

ANADOLU EFES 2Q2016 & 1H2016 EARNINGS RELEASE

Istanbul, August 16 , 2016 – Anadolu Efes (BIST: AEFES.IS) today announced:

1H2016 HIGHLIGHTS

Consolidated sales volume down 0.2% to 42.7 mhl (excl. Ukraine up 0.4%)
 Consolidated net sales revenue down 1.0% to TL 5,022.0 million
 Consolidated EBITDA (BNRI) down 2.2% to TL 886.0 million
 Consolidated Free Cash Flow was TL 49.4 million versus negative TL170.8 million in 1H2015

SECOND QUARTER HIGHLIGHTS

Consolidated sales volume up 1.8% to 26.2 mhl (excl. Ukraine up 2.0%)
 Consolidated net sales revenue down 1.7% to TL 3,088.7 million
 Consolidated EBITDA (BNRI) up 0.6% to TL 633.1 million

AEFES Consolidated (TL mn)	2Q2015	2Q2016	% change	1H2015	1H2016	% change
Volume (mhl)	25.7	26.2	1.8%	42.8	42.7	-0.2%
Net Sales	3,143.6	3,088.7	-1.7%	5,074.7	5,022.0	-1.0%
Gross Profit	1,370.8	1,304.6	-4.8%	2,159.6	2,036.6	-5.7%
EBIT (BNRI)	439.4	423.5	-3.6%	524.9	470.5	-10.4%
EBITDA (BNRI)	629.2	633.1	0.6%	906.2	886.0	-2.2%
Net Income/(Loss)*	172.5	171.9	-0.4%	-39.4	232.2	689.0%
			Change (bps)			Change (bps)
Gross Profit Margin	43.6%	42.2%	-137	42.6%	40.6%	-200
EBIT (BNRI) Margin	14.0%	13.7%	-27	10.3%	9.4%	-98
EBITDA (BNRI) Margin	20.0%	20.5%	48	17.9%	17.6%	-21
Net Income Margin*	5.5%	5.6%	8	-0.8%	4.6%	540

* Net income attributable to shareholders

Consolidated sales volume was flat at 42.7 mhl in 1H2016 backed by the soft drink business which grew by a strong 4.9% in the second quarter. Our beer volumes performed better in 2Q2016 than in the first quarter of the year, with a slower decline of 7.8%. Excluding Ukraine, the consolidated first half sales volume grew by 0.4%.

Consolidated sales revenue was realized at TL 5,022.0 million in 1H2016 and TL 3,088.7 million in 2Q2016. Local currency price increases in all business segments supported top line; however, the consolidated revenue was down in 1H2016 versus last year mainly driven by devaluation of Russian Ruble and Central Asian currencies against TL on a y-o-y basis.

Consolidated EBITDA (BNRI) was TL 886.0 million in 1H2016 declining by 2.2% over 1H2015. The adverse effects of higher raw material prices in beer operations, higher F/X based costs due to devaluations in both segments as well as higher fixed costs in beer group were more than offset by tight expense management in all operations and higher operating profitability in soft drink segment, which resulted in consolidated EBITDA (BNRI) margin expansion of 48 bps in 2Q2016 over 2Q2015.

Consolidated net income was TL 232.2 million in 1H2016 compared to TL 39.4 million loss in 1H2015. Thanks to the appreciation of local currencies against USD in 1H2016, a non-cash fx gain of TL 69.9 million contributed positively to the bottom line in 1H2016. We delivered TL 49.4 million FCF in 1H2016 which was in red territory in the same time period of 2015. The improvement in FCF is owing to the continued tight capex policy as well as the improvement in working capital. Accordingly, our consolidated net leverage ratio was to 2.1x as of June 30, 2016.

SUMMARY FINANCIALS

Consolidated (TL mn)	2Q2015	2Q2016	Change %	1H2015	1H2016	Change %
Volume (mhl)	25.7	26.2	1.8%	42.8	42.7	-0.2%
Net Sales	3,143.6	3,088.7	-1.7%	5,074.7	5,022.0	-1.0%
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EBITDA (BNRI) Margin	20.0%	20.5%	48	17.9%	17.6%	-21
Net Income Margin*	5.5%	5.6%	8	-0.8%	4.6%	540
Beer Group (TL mn)	2Q2015	2Q2016	Change %	1H2015	1H2016	Change %
Volume (mhl)	6.2	5.7	-7.8%	10.9	9.7	-11.2%
Net Sales	1,101.0	959.7	-12.8%	1,829.0	1,591.7	-13.0%
Gross Profit	597.7	505.8	-15.4%	976.7	821.2	-15.9%
EBIT (BNRI)	169.8	122.2	-28.1%	184.8	128.3	-30.6%
EBITDA (BNRI)	262.4	211.0	-19.6%	378.4	308.8	-18.4%
Net Income/(Loss)*	149.7	113.6	-24.1%	-14.8	161.2	1192.5%
			Change (bps)			Change (bps)
Gross Profit Margin	54.3%	52.7%	-158	53.4%	51.6%	-181
EBIT (BNRI) Margin	15.4%	12.7%	-270	10.1%	8.1%	-204
EBITDA (BNRI) Margin	23.8%	22.0%	-184	20.7%	19.4%	-129
Net Income Margin*	13.6%	11.8%	-176	-0.8%	10.1%	1,093
Turkey Beer (TL mn)	2Q2015	2Q2016	Change %	1H2015	1H2016	Change %
Volume (mhl)	1.9	1.7	-9.9%	3.4	2.9	-13.7%
Net Sales	419.3	403.2	-3.9%	759.1	686.5	-9.6%
Gross Profit	257.4	243.5	-5.4%	468.8	400.8	-14.5%
EBIT (BNRI)	97.3	74.8	-23.1%	170.0	98.4	-42.1%
EBITDA (BNRI)	134.0	116.2	-13.3%	243.4	181.9	-25.3%
Net Income/(Loss)*	32.1	31.6	-1.5%	-24.0	71.9	400.1%
			Change (bps)			Change (bps)
Gross Profit Margin	61.4%	60.4%	-100	61.8%	58.4%	-338
EBIT (BNRI) Margin	23.2%	18.6%	-464	22.4%	14.3%	-807
EBITDA (BNRI) Margin	32.0%	28.8%	-312	32.1%	26.5%	-557
Net Income Margin*	7.7%	7.8%	19	-3.2%	10.5%	1,363
EBI (USD mn)	2Q2015	2Q2016	Change %	1H2015	1H2016	Change %
Volume (mhl)	4.4	4.1	-6.9%	7.6	6.8	-10.1%
Net Sales	256.7	188.5	-26.6%	413.5	305.5	-26.1%
Gross Profit	128.5	88.3	-31.3%	195.9	141.0	-28.1%
EBIT (BNRI)	34.0	20.5	-39.6%	17.2	18.3	6.6%
EBITDA (BNRI)	54.2	36.7	-32.3%	63.1	51.0	-19.1%
Net Income/(Loss)*	34.1	28.6	-16.1%	-2.0	35.9	1927.5%
			Change (bps)			Change (bps)
Gross Profit Margin	50.0%	46.8%	-323	47.4%	46.1%	-124
EBIT (BNRI) Margin	13.2%	10.9%	-235	4.2%	6.0%	184
EBITDA (BNRI) Margin	21.1%	19.5%	-164	15.2%	16.7%	145
Net Income Margin*	13.3%	15.2%	189	-0.5%	11.8%	1,224
CCI (TL mn)	2Q2015	2Q2016	Change %	1H2015	1H2016	Change %
Volume (mn u/c)	343.2	360.1	4.9%	561.6	581.9	3.6%
Net Sales	2,042.6	2,129.0	4.2%	3,245.7	3,430.3	5.7%
Gross Profit	773.8	802.9	3.8%	1,184.5	1,220.4	3.0%
EBIT	272.4	297.3	9.1%	346.9	341.6	-1.5%
EBITDA	368.2	423.8	15.1%	529.9	578.8	9.2%
Net Income/(Loss)*	149.2	148.1	-0.7%	58.6	177.5	203.1%
			Change (bps)			Change (bps)
Gross Profit Margin	37.9%	37.7%	-17	36.5%	35.6%	-92
EBIT Margin	13.3%	14.0%	63	10.7%	10.0%	-73
EBITDA Margin	18.0%	19.9%	188	16.3%	16.9%	55
Net Income Margin*	7.3%	7.0%	-35	1.8%	5.2%	337

* Net income attributable to shareholders

MANAGEMENT COMMENTS

“In the first half of 2016, we were able to maintain our consolidated sales volumes flat at 42.7 mhl with net sales revenues of TL5.0 billion and almost flat EBITDA (BNRI) margin, and therefore I am happy to say that we were able to achieve our guidance and generate positive FCF.” **commented Mr. Robin Goetzsche, Anadolu Efes CEO and Efes Beer Group President.**

“I would like to mention once again that focusing on premiumization and pricing is still vital for our business to drive value and maintain profitability. We have been generating strong FCF in the last couple of years and we target this to continue in 2016 as well. We are eager to achieve this by concentrating on the top line, accelerating the cost optimization to sustain our margins and putting working capital management in the core of our focus. We have recently gone through a restructuring in our HQ to optimize our headcount which is to be followed by several cost and expense optimization programs in our operations.

Our operations continue to face geo-political, regulatory and competitive challenges. In Turkey, the unfortunate terrorist attacks, have directly hit the consumer confidence and affected our volumes. Number of tourist arrivals declined more than 25% in the period where Russian tourists accounting for the largest decline. Lower tourism more adversely affected our sales volume due to our stronger presence in touristic areas. However, we are pretty optimistic about normalized relations with Russia and Israel and believe this will create mid-to-long term opportunities for us. Regarding the recent regretful military coup attempt Turkey has faced, the government took instant and effective measures to make sure the daily life rapidly returns to normal. Similarly, we as Anadolu Efes have taken all the necessary measures in order to carry out business as usual without any disruption. Naturally as an initial response, we are witnessing some negative consumer sentiment, yet we have not observed any impact that could be detrimental to our operating capabilities.

In Russia, our strong focus on priority brands is bearing fruits and we are delivering growth by benefiting also from more focused resource allocation. Our volumes have been performing better than planned since the beginning of the year with stabilized market share both in traditional and modern trade channels. More stable macro outlook in Russia, relative affordability of beer as well as postponement of the PET size restrictions from mid-June 2016 to 2017 combined with favorable weather conditions supported the market volumes as well as ours. On top of volume performance, our Russian management has done a great job in shifting the portfolio to a more premium direction, drove G&A and route to market efficiencies and followed a strict cost cutting routine, thereby maximizing value in this very challenging environment.

In the light of the above mentioned points, we are revising our outlook for 2016 for Turkish and Russian beer operations; however on Anadolu Efes consolidated basis we are reiterating our guidance and we are improving our Beer Group volume guidance from a decline of mid-single digits to a decline of a mere low single digits. We now expect the Turkish beer market to decline in mid-single digit and our own domestic volumes to decline mid-to-high single digits. For the Russian beer market, we now expect a decline in low-to-mid-single digits and our volumes to outperform the market.”

OPERATIONAL PERFORMANCE - BEER GROUP

TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	2Q2015	2Q2016	% change	1H2015	1H2016	% change
Volume (mhl)	1.9	1.7	-9.9%	3.4	2.9	-13.7%
Net Sales	419.3	403.2	-3.9%	759.1	686.5	-9.6%
Gross Profit	257.4	243.5	-5.4%	468.8	400.8	-14.5%
EBIT (BNRI)	97.3	74.8	-23.1%	170.0	98.4	-42.1%
EBITDA (BNRI)	134.0	116.2	-13.3%	243.4	181.9	-25.3%
Net Income/(Loss)*	32.1	31.6	-1.5%	-24.0	71.9	400.1%
	Change (bps)			Change (bps)		
Gross Profit Margin	61.4%	60.4%	-100	61.8%	58.4%	-338
EBIT (BNRI) Margin	23.2%	18.6%	-464	22.4%	14.3%	-807
EBITDA (BNRI) Margin	32.0%	28.8%	-312	32.1%	26.5%	-557
Net Income Margin*	7.7%	7.8%	19	-3.2%	10.5%	1363

* Net income attributable to shareholders

Domestic volumes in 1H2016 were 2.7 mhl indicating a decline of 14.5% y-o-y. Volume performance in the quarter was relatively better than the first quarter despite continued challenges and further impact of Ramadan starting earlier. As a result of the geopolitical developments and the unfortunate terrorist attacks, consumer confidence in Turkey continued to deteriorate during the period. Furthermore, number of foreign visitors declined by over 25% year on year in the first 6 months of the year, Russian tourists accounting for the largest decline. Above inflation excise tax hike in Jan-2016 resulted in affordability issues in the market as well.

Exports out of Turkey were up by 6.7% in 2Q2016 and down by 4.6% in 1H2016. Accordingly, total sales volume of Turkey beer operations was at 1.7 mhl in 2Q2016 and 2.9 mhl in 1H2016.

We welcomed the high season with additional launches and relaunches as part of our strategy to invest behind our brands. Efes Pastörsüz, the unpasteurized fresh lager with a 2-month limited shelf life and Efes Brewmaster Series, craft Ale series were introduced to consumers as new beer types and flavors.

Average per liter price was up by 4.8% on the back of price increases and higher export revenues which led the revenues to perform better than volumes in 1H2016 on a y-o-y basis. Revenues were at TL 686.5 million in 1H2016 and TL 403.2 million in 2Q2016.

Per liter cost of sales (excl. depreciation) increased by 12.1% in 1H2016 and by 8.0% in 2Q2016 vs previous year, mainly due to higher F/X-based raw material prices on the back of weaker TL and higher fixed costs compared to 2015. When compared to first quarter of 2016 there is significant improvement in gross margin which is attributable to the relatively better volume performance in 2Q, as well as more favorable F/X hedges compared to 1Q. Accordingly, gross margin was reported at 60.4% in 2Q2016 compared to 55.5% in 1Q2016, bringing the margin to 58.4% in 1H2016.

Turkey beer operations' EBITDA was reported at TL181.9 million, indicating an EBITDA margin of 26.5% in 1H2016. Apart from the y-o-y decline in gross margin, higher fixed operational expenses at lower volumes led EBITDA margin to decline by 315 bps to 28.8% in the second quarter of the year, with an absolute EBITDA of TL116.2 million.

Bottom line turned green with TL 71.9 million net profit in 1H2016 versus a net loss of TL 24.0 million in 1H2015. TL appreciation versus USD and EUR in the first half of the year compared to 2015 year-end supported bottom line.

INTERNATIONAL BEER OPERATIONS

International Beer (USD mn)	2Q2015	2Q2016	% change	1H2015	1H2016	% change
Volume (mhl)	4.4	4.1	-6.9%	7.6	6.8	-10.1%
Net Sales	256.7	188.5	-26.6%	413.5	305.5	-26.1%
Gross Profit	128.5	88.3	-31.3%	195.9	141.0	-28.1%
EBIT (BNRI)	34.0	20.5	-39.6%	17.2	18.3	6.6%
EBITDA (BNRI)	54.2	36.7	-32.3%	63.1	51.0	-19.1%
Net Income/(Loss)*	34.1	28.6	-16.1%	-2.0	35.9	1927.5%
			Change (bps)			Change (bps)
Gross Profit Margin	50.0%	46.8%	-323	47.4%	46.1%	-124
EBIT (BNRI) Margin	13.2%	10.9%	-235	4.2%	6.0%	184
EBITDA (BNRI) Margin	21.1%	19.5%	-164	15.2%	16.7%	145
Net Income Margin*	13.3%	15.2%	189	-0.5%	11.8%	1224

* Net income attributable to shareholders

The consolidated sales volume of EBI was better than expectations at 6.8 mhl in 1H2016 with a 10.1% decline versus the same period of the previous year. Second quarter was much stronger than the first, the decline slowing down to 6.9% in 2Q2016 from 14.4% in the first quarter. Excluding Ukraine, the decline in the second quarter and first half were 5.7% and 7.2%, respectively.

Although macroeconomic and geopolitical challenges persisted through the second quarter in our region, in Russia we enjoyed a strong 1H by maintaining share in a market that declined by much less than expected, and by continuing to grow our higher margin brands. Our ability to grow share whilst improving margins, is testament to our revenue management and cost control capabilities. In EBI countries other than Russia, consumer confidence and pricing are still the main issues shaping the market and we maintain our leadership position in all the countries except for Ukraine, as a result of our successful innovations and execution.

Revenue per liter grew on a local currency basis on the back of price increases in all operations as well as positive geographical and brand mix. In the reporting currency (USD), however, consolidated net sales revenue was down by 26.1% to USD 305.5 million in 1H2016 given the country weighted currency devaluations of 32% on a y-o-y basis.

Gross profit margin declined 124 bps y-o-y in 1H2016 in line with expectations despite 204 bps margin expansion in 1Q2016 which mainly was a result of stock carry over effect in the first quarter of the year. The pressure of higher raw material prices as well as higher fixed costs due to lower volumes and local currency depreciations on COGS was mostly mitigated by the hedging tools and cost savings which led to limited decline on gross profitability.

Tightly controlled operational expenses as well as ongoing cost optimization programs through all international operations supported profitability despite lower gross margin in 1H2016. EBIT (BNRI) increased by 6.6% in 1H2016 y-o-y with a margin improvement of 184 bps. This was translated slightly less into EBITDA (BNRI) because of the F/X conversion effect and the lower capex. Thus, in 1H2016, EBI's EBITDA (BNRI) was USD 51.0 million with a margin of 16.7% up by 145 bps versus last year.

The combination of higher operational profitability and an F/X gain of USD 25.5 million, meant the bottom line recorded a profit of USD 35.9 million in 1H2016 versus a loss of USD 2.0 million in 1H2015.

OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

MANAGEMENT COMMENTS

Burak Basarir, Chief Executive Officer of Coca-Cola İçecek, commented: "The first half of 2016 demonstrates a better-than-planned performance, thanks to strong top line growth both in Turkey and Pakistan. We are maintaining momentum despite a tougher operating environment, with some stabilization in Central Asia and continued headwinds in Iraq. Volume, revenue and EBITDA growth in the first half prove the soundness of our strategy as well as the growth potential of our promising geography.

As trading environment remains volatile in our markets, we continue to focus on driving resilience in our business through revenue growth and margin management as well as superior execution in the marketplace. Our plans to meet a challenging second half in Turkey is already in place while in Pakistan, effective revenue growth management is expected to support profitable growth. In Central Asia, our priority remains to protect our consumer base through being affordable.

The performance in the first half of 2016 allows us to confirm our guidance for the full year. We do not expect any incremental risks other than the usual operational risks in Turkey while Pakistan and Central Asia performed ahead of our expectations in the first half. Given relatively lower CapEx spending and no immediate refinancing needs in 2016, we also expect to generate substantial free cash flow. We remain on-track to deliver our business plans to achieve revenue growth and margin expansion, going forward."

Coca-Cola İçecek (TL mn)	2Q2015	2Q2016	% change	1H2015	1H2016	% change
Volume (mn u/c)	343.2	360.1	4.9%	561.6	581.9	3.6%
Net Sales	2,042.6	2,129.0	4.2%	3,245.7	3,430.3	5.7%
Gross Profit	773.8	802.9	3.8%	1,184.5	1,220.4	3.0%
EBIT	272.4	297.3	9.1%	346.9	341.6	-1.5%
EBITDA	368.2	423.8	15.1%	529.9	578.8	9.2%
Net Income/(Loss)*	149.2	148.1	-0.7%	58.6	177.5	203.1%
			Change (bps)			Change (bps)
Gross Profit Margin	37.9%	37.7%	-17	36.5%	35.6%	-92
EBIT Margin	13.3%	14.0%	63	10.7%	10.0%	-73
EBITDA Margin	18.0%	19.9%	188	16.3%	16.9%	55
Net Income Margin*	7.3%	7.0%	-35	1.8%	5.2%	337

* Net income attributable to shareholders

Consolidated sales volume increased by 4.9% to 360.1 million uc in 2Q2016, while volume was up by 3.6% to 581.9 million uc in 1H2016. Turkey sales volume made up 50% of total volume in 1H2016, compared to 51% in 1H2015.

Turkey operations delivered 3.6% volume growth in 2Q2016 while sales volume was up by 2.6% to 292.2 million uc in the first half of 2016. Sparkling category volume registered 2.7% growth in 2Q2016 with the number of transactions slightly lagging behind volume growth, which is mainly attributable to Ramadan promotions supporting future consumption (FC) packages. Sparkling volume declined by 2.1% in 1H2016 due to contraction in the first quarter. Nonetheless, transactions grew ahead of unit case volumes in 1H2016. Still beverages, including water, grew by 4.5% in 2Q16, driven by double digit volume growth of the ice tea and high single digit growth in water categories. In the first half of the year, still category delivered 12.6% volume growth, led by water and ice tea categories. Non-ready-to-drink (NRTD) tea category delivered 5.8% and 2.9% volume growth in 2Q16 and 1H16, respectively.

International operations delivered 6.3% volume growth in 2Q2016, mainly driven by Pakistan operations. Sales volume of international operations reached 289.7 million uc in the first half of the year, translating into 4.7% y-o-y growth. In Pakistan, volume growth was quite strong in 2Q16 with 28.1%, bringing 1H2016 figure to 22.6%. Effective revenue growth management continues to support

both volumes and profitability in Pakistan. Central Asia volume was down by 16.8% in 2Q2016, bringing 1H2016 figure to 14.8% contraction, cycling the strong base of 1H2015, especially in Kazakhstan. Central Asia delivered a better-than-planned performance thanks to higher than expected oil prices stimulating the economic recovery. However, volume contraction continued due to the sharp currency devaluations towards the end of 2015. Across Middle East, volume contracted by 7.9% in 2Q2016, while 1H2016 volume figure was down by 3.8%.

Consolidated net revenue increased by 4.2% in 2Q2016, bringing 1H2016 figure to TL 3,430.3 million. Net revenue per unit case rose by 2.0% to TL 5.90 in 1H2016, mainly driven by Turkey operations. In Turkey, net revenue increased by 8.5% in 2Q2016, bringing 1H2016 figure to TL 1,782.0 million. Net revenue per unit case increased by 6.0% to TL 6.10 in 1H2016, mostly reflecting the price increases on selective FC packages in early 2016. On the other hand, growth in the net revenue per unit case decelerated to 4.8% in 2Q2016 compared to 1Q2016, as Ramadan promotions that support larger packages had some dilutive impact on revenue per uc. In international operations, net revenue declined by 9.8% in 2Q2016, bringing 1H2016 figure to USD 565.0 million. Net revenue per unit case declined by 15.1% to USD 1.93 in 2Q2016. Lower net revenue per unit case was attributable to higher share of FC packages in Pakistan, the impact of currency devaluations in Central Asia and higher trade discounts in Iraq. In 1H2016, net revenue per unit case was down by 14.1% y-o-y.

Consolidated EBITDA increased by 9.2% in 1H2016, with EBITDA margin expanding by 55 bps to 16.9%, mostly underpinned by the performance of international operations. In Turkey operations, the increase in the cost per case was higher compared to the growth in revenue per case, primarily due to adverse impact of foreign exchange rate on packaging materials, in 1H2016. In addition, necessary provisions related with the recent collective bargaining agreement was recorded in 2Q2016. Hence, gross margin contracted both in 2Q2016 and 1H2016. Operating expenses per unit case was up by 1.0% and 5.3% in 2Q2016 and 1H2016, respectively, primarily due to marketing expenses. Therefore, EBIT & EBITDA margins, excluding other, contracted both in 2Q2016 and in 1H2016. In international operations, favorable impact of lower raw material costs compensated for lower revenue per unit case to a large extent, paving the way for 153 bps expansion in gross margin in 2Q2016. In addition, lower operating expenses, mainly reflecting weak local currencies and cost savings, supported EBITDA margin in 1H2016, providing 242 bps expansion over 1H2015. In 2Q2016 and 1H2016, Pakistan and Middle East operations delivered EBITDA margin expansion while Central Asia operations showed some contraction, as expected.

Net financial expenses was TL 76.9 million in 1H2016 compared to TL 266.6 million in 1H2015, thanks to lower net FX loss. Accordingly, CCI recorded net income of TL 177.5 million compared to TL 58.6 million in 1H2015.

Given low capex spending and net working capital/sales, FCF turned positive in 1H2016.

Net debt/EBITDA ratio realized as 2.1x.

CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	1H2015	1H2016
Profit/loss from Operations	514.3	468.1
Depreciation and amortization	358.2	383.9
Provision for retirement pay liability	8.0	9.1
Provision for vacation pay liability	10.8	12.4
Foreign exchange gain/loss from operating activities	1.4	7.3
Rediscount interest income/expense from operating activities	1.0	0.8
Other	2.0	2.1
EBITDA	895.6	883.7
EBITDA (BNRI*)	906.2	886.0

* Non-recurring items amounted to TRL 10.6 million in 1H2015 and TRL 2.4 million in 1H2016

Financial Income / (Expense) Breakdown (TL mn)	1H2015	1H2016
Interest income	42.8	35.7
Interest expense	-108.1	-101.5
Foreign exchange gain / (loss)	-424.4	69.9
Other financial expenses (net)	-12.9	-9.0
Gain/(loss) on derivative transactions	-0.7	-14.0
Net Financial Income / (Expense)	-503.3	-18.8

Anadolu Efes Free Cash Flow (TL mn)	1H2015	1H2016
EBITDA	895.6	883.7
Change in Working Capital	-414.5	-331.6
Income Taxes & Employee Benefits Paid	-94.0	-43.7
CAPEX, net	-645.1	-376.4
Net Financial Income / (Expense)	90.9	-68.4
FCF	-167.0	63.5
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-3.7	-14.1
FCF (after investing activities)	-170.8	49.4

TL mn	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated	5,331.6	1,691.7	-3,639.9
Beer Group	2,157.3	815.0	-1,342.3
CCI	3,174.3	876.8	-2,297.5
Net Debt / EBITDA (BNRI)	1H2015	2015YE	1H2016
Anadolu Efes Consolidated	2.4	2.0	2.1
Beer Group	1.9	1.6	2.1

OUTLOOK

ON A CONSOLIDATED BASIS

We reiterate Anadolu Efes' consolidated financial outlook for 2016. Therefore, we keep our guidance intact for Anadolu Efes consolidated results.

Sales volume is to grow by low single digit.

Sales revenue is to grow in mid-single digits, with the contribution of local currency price increases in all operations.

EBITDA (BNRI) is to grow in absolute terms with flattish to slightly lower margin.

Consolidated capex to net sales ratio is foreseen to be lower than 2015, at high-single digits in 2016, owing to expected lower ratio in soft drink. In beer group, we still intend to keep capex at optimized levels and keep capex (excl. packaging)/net sales ratio at mid-single digit levels which is parallel to last year.

Consolidated FCF is to improve in 2016 with higher contribution expected from soft drinks. Beer Group is to deliver solid FCF in 2016, yet lower compared to 2015 due to the cycling effects of a very strong base. With significantly less capex requirements, soft drink side is expected to generate a significant positive FCF in 2016.

BEER OPERATIONS

We revise our guidance for total beer sales volumes as low-single digit decline (*previously: mid-single digit decline*) on the back of improved expectations for Russia despite a lower volume forecast for Turkey beer.

Geopolitical developments, lower tourism, social unrest, lower consumer confidence and affordability issues in consequence of higher excise taxes have put pressure in market volumes and resulted in weaker than expected performance both for the market and our own volumes in the first half of the year in Turkey. Therefore, we now expect Turkish beer market to decline mid single digit (*previously: low-single digit decline*) and our own domestic volumes to decline mid-to-high single digit (*previously: flattish*). Our higher exposure of volumes in on-trade channel which was negatively impacted by lower tourism activity is the reason for more conservative expectation vs market.

The Russian beer market has performed considerably better than our original expectations, mostly because of improving consumer sentiment and macroeconomic conditions and partly due to prolonged periods of favorable weather. And with the eventual PET restrictions being implemented from January 2017, we now expect the Russian beer market to decline in low-to-mid-single digits (*previously: in line with last year*) and foresee that our volumes will outperform the market through smart pricing and market share increases in segments where we are under-indexed.

The impact of weaker local currencies and softer volumes in international beer operations is expected to be mitigated by price increases and positive mix effect, leading to a lower decline in net sales revenues than that of volumes in total beer group.

Revenues are to perform better than sales volume in Turkey beer segment, while we expect to grow revenues in local currency basis in all international beer operations.

In addition to lower commodity prices this year, we will continue to utilize hedging tools to manage the impact of FX volatility in our hard currency based COGS and OPEX.

Gross profit margin is forecasted to decline y-o-y mainly due to sharp increases in barley prices and the resumption of excise increase in Russia. The decline in gross margin will be mitigated by continued focus on costs and OPEX savings together with effective currency hedging. Accordingly, we expect EBITDA margin to be only slightly lower compared to the previous year.

Following a very strong base in 2015, we expect to continue delivering strong FCF albeit at a slower pace.

SOFT DRINK OPERATIONS

CCI's consolidated financial outlook for 2016 is reiterated.

FORESEEABLE RISKS FOR 2016

Financial Markets Related: 2016 will be a challenging year for Emerging Markets. Apart from specific country/region economic or political issues, lower global growth and weak commodity prices would put pressure on emerging countries' economic activities and their local currencies. In addition, specific events/political tension may also bring additional volatility. Company has been taking actions to mitigate financial markets related risk as much as possible and manage volatility to some extent. With an accumulated experience of operating in highly volatile markets for long years, we have a successful track record of managing and mitigating risks.

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

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

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



ANADOLU EFES		
Consolidated Income Statements For the Six-Month Period Ended 30.06.2015 and 30.06.2016		
Prepared in accordance with IFRS as per CMB Regulations		
(TL mn)		
	2015/06	2016/06
SALES VOLUME (mhl)	42.8	42.7
SALES REVENUE	5,074.7	5,022.0
Cost of Sales (-)	-2,915.1	-2,985.4
GROSS PROFIT FROM OPERATIONS	2,159.6	2,036.6
Selling, Distribution and Marketing Expenses (-)	-1,192.7	-1,157.8
General and Administrative Expenses (-)	-425.7	-405.8
Other Operating Income	67.8	82.8
Other Operating Expense (-)	-94.6	-87.7
PROFIT FROM OPERATIONS (BNRI)*	524.9	470.5
Income From Investing Activities	4.2	15.2
Expenses From Investing Activities (-)	-2.6	-10.7
Income / (Loss) from Associates	-8.5	-6.8
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	507.4	465.9
Financial Income / Expense (net)	-503.3	-18.8
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	4.1	447.0
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-81.8	-75.7
- Deferred Tax Expense (-) / Income	58.1	-20.2
INCOME/(LOSS) FOR THE PERIOD	-19.6	351.1
Attributable to:		
Non-Controlling Interest	19.8	118.9
EQUITY HOLDERS OF THE PARENT	-39.4	232.2
EBITDA (BNRI)*	906.2	886.0

*Non-recurring items amounted to TL 10.6 million in 1H2015 and TL 2.4 million in 1H2016

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

ANADOLU EFES
Consolidated Balance Sheets as of 31.12.2015 and 30.06.2016
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2015/12	2016/06
Cash & Cash Equivalents	1,891.5	1,691.7
Financial Investments	0.2	0.0
Derivative Instruments	0.3	0.3
Trade Receivables from Third Parties	1,033.4	1,931.2
from Related Parties	106.1	149.6
Other Receivables	57.6	57.3
Inventories	1,102.9	1,157.9
Other Current Assets	750.7	721.1
Total Current Assets	4,942.5	5,709.1
Other Receivables	21.0	17.0
Financial Investments	0.8	0.8
Investments in Associates	66.7	74.3
Property, Plant and Equipment (incl. inv properties)	6,388.2	6,481.2
Other Intangible Assets	8,841.0	8,944.0
Goodwill	1,334.7	1,408.7
Deferred Tax Assets	228.9	223.5
Other Non-Current Assets	220.2	253.3
Total Non-Current Assets	17,101.5	17,402.9
Total Assets	22,044.1	23,112.0
	2015/12	2016/06
Current portion of long term borrowings	478.8	488.1
Short-term Borrowings	265.8	261.9
Derivative Instruments	11.3	2.1
Current Trade Payables to Third Parties	1,000.0	1,484.4
to Related Parties	22.3	53.2
Other Current Payables	646.8	746.8
Provision for Corporate Tax	8.2	34.4
Provisions	92.0	120.1
Other Liabilities	100.0	102.7
Total Current Liabilities	2,625.2	3,293.6
Long-term Borrowings	4,638.6	4,581.7
Non Current Trade Payables	21.3	21.8
Other Non Current Payables	264.6	289.9
Deferred Tax Liability	1,679.0	1,696.6
Other Non Current Liabilities	241.9	279.4
Total Non-Current Liabilities	6,845.4	6,869.4
Total Equity	12,573.5	12,949.0
Total Liabilities and Shareholders' Equity	22,044.1	23,112.0

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

TURKEY BEER OPERATIONS

Highlighted Income Statement Items For the Six-Month Period Ended 30.06.2015 and 30.06.2016
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2015/06	2016/06
SALES VOLUME (mhl)	3.4	2.9
NET SALES	759.1	686.5
GROSS PROFIT FROM OPERATIONS	468.8	400.8
PROFIT FROM OPERATIONS	170.0	98.4
Income / Expense from Investing Activities (net)	1.8	1.2
Financial Income / Expense (net)	-210.2	-19.6
CONTINUING OPERATIONS PROFIT BEFORE TAX	-38.4	80.0
Tax income / (expense)	14.4	-8.1
PROFIT FOR THE YEAR	-24.0	71.9
EBITDA	243.4	181.9

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

TURKEY BEER OPERATIONS

Highlighted Balance Sheet Items as of 31.12.2015 and 31.03.2016
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2015/12	2016/06
Cash, Cash Equivalents and Investment in Securities	363.9	178.6
Trade Receivables from third parties	411.2	813.2
From Related Parties	86.8	101.9
Inventories	247.2	128.7
Other Current Assets	285.2	300.8
Total Current Assets	1,394.3	1,523.3
Investments in Associates	5,878.4	5,892.5
Property, Plant and Equipment	488.3	502.3
Other Non-Current Assets	195.7	222.9
Total Non-Current Assets	6,562.4	6,617.7
Total Assets	7,956.7	8,140.9
Trade Payables to Third Parties	88.6	164.9
To Related Parties	5.6	33.5
Other current payables	397.7	337.3
Current portion of long term borrowings	167.9	169.1
Other Liabilities	33.5	204.5
Total Current Liabilities	693.2	909.3
Long-term Borrowings	1,603.6	1,599.7
Other non current payables	264.5	289.9
Other Liabilities	76.7	106.2
Total Non-Current Liabilities	1,944.8	1,995.8
Shareholders' Equity	5,318.6	5,235.8
Total Liabilities and Shareholders' Equity	7,956.7	8,140.9

Note: Anadolu Efes subsidiaries, excluding brewing and malt production subsidiaries in Turkey and EFPA -the marketing and distribution company of the Group- and Tarbes -hops production company of the Group-, are stated on cost basis in order to provide more comprehensive presentation.

INTERNATIONAL BEER OPERATIONS (EBI)
Highlighted Income Statement Items For the Six-Month Period Ended 30.06.2015 and 30.06.2016
Prepared In Accordance with IFRS as per CMB Regulations
(USD mn)

	2015/06	2016/06
SALES VOLUME (mhl)	7.6	6.8
NET SALES	413.5	305.5
GROSS PROFIT	195.9	141.0
PROFIT FROM OPERATIONS (BNRI)*	17.2	18.3
Income / Expense from Investing Activities	0.1	3.6
Financial Income / Expense (net)	-10.6	26.7
(LOSS)/PROFIT BEFORE TAX	2.6	47.8
Tax income / (expense)	-4.5	-11.8
(LOSS)/PROFIT AFTER TAX	-2.0	36.0
Attributable to		
Minority Interest	0.0	0.0
Equity Holders of the Parent Company	-2.0	35.9
EBITDA (BNRI)*	63.1	51.0

*Non-recurring items amounted to USD 4.1 million in 1H2015 and USD 0.8 million in 1H2016.

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

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

INTERNATIONAL BEER OPERATIONS (EBI)
Highlighted Consolidated Balance Sheet Items as of 31.12.2015 and 30.06.2016
Prepared In Accordance with IFRS
(USD mn)

	2015/12	2016/06
Cash and Cash Equivalents	168.9	207.3
Trade Receivables from Third Parties	62.0	108.4
from Related Parties	0.2	0.4
Inventories	80.8	103.0
Other Current Assets	15.0	18.7
Total Current Assets	326.9	437.8
Property, Plant and Equipment (incl. inv properties)	440.8	457.9
Intangible Assets (including goodwill)	663.6	734.9
Other Non-Current Assets	58.5	56.4
Total Non-Current Assets	1,162.9	1,249.2
Total Assets	1,489.8	1,687.0
Trade Payables, Due to Related Parties and Other Payables	169.5	245.0
Short-term Borrowings (including current portion of long-term debt and lease obligations)	2.2	0.2
Total Current Liabilities	171.7	245.3
Long-term Borrowings (including lease obligations)	77.1	77.5
Trade Payables	0.0	0.0
Other Non-Current Liabilities	66.3	74.2
Total Non-Current Liabilities	143.4	151.7
Total Equity	1,174.7	1,290.0
Total Liabilities and Shareholders' Equity	1,489.8	1,687.0

Note 1: Figures for EBI are obtained from consolidated financial statements prepared in accordance with IFRS.

The functional currency of International Beer Operations (EBI) is USD. In order to present the relevant numbers in terms of TL in 30.06.2015 and 30.06.2016 consolidated financial statements, balance sheet items were converted using the period-end exchange rate and income statement items were converted using the three month average exchange rates for both periods.

SOFT DRINK OPERATIONS (CCI)
Highlighted Income Statement Items For the Six-Month Period Ended 30.06.2015 and 30.06.2016
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2015/06	2016/06
SALES VOLUME (mn u/c)	561.6	581.9
NET SALES	3,245.7	3,430.3
COST OF SALES	-2,061.2	-2,210.0
GROSS PROFIT	1,184.5	1,220.4
Operating Expenses	-836.1	-372.8
Other Operating Income / (Expense) (net)	-1.5	-13.8
EBIT	346.9	341.6
Gain / (Loss) from Associates	-0.6	-0.4
Income / (Expense) from Investing Activities	2.1	1.4
Financial Income / (Expense), net	-266.6	-76.9
INCOME BEFORE MINORITY INTEREST & TAX	81.7	265.7
Tax income / (expense)	-28.7	-54.5
INCOME BEFORE MINORITY INTEREST	53.0	211.2
Attributable to,		
Minority Interest	-5.6	33.6
Net Income attributable to Shareholders	58.6	177.5
EBITDA	529.9	578.8

Note 1: EBITDA comprises of profit from operations, depreciation and other relevant non-cash items up to EBIT.

Note 2: Figures for CCI are obtained from consolidated financial results prepared in accordance with IFRS as per CMB regulations.

SOFT DRINK OPERATIONS (CCI)
Highlighted Balance Sheet Items as of 31.12.2015 and 30.06.2016
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2015/12	2016/06
Cash and Cash Equivalents	1,002.2	876.8
Financial Investments	0.2	0.0
Derivative Instruments	0.3	0.3
Trade Receivables and due from related parties	557.9	990.7
Inventory (net)	620.8	730.8
Other Receivables	34.0	37.8
Other Current Assets	442.9	382.6
Total Current Assets	2,658.3	3,019.0
Property, Plant and Equipment	4,366.7	4,410.9
Intangible Assets (including goodwill)	1,760.8	1,749.8
Other Non- Current Assets	160.0	162.7
Total Non-current Assets	6,287.5	6,323.4
Total Assets	8,945.8	9,342.4
Short-term Borrowings	252.8	98.4
Current Portion of Long-term Borrowings	310.2	318.3
Trade Payables and due to related parties	673.5	987.8
Other Payables	173.9	240.2
Provision for Corporate Tax	0.5	23.5
Short Term Provisions	47.8	64.8
Employee Benefits Payable	21.9	30.0
Other Current Liabilities	41.4	41.8
Total Current Liabilities	1,522.0	1,804.6
Long-term Borrowings	2,810.9	2,757.7
Non -Current Trade Payables and due to related parties	21.3	21.8
Non Current Provisions	52.4	58.0
Deffered Tax Liabilities	281.8	282.0
Other Non- Current Liabilities	115.8	115.2
Total Non-Current Liabilities	3,282.3	3,234.6
Total Equity	4,141.5	4,303.1
Total Liabilities and Shareholders' Equity	8,945.8	9,342.4

Note 1: Figures for CCI are obtained from consolidated financial results prepared in accordance with IFRS as per CMB regulations.

ABOUT ANADOLU EFES

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 15,986, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI, that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

ACCOUNTING PRINCIPLES

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

The attached financial statements in this announcement comprise the income statements for the period ended 30.06.2016 and 30.06.2015 as well as the balance sheets as of 30.06.2016 and 31.12.2015. Figures in 1H2016 and 1H2015 are presented in the reporting currencies of each business division.

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

BEER OPERATIONS' 1H2016 RESULTS PRESENTATION & WEBCAST

Anadolu Efes - Beer Operations' 1H2016 Results Presentation will be held on Wednesday 17th of August 2016 at 16:00 (Istanbul) 14:00 (London) 9:00 (New York).

Audio Conference:

UK Dial-in: +44 20 3043 2440 USA Dial-in: +1877 887 4163

TR Dial-in: +90 212 7052920

Confirmation Code: 69025478#

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

Webcast:

<http://edge.media-server.com/m/p/9pu5tpds>

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

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

ENQUIRIES

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

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