

ANADOLU EFES (BIST: AEFES. IS) 1H2019 EARNINGS RELEASE

Istanbul, August 7, 2019

2Q2019 HIGHLIGHTS
Consolidated sales volume up 3.9% to 34.3 mhl

Consolidated net sales revenue up 34.3% to TL 7,164.7 million

Consolidated EBITDA Before Non-Recurring Items (BNRI) up 52.2% to TL 1,379.7 million (excluding the impact of IFRS 16, EBITDA (BNRI) grew by 48.7% to TL 1,347.4 million)

1H2019 HIGHLIGHTS
Consolidated sales volume up 2.5% on a proforma basis to 55.6 mhl

Consolidated net sales revenue up 31.5% on a proforma basis to TL 11,133.4 million

Consolidated EBITDA Before Non-Recurring Items (BNRI) up 46.9% on a proforma basis to TL 1,773.6 million (excluding the impact of IFRS 16, EBITDA (BNRI) grew by 42.3% to TL 1,718.6 million)

Consolidated Free Cash Flow was TL 634.5 million in 1H2019

AEFES Consolidated (TL mn)	Proforma & Restated*			2Q2019		% change (excl. IFRS 16)	Proforma & Restated*			1H2019		% change (excl. IFRS 16)
	2Q2018	2Q2019	% change	(excl. IFRS 16)	(excl. IFRS 16)		1H2018	1H2019	% change	(excl. IFRS 16)	(excl. IFRS 16)	
Volume (mhl)	33.0	34.3	3.9%	34.3	3.9%		54.3	55.6	2.5%	55.6	2.5%	
Net Sales	5,333.6	7,164.7	34.3%	7,164.7	34.3%		8,463.3	11,133.4	31.5%	11,133.4	31.5%	
Gross Profit	1,968.5	2,786.9	41.6%	2,786.9	41.6%		2,955.7	4,005.0	35.5%	4,004.6	35.5%	
EBIT (BNRI)	520.1	887.1	70.6%	878.6	68.9%		445.4	841.0	88.8%	827.2	85.7%	
EBITDA (BNRI)	906.4	1,379.7	52.2%	1,347.4	48.7%		1,207.4	1,773.6	46.9%	1,718.6	42.3%	
Net Income/(Loss)**	43.2	429.7	895.3%	433.3	903.7%		-164.3	252.9	254.0%	262.7	260.0%	
			Change (bps)		Change (bps)				Change (bps)		Change (bps)	
Gross Profit Margin	36.9%	38.9%	199	38.9%	199		34.9%	36.0%	104.9	36.0%	105	
EBIT (BNRI) Margin	9.8%	12.4%	263	12.3%	251		5.3%	7.6%	229.1	7.4%	217	
EBITDA (BNRI) Margin	17.0%	19.3%	226	18.8%	181		14.3%	15.9%	166.4	15.4%	117	
Net Income Margin**	0.8%	6.0%	519	6.0%	524		-1.9%	2.3%	421	2.4%	430	

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 6 months of operation of combined business. In addition to actual results, 1H2018 figures also include the incremental depreciation charge in 1H2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

**Net income attributable to shareholders

Unless stated otherwise, the figures from hereon are based on proforma numbers (including the ABI merger in Russia & Ukraine for 1Q2018) and excluding IFRS16 impact for 1H2019.

Anadolu Efes' **consolidated sales volume** realized at 34.3 mhl with an increase of 3.9% in 2Q2019 over the second quarter of 2018. Growth recorded in the international beer operations, in particular in Russia and Ukraine more than compensated slightly lower volumes in Turkey beer, resulting in 8.7% total beer volume growth. In the first half of the year, consolidated volumes were 55.6 mhl, 2.5% above last year.

Consolidated net sales revenues increased by 34.3% y-o-y in the second quarter of the year to TL 7,164.7 million, benefitting from higher volumes, higher prices on y-o-y basis and positive currency translation impact due to weaker TL in the period, compared to last year. Net sales revenue reached TL 11,133.4 million in 1H2019, with 31.5% y-o-y growth.

On top of high revenue growth in the period, **consolidated EBITDA (BNRI)** grew further, by 48.7% y-o-y in 2Q2019 to TL 1,347.4 million, yielding a margin expansion of 181 bps. The main contributor to this growth was international beer operations, where the operational profitability benefitted from economies of scale, low base of last year due to integration related costs and synergy extraction. The profitability improvement in the second quarter resulted in an EBITDA margin improvement of 117 bps in first half of 2019, reaching 15.4%.

Anadolu Efes posted a **net profit** of TL 433.3 million in 2Q2019 vs TL 43.2 million in 2Q2018. The y-o-y improvement on the bottomline is mostly attributable to higher operational profitability on absolute basis and also y-o-y lower FX losses incurred. Net profit in the first half realized at TL 262.7 million improving from a loss of TL 164.3 million in 1H2018.

Anadolu Efes recorded TL 634.5 million **Free Cash Flow** in 1H2019 versus a free cash flow of TL 46.5 million in 1H2018. Both beer group and CCI recorded positive free cash flow in the period, thanks to the improvement in operational profitability and working capital management. Consolidated **Net Debt to EBITDA (BNRI)** was 1.4x as of June 30, 2019.

FOR MORE DETAILS ON THE ACCOUNTING PRINCIPLES IMPLEMENTS SUCH AS IFRS 16, IFRS 3 AND PROFORMA ADJUSTMENTS, PLEASE REFER TO "ACCOUNTING PRINCIPLES" SECTION AT THE BACK OF THIS ANNOUNCEMENT.

SUMMARY FINANCIALS

Consolidated (TL mn)	2Q2018 Proforma & Restated	2Q2019	Proforma Change	2Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	33.0	34.3	3.9%	34.3	3.9%
Net Sales	5,333.6	7,164.7	34.3%	7,164.7	34.3%
Gross Profit	1,968.5	2,786.9	41.6%	2,786.9	41.6%
EBIT (BNRI)	520.1	887.1	70.6%	878.6	68.9%
EBITDA (BNRI)	906.4	1,379.7	52.2%	1,347.4	48.7%
Net Income/(Loss)**	43.2	429.7	895.3%	433.3	903.7%
			Change (bps)		Change (bps)
Gross Profit Margin	36.9%	38.9%	199	38.9%	199
EBIT (BNRI) Margin	9.8%	12.4%	263	12.3%	251
EBITDA (BNRI) Margin	17.0%	19.3%	226	18.8%	181
Net Income Margin**	0.8%	6.0%	519	6.0%	524

Beer Group (TL mn)	2Q2018 Proforma & Restated	2Q2019	Proforma Change	2Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	9.9	10.7	8.7%	10.7	8.7%
Net Sales	2,216.5	3,276.5	47.8%	3,276.5	47.8%
Gross Profit	854.4	1,407.7	64.8%	1,407.7	64.8%
EBIT (BNRI)	10.4	279.2	2587.3%	274.7	2543.7%
EBITDA (BNRI)	264.0	559.9	112.1%	541.3	105.0%
Net Income/(Loss)**	51.0	377.5	639.9%	383.2	651.0%
			Change (bps)		Change (bps)
Gross Profit Margin	38.5%	43.0%	442	43.0%	442
EBIT (BNRI) Margin	0.5%	8.5%	805	8.4%	791
EBITDA (BNRI) Margin	11.9%	17.1%	518	16.5%	461
Net Income Margin**	2.3%	11.5%	922	11.7%	939

Turkey Beer (TL mn)	2Q2018 Reclassed***	2Q2019	Change	2Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	1.4	1.4	-0.7%	1.4	-0.7%
Net Sales	425.0	545.1	28.3%	545.1	28.3%
Gross Profit	226.5	278.1	22.8%	278.1	22.7%
EBIT (BNRI)	21.0	-7.7	-136.6%	-10.1	-148.1%
EBITDA (BNRI)	71.6	55.8	-22.1%	47.0	-34.4%
			Change (bps)		Change (bps)
Gross Profit Margin	53.3%	51.0%	-228	51.0%	-229
EBIT (BNRI) Margin	4.9%	-1.4%	-635	-1.9%	-680
EBITDA (BNRI) Margin	16.8%	10.2%	-661	8.6%	-823

EBI (TL mn)	2Q2018 Proforma & Restated	2Q2019	Proforma Change	2Q2019 (excl. IFRS16)	Proforma Change
Volume (mhl)	8.4	9.3	10.3%	9.3	10.3%
Net Sales	1,781.1	2,717.3	52.6%	2,717.3	52.6%
Gross Profit	617.0	1,114.5	80.7%	1,114.6	80.7%
EBIT (BNRI)	-3.5	293.0	8375.9%	290.9	8316.8%
EBITDA (BNRI)	198.8	509.6	156.3%	499.9	151.4%
			Change (bps)		Change (bps)
Gross Profit Margin	34.6%	41.0%	638	41.0%	638
EBIT (BNRI) Margin	-0.2%	10.8%	1,098	10.7%	1,090
EBITDA (BNRI) Margin	11.2%	18.8%	759	18.4%	723

CCI (TL mn)	2Q2018	2Q2019	Change
Volume (mn u/c)	407.8	415.2	1.8%
Net Sales	3,117.2	3,888.3	24.7%
Gross Profit	1,116.1	1,379.8	23.6%
EBIT	515.6	610.1	18.3%
EBITDA	653.6	819.9	25.5%
Net Income/(Loss)**	185.2	411.3	122.1%
			Change (bps)
Gross Profit Margin	35.8%	35.5%	-32
EBIT Margin	16.5%	15.7%	-85
EBITDA Margin	21.0%	21.1%	12
Net Income Margin**	5.9%	10.6%	464

** Net income attributable to shareholders

***In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 2Q2018 numbers are reclassified accordingly.

Within the scope of IFRS 15 "Revenue from Customer Contracts" standard, service fees received from customers which were previously recognized in sales and marketing expense are now recorded under sales discount account. In order to give consistent and like-for-like figures, 1H2018 are restated as well.

In 1H2018, in CCI, service fees received from customers amounting to 73 million TL are now classified as sales discounts rather than sales and marketing expenses. Likewise, in beer group, service fees received from customers amounting to 133 million TL in 1H2018 on a proforma basis are now classified as sales discounts rather than sales and marketing expenses.

Consolidated (TL mn)	1H2018 Proforma & Restated*	1H2019	Proforma Change	1H2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	54.3	55.6	2.5%	55.6	2.5%
Net Sales	8,463.3	11,133.4	31.5%	11,133.4	31.5%
Gross Profit	2,955.7	4,005.0	35.5%	4,004.6	35.5%
EBIT (BNRI)	445.4	841.0	88.8%	827.2	85.7%
EBITDA (BNRI)	1,207.4	1,773.6	46.9%	1,718.6	42.3%
Net Income/(Loss)**	-164.3	252.9	254.0%	262.7	260.0%
			Change (bps)		Change (bps)
Gross Profit Margin	34.9%	36.0%	105	36.0%	105
EBIT (BNRI) Margin	5.3%	7.6%	229	7.4%	217
EBITDA (BNRI) Margin	14.3%	15.9%	166	15.4%	117
Net Income Margin**	-1.9%	2.3%	421	2.4%	430

Beer Group (TL mn)	1H2018 Proforma & Restated*	1H2019	Proforma Change	1H2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	16.2	17.5	7.4%	17.5	7.4%
Net Sales	3,512.9	5,016.2	42.8%	5,016.2	42.8%
Gross Profit	1,262.7	1,929.2	52.8%	1,929.1	52.8%
EBIT (BNRI)	-208.0	95.5	145.9%	89.1	142.8%
EBITDA (BNRI)	284.5	632.5	122.3%	604.6	112.5%
Net Income/(Loss)**	-130.6	201.7	254.4%	209.7	260.5%
			Change (bps)		Change (bps)
Gross Profit Margin	35.9%	38.5%	252	38.5%	251
EBIT (BNRI) Margin	-5.9%	1.9%	783	1.8%	770
EBITDA (BNRI) Margin	8.1%	12.6%	451	12.1%	395
Net Income Margin**	-3.7%	4.0%	774	4.2%	790

Turkey Beer (TL mn)	1H2018 Reclassified***	1H2019	Change	1H2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	2.5	2.4	-3.3%	2.4	-3.3%
Net Sales	734.9	918.6	25.0%	918.6	25.0%
Gross Profit	394.9	462.6	17.1%	462.5	17.1%
EBIT (BNRI)	19.5	-38.5	-297.3%	-41.6	-313.1%
EBITDA (BNRI)	115.5	79.0	-31.7%	66.0	-42.9%
			Change (bps)		Change (bps)
Gross Profit Margin	53.7%	50.4%	-338	50.3%	-338
EBIT (BNRI) Margin	2.7%	-4.2%	-685	-4.5%	-718
EBITDA (BNRI) Margin	15.7%	8.6%	-712	7.2%	-854

EBI (TL mn)	1H2018 Proforma & Restated*	1H2019	Proforma Change	1H2019 (excl. IFRS16)	Proforma Change
Volume (mhl)	13.8	15.1	9.4%	15.1	9.4%
Net Sales	2,761.8	4,074.2	47.5%	4,074.2	47.5%
Gross Profit	850.4	1,439.4	69.3%	1,439.3	69.2%
EBIT (BNRI)	-210.4	148.2	170.4%	144.9	168.9%
EBITDA (BNRI)	184.7	566.6	206.8%	551.7	198.7%
			Change (bps)		Change (bps)
Gross Profit Margin	30.8%	35.3%	454	35.3%	453
EBIT (BNRI) Margin	-7.6%	3.6%	1,126	3.6%	1,118
EBITDA (BNRI) Margin	6.7%	13.9%	722	13.5%	685

CCI (TL mn)	1H2018	1H2019	Change
Volume (mn u/c)	669.7	672.3	0.4%
Net Sales	4,950.4	6,117.2	23.6%
Gross Profit	1,697.9	2,078.1	22.4%
EBIT	666.1	750.9	12.7%
EBITDA	945.9	1,141.2	20.6%
Net Income/(Loss)**	136.0	408.7	200.5%
			Change (bps)
Gross Profit Margin	34.3%	34.0%	-33
EBIT Margin	13.5%	12.3%	-118
EBITDA Margin	19.1%	18.7%	-45
Net Income Margin**	2.7%	6.7%	393

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 6 months of operation of combined business. In addition to actual results, 1H2018 figures also include the incremental depreciation charge in 1H2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

** Net income attributable to shareholders

***In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 1H2018 numbers are reclassified accordingly.

MANAGEMENT COMMENTS

“We are happy to announce very solid results on a consolidated basis in the first half, with more than 30% revenue growth, 40% EBITDA growth and close to TL 650 million Free Cash Flow. Strong performance of international beer operations in particular, continued into the second quarter. In addition, the softness in volumes of our Turkey beer operations slowed down in 2Q, despite macro and political uncertainty translating into historically low consumer confidence levels. As a result, our total beer operation recorded 9% growth in the second quarter. Our increased focus on revitalizing our core mainstream brands in all countries contributed very positively to this growth, among others. Our soft drink operations, recorded 2% volume growth on a consolidated basis, together with 25% revenue growth. As always, our diverse and strong brand portfolio underpinned by our execution capabilities continued to be crucial factors within our strategy. Our head to head position for leadership in Russia and Ukraine came through our superior performance compared versus the beer market growth and extraction of synergies. This also brought us profitability and we managed to increase our EBITDA margin by almost 200 bps in 2Q on a consolidated basis.” commented Mr. Can Çaka, Anadolu Efes CEO and Beer Group President.

We are confident about delivering consolidated full year results in line with our initial guidance with low-to-mid single digit volume growth, revenue growth ahead of volumes and flat EBITDA margin despite challenges. However, for the purposes of prudence, we want to reflect the challenges in certain markets and further opportunities in some others to our guidance. Therefore, considering the challenging start to the year in Turkey, we revised our sales volume expectation to low-single digit decline. This assumption is based on, a stronger second half expectation for the industry on the back of better tourism and improving consumer confidence and also takes the macro challenges into consideration. On the other hand, international beer operations had a very good quarter by growing by 10% year on year. Our Russian and Ukrainian operations continuously outperformed the market as well as our expectations from the very beginning of the year as a result of our core focus in the segments and channels where we are under indexed. Thus, we are now seeing more upside potential to our international beer volume performance compared to our initial guidance and therefore, we are revising our full year guidance for international operations to mid-to-high single digit growth on a proforma basis from initial guidance of being flat.

In the 50th anniversary of our Company, I would like to take this chance to express our commitment to sustainable leadership by building a system of values around passion, cooperation, fairness, responsibility and agility. As Anadolu Efes, we will continue to brew joy to deliver on our vision of being the largest brewer from Adriatic to China by developing and owning social life and beer culture. In the meantime, our trademark features of financial discipline and strong free cash flow generation continue to be our response to the challenges ahead.”

OPERATIONAL PERFORMANCE - BEER GROUP

TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	Reclassified*					Reclassified*				
	2Q2018	2Q2019	% change	2Q2019 (excl. IFRS 16)	% change (excl. IFRS 16)	1H2018	1H2019	% change	1H2019 (excl. IFRS 16)	% change (excl. IFRS 16)
Volume (mhl)	1.4	1.4	-0.7%	1.4	-0.7%	2.5	2.4	-3.3%	2.4	-3.3%
Net Sales	425.0	545.1	28.3%	545.1	28.3%	734.9	918.6	25.0%	918.6	25.0%
Gross Profit	226.5	278.1	22.8%	278.1	22.7%	394.9	462.6	17.1%	462.5	17.1%
EBIT (BNRI)	21.0	-7.7	-136.6%	-10.1	-148.1%	19.5	-38.5	-297.3%	-41.6	-313.1%
EBITDA (BNRI)	71.6	55.8	-22.1%	47.0	-34.4%	115.5	79.0	-31.7%	66.0	-42.9%
			Change (bps)		Change (bps)			Change (bps)		Change (bps)
Gross Profit Margin	53.3%	51.0%	-228	51.0%	-229	53.7%	50.4%	-338	50.3%	-338
EBIT (BNRI) Margin	4.9%	-1.4%	-635	-1.9%	-680	2.7%	-4.2%	-685	-4.5%	-718
EBITDA (BNRI) Margin	16.8%	10.2%	-661	8.6%	-823	15.7%	8.6%	-712	7.2%	-854

*In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 2Q2018 and 1H2018 numbers are reclassified accordingly.

** Net income attributable to shareholders

Turkey beer's total sales volume was recorded 1.4 mhl in 2Q2019, slightly down by 0.7% versus the same quarter of last year, bringing 1H2019 sales volumes to 2.4 mhl. April volumes started weak, being effected by the lower consumer sentiment and slowdown in the economy which negatively impacted the demand. On the other hand, we saw recovery in May with y-o-y volume growth, despite Ramadan. June volumes were above our expectations, which is attributable to good tourism figures as well as our initiatives to win with our portfolio and increase touch with consumers. In this regard, on one hand we focus on our mainstream brands and our 50 years' heritage while on the other we organize gatherings and sponsor festivals. June volumes also benefitted from Ramadan being shifted completely to May and stocking of dealers and distributors before the excise tax increase in July.

Turkey beer operation's **net sales revenues** per hl increased by 29.1% in 2Q2019, on a y-o-y basis, benefitting from price increases as well as positive mix driven by; premiumization. Therefore, net sales revenue of Turkey beer increased by 28.3% to TL 545.1 million taking up 1H2019 sales revenues to TL 918.6 million.

In 2Q2019, the y-o-y increase in cost of sales excl. depreciation per hl was lower compared to the increase in 1Q2019, benefitting from the relatively better volume performance in 2Q. The y-o-y increase in CoS excl. depreciation per hl was 39.4% in the quarter, mostly attributable to higher per unit input costs, especially related to packaging, energy and raw materials. Higher FX rates compared to the previous year had also impacted the increase in cost of sales although it was partially mitigated by our hedging initiatives up to a certain extent. As a result, **gross profit** in the period was up by 22.7% y-o-y, reaching TL 278.1 million, with a margin of 51.0%, down 229 bps. In the first half of the year, gross profitability has increased by 17.1% y-o-y and the margin was 50.3%.

Operating expenses increased by 40.2% in 2Q2019, mainly because of higher selling & transportation and G&A expenses on a y-o-y basis. In line with our core strategy of investing in our brands, marketing expenses were up in the period mostly attributable to the spending for 50th anniversary activities and higher spending of certain brands due to low base of last year. Thus, in the second quarter of the year, **EBITDA** was TL 47.0 million with margin decline of 823 bps to 8.6%. In the first half of the year, EBITDA was TL 66.0 million yielding an EBITDA margin of 7.2%.

INTERNATIONAL BEER OPERATIONS

International Beer (TL mn)	Proforma & Restated*					Proforma & Restated*				
	2Q2018	2Q2019	% change	2Q2019 (excl. IFRS 16)	% change (excl. IFRS 16)	1H2018	1H2019	% change	1H2019 (excl. IFRS 16)	% change (excl. IFRS 16)
Volume (mhl)	8.4	9.3	10.3%	9.3	10.3%	13.8	15.1	9.4%	15.1	9.4%
Net Sales	1,781.1	2,717.3	52.6%	2,717.3	52.6%	2,761.8	4,074.2	47.5%	4,074.2	47.5%
Gross Profit**	617.0	1,114.5	80.7%	1,114.6	80.7%	850.4	1,439.4	69.3%	1,439.3	69.2%
EBIT (BNRI)**	-3.5	293.0	8375.9%	290.9	8316.8%	-210.4	148.2	170.4%	144.9	168.9%
EBITDA (BNRI)	198.8	509.6	156.3%	499.9	151.4%	184.7	566.6	206.8%	551.7	198.7%
			Change (bps)		Change (bps)			Change (bps)		Change (bps)
Gross Profit Margin	34.6%	41.0%	638	41.0%	638	30.8%	35.3%	454	35.3%	453
EBIT (BNRI) Margin	-0.2%	10.8%	1,098	10.7%	1,090	-7.6%	3.6%	1,126	3.6%	1,118
EBITDA (BNRI) Margin	11.2%	18.8%	759	18.4%	723	6.7%	13.9%	722	13.5%	685

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 1H2018 figures also include the incremental depreciation change in 1H2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

**Net income attributable to shareholders

Growing by 10.3% on a proforma basis, EBI's **consolidated sales volume** reached 9.3 mhl in 2Q2019. Russian beer operation has shown another strong quarter, growing by high single digits, where Ukraine was also above expectations with a growth rate of low-double digits. Russian beer market grew by mid-single digit in first half of the year where our performance was above market, with higher market share on y-o-y basis. Our outperformance of the market is mostly attributable to our core focus on increasing our presence in segments and channels in which we are under indexed. In Ukraine, market was up by low-single digit and our operations substantially outperformed the market, assisted with the launch of Efes portfolio of brands in the market as well as with the growth of premium brands within portfolio. Our other international operations all recorded growth with the exception of Kazakhstan, whose performance was parallel to our expectations due to its high base effect in 2018.

EBI's **net sales revenue** realized at TL 2,717.3 million versus TL 1,781.1 million in 2Q2018. High volume growth, price increases and positive translation impact led to 52.6% y-o-y growth in the period. In 1H2019, net sales revenue reached TL 4,074.2 million, 47.5% above last year.

Gross profit increased by 80.7% to 1,114.6 million in 2Q2019, outperforming revenue growth. Despite y-o-y higher input costs, gross margin expanded by 638 bps to 41.0%, thanks to higher volumes as well as synergy generated. Gross profit in the first half of the year was TL 1,439.3 million with margin of 35.3% vs. 30.8% in 1H2018.

EBITDA (BNRI) increased by 151.4% to TL 499.9 million in 2Q2019, driven by higher gross profitability, efficiencies in sales and marketing expenses backed by higher volumes, as well as synergy extraction in Russia, in line with our guidance. The improvement in EBITDA (BNRI) margin was 723 bps in the quarter. Therefore, in 1H2019 EBITDA (BNRI) realized at TL 551.7 million with a margin of 13.5%, up 685 bps y-o-y.

OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

MANAGEMENT COMMENTS

Burak Basarir, Chief Executive Officer of Coca-Cola İçecek, commented: “Our business delivered solid results in the second quarter amidst macroeconomic and political challenges in our key markets. Robust revenue growth, coupled with disciplined cost management enabled us to maintain our EBITDA margin despite challenging market conditions.

Turkey operation remained on a positive trajectory and continued to cycle a robust prior-year growth in the quarter. The Sparkling category maintained its momentum with accelerating volume growth on the back of effective commercial initiatives and the strong contribution of the on-premise channel. We are also pleased to have received the prestigious “Best All-Around Customer & Commercial Market Award”, in GCCL* awards, as Turkey team. The award appreciates our capability to navigate in turbulent times and deliver growth in a challenging year as 2018. As NARTD** market remains under pressure due to weak consumer confidence, we continue to mitigate softer market conditions and inflationary pressures through our market execution.

Pakistan and Middle East operations showed an improving volume performance in the second quarter despite continued challenges. In Pakistan, macroeconomic backdrop continues to put pressure on private consumption expenditure and overall industry growth. Nevertheless, we managed to gain market share on the back of improving market execution in a challenging trading environment. We keep on enhancing our commercial capabilities in the country while expanding our outlet coverage and investing in cold drink equipment. In the Middle East, Iraq operation was back on track with better security conditions and route-to-market restructuring. Our two new production lines in Hilla also became operational in the second quarter.

Central Asia operations maintained double-digit volume growth despite volume shortfall in Turkmenistan where currency conversion problem continues. Kazakhstan, our largest market in the region, continued to deliver double-digit volume growth driven by successful market execution.

Having completed the first half of the year with double-digit revenue and EBITDA growth, we remain focused on delivering our strategic growth algorithm. On the other hand, market conditions in some of our international markets remain challenging, which led us to revise our full-year consolidated volume guidance. We maintain our net revenue growth and EBITDA margin guidance on the back of positive price impact and strong growth in the Sparkling category in Turkey as well as our ongoing focus on cost saving initiatives. We are committed to leveraging our market execution capabilities to turn challenges into opportunities and create value for our shareholders.”

* Global Customer Commercial Leadership **Non-alcoholic ready-to-drink

Coca-Cola İçecek (TL mn)	2Q2018	2Q2019	% change	1H2018	1H2019	% change
Volume (mn u/c)	407.8	415.2	1.8%	669.7	672.3	0.4%
Net Sales	3,117.2	3,888.3	24.7%	4,950.4	6,117.2	23.6%
Gross Profit	1,116.1	1,379.8	23.6%	1,697.9	2,078.1	22.4%
EBIT	515.6	610.1	18.3%	666.1	750.9	12.7%
EBITDA	653.6	819.9	25.5%	945.9	1,141.2	20.6%
Net Income/(Loss)*	185.2	411.3	122.1%	136.0	408.7	200.5%
			Change (bps)			Change (bps)
Gross Profit Margin	35.8%	35.5%	-32	34.3%	34.0%	-33
EBIT Margin	16.5%	15.7%	-85	13.5%	12.3%	-118
EBITDA Margin	21.0%	21.1%	12	19.1%	18.7%	-45
Net Income Margin*	5.9%	10.6%	464	2.7%	6.7%	393

* Net income attributable to shareholders

For the full text of Coca-Cola İçecek’s 1H2019 Earnings Release, please refer to the link below:

www.cci.com.tr/en/investor-relations/financial-information/financial-results

ANADOLU EFES CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	1H2018 Proforma Restated	1H2019
Profit/loss from Operations	392.2	836.5
Depreciation and amortization	742.7	872.4
Provision for retirement pay liability	14.3	25.7
Provision for vacation pay liability	16.7	20.6
Foreign exchange gain/loss from operating activities	-17.6	10.3
Rediscount interest income/expense from operating activities	2.9	1.1
Other	3.1	2.5
EBITDA	1,154.2	1,769.0
EBITDA (BNRI*)	1,207.4	1,773.6

* Non-recurring items amounted to TRL 53.3 million in 1H2018 and TRL 4.6 million in 1H2019

Financial Income / (Expense) Breakdown (TL mn)	1H2018	1H2019
Interest income	124.3	126.9
Interest expense	-240.6	-307.5
Foreign exchange gain / (loss)	-359.8	-152.4
Other financial expenses (net)	-16.3	-44.6
Gain/ (loss) on derivative transactions	0.0	-61.5
Net Financial Income / (Expense)	-492.5	-439.1

Free Cash Flow (TL mn)	1H2018	1H2019
EBITDA	1,205.2	1,769.0
Change in Working Capital	-409.1	124.6
Income Taxes & Employee Benefits Paid	-30.1	-123.4
CAPEX, net	-694.6	-887.9
Net Financial Income / (Expense)	-24.9	-247.8
FCF	46.5	634.5
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	161.0	0.0
FCF (after investing activities)	207.5	634.5

	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated (TL mn)	9,792.6	4,796.3	-4,996.3
Beer Group (TL mn)	4,715.0	2,864.8	-1,850.2
Turkey Beer (TL mn)	3,924.1	430.1	-3,494.0
EBI (TL mn)	790.0	2,372.0	1,582.1
CCI (TL mn)	5,078.5	1,931.5	-3,147.0

Net Debt/ EBITDA (BNRI)	1H2018 Proforma Restated	1H2019
Anadolu Efes Consolidated	1.8	1.4
Beer Group	1.7	1.3

OUTLOOK

Our 2019 guidance reflects reported financials where 2018 numbers include 9-months ABI-Efes impact and 2019 expected numbers include 12-months. Reference to "proforma" means 12 month ABI-Efes impact in 2018.

Although our business is mostly on track with the initial guidance on a consolidated basis, due to revisions in the guidance of the individual segments, we are changing our FY guidance as follows:

Consolidated sales volume is expected to grow by low to mid-single digit (low to mid-single digit on a proforma basis).

Total Beer volume is to grow by low-to-mid teens (grow by mid-single digit on a proforma basis).

Turkey beer sales volume is expected to decline low-single digit

Russian beer sales volume is estimated to grow by high teens (outperforming the market by growing mid-to-high single digit on a proforma basis)

International beer sales volume is expected to increase by mid-teens (grow by mid-to-high-single digit on a proforma basis)

Consolidated Soft Drinks sales volume: 1%-3% growth

Turkey soft drinks: Flat to slightly positive volume

International soft drinks: 2%-4% growth

Consolidated Net Sales Revenue is expected to increase in all business lines while outperforming sales volumes.

Total Beer revenue is expected to grow by high thirties, benefitting from both Turkey beer and EBI. The revision compared to initial guidance is due to lower currency exchange rates than initially budgeted (low thirties revenue growth on a proforma basis)

Turkey Beer Revenue is expected to grow by high twenties driven by price increases and sales mix together with favorable channel mix.

International Beer Revenue is estimated to increase by low forties (low thirties on a proforma basis)

Total Soft Drinks: 16%-18% growth on a consolidated basis (FX-neutral)

Consolidated EBITDA Margin is expected to be flat

Total Beer EBITDA margin is expected to be flat, due to the decline in Turkey beer despite y-o-y higher margin in Russia (proforma margin expansion higher than reported).

Turkey Beer EBITDA margin is to decline due to lower volumes and higher procurement prices albeit at a slower pace compared to 1H

International Beer EBITDA margin is expected to improve. The expansion in margin is mainly attributable to the Russian operations, where we expect to capture synergies in line with our earlier guidance.

Total Soft Drinks: Slight improvement in margin on a consolidated basis

Capex: As a percentage of sales, high single digits on a consolidated basis

FCF: Continue to deliver strong FCF in both beer and soft drinks

FORESEEABLE RISKS FOR 2019

Financial Markets Related: 2019 will continue to be a challenging year for Emerging Markets. Apart from specific country/region economic or political issues, concerns on global slowdown, trade tensions, tightening global financial conditions and general investor sentiment put pressure on emerging countries' economic activities and their local currencies. In addition, specific events/political tension may also bring additional volatility. We are taking actions to mitigate financial markets related risk as much as possible and manage volatility to some extent. With an accumulated experience of operating in highly volatile markets for long years, we have a successful track record of managing and mitigating risks.

Procurement Related: A significant portion of our cost of sales relates to raw and packaging materials and many of these raw materials are priced based on commodity prices. The supply and price of raw materials used by us can fluctuate as a result of a number of factors. This risk is mitigated by our long term supply contracts and using of available hedging mechanisms to a meaningful extent.

Geo-Political Environment Related: Some of Anadolu Efes' operating markets have been under geo-political tension for some time both in beer and soft drink sides. Any further escalation of this tension may negatively impact our performance.

Consumption Related: With all sales generated from emerging and frontier markets, political or economic instability could deteriorate consumer sentiment.

2019 outlook reflects management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties including but not limited to macro-economic, financial, geopolitical and political risks, which could materially impact the Company's actual performance.

PLEASE CLICK TO ACCESS ALL TABLES IN EXCEL FORMAT

ANADOLU EFES

Consolidated Income Statements For the Six-Months Period Ended 30.06.2018 and 30.06.2019

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	Proforma & Restated	
	2018/06	2019/06
SALES VOLUME (mhl)	54.3	55.6
SALES REVENUE	8,463.3	11,133.4
Cost of Sales (-)	-5,507.5	-7,128.4
GROSS PROFIT FROM OPERATIONS	2,955.7	4,005.0
Selling, Distribution and Marketing Expenses (-)	-1,818.1	-2,262.1
General and Administrative Expenses (-)	-792.2	-804.7
Other Operating Income /Expense (net)	46.8	-101.8
EBIT (BNRI)*	445.4	841.0
Income /Expense From Investing Activities (net)	-22.2	208.3
Income / (Loss) from Associates	-27.6	-39.1
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	342.3	1,005.7
Financial Income / Expense (net)	-518.3	-439.1
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	-176.0	566.6
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-124.2	-231.3
- Deferred Tax Expense (-) / Income	89.5	-54.6
INCOME/(LOSS) FOR THE PERIOD	-210.6	280.6
Attributable to:		
Non-Controlling Interest	-46.4	27.7
EQUITY HOLDERS OF THE PARENT	-164.3	252.9
EBITDA (BNRI)*	1,207.4	1,773.6

*Non-recurring items amounted to TL 53.3 million in 1H2018 and TL 4.6 million in 1H2019.

ANADOLU EFES
Consolidated Balance Sheets as of 31.12.2018 and 30.06.2019
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	Restated*	
	2018/12	2019/06
Cash & Cash Equivalents	4,770.1	4,713.2
Financial Investments	21.2	83.1
Derivative Instruments	0.0	13.6
Trade Receivables from Third Parties	2,183.8	3,968.2
from Related Parties	230.0	398.2
Other Receivables	102.0	92.8
Inventories	1,943.1	2,639.0
Other Current Assets	1,039.5	1,120.1
TOTAL CURRENT ASSETS	10,289.6	13,028.2
Other Receivables	52.9	90.4
Financial Investments	0.8	0.8
Investments in Associates	71.2	32.3
Property, Plant and Equipment (incl. inv properties)	10,866.8	11,733.6
Other Intangible Assets	14,411.9	15,819.6
Goodwill	2,558.3	2,994.0
Deferred Tax Assets	675.4	773.9
Non current derivative financial instruments (asset)	47.0	0.0
Other Non-Current Assets	475.0	888.1
TOTAL NON-CURRENT ASSETS	29,159.3	32,332.7
TOTAL ASSETS	39,448.9	45,360.9
	Restated	
	2018/12	2019/06
Current portion of long term borrowings	1,524.4	2,511.8
Short-term Borrowings	830.7	622.4
Short term lease obligations (IFRS 16)	0.0	99.9
Derivative Instruments	29.8	14.5
Current Trade Payables to Third Parties	3,318.0	5,439.5
to Related Parties	282.6	502.9
Other Current Payables	1,472.4	1,991.9
Provision for Corporate Tax	17.1	128.0
Provisions	194.8	207.7
Other Liabilities	172.2	237.4
TOTAL CURRENT LIABILITIES	7,842.0	11,755.9
Long-term Borrowings	6,873.6	6,658.5
Long term lease obligations (IFRS 16)	0.0	300.9
Non Current Trade Payables	44.2	69.2
Other Non Current Payables	391.4	415.3
Deferred Tax Liability	2,755.3	2,993.2
Other Non Current Liabilities	414.5	464.4
TOTAL NON-CURRENT LIABILITIES	10,478.9	10,901.5
TOTAL EQUITY	21,128.0	22,703.6
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	39,448.9	45,360.9

Note 1: "Financial Investments" in Current Assets includes the time deposits with a original maturity more than three months.

* In the scope of TFRS 3 "Business Combinations", it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination recognized as of March 31, 2018.

Accordingly, consolidated financial statements as of December 31, 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, fair value of the "Inventory", "Property, Plant and Equipment", "Intangible Assets", "Deferred Tax Asset", "Other Liabilities" and "Deferred Tax Liabilities" has been changed. The abovementioned items and "Currency Translation Differences", "Current Period Net Profit or Losses" and "Non-Controlling Interests" has been restated in the consolidated financial statements as of December 31, 2018.

BEER GROUP		
Consolidated Income Statements For the Six-Months Period Ended 30.06.2018 and 30.06.2019		
Prepared in accordance with IFRS as per CMB Regulations		
(TL mn)		
	Proforma & Restated 2018/06	2019/06
Sales Volume (mhl)	16.2	17.5
Sales Revenue	3,512.9	5,016.2
Cost of Sales (-)	-2,250.2	-3,087.0
Gross Profit From Operations	1,262.7	1,929.2
EBIT (BNRI)*	-208.0	95.5
Operating Profit Before Finance Income/(Expense)	-200.0	413.6
Profit Before Tax From Continuing Operations	-324.9	252.4
Income/(Loss) For The Period	-284.3	89.3
Equity Holders Of The Parent	-130.6	201.7
EBITDA (BNRI)*	284.5	632.5

*Non-recurring items amounted to TL 53.3 million in 1H2018 and TL 4.6 million in 1H2019.

Note: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations

TURKEY BEER OPERATIONS		
Consolidated Income Statements For the Six-Months Period Ended 30.06.2018 and		
Prepared in accordance with IFRS as per CMB Regulations		
(TL mn)		
	Reclassified 2018/06	2019/06
Sales Volume (mhl)	2.5	2.4
Sales Revenue	734.9	918.6
Gross Profit From Operations	394.9	462.6
EBIT (BNRI)*	19.5	-38.5
EBITDA (BNRI)*	115.5	79.0

*In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore 1H2018 numbers are reclassified accordingly.

Note : EBITDA comprises of Profit from Operations (excluding other operating income/expense arising from Anadolu Efes' holding nature), depreciation and other relevant non-cash items up to Profit From Operations.

INTERNATIONAL BEER OPERATIONS (EBI)		
Consolidated Income Statements For the Six-Months Period Ended 30.06.2018 and		
Prepared in accordance with IFRS as per CMB Regulations		
(TL mn)		
	Proforma & Restated 2018/06	2019/06
Sales Volume (mhl)	13.8	15.1
Sales Revenue	2,761.8	4,074.2
Gross Profit From Operations	850.4	1,439.4
EBIT (BNRI)*	-210.4	148.2
EBITDA (BNRI)*	184.7	566.6

*Non-recurring items amounted to TL 53.1 million in 1H2018 and TL 4.6 million in 1H2019.

Note 1: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations.

Note 2: Figures for EBI are obtained from consolidated financial statements prepared in accordance with IFRS after CMB reclasses.

BEER GROUP

Consolidated Balance Sheets as of 31.12.2018 and 30.06.2019
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	Restated* 2018/12	2019/06
Cash & Cash Equivalents	2,480.3	2,864.8
Financial Investments	0.0	0.0
Derivative Instruments	0.0	0.0
Trade Receivables	1,663.9	2,573.6
Other Receivables	70.9	61.6
Inventories	1,139.3	1,238.3
Other Current Assets	400.1	530.1
TOTAL CURRENT ASSETS	5,754.5	7,268.4
Trade Receivables	1.4	1.5
Financial Investments	0.8	0.8
Investments in Associates	668.7	629.8
Property, Plant and Equipment (incl. inv properties)	4,138.3	4,718.1
Other Intangible Assets	5,134.1	6,096.9
Goodwill	1,720.1	2,169.9
Deferred Tax Assets	656.9	661.6
Other Non-Current Assets	276.3	513.4
TOTAL NON-CURRENT ASSETS	12,596.7	14,792.0
TOTAL ASSETS	18,351.2	22,060.4
Current portion of long term borrowings	816.2	1,373.1
Short-term Borrowings	620.3	472.4
Short term lease obligations (IFRS 16)	0.0	72.7
Current Trade Payables	2,307.6	3,572.4
Other Current Payables	1,184.2	1,542.1
Provision for Corporate Tax	6.1	56.2
Provisions	136.6	131.0
Other Liabilities	104.1	144.1
TOTAL CURRENT LIABILITIES	5,175.1	7,364.1
Long-term Borrowings	2,848.7	2,869.5
Long term lease obligations (IFRS 16)	0.0	180.1
Other Non Current Payables	381.5	413.3
Deferred Tax Liability	1,013.8	1,210.5
Other Non Current Liabilities	141.1	161.0
TOTAL NON-CURRENT LIABILITIES	4,385.1	4,834.3
TOTAL EQUITY	8,790.9	9,861.9
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	18,351.2	22,060.4

* In the scope of IFRS 3 "Business Combinations", it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination recognized as of March 31, 2018. Accordingly, consolidated financial statements as of December 31, 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, fair value of the "Inventory", "Property, Plant and Equipment", "Intangible Assets", "Deferred Tax Asset", "Other Liabilities" and "Deferred Tax Liabilities" has been changed. The abovementioned items and "Currency Translation Differences", "Current Period Net Profit or Losses" and "Non-Controlling Interests" has been restated in the consolidated financial statements as of December 31, 2018.

SOFT DRINK OPERATIONS (CCI)

Consolidated Income Statements For the Six-Months Period Ended 30.06.2018 and 30.06.2019

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	2018/06*	2019/06
SALES VOLUME (UC millions)	669.7	672.3
SALES REVENUE	4,950.4	6,117.2
Cost of Sales (-)	-3,252.5	-4,039.1
GROSS PROFIT FROM OPERATIONS	1,697.9	2,078.1
Selling, Distribution and Marketing Expenses (-)	-865.1	-975.4
General and Administrative Expenses (-)	-205.0	-248.2
Other Operating Income /Expense (net)	38.2	-103.7
EBIT	666.1	750.9
Income /Expense From Investing Activities (net)	-10.2	0.1
Income / (Loss) from Associates	-0.2	-0.1
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	655.7	750.8
Financial Income	804.0	224.1
Financial Expenses	-1,209.0	-502.0
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	250.6	472.9
-Deferred Tax Income/(Expense)	27.6	81.9
-Current Period Tax Expense	-104.0	-205.9
INCOME/(LOSS) FOR THE PERIOD	174.2	349.0
Non-Controlling Interest	-38.2	59.7
EQUITY HOLDERS OF THE PARENT	136.0	408.7
EBITDA	945.9	1,141.2

SOFT DRINK OPERATIONS (CCI)

Consolidated Balance Sheets as of 31.12.2018 and 30.06.2019

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	Restated* 2018/12	2019/06
Cash and Cash Equivalents	2,289.7	1,848.4
Investments in Securities	21.2	83.1
Derivative Financial Instruments	0.0	5.3
Trade Receivables	624.0	1,536.1
Due from related parties	126.6	257.2
Other Receivables	32.3	31.2
Inventories	804.0	1,400.8
Prepaid Expenses	191.1	260.7
Tax Related Current Assets	150.2	133.4
Other Current Assets	298.1	204.3
TOTAL CURRENT ASSETS	4,537.2	5,760.4
Other Non-Current Asset	0.6	0.0
Other Receivables	38.0	36.3
Right of Use Asset	131.4	144.0
Property, Plant and Equipment	6,489.1	6,757.7
Intangible Assets	1,869.4	2,022.9
Goodwill	819.4	805.4
Prepaid Expenses	258.5	283.3
Deferred Tax Asset	10.9	102.3
TOTAL NON-CURRENT ASSETS	9,617.4	10,151.9
TOTAL ASSETS	14,154.6	15,912.3
	Restated* 2018/12	2019/06
Short-term Borrowings	210.4	149.9
Current Portion of Long-term Borrowings	706.4	1,138.8
Financial lease payables	29.0	37.6
Trade Payables	966.2	1,863.0
Due to Related Parties	328.1	507.0
Payables Related to Employee Benefits	34.7	43.2
Other Payables	288.1	449.6
Provision for Corporate Tax	10.9	71.8
Provision for Employee Benefits	58.3	76.6
Other Current Liabilities	63.6	64.5
TOTAL CURRENT LIABILITIES	2,696.0	4,402.5
Financial lease payables	136.0	138.9
Long-term Borrowings	4,022.5	3,789.8
Trade Payables & Due to Related Parties	47.0	63.5
Provision for Employee Benefits	82.5	94.5
Deferred Tax Liability	548.7	588.4
Other Non-Current Liabilities	198.0	216.6
Equity of the Parent	5,598.5	5,851.3
Minority Interest	825.5	766.7
TOTAL NON-CURRENT LIABILITIES	5,034.0	4,891.7
TOTAL EQUITY	6,424.6	6,618.0
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	14,154.6	15,912.3

* Details about the restatement were explained in the footnote 2 of the financial statements.

ABOUT ANADOLU EFES

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 17,192, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Anadolu Efes are prepared in accordance with International Financial Reporting Standards ("IFRS") as per regulations of the Capital Markets Board of Turkey ("CMB").

The attached financial statements in this announcement comprise the income statements for the period ended 30.06.2018 and 30.06.2019 as well as the balance sheets as of 31.12.2018 and 30.06.2019. Figures in 1H2018 and 1H2019 are presented in the reporting currencies of each business division.

For comparison purposes in this release we included "Proforma" figures for 1H2018, which assumed the combined operation in Russia and Ukraine would become operational on January 1st 2018.

Similarly, after the merger in Russia and Ukraine, fixed assets in these operations were revalued as per IFRS 3 requirements. Post this revaluation, additional depreciation charges occurred, of which TL 113.3 million was one-off in 1H2019. However, in order to provide a better comparison for the operation's real performance, we have restated the 1H2018 Gross Profit, EBIT (BNRI) and Net Income accordingly as well.

Due to adoption of IFRS 16 "Lease" starting from 01.01.2019 with simplified approach, 1H2018 figures has not been restated, as permitted under the simplified transition approach. Therefore, in this release we are using the 1H2019 excluding IFRS 16 adjustments making them comparable with 1H2018 figures.

Anadolu Efes and its subsidiaries in which Anadolu Efes holds the majority stake; including Efes Pazarlama (marketing, sales & distribution of beer products in Turkey) and EBI (international beer operations), are fully consolidated in the financials. According to the Shareholder's Agreement regarding the governance of CCI, in which Anadolu Efes holds 50.3% stake, Anadolu Efes also fully consolidates CCI.

BEER OPERATIONS' 1H2019 RESULTS PRESENTATION & WEBCAST

Anadolu Efes - Beer Operations' 1H2019 Results Presentation will be held on Thursday 8th of August 2019 at 17:00 (Istanbul) 15:00 (London) 10:00 (New York).

Audio Conference:

UK Dial-in: +44 207 194 37 59/ 0 800 376 61 83

USA Dial-in: +1 646 722 49 16

TR Dial-in: +90 212 375 51 27

Russia Dial-in: +7 495 646 93 15

Confirmation Code: 22732096#

(Participants will have to quote the above code when dialing into the conference)

Webcast:

<http://event.on24.com/wcc/r/2046302-1/E0EE7E735382081696E605DFF7C6A24B>

Replay: On demand webcast will be available on the above link for 12 months

A copy of the presentation will be available prior to the conference call from our website at www.anadoluefes.com.

ENQUIRIES

For financial reports and further information regarding Anadolu Efes, please visit our website at <http://www.anadoluefes.com/> or you may contact;

Mrs. Çiçek Uşaklıgil Özgüneş

(Investor Relations and Treasury Director)

tel: +90 216 586 80 37

facsimile: +90 216 389 58 63

e-mail: cicek.usakligil@anadoluefes.com

Mrs. Aslı Kılıç Demirel

(Investor Relations Manager)

tel: +90 216 586 80 72

facsimile: +90 216 389 58 63

e-mail: asli.kilic@anadoluefes.com