

**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 MARCH 31, 2017**

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 March 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Consolidated Interim Statement of Financial Position	1-2
Consolidated Interim Income Statement	3
Consolidated Interim Statement of Other Comprehensive Income.....	4
Consolidated Interim Statement of Changes in Equity	5
Consolidated Interim Statement of Cash Flows	6
Condensed Notes to the Consolidated Interim Financial Statements.....	7-35
Note 1	Group's Organization and Nature of Activities.....7-9
Note 2	Basis of Presentation of Consolidated Interim Financial Statements9-13
Note 3	Segment Reporting 14-15
Note 4	Cash and Cash Equivalents 15
Note 5	Financial Investments..... 15
Note 6	Short and Long Term Borrowings..... 16-17
Note 7	Derivative Instruments 17
Note 8	Other Receivables and Payables..... 18
Note 9	Investment in Subsidiaries, Joint Ventures and Associates 19
Note 10	Property, Plant and Equipment..... 20
Note 11	Other Intangible Assets 20
Note 12	Goodwill..... 21
Note 13	Equity 21-22
Note 14	Commitments and Contingencies..... 23-24
Note 15	Prepaid Expenses and Deferred Income 24
Note 16	Other Assets and Liabilities..... 25
Note 17	Other Operating Income / Expenses 26
Note 18	Investment Activity Income / Expense..... 26
Note 19	Finance Income / Expense..... 27
Note 20	Tax Assets and Liabilities 27
Note 21	Earnings per Share..... 28
Note 22	Related Party Balances and Transactions 28-30
Note 23	Nature and Level of Risks Arising from Financial Instruments 30-33
Note 24	Financial Instruments 33-34
Note 25	Explanatory Information on Statement of Cash Flows..... 34-35
Note 26	Events after Reporting Period..... 35

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 MARCH 31, 2017

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

	Notes	Unaudited	Audited
		March 31, 2017	December 31, 2016
ASSETS			
Cash and Cash Equivalents	4	2.680.125	2.745.264
Financial Investments	5	2.956	11.036
Trade Receivables		1.749.821	1.319.634
- Trade Receivables Due from Related Parties	22	124.532	131.499
- Trade Receivables Due from Third Parties		1.625.289	1.188.135
Other Receivables	8	85.999	99.093
- Other Receivables from Third Parties		85.999	99.093
Derivative Financial Assets	7	2.458	1.472
Inventories		1.262.387	1.030.992
Prepaid Expenses	15	482.849	425.477
Current Tax Assets		127.904	124.324
Other Current Assets	16	298.711	251.383
- Other Current Assets from Related Parties		37.500	-
- Other Current Assets from Third Parties		261.211	251.383
Current Assets		6.693.210	6.008.675
Financial Investments		767	767
Trade Receivables		1.401	1.278
- Trade Receivables Due from Third Parties		1.401	1.278
Other Receivables	8	14.312	14.505
- Other Receivables from Third Parties		14.312	14.505
Investments in Subsidiaries, Joint Ventures and Associates	9	74.585	58.406
Investment Property		103.483	93.897
Property, Plant and Equipment	10	7.620.761	7.302.670
Intangible Assets		12.064.405	11.639.357
- Goodwill	12	1.802.619	1.675.218
- Other Intangible Assets	11	10.261.786	9.964.139
Prepaid Expenses	15	194.568	177.667
Deferred Tax Asset	20	306.012	274.330
Other Non-Current Assets	16	58.190	57.007
Non-Current Assets		20.438.484	19.619.884
TOTAL ASSETS		27.131.694	25.628.559

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 MARCH 31, 2017

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

	Notes	Unaudited	Audited
		March 31, 2017	December 31, 2016
LIABILITIES			
Current Borrowings	6	63.996	117.754
Current Portion of Non-Current Borrowings	6	591.903	383.116
Trade Payables		1.723.484	1.284.222
- Trade Payables to Related Parties	22	65.773	25.888
- Trade Payables to Third Parties		1.657.711	1.258.334
Employee Benefit Obligations		38.829	54.076
Other Payables	8	837.898	661.646
- Other Payables to Third Parties		837.898	661.646
Derivative Financial Assets	7	-	65
Deferred Income	15	59.213	33.453
Current Tax Liabilities		422	1.441
Current Provisions		111.982	129.641
- Current Provisions for Employee Benefits		111.391	129.081
- Other Current Provisions		591	560
Other Current Liabilities	16	38.536	21.043
Current Liabilities		3.466.263	2.686.457
Long-Term Borrowings	6	5.768.886	5.682.403
Trade Payables		26.425	26.425
- Trade Payables to Third Parties		26.425	26.425
Other Payables	8	308.161	301.549
- Other Payables to Third Parties		308.161	301.549
Deferred Income		217	544
Non-Current Provision		119.554	116.267
- Non-Current Provision for Employee Benefits		119.554	116.267
Deferred Tax Liabilities	20	1.886.226	1.831.472
Other Non-Current Liabilities	16	171.432	166.420
Non-Current Liabilities		8.280.901	8.125.080
Equity Attributable to Equity Holders of the Parent		9.728.992	9.262.501
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	13	19.028	19.923
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(20.513)	(20.249)
-Revaluation and Remeasurement Gain/Loss		(20.513)	(20.249)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		2.394.404	1.841.842
- Currency Translation Differences		2.335.817	1.783.517
- Gains (Losses) on Hedge		58.587	58.325
Restricted Reserves Appropriated from Profits	13	303.414	303.414
Other Reserves	13	(235.742)	(235.742)
Prior Years' Profits or Losses	13	3.559.941	3.630.736
Current Period Net Profit or Losses		(84.912)	(70.795)
Non-Controlling Interests		5.655.538	5.554.521
Total Equity		15.384.530	14.817.022
TOTAL LIABILITIES		27.131.694	25.628.559

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 THREE - MONTH PERIOD ENDED MARCH 31, 2017**

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

		Unaudited	Unaudited
	Notes	1 January - 31 March 2017	1 January - 31 March 2016
Revenue	3	2.425.697	1.933.242
Cost of Sales		(1.556.119)	(1.201.207)
GROSS PROFIT (LOSS)		869.578	732.035
General Administrative Expenses		(233.722)	(189.277)
Sales, Distribution and Marketing Expenses		(595.514)	(495.737)
Other Income from Operating Activities	17	52.547	45.279
Other Expenses from Operating Activities	17	(33.157)	(46.780)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		59.732	45.520
Investment Activity Income	18	878	4.357
Investment Activity Expenses	18	(4.738)	(2.445)
Income/ (Loss) from Associates	9	(1.694)	(3.425)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		54.178	44.007
Finance Income	19	370.060	251.577
Finance Expenses	19	(532.748)	(216.888)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		(108.510)	78.696
Tax (Expense) Income, Continuing Operations		(38.694)	(29.188)
- <i>Current Period Tax (Expense) Income</i>		(45.890)	(23.771)
- <i>Deferred Tax Income (Expense)</i>		7.196	(5.417)
PROFIT/(LOSS)		(147.204)	49.508
Profit/(Loss) Attributable to			
- <i>Non-Controlling Interest</i>		(62.292)	(10.775)
- <i>Owners of Parent</i>		(84.912)	60.283
Earnings / (Loss) Per Share (Full TRL)	21	(0,1434)	0,1018

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 OTHER COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2017**

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

	Unaudited	Unaudited
	1 January - 31 March 2017	1 January - 31 March 2016
PROFIT/(LOSS)	(147.204)	49.508
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income that will not be Reclassified to Profit or Loss	(264)	(237)
Gains (Losses) on Remeasurements of Defined Benefit Plans	(330)	(296)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	66	59
- <i>Deferred Tax Income (Expense)</i>	66	59
Other Comprehensive Income that will be Reclassified to Profit or Loss	714.976	(103.919)
Currency Translation Differences	714.321	(92.819)
Other Comprehensive Income (Loss) on Cash Flow Hedge	819	(13.876)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	(164)	2.776
- <i>Deferred Tax Income (Expense)</i>	(164)	2.776
OTHER COMPREHENSIVE INCOME (LOSS)	714.712	(104.156)
TOTAL COMPREHENSIVE INCOME (LOSS)	567.508	(54.648)
Total Comprehensive Income Attributable to		
- <i>Non-Controlling Interest</i>	100.122	(95.707)
- <i>Owners of Parent</i>	467.386	41.059

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 CHANGES IN EQUITY
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2017

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

						Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss		Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss		Accumulated Profit					
		Issued Capital	Inflation Adjustment on Capital	Share Premium/ Discount	Put Option Revaluation Fund Related with Non- controlling Interests	Revaluation and Remeasurements Gain / (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Other Reserves	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
Previous Period (1 January – 31 March 2016)	Beginning Balances	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	-	-	-	-	-	-	-	-	-	(197.759)	197.759	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(238)	49	(19.035)	-	-	-	60.283	41.059	(95.707)	(54.648)
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	60.283	60.283	(95.707)	(35.424)
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(238)	49	(19.035)	-	-	-	-	(19.224)	-	(19.224)
	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
	Increase (Decrease) from Other Changes (*)	-	-	-	(125)	-	-	-	-	-	-	-	(125)	125	-
Ending Balances	592.105	63.583	3.137.684	5.670	(15.366)	48.205	13.352	282.836	(235.742)	3.796.380	60.283	7.748.990	4.769.841	12.518.831	
Current Period (1 January – 31 March 2017)	Beginning Balances	592.105	63.583	3.137.684	19.923	(20.249)	1.783.517	58.325	303.414	(235.742)	3.630.736	(70.795)	9.262.501	5.554.521	14.817.022
	Transfers	-	-	-	-	-	-	-	-	-	(70.795)	70.795	-	-	-
	Total Comprehensive Income	-	-	-	-	(264)	552.300	262	-	-	-	(84.912)	467.386	100.122	567.508
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	(84.912)	(84.912)	(62.292)	(147.204)
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(264)	552.300	262	-	-	-	-	552.298	162.414	714.712
	Increase (Decrease) from Other Changes (*)	-	-	-	(895)	-	-	-	-	-	-	-	(895)	895	-
	Ending Balances	592.105	63.583	3.137.684	19.028	(20.513)	2.335.817	58.587	303.414	(235.742)	3.559.941	(84.912)	9.728.992	5.655.538	15.384.530

(*) Non-controlling interest share put option liability.

(**) Gains (Losses) on Remeasurements of Defined Benefit Plans.

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 CASH FLOWS
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2017**

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

		Unaudited	Unaudited
	Notes	1 January - 31 March 2017	1 January - 31 March 2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit / (Loss) for the period		(147.204)	49.508
Adjustments to Reconcile Profit (Loss)		453.883	184.438
Adjustments for Depreciation and Amortization Expense	3	231.084	188.377
Adjustments for Impairment Loss (Reversal)	25	4.414	2.511
Adjustments for Provisions	25	19.050	17.234
Adjustments for Interest (Income) Expenses	25	33.286	32.692
Adjustments for Unrealised Foreign Exchange Losses (Gains)		123.736	(96.678)
Adjustments for Fair Value (Gains) Losses on Derivative Financial		(255)	9.275
Adjustments for Undistributed Profits of Investments Accounted for Using	9	1.694	3.425
Adjustments for Tax (Income) Expenses		38.694	29.188
Other Adjustments for Non-Cash Items	19	165	165
Adjustments for Losses (gains) on Disposal of Non-Current Assets		2.015	(2.478)
Other Adjustments to Reconcile Profit (loss)		-	727
Changes in Working Capital		(159.368)	(83.087)
Adjustments for Decrease (Increase) in Accounts Receivables		(433.075)	(242.600)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(74.766)	(21.569)
Adjustments for Decrease (Increase) in Inventories		(232.053)	6.432
Adjustments for increase (decrease) in Trade Accounts Payable		401.805	203.687
Adjustments for increase (decrease) in Other Operating Payables to Third Parties		178.721	(29.037)
Cash Flows from (used in) Operations		147.311	150.859
Payments Related with Provisions for Employee Benefits		(9.822)	(10.338)
Income Taxes (Paid) Return		(36.844)	(17.140)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	9	(17.845)	-
Proceeds from Sales of Property, Plant, Equipment		4.465	9.841
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	25	(203.949)	(212.074)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Proceeds from borrowings		363.894	104.969
Repayments of borrowings		(412.310)	(159.137)
Income (Loss) from Cash Flow Hedge		359	(19.244)
Dividends Paid		-	(26)
Interest Paid		(7.551)	(9.894)
Interest Received		29.639	19.816
Other inflows (outflows) of cash		8.080	(8.573)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION		(134.573)	(150.941)
Effect Of Currency Translation Differences On Cash And Cash Equivalents		71.612	(40.141)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2.740.003	1.888.034
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2.677.042	1.696.952

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

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

(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 Koparır 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 14.333 (December 31, 2016 – 15.724).

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 May 4, 2017. 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 ten facilities in Turkey, fifteen facilities in other countries for sparkling and still beverages production (The changes in activities of the Group after balance sheet date are explained in Note 26).

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 March 31, 2017 and December 31, 2016, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2017		December 31, 2016	
	Amount	%	Amount	%
Yazıcılar Holding A.Ş.	139.787	23,61	139.787	23,61
Özilhan Sınai Yatırım A.Ş.	79.813	13,48	79.813	13,48
Anadolu Endüstri Holding A.Ş. (AEH)	35.292	5,96	35.292	5,96
SABMiller Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	592.105	100,00	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of March 31, 2017 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
AS AT MARCH 31, 2017**

(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 March 31, 2017 and December 31, 2016 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				March 31, 2017	December 31, 2016
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	100,00
CJSC Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing beer	International Beer	100,00	100,00
CJSC Vostok Solod (1)	Russia	Production of malt	International Beer	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing 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	96,85	96,85
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 (1)	Russia	Production of malt	International Beer	100,00	100,00
LLC Efes Ukraine	Ukraine	Selling and distribution of beer	International Beer	100,00	100,00
Efes Pazarlama ve Dağıtım Tic. A.Ş. (Ef-Pa) (2)	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Anadolu Efes Technical and Man. Cons. N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Other	100,00	100,00
Efes Holland Technical Man. Cons. B.V. (EHTMC)	The Netherlands	Providing technical assistance	Other	100,00	100,00
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) (3)	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft Drinks	50,25	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Kyrgyzstan	Production, 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 for Beverage Industry Limited (CCBL)	Iraq	Production, 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, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Waha Beverages 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, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan LLC(Coca Cola Tajikistan)	Tajikistan	Production, 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.

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

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

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

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group’s operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the commercial activities of subsidiaries and joint ventures.

The Group management assessed the effects of deterioration in macroeconomic conditions in Ukraine, devaluation of Ukrainian Hryvnya, ongoing political instability 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 (31 December 2016 - None)

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.

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. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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, 23).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

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

2.2 Functional and Reporting Currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira.

Changes in Functional and Reporting Currency

In accordance with “IAS 21 The Effects of Changes in Foreign Exchange Rates”, the Group changed the functional currency of the foreign subsidiaries and joint venture of soft drink operations from US Dollars (“USD”) to the foreign subsidiaries' and joint ventures' local currencies effective from January 1, 2017; by considering the multinational structure of foreign operations and realization of most of their operations and by assessing the currency of the primary economic environment of foreign operations, currency that influences sales prices for goods and services, currency in which receipts from operating activities are usually retained, currency that mainly influences costs and other expenses for providing goods and services,

Group has been applied the change in functional currency prospectively with effect from 1 January 2017, in accordance with the requirements of IFRS and the relevant Accounting Standards. This change is not materially impacting the financial position or performance of the Group retrospectively. All assets and liabilities are converted into the new functional currency using the exchange rate at the date of the change. Non-monetary assets and liabilities are accounted with their book values.

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		March 31, 2017	December 31, 2016
EBI	EURO	USD	USD
Efes Moscow	Russian Ruble (RUR)	RUR	RUR
Efes Kazakhstan	Kazakh Tenge (KZT)	KZT	KZT
Efes Moldova	Moldovan Leu (MDL)	MDL	MDL
Efes Georgia	Georgian Lari (GEL)	GEL	GEL
Efes Ukraine	Ukraine Hryvnya (UAH)	UAH	UAH
AETMC	EURO	EURO	EURO
EHTMC	EURO	EURO	EURO
Efes Germany	EURO	EURO	EURO
Almaty CC	Kazakh Tenge (KZT)	KZT	USD
Tonus	Kazakh Tenge (KZT)	KZT	USD
Azerbaijan CC	Azerbaijani Manat (AZM)	AZM	USD
Turkmenistan CC	Turkmenistan Manat (TMT)	TMT	USD
Bishkek CC	Kyrgyz Som (KGS)	KGS	USD
TCCBCJ	Jordan Dinar (JOD)	JOD	USD
CCBIL	Iraqi Dinar (IQD)	IQD	USD
SSDSD	Syrian Pound (SYP)	SYP	USD
CCBPL	Pakistan Rupee (PKR)	PKR	PKR
CCI Holland	EURO	USD	USD
Waha B.V.	EURO	USD	USD
Al Waha	Iraqi Dinar (IQD)	IQD	USD
Tacikistan CC	Tajikistani Somoni (TJS)	TJS	USD

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

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

2.3 Seasonality of Operations

Due to higher beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first three months up to March 31, 2017 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

2.4 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.

2.5 Changes in Accounting Policies

The consolidated financial statements of the Group for the year ended March 31, 2017 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, 2016.

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at March 31, 2017 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and IFRIC interpretations effective as of January 1, 2017. The effects of these standards and interpretations on the the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2017 are as follows:

Amendments to IAS 7 Statement of cash flows

The amendment 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

The amendment is 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
AS AT MARCH 31, 2017

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

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

2.5 Changes in Accounting Policies

New and amended standards and interpretations (continued)

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows.

IFRS 15 Revenue from Contracts with Customers

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', effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences 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

IFRS 9, 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

IFRS 16 Leases

In January 2016, the IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

The IASB issued amendments to IAS 40 'Investment Property'. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. These amendments are to be applied for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

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

2.5 Changes in Accounting Policies (continued)

New and amended standards and interpretations (continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation states that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. An entity is not required to apply this Interpretation to income taxes; or insurance contracts (including reinsurance contracts) it issues or reinsurance contracts that it holds. The interpretation is effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted.

Annual Improvements to IFRSs - 2014-2016 Cycle

The IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle, amending the following standards:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards:** This amendment deletes the short-term exemptions about some IFRS 7 disclosures, IAS 19 transition provisions and IFRS 10 Investment Entities. These amendments are to be applied for annual periods beginning on or after 1 January 2018.
- **IFRS 12 Disclosure of Interests in Other Entities:** This amendment clarifies that an entity is not required to disclose summarised financial information for interests in subsidiaries, associates or joint ventures that is classified, or included in a disposal group that is classified, as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These amendments are to be applied for annual periods beginning on or after 1 January 2017.
- **IAS 28 Investments in Associates and Joint Ventures:** This amendment clarifies that the election to measure an investment in an associate or a joint venture held by, or indirectly through, a venture capital organisation or other qualifying entity at fair value through profit or loss applying IFRS 9 Financial Instruments is available for each associate or joint venture, at the initial recognition of the associate or joint venture. These amendments are to be applied for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

(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 CCI.

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

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

	Turkey Beer	International Beer	Soft Drinks	Other (2) and Eliminations	Total
1 January - 31 March 2017					
Revenues	294.811	570.323	1.555.668	8.775	2.429.577
Inter-segment revenues	(3.785)	(73)	(22)	-	(3.880)
Total Revenues	291.026	570.250	1.555.646	8.775	2.425.697
EBITDA	58.670	53.653	193.649	(11.349)	294.623
Profit / (loss) for the period	(59.862)	33.524	(103.765)	(17.101)	(147.204)
Capital expenditures (Note 10, 11)	46.587	44.022	113.296	1	203.906
1 January - 31 March 2016					
Revenues	283.355	343.850	1.301.322	7.649	1.936.176
Inter-segment revenues	(2.802)	(95)	(37)	-	(2.934)
Total Revenues	280.553	343.755	1.301.285	7.649	1.933.242
EBITDA (1)	65.677	40.702	155.590	(10.534)	251.435
Profit / (loss) for the period	40.307	21.595	5.144	(17.538)	49.508
Capital expenditures (Note 10, 11)	57.069	14.593	139.732	782	212.176
March 31, 2017					
Segment assets	8.209.641	6.673.236	11.116.193	1.132.624	27.131.694
Segment liabilities	3.220.658	1.475.856	5.997.031	1.053.619	11.747.164
Investment in associates	-	-	-	74.585	74.585
December 31, 2016					
Segment assets	8.109.768	6.011.748	10.455.956	1.051.087	25.628.559
Segment liabilities	3.051.428	1.260.322	5.459.000	1.040.787	10.811.537
Investment in associates	-	-	-	58.406	58.406

(1) EBITDA calculation of CCI is revised in compliance with the CMB's communique No. II .14.1.

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

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 3. SEGMENT REPORTING (continued)

Reconciliation of EBITDA to the consolidated Operating Profit/Loss before Finance Expense and its components as of March 31, 2017 and December 31, 2016 are as follows:

	1 January - 31 March 2017	1 January - 31 March 2016
EBITDA	294.623	251.435
Depreciation and amortization expenses	(231.084)	(188.377)
Provision for retirement pay liability	(5.479)	(4.533)
Provision for vacation pay liability	(8.387)	(7.537)
Foreign exchange (gain)/loss from operating activities	11.014	(4.390)
Rediscount interest (income)/expense from operating activities	(14)	155
Other	(941)	(1.233)
PROFIT/ (LOSS) FROM OPERATIONS	59.732	45.520
Investment Activity Income	878	4.357
Investment Activity Expenses	(4.738)	(2.445)
Income/ (Loss) from Associates	(1.694)	(3.425)
OPERATING PROFIT/ (LOSS) BEFORE FINANCE EXPENSE	54.178	44.007

NOTE 4. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016
Cash on hand	3.395	3.480
Bank accounts		
- Time deposits	2.206.381	2.133.510
- Demand deposits	461.514	599.788
Other	5.752	3.225
Cash and cash equivalents in cash flow statement	2.677.042	2.740.003
Interest income accrual	3.083	5.261
	2.680.125	2.745.264

As of March 31, 2017, annual interest rates of the TRL denominated time deposits vary between 8,75% and 13,50% (December 31, 2016 - %6,50 - %11,50) and annual interest rates of the USD, EURO and other foreign currency denominated time deposits vary between 0,02% and 8,85% (December 31, 2016- annual interest rates of the USD, EURO and other foreign currency denominated time deposits vary between 0,02% - 14,15%).

As of March 31, 2017, there is no cash deposit pledged as collateral by the Group (December 31, 2016 - None).

As of March 31, 2017, the Group has designated its bank deposits amounting to TRL721.261, equivalent of thousand USD185.525 and thousand EURO11.823 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2016 –TRL731.323, equivalent of thousand USD182.243, thousand EURO21.062, and thousand RUR 204.035).

NOTE 5. FINANCIAL INVESTMENTS

	March 31, 2017	December 31, 2016
Time deposits with maturity more than three months	2.956	11.036

As of March 31, 2017 time deposits with maturities over 3 months made for 116 and 172 days period, are denominated in USD and KZT and interest rates are 2,00% and 10,00% respectively (December 31,2016 – USD and KZT, 206-262 days, 2,00% and 10,00% respectively).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 6. SHORT AND LONG TERM BORROWINGS

As of March 31, 2017, total borrowings consist of principal (finance lease obligations included) amounting to TRL6.339.925 (December 31, 2016– TRL6.150.756) and interest expense accrual amounting to TRL84.860 (December 31, 2016 – TRL32.517). As of March 31, 2017 and December 31, 2016, total amount of borrowings and the effective interest rates are as follows:

	March 31, 2017			December 31, 2016		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
Current Borrowings						
TRL denominated borrowings	6.126	-	-	61	-	-
Foreign currency denominated borrowings (USD)	5.208	-	Libor + 1,00%	-	-	-
Foreign currency denominated borrowings (EUR)	8.665	3,00% - 3,15%	-	8.570	3,00%	Euribor + 2,75%
Foreign currency denominated borrowings (Other)	43.997	8,88%	Kibor + 0,05% - Kibor+ 0,50%	109.123	8,88%	Kibor + 0,25% - Kibor+ 0,50%
	63.996			117.754		
Current Portion of Non-Current Borrowings						
Foreign currency denominated borrowings (USD)	72.278	3,38% - 4,75%	-	103.035	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EUR)	509.631	1,80%	Euribor + 0,80% - Euribor + 2,00%	273.640	1,80%	Euribor + 0,80% - Euribor + 1,75%
Foreign currency denominated borrowings (Other)	9.994	6,00%	-	6.441	6,00%	-
	591.903			383.116		
	655.899			500.870		
Long-Term Borrowings						
Foreign currency denominated borrowings (USD)	4.879.288	3,38% - 4,75%	-	4.796.970	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EUR)	864.735	1,80%	Euribor + 1,50% - Euribor + 2,00%	860.031	1,80%	Euribor + 0,80% - Euribor + 1,75%
Foreign currency denominated borrowings (Other)	24.863	6,00%	-	25.402	6,00%	-
	5.768.886			5.682.403		
	6.424.785			6.183.273		

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 6. SHORT AND LONG TERM BORROWINGS (continued)

Repayments of long-term borrowings are scheduled as follows:

	March 31, 2017	December 31, 2016
Between 1 -2 years	2.461.668	2.664.559
Between 2-3 years	511.427	308.217
Between 3-4 years	423.288	532.457
Between 4-5 years	29.812	-
5 years and more	2.342.691	2.177.170
	5.768.886	5.682.403

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 March 31, 2017 and December 31, 2016, the costs of the property plant and equipment obtained by finance lease are TRL62.970 and TRL64.143, respectively whereas net book values are TRL1.233 and TRL1.275, respectively.

Lessee - Operating Lease

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

NOTE 7. DERIVATIVE INSTRUMENTS

As of March 31, 2017, CCI has 3 aluminum swap transactions with a total nominal amount of TRL9.913 (December 31, 2016– TRL12.379) for 1.734 tonnes. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the highly probable purchases of can exposed to commodity price risk (Note 24).

As of March 31, 2017, CCI has 4 option transactions in which CCI acquired the right to purchase 4.914 tonnes of aluminum at USD1.650 per tonne to hedge its financial risk arising from the cash flows between 2017 and 2018 high probability purchases of production material (31 December 2016 - 4 option transactions with 6.300 tonnes of aluminum at USD1.650 per tonne) (Note 24).

As of March 31, 2017 the Group has no foreign currency forward transaction (31 December 2016 - Nominal amount of TRL17.596).

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.

	March 31, 2017		December 31, 2016	
	Nominal Value	Fair Value Asset / (Liabilities)	Nominal Value	Fair Value Asset / (Liabilities)
Commodity swap contracts	9.913	2.458	12.379	1.058
Forward contracts	-	-	17.596	349
	9.913	2.458	29.975	1.407

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 8. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	March 31, 2017	December 31, 2016
Receivables from tax office	21.251	20.390
Due from personnel	11.870	15.376
Other	52.878	63.327
	85.999	99.093

b) Other Non-Current Receivables

	March 31, 2017	December 31, 2016
Deposits and guarantees given	12.190	11.010
Other	2.122	3.495
	14.312	14.505

c) Other Current Payables

	March 31, 2017	December 31, 2016
Taxes other than on income	644.181	481.372
Deposits and guarantees taken	189.163	175.848
Other	4.554	4.426
	837.898	661.646

d) Other Non-Current Payables

As of March 31, 2017, other non-current payables consists of deposits and guarantees taken amounting to TRL308.161 (December 31, 2016 – TRL301.549).

**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
AS AT MARCH 31, 2017**

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

NOT 9. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

	March 31, 2017		December 31, 2016	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	33,33%	74.585	33,33%	58.406
SSDSD (1)	25,13%	-	25,13%	-
		74.585		58.406

Relating to investment in associates, total assets and liabilities as of March 31, 2017 and December 31, 2016 and profit/ (loss) for the period of as of March 31, 2017 and 2016 are as follows:

	Anadolu Etap		SSDSD	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Total Assets	316.790	289.221	738	713
Total Liabilities	242.205	230.815	1.675	1.621
Net Assets	74.585	58.406	(937)	(908)

	Anadolu Etap		SSDSD	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Group's Share of Profit/(Loss) for the period	(1.665)	(3.122)	(29)	(303)

The movement of investments in associates for the periods ended as of March 31, 2017 and 2016 are as follows:

	2017	2016
Balance at January 1	58.406	66.685
Income / Loss from associates	(1.694)	(3.425)
Other	28	303
Capital increase (2)	17.845	-
Balance at March 31	74.585	63.563

(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) Capital increase provided to Anadolu Etap.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

For the three month periods ended March 31, 2017 and 2016, the additions and disposals on property, plant and equipment are as follows:

March 31, 2017	Additions	Disposals (Net)	Transfers	Net Book Value
Land and land improvements	89	-	491	558.552
Buildings	2.087	-	1.730	1.962.881
Machinery and equipment	32.635	(2.888)	26.984	3.411.545
Vehicles	2.006	(585)	-	94.364
Other tangibles	70.091	(2.632)	30.669	1.324.067
Leasehold improvements	280	-	-	7.149
Construction in progress	85.821	(8)	(59.874)	262.203
	193.009	(6.113)	-	7.620.761

March 31, 2016	Additions	Disposals (Net)	Transfers (*)	Net Book Value
Land and land improvements	8.755	-	621	456.551
Buildings	3.524	(27)	2.813	1.440.175
Machinery and equipment	21.250	(3.411)	87.824	2.803.244
Vehicles	4.136	(1.534)	115	85.972
Other tangibles	121.507	(1.625)	9.055	1.235.965
Leasehold improvements	-	-	-	15.288
Construction in progress	49.798	(113)	(100.987)	232.119
	208.970	(6.710)	(559)	6.269.314

(*) There is no transfer to other intangible assets in 2017 (March 31, 2016 – there are transfers amounting to TRL559 to other intangible assets).

As of March 31, 2017; there is no borrowing cost capitalized on construction in progress (March 31, 2016 – None).

As of March 31, 2017, there is a pledge on property, plant and equipment of TRL105.972 (December 31, 2016 - TRL102.122) for loans of CCI. This amount is also included in “Commitments and Contingencies” note under GPMs table (Note 14).

NOTE 11. OTHER INTANGIBLE ASSETS

For the three-month periods ended March 31, 2017 and 2016, the additions and disposals on other intangible assets are as follows:

March 31, 2017	Girişler	Disposals (Net)	Transfers	Net Book Value
Bottling contracts	-	-	-	8.246.252
Licence agreements	-	-	-	1.332.734
Brands	-	-	-	574.295
Rights	163	-	-	8.748
Other intangible assets	10.734	(369)	-	99.757
	10.897	(369)	-	10.261.786
December 31, 2016	Girişler	Disposals (Net)	Transfers	Transfers
Bottling contracts	-	-	-	7.445.616
Licence agreements	-	-	-	868.350
Brands	-	-	-	424.708
Rights	9	-	-	12.749
Other intangible assets	3.197	(159)	559	52.394
	3.206	(159)	559	8.803.817

**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
AS AT MARCH 31, 2017**

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

NOTE 12. GOODWILL

For the three month periods ended March 31, 2017 and 2016, movements of the goodwill during the period are as follows:

	2017	2016
Balance at January 1	1.675.218	1.334.738
Currency translation differences	127.401	13.168
Balance at March 31	1.802.619	1.347.906

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 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 distribute dividend according to the Communiqué No: II-19.1 which is effective from 1 February 2014 of the CMB.

Companies distribute dividend within the framework of the profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution ratio has not been determined. Companies pay dividends as specified in articles of incorporation or in profit distribution policies.

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.

**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
AS AT MARCH 31, 2017**

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

NOTE 13. EQUITY (Continued)

For March 31, 2017 and December 31, 2016, nominal amounts, equity restatement differences and restated value of equity are as follows:

	Equity		
	Nominal Amount	Restatement Differences	Restated Amount
March 31, 2017			
Issued capital	592.105	63.583	655.688
Legal reserves	303.414	74.729	378.143
Extraordinary reserves	66.825	25.831	92.656
	962.344	164.143	1.126.487
Share Premium (Discount)			3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests			19.028
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			(20.513)
- <i>Revaluation and Remeasurement Gain/Loss</i>			(20.513)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			2.394.404
- <i>Currency Translation Differences</i>			2.335.817
- <i>Gains (Losses) on Hedge</i>			58.587
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income for the period)			3.307.644
Equity attributable to equity holders of the parent			9.728.992

	Equity		
	Nominal Amount	Restatement Differences	Restated Amount
December 31, 2016			
Issued capital	592.105	63.583	655.688
Legal reserves	303.414	74.729	378.143
Extraordinary reserves	66.825	25.831	92.656
	962.344	164.143	1.126.487
Share Premium (Discount)			3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests			19.923
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			(20.249)
- <i>Revaluation and Remeasurement Gain/Loss</i>			(20.249)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			1.841.842
- <i>Currency Translation Differences</i>			1.783.517
- <i>Gains (Losses) on Hedge</i>			58.325
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income for the period)			3.392.556
Equity attributable to equity holders of the parent			9.262.501

**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
AS AT MARCH 31, 2017**

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

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

As of March 31, 2017 and December 31, 2016 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

March 31, 2017								
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	546.795	429.691	346	1.169	6.612	36.158	2.667.000	12.812
B. GPMs given in favor of subsidiaries included in full consolidation (1)	719.598	-	44.430	129.376	-	-	504.318	34.679
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	12.609	12.609	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above (2)	12.609	12.609	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total	1.279.002	442.300	44.776	130.545	6.612	36.158	3.171.318	47.491
Ratio of other GPMs over the Company's equity (%)	0,1							

December 31, 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	550.970	429.549	356	1.339	5.996	31.814	2.667.385	21.006
B. GPMs given in favor of subsidiaries included in full consolidation (1)	710.635	-	69.651	106.264	-	-	1.177.705	31.673
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 (2)	11.469	11.469	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total	1.273.074	441.018	70.007	107.603	5.996	31.814	3.845.089	52.679
Ratio of other GPMs over the Company's equity (%)	0,1							

(1) Consists of the GPMs given in favor of subsidiaries included in 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.

Murabaha

CCBPL has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar 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 March 31, 2017, CCBPL has USD15,7 million sugar purchase commitment from the Banks until the end of December 2017 and has USD19,3 million sugar purchase commitment from the Banks until the end of March 2018.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 14. COMMITMENTS AND CONTINGENCIES (continued)

Operational Lease

As of March 31, 2017, the Group's contingent liability, for the following years resulting from the non- cancellable operational lease agreements is amounting to TRL43.297 (December 31, 2016 – TRL40.133).

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

	March 31, 2017	December 31, 2016
Prepayments	369.675	343.512
Advances given to suppliers	113.174	81.965
	482.849	425.477

b) Long Term Prepaid Expenses

	March 31, 2017	December 31, 2016
Prepayments	162.539	159.748
Advances given to suppliers	32.029	17.919
	194.568	177.667

c) Short Term Deferred Income

	March 31, 2017	December 31, 2016
Advances taken	58.059	32.385
Deferred Income	1.154	1.068
	59.213	33.453

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 16. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2017	December 31, 2016
Value Added Tax (VAT) deductible or to be transferred	252.559	239.553
Other current assets from related parties (Anadolu Efes Spor Kulübü)	37.500	-
Other	8.652	11.830
	298.711	251.383

b) Other Non-Current Assets

	March 31, 2017	December 31, 2016
Deferred VAT and other taxes	58.079	56.948
Other	111	59
	58.190	57.007

c) Other Current Liabilities

	March 31, 2017	December 31, 2016
Put option liability	8.587	8.305
Other	29.949	12.738
	38.536	21.043

d) Other Non-Current Liabilities

	March 31, 2017	December 31, 2016
Put option liability	114.923	111.151
Deferred VAT and other taxes	56.509	55.269
	171.432	166.420

The obligation of TRL8.587 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 TL 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, 2016 – TRL8.305).

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 TRL114.923 is recorded under “other non-current liabilities” (December 31, 2016 – TRL111.151).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 17. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 31 March 2017	1 January - 31 March 2016
Foreign exchange gains arising from operating activities	20.754	24.326
Income from scrap and other materials	6.123	3.363
Rent income	3.715	1.881
Reversal of provision for inventory obsolescence	1.419	284
Reversal of provision for doubtful receivables	898	1.573
Insurance compensation income	694	388
Rediscount income	-	1.179
Other income	18.944	12.285
	52.547	45.279

b) Other Operating Expenses

	1 January - 31 March 2017	1 January - 31 March 2016
Foreign exchange losses arising from operating activities	(9.740)	(28.716)
Depreciation and amortization expense on PP&E and intangible assets	(5.229)	(5.122)
Provision for impairment of inventories	(2.490)	(2.359)
Allowance for doubtful receivables	(2.396)	(1.443)
Donations	(45)	(556)
Rediscount expense	(14)	(1.024)
Other expenses	(13.243)	(7.560)
	(33.157)	(46.780)

NOTE 18. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Income from Investing Activities

	1 January - 31 March 2017	1 January - 31 March 2016
Gain on sale of fixed assets	878	3.181
Reversal of impairment on property, plant and equipment	-	1.176
	878	4.357

b) Income from Investing Activities

	1 January - 31 March 2017	1 January - 31 March 2016
Loss on sale of fixed assets	(2.524)	(703)
Provision for impairment on tangible assets	(1.845)	(1.672)
Disposal of intangible assets	(369)	-
Provision for impairment on intangible assets	-	(70)
	(4.738)	(2.445)

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 19. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 31 March 2017	1 January - 31 March 2016
Foreign exchange gain	342.206	231.615
Interest income	27.599	19.543
Gain on derivative transactions	255	419
	370.060	251.577

b) Finance Expense

	1 January - 31 March 2017	1 January - 31 March 2016
Foreign exchange loss	(463.904)	(150.396)
Interest expense	(60.885)	(52.235)
Borrowing costs	(165)	(165)
Loss on derivative transactions	-	(9.694)
Other financial expenses	(7.794)	(4.398)
	(532.748)	(216.888)

NOTE 20. TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 20% in Turkey (31 December 2016 - 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 2016 – 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 March 31, 2017 and December 31, 2016 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		Liabilities		Net	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
PP&E and intangible assets	-	-	(2.208.642)	(2.142.349)	(2.208.642)	(2.142.349)
Inventories	29.490	30.176	-	-	29.490	30.176
Carry forward losses	489.752	452.517	-	-	489.752	452.517
Provision for employee benefits	23.259	19.519	-	-	23.259	19.519
Receivables and payables	66.234	63.491	-	-	66.234	63.491
Unused investment discounts	24.648	24.648	-	-	24.648	24.648
Derivative financial instruments	(17.240)	(19.059)	-	-	(17.240)	(19.059)
Other	12.285	13.915	-	-	12.285	13.915
	628.428	585.207	(2.208.642)	(2.142.349)	(1.580.214)	(1.557.142)

As of March 31, 2017, tax advantage has not been calculated from the future tax advantage of the incentives used for Bursa mineral water, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin and İzmir production line investments due to statutory loss (As of December 31, 2016 – TRL394).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

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:

	1 January - 31 March 2017	1 January - 31 March 2016
Profit / (loss) for the period	(84.912)	60.283
Weighted average number of shares	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	(0,1434)	0,1018

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. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	March 31, 2017	December 31, 2016
Migros Group Companies (4)	123.855	130.907
Anadolu Vakfi	300	347
AEH (2) (3) (5)	256	1
Efes Turizm İşletmeleri A.Ş. (4)	48	44
AB InBev Group Companies (6) (7)	-	106
Other	73	94
	124.532	131.499

Due to Related Parties

	March 31, 2017	December 31, 2016
Anadolu Efes Spor Kulübü	37.500	-
AB InBev Group Companies (6) (7)	15.454	14.995
Oyex Handels GmbH (4)	7.328	6.409
Çelik Motor Ticaret A.Ş. (4)	2.974	1.078
AEH (2) (3)	1.530	1.340
Anadolu Bilişim Hizmetleri A.Ş. (1) (4)	576	1.405
AEH Anadolu Gayrimenkul Yatırımları A.Ş. (4)	204	123
Efes Turizm İşletmeleri A.Ş. (4)	121	423
Other	86	115
	65.773	25.888

The Group has TRL1.053 (December 31, 2016 – TRL1.055) short term and TRL205 (December 31, 2016 – TRL474) long term deferred revenue related to AEH.

- (1) Non-current financial investment of the Group
- (2) The shareholder of the Group
- (3) Related party of Yazıcılar Holding A.Ş. (a shareholder)
- (4) Related party of AEH (a shareholder)
- (5) Related party of Özilhan Sınai Yatırım A.Ş. (a shareholder)
- (6) Related party of SABMiller Harmony Ltd (a shareholder)
- (7) AB InBev (Anheuser Busch InBev) became ultimate parent of SAB Miller Harmony Ltd. which holds 24% shares of Anadolu Efes after ABI and SAB Miller business combination in October 2016.

**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
AS AT MARCH 31, 2017**

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

NOTE 22. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

Financial Income / Expense

The Group does not have any interest income / expense from related parties between 1 January - 31 March 2017 (2016 - Alternatifbank⁽⁸⁾ – Interest income TRL3.650).

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 31 March 2017	1 January - 31 March 2016
Oyex Handels GmbH (4)	Purchase of Materials and Fixed Assets	13.379	9.162
Anadolu Efes Spor Kulübü	Service	12.510	17.400
AEH (2) (3)	Consultancy Service	8.525	7.189
AB InBev Group Companies (6) (7)	Service and Purchase of Trade Goods	7.240	10.629
Çelik Motor Ticaret A.Ş. (4)	Vehicle Leasing	7.070	6.594
Efestur Turizm İşletmeleri A.Ş. (4)	Travel and Accommodation	2.515	2.434
Anadolu Bilişim Hizmetleri A.Ş. (1) (4)	Information Service	1.690	1.942
AEH Anadolu Gayrimenkul Yatırımları A.Ş. (4)	Service	554	457
AEH Münih (4)	Purchase of Materials and Fixed Assets	374	263
Arge Danışmanlık A.Ş.	Consultancy Service	143	150
Ahmet Boyacıoğlu	Consultancy Service	94	87
Mehmet Cem Kozlu	Consultancy Service	78	72
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (3) (4) (5)	Rent Expense	6	18
Anadolu Eğitim ve Sosyal Yardım Vakfı	Donations	-	365
Other	Other	6	45
		54.184	56.807

Sales Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 31 March 2017	1 January - 31 March 2016
Migros Group Companies (4)	Sales Income	100.394	70.484
AB InBev Group Companies (6) (7)	Other Income	1.106	-
Çelik Motor Ticaret A.Ş. (4)	Other Income	58	5
Efestur Turizm İşletmeleri A.Ş. (4)	Sales Income	43	-
Anadolu Efes Spor Kulübü	Other Income	20	19
Anadolu Bilişim Hizmetleri A.Ş. (1) (4)	Rent Income	3	32
Alternatifbank (8)	Rent Income	-	35
AEH (2) (3)	Other Income	-	4
		101.624	70.579

(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 Özilhan Sinai Yatırım A.Ş. (a shareholder)

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

(7) AB InBev (Anheuser Busch InBev), became ultimate parent of SAB Miller Harmony Ltd. which holds 24% shares of Anadolu Efes after ABI and SAB Miller Harmony Ltd. business combination in October 2016.

(8) Alternatifbank is not determined as related part as of March 31, 2017 (as it was related party until December 19, 2016) as a result of sale of Alternatifbank's shares to third parties by Yazıcılar Holding and AEH.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 22. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Director’s remuneration

As of March 31, 2017 and 2016, total benefits to Anadolu Efes Board of Directors are TRL84 and TRL70, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of March 31, 2017 and 2016 are as follows:

	1 January - 31 March 2017	1 January - 31 March 2016
Short-term employee benefits	8.771	7.997
Post-employment benefits	-	-
Other long term benefits	878	600
Termination benefits	-	159
Share-based payments	-	-
	9.649	8.756

NOTE 23. 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 March 31, 2017 (December 31, 2016 – 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**

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 23. 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 March 31, 2017 and December 31, 2016 are presented below:

Foreign Currency Position Table						
March 31, 2017						
	Total TRL Equivalent (Functional Currency) Thousand USD		Total TRL Equivalent Thousand EUR		Total TRL Equivalent	Other Foreign Currency TRL Equiv.
1. Trade Receivables and Due from Related Parties	59.660	14.729	53.592	969	3.788	2.280
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.575.000	397.082	1.444.822	28.118	109.894	20.284
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	3.115	554	2.017	269	1.051	47
4. Current Assets	1.637.775	412.365	1.501.431	29.356	114.733	22.611
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	908	229	834	19	74	-
8. Non-Current Assets	908	229	834	19	74	-
9. Total Assets	1.638.683	412.594	1.501.265	29.375	114.807	22.611
10. Trade Payables and Due to Related Parties	(334.082)	(55.645)	(202.471)	(29.135)	(113.868)	(17.743)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(585.312)	(20.799)	(75.681)	(130.397)	(509.631)	-
12a. Monetary Other Liabilities	(9.865)	(2.553)	(9.290)	(147)	(575)	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	(929.259)	(78.997)	(287.442)	(159.679)	(624.074)	(17.743)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(5.587.563)	(1.297.979)	(4.722.828)	(221.256)	(864.735)	-
16 a. Monetary Other Liabilities	(368)	(101)	(368)	-	-	-
16 b. Non-monetary Other Liabilities	(114.923)	(31.584)	(114.923)	-	-	-
17. Non-Current Liabilities	(5.702.854)	(1.329.664)	(4.838.119)	(221.256)	(864.735)	-
18. Total Liabilities	(6.632.113)	(1.408.661)	(5.125.561)	(380.935)	(1.488.809)	(17.743)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability)	-	-	-	-	-	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(4.993.430)	(996.067)	(3.624.296)	(351.560)	(1.374.002)	4.868
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(4.882.530)	(965.266)	(3.512.224)	(351.848)	(1.375.127)	4.821
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, 2016						
	Total TRL Equivalent (Functional Currency) Thousand USD		Total TRL Equivalent Thousand EUR		Total TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	99.558	6.557	23.076	874	3.243	73.239
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.607.111	369.157	1.299.139	38.513	142.879	165.093
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	53.574	494	1.740	101	375	51.459
4. Current Assets	1.760.243	376.208	1.323.955	39.488	146.497	289.791
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	12.256	-	-	3.202	11.879	377
8. Non-Current Assets	12.256	-	-	3.202	11.879	377
9. Total Assets	1.772.499	376.208	1.323.955	42.690	158.376	290.168
10. Trade Payables and Due to Related Parties	(245.046)	(24.062)	(84.680)	(20.878)	(77.455)	(82.911)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(373.939)	(26.670)	(93.857)	(73.760)	(273.642)	(6.440)
12a. Monetary Other Liabilities	(39.542)	(1.079)	(3.797)	(131)	(486)	(35.259)
12b. Non-monetary Other Liabilities	(8.305)	(2.360)	(8.305)	-	-	-
13. Current Liabilities	(666.832)	(54.171)	(190.639)	(94.769)	(351.583)	(124.610)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(4.963.730)	(1.158.870)	(4.078.295)	(231.821)	(860.033)	(25.402)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(111.151)	(31.584)	(111.151)	-	-	-
17. Non-Current Liabilities	(5.074.881)	(1.190.454)	(4.189.446)	(231.821)	(860.033)	(25.402)
18. Total Liabilities	(5.741.713)	(1.244.625)	(4.380.085)	(326.590)	(1.211.616)	(150.012)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability)	17.596	5.000	17.596	-	-	-
19a. Total Hedged Assets	17.596	5.000	17.596	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.951.618)	(863.417)	(3.038.534)	(283.900)	(1.053.240)	140.156
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.915.588)	(834.967)	(2.938.414)	(287.203)	(1.065.494)	88.320
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	349	99	349	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

As of December 31, 2016, effect of shareholding loan amounting to USD164,0 million was netted on foreign currency position table. As of March 31, 2016, effect of shareholding loan amounting to USD190,9 million was netted on foreign currency position sensitivity analysis. As of March 31, 2017, there was no netted on foreign currency position table and foreign currency position sensitivity analysis along with the reflection of functional currency changes.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 23. 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 March 31, 2017 and 2016 is as follows:

	1 January - 31 March 2017	1 January - 31 March 2016
Total Export	45.059	30.681
Total Import	404.446	385.271

The following table demonstrates the sensitivity analysis of foreign currency as of March 31, 2017 and 2016:

	Foreign Currency Position Sensitivity Analysis			
	March 31, 2017 (*)		March 31, 2016 (*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(351.222)	351.222	(268.358)	268.358
USD denominated hedging instruments (-)	-	-	-	-
Net effect in USD	(351.222)	351.222	(268.358)	268.358
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(137.513)	137.513	(98.715)	98.715
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(137.513)	137.513	(98.715)	98.715
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	482	(482)	(4.009)	4.009
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	482	(482)	(4.009)	4.009
Total	(488.253)	488.253	(371.082)	371.082

(*) 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.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

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.

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 24. 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.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

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

NOTE 24. FINANCIAL INSTRUMENTS (continued)

Derivative Instruments, Risk Management Objectives and Policies

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

As of March 31, 2017, CCI has 3 aluminum swap transactions with a total nominal amount of TRL9.913 for 1.734 tones.

As of March 31, 2017, CCI has 4 option transactions in which CCI acquired the right to purchase 4.914 tonnes of aluminum at USD1.650 per tonne to hedge its financial risk arising from the cash flows between 2017 and 2018 high probability purchases of production material.

As of March 31, 2017, the Group has designated its bank deposits amounting to TRL721.261, equivalent of thousand USD185.525 and thousand EURO11.823 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2016 – TRL731.323, equivalent of thousand USD182.243, thousand EURO21.062, and thousand Russian Ruble (RUR)204.035).

NOTE 25. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	1 January - 31 March 2017	1 January - 31 March 2016
Adjustments for impairment loss (reversal of impairment loss) of property, plant and equipment (Note 18)	1.845	496
Adjustments for impairment loss (reversal of impairment Loss) of receivables (Note 17)	1.498	(130)
Adjustments for impairment loss (reversal of impairment loss) of inventories	1.071	2.075
Adjustments for impairment loss (reversal of impairment loss) of intangible assets (Note 18)	-	70
	4.414	2.511

b) Adjustments for (Reversal of) Provisions Related with Employee Benefits

	1 January - 31 March 2017	1 January - 31 March 2016
Provision for vacation pay liability (Note 3)	8.387	7.537
Provision for retirement pay liability (Note 3)	5.479	4.533
Provision for seniority bonus	5.184	5.164
	19.050	17.234

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

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

NOTE 25. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

c) Adjustments for Interest (Income) Expenses

	1 January - 31 March 2017	1 January - 31 March 2016
Adjustments for interest income (Note 19)	(27.599)	(19.543)
Adjustments for interest expenses (Note 19)	60.885	52.235
	33.286	32.692

d) Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets

	1 January - 31 March 2017	1 January - 31 March 2016
Cash outflows arising from purchase of property, plant and equipment	(193.052)	(208.868)
Cash outflows arising from purchase of intangible assets	(10.897)	(3.206)
	(203.949)	(212.074)

NOTE 26. EVENTS AFTER REPORTING PERIOD

- a) In accordance with the Anadolu Efes General Assembly Meeting held at April 27, 2017, it has been decided to distribute dividend of TRL145.066 from previous years' extraordinary reserves in the amount of TRL58.204 and from share issue premium in the amount of TRL86.862 starting from May 29, 2017.
- b) In accordance with the CCI General Assembly Meeting held at April 10, 2017, it has been decided to distribute dividend amounting to TRL50.111 from extraordinary reserves to shareholders starting from May 22, 2017.
- c) It has been decided to suspend the brewing operations located in Istanbul, Merter as of May 22, 2017, in the framework of our environmental, economic, social sustainability strategy and production efficiency program and to transfer these operations to our other facilities in Adana, Ankara and İzmir.

.....