

**ANADOLU EFES (BIST: AEFES. IS) 1Q2017 EARNINGS RELEASE**

Istanbul, May 4, 2017

**1Q2017 HIGHLIGHTS**

Consolidated sales volume up 6.0% to 17.5 mhl

Consolidated net sales revenue up 25.5% to TL 2,425.7 million

Consolidated EBITDA Before Non-Recurring Items (BNRI) up 16.7% to TL 295.2 million

AEFES Consolidated (TL mn)	1Q2016	1Q2017	% change
Volume (mhl)	16.5	17.5	6.0%
Net Sales	1,933.2	2,425.7	25.5%
Gross Profit	732.0	869.6	18.8%
EBIT (BNRI)	47.0	60.3	28.4%
EBITDA (BNRI)	252.9	295.2	16.7%
Net Income/(Loss)*	60.3	-84.9	n.m.
			Change (bps)
Gross Profit Margin	37.9%	35.8%	-202
EBIT (BNRI) Margin	2.4%	2.5%	6
EBITDA (BNRI) Margin	13.1%	12.2%	-91
Net Income Margin*	3.1%	-3.5%	-662

\* Net income attributable to shareholders

Anadolu Efes recorded a volume growth of 6.0% y-o-y in the first quarter of the year, which is the highest quarterly volume growth since 2014. Main contributors to this growth were international beer and soft drink operations. Consolidated volumes reached to 17.5 mhl in 1Q2017 increasing from 16.5 mhl in 1Q2016.

Backed by strong volume growth, price increases and also positive translation effect of local currencies of international operations into TL (due to devaluation of TL in 1Q2017 vs 1Q2016), consolidated net sales revenue increased by 25.5% and reached TL 2,425.7 million in 1Q2017.

Consolidated EBITDA (BNRI) was reported as TL 295.2 million in 1Q2017, up by 16.7% y-o-y. Accordingly EBITDA (BNRI) margin was recorded as 12.2% in 1Q2017, with a decline of 91 bps vs last year. Higher soft drinks margins on y-o-y basis compensated softer EBITDA margin of beer operations which was under pressure due to lower volumes in Turkey beer, higher raw material costs in international beer and also devaluation impact on FX-based raw materials in CIS countries.

Consolidated net loss was TL 84.9 million in 1Q2017 mainly because of TL 121.7 million mostly non-cash fx-loss which was recorded as a result of devaluation of TL against hard currencies in 1Q2017 vs 2016YE. Bottomline was TL 60.3 million in the same time period of last year, with a mostly non-cash fx-gain of TL81.2 million.

Although our business in both segments tends to generate a negative free cash flow in the first quarters of the years given the seasonality, we still expect a positive FCF both for our beer business and soft drinks operations for the full year. In the first quarter of the year, Anadolu Efes' reported a negative free cash flow of TL 94.3 million which was negative TL 68.9 million in 1Q2016. Consolidated net debt to EBITDA (BNRI) was 2.1x as of 1Q2017.

## SUMMARY FINANCIALS

Consolidated (TL mn)	1Q2016	1Q2017	Change %
Volume (mhl)	16.5	17.5	6.0%
Net Sales	1,933.2	2,425.7	25.5%
Gross Profit	732.0	869.6	18.8%
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EBITDA (BNRI) Margin	13.1%	12.2%	-91
Net Income Margin*	3.1%	-3.5%	-662
Beer Group (TL mn)	1Q2016	1Q2017	Change %
Volume (mhl)	4.0	4.3	9.1%
Net Sales	632.0	870.1	37.7%
Gross Profit	315.4	390.5	23.8%
EBIT (BNRI)	6.2	-5.2	n.m.
EBITDA (BNRI)	97.8	101.5	3.8%
Net Income/(Loss)*	47.6	-40.0	n.m.
			<b>Change (bps)</b>
Gross Profit Margin	49.9%	44.9%	-503
EBIT (BNRI) Margin	1.0%	-0.6%	-157
EBITDA (BNRI) Margin	15.5%	11.7%	-381
Net Income Margin*	7.5%	-4.6%	-1,214
Turkey Beer (TL mn)	1Q2016	1Q2017	Change %
Volume (mhl)	1.2	1.2	-3.6%
Net Sales	283.4	294.8	4.0%
Gross Profit	157.4	160.1	1.7%
EBIT	23.4	16.1	-31.4%
EBITDA	65.7	58.7	-10.7%
Net Income/(Loss)*	40.3	-59.9	n.m.
			<b>Change (bps)</b>
Gross Profit Margin	55.5%	54.3%	-124
EBIT Margin	8.3%	5.5%	-282
EBITDA Margin	23.2%	19.9%	-328
Net Income Margin*	14.2%	-20.3%	-3,453
EBI (TL mn)	1Q2016	1Q2017	Change %
Volume (mhl)	2.7	3.2	14.8%
Net Sales	343.9	570.3	65.9%
Gross Profit	155.0	226.1	45.9%
EBIT (BNRI)	-6.6	-9.3	-41.7%
EBITDA (BNRI)	42.2	54.3	28.6%
Net Income/(Loss)*	21.7	33.6	55.4%
			<b>Change (bps)</b>
Gross Profit Margin	45.1%	39.6%	-543
EBIT (BNRI) Margin	-1.9%	-1.6%	28
EBITDA (BNRI) Margin	12.3%	9.5%	-275
Net Income Margin*	6.3%	5.9%	-40
CCI (TL mn)	1Q2016	1Q2017	Change %
Volume (mn u/c)	221.8	233.0	5.1%
Net Sales	1,301.3	1,555.7	19.5%
Gross Profit	417.5	481.4	15.3%
EBIT	44.8	69.3	54.6%
EBITDA	155.6	193.6	24.5%
Net Income/(Loss)*	29.4	-86.0	n.m.
			<b>Change (bps)</b>
Gross Profit Margin	32.1%	30.9%	-114
EBIT Margin	3.4%	4.5%	101
EBITDA Margin	12.0%	12.4%	49
Net Income Margin*	2.3%	-5.5%	-779

\* Net income attributable to shareholders

## MANAGEMENT COMMENTS

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“We started the year by delivering strong results on a consolidated basis with volumes reaching 17.5 mhl and revenues TL 2,425.7 million in the first quarter of 2017 translating into 6.0% and 25.5% y-o-y growth, respectively. We are very happy to deliver such results especially following a very challenging 2016. The outcome was mainly a result of the strong performance of our international beer and soft drinks operations justifying our diversified business model.” **commented Mr. Gavin Hudson, Anadolu Efes CEO and Beer Group President.**

“Although the first quarter is a relatively small one providing limited eye-sight for the rest of the year, we are very happy to outperform our volume expectations for total beer group while delivering expectations for soft drinks in the first quarter. The political & macroeconomic challenges, affordability issues and tough competition continued into the first quarter of 2017 in our Turkey beer operations, however, the softer performance in Turkey was offset by the other business segments. Russian beer business continued to grow strong and outperform the market while other international operations contributed positively to EBI.

Going forward, we are cautiously optimistic for our international beer given the encouraging performance of Russia in 1Q2017, whereas we remain cautious for our Turkey beer operations. For our soft drink operations, we maintain our guidance. Our priorities will continue to be winning in the market place, excellence in execution, tight revenue and expense management backed by improved efficiency as well as focus in balance sheet management. As before, we will be achieving these by capitalizing on our long term BEER strategy.”

## OPERATIONAL PERFORMANCE - BEER GROUP

### TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	1Q2016	1Q2017	% change
Volume (mhl)	1.2	1.2	-3.6%
Net Sales	283.4	294.8	4.0%
Gross Profit	157.4	160.1	1.7%
EBIT	23.4	16.1	-31.4%
EBITDA	65.7	58.7	-10.7%
Net Income/(Loss)*	40.3	-59.9	n.m.
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Gross Profit Margin	55.5%	54.3%	-124
EBIT Margin	8.3%	5.5%	-282
EBITDA Margin	23.2%	19.9%	-328
Net Income Margin*	14.2%	-20.3%	-3,453

\* Net income attributable to shareholders

Turkey beer operation's domestic volume realized 1.0 mhl in the first quarter of 2017. The beer market was under pressure in the quarter mainly due to the slowdown in economy, decrease in consumer confidence with lower personal spending, increased security concerns, and affordability issues caused by high excise increases. Apart from the challenges in the beer market, Anadolu Efes' volumes were also impacted by the high competition. However, exports were strong in the quarter and increased by 15.1% y-o-y, taking the total volume of Turkey beer to 1.2 mhl in 1Q2017, with a y-o-y decline of 3.6%.

Net sales revenue per liter was up by 7.9% y-o-y in 1Q2017, benefitting from price increase implemented at the beginning of December 2016 in order to reflect the excise tax hike. Thus, net sales revenue grew by 4.0% to TL 294.8 million in 1Q2017.

Cost of sales per liter increased by 11.0% in 1Q2017 vs 1Q2016 as a result of cost inflation as well as higher fixed costs due to lower volumes and F/X-based raw materials prices because of weaker TL. Consequently, gross profit grew by 1.7%, slightly lower than the revenue growth, to TL160.1 million, with a margin of 54.3%.

Operating expenses increased by 8.1% on the back of higher fixed selling expenses due to lower volumes. Accordingly, EBITDA declined by 10.7% y-o-y to TL 58.7 million, bringing the EBITDA margin down to 19.9% in 1Q2017 from 23.2% in 1Q2016.

Bottom line turned into negative in 1Q2017 on the back of TL81.3 million non-cash FX losses versus FX gain of TL 30.2 million in 1Q2016, as a result of devaluation of TL against hard currencies in the first quarter compared to 2016-end. Consequently, Turkey beer reported a net loss of TL 59.9 million in 1Q2017.

## INTERNATIONAL BEER OPERATIONS

International Beer (TL mn)	1Q2016	1Q2017	% change
Volume (mhl)	2.7	3.2	14.8%
Net Sales	343.9	570.3	65.9%
Gross Profit	155.0	226.1	45.9%
EBIT (BNRI)	-6.6	-9.3	-41.7%
EBITDA (BNRI)	42.2	54.3	28.6%
Net Income/(Loss)*	21.7	33.6	55.4%
			Change (bps)
Gross Profit Margin	45.1%	39.6%	-543
EBIT (BNRI) Margin	-1.9%	-1.6%	28
EBITDA (BNRI) Margin	12.3%	9.5%	-275
Net Income Margin*	6.3%	5.9%	-40

\* Net income attributable to shareholders

EBI reported another strong quarter in 1Q2017 with 14.8% y-o-y volume growth. The volume performance of EBI in the first quarter of the year was above expectations across the operating countries. Solid volume growth in the quarter was mainly attributable to the robust performance of Russia.

In Russia, beer market is estimated to be down by mid-to-high single digit in the quarter mainly attributable to PET regulation and downsizing. On the other hand, we were able to outperform the market through our continued focus on brands and improved execution in market place. While we were able to increase our market share in the mainstream segment, we also managed to gain share in premium segment. On the other hand, other EBI countries performed well in the period by maintaining their market leader position.

EBI's net sales revenue increased by 65.9% to TL570.3 million in 1Q2017, thanks to higher volumes and positive translation effect of local currencies of EBI countries into TL in the quarter.

Gross profit was reported as TL 226.1 million in 1Q2017 versus TL155.0 million in 1Q2016. Although partially mitigated by tight cost management and effective hedging used, higher procurement prices as well as lagged impact of devaluations in CIS countries have led the gross margin to decline by 543 bps y-o-y to 39.6% in 1Q2017.

Tight OPEX management backed up by strong volume increase, helped us to increase our EBITDA (BNRI) by 28.6% to TL54.3 million with a margin of 9.5% in 1Q2017.

EBI recorded net profit of TL 33.6 million in 1Q2017 vs TL 21.7 million in 1Q2016. The bottomline was nourished by strong Russian Ruble against TL at 31 March 2017 compared to 2016-end, which led to TL50.0 million fx gain which was TL33.6 million a year ago.

## OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

### MANAGEMENT COMMENTS

**Burak Basarir, Chief Executive Officer of Coca-Cola İcecek, commented:** “We achieved solid results in the first quarter, with revenue growth ahead of volume growth and EBITDA growth ahead of revenue growth.

In the first three months, Turkey operations delivered strong sparkling growth, despite weak consumer sentiment. We successfully launched a number of new packages and flavors in the first quarter. While 330 ml sleek cans replaced the traditional cans, both in sparkling and stills, we continue to offer affordable entry packs for recruitment purposes. We expect to see the positive contribution of price increases and effective discount management on profitability in the upcoming high season.

In Pakistan, momentum continued in line with strong market growth. Effective discount management and disciplined productivity initiatives allowed us to increase margins significantly in a highly competitive environment. We continued to increase our availability and further improved our brand equity in Pakistan. On the other hand, in line with our investment plans, we inaugurated the construction of the Faisalabad greenfield plant to capture growing demand.

In Central Asia, we are encouraged by the volume growth in the first quarter, with clear signs of recovery in Kazakhstan. Azerbaijan volume growth also turned positive, following sharp contractions in the previous quarters. We expect to grow the sparkling category by implementing our successful marketing initiatives in the region.

In our Middle East operations, North Iraq and Jordan performed better than expectations, on the back of improved market execution. Macroeconomic environment and security conditions remained challenging in South Iraq.

Following a good start to the year, we will focus on delivering our 2017 targets going forward."

Coca-Cola İcecek (TL mn)	1Q2016	1Q2017	% change
Volume (mn u/c)	221.8	233.0	5.1%
Net Sales	1,301.3	1,555.7	19.5%
Gross Profit	417.5	481.4	15.3%
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Gross Profit Margin	32.1%	30.9%	-114
EBIT Margin	3.4%	4.5%	101
EBITDA Margin	12.0%	12.4%	49
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Consolidated sales volume increased by 5.1% to 233 mn uc in 1Q17. Turkey operations and international operations represented 51% and 49% of total volume, respectively. In the first quarter, sparkling volume rose by 7.7% driven by solid performance in Turkey, Pakistan and Kazakhstan. Stills category (excluding water) volume declined by 10.7% in 1Q17, mainly due to juice volumes in Turkey.

Turkey operations delivered 2.7% volume growth in 1Q17, primarily driven by the sparkling category. A weak start to the year was more than offset by improving consumer sentiment and positive momentum in March. The sparkling category achieved 7.1% growth in 1Q17, cycling a 10.0% contraction in 1Q16. The growth in the number of transactions lagged behind volume growth in the first quarter, mainly attributable to higher growth in the future consumption (FC) packages, prior to the price increase in 2.5 lt packs at the end of March. The stills (excluding water) contraction of 16.3% in 1Q17 was mainly due to weaker juice and ice tea volumes. We expect new packages and flavours to support profitable growth in the juice and ice tea segments in the remainder of the year. The water

category contracted by 16.6% against a very strong 1Q16 as we continued to work on initiatives to optimize the category sales mix and deliberately focused our efforts on profitable packages. The non-ready-to-drink (NRTD) tea category posted 24.8% growth in 1Q17 supported by consumer activities.

International operations delivered 7.6% volume growth in 1Q17, with Pakistan and Kazakhstan being the key drivers of volume. In Pakistan, positive momentum continued with 9.4% volume growth in 1Q17, cycling 12.7% growth in 1Q16. Across the Middle East, sales volume grew by 3.8% in 1Q17, led by North Iraq and Jordan. Iraq delivered 3.1% growth in total. North Iraq delivered 18.6% growth, supported by Newroz consumer activation. Jordan posted 7.6% growth in 1Q17 on the back of improving market execution, in spite of the challenging macroeconomic environment in the country. Central Asia posted 7.6% growth in 1Q17 driven by double digit growth in Kazakhstan and regained momentum in Azerbaijan. Successful market executions coupled with macroeconomic recovery in Kazakhstan helped strong growth in 1Q17. While we focused on our 'One Brand Strategy' throughout 1Q17, we achieved 12.8% sparkling volume growth through effective commercial initiatives. For the first time in eight quarters, Azerbaijan turned positive in 1Q17, posting 37.0% growth. Despite challenging currency conversion and the overall economic environment, Turkmenistan performed better than our expectations, falling short in volume by 24.5%.

Consolidated net revenue increased by 19.5% to TL 1,555.7 mn in 1Q17, mainly driven by the positive conversion impact of international operations, revenue growth initiatives and volume growth in our major markets. On an FX-neutral basis, consolidated net revenue growth was 5.6% in 1Q17. In our Turkey operations, net revenue grew by 4.1% in the first quarter of the year, reflecting the impact of positive volume and pricing. However, the growth in net revenue per unit case was 1.4%, diluted by higher share of FC (future consumption) packages in the sparkling category and non-ready-to-drink tea in the sales mix. In our international operations, net revenue increased by 36.7% in the first quarter, with 7.3% growth on an FX-neutral basis. The improvement in the net revenue per unit case in Central Asia and Pakistan was offset by a contraction in Iraq, translating into a flat international figure, on an FX-neutral basis. Volume growth and favourable mix effect in Pakistan, coupled with volume and pricing recovery in Kazakhstan, supported top line in international operations.

In cost of sales, the unfavourable FX conversion impact on international operations led to a 21.5% year-on-year increase in 1Q17, with gross margin contracting by 114 bps, on a consolidated basis. On an FX-neutral basis, the growth in the cost base was 6.0%. Cost of sales per unit case increased by 15.7% on a consolidated basis while it remained almost flat on an FX-neutral basis. The increase in world sugar and aluminium prices was partially offset by lower resin costs, resulting in broadly stable FX-neutral input cost per case. Our focus on tight Opex management allowed us to achieve an improvement in operating expenses as a percentage of net revenue on a consolidated basis, as higher distribution expenses stemming from volume increases and higher fuel prices were more than offset by the operating leverage and savings in international operations. In 1Q17, consolidated EBITDA increased by 24.5%, resulting in 49 bps expansion in EBITDA margin. Our international operations delivered 226 bps EBITDA margin expansion on the back of considerable margin expansion in Pakistan. Turkey EBITDA margin was up by 39 bps. On the other hand, excluding other income/expense, which is mainly comprised of dividend income accruals from Central Asian operations, EBITDA margin of Turkey operations contracted by 155 bps in 1Q17.

Net financial expense was TL 124.0 mn in 1Q17 compared to TL 20.2 mn in 1Q16 due to higher net FX losses. Accordingly, CCI recorded a net loss of TL 86.0 mn in 1Q17 vs. TL 29.4 mn of net income in 1Q16, despite higher operating profitability.

Free cash flow was negative TL 55.3 mn in 1Q17 compared to negative TL 37.1 mn in 1Q16, due to the change net working capital requirements. The change in net working capital mainly stemmed from higher volume growth in international operations. On the other hand, net working capital / sales improved, compared to the same period of 2016.

Net debt/EBITDA ratio realized as 2.22x.

## CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	1Q2016	1Q2017
Profit/loss from Operations	45.5	59.7
Depreciation and amortization	188.4	231.1
Provision for retirement pay liability	4.5	5.5
Provision for vacation pay liability	7.5	8.4
Foreign exchange gain/loss from operating activities	4.4	-11.0
Rediscount interest income/expense from operating activities	-0.2	0.0
Other	1.2	0.9
<b>EBITDA</b>	<b>251.4</b>	<b>294.6</b>
<b>EBITDA (BNRI*)</b>	<b>252.9</b>	<b>295.2</b>

\* Non-recurring items amounted to TRL 1.5 million in 1Q2016 and TRL 0.6 million in 1Q2017

Financial Income / (Expense) Breakdown (TL mn)	1Q2016	1Q2017
Interest income	19.5	27.6
Interest expense	-52.2	-60.9
Foreign exchange gain / (loss)	81.2	-121.7
Other financial expenses (net)	-4.6	-8.0
Gain/(loss) on derivative transactions	-9.3	0.3
<b>Net Financial Income /(Expense)</b>	<b>34.7</b>	<b>-162.7</b>

Anadolu Efes Free Cash Flow (TL mn)	1Q2016	1Q2017
EBITDA	251.4	294.6
Change in Working Capital	-83.1	-159.4
Income Taxes & Employee Benefits Paid	-27.5	-46.7
CAPEX, net	-202.2	-199.5
Net Financial Income /(Expense)	-7.6	34.4
<b>FCF</b>	<b>-68.9</b>	<b>-76.5</b>
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	0.0	-17.8
<b>FCF (after investing activities)</b>	<b>-68.9</b>	<b>-94.3</b>

TL mn	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated	6,424.8	2,683.1	-3,741.7
Beer Group	2,523.6	1,296.0	-1,227.6
CCI	3,901.2	1,387.1	-2,514.1

Net Debt / EBITDA (BNRI)	1Q2016	1Q2017
Anadolu Efes Consolidated	2.0	2.1
Beer Group	1.7	1.8



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## OUTLOOK

Since first quarter is relatively a small quarter, we cautiously reiterate our guidance for Anadolu Efes.

### FORESEEABLE RISKS FOR 2017

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**Financial Markets Related:** 2017 will continue to be a challenging year for Emerging Markets. Apart from specific country/region economic or political issues, increasing interest rates and recovery of growth in developed markets put pressure on emerging countries' economic activities and their local currencies. In addition, specific events/political tension may also bring additional volatility. Company has been taking actions to mitigate financial markets related risk as much as possible and manage volatility to some extent. With an accumulated experience of operating in highly volatile markets for long years, we have a successful track record of managing and mitigating risks.

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

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

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

ANADOLU EFES

Consolidated Income Statements For the Three-Month Period Ended 31.03.2016 and 31.03.2017

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	2016/03	2017/03
<b>SALES VOLUME (mhl)</b>	16.5	17.5
<b>SALES REVENUE</b>	1,933.2	2,425.7
Cost of Sales (-)	-1,201.2	-1,556.1
<b>GROSS PROFIT FROM OPERATIONS</b>	732.0	869.6
Selling, Distribution and Marketing Expenses (-)	-495.7	-595.5
General and Administrative Expenses (-)	-189.3	-233.7
Other Operating Income	45.3	52.5
Other Operating Expense (-)	-46.8	-33.2
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	47.0	60.3
Income From Investing Activities	4.4	0.9
Expenses From Investing Activities (-)	-2.4	-4.7
Income / (Loss) from Associates	-3.4	-1.7
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	44.0	54.2
Financial Income / Expense (net)	34.7	-162.7
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	78.7	-108.5
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-23.8	-45.9
- Deferred Tax Expense (-) / Income	-5.4	7.2
<b>INCOME/(LOSS) FOR THE PERIOD</b>	49.5	-147.2
Attributable to:		
Non-Controlling Interest	-10.8	-62.3
<b>EQUITY HOLDERS OF THE PARENT</b>	60.3	-84.9
<b>EBITDA (BNRI)*</b>	252.9	295.2

\*Non-recurring items amounted to TL 1.5 million in 1Q2016 and TL 0.6 million in 1Q2017

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

**ANADOLU EFES**  
**Consolidated Balance Sheets as of 31.12.2016 and 31.03.2017**  
**Prepared In Accordance with IFRS as per CMB Regulations**  
**(TL mn)**

	<b>2016/12</b>	<b>2017/03</b>
Cash & Cash Equivalents	2,745.3	2,680.1
Financial Investments	11.0	3.0
Derivative Instruments	1.5	2.5
Trade Receivables from Third Parties	1,188.1	1,625.3
from Related Parties	131.5	124.5
Other Receivables	99.1	86.0
Inventories	1,031.0	1,262.4
Other Current Assets	801.2	909.5
<b>Total Current Assets</b>	<b>6,008.7</b>	<b>6,693.2</b>
Other Receivables	14.5	14.3
Financial Investments	0.8	0.8
Investments in Associates	58.4	74.6
Property, Plant and Equipment (incl. inv properties)	7,396.6	7,724.2
Other Intangible Assets	9,964.1	10,261.8
Goodwill	1,675.2	1,802.6
Deferred Tax Assets	274.3	306.0
Other Non-Current Assets	236.0	254.2
<b>Total Non-Current Assets</b>	<b>19,619.9</b>	<b>20,438.5</b>
<b>Total Assets</b>	<b>25,628.6</b>	<b>27,131.7</b>
	<b>2016/12</b>	<b>2017/03</b>
Current portion of long term borrowings	383.1	591.9
Short-term Borrowings	117.8	64.0
Derivative Instruments	0.1	0.0
Current Trade Payables to Third Parties	1,258.3	1,657.7
to Related Parties	25.9	65.8
Other Current Payables	661.6	837.9
Provision for Corporate Tax	1.4	0.4
Provisions	129.6	112.0
Other Liabilities	108.6	136.6
<b>Total Current Liabilities</b>	<b>2,686.5</b>	<b>3,466.3</b>
Long-term Borrowings	5,682.4	5,768.9
Non Current Trade Payables	26.4	26.4
Other Non Current Payables	301.5	308.2
Deferred Tax Liability	1,831.5	1,886.2
Other Non Current Liabilities	283.2	291.2
<b>Total Non-Current Liabilities</b>	<b>8,125.1</b>	<b>8,280.9</b>
<b>Total Equity</b>	<b>14,817.0</b>	<b>15,384.5</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>25,628.6</b>	<b>27,131.7</b>

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

**TURKEY BEER OPERATIONS**

Highlighted Income Statement Items For Three-Month Period Ended 31.03.2016 and 31.03.2017  
Prepared In Accordance with IFRS as per CMB Regulations  
(TL mn)

	2016/03	2017/03
<b>SALES VOLUME (mhl)</b>	1.2	1.2
<b>NET SALES</b>	283.4	294.8
<b>GROSS PROFIT FROM OPERATIONS</b>	157.4	160.1
<b>PROFIT FROM OPERATIONS</b>	23.4	16.1
Income / Expense from Investing Activities (net)	0.2	0.8
Financial Income / Expense (net)	20.7	-94.0
<b>CONTINUING OPERATIONS PROFIT BEFORE TAX</b>	44.3	-77.1
Tax income /(expense )	-4.0	17.3
<b>PROFIT FOR THE YEAR</b>	40.3	-59.9
<b>EBITDA</b>	65.7	58.7

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

**INTERNATIONAL BEER OPERATIONS (EBI)**

Highlighted Income Statement Items For Three-Month Period Ended 31.03.2016 and 31.03.2017  
Prepared In Accordance with IFRS as per CMB Regulations  
(TL mn)

	2016/03	2017/03
<b>SALES VOLUME (mhl)</b>	2.7	3.2
<b>NET SALES</b>	343.9	570.3
<b>GROSS PROFIT</b>	155.0	226.1
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	-6.6	-9.3
Income / Expense from Investing Activities	2.8	-0.6
Financial Income / Expense (net)	34.6	55.2
<b>(LOSS)/PROFIT BEFORE TAX</b>	29.4	44.7
Tax income /(expense )	-7.8	-11.1
<b>(LOSS)/PROFIT AFTER TAX</b>	21.6	33.5
Attributable to		
Minority Interest	-0.1	-0.1
Equity Holders of the Parent Company	21.7	33.6
<b>EBITDA (BNRI)*</b>	42.2	54.3

\*Non-recurring items amounted to TL 1.5 million in 1Q2016 and TL 0.6 million in 1Q2017.

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

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

SOFT DRINK OPERATIONS (CCI)

Highlighted Income Statement Items For Three-Month Period Ended 31.03.2016 and 31.03.2017

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	2016/03	2017/03
SALES VOLUME (mn u/c)	221.8	233.0
NET SALES	1,301.3	1,555.7
COST OF SALES	-883.8	-1,074.3
GROSS PROFIT	417.5	481.4
Operating Expenses	-372.8	-424.8
Other Operating Income / (Expense) (net)	0.2	12.7
EBIT	44.8	69.3
Gain / (Loss) from Associates	-0.3	0.0
Income / (Expense) from Investing Activities, net	-1.0	-3.6
Financial Income / (Expense), net	-20.2	-123.9
INCOME BEFORE MINORITY INTEREST & TAX	23.3	-58.2
Tax income /(expense )	-18.2	-45.5
INCOME BEFORE MINORITY INTEREST	5.1	-103.8
Attributable to,		
Minority Interest	-24.3	-17.7
Net Income attributable to Shareholders	29.4	-86.0
EBITDA	155.6	193.6

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

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

## ABOUT ANADOLU EFES

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Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 14,333, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI, that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

## ACCOUNTING PRINCIPLES

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

The attached financial statements in this announcement comprise the income statements for the period ended 31.03.2016 and 31.03.2017 as well as the balance sheets as of 31.12.2016 and 31.03.2017. Figures in 1Q2016 and 1Q2015 are presented in the reporting currencies of each business division.

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

## BEER OPERATIONS' 1Q2017 RESULTS PRESENTATION & WEBCAST

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Anadolu Efes - Beer Operations' 1Q2017 Results Presentation will be held on Friday 5<sup>th</sup> of May 2017 at 16:30 (Istanbul) 14:30 (London) 9:30 (New York).

### Audio Conference:

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

TR Dial-in: +90 212 7052920

Russia Dial-in: +7 4952216523

Confirmation Code: 71743423#

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

### Webcast:

<http://edge.media-server.com/m/p/b2h4s8ak>

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

A copy of the presentation will be available prior to the conference call from our website at [www.anadoluefes.com](http://www.anadoluefes.com).

## ENQUIRIES

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

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