

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

**ANADOLU EFES BİRACILIK VE
MALT SANAYİİ ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2015**

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

Consolidated Interim Financial Statements as of September 30, 2015

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**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Unaudited	Audited
	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current Assets			
		5.570.398	4.497.418
Cash and Cash Equivalents	5	1.858.915	1.559.518
Financial Investments		-	2.971
Trade Receivables			
- Trade Receivables from Related Parties	24	162.862	1.201
- Trade Receivables from Third Parties		1.617.253	1.062.931
Other Receivables from Third Parties	8	62.401	55.492
Inventories		1.149.783	1.085.532
Prepaid Expenses	16	463.196	436.152
Derivative Instruments	7	8.498	3.005
Prepaid Income Tax		46.713	91.945
Other Current Assets	17	200.777	198.671
Non-Current Assets			
		17.899.449	15.616.387
Financial Investments		767	767
Other Receivables from Third Parties	8	13.645	9.506
Investments in Associates	9	63.630	72.517
Investment Property	10	83.959	77.078
Property, Plant and Equipment	11	6.620.620	5.538.159
Intangible Assets			
- Goodwill	13	1.456.625	1.232.465
- Other Intangible Assets	12	9.130.557	8.236.894
Prepaid Expenses	16	227.060	252.884
Deferred Tax Asset	21	254.591	153.272
Other Non-Current Assets	17	47.995	42.845
TOTAL ASSETS		23.469.847	20.113.805

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	Audited
		September 30, 2015	December 31, 2014
LIABILITIES			
Current Liabilities			
		2.922.556	2.533.723
Short-term Borrowings	6	361.633	521.571
Short-term Portion of Long-term Borrowings	6	392.837	354.072
Trade Payables			
- Trade Payables to Related Parties	24	37.741	37.360
- Trade Payables to Third Parties		1.198.206	849.359
Employee Benefits Payable		39.296	44.022
Other Payables to Third Parties	8	670.594	571.691
Derivative Instruments	7	6.102	388
Deferred Income	16	27.336	26.414
Provision for Income Tax		39.021	5.186
Short-term Provisions			
- Short-term Provision for Employee Benefits		129.879	112.165
- Other Short-term Provisions		1.740	1.544
Other Current Liabilities	17	18.171	9.951
Non-Current Liabilities			
		7.315.598	5.756.143
Long-term Borrowings	6	5.083.798	3.631.155
Trade Payables to Third Parties		24.006	27.148
Other Payables to Third Parties	8	272.464	239.124
Derivative Instruments	7	710	-
Deferred Income	16	1.918	2.611
Long-term Provision for Employee Benefits		103.261	94.269
Deferred Tax Liability	21	1.669.574	1.633.503
Other Non-Current Liabilities	17	159.867	128.333
Equity			
		13.231.693	11.823.939
Equity Attributable to Equity Holders of the Parent			
		8.253.340	7.609.255
Issued Capital	14	592.105	592.105
Inflation Adjustment to Issued Capital	14	63.583	63.583
Share Premium/Discount	14	3.137.684	3.137.684
Other Reserves	14	(235.742)	(235.742)
Cumulative Other Comprehensive Income / Expense will not be Reclassified to Profit and Loss			
- Revaluation and Remeasurement Loss	14	(12.668)	(10.480)
Cumulative Other Comprehensive Income / Expense will be Reclassified to Profit and Loss			
- Currency Translation Differences	14	576.038	(498.289)
- Hedge Gain / Loss	14	24.685	2.234
- Revaluation Gain	14	9.869	8.817
Restricted Reserves	14	282.836	249.541
Accumulated Profit	14	3.994.139	4.812.035
Net Income/ (Loss)		(179.189)	(512.233)
Non-Controlling Interests			
		4.978.353	4.214.684
TOTAL LIABILITIES			
		23.469.847	20.113.805

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited			
		1 January - 30 September 2015	1 July – 30 September 2015	Restated – Note 2	
				1 January – 30 September 2014	1 July- 30 September 2014
Revenue	4	8.259.956	3.185.278	8.170.205	3.046.687
Cost of Sales (-)		(4.793.555)	(1.878.430)	(4.624.811)	(1.729.839)
GROSS PROFIT		3.466.401	1.306.848	3.545.394	1.316.848
General and Administrative Expenses (-)		(639.353)	(213.610)	(645.551)	(206.840)
Sales, Distribution and Marketing Expenses (-)		(1.805.823)	(613.150)	(1.941.527)	(692.043)
Other Operating Income	18	113.803	45.975	73.887	28.847
Other Operating Expenses (-)	18	(167.887)	(73.248)	(99.627)	(29.416)
PROFIT FROM OPERATIONS		967.141	452.815	932.576	417.396
Income from Investing Activities	19	8.251	4.039	3.757	1.935
Expenses from Investing Activities (-)	19	(4.276)	(1.633)	(5.918)	(2.696)
Income/ (Loss) from Associates	9	(18.585)	(10.112)	(5.846)	(3.605)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		952.531	445.109	924.569	413.030
Finance Income	20	631.995	204.676	657.346	108.400
Finance Expenses (-)	20	(1.694.250)	(763.622)	(1.009.931)	(391.644)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(109.724)	(113.837)	571.984	129.786
Continuing Operations Tax Income / Expense		(7.029)	16.700	(127.722)	(31.361)
- Current Period Tax Expense (-)		(130.525)	(48.730)	(152.679)	(46.311)
- Deferred Tax Income/ Expense		123.496	65.430	24.957	14.950
PROFIT/(LOSS) FOR THE PERIOD		(116.753)	(97.137)	444.262	98.425
Profit/(Loss) for the Period Attributable to					
- Non-Controlling Interest		62.436	42.636	206.920	77.809
- Equity Holders of the Parent		(179.189)	(139.773)	237.342	20.616
Earnings / (Loss) Per Share (Full TRL)	22	(0,3026)	(0,2361)	0,4008	0,0348

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**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Unaudited			
	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July- 30 September 2014
PROFIT/(LOSS) FOR THE PERIOD	(116.753)	(97.137)	444.262	98.425
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to Profit and Loss				
Actuarial Loss from Defined Benefit Plans	(2.736)	(1.240)	(510)	809
Taxation on Other Comprehensive Income not to be Classified to Profit and Loss				
- Deferred Tax Expense (-) / Income	548	249	101	(163)
To be Classified to Profit and Loss				
Currency Translation Differences	1.824.104	610.640	(327.107)	(7.472)
Cash Flow Hedge (Loss) / Gain	24.730	16.903	2.406	1.711
Other Comprehensive Income that will be reclassified to Profit and Loss	-	(26)	18.142	2.426
Taxation on Other Comprehensive Income that will be reclassified to Profit and Loss				
- Deferred Tax Expense (-) / Income	(4.946)	(3.379)	(481)	(342)
OTHER COMPREHENSIVE INCOME / LOSS	1.841.700	623.147	(307.449)	(3.031)
TOTAL COMPREHENSIVE INCOME	1.724.947	526.010	136.813	95.394
Total Comprehensive Income Attributable to				
- Non-Controlling Interest	808.494	379.165	343.407	203.348
- Equity Holders of the Parent	916.453	146.845	(206.594)	(107.954)

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**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Issued Capital	Inflation Adjustment to Issued Capital	Share Premium/ Discount	Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss		Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss				Accumulated Profit		Equity Attributable to Equity Holders of the Parent	Non- Controlling Interests	Equity
				Revaluation and Remeasurement Gain / (Loss)	Currency Translation Differences	Hedge Gain / (Loss)	Revaluation Gain / (Loss)	Other Reserves	Restricted Reserves	Accumulated Profit /(Loss)	Net Income			
Balances as of January 1, 2014 (Beginning) (Previously Reported)	592.105	63.583	3.137.684	(5.398)	968.155	(304)	(10.008)	(235.742)	249.541	2.203.115	2.608.920	9.571.651	3.890.275	13.461.926
Transfers	-	-	-	-	-	-	-	-	-	2.608.920	(2.608.920)	-	-	-
Total Comprehensive Income	-	-	-	(409)	(453.613)	968	9.118	-	-	-	237.342	(206.594)	343.407	136.813
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(42.321)	(42.321)
Balance as of September 30, 2014 (Ending)	592.105	63.583	3.137.684	(5.807)	514.542	664	(890)	(235.742)	249.541	4.812.035	237.342	9.365.057	4.191.361	13.556.418
Balances as of January 1, 2015 (Beginning) (Previously Reported)	592.105	63.583	3.137.684	(10.480)	(498.289)	2.234	8.817	(235.742)	249.541	4.812.035	(512.233)	7.609.255	4.214.684	11.823.939
Transfers	-	-	-	-	-	-	-	-	33.295	(545.528)	512.233	-	-	-
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	5.205	5.205
Total Comprehensive Income	-	-	-	(2.188)	1.074.327	22.451	1.052	-	-	-	(179.189)	916.453	808.494	1.724.947
Dividends	-	-	-	-	-	-	-	-	-	(272.368)	-	(272.368)	(50.030)	(322.398)
Balance as of September 30, 2015 (Ending)	592.105	63.583	3.137.684	(12.668)	576.038	24.685	9.869	(235.742)	282.836	3.994.139	(179.189)	8.253.340	4.978.353	13.231.693

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	
		1 January- September 30, 2015	1 January- September 30, 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		1.440.237	1.327.804
Profit/ (Loss) for the Period		(116.753)	444.262
Adjustments Related to Reconciliation of Profit for the Period			
Depreciation and Amortization	4	547.199	556.926
Provision / (Reversal of Provision) for Inventory Obsolescence, net		9.896	(141)
Impairment / (Reversal of Impairment) on Property, Plant And Equipment, net	19	3.025	5.140
Provision / (Reversal of Provision) for Doubtful Receivables, net		3.702	(1.751)
Provision for Retirement Pay Liability	4	12.064	13.390
Provision for Vacation Pay Liability	4	8.039	9.933
Provision for Long Term Incentive Plan		13.508	12.831
Borrowing Expenses	20	496	496
Equity Loss from Associates	9	18.585	5.846
Loss/(Gain) from Sale of Subsidiaries	19	-	120
Gain / Loss from Derivative Transactions	20	1.105	(2.803)
Interest Income and Expense Adjustment	20	108.708	86.221
Foreign Exchange Loss from Borrowings		1.215.822	325.096
Tax Income / Expense Adjustment		7.029	127.722
Gain / Loss from Sales of Non-Current Assets	19	(7.000)	(3.099)
Other Reconciling Adjustments		(109)	2.320
Change in Working Capital			
Adjustments Related to Increase / Decrease in Inventory		(77.677)	(43.772)
Adjustments Related to Increase / Decrease in Trade Receivables		(723.446)	(605.667)
Adjustments Related to Increase / Decrease in Other Operating Receivables		49.939	(12.548)
Adjustments Related to Increase / Decrease in Trade Payables		332.469	165.738
Adjustments Related to Increase / Decrease in Other Operating Payables		155.172	365.578
Vacation Pay, Retirement Pay Liability And Long Term Incentive Plan Paid		(27.799)	(33.190)
Taxes Paid		(93.737)	(90.844)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(805.911)	(718.619)
Cash Inflow from Sale of Tangible and Intangible Assets		28.655	18.323
Cash Outflow from Purchase of Tangible and Intangible Assets	11, 12	(830.829)	(670.644)
Capital Increase in Jointly Controlled Entities	9	(8.942)	(10.535)
Cash Inflow due to Sale of Subsidiaries		-	49
Capital Increase from Non-Controlling Interests		5.205	-
Cash Outflow from Acquisition of Non-Controlling Interests, net	3	-	(55.812)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(431.840)	(901.915)
Cash Inflow from Borrowings		1.332.428	470.445
Cash Outflows from Repayment of Borrowings		(1.402.607)	(1.836.933)
Dividends paid	23	(272.368)	-
Dividends Paid to Non-Controlling Interests		(50.030)	(42.321)
Interest Received		61.323	58.826
Interest Paid		(129.361)	(113.665)
Change in Time Deposits With Maturity More Than Three Months		2.971	561.733
Income from Cash Flow Hedge		25.804	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		202.486	(292.730)
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		104.018	(12.033)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		306.504	(304.763)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	1.550.383	1.737.209
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		1.856.887	1.432.446

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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES

General

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes, the Company) was established in İstanbul in 1966. Certain shares of Anadolu Efes are listed on the Borsa İstanbul (BIST).

The registered office of the Company is located at the address “Bahçelievler Mahallesi Şehit İbrahim Koparr Caddesi No: 4 Bahçelievler – İstanbul”.

The Company, its subsidiaries and joint ventures will be referred to as the “Group”. The average number of permanent personnel employed in the Group is 17.727 (December 31, 2014 – 19.197).

The condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer and Finance Director were issued on November 5, 2015. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

The operations of the Group consist of production, bottling, selling and distribution of beer under a number of trademarks and also production, bottling, selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark. The Group owns and operates fifteen breweries (four in Turkey, six in Russia and five in other countries), six malt production facilities (two in Turkey, four in Russia) and also nine facilities in Turkey, seventeen facilities in other countries for sparkling and still beverages production.

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates and purees in Turkey. The Group also has joint control over Syrian Soft Drink Sales & Dist. LLC (SSDSD) which undertakes distribution and sales of sparkling and still beverages in Syria.

List of Shareholders

As of September 30, 2015 and December 31, 2014, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	September 30, 2015		December 31, 2014	
	Amount	%	Amount	%
Yazıcılar Holding A.Ş.	139.787	23,61	139.787	23,61
Özilhan Sınai Yatırım A.Ş.	79.813	13,48	79.813	13,48
Anadolu Endüstri Holding A.Ş. (AEH)	35.292	5,96	35.292	5,96
SABMiller Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	592.105	100,00	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of September 30, 2015 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with SABMiller Harmony Ltd. represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

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NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

List of Subsidiaries

The subsidiaries included in the consolidation and their effective shareholding rates at September 30, 2015 and December 31, 2014 are as follows:

Subsidiary	Subsidiary	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 2015	December 31, 2014
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	100,00
JSC Moscow-Efes Brewery (Efes Moscow) ⁽¹⁾	Russia	Production and marketing beer	International Beer	99,93	99,93
CJSC Vostok Solod ⁽²⁾	Russia	Production of malt	International Beer	99,93	99,93
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	96,83	96,83
Euro-Asien Brauerein Holding GmbH (Euro-Asien)	Germany	Investment company of EBI	International Beer	100,00	100,00
JSC Lomisi (Efes Georgia)	Georgia	Production, marketing and sales of beer and carbonated soft drinks	International Beer	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Market development	International Beer	100,00	100,00
LLC Efes Solod ⁽⁵⁾⁽²⁾	Russia	Production of malt	International Beer	99,93	-
LLC Efes Ukraine ⁽⁶⁾	Ukraine	Selling and distribution of beer	International Beer	100,00	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) ⁽³⁾	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) ⁽³⁾	Turkey	Providing hops (major ingredient of beer) to the breweries of the Group	Turkey Beer	99,75	99,75
Cypex Co. Ltd. (Cypex)	Republic of Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Other	99,75	99,75
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	Other	99,75	99,75
Efes Deutschland GmbH (Efes Germany)	The Netherlands	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) ⁽⁴⁾	Turkey	Production, bottling of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmuđiye products	Soft Drinks	50,25	50,25
Mahmuđiye Kaynak Suyu Ltd. Şti. (Mahmuđiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of and distribution of Coca Cola products	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kyrgyzstan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
(CC) Company for Beverage Industry Limited (CCBL)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL) ⁽⁷⁾	Pakistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	24,94	24,91
Turkmenistan Coca-Cola Bottlers (Turkmenistan CC)	Turkmenistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Waha Beverages B.V. (Waha B.V.)	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan Limited Liability Company (Coca Cola Tajikistan)	Tajikistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26

(1) In October 2015, legal entity name of CJSC Moscow-Efes Brewery has been changed as JSC Moscow-Efes Brewery.

(2) Subsidiaries of Efes Moscow.

(3) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa and Tarbes.

(4) Shares of CCI are currently traded on BIST.

(5) LLC Efes Solod has been registered in 2015.

(6) LLC Efes Ukraine has been registered in 2015.

(7) Ownership ratio of CCI in CCBPL increased to 49,63% from 49,56% (The Group's share has been increased to 24,94% from 24,91%) in May 2015 consequent to subscription of newly issued shares of CCBPL as a result of the capital increase.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

Work Environments and Economic Conditions of Subsidiaries and Joint Ventures in Foreign Countries

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group’s operations in such countries might carry risks, which 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 commercial activities of subsidiaries and joint ventures.

The Group management assessed the effects of deterioration in macroeconomic conditions in Russia and Ukraine, devaluation of Ukrainian Hryvnya, ongoing political instability in Ukraine, and military operations in the region. Consequently, the Group management did not anticipate any impairment related with the carrying value of International Beer in consolidated interim financial statements.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Interim Financial Statements

The Group companies, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

The consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis.

In accordance with the CMB’s "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/IFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In the scope of the CMB’s "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared condensed consolidated interim financial statements for the period ended September 30, 2015 in accordance with TAS 34, "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 15, 25).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)**

2.2 Seasonality of Operations

Due to higher beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first nine months up to September 30, 2015 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

2.3 Significant Accounting Estimates and Decisions

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

2.4 Changes in Accounting Policies

The condensed consolidated interim financial statements of the Group for the period ended September 30, 2015 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2014 except the restatements given in detail at Note 2.5 - Comparative Information and Restatement of Prior Period Financial Statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014.

Adoption of new and revised International Financial Reporting Standards

New IFRS standards, amendments and IFRICs effective after 30 September 2015:

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Annual improvements 2010 - 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards:
 - IFRS 2, 'Share-based payment'
 - IFRS 3, 'Business Combinations'
 - IFRS 8, 'Operating segments'
 - IFRS 13, 'Fair value measurement'
 - IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets'
 - IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
 - IAS 39, Financial instruments – Recognition and measurement'
- Annual improvements 2011 - 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:
 - IFRS 1, 'First time adoption'
 - IFRS 3, 'Business combinations'
 - IFRS 13, 'Fair value measurement' and
 - IAS 40, 'Investment property'.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)**

2.4 Changes in Accounting Policies (continued)

Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments issued but not effective as of 30 September 2015:

- IFRS 14 ‘Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. IFRS 14, ‘Regulatory deferral accounts’ permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Amendment to IFRS 11, ‘Joint arrangements’ on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Amendment to IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’, on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. The amendment clarifies that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This also has clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Amendments to IAS 27, ‘Separate financial statements’ on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- IFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2018. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. The Group is in the process of assessing the impact of the new standard on the financial position of the Group.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)**

2.4 Changes in Accounting Policies (continued)

Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments issued but not effective as of 30 September 2015 (continued):

- IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Group is in the process of assessing the impact of the new standard on the financial position of the Group.
- Amendments to IAS 16 ‘Property, plant and equipment’, and IAS 41, ‘Agriculture’, regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
 - IFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
 - IFRS 7, ‘Financial instruments: Disclosures’, (with consequential amendments to IFRS 1) regarding servicing contracts.
 - IAS 19, ‘Employee benefits’ regarding discount rates.
 - IAS 34, ‘Interim financial reporting’ regarding disclosure of information.
- IAS 1, ‘Presentation of financial statements’ on the disclosure initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Standards and amendments not issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) as of reporting date

- IFRS 9 ‘Financial instruments’
- IFRS 15 ‘Revenue from contracts with customers’

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2015**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)**

2.5 Comparative Information and Restatement of Prior Period Financial Statements

In order to allow the determination of the financial position and performance trends, the Group's financial statements are prepared in comparison with the previous period. The Group has performed reclassifications in the condensed consolidated interim income statement for the nine month period ended September 30, 2015, in order to conform to the presentation of financial statements for the nine month period ended 30 September 2014. Such reclassifications are as follows:

- Depreciation expense amounting to TRL42.016 was classified to Cost of Sales from Sales, Distribution and Marketing Expenses.
- Transportation and distribution expenses in Discounts (Revenue) amounting to TRL45.880 and services rendered from outside amounting to TRL64.457 were classified to Sales, Distribution and Marketing Expenses.
- Selling and marketing expenses amounting to TRL141.687 were classified to Discounts (Revenue) from Sales, Distribution and Marketing Expenses.

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2015

None.

Transactions Related with 2014

Al Waha Put Option

As of December 31, 2013, according to shareholders agreement signed with NKG, NKG had an option to sell (and Waha B.V. had an obligation to buy) its remaining 15% participatory shares in Al Waha and Waha B.V. had an option to buy (and NKG will had obligation to sell) NKG's 15% participatory shares in Al Waha with an amount of USD26 million. In January 2014, the put option has been realized following the payment of TRL55.812 (equivalent of 26 million USD) by CCI with the share transfer.

NOTE 4. SEGMENT REPORTING

The management monitors the operating results of its three business units separately for the purpose of making decisions about the resource allocation and performance assessment. The three operating segments are Turkey Beer Operations (Turkey Beer) which is conducted by the Company, International Beer Operations (International Beer) which is conducted by EBI and Soft Drinks Operations (Soft Drinks) which is conducted by CCI.

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 4. SEGMENT REPORTING (continued)

The Group's segment reporting in accordance with IFRS 8 is disclosed as follows:

	Turkey Beer	International Beer	Soft Drinks	Other⁽¹⁾ and Eliminations	Total
January 1 – September 30, 2015					
Revenues	1.170.053	1.620.263	5.450.459	34.824	8.275.599
Inter-segment revenues	(11.535)	(469)	(74)	(3.565)	(15.643)
Total Revenues	1.158.518	1.619.794	5.450.385	31.259	8.259.956
EBITDA	379.304	276.003	953.994	(33.769)	1.575.532
Profit / (loss) for the period	(127.627)	(50.903)	124.386	(62.609)	(116.753)
Capital expenditures (Note 11, 12)	94.170	98.359	643.354	811	836.694
July 1 – September 30, 2015					
Revenues	410.927	561.463	2.204.776	14.190	3.191.356
Inter-segment revenues	(4.646)	(197)	(28)	(1.207)	(6.078)
Total Revenues	406.281	561.266	2.204.748	12.983	3.185.278
EBITDA	135.864	125.150	424.114	(5.213)	679.915
Profit / (loss) for the period	(103.663)	(45.864)	71.373	(18.983)	(97.137)
Capital expenditures	22.006	34.357	118.469	216	175.048
	Turkey Beer	International Beer	Soft Drinks	Other⁽¹⁾ and Eliminations	Total
January 1 – September 30, 2014					
Revenues	1.140.297	2.110.830	4.902.532	30.819	8.184.478
Inter-segment revenues	(10.360)	(1.051)	(106)	(2.756)	(14.273)
Total Revenues	1.129.937	2.109.779	4.902.426	28.063	8.170.205
EBITDA	415.292	267.421	890.631	(43.454)	1.529.890
Profit / (loss) for the period	182.025	(62.919)	389.749	(64.593)	444.262
Capital expenditures (Note 11, 12)	116.369	134.963	418.735	577	670.644
July 1 – September 30, 2014					
Revenues	405.374	709.563	1.924.722	11.789	3.051.448
Inter-segment revenues	(4.167)	379	(36)	(937)	(4.761)
Total Revenues	401.207	709.942	1.924.686	10.852	3.046.687
EBITDA	155.462	87.737	374.021	(12.948)	604.272
Profit / (loss) for the period	28.334	(52.797)	143.397	(20.509)	98.425
Capital expenditures	24.196	38.906	143.058	148	206.308

(1) Includes other subsidiaries included in the consolidation of the Group and headquarter expenses.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 4. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
September 30, 2015					
Segment assets	7.985.245	5.118.344	9.494.992	871.266	23.469.847
Segment liabilities	2.722.011	1.227.798	5.201.602	1.086.743	10.238.154
Other information					
Investment in associates	-	-	-	63.630	63.630
December 31, 2014					
Segment assets	7.982.423	4.439.040	7.201.860	490.482	20.113.805
Segment liabilities	2.330.155	987.824	3.828.828	1.143.059	8.289.866
Other information					
Investment in associates	-	-	-	72.517	72.517

(1) Includes other subsidiaries included in the consolidation of the Group.

Reconciliation of EBITDA to the consolidated Operating Profit/Loss before Finance Income / Expense and its components as of September 30, 2015 and 2014 are as follows:

	1 January- September 30, 2015	1 July – September 30, 2015	1 January- September 30, 2014	1 July – 30 September, 2014
EBITDA	1.575.532	679.915	1.529.890	604.272
Depreciation and amortization expenses	(547.199)	(189.038)	(556.926)	(187.596)
Provision for retirement pay liability	(12.064)	(4.081)	(13.390)	(4.572)
Provision for vacation pay liability	(8.039)	2.716	(9.933)	2.633
Foreign exchange gain/(loss) from operating activities	(37.648)	(36.250)	(12.868)	4.170
Rediscount interest income/(expense) from operating activities	(986)	-	(561)	(494)
Other	(2.455)	(447)	(3.636)	(1.017)
PROFIT/ (LOSS) FROM OPERATIONS	967.141	452.815	932.576	417.396
Income from Investing Activities	8.251	4.039	3.757	1.935
Expense from Investing Activities (-)	(4.276)	(1.633)	(5.918)	(2.696)
Income/(Loss) from Associates	(18.585)	(10.112)	(5.846)	(3.605)
OPERATING PROFIT/ (LOSS) BEFORE FINANCE INCOME / EXPENSE	952.531	445.109	924.569	413.030

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 5. CASH AND CASH EQUIVALENTS

	September 30, 2015	December 31, 2014
Cash on hand	8.820	4.315
Bank accounts		
- Time deposits	1.444.544	1.399.754
- Demand deposits	398.112	143.564
Other	5.411	2.750
Cash and cash equivalents in cash flow statement	1.856.887	1.550.383
Interest income accrual	2.028	9.135
	1.858.915	1.559.518

As of September 30, 2015, annual interest rates of the TRL denominated time deposits vary between 7,97% and 13,25% (December 31, 2014 - 7,99% - 13,5%) and annual interest rates of the US Dollars (USD), Euro (EURO) denominated and other time deposits vary between 0,1% and 9,80% (December 31, 2014– 0,2% - 22,0%).

As of September 30, 2015, there is no cash deposit pledged as collateral by the Group (December 31, 2014 – None).

As of September 30,2015, the Group has designated its bank deposits amounting to TRL169.532, equivalent of thousand USD40.361, thousand EURO10.000, and thousand Russian Ruble (RUR) 271.324 for the future raw material purchases, fixed asset purchases and operational expense related payments in the scope of hedge accounting (December 31, 2014 – TRL62.610, equivalent of 27 million USD).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2015

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NOTE 6. SHORT AND LONG TERM BORROWINGS

As of September 30, 2015, total borrowings consist of principal (finance lease obligations included) amounting to TRL5.761.784 (December 31, 2014– TRL4.480.620) and interest expense accrual amounting to TRL76.484 (December 31, 2014 – TRL26.178). As of September 30, 2015 and December 31, 2014, total amount of borrowings and the effective interest rates are as follows:

Short-term	September 30, 2015			December 31, 2014		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
Borrowings						
TRL denominated borrowings	11.319	-	-	3.872	-	-
Foreign currency denominated borrowings (USD)	213.177	-	Libor +1,35% - Libor+ 2,00%	162.649	-	Libor+ 1.35% - Libor + 2.00%
Foreign currency denominated borrowings (EURO)	14.079	3,50%	Euribor + 2,95%	6.235	3.90%	Euribor+ 2.95%
Foreign currency denominated borrowings (Other)	123.058	8,80%	Kibor + 0,40%- Kibor+ 0,50%	348.815	9.13%	Kibor + 0.40% - Kibor+ 0.50%
	361.633			521.571		
Short-term portion of long term borrowings						
TRL denominated borrowings	15.233	10,00%	-	15.233	10.00%	-
Foreign currency denominated borrowings (USD)	299.691	3,38% - 4,75%	Libor + 1,25% - Libor+ 2,10%	337.453	3.38% - 4.75%	Libor + 1.00% - Libor+2.50%
Foreign currency denominated borrowings (EURO)	77.913	-	Euribor + 1,25% - Euribor + 2,35%	1.386	-	Euribor + 2.00% - Euribor+2.65%
	392.837			354.072		
	754.470			875.643		
Long-term						
Borrowings						
Foreign currency denominated borrowings (USD)	4.239.646	3,38% - 4,75%	Libor + 1,35% - Libor + 2,00%	3.261.336	3,38% - 4,75%	Libor +2.00% - Libor+2.50%
Foreign currency denominated borrowings (EURO)	810.387	-	Euribor + 1,60% - Euribor + 2,35%	369.819	-	Euribor + 2.00% - Euribor +2.65%
Foreign currency denominated borrowings (Other)	33.765	6,00%	-	-	-	-
	5.083.798			3.631.155		
	5.838.268			4.506.798		

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 6. SHORT AND LONG TERM BORROWINGS (continued)

Repayments of long-term borrowings are scheduled as follows:

	September 30, 2015	December 31, 2014
Between 1 -2 year	291.170	344.171
Between 2-3 year	2.283.368	136.599
Between 3-4 year	149.495	1.440.368
Between 4-5 year	483.428	-
5 year and more	1.876.337	1.710.017
	5.083.798	3.631.155

As of September 30, 2015, TRL9.689 (December 31, 2014 – TRL39.806) of the total borrowings are secured by the Group related with CCI, its subsidiaries and joint ventures with property, plant and equipment pledge.

Lessee - Finance Lease

Properties leased by the Group include buildings, machinery and equipment, motor vehicles and furniture and fixtures. The most significant obligations assumed under the lease terms, other than rental payments, are the upkeep of the facilities, insurance and property taxes. Lease terms generally range from 3 to 25 years with options to renew at varying terms.

As of September 30, 2015 and December 31, 2014, the costs of the property plant and equipment obtained by finance lease are TRL69.198 and TRL73.805, respectively whereas net book values are TRL1.530 and TRL1.803, respectively.

Lessee - Operating Lease

The Group has operational leasing agreements with Çelik Motor Ticaret A.Ş. a related party of the Group.

NOTE 7. DERIVATIVE INSTRUMENTS

As of September 30, 2015 CCI has 12 aluminum swap transactions with a total nominal amount of TRL66.476 (December 31, 2014 – TRL17.811) for 12.290 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk (Note 26).

As of September 30, 2015 CCI has resin forward transactions with a total nominal amount of TRL16.738 (December 31, 2014– TRL62.239), for 3 forward purchase contracts amounting to USD 5,5 million. The total of these FX forward contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of can, exposed to foreign currency risk (Note 26).

As of September 30, 2015 Turkey Beer has foreign currency forward transactions with a total nominal amount of TRL 3.804 (December 31, 2014– TRL11.595), for three forward purchase contracts. The total of these forward contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of raw materials exposed to foreign currency risk (Note 26).

As of September 30, 2015 International Beer has foreign currency forward transactions with a total nominal amount of TRL 22.825 (December 31, 2014 – none), for three option contracts. The total of these forward contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases exposed to foreign currency risk (Note 26).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 7. DERIVATIVE INSTRUMENTS (continued)

The effective portion of the change in fair value of hedges is recognized in other comprehensive income.

	September 30, 2015		December 31, 2014	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	66.476	(6.812)	17.811	(388)
Forward contracts	20.542	2.813	73.834	3.005
Option contracts	22.825	5.685	-	-
	109.843	1.686	91.645	2.617

NOTE 8. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	September 30, 2015	December 31, 2014
Receivables from tax office	17.599	15.041
Due from personnel	13.825	10.949
Other	30.977	29.502
	62.401	55.492

b) Other Non-Current Receivables

	September 30, 2015	December 31, 2014
Deposits and guarantees given	6.291	6.382
Other	7.354	3.124
	13.645	9.506

c) Other Current Payables

	September 30, 2015	December 31, 2014
Taxes other than on income	492.312	435.876
Deposits and guarantees taken	166.396	122.046
Other	11.886	13.769
	670.594	571.691

d) Other Non-Current Payables

As of September 30, 2015, other non-current payables consists of deposits and guarantees taken amounting to TRL272.464 (December 31, 2014 – TRL239.124).

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NOT 9. INVESTMENTS IN ASSOCIATES

	September 30, 2015		December 31, 2014	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	33,33%	63.630	33,33%	72.517
SSDSD ^{(1) (2)}	25,13%	-	25,13%	-
		63.630		72.517

Group's share of total assets and liabilities as of September 30, 2015 and December 31, 2014 and profit/(loss) for the period of investment in associates as of September 30, 2015 and September 30, 2014 in Group's financial statements are as follows:

	Anadolu Etap		SSDSD	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Total Assets	199.142	159.262	1.223	1.516
Total Liabilities	135.512	86.745	6.251	5.278
Net Assets	63.630	72.517	(5.028)	(3.762)

	Anadolu Etap		SSDSD	
	1 January – September 30, 2015	1 January – September 30, 2014	1 January – September 30, 2015	1 January – September 30, 2014
Group's Share of Loss for the period	(17.829)	(5.124)	(756)	(722)

The movement of investments in associates as of September 30, 2015 and 2014 are as follows:

	2015	2014
Balance at January 1	72.517	62.755
Income / Loss from associates	(18.585)	(5.846)
Currency translation differences	(110)	(210)
Unrealized losses under IAS 28	866	933
Capital increase	8.942	10.535
Balance at September 30	63.630	68.167

(1) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

(2) Since the carrying value of SSDSD at the consolidated balance sheet is TRL866 loss, the carrying amount was netted off with trade receivables from SSDSD at the consolidated financial statements.

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NOT 10. INVESTMENT PROPERTIES

For the nine-month periods ended September 30, 2015 and 2014, the additions and disposals on investment property are as follows:

September 30, 2015	Additions	Transfers	Disposals (net)
Land and land improvements	-	3.737	-
Buildings	-	-	-
Construction in progress	-	(3.737)	-
	-	-	-

September 30, 2014	Additions	Transfers	Disposals (net)
Land and land improvements	-	582	-
Buildings	-	8.666	-
Construction in progress	-	(993)	(130)
	-	8.255	(130)

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

For the nine-month periods ended September 30, 2015 and 2014, the additions and disposals on property, plant and equipment are as follows:

September 30, 2015	Additions	Transfers (*)	Disposals (net)
Land and land improvements	1.006	9.142	(794)
Buildings	19.418	169.114	(1.265)
Machinery and equipment	108.470	341.992	(6.803)
Vehicles	12.148	159	(2.106)
Other tangibles	253.235	66.082	(9.746)
Leasehold improvements	187	-	(462)
Construction in progress	433.275	(586.562)	(497)
	827.739	(73)	(21.673)

September 30, 2014	Additions	Transfers (*)	Disposals (net)
Land and land improvements	1.054	42.850	(5)
Buildings	7.204	37.822	(100)
Machinery and equipment	105.215	246.964	(3.056)
Vehicles	10.152	191	(1.580)
Other tangibles	252.812	6.122	(10.032)
Leasehold improvements	7.423	1.939	-
Construction in progress	278.050	(344.367)	(271)
	661.910	(8.479)	(15.044)

As at September 30, 2015; financial expense amounting to TRL4.779 attributable to construction in progress is capitalized (September 30, 2014 – none).

Capital expenditure accruals represent the fixed asset purchases that have been received within the agreement but whose payable have not been paid as of the reporting period. As at September 30, 2015; there are capital expenditure accruals that are not paid in cash amounting to TRL1.086 (September 30, 2014 – none).

(*) There are transfers to other intangible assets amounting to TRL73 in 2015. (September 30, 2014 – there are transfers amounting to TRL 8.255 to investment properties and amounting to TRL 224 to other intangible assets).

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NOTE 12. OTHER INTANGIBLE ASSETS

For the nine-month periods ended September 30, 2015 and 2014, the additions and disposals on other intangible assets are as follows:

September 30, 2015	Additions	Transfers	Disposals (net)
Rights	443	44	-
Other intangible assets	8.512	29	18
	8.955	73	18

September 30, 2014	Additions	Transfers	Disposals (net)
Rights	361	224	-
Other intangible assets	8.373	-	(50)
	8.734	224	(50)

NOTE 13. GOODWILL

For the nine-month period ended September 30, 2015 and 2014, movements of the goodwill during the period are as follows:

	2015	2014
At January 1	1.232.465	2.453.049
Currency translation differences	224.160	(204.627)
At September 30	1.456.625	2.248.422

NOTE 14. EQUITY

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB) at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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NOTE 14. EQUITY (Continued)

Quoted companies are subject to dividend requirements regulated by the CMB as follows: Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué.

In accordance with the CMB decision dated January 27, 2010, it's decided to remove the obligation related with the minimum dividend distribution rate for publicly traded companies.

Inflation adjustment to shareholders' equity and carrying amount of extraordinary reserves can only be netted-off against prior years' losses and used as an internal source for capital increase. However, when inflation adjustment to shareholders' equity is used for cash dividend distribution, it is subject to income tax.

For September 30, 2015 and December 31, 2014, nominal amounts, equity restatement differences and restated value of equity are as follows:

September 30, 2015	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	282.836	74.697	357.533
Extraordinary reserves	226.407	26.091	252.498
	1.101.348	164.371	1.265.719
Share Premium/Discount			3.137.684
Cumulative Other Comprehensive Income / Expense that will not be Classified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			(12.668)
Cumulative Other Comprehensive Income / Expense that will be Classified to Profit and Loss			
- Currency Translation Differences			576.038
- Hedge Loss			24.685
- Revaluation Gain			9.869
Other Reserves			(235.742)
Accumulated profit (Including net income)			3.487.755
Equity attributable to equity holders of the parent			8.253.340
December 31, 2014	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	249.541	74.697	324.238
Extraordinary reserves	435.771	26.091	461.862
	1.277.417	164.371	1.441.788
Share Premium/Discount			3.137.684
Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			(10.480)
Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss			
- Currency Translation Differences			(498.289)
- Hedge Loss			2.234
- Revaluation Gain			8.817
Other Reserves			(235.742)
Accumulated profit (Including net income)			3.763.243
Equity attributable to equity holders of the parent			7.609.255

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NOTE 15. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Full Consolidation

As of September 30, 2015 and December 31, 2014 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

September 30, 2015								
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	469.568	374.546	168	3.631	23.708	22.389	2.667.000	10.716
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	870.566	-	148.714	106.430	-	-	1.845.746	33.764
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	10.849	10.849	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above	10.849	10.849	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total	1.350.983	385.395	148.882	110.061	23.708	22.389	4.512.746	44.480
Ratio of other GPMs over the Company's equity (%)	0,1							

December 31, 2014								
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	380.439	277.025	5.848	2.769	279.099	5.389	2.667.000	8.147
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	607.438	-	158.978	31.150	-	-	6.486.963	1.092
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	10.200	10.200	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above ⁽²⁾	10.200	10.200	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total	998.077	287.225	164.826	33.919	279.099	5.389	9.153.963	9.239
Ratio of other GPMs over the Company's equity (%)	0,1							

(1) Includes the GPMs given in favor of subsidiaries included in full consolidation for their borrowings.

(2) Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method.

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NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

CCI, Its Subsidiaries and Joint Ventures

a) Put Options

According to the put option that has been granted to Day Investments Ltd. by CCI, Day Investments Ltd. will have right to sell its shares in Turkmenistan CC to CCI at the price of USD2.360 thousand. The Group's portion of the liability for the put option amounting to TRL7.182 has been presented in "other current liabilities" (December 31, 2014– TRL5.473).

According to the put option signed with European Refreshment (ER), ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. The Group's share of the put option liability amounting to TRL112.552 is recorded under "other long term liabilities" (December 31, 2014– TRL85.761).

b) Murabaha

During 2012 CCBPL and Standard Chartered Bank ("Bank") has made murabaha facility agreement. Based on this agreement, the Bank and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of September 30, 2015 CCBPL has USD 13,7 million sugar and resin purchase commitment from the Bank until the end of December 2015, USD 11,2 million sugar and resin purchase commitment from the Bank until the end of March 2016 and expense accrual of USD 1,0 million (TL 3,04 million) payable for the profit share of the Bank was reflected in the financial statements.

Operational Lease

As of September 30, 2015, the Group's contingent liability, for the following years resulting from the non-cancellable operational lease agreements is amounting to TRL36.871 (December 31, 2014 – TRL39.434).

Tax and Legal Matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations 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 (as examples, customs and currency control) 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 so than typically found in countries with more developed tax systems.

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NOTE 16. PREPAID EXPENSES AND DEFERRED INCOME

a) Short Term Prepaid Expenses

	September 30, 2015	December 31, 2014
Prepayments	336.456	267.179
Advances given to suppliers	126.740	168.973
	463.196	436.152

b) Long Term Prepaid Expenses

	September 30, 2015	December 31, 2014
Prepayments	176.787	170.709
Advances given to suppliers	50.273	82.175
	227.060	252.884

c) Short Term Deferred Income

	September 30, 2015	December 31, 2014
Advances taken	25.978	24.575
Deferred income	1.358	1.839
	27.336	26.414

d) Long Term Deferred Income

As of September 30, 2015, long term deferred income amounts to TRL1.918 (December 31, 2014 – TRL2.611).

NOTE 17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	September 30, 2015	December 31, 2014
Value Added Tax (VAT) deductible or to be transferred	172.967	196.885
Other	27.810	1.786
	200.777	198.671

b) Other Non-Current Assets

	September 30, 2015	December 31, 2014
Deferred VAT and other taxes	47.760	42.663
Other	235	182
	47.995	42.845

c) Other Current Liabilities

	September 30, 2015	December 31, 2014
Put option liability (Note 15)	7.182	5.473
Other	10.989	4.478
	18.171	9.951

d) Other Non-Current Liabilities

	September 30, 2015	December 31, 2014
Put option liability (Note 15)	112.552	85.761
Deferred VAT and other taxes	46.637	42.018
Other	678	554
	159.867	128.333

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NOTE 18. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Foreign exchange gains arising from operating activities	69.243	19.482	32.050	14.692
Income from scrap and other materials	15.683	7.161	11.256	3.517
Rediscount income	1.729	-	1.306	-
Rent income	3.159	2.188	3.517	1.115
Insurance compensation income	886	275	1.518	717
Other income	23.103	16.869	24.240	8.806
	113.803	45.975	73.887	28.847

b) Other Operating Expenses

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Foreign exchange losses arising from operating activities	(106.891)	(55.732)	(44.918)	(10.522)
Depreciation and amortization expense on PPE & intangible assets	(11.215)	(4.827)	(3.038)	(834)
Donations	(4.643)	(1.603)	(4.118)	(1.043)
Rediscount expense	(2.715)	-	(1.867)	(494)
Other expenses	(42.423)	(11.086)	(45.686)	(16.523)
	(167.887)	(73.248)	(99.627)	(29.416)

NOTE 19. INCOME/ EXPENSE FROM INVESTING ACTIVITIES

a) Income from Investing Activities

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Gain on sale of fixed assets	8.251	4.039	3.757	1.935
	8.251	4.039	3.757	1.935

b) Expense from Investing Activities

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Provision for impairment on tangible assets	(3.025)	(1.051)	(5.140)	(2.493)
Loss on sale of fixed assets	(1.251)	(582)	(658)	(203)
Loss from the disposal of subsidiaries	-	-	(120)	-
	(4.276)	(1.633)	(5.918)	(2.696)

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NOTE 20. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Foreign exchange gain	572.239	187.902	592.571	85.810
Interest income	59.573	16.774	61.972	19.787
Gain on derivative transactions	183	-	2.803	2.803
	631.995	204.676	657.346	108.400

b) Finance Expense

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Foreign exchange loss	(1.502.107)	(693.413)	(850.085)	(339.371)
Interest expense	(168.281)	(60.172)	(148.193)	(47.354)
Borrowing costs	(496)	(166)	(496)	(166)
Loss on derivative transactions	(1.288)	(375)	-	-
Other financial expenses	(22.078)	(9.496)	(11.157)	(4.753)
	(1.694.250)	(763.622)	(1.009.931)	(391.644)

NOTE 21. TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 20% in Turkey (2014 - 20%). Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax of 20% (2014 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years. In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

As of September 30, 2015 and December 31, 2014 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		Liability		Net	
	September 30 2015	December 31 2014	September 30 2015	December 31 2014	September 30 2015	December 31 2014
PP&E and intangible assets	-	-	(1.941.936)	(1.851.058)	(1.941.936)	(1.851.058)
Inventories	23.512	20.556	-	-	23.512	20.556
Carry forward losses	384.753	269.681	-	-	384.753	269.681
Retirement pay liability and other employee benefits	27.089	16.445	-	-	27.089	16.445
Other provisions	42.193	35.278	-	-	42.193	35.278
Unused investment incentive	21.004	20.032	-	-	21.004	20.032
Other	28.402	8.835	-	-	28.402	8.835
	526.953	370.827	(1.941.936)	(1.851.058)	(1.414.983)	(1.480.231)

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NOTE 21. TAX ASSETS AND LIABILITIES (continued)

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	2015	2014
Netherlands	25%	25%
Russia	20%	20%
Kazakhstan	20%	20%
Moldova	12%	12%
Georgia	15%	15%
Ukraine	18%	18%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Pakistan	32%	34%
Iraq	15%	15%
Jordan	14%	14%
Turkmenistan	8%	8%
Tajikistan	15%	15%

NOTE 22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

Following table illustrates the net income and share figures used in earnings per share calculation:

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Net income/ (loss)	(179.189)	(139.773)	237.342	20.616
Weighted average number of shares	592.105.263	592.105.263	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	(0,3026)	(0,2361)	0,4008	0,0348

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial statement date and the date of approval of these financial statements.

NOTE 23. DISTRIBUTION OF EARNINGS

The Group distributed dividend in 2015, related with the year ended as of December 31, 2014, for a gross amount of full TRL0,46 per share, amounting to a total of TRL272.368 (It is decided not to distribute dividends in 2014 related with the year ended December 31, 2013.).

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Bank Balances with Related Parties

	September 30, 2015	December 31, 2014
Alternatifbank ⁽³⁾⁽⁴⁾	257.799	602.390

As of September 30, 2015, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 12,26% (December 31, 2014 – 10,36%), USD denominated time deposits is 2,12%. As of September 30, 2015, the Group does not have EURO denominated time deposits on Alternatifbank (December 31, 2014 – Weighted average interest rate is 2,71% for EURO time deposits).

As of September 30, 2015 the Group has demand deposits amounting to TRL12.262 on Alternatifbank (December 31, 2014 - TRL10.633).

Short-term Borrowings

	September 30, 2015	December 31, 2014
Alternatifbank ⁽³⁾⁽⁴⁾	805	-
	805	-

Due from Related Parties

	September 30, 2015	December 31, 2014
Migros Ticaret A.Ş. and its subsidiaries ⁽⁴⁾⁽⁶⁾	160.548	-
SABMiller Group Companies ⁽⁵⁾	966	-
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	845	-
SSDSD	161	1.037
Efes Turizm İşletmeleri A.Ş. ⁽³⁾⁽⁴⁾	148	30
Anadolu Vakfı	89	-
AEH ⁽²⁾⁽³⁾	70	95
Artı Varlık Yönetim A.Ş.	-	20
Diğer	35	19
	162.862	1.201

Due to Related Parties

	September 30, 2015	December 31, 2014
SABMiller Group Companies ⁽⁵⁾	20.499	27.783
Anadolu Efes Spor Kulübü	12.532	-
Oyex Handels GmbH ⁽³⁾⁽⁴⁾	2.779	2.560
Anadolu Bilişim Hizmetleri A.Ş. ⁽¹⁾⁽³⁾⁽⁴⁾	802	1.752
AEH ⁽²⁾⁽³⁾	547	1.112
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	274	176
Çelik Motor Ticaret A.Ş. ⁽³⁾⁽⁴⁾	201	2.899
Efes Turizm İşletmeleri A.Ş. ⁽³⁾⁽⁴⁾	63	163
Anadolu Vakfı	8	856
Diğer	36	59
	37.741	37.360

The Group has TRL1.127 (December 31, 2014 – 1.124 TL) short term and TRL1.740 (December 31, 2014 – TRL2.486 TL) long term deferred revenue related to AEH.

- (1) Non-current financial investment of the Group
- (2) The shareholder of the Group
- (3) Related party of Yazıcılar Holding A.Ş. (a shareholder)
- (4) Related party of AEH (a shareholder)
- (5) Related party of SABMiller Harmony Ltd (a shareholder)
- (6) Migros Ticaret A.Ş. and its subsidiaries (Migros) have been defined as related party after AEH, shareholder of the company, has participated indirectly in Migros Ticaret A.Ş. in July 2015. Consequently, receivables from Migros has been classified as “Due from Related Parties” in consolidated statement of financial position as of reporting date. As at December 31, 2014, due from Migros has been classified as “Trade Receivables from third parties”.

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Anadolu Efes Spor Kulübü	Service	42.500	12.500	37.503	12.501
SABMiller Group Companies ⁽⁵⁾	Service and purchase of trade goods	39.518	13.397	33.590	8.657
AEH ^{(2) (3)}	Consultancy service	19.954	6.755	17.472	5.820
Çelik Motor Ticaret A.Ş. ^{(3) (4)}	Vehicle leasing	19.406	6.646	20.255	6.684
Oyex Handels GmbH ^{(3) (4)}	Purchase of materials and fixed assets	18.846	2.864	24.086	6.856
Efestur Turizm İşletmeleri A.Ş. ^{(3) (4)}	Travel and accommodation	7.988	2.044	6.548	2.010
Anadolu Bilişim Hizmetleri A.Ş. ^{(1) (3) (4)}	Information service	5.318	1.528	8.121	2.863
Anadolu Eğitim ve Sosyal Yardım Vakfı	Donations	4.300	1.590	3.868	1.030
AEH Münih ^{(3) (4)}	Purchase of materials and fixed assets	3.973	972	5.607	526
AEH Anadolu Gayrimenkul Yatırımları A.Ş. ⁽⁴⁾	Service	1.375	438	1.340	447
Arge Danışmanlık A.Ş.	Consultancy service	406	127	325	89
Ahmet Boyacıoğlu	Consultancy service	243	81	193	65
Mehmet Cem Kozlu	Consultancy service	203	68	103	39
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. ^{(3) (4) (6)}	Rent Expense	16	1	13	-
Other		63	44	370	94
		164.109	49.055	159.394	47.681

Finance Income / (Expenses), Net

	Nature of transaction	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Alternatifbank ^{(3) (4)}	Interest income and other financial expenses	12.286	2.162	20.329	6.733

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Migros ^{(4) (7)}	Sales income	119.130	119.130	-	-
SSDSD	Sales income	2.345	581	4.226	2.907
AEH Anadolu Gayrimenkul Yatırımları A.Ş. ⁽⁴⁾	Fixed asset sales income	808	19	-	-
SABMiller Group Companies ⁽⁵⁾	Other income	713	163	6.279	1.734
Çelik Motor Ticaret A.Ş. ^{(3) (4)}	Other income	460	117	32	10
Alternatifbank ^{(3) (4)}	Rent income	100	31	93	32
Anadolu Bilişim Hizmetleri A.Ş. ^{(1) (3) (4)}	Rent income	44	40	6	2
AEH ^{(2) (3)}	Other income	12	4	855	569
Other		112	64	77	17
		123.724	120.149	11.568	5.271

(1) Non-current financial investment of the Group

(2) The shareholder of the Group

(3) Related party of Yazıcılar Holding A.Ş. (a shareholder)

(4) Related party of AEH (a shareholder)

(5) Related parties of SABMiller Harmony Ltd. (a shareholder)

(6) Related party of Özilhan Sınai Yatırım A.Ş. (a shareholder)

(7) Migros Ticaret A.Ş. and its subsidiaries (Migros) have been defined as related party after AEH, shareholder of the company, has participated indirectly in Migros Ticaret A.Ş. in July 2015. Consequently, transactions with Migros for the period between 1 July – 30 September 2015, have been disclosed as “Revenue and Other Income / (Expense), Net” under “Transactions with Related Parties”.

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties (continued)

Director’s remuneration

As of September 30, 2015 and 2014, total benefits to Anadolu Efes Board of Directors are TRL205 and TRL196, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of September 30, 2015 and 2014 are as follows:

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Short-term employee benefits	19.507	5.498	15.947	4.727
Post-employment benefits	-	-	-	-
Other long term benefits	774	104	1.551	115
Termination benefits	350	-	963	-
Share-based payments	-	-	-	-
	20.631	5.602	18.461	4.842

NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group’s principal financial instruments comprise bank borrowings, finance leases, cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group’s operations. Besides, The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group’s financial instruments can be identified as foreign currency risk, credit risk, interest rate risk, price risk and liquidity risk. The Group management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments.

a) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative instruments.

The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap (IRS) agreement. Total outstanding amount of IRS agreements was USD43 million as of September 30, 2015 (December 31, 2014 – none).

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group’s exposure to market risk for changes in interest rates relates primarily to the Group’s debt obligations.

b) Foreign Currency Risk

Foreign currency risk arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group’s functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. Group’s foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

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NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of September 30, 2015 and December 31, 2014 are presented below:

Foreign Currency Position Table						
September 30, 2015						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	120.321	5.641	17.167	1.054	3.606	99.548
2a. Monetary Financial Assets (Cash and cash equivalents included)	878.154	255.965	778.978	19.823	67.822	31.354
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	80.216	96	292	2.127	7.277	72.647
4. Current Assets	1.078.691	261.702	796.437	23.004	78.705	203.549
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	7.722	62	189	1.941	6.641	892
8. Non-Current Assets	7.722	62	189	1.941	6.641	892
9. Total Assets	1.086.413	261.764	796.626	24.945	85.346	204.441
10. Trade Payables and Due to Related Parties	(217.410)	(20.965)	(63.803)	(22.461)	(76.847)	(76.760)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(425.623)	(112.226)	(341.537)	(24.528)	(83.919)	(167)
12a. Monetary Other Liabilities	(58.411)	(2.359)	(7.179)	(138)	(472)	(50.760)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	(701.444)	(135.550)	(412.519)	(47.127)	(161.238)	(127.687)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(4.338.152)	(1.148.072)	(3.493.928)	(236.882)	(810.459)	(33.765)
16 a. Monetary Other Liabilities	(112.553)	(36.984)	(112.553)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	(4.450.705)	(1.185.056)	(3.606.481)	(236.882)	(810.459)	(33.765)
18. Total Liabilities	(5.152.149)	(1.320.606)	(4.019.000)	(284.009)	(971.697)	(161.452)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	43.367	14.250	43.367	-	-	-
19a. Total Hedged Assets	43.367	14.250	43.367	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(4.022.369)	(1.044.592)	(3.179.007)	(259.064)	(886.351)	42.989
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(4.153.674)	(1.059.000)	(3.222.855)	(263.132)	(900.269)	(30.550)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	8.500	2.793	8.500	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2014						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	67.998	5.119	11.870	730	2.060	54.068
2a. Monetary Financial Assets (Cash and cash equivalents included)	536.667	215.103	498.802	4.070	11.479	26.386
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	57.073	91	211	202	570	56.292
4. Current Assets	661.738	220.313	510.883	5.002	14.109	136.746
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	38.224	-	-	11.050	31.168	7.056
8. Non-Current Assets	38.224	-	-	11.050	31.168	7.056
9. Total Assets	699.962	220.313	510.883	16.052	45.277	143.802
10. Trade Payables and Due to Related Parties	(199.226)	(16.030)	(37.171)	(24.139)	(68.090)	(93.965)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(494.861)	(212.961)	(493.835)	(364)	(1.026)	-
12a. Monetary Other Liabilities	(22.619)	(2.360)	(5.473)	(114)	(321)	(16.825)
12b. Non-monetary Other Liabilities	(3.261)	-	-	(3)	(9)	(3.252)
13. Current Liabilities	(719.967)	(231.351)	(536.479)	(24.620)	(69.446)	(114.042)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.098.757)	(1.176.846)	(2.728.988)	(131.091)	(369.769)	-
16 a. Monetary Other Liabilities	(85.760)	(36.983)	(85.760)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	(3.184.517)	(1.213.829)	(2.814.748)	(131.091)	(369.769)	-
18. Total Liabilities	(3.904.484)	(1.445.180)	(3.351.227)	(155.711)	(439.215)	(114.042)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	73.834	31.840	73.834	-	-	-
19a. Total Hedged Assets	73.834	31.840	73.834	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.130.688)	(1.193.027)	(2.766.510)	(139.659)	(393.938)	29.760
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.296.558)	(1.224.958)	(2.840.555)	(150.908)	(425.667)	(30.336)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-
23. Total value of Hedged Foreign Currency Assets	3.005	1.052	3.005	-	-	-

As of September 30, 2015, intercompany principal loan receivables of CCI with an amount of USD 202,0 million from its subsidiaries which have been provided to finance their ongoing investment activities and working capital requirements was netted on foreign currency position (As of December 31, 2014 and September 30, 2014, USD 223,9 million and USD 207,9 million was netted on foreign currency position table and on foreign currency position sensitivity analysis respectively).

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NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of September 30, 2015 and 2014 is as follows:

	1 January - 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Total Export	174.682	93.139	142.084	52.779
Total Import	1.373.658	624.732	1.309.233	412.645

The following table demonstrates the sensitivity analysis of foreign currency as of September 30, 2015 and 2014:

	Foreign Currency Position Sensitivity Analysis			
	September 30, 2015 ^(*)		September 30, 2014 ^(*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency (*)
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(322.286)	322.286	(276.120)	276.120
USD denominated hedging instruments (-)	4.337	(4.337)	6.837	(6.837)
Net effect in USD	(317.949)	317.949	(269.283)	269.283
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(90.027)	90.027	(24.731)	24.731
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(90.027)	90.027	(24.731)	24.731
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	(3.055)	3.055	11.098	(11.098)
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	(3.055)	3.055	11.098	(11.098)
TOTAL	(411.031)	411.031	(282.916)	282.916

(*) Monetary assets and liabilities eliminated in scope of consolidation are not included.

	Foreign Currency Position Sensitivity Analysis			
	September 30, 2015		September 30, 2014	
	Equity			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	389.056	(389.056)	525.566	(525.566)
USD denominated hedging instruments (-)	-	-	-	-
Net effect in USD	389.056	(389.056)	525.566	(525.566)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	3.585	(3.585)	2.553	(2.553)
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	3.585	(3.585)	2.553	(2.553)
TOTAL	392.641	(392.641)	528.119	(528.119)

c) Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

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NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

d) Price Risk

This is a combination of currency, interest and market risks which the Group manages through natural hedges that arise from offsetting the same currency receivables and payables, interest bearing assets and liabilities. Market risk is closely monitored by the management using the available market information and appropriate valuation methods.

e) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by limiting transactions with specific counterparties and continually assessing the creditworthiness of the counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group also obtains guarantees from the customers when appropriate.

f) Capital Risk Management

The Group's policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group periodically measures Net Debt to EBITDA ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents from total borrowings.

NOTE 26. FINANCIAL INSTRUMENTS

Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The optimum fair value of a financial instrument is the quoted market value, if any.

The financial assets and liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates. The following methods and assumptions were used to estimate the fair value of each class of financial instrument of the Group for which it is practicable to estimate a fair value:

a) Financial Assets

The fair values of certain financial assets carried at cost in the consolidated financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

b) Financial Liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

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NOTE 26. FINANCIAL INSTRUMENTS (continued)

Derivative Instruments, Risk Management Objectives and Policies

Derivative instruments are initially measured at cost. After initial recognition, derivatives are measured at fair value.

As of September 30, 2015 CCI has 12 aluminum swap transactions with a total nominal amount of TRL66.476 for 12.290 tones (December 31, 2014 – TRL 17.811). As of September 30, 2015 CCI has fx forward transactions with a total nominal amount of TRL16.738, for 3 forward purchase contracts amounting to USD 5,5 million (December 31, 2014 – TRL62.239).

As of September 30, 2015 Turkey Beer has foreign currency forward transactions with a total nominal amount of TRL 3.804 (December 31, 2014 – TRL11.595), for three forward purchase contracts.

As of September 30, 2015 International Beer has option transactions with a total nominal amount of TRL22.825 (December 31, 2014 – None), for three option contracts.

As of September 30,2015, the Group has designated its bank deposits amounting to TRL169.532 (equivalent of thousand USD40.361, thousand EURO10.000 and thousand RUR271.324 for the future raw material and fixed asset purchases in the scope of hedge accounting (December 31, 2014 – TRL62.610, equivalent of million USD27).

NOTE 27. EVENTS AFTER REPORTING PERIOD

None.

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