

**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 JUNE 30, 2016  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REVIEW REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT  
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

To the Board of Directors of  
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

*Introduction*

1. We have reviewed the accompanying condensed consolidated balance sheet of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. and its subsidiaries (collectively referred to as the "Group") as at 30 June 2016 and the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of review*

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying condensed consolidated interim financial information of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

  
Baki Erdal, SMMM  
Partner

Istanbul, 16 August 2016

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

Condensed Consolidated Interim Financial Statements as of June 30, 2016

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**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2016**

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

	Notes	Reviewed	Audited
		June 30, 2016	December 31, 2015
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>5.709.076</b>	4.942.542
Cash and Cash Equivalents	4	<b>1.691.735</b>	1.891.459
Financial Investments		-	151
Trade Receivables		<b>2.080.804</b>	1.139.463
- Trade Receivables Due from Related Parties	23	<b>149.572</b>	106.089
- Trade Receivables Due from Third Parties		<b>1.931.232</b>	1.033.374
Other Receivables from Third Parties	7	<b>57.259</b>	57.557
Inventories		<b>1.157.870</b>	1.102.915
Prepaid Expenses	15	<b>454.191</b>	406.064
Derivative Financial Assets	6	<b>302</b>	260
Current Tax Assets		<b>42.706</b>	80.301
Other Current Assets	16	<b>224.209</b>	264.372
		<b>17.402.915</b>	17.101.548
<b>Non-Current Assets</b>			
		<b>767</b>	767
Financial Investments		<b>767</b>	767
Trade Receivables Due from Third Parties		<b>1.035</b>	1.038
Other Receivables Due from Third Parties	7	<b>17.040</b>	21.007
Investments in Subsidiaries, Joint Ventures and Associates	8	<b>74.324</b>	66.685
Investment Property	9	<b>79.693</b>	72.298
Property, Plant and Equipment	10	<b>6.401.536</b>	6.315.908
Intangible Assets		<b>10.352.751</b>	10.175.787
- Goodwill	12	<b>1.408.738</b>	1.334.738
- Other Intangible Assets	11	<b>8.944.013</b>	8.841.049
Prepaid Expenses	15	<b>193.677</b>	192.915
Deferred Tax Asset	20	<b>223.455</b>	228.863
Other Non-Current Assets	16	<b>58.637</b>	26.280
<b>TOTAL ASSETS</b>		<b>23.111.991</b>	22.044.090

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

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2016**

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

	Notes	Reviewed	Audited
		June 30, 2016	December 31, 2015
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>3.293.629</b>	2.625.163
Current Borrowings	5	261.851	265.812
Current Portion of Non-Current Borrowings	5	488.070	478.781
Trade Payables		1.537.651	1.022.339
- Trade Payables to Related Parties	23	53.249	22.296
- Trade Payables to Third Parties		1.484.402	1.000.043
Employee Benefit Obligations		43.229	47.697
Other Payables to Third Parties	7	746.750	646.778
Derivative Financial Liabilities	6	2.136	11.279
Deferred Income	15	33.731	31.865
Current Tax Liabilities		34.421	8.174
Current Provisions		120.086	91.977
- Current Provisions for Employee Benefits		118.678	91.770
- Other Current Provisions		1.408	207
Other Current Liabilities	16	25.704	20.461
<b>Non-Current Liabilities</b>		<b>6.869.381</b>	6.845.422
Long-Term Borrowings	5	4.581.673	4.638.623
Trade Payables to Third Parties		21.763	21.305
Other Payables to Third Parties	7	289.923	264.564
Derivative Financial Liabilities	6	-	98
Deferred Income	15	1.060	1.581
Non-Current Provision for Employee Benefits		107.013	99.102
Deferred Tax Liabilities	20	1.696.601	1.678.997
Other Non-Current Liabilities	16	171.348	141.152
<b>Equity</b>		<b>12.948.981</b>	12.573.505
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>8.000.634</b>	7.708.056
Issued Capital	13	592.105	592.105
Inflation Adjustment on Capital	13	63.583	63.583
Share Premium (Discount)	13	3.137.684	3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests	13	5.845	5.795
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(16.746)	(15.128)
- Gains (Losses) on Remeasurements of Defined Benefit Plans	13	(16.746)	(15.128)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		287.591	80.543
- Currency Translation Differences	13	278.995	48.156
- Gains (Losses) on Hedge	13	8.596	32.387
Restricted Reserves Appropriated from Profits	13	297.343	282.836
Other Reserves	13	(235.742)	(235.742)
Prior Years' Profits or Losses	13	3.636.807	3.994.139
Current Period Net Profit or Losses		232.164	(197.759)
<b>Non-Controlling Interests</b>		<b>4.948.347</b>	4.865.449
<b>TOTAL LIABILITIES</b>		<b>23.111.991</b>	22.044.090

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

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

**CONSOLIDATED INTERIM INCOME STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	Notes	Reviewed		Reviewed	
		1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Revenue	3	5.021.962	3.088.720	5.074.678	3.143.649
Cost of Sales (-)		(2.985.354)	(1.784.147)	(2.915.125)	(1.772.855)
<b>GROSS PROFIT (LOSS)</b>		<b>2.036.608</b>	<b>1.304.573</b>	2.159.553	1.370.794
General Administrative Expenses (-)		(405.754)	(216.477)	(425.743)	(223.583)
Sales, Distribution and Marketing Expenses (-)		(1.157.815)	(662.078)	(1.192.673)	(705.810)
Other Income from Operating Activities	17	82.784	37.505	67.828	19.370
Other Expenses from Operating Activities(-)	17	(87.677)	(40.897)	(94.639)	(27.060)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>468.146</b>	<b>422.626</b>	514.326	433.711
Investment Activity Income	18	15.230	10.873	4.212	2.723
Investment Activity Expenses (-)	18	(10.703)	(8.258)	(2.643)	(1.705)
Income/ (Loss) from Associates	8	(6.823)	(3.398)	(8.473)	(3.622)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>		<b>465.850</b>	<b>421.843</b>	507.422	431.107
Finance Income	19	400.946	149.369	427.319	166.082
Finance Expenses (-)	19	(419.764)	(202.876)	(930.628)	(279.032)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>447.032</b>	<b>368.336</b>	4.113	318.157
Tax (Expense) Income, Continuing Operations		(95.923)	(66.735)	(23.729)	(55.016)
- Current Period Tax (Expense) Income (-)		(75.740)	(51.969)	(81.795)	(66.020)
- Deferred Tax (Expense) Income		(20.183)	(14.766)	58.066	11.004
<b>PROFIT/(LOSS)</b>		<b>351.109</b>	<b>301.601</b>	(19.616)	263.141
<b>Profit/(Loss) Attributable to</b>					
- Non-Controlling Interest		118.945	129.720	19.800	90.599
- Owners of Parent		232.164	171.881	(39.416)	172.542
<b>Earnings / (Loss) Per Share (Full TRL)</b>	21	<b>0,3921</b>	<b>0,2903</b>	(0,0666)	<b>0,2914</b>

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

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	Reviewed 1 January - 30 June 2016	1 April – 30 June 2016	Reviewed 1 January - 30 June 2015	1 April – 30 June 2015
<b>PROFIT/(LOSS)</b>	<b>351.109</b>	<b>301.601</b>	(19.616)	263.141
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>				
Gains (Losses) on Remeasurements Defined Benefit Plans	(2.022)	(1.726)	(1.496)	(1.299)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	404	345	299	260
- <i>Deferred Tax Expense (Income)</i>	404	345	299	260
<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>				
Currency Translation Differences	198.167	290.986	1.213.464	383.708
Cash Flow Hedge (Loss) / Gain	(15.198)	(1.322)	7.827	(2.299)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	3.039	263	(1.567)	458
- <i>Deferred Tax Expense (Income)</i>	3.039	263	(1.567)	458
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>184.390</b>	<b>288.546</b>	1.218.527	380.828
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>535.499</b>	<b>590.147</b>	1.198.911	643.969
<b>Total Comprehensive Income Attributable to</b>				
- Non-Controlling Interest	97.905	193.612	429.520	172.222
- Owners of Parent	437.594	396.535	769.391	471.747

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

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	Issued Capital	Inflation Adjustment to Issued Capital	Share Premium/Discount	Put Option Revaluation Fund Related with Non-controlling Interests	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			
					Gains (Losses) on Remeasurements of Defined Benefit Plans	Currency Translation Differences	Hedge Gain / (Loss)	Restricted Reserves				Other Reserves	Accumulated Profit / (Loss)	Net Income
<b>Balances as of January 1, 2015 (Beginning) (Previously Reported)</b>	592.105	63.583	3.137.684	8.817	(10.480)	(498.289)	2.234	249.541	(235.742)	4.812.035	(512.233)	7.609.255	4.214.684	11.823.939
Transfers	-	-	-	-	-	-	-	33.295	-	(545.528)	512.233	-	-	-
Total Comprehensive Income	-	-	-	-	(1.197)	803.966	6.038	-	-	-	(39.416)	769.391	429.520	1.198.911
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	5.205	5.205
Dividends	-	-	-	-	-	-	-	-	-	(272.368)	-	(272.368)	(50.030)	(322.398)
Non-controlling interest share put option liability	-	-	-	217	-	-	-	-	-	-	-	217	(191)	26
<b>Balance as of June 30, 2015 (Ending)</b>	592.105	63.583	3.137.684	9.034	(11.677)	305.677	8.272	282.836	(235.742)	3.994.139	(39.416)	8.106.495	4.599.188	12.705.683
<b>Balances as of January 1, 2016 (Beginning) (Previously Reported)</b>	592.105	63.583	3.137.684	5.795	(15.128)	48.156	32.387	282.836	(235.742)	3.994.139	(197.759)	7.708.056	4.865.449	12.573.505
Transfers	-	-	-	-	-	-	-	14.507	-	(212.266)	197.759	-	-	-
Total Comprehensive Income	-	-	-	-	(1.618)	230.839	(23.791)	-	-	-	232.164	437.594	97.905	535.499
Dividends	-	-	-	-	-	-	-	-	-	(145.066)	-	(145.066)	(14.957)	(160.023)
Non-controlling interest share put option liability	-	-	-	50	-	-	-	-	-	-	-	50	(50)	-
<b>Balance as of June 30, 2016 (Ending)</b>	592.105	63.583	3.137.684	5.845	(16.746)	278.995	8.596	297.343	(235.742)	3.636.807	232.164	8.000.634	4.948.347	12.948.981

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



**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	Notes	Reviewed	
		1 January- June 30, 2016	1 January- June 30, 2015
<b>A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>504.876</b>	<b>530.817</b>
Profit/ (Loss)		<b>351.109</b>	(19.616)
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>529.092</b>	1.058.906
Adjustments for Depreciation and Amortization Expense	3	<b>383.860</b>	358.161
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories, net	17	<b>570</b>	6.966
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment, net	18	<b>8.288</b>	1.974
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Assets, net	18	<b>74</b>	-
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables, net	17	<b>524</b>	2.806
Adjustments for (Reversal of) Provisions Related with Employee Benefits		<b>31.225</b>	27.916
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	<b>6.823</b>	8.473
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	19	<b>14.029</b>	730
Adjustments for Interest (Income) Expenses	19	<b>65.755</b>	65.310
Adjustments for Unrealised Foreign Exchange Losses (Gains)		<b>(66.626)</b>	565.730
Adjustments for Tax (Income) Expenses		<b>95.923</b>	23.729
Other Adjustments for Non-Cash Items	19	<b>330</b>	330
Adjustments for Losses (gains) on Disposal of Non-Current Assets	18	<b>(12.889)</b>	(3.543)
Other Adjustments to Reconcile Profit (loss)		<b>1.206</b>	324
<b>Changes in Working Capital</b>		<b>(331.590)</b>	(414.505)
Adjustments for Decrease (Increase) in Inventories		<b>(55.206)</b>	(313.841)
Adjustments for Decrease (increase) in Trade Accounts Receivable		<b>(942.769)</b>	(923.878)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		<b>24.430</b>	(5.382)
Adjustments for increase (decrease) in Trade Accounts Payable		<b>488.187</b>	517.747
Adjustments for increase (decrease) in Other Operating Payables		<b>153.768</b>	310.849
<b>Cash Flows from (used in) Operations</b>		<b>548.611</b>	<b>624.785</b>
Payments Related with Provisions for Employee Benefits		<b>(17.264)</b>	(20.110)
Income Taxes Paid		<b>(26.471)</b>	(73.858)
<b>B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(390.497)</b>	<b>(648.844)</b>
Proceeds from sales of property, plant, equipment and intangible assets		<b>23.522</b>	15.693
Purchase of Property, Plant, Equipment and Intangible Assets		<b>(399.944)</b>	(660.800)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		<b>(14.075)</b>	(8.942)
Other inflows (outflows) of cash		-	5.205
<b>C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(312.890)</b>	<b>(255.856)</b>
Proceeds from borrowings		<b>571.742</b>	611.106
Repayments of borrowings		<b>(635.282)</b>	(499.150)
Dividends Paid	22	<b>(160.023)</b>	(322.398)
Interest Received		<b>37.890</b>	49.170
Interest Paid		<b>(102.888)</b>	(101.899)
Other inflows (outflows) of cash		<b>151</b>	2.971
Income (Loss) from Cash Flow Hedge		<b>(24.480)</b>	4.344
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>		<b>(198.511)</b>	<b>(373.883)</b>
<b>D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>957</b>	99.524
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(197.554)</b>	<b>(274.359)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	4	<b>1.888.034</b>	1.550.383
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>1.690.480</b>	1.276.024

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT JUNE 30, 2016**

(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 15.986 (December 31, 2015 – 17.429).

The condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Onur Çevikel and Finance Director, Burhan Tanık were issued on August 16, 2016. 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, sixteen 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 and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

**List of Shareholders**

As of June 30, 2016 and December 31, 2015, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 2016		December 31, 2015	
	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
	<b>592.105</b>	<b>100,00</b>	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 June 30, 2016 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.

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

**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)**

**List of Subsidiaries**

The subsidiaries included in the consolidation and their effective shareholding rates at June 30, 2016 and December 31, 2015 are as follows:

Subsidiary	Subsidiary	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				June 30, 2016	December 31, 2015
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)	Russia	Production and marketing beer	International Beer	99,93	99,93
LLC Vostok Solod <sup>(1)</sup>	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 <sup>(1)</sup>	Russia	Production of malt	International Beer	99,93	99,93
LLC Efes Ukraine	Ukraine	Selling and distribution of beer	International Beer	100,00	100,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) <sup>(2)</sup>	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) <sup>(2)</sup>	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) <sup>(3)</sup>	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)	Pakistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
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) Subsidiaries of Efes Moscow.

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

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT JUNE 30, 2016**

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

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**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 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, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) 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 June 30, 2016 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 14, 24).

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

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

**2.2 Seasonality of Operations**

Due to higher soft drink 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 six months up to June 30, 2016 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 June 30, 2016 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, 2015. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015.

**Adoption of new and revised International Financial Reporting Standards**

**Standards, amendments and interpretations applicable as at 30 June 2016:**

- 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.
- 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.
- 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. In this amendment the it has clarified 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. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- 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.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT JUNE 30, 2016**

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

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**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, amendments and interpretations applicable as at 30 June 2016 (continued):**

- 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.
- Amendment 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 clarify the application of the consolidation exception for investment entities and their subsidiaries.
- 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.
- Amendment to IAS 1, ‘Presentation of financial statements’ on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports
- Amendment 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 clarify the application of the consolidation exception for investment entities and their subsidiaries.

**Standards, amendments and interpretations effective after 30 June 2016:**

- Amendments to IAS 7 ‘Statement of cash flows’ on disclosure initiative, effective from annual periods beginning on or after 1 January 2017. These amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB’s Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.
- Amendments IAS 12 ‘Income Taxes’, effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. It also clarify certain other aspects of accounting for deferred tax assets.

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

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**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, amendments and interpretations effective after 30 June 2016 (continued):**

- Amendments to IFRS 2, ‘Share based payments’ on clarifying how to account for certain types of share-based payment transactions, effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.
- 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.

Amendment to IFRS 15, ‘Revenue from contracts with customers’; comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

- 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.
- IFRS 16 ‘Leases’, effective from annual periods beginning on or after 1 January 2019, This standard replaces the current guidance in IAS 17 and is a farreaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group is in the process of assessing the effects of the new standards on the consolidated financial statements.

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

**NOTE 3. 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 CÇİ.

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.

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

	<b>Turkey Beer</b>	<b>International Beer</b>	<b>Soft Drinks</b>	<b>Other<sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>January 1 – June 30, 2016</b>					
<b>Revenues</b>	<b>686.524</b>	<b>891.374</b>	<b>3.430.337</b>	<b>21.440</b>	<b>5.029.675</b>
<b>Inter-segment revenues</b>	<b>(7.356)</b>	<b>(297)</b>	<b>(60)</b>	<b>-</b>	<b>(7.713)</b>
<b>Total Revenues</b>	<b>679.168</b>	<b>891.077</b>	<b>3.430.277</b>	<b>21.440</b>	<b>5.021.962</b>
<b>EBITDA</b>	<b>181.902</b>	<b>146.521</b>	<b>578.820</b>	<b>(23.563)</b>	<b>883.680</b>
<b>Profit / (loss) for the period</b>	<b>71.916</b>	<b>105.002</b>	<b>211.190</b>	<b>(36.999)</b>	<b>351.109</b>
<b>Capital expenditures</b>	<b>86.151</b>	<b>42.250</b>	<b>274.298</b>	<b>8</b>	<b>402.707</b>
<b>April 1 – June 30, 2016</b>					
<b>Revenues</b>	<b>403.169</b>	<b>547.524</b>	<b>2.129.015</b>	<b>13.791</b>	<b>3.093.499</b>
<b>Inter-segment revenues</b>	<b>(4.554)</b>	<b>(202)</b>	<b>(23)</b>	<b>-</b>	<b>(4.779)</b>
<b>Total Revenues</b>	<b>398.615</b>	<b>547.322</b>	<b>2.128.992</b>	<b>13.791</b>	<b>3.088.720</b>
<b>EBITDA</b>	<b>116.225</b>	<b>105.819</b>	<b>423.747</b>	<b>(13.546)</b>	<b>632.245</b>
<b>Profit / (loss) for the period</b>	<b>31.609</b>	<b>83.407</b>	<b>206.046</b>	<b>(19.461)</b>	<b>301.601</b>
<b>Capital expenditures</b>	<b>29.082</b>	<b>27.657</b>	<b>134.566</b>	<b>(774)</b>	<b>190.531</b>
<b>January 1 – June 30, 2015</b>					
<b>Revenues</b>	<b>759.126</b>	<b>1.058.800</b>	<b>3.245.683</b>	<b>20.634</b>	<b>5.084.243</b>
<b>Inter-segment revenues</b>	<b>(6.889)</b>	<b>(272)</b>	<b>(46)</b>	<b>(2.358)</b>	<b>(9.565)</b>
<b>Total Revenues</b>	<b>752.237</b>	<b>1.058.528</b>	<b>3.245.637</b>	<b>18.276</b>	<b>5.074.678</b>
<b>EBITDA</b>	<b>243.440</b>	<b>150.853</b>	<b>529.880</b>	<b>(28.556)</b>	<b>895.617</b>
<b>Profit / (loss) for the period</b>	<b>(23.964)</b>	<b>(5.039)</b>	<b>53.013</b>	<b>(43.626)</b>	<b>(19.616)</b>
<b>Capital expenditures</b>	<b>72.164</b>	<b>64.002</b>	<b>524.885</b>	<b>595</b>	<b>661.646</b>
<b>April 1 – June 30, 2015</b>					
<b>Revenues</b>	<b>419.347</b>	<b>673.581</b>	<b>2.042.645</b>	<b>13.323</b>	<b>3.148.896</b>
<b>Inter-segment revenues</b>	<b>(3.508)</b>	<b>(272)</b>	<b>(18)</b>	<b>(1.449)</b>	<b>(5.247)</b>
<b>Total Revenues</b>	<b>415.839</b>	<b>673.309</b>	<b>2.042.627</b>	<b>11.874</b>	<b>3.143.649</b>
<b>EBITDA</b>	<b>133.985</b>	<b>133.958</b>	<b>368.172</b>	<b>(12.656)</b>	<b>623.459</b>
<b>Profit / (loss) for the period</b>	<b>32.097</b>	<b>83.623</b>	<b>167.307</b>	<b>(19.886)</b>	<b>263.141</b>
<b>Capital expenditures</b>	<b>39.855</b>	<b>36.507</b>	<b>298.104</b>	<b>467</b>	<b>374.933</b>

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



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

**NOTE 3. SEGMENT REPORTING (continued)**

	<b>Turkey Beer</b>	<b>International Beer</b>	<b>Soft Drinks</b>	<b>Other <sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>June 30, 2015</b>					
Segment assets	8.140.945	4.881.421	9.342.383	747.242	23.111.991
Segment liabilities	2.905.154	1.148.769	5.039.245	1.069.842	10.163.010
<b>Other information</b>					
Investment in associates	-	-	-	74.324	74.324
<b>December 31, 2015</b>					
Segment assets	7.956.706	4.331.652	8.945.762	809.970	22.044.090
Segment liabilities	2.638.080	915.941	4.804.259	1.112.305	9.470.585
<b>Other information</b>					
Investment in associates	-	-	-	66.685	66.685

(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 June 30, 2016 and 2015 are as follows:

	<b>1 January - 30 June 2016</b>	<b>1 April – 30 June 2016</b>	<b>1 January - 30 June 2015</b>	<b>1 April – 30 June 2015</b>
EBITDA	883.680	632.245	895.617	623.459
Depreciation and amortization expenses	(383.860)	(195.483)	(358.161)	(188.282)
Provision for retirement pay liability	(9.068)	(4.535)	(7.983)	(3.992)
Provision for vacation pay liability	(12.376)	(4.839)	(10.755)	(4.163)
Foreign exchange gain/(loss) from operating activities	(7.259)	(2.869)	(1.398)	8.062
Rediscount interest income/(expense) from operating activities	(849)	(1.004)	(986)	(436)
Other	(2.122)	(889)	(2.008)	(937)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>468.146</b>	<b>422.626</b>	514.326	433.711
Investment Activity Income	15.230	10.873	4.212	2.723
Investment Activity Expenses (-)	(10.703)	(8.258)	(2.643)	(1.705)
Income/(Loss) from Associates	(6.823)	(3.398)	(8.473)	(3.622)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>	<b>465.850</b>	<b>421.843</b>	507.422	431.107

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

**NOTE 4. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2016</b>	December 31, 2015
Cash on hand	<b>5.029</b>	2.845
Bank accounts		
- Time deposits	<b>1.272.028</b>	1.632.557
- Demand deposits	<b>412.609</b>	247.132
Other	<b>814</b>	5.500
<b>Cash and cash equivalents in cash flow statement</b>	<b>1.690.480</b>	1.888.034
Interest income accrual	<b>1.255</b>	3.425
	<b>1.691.735</b>	1.891.459

As of June 30, 2016, annual interest rates of the TRL denominated time deposits vary between 8,00% and 14,00% (December 31, 2015 - %8,00 - %14,00) and annual interest rates of the US Dollars (USD), Euro (EURO), Kazakh Tenge (KZT) denominated and other time deposits vary between 0,1% and 15,00% (December 31, 2015– annual interest rates of the US Dollars (USD), Euro (EURO), Ukraine Hryvnya (UAH) denominated and other time deposits vary between 0,2% - %12,50).

As of June 30, 2016, there is no cash deposit pledged as collateral by the Group (December 31, 2015 – None).

As of June 30, 2016, the Group has designated its bank deposits amounting to TRL427.034, equivalent of thousand USD125.074, thousand EURO20.322 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2015 – TRL370.128, equivalent of thousand USD96.931, thousand EURO26.000, and thousand Russian Ruble (RUR) 142.221).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**NOTE 5. SHORT AND LONG TERM BORROWINGS**

As of June 30, 2016, total borrowings consist of principal (finance lease obligations included) amounting to TRL5.304.227 (December 31, 2015– TRL5.353.534) and interest expense accrual amounting to TRL27.367 (December 31, 2015 – TRL29.682). As of June 30, 2016 and December 31, 2015, total amount of borrowings and the effective interest rates are as follows:

Short-term	June 30, 2016			December 31, 2015		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
<b>Borrowings</b>						
TRL denominated borrowings	163.111	11,20 %- 11,30%	-	3.962	-	-
Foreign currency denominated borrowings (USD)	-	-	-	58.152	-	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	67.122	3,00%	Euribor + 1,00% - Euribor + 2,75%	13.055	3,50%	Euribor + 2,75% - Euribor + 2,95%
Foreign currency denominated borrowings (Other)	31.618	8,88%	Kibor + 0,25% - Kibor+ 0,50%	190.643	8,88%	Kibor + 0,40% - Kibor+ 0,50%
	<b>261.851</b>			<b>265.812</b>		
<b>Short-term portion of long term borrowings</b>						
Foreign currency denominated borrowings (USD)	91.967	3,38% - 4,75%	Libor + 2,00% - Libor+ 2,10%	100.509	3,38% - 4,75%	Libor + 2,00% - Libor+ 2,10%
Foreign currency denominated borrowings (EURO)	396.103	1,25%	Euribor + 0,90% - Euribor + 2,35%	378.272	-	Euribor + 1,25% - Euribor + 2,35%
	<b>488.070</b>			<b>478.781</b>		
	<b>749.921</b>			<b>744.593</b>		
<b>Long-term</b>						
<b>Borrowings</b>						
Foreign currency denominated borrowings (USD)	3.971.019	3,38% - 4,75%	Libor + 2,00%	4.018.970	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	585.760	-	Euribor + 1,50% - Euribor + 2,00%	593.957	-	Euribor + 1,50% - Euribor + 2,00%
Foreign currency denominated borrowings (Other)	24.894	6,00%	-	25.696	6,00%	-
	<b>4.581.673</b>			<b>4.638.623</b>		
	<b>5.331.594</b>			<b>5.383.216</b>		

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

**NOTE 5. SHORT AND LONG TERM BORROWINGS (continued)**

Repayments of long-term borrowings are scheduled as follows:

	<b>June 30, 2016</b>	December 31, 2015
Between 1 -2 year	<b>741.676</b>	251.893
Between 2-3 year	<b>1.559.559</b>	2.046.254
Between 3-4 year	<b>460.155</b>	104.521
Between 4-5 year	<b>33.956</b>	443.076
5 year and more	<b>1.786.327</b>	1.792.879
	<b>4.581.673</b>	4.638.623

As of June 30, 2016, TRL5.035 (December 31, 2015 – TRL33.521) 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 June 30, 2016 and December 31, 2015, the costs of the property plant and equipment obtained by finance lease are TRL65.698 and TRL66.134, respectively whereas net book values are TRL1.403 and TRL1.488, respectively.

**Lessee - Operating Lease**

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

**NOTE 6. DERIVATIVE INSTRUMENTS**

As of June 30, 2016, the Company has 10 aluminum swap transactions with a total nominal amount of TRL36.367 (December 31, 2015– TRL54.283) for 7.356 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the vhigh probability purchases of can exposed to commodity price risk (Note 25).

As of June 30, 2016 CCI has foreign currency forward transactions with a total nominal amount of TRL52.917 (December 31, 2015– TRL101.765), for 3 forward purchase contracts amounting to USD 18,3 million. The total of these foreign currency forward contracts are undesignated as hedging instruments exposed to foreign currency risk as of the balance sheet date and recognized initially at fair value (Note 25).

The effective portion of change is in fair value of commodity swap agreements designated as hedging instruments in cash flow hedges is recognized in the consolidated statement of comprehensive income.

	<b>June 30, 2016</b>		December 31, 2015	
	<b>Nominal Value</b>	<b>Fair Value Asset / (Liability)</b>	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	<b>36.367</b>	<b>(1.820)</b>	54.283	(7.812)
Forward contracts	<b>52.917</b>	<b>(14)</b>	101.765	(3.305)
	<b>89.284</b>	<b>(1.834)</b>	156.048	(11.117)

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**NOTE 7. OTHER RECEIVABLES AND PAYABLES**

**a) Other Current Receivables**

	<b>June 30, 2016</b>	December 31, 2015
Receivables from tax office	<b>19.304</b>	16.637
Due from personnel	<b>16.757</b>	12.259
Other	<b>21.198</b>	28.661
	<b>57.259</b>	57.557

**b) Other Non-Current Receivables**

	<b>June 30, 2016</b>	December 31, 2015
Deposits and guarantees given	<b>9.900</b>	10.062
Other	<b>7.140</b>	10.945
	<b>17.040</b>	21.007

**c) Other Current Payables**

	<b>June 30, 2016</b>	December 31, 2015
Taxes other than on income	<b>568.462</b>	496.485
Deposits and guarantees taken	<b>171.373</b>	145.649
Other	<b>6.915</b>	4.644
	<b>746.750</b>	646.778

**d) Other Non-Current Payables**

As of June 30, 2016, other non-current payables consists of deposits and guarantees taken amounting to TRL289.923 (December 31, 2015 – TRL264.564).

**NOT 8. INVESTMENTS IN ASSOCIATES**

	<b>June 30, 2016</b>		December 31, 2015	
	<b>Ownership</b>	<b>Amount</b>	Ownership	Amount
Anadolu Etap	<b>33,33%</b>	<b>74.324</b>	33,33%	66.685
SSDSD <sup>(1) (2) (3)</sup>	<b>25,13%</b>	-	25,13%	-
		<b>74.324</b>		66.685

Relating to investment in associates, Total assets and liabilities as of June 30, 2016 and December 31, 2015 and profit/(loss) for the period of as of June 30, 2016 and June 30, 2015 are as follows:

	<b>Anadolu Etap</b>		<b>SSDSD</b>	
	<b>June 30, 2016</b>	December 31, 2015	<b>June 30, 2016</b>	December 31, 2015
Total Assets	<b>227.033</b>	193.984	<b>1.022</b>	1.179
Total Liabilities	<b>152.709</b>	127.299	<b>2.733</b>	6.878
<b>Net Assets</b>	<b>74.324</b>	66.685	<b>(1.711)</b>	(5.699)

  

	<b>Anadolu Etap</b>		<b>SSDSD</b>	
	<b>June 30, 2016</b>	June 30, 2015	<b>June 30, 2016</b>	June 30, 2015
<b>Group's Share of Loss for the period</b>	<b>(6.436)</b>	(7.834)	<b>(387)</b>	(639)

- (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 TRL564 loss, the carrying amount was netted off with trade receivables from SSDSD at the consolidated financial statements.
- (3) As of June 30, 2016, shareholder loans amounting to USD3 million (share of the Group amounting to USD1,5 million), which is given by the shareholders of SSDSD according to their percentage of shares are deducted from the accumulated losses of SSDSD and converted into capital.

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

**NOT 8. INVESTMENTS IN ASSOCIATES (continued)**

The movement of investments in associates as of June 30, 2016 and 2015 are as follows:

	<b>2016</b>	2015
Balance at January 1	<b>66.685</b>	72.517
Income / Loss from associates	<b>(6.823)</b>	(8.473)
Currency translation differences	<b>(177)</b>	(31)
Netted off with trade receivables from SSDSD <sup>(1)</sup>	<b>564</b>	670
Capital Increase <sup>(2)</sup>	<b>14.075</b>	8.942
<b>Balance at June 30</b>	<b>74.324</b>	73.625

(1) Since the carrying value of SSDSD at the consolidated balance sheet is TRL564 loss, the carrying amount was netted off with trade receivables from SSDSD at the consolidated financial statements.

(2) Capital increase provided to Anadolu Etap.

**NOT 9. INVESTMENT PROPERTIES**

For the six-month periods ended June 30, 2016 and 2015, the additions and disposals on investment property are as follows:

<b>June 30, 2016</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Land and land improvements	-	<b>42</b>	-
Buildings	-	<b>(42)</b>	<b>(520)</b>
Construction in progress	-	-	-
	-	-	<b>(520)</b>
<b>June 30, 2015</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Land and land improvements	-	3.720	-
Buildings	-	-	-
Construction in progress	-	<b>(3.720)</b>	-
	-	-	-

**NOTE 10. PROPERTY, PLANT AND EQUIPMENT**

For the six-month periods ended June 30, 2016 and 2015, the additions and disposals on property, plant and equipment are as follows:

<b>June 30, 2016</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals (net)</b>
Land and land improvements	<b>9.051</b>	<b>826</b>	-
Buildings	<b>11.018</b>	<b>11.645</b>	<b>(52)</b>
Machinery and equipment	<b>56.489</b>	<b>55.582</b>	<b>(2.782)</b>
Vehicles	<b>6.163</b>	<b>851</b>	<b>(2.077)</b>
Other tangibles	<b>224.581</b>	<b>19.546</b>	<b>(4.676)</b>
Leasehold improvements	<b>23</b>	-	<b>(162)</b>
Construction in progress	<b>89.017</b>	<b>(89.496)</b>	<b>(219)</b>
	<b>396.342</b>	<b>(1.046)</b>	<b>(9.968)</b>
<b>June 30, 2015</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals (net)</b>
Land and land improvements	382	9.079	-
Buildings	14.015	88.851	(1.262)
Machinery and equipment	75.086	162.263	(2.265)
Vehicles	8.027	107	(1.570)
Other tangibles	205.245	52.624	(6.591)
Leasehold improvements	2	-	(462)
Construction in progress	355.097	<b>(312.941)</b>	-
	657.854	<b>(17)</b>	<b>(12.150)</b>

(\*) There are transfers to other intangible assets amounting to TRL1.046 in 2016. (June 30, 2015 – there are transfers amounting to TRL17 to other intangible assets).

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**NOTE 11. OTHER INTANGIBLE ASSETS**

For the six-month periods ended June 30, 2016 and 2015, the additions and disposals on other intangible assets are as follows:

<b>June 30, 2016</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Rights	140	485	-
Other intangible assets	6.225	561	(145)
	6.365	1.046	(145)

  

<b>June 30, 2015</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Rights	2.417	17	-
Other intangible assets	1.375	-	-
	3.792	17	-

**NOTE 12. GOODWILL**

For the six-month period ended June 30, 2016 and 2015, movements of the goodwill during the period are as follows:

	<b>2016</b>	2015
At January 1	1.334.738	1.232.465
Currency translation differences	74.000	181.848
<b>At June 30</b>	<b>1.408.738</b>	1.414.313

**NOTE 13. 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.

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.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**NOTE 13. EQUITY (Continued)**

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 June 30, 2016 and December 31, 2015, nominal amounts, equity restatement differences and restated value of equity are as follows:

<b>June 30, 2016</b>	<b>Nominal Amount</b>	<b>Equity Restatement Differences</b>	<b>Restated Amount</b>
Issued capital	592.105	63.583	655.688
Legal reserves	297.343	74.697	372.040
Extraordinary reserves	66.834	26.091	92.925
	<b>956.282</b>	<b>164.371</b>	<b>1.120.653</b>
Share Premium (Discount)			<b>3.137.684</b>
Put Option Revaluation Fund Related with Non-controlling Interests			<b>5.845</b>
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			<b>(16.746)</b>
- Gains (Losses) on Remeasurements of Defined Benefit Plans			<b>(16.746)</b>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			<b>287.591</b>
- Currency Translation Differences			<b>278.995</b>
- Gains (Losses) on Hedge			<b>8.596</b>
Other Reserves			<b>(235.742)</b>
Prior Years' Profits or Losses (Including net income)			<b>3.701.349</b>
<b>Equity attributable to equity holders of the parent</b>			<b>8.000.634</b>
<b>December 31, 2015</b>	<b>Nominal Amount</b>	<b>Equity Restatement Differences</b>	<b>Restated Amount</b>
Issued capital	592.105	63.583	655.688
Legal reserves	282.836	74.697	357.533
Extraordinary reserves	226.407	26.091	252.498
	<b>1.101.348</b>	<b>164.371</b>	<b>1.265.719</b>
Share Premium (Discount)			<b>3.137.684</b>
Put Option Revaluation Fund Related with Non-controlling Interests			<b>5.795</b>
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			<b>(15.128)</b>
- Gains (Losses) on Remeasurements of Defined Benefit Plans			<b>(15.128)</b>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			<b>80.543</b>
- Currency Translation Differences			<b>48.156</b>
- Gains (Losses) on Hedge			<b>32.387</b>
Other Reserves			<b>(235.742)</b>
Prior Years' Profits or Losses (Including net income)			<b>3.469.185</b>
<b>Equity attributable to equity holders of the parent</b>			<b>7.708.056</b>



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

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**NOTE 14. COMMITMENTS AND CONTINGENCIES**

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

As of June 30, 2016 and December 31, 2015 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

June 30, 2016								
	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	498.043	396.682	668	1.592	10.167	24.930	2.667.000	17.154
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	626.525	-	74.585	116.042	-	-	478.545	25.617
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	11.469	11.469	-	-	-	-	-	-
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	11.469	11.469	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.136.037</b>	<b>408.151</b>	<b>75.253</b>	<b>117.634</b>	<b>10.167</b>	<b>24.930</b>	<b>3.145.545</b>	<b>42.771</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

  

December 31, 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	431.235	336.120	168	2.373	-	22.389	2.667.000	10.238
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	712.135	-	93.000	106.430	-	-	2.800.285	25.696
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 <sup>(2)</sup>	10.849	10.849	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.154.219</b>	<b>346.969</b>	<b>93.168</b>	<b>108.803</b>	<b>-</b>	<b>22.389</b>	<b>5.467.285</b>	<b>35.934</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

(1) Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in the interim condensed consolidated financial statements.

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

**CCİ, Its Subsidiaries and Joint Ventures**

**Murabaha**

CCBPL and Standard Chartered Bank and Habib Bank Limited (Banks) has made murabaha facility agreement. Based on this agreement, the Banks 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 June 30, 2016 CCBPL has USD7,3 million sugar and resin purchase commitment from the Bank until the end of December 2016, USD35,1 million sugar and resin purchase commitment from the Bank until the end of June 2017 and expense accrual of USD0,1 million (TRL0,4 million) payable for the profit share of the Bank was reflected in the financial statements.

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**NOTE 14. COMMITMENTS AND CONTINGENCIES (continued)**

**Operational Lease**

As of June 30, 2016, the Group’s contingent liability, for the following years resulting from the non- cancellable operational lease agreements is amounting to TRL32.952 (December 31, 2015 – TRL41.364).

**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 may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

**NOTE 15. PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short Term Prepaid Expenses**

	<b>June 30, 2016</b>	December 31, 2015
Prepayments	<b>351.692</b>	323.288
Advances given to suppliers	<b>102.499</b>	82.776
	<b>454.191</b>	406.064

**b) Long Term Prepaid Expenses**

	<b>June 30, 2016</b>	December 31, 2015
Prepayments	<b>171.187</b>	176.309
Advances given to suppliers	<b>22.490</b>	16.606
	<b>193.677</b>	192.915

**c) Short Term Deferred Income**

	<b>June 30, 2016</b>	December 31, 2015
Advances taken	<b>32.371</b>	30.610
Deferred income	<b>1.360</b>	1.255
	<b>33.731</b>	31.865

**d) Long Term Deferred Income**

As of June 30, 2016, long term deferred income amounts to TRL1.060 (December 31, 2015 – TRL1.581).

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**NOTE 16. OTHER ASSETS AND LIABILITIES**

**a) Other Current Assets**

	<b>June 30, 2016</b>	December 31, 2015
Value Added Tax (VAT) deductible or to be transferred	<b>188.997</b>	259.315
Other	<b>35.212</b>	5.057
	<b>224.209</b>	264.372

**b) Other Non-Current Assets**

	<b>June 30, 2016</b>	December 31, 2015
Deferred VAT and other taxes	<b>58.395</b>	26.134
Other	<b>242</b>	146
	<b>58.637</b>	26.280

**c) Other Current Liabilities**

	<b>June 30, 2016</b>	December 31, 2015
Put option liability	<b>6.829</b>	6.862
Other	<b>18.875</b>	13.599
	<b>25.704</b>	20.461

**d) Other Non-Current Liabilities**

	<b>June 30, 2016</b>	December 31, 2015
Put option liability	<b>115.192</b>	115.749
Deferred VAT and other taxes	<b>56.156</b>	25.403
	<b>171.348</b>	141.152

The obligation of TRL6.829 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under “other current liabilities”. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the of share purchase (December 31, 2015 – TRL6.862).

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 TRL115.192 is recorded under “other non-current liabilities” (December 31, 2015– TRL115.749).

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**NOTE 17. OTHER OPERATING INCOME / EXPENSES**

**a) Other Operating Income**

	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Foreign exchange gains arising from operating activities	40.351	16.025	49.761	12.120
Income from scrap and other materials	8.143	4.780	8.522	4.329
Rent income	3.941	2.060	971	738
Reversal of provision for inventory obsolescence	2.437	2.153	2	-
Reversal of provision for doubtful receivables	2.275	702	927	11
Rediscount income	1.179	-	1.729	-
Insurance compensation income	770	382	611	424
Other income	23.688	11.403	5.305	1.748
	<b>82.784</b>	<b>37.505</b>	<b>67.828</b>	<b>19.370</b>

**b) Other Operating Expenses**

	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Foreign exchange losses arising from operating activities	(47.610)	(18.894)	(51.159)	(4.058)
Depreciation and amortization expense on PPE & intangible assets	(9.293)	(4.171)	(6.388)	(5.561)
Provision for inventory obsolescence	(3.007)	(648)	(6.968)	(3.609)
Provision for doubtful receivables	(2.799)	(1.356)	(3.733)	(3.127)
Rediscount expense	(2.028)	(1.004)	(2.715)	(436)
Donations	(2.027)	(1.471)	(3.040)	(1.963)
Other expenses	(20.913)	(13.353)	(20.636)	(8.306)
	<b>(87.677)</b>	<b>(40.897)</b>	<b>(94.639)</b>	<b>(27.060)</b>

**NOTE 18. INCOME/ EXPENSE FROM INVESTING ACTIVITIES**

**a) Income from Investing Activities**

	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Gain on sale of fixed assets	13.792	10.611	4.212	2.723
Reversal of impairment on tangible assets	1.438	262	-	-
	<b>15.230</b>	<b>10.873</b>	<b>4.212</b>	<b>2.723</b>

**b) Expense from Investing Activities**

	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Provision for impairment on tangible assets	(9.726)	(8.054)	(1.974)	(1.473)
Loss on sale of fixed assets	(903)	(200)	(669)	(232)
Provision for impairment on intangible assets	(74)	(4)	-	-
	<b>(10.703)</b>	<b>(8.258)</b>	<b>(2.643)</b>	<b>(1.705)</b>

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**NOTE 19. FINANCE INCOME / EXPENSE**

**a) Finance Income**

	<b>1 January - 30 June 2016</b>	<b>1 April – 30 June 2016</b>	1 January - 30 June 2015	1 April – 30 June 2015
Foreign exchange gain	<b>363.276</b>	<b>131.661</b>	384.337	146.748
Interest income	<b>35.734</b>	<b>16.191</b>	42.799	19.153
Gain on derivative transactions	<b>1.936</b>	<b>1.517</b>	183	181
	<b>400.946</b>	<b>149.369</b>	427.319	166.082

**b) Finance Expense**

	<b>1 January - 30 June 2016</b>	<b>1 April – 30 June 2016</b>	1 January - 30 June 2015	1 April – 30 June 2015
Foreign exchange loss	<b>(293.332)</b>	<b>(142.936)</b>	(808.694)	(216.024)
Interest expense	<b>(101.489)</b>	<b>(49.254)</b>	(108.109)	(53.079)
Loss on derivative transactions	<b>(15.965)</b>	<b>(6.270)</b>	(913)	(903)
Borrowing costs	<b>(330)</b>	<b>(165)</b>	(330)	(165)
Other financial expenses	<b>(8.648)</b>	<b>(4.251)</b>	(12.582)	(8.861)
	<b>(419.764)</b>	<b>(202.876)</b>	(930.628)	(279.032)

**NOTE 20. TAX ASSETS AND LIABILITIES**

The corporation tax rate for the fiscal year is 20% in Turkey (31 December 2015 - 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% (31 December 2015 – 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 June 30, 2016 and December 31, 2015 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	<b>Asset</b>		<b>Liability</b>		<b>Net</b>	
	<b>June 30 2016</b>	December 31 2015	<b>June 30 2016</b>	December 31 2015	<b>June 30 2016</b>	December 31 2015
PP&E and intangible assets	-	-	<b>(1.989.195)</b>	(1.961.892)	<b>(1.989.195)</b>	(1.961.892)
Inventories	<b>26.705</b>	25.221	-	-	<b>26.705</b>	25.221
Carry forward losses	<b>343.176</b>	371.004	-	-	<b>343.176</b>	371.004
Retirement pay liability and other employee benefits	<b>11.658</b>	17.232	-	-	<b>11.658</b>	17.232
Other provisions	<b>88.718</b>	54.193	-	-	<b>88.718</b>	54.193
Unused investment incentive	<b>23.658</b>	21.004	-	-	<b>23.658</b>	21.004
Other	<b>22.134</b>	23.104	-	-	<b>22.134</b>	23.104
	<b>516.049</b>	511.758	<b>(1.989.195)</b>	(1.961.892)	<b>(1.473.146)</b>	(1.450.134)

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**NOTE 20. TAX ASSETS AND LIABILITIES (continued)**

Corporate tax rate of significant subsidiaries located in foreign countries are as follow;

	<b>June 30 2016</b>	December 31 2015
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	%33	%33
Iraq	%15	%15
Jordan	%14	%14
Turkmenistan	%8	%8
Tajikistan	%15	%15

As of June 30, 2016, TRL593 tax advantage is recognized from the future tax advantage of the incentives used for Bursa mineral water, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin and İzmir production line investments (As of June 30, 2015 tax advantage has not been calculated due to statutory loss).

**NOTE 21. 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:

	<b>1 January - 30 June 2016</b>	<b>1 April – 30 June 2016</b>	1 January - 30 June 2015	1 April – 30 June 2015
Net income/ (loss)	<b>232.164</b>	<b>171.881</b>	(39.416)	172.542
Weighted average number of shares	<b>592.105.263</b>	<b>592.105.263</b>	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	<b>0,3921</b>	<b>0,2903</b>	(0,0666)	0,2914

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 22. DISTRIBUTION OF EARNINGS**

The Group distributed dividend in 2016, related with the year ended as of December 31, 2015, for a gross amount of full TRL0,25 per share, amounting to a total of TRL145.066 (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).

In 2016, dividend payment amounting to TRL14.957 (December 31, 2015 – TRL50.030) has been made to noncontrolling interests

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**NOTE 23. RELATED PARTY BALANCES AND TRANSACTIONS**

**a) Balances with Related Parties**

**Bank Balances with Related Parties**

	<b>June 30, 2016</b>	December 31, 2015
Alternatifbank <sup>(3) (4)</sup>	<b>180.828</b>	96.265

As of June 30, 2016, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 11,88% (December 31, 2015 – %12,00). The weighted average interest rates for USD denominated time deposits is 2,74% (December 31, 2015 – none).

As of June 30, 2016 the Group has demand deposits amounting to TRL8.230 on Alternatifbank. (December 31, 2015 - TRL9.658).

**Due from Related Parties**

	<b>June 30, 2016</b>	December 31, 2015
Migros Ticaret A.Ş. and its subsidiaries (Migros) <sup>(4) (6)</sup>	<b>144.640</b>	104.697
SABMiller Group Companies <sup>(5)</sup>	<b>1.568</b>	302
AEH <sup>(2) (3)</sup>	<b>1.356</b>	212
SSDSD	<b>1.010</b>	76
Anadolu Eğitim ve Sosyal Yardım Vakfı	<b>99</b>	732
Efestur Turizm İşletmeleri A.Ş. <sup>(3) (4)</sup>	<b>34</b>	31
Artı Varlık Yönetim A.Ş.	<b>-</b>	29
Other	<b>865</b>	10
	<b>149.572</b>	106.089

**Due to Related Parties**

	<b>June 30, 2016</b>	December 31, 2015
Anadolu Efes Spor Kulübü	<b>24.820</b>	46
SABMiller Group Companies <sup>(5)</sup>	<b>19.729</b>	15.804
Oyex Handels GmbH <sup>(3) (4)</sup>	<b>5.592</b>	2.332
Çelik Motor Ticaret A.Ş. <sup>(3) (4)</sup>	<b>1.228</b>	1.381
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1) (3) (4)</sup>	<b>1.121</b>	1.983
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	<b>382</b>	140
Efestur Turizm İşletmeleri A.Ş. <sup>(3) (4)</sup>	<b>268</b>	67
AEH <sup>(2) (3)</sup>	<b>71</b>	457
Other	<b>38</b>	86
	<b>53.249</b>	22.296

The Group has TRL1.055 (December 31, 2015 – TRL1.092) short term and TRL996 (December 31, 2015 – TRL1.482) long term deferred revenue related to AEH.

The Group has TRL27.500 other current assets related to Anadolu Efes Spor Kulübü (December 31, 2015 – None).

- (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.

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NOTE 23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Anadolu Efes Spor Kulübü	Service	34.800	17.400	30.000	14.999
SABMiller Group Companies <sup>(5)</sup>	Service and purchase of trade goods	25.075	14.446	26.121	17.143
Oyex Handels GmbH <sup>(3)(4)</sup>	Purchase of materials and fixed assets	16.145	6.983	15.982	10.673
AEH <sup>(2)(3)</sup>	Consultancy service	14.388	7.199	13.199	6.629
Çelik Motor Ticaret A.Ş. <sup>(3)(4)</sup>	Vehicle leasing	13.082	6.488	12.760	6.475
Efestur Turizm İşletmeleri A.Ş. <sup>(3)(4)</sup>	Travel and accommodation	4.779	2.345	5.944	3.006
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1)(3)(4)</sup>	Information service	3.763	1.821	3.790	1.872
Anadolu Eğitim ve Sosyal Yardım Vakfı <sup>1</sup>	Donations	1.515	1.150	2.710	1.750
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	Service	946	489	937	454
AEH Münih <sup>(3)(4)</sup>	Purchase of materials and fixed assets	549	286	3.001	1.853
Arge Danışmanlık A.Ş.	Consultancy service	303	153	279	194
Ahmet Boyacıoğlu	Consultancy service	174	87	162	81
Mehmet Cem Kozlu	Consultancy service	144	72	135	67
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. <sup>(3)(4)</sup>	Rent Expense	18	-	15	-
Other		73	28	19	20
		115.754	58.947	115.054	65.216

Finance Income / (Expenses), Net

	Nature of transaction	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Alternatifbank <sup>(3)(4)</sup>	Interest income and other financial expenses, net	5.135	1.485	10.124	2.935

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Migros <sup>(4)(7)</sup>	Sales income	186.709	116.225	-	-
SABMiller Group Companies <sup>(5)</sup>	Other income	2.055	2.055	550	178
Alternatifbank <sup>(3)(4)</sup>	Rent income	70	35	69	36
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1)(3)(4)</sup>	Rent income	38	6	4	2
Anadolu Efes Spor Kulübü	Other income	37	18	-	-
Çelik Motor Ticaret A.Ş. <sup>(3)(4)</sup>	Other income	13	8	343	308
AEH (2) (3)	Other income	9	5	8	3
SSDSD	Sales income	-	-	1.764	1.287
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	Fixed asset sales gain	-	-	789	789
Other	Other income	3	3	48	31
		188.934	118.355	3.575	2.634

(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 January – 30 June 2016, have been disclosed as “Revenue and Other Income / (Expense), Net” under “Transactions with Related Parties”.



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**NOTE 23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)**

**b) Transactions with Related Parties (continued)**

**Director’s remuneration**

As of June 30, 2016 and 2015, total benefits to Anadolu Efes Board of Directors are TRL152 and TRL135, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of June 30, 2016 and 2015 are as follows:

	<b>1 January - 30 June 2016</b>	<b>1 April – 30 June 2016</b>	1 January - 30 June 2015	1 April – 30 June 2015
Short-term employee benefits	<b>14.219</b>	<b>6.222</b>	14.009	5.201
Post-employment benefits	-	-	-	-
Other long term benefits	<b>600</b>	-	670	27
Termination benefits	<b>159</b>	-	350	-
Share-based payments	-	-	-	-
	<b>14.978</b>	<b>6.222</b>	15.029	5.228

**NOTE 24. 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 financial 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 June 30, 2016 (December 31, 2015 – USD43 million).

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 generally 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 of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments (Note 4). 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.

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

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**NOTE 24. 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 June 30, 2016 and December 31, 2015 are presented below:

Foreign Currency Position Table						
June 30, 2016						
	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	109.167	6.593	19.077	1.282	4.109	85.981
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.015.362	287.376	831.550	34.029	109.043	74.769
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	56.518	617	1.785	533	1.708	53.025
<b>4. Current Assets</b>	<b>1.181.047</b>	<b>294.586</b>	<b>852.412</b>	<b>35.844</b>	<b>114.860</b>	<b>213.775</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets</b>	<b>1.181.047</b>	<b>294.586</b>	<b>852.412</b>	<b>35.844</b>	<b>114.860</b>	<b>213.775</b>
10. Trade Payables and Due to Related Parties	(218.145)	(19.138)	(55.377)	(24.183)	(77.492)	(85.276)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(539.182)	(28.804)	(83.348)	(141.986)	(454.980)	(854)
12a. Monetary Other Liabilities	(51.684)	-	-	(81)	(260)	(51.424)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>13. Current Liabilities</b>	<b>(809.011)</b>	<b>(47.942)</b>	<b>(138.725)</b>	<b>(166.250)</b>	<b>(532.732)</b>	<b>(137.554)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.949.930)	(1.154.022)	(3.339.278)	(182.799)	(585.761)	(24.891)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(3.949.930)</b>	<b>(1.154.022)</b>	<b>(3.339.278)</b>	<b>(182.799)</b>	<b>(585.761)</b>	<b>(24.891)</b>
<b>18. Total Liabilities</b>	<b>(4.758.941)</b>	<b>(1.201.964)</b>	<b>(3.478.003)</b>	<b>(349.049)</b>	<b>(1.118.493)</b>	<b>(162.445)</b>
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	-	-	-	-	-	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.577.894)	(907.378)	(2.625.591)	(313.205)	(1.003.633)	51.330
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.634.412)	(907.995)	(2.627.376)	(313.738)	(1.005.341)	(1.695)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 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	54.343	2.606	7.576	461	1.464	45.303
2a. Monetary Financial Assets (Cash and cash equivalents included)	981.613	288.545	838.973	32.514	103.316	39.324
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	62.212	156	455	711	2.259	59.498
<b>4. Current Assets</b>	<b>1.098.168</b>	<b>291.307</b>	<b>847.004</b>	<b>33.686</b>	<b>107.039</b>	<b>144.125</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets</b>	<b>1.098.168</b>	<b>291.307</b>	<b>847.004</b>	<b>33.686</b>	<b>107.039</b>	<b>144.125</b>
10. Trade Payables and Due to Related Parties	(152.802)	(13.363)	(38.855)	(16.618)	(52.805)	(61.142)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(525.652)	(48.719)	(141.654)	(120.804)	(383.867)	(131)
12a. Monetary Other Liabilities	(41.436)	(2.360)	(6.862)	(106)	(337)	(34.237)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>13. Current Liabilities</b>	<b>(719.890)</b>	<b>(64.442)</b>	<b>(187.371)</b>	<b>(137.528)</b>	<b>(437.009)</b>	<b>(95.510)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.984.990)	(1.157.428)	(3.365.339)	(186.920)	(593.957)	(25.694)
16 a. Monetary Other Liabilities	(116.038)	(39.909)	(116.038)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(4.101.028)</b>	<b>(1.197.337)</b>	<b>(3.481.377)</b>	<b>(186.920)</b>	<b>(593.957)</b>	<b>(25.694)</b>
<b>18. Total Liabilities</b>	<b>(4.820.918)</b>	<b>(1.261.779)</b>	<b>(3.668.748)</b>	<b>(324.448)</b>	<b>(1.030.966)</b>	<b>(121.204)</b>
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	101.766	35.000	101.766	-	-	-
19a. Total Hedged Assets	101.766	35.000	101.766	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.620.984)	(935.472)	(2.719.978)	(290.762)	(923.927)	22.921
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.784.962)	(970.628)	(2.822.199)	(291.473)	(926.186)	(36.577)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.306)	(1.137)	(3.306)	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

As of June 30, 2016, intercompany loan receivables of CCI with an amount of USD175,3 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, 2015, USD181,8 million was netted on foreign currency position table and as of June 30, 2015, effect of the intercompany loans amounting to USD267,4 million was netted on foreign currency position sensitivity analysis).

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**NOTE 24. 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 June 30, 2016 and 2015 is as follows:

	1 January - 30 June 2016	1 April – 30 June 2016	1 January - 30 June 2015	1 April – 30 June 2015
Total Export	76.360	45.679	81.543	37.254
Total Import	733.863	348.592	748.926	365.689

The following table demonstrates the sensitivity analysis of foreign currency as of June 30, 2016 and 2015:

	Foreign Currency Position Sensitivity Analysis			
	June 30, 2016 <sup>(*)</sup>		June 30, 2015 <sup>(*)</sup>	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency (*)
<b>Increase / decrease in USD by 10%:</b>				
USD denominated net asset / (liability)	(262.738)	262.738	(217.612)	217.612
USD denominated hedging instruments (-)	-	-	3.906	(3.906)
<b>Net effect in USD</b>	<b>(262.738)</b>	<b>262.738</b>	<b>(213.706)</b>	<b>213.706</b>
<b>Increase / decrease in EURO by 10%:</b>				
EURO denominated net asset / (liability)	(100.534)	100.534	(58.539)	58.539
EURO denominated hedging instruments (-)	-	-	-	-
<b>Net effect in EURO</b>	<b>(100.534)</b>	<b>100.534</b>	<b>(58.539)</b>	<b>58.539</b>
<b>Increase / decrease in other foreign currencies by 10%:</b>				
Other foreign currency denominated net asset / (liability)	(170)	170	143	(143)
Other foreign currency hedging instruments (-)	-	-	-	-
<b>Net effect in other foreign currency</b>	<b>(170)</b>	<b>170</b>	<b>143</b>	<b>(143)</b>
<b>TOTAL</b>	<b>(363.442)</b>	<b>363.442</b>	<b>(272.102)</b>	<b>272.102</b>

<sup>(\*)</sup> Monetary assets and liabilities eliminated in scope of consolidation are not included.

**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. The Group also reduces the risk by preferring long-term debt.

**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 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 keeps guarantees for a part of its receivables by means of DDS (Direct Debit System). The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables under guarantee.

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**NOTE 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)**

**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 25. 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.

**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 June 30, 2016 CCI has 10 aluminum swap transactions with a total nominal amount of TRL36.367 for 7.356 tones (December 31, 2015 – TRL54.283) 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. As of June 30, 2016 CCI has foreign currency forward transactions with a total nominal amount of TRL52.917, for 3 forward purchase contracts amounting to USD18,3 million (December 31, 2015 – TRL101.765) are undesignated as hedging instruments.

As of June 30, 2016, the Group has designated its bank deposits amounting to TRL427.034 (equivalent of thousand USD125.074, thousand EURO20.322 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2015 – TRL370.128, equivalent of thousand USD96.931, thousand EURO26.000, and thousand Russian Ruble (RUR) 142.221).

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**NOTE 26. EVENTS AFTER REPORTING PERIOD**

The collective bargaining agreement negotiations between Coca-Cola İçecek and Tek-Gıda İş Sendikası (Labour Union) were finalized on August 5, 2016 with agreement on the conditions summarized below. The said agreement includes comprehensive improvements and rearrangements as it is the first collective bargaining agreement since the expiry of the last agreement on March 31, 2012.

The agreement covers the period of January 1, 2016-December 31, 2017 and its signing is in process. As of June 30, 2016, CCI has reflected an expense accrual to its financial statements for the comprehensive improvements and rearrangements.

The main terms of the collective bargaining agreement are as follows;

- For the first year of the agreement, gross wages of the union member employees will be increased by TRL700 per person per month and additionally TRL20 will be paid for each year of seniority, effective from January 1, 2016 on top of minimum wage increase. In the second year of the agreement, gross wages will be increased as per the Consumer Price Index plus TRL100 per person per month.
- Annual social package will be increased by 31% for the first year and for the second year in line with Consumer Price Index.
- In addition, for each year of seniority, TRL700 gross one-off payment will be made, collectively.

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