capital

The movement of the share capital of the Company during the six-month period ended June 30, 2004 and the year ended 2003 was as follows:

	June 30, 2004		December 31, 2003	
	Number of shares	USD	Number of shares	USD
Opening	1,223,238	124,630	1,195,103	121,641
Shares issued	—	—	28,135	2,989
Closing	1,223,238	124,630	1,223,238	124,630

Efes Breweries International N.V. and its Subsidiaries

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six-month period ended June 30, 2004

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

4. SHARE CAPITAL (Continued)

As at June 30, 2004, the composition of shareholders and their respective % of ownership can be summarised as follows:

	June 30, 2004	December 31, 2003
Anadolu Efes	84.96%	84.96%
International corporate investors	15.04%	15.04%
Total	<u>100.00%</u>	<u>100.00%</u>

5. COMMITMENTS AND CONTINGENCIES

Obligation to complete the production facilities

In relation to financing the new brewery constructed by Efes Karaganda in Almaty and for the acquisition of Amstar by Efes Moscow, the related subsidiaries have obtained loans from the EBRD. The Company has committed to support the completion of the related projects together with Anadolu Efes. The referred commitment of USD 17 million is not related to reimbursement of the related loans, but to completion of the projects.

Put options

A put option has been granted to Invesco Funds, which is related to Efes Ukraine's minority shareholders, by the Company that may be exercisable between 2005 and 2012. By such put option, Invesco Funds will be entitled to sell its Efes Ukraine shares (such shares which will be owned by Invesco Funds at the time such option becomes exercisable) to the Company at an option price to be determined by an independent valuation.

In July 2004, the Company and the minority shareholders' of Efes Ukraine entered into negotiations with prospective buyers related with the sale of all shares of Efes Ukraine. Consequently, the put option which has been granted to Invesco Funds by the Company will be terminated when the transfer of the shares to the buyers is completed. (Refer to Note 12)

A put option has been granted to the EBRD by the Company that may be exercisable between 2008 and 2011. By such put option, the EBRD will be entitled to sell its Efes Moscow shares to the Company at an option price to be determined by the higher of an independent valuation and a price to be determined by EBRD in order to give EBRD a rate of return on its investment in Efes Moscow shares equal to six months US Interbank rate plus a margin of 410 basis points per annum cumulative and compounded every six months, calculated from the date respective subscription monies were paid less any dividends or bonus shares paid to EBRD.

A put option has been granted to Amsterdam Breweries International B.V. by the Company that may be exercisable between 2005 and 2007. By such put option, Amsterdam Breweries International B.V. will be entitled to sell its Efes Moscow shares to the Company at an option price to be determined by the higher of the value of an independent valuation and a calculation based on eight times EBITDA minus Net Indebtedness per share. EBITDA means operating profit plus depreciation and amortisation plus non cash expense items up to operating profit plus other income other than extraordinary income items minus non cash income items up to operating profit minus other expenses other than extraordinary expense items. Net

Efes Breweries International N.V. and its Subsidiaries

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six-month period ended June 30, 2004

(Currency — In thousands of U.S. Dollars unless otherwise indicated)

5. COMMITMENTS AND CONTINGENCIES (Continued)

Indebtedness means long and short term borrowing plus payables to fixed asset suppliers plus payables to shareholders plus advances taken plus contractual contingent liabilities minus cash minus marketable securities minus advances paid. In this context, EBITDA and Net Indebtedness are to be derived from the consolidated financial statements of Efes Moscow for the 12-month period ended on (i) 31 December of any given year in case the put option is notified between 1 January and 30 June of the following year or (ii) 30 June of any given year in case the put option is notified between 30 June and 31 December of that year.

Tax and legal matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates continue to evolve as the government manages the transformation from a command to a market-oriented economy. Various regulations are not always clearly written and their interpretation is subject to the opinions of the local, regional and national tax authorities, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas (for example, customs and currency control matters) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts create tax risks in the territories in which the Group operates substantially more than typically found in countries with more developed tax systems.

Management believes that all applicable taxes have been paid or accrued and the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

6. INVESTMENTS IN SECURITIES

	<u>June 30, 2004</u>	<u>December 31, 2003</u>
ZAO Mutena Maltery (Mutena Maltery)	1,511	1,511
Others	<u>245</u>	<u>243</u>
Total available-for-sale investments — non-current	<u>1,756</u>	<u>1,754</u>

Available-for-sale investments

Mutena Maltery (11.09%) is carried at cost, since it does not have a quoted market price in an active market and its fair value cannot be reliably measured by alternative valuation methods.

Efes Breweries International N.V. and its Subsidiaries
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six-month period ended June 30, 2004
(Currency — In thousands of U.S. Dollars unless otherwise indicated)

7. PROPERTY, PLANT AND EQUIPMENT

For the six-month period ended June 30, 2004, additions and disposals of property, plant and equipment were as follows:

	<u>Additions</u>	<u>Disposals, Net</u>	<u>Transfers</u>
Land.....	—	(263)	—
Buildings	8	(176)	1,353
Infrastructure	—	(181)	274
Machinery and equipment	1,721	(465)	14,050
Motor vehicles	549	(615)	724
Other tangible assets.....	877	(300)	350
Construction in progress	<u>29,091</u>	<u>(74)</u>	<u>(16,751)</u>
	<u>32,246</u>	<u>(2,074)</u>	<u>—</u>

1) Borrowing costs

Borrowing costs capitalised as property, plant and equipment amounted to USD 20 for the six-month period ended June 30, 2004.

2) Impairment losses

For the six-month period ended June 30, 2004, an impairment loss of USD 3,006 was recognised.

Subsequently, in July 2004, the Company and the minority shareholders of Efes Ukraine entered into negotiations with prospective buyers related with the sale of all shares of Efes Ukraine. Considering the price range on the negotiations and the operational expenses to be incurred by Efes Ukraine until the transfer of shares is effected, a loss on sale of participation of USD 2,810 is estimated. Consequently, the recoverable amount is estimated to be USD 2,810 lower and has been recognised as an impairment of property, plant and equipment. (Refer to Note 12)

3) Pledge on tangible assets

Refer to Note 10 for pledge on tangible assets.

8. INTANGIBLE ASSETS

For the six-month period ended June 30, 2004, additions to intangible assets were as follows:

	<u>Additions</u>
Other intangible assets	548

Efes Breweries International N.V. and its Subsidiaries
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six-month period ended June 30, 2004
(Currency — In thousands of U.S. Dollars unless otherwise indicated)

9. RELATED PARTY BALANCES AND TRANSACTIONS

For the purposes of the unaudited consolidated interim financial statements, the major shareholder of the Company and its associates and the companies, which are identified to be controlled by/associated with it, are referred to as related parties.

1) Balances with Related Parties

Balances with related parties are separately classified in the unaudited consolidated interim balance sheet.

2) Transactions with Related Parties

The most significant transactions with related parties for the six-month period ended June 30, 2004 were as follows:

- Management and license fee expense to Efes Holland (2) amounted to USD 3,016.
- Interest expense to Coca-Cola Rostov (2) amounted to USD 219.
- Sale of beer to Coca-Cola Almaty (2) amounted to USD 4,465.
- Sale of beer to Coca-Cola Bishkek (2) amounted to USD 540.
- Interest expense on loan from Anadolu Efes (1) amounted to USD 43.
- Processing services from Mutena Maltery (3) amounted to USD 1,411.
- Purchase of materials from Oyex Handels Gbmh (2) amounted to USD 637.
- Purchase of soda drinks from Coca-Cola Almaty (2) amounted to USD 1,315.
- Purchase of bottles from Coca-Cola Bishkek (2) for USD 25.
- Purchase of beer from Anadolu Efes (1) amounted to USD 218.
- Management fee income from Efes Holland (2) amounted to USD 632.

(1) The ultimate shareholder of the Company

(2) Related party of Anadolu Efes

(3) Company's investment

Efes Breweries International N.V. and its Subsidiaries
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six-month period ended June 30, 2004
(Currency — In thousands of U.S. Dollars unless otherwise indicated)

10. BORROWINGS

For the six-month period ended June 30, 2004, issuance, repurchases and repayments of borrowings were as follows:

	<u>Short-Term</u>	<u>Long-Term</u>
Balance as of December 31, 2003	32,769	84,494
Proceeds	31,098	154
Interest capitalised	5	15
Interest expense	662	2,416
Repayments	(34,549)	(8,522)
Currency translation differences	6	(37)
Total	<u>29,991</u>	<u>78,520</u>
Less: current portion	<u> </u>	<u>(16,415)</u>
Long-term debt net-of current portion	<u> </u>	<u>62,105</u>

As of June 30, 2004, USD 98,474 (December 31, 2003 — USD 99,981) of the total borrowings were secured with the following:

- Certain fixed assets of the Group amounting to USD 7,302.
- Property of Mutena Maltery, which is one of the Company's investments, amounting to USD 4,134.
- Cash collateral amounting to USD 5,378.
- Inventory of the Group amounting to USD 1,356.
- Efes Moscow's and Efes Karaganda's immovable and movable properties, including inventory balances; the assignment of the rights regarding insurance coverage in respect of the Efes Moscow's and Efes Karaganda's property.
- 43% of Efes Moscow's shares and all shares of Efes Karaganda held by the Company.
- The ability of Efes Moscow and Efes Karaganda to declare dividends is subject to prior consent of EBRD under the provisions of the loan agreements.
- A letter of guarantee amounting to USD 20,000 provided by Anadolu Efes.
- Corporate guarantee amounting to USD 16,878 provided by the Company.

11. FINANCIAL INSTRUMENTS

Financial Risk Management

Credit risk

The Group has no significant concentration of credit risk with any single counterparty or group of counter parties.

Efes Breweries International N.V. and its Subsidiaries
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six-month period ended June 30, 2004
(Currency — In thousands of U.S. Dollars unless otherwise indicated)

11. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Group mainly enters into LIBOR based contracts in its financial borrowings. As of June 30, 2004, 10% of the Group's long-term debt was at fixed rates (December 31, 2003 — 10%).

The weighted average effective interest rates which were calculated from different types of currencies, as at June 30, 2004 are as follows:

Fixed rate bank loans	8.8%
Floating rate bank loans	3.1%
Fixed leasing	7.8%

Foreign exchange risk

Foreign currencies play a significant role in the economies of the territories where the most of the subsidiaries of the Company are operating. A significant part of cash outflows related to financing activities as well as some part of accounts payables are hard currency denominated, while cash inflows are primarily denominated in national currencies. Consequently, any significant decline in the value of the measurement currencies of the subsidiaries against U.S. Dollars may have a negative effect on the subsidiaries' financial position and results of their operations.

The subsidiaries generally do not hedge their foreign currency risks. The governments of these countries have established strict currency controls, which place restrictions on the conversion of national currencies into hard currencies and establish requirements for conversion of hard currency sales to national currencies.

Net foreign currency liability position of the Company as of June 30, 2004 was approximately USD 96,000 (December 31, 2003 — USD 85,000).

Liquidity risks

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of customers.

12. SUBSEQUENT EVENTS

Sale of Shares of Efes Ukraine

In July 2004, the Company and the minority shareholders of Efes Ukraine entered into negotiations with prospective buyers related with the sale of all shares of Efes Ukraine. Consequently, the put option which has been granted to Invesco Funds by the Company will be terminated when the transfer of the shares to the buyers is completed.