

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

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS OF JUNE 30, 2017
TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT**

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

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

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

Introduction

We have reviewed the accompanying consolidated statement of financial position of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2017 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. and its subsidiaries as of 30 June 2017, and of their financial performance and their cash flows for the six-month period then ended in accordance with Turkish Accounting Standards.

Other Matter

Another independent audit firm has audited the Group's consolidated financial statements for the year ended 31 December 2016. The predecessor-auditing firm expressed an unqualified opinion in the auditor's report dated 2 March 2017 on the financial statements as of 31 December 2016.

DRT BAGIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Koray Öztürk, SMMM
Partner

İstanbul, 8 August 2017

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017**

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

	Notes	Reviewed	Audited
		June 30, 2017	December 31, 2016
ASSETS			
Cash and Cash Equivalents	4	2.726.958	2.745.264
Financial Investments		-	11.036
Trade Receivables		2.192.837	1.319.634
- Trade Receivables Due from Related Parties	23	163.060	131.499
- Trade Receivables Due from Third Parties		2.029.777	1.188.135
Other Receivables	7	79.757	99.093
- Other Receivables from Third Parties		79.757	99.093
Derivative Financial Assets	6	2.754	1.472
Inventories		1.331.494	1.030.992
Prepaid Expenses	15	508.557	425.477
Current Tax Assets		70.507	124.324
Other Current Assets	16	256.181	251.383
- Other Current Assets from Related Parties		25.000	-
- Other Current Assets from Third Parties		231.181	251.383
Current Assets		7.169.045	6.008.675
Financial Investments		767	767
Trade Receivables		993	1.278
- Trade Receivables Due from Third Parties		993	1.278
Other Receivables	7	14.636	14.505
- Other Receivables from Third Parties		14.636	14.505
Investments in Subsidiaries, Joint Ventures and Associates	8	65.921	58.406
Investment Property	9	94.572	93.897
Property, Plant and Equipment	10	7.350.447	7.302.670
Intangible Assets		11.687.685	11.639.357
- Goodwill	12	1.698.847	1.675.218
- Other Intangible Assets	11	9.988.838	9.964.139
Prepaid Expenses	15	217.116	177.667
Deferred Tax Asset	20	286.985	274.330
Other Non-Current Assets	16	53.352	57.007
Non-Current Assets		19.772.474	19.619.884
TOTAL ASSETS		26.941.519	25.628.559

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017**

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

	Notes	Reviewed	Audited
		June 30, 2017	December 31, 2016
LIABILITIES			
Current Borrowings	5	206.273	117.754
Current Portion of Non-Current Borrowings	5	1.106.825	383.116
Trade Payables		1.955.911	1.284.222
- Trade Payables to Related Parties	23	41.040	25.888
- Trade Payables to Third Parties		1.914.871	1.258.334
Employee Benefit Obligations		49.633	54.076
Other Payables	7	956.875	661.646
- Other Payables to Third Parties		956.875	661.646
Derivative Financial Liabilities	6	-	65
Deferred Income	15	42.779	33.453
Current Tax Liabilities		15.413	1.441
Current Provisions		129.067	129.641
- Current Provisions for Employee Benefits		127.625	129.081
- Other Current Provisions		1.442	560
Other Current Liabilities	16	20.806	21.043
Current Liabilities		4.483.582	2.686.457
Long-Term Borrowings	5	5.058.984	5.682.403
Trade Payables		27.064	26.425
- Trade Payables to Third Parties		27.064	26.425
Other Payables	7	326.028	301.549
- Other Payables to Third Parties		326.028	301.549
Deferred Income		209	544
Non-Current Provision		125.199	116.267
- Non-Current Provision for Employee Benefits		125.199	116.267
Deferred Tax Liabilities	20	1.857.824	1.831.472
Other Non-Current Liabilities	16	161.731	166.420
Non-Current Liabilities		7.557.039	8.125.080
Equity Attributable to Equity Holders of the Parent		9.287.345	9.262.501
Issued Capital	13	592.105	592.105
Inflation Adjustment on Capital	13	63.583	63.583
Share Premium (Discount)	13	3.042.134	3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests	13	18.648	19.923
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	13	(23.417)	(20.249)
- Revaluation and Remeasurement Gain/Loss		(23.417)	(20.249)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss	13	1.926.033	1.841.842
- Currency Translation Differences		1.886.607	1.783.517
- Gains (Losses) on Hedge		39.426	58.325
Restricted Reserves Appropriated from Profits	13	317.921	303.414
Other Reserves	13	(235.742)	(235.742)
Prior Years' Profits or Losses	13	3.495.918	3.630.736
Current Period Net Profit or Losses	13	90.162	(70.795)
Non-Controlling Interests		5.613.553	5.554.521
Total Equity		14.900.898	14.817.022
TOTAL LIABILITIES		26.941.519	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 SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Notes	Reviewed		Reviewed	
		1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Revenue	3	6.182.204	3.756.507	5.021.962	3.088.720
Cost of Sales		(3.828.120)	(2.272.001)	(2.985.354)	(1.784.147)
GROSS PROFIT (LOSS)		2.354.084	1.484.506	2.036.608	1.304.573
General Administrative Expenses		(478.018)	(244.296)	(405.754)	(216.477)
Sales, Distribution and Marketing Expenses		(1.390.826)	(795.312)	(1.157.815)	(662.078)
Other Income from Operating Activities	17	148.853	96.306	82.784	37.505
Other Expenses from Operating Activities	17	(139.482)	(106.325)	(87.677)	(40.897)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		494.611	434.879	468.146	422.626
Investment Activity Income	18	7.866	6.988	15.230	10.873
Investment Activity Expenses	18	(8.986)	(4.248)	(10.703)	(8.258)
Income/ (Loss) from Associates	8	(10.432)	(8.738)	(6.823)	(3.398)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		483.059	428.881	465.850	421.843
Finance Income	19	498.589	128.529	400.946	149.369
Finance Expenses	19	(682.807)	(150.059)	(419.764)	(202.876)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		298.841	407.351	447.032	368.336
Tax (Expense) Income, Continuing Operations		(108.306)	(69.612)	(95.923)	(66.735)
- Current Period Tax (Expense) Income		(91.599)	(45.709)	(75.740)	(51.969)
- Deferred Tax Income (Expense)		(16.707)	(23.903)	(20.183)	(14.766)
PROFIT/(LOSS)		190.535	337.739	351.109	301.601
Profit/(Loss) Attributable to					
- Non-Controlling Interest		100.373	162.665	118.945	129.720
- Owners of Parent		90.162	175.074	232.164	171.881
Earnings / (Loss) Per Share (Full TRL)	21	0,1523	0,2957	0,3921	0,2903

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

**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Reviewed 1 January - 30 June 2017	1 April – 30 June 2017	Reviewed 1 January - 30 June 2016	1 April – 30 June 2016
PROFIT/(LOSS)	190.535	337.739	351.109	301.601
OTHER COMPREHENSIVE INCOME				
Other Comprehensive Income that will not be Reclassified to Profit or Loss	(3.168)	(2.904)	(1.618)	(1.381)
Gains (Losses) on Remeasurements Defined Benefit Plans	(3.960)	(3.630)	(2.022)	(1.726)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	792	726	404	345
<i>- Deferred Tax Income (Expense)</i>	<i>792</i>	<i>726</i>	<i>404</i>	<i>345</i>
Other Comprehensive Income that will be Reclassified to Profit or Loss	66.504	(648.472)	186.008	289.927
Currency Translation Differences	99.955	(614.366)	198.167	290.986
Other Comprehensive Income (Loss) on Cash Flow Hedge	(41.814)	(42.633)	(15.198)	(1.322)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	8.363	8.527	3.039	263
<i>- Deferred Tax Income (Expense)</i>	<i>8.363</i>	<i>8.527</i>	<i>3.039</i>	<i>263</i>
OTHER COMPREHENSIVE INCOME (LOSS)	63.336	(651.376)	184.390	288.546
TOTAL COMPREHENSIVE INCOME (LOSS)	253.871	(313.637)	535.499	590.147
Total Comprehensive Income Attributable to				
- Non-Controlling Interest	<i>82.686</i>	<i>(17.436)</i>	<i>97.905</i>	<i>193.612</i>
- Owners of Parent	<i>171.185</i>	<i>(296.201)</i>	<i>437.594</i>	<i>396.535</i>

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

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Issued Capital	Inflation Adjustment on Capital	Share Premium/Discount	Put Option Revaluation Fund Related with Non-controlling Interests	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	Retained Earnings					Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity	
					Revaluation and Remeasurement 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				
Previous period (1 January – 30 June 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	-	-	-	-	-	-	-	14.507	-	(212.266)	197.759	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(1.618)	230.839	(23.791)	-	-	-	232.164	437.594	97.905	535.499
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	232.164	232.164	118.945	351.109
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(1.618)	230.839	(23.791)	-	-	-	-	205.430	(21.040)	184.390
	Dividends	-	-	-	-	-	-	-	-	-	(145.066)	-	(145.066)	(14.957)	(160.023)
	Increase (Decrease) from Other Changes (*)	-	-	-	50	-	-	-	-	-	-	-	50	(50)	-
Ending Balances	592.105	63.583	3.137.684	5.845	(16.746)	278.995	8.596	297.343	(235.742)	3.636.807	232.164	8.000.634	4.948.347	12.948.981	
Current Period (1 January – 30 June 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	-	-	(8.686)	-	-	-	-	14.507	-	(76.616)	70.795	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(3.168)	103.090	(18.899)	-	-	-	90.162	171.185	82.686	253.871
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	90.162	90.162	100.373	190.535
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(3.168)	103.090	(18.899)	-	-	-	-	81.023	(17.687)	63.336
	Dividends	-	-	(86.864)	-	-	-	-	-	-	(58.202)	-	(145.066)	(24.929)	(169.995)
	Increase (Decrease) from Other Changes (*)	-	-	-	(1.275)	-	-	-	-	-	-	-	(1.275)	1.275	-
Ending Balances	592.105	63.583	3.042.134	18.648	(23.417)	1.886.607	39.426	317.921	(235.742)	3.495.918	90.162	9.287.345	5.613.553	14.900.898	

(*) 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.

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

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

	Notes	Reviewed	
		1 January- June 30, 2017	1 January- June 30, 2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		627.385	504.876
Profit/ (Loss) for the period		190.535	351.109
Adjustments to Reconcile Profit (Loss)		789.674	529.092
Adjustments for Depreciation and Amortization Expense	3	463.120	383.860
Adjustments for Impairment Loss / (Reversal)	26	16.017	9.456
Adjustments for Provisions	26	32.794	31.225
Adjustments for Interest (Income) Expenses	26	72.057	65.755
Adjustments for Unrealised Foreign Exchange Losses (Gains)		90.612	(66.626)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		-	14.029
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	10.432	6.823
Adjustments for Tax (Income) Expenses		108.306	95.923
Other Adjustments for Non-Cash Items	19	330	330
Adjustments for Losses (gains) on Disposal of Non-Current Assets	18	(4.833)	(12.889)
Other Adjustments to Reconcile Profit (loss)		839	1.206
Changes in Working Capital		(317.747)	(331.590)
Adjustments for Decrease (Increase) in Accounts Receivables		(877.828)	(942.769)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(79.774)	24.430
Adjustments for Decrease (Increase) in Inventories		(304.425)	(55.206)
Adjustments for increase (decrease) in Trade Accounts Payable		642.825	488.187
Adjustments for increase (decrease) in Other Operating Payables		301.455	153.768
Cash Flows from (used in) Operations		662.462	548.611
Payments Related with Provisions for Employee Benefits		(20.414)	(17.264)
Income Taxes (Paid) Return		(14.663)	(26.471)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(434.533)	(390.497)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	8	(17.845)	(14.075)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		33.824	23.522
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	26	(450.512)	(399.944)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(173.769)	(312.890)
Proceeds from Borrowings		1.340.537	571.742
Repayments of Borrowings		(1.249.181)	(635.282)
Income (Loss) from Cash Flow Hedge		(43.095)	(24.480)
Dividends Paid	22	(169.995)	(160.023)
Interest Paid		(115.684)	(102.888)
Interest Received		52.613	37.890
Other inflows (outflows) of cash		11.036	151
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		19.083	(198.511)
Effect Of Currency Translation Differences On Cash and Cash Equivalents		(34.555)	957
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(15.472)	(197.554)
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	2.724.531	1.690.480

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 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 Koparrı 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 14.255 (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 August 8, 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 fourteen breweries (three 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 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 and fresh fruit sales in Turkey and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

List of Shareholders

As of June 30, 2017 and December 31, 2016, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 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
AB Inbev Harmony Ltd. ⁽¹⁾	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 June 30, 2017 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with AB Inbev Harmony Ltd. represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

(1) As of June 30, 2017, SABMiller Harmony Ltd. has changed its name to AB Inbev Harmony Ltd..

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 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 June 30, 2017 and December 31, 2016 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				June 30, 2017	December 31, 2016
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	100,00
JSC Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing beer	International Beer	100,00	100,00
LLC Vostok Solod ⁽¹⁾	Russia	Production of malt	International Beer	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production 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 Ticaret 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 Management Consultancy N.V. (AETMC) ⁽⁴⁾	The Netherlands Antilles	Providing technical assistance	Other	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	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. (CCL) ⁽³⁾	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and 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 and distribution 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)	Krygyzstan	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 Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				June 30, 2017	December 31, 2016
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Turkey	Sales of fruit juice concentrates and purees and fresh fruit sales	Other	33,33	33,33
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syrian	Distribution and sales of Coca-Cola products	Soft Drinks	25,13	25,13

(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.

(4) As of June 30, 2017, AETMC adopted a plan of liquidation.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 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 Hryvnia, ongoing political instability in Ukraine, and military operations in the region. Consequently, the Group management did not anticipate any impairment related with the carrying value of International Beer in consolidated interim financial statements.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Interim Financial Statements

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

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

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

In the scope of "Communiqué, the Group has prepared condensed consolidated interim financial statements for the period ended June 30, 2017 in accordance with TAS 34, "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table and total export and total import amounts are presented in the condensed consolidated financial statement disclosures (Note 14, 24).

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

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		June 30, 2017	December 31, 2016
EBI	EURO	United States Dollar (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 JUNE 30, 2017**

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

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

2.2 Seasonality of Operations

Due to higher soft drink consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first six months up to June 30, 2017 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

2.3 Significant Accounting Estimates and Decisions

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

2.4 Changes in Accounting Policies

The condensed consolidated interim financial statements of the Group for the period ended June 30, 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. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016.

Adoption of new and revised International Financial Reporting Standards

Standards, amendments and interpretations applicable as at 30 June 2017:

- Amendments to IAS 7 ‘Statement of cash flows’ on disclosure initiative, effective from annual periods beginning on or after 1 January 2017. These amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB’s Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.
- Amendments IAS 12 ‘Income Taxes’, effective from annual periods beginning on or after 1 January 2017. The amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.
- Annual improvements 2014–2016;
 - IFRS 12, ‘Disclosure of interests in other entities’ regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 2017**

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

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

2.4 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations effective after 30 June 2017:

- Amendments to IFRS 10 and IAS 28, ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’ clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.
- Amendments to IFRS 2, ‘Share based payments’ on clarifying how to account for certain types of share-based payment transactions, effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.
- IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 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 16 ‘Leases’, effective from annual periods beginning on or after 1 January 2019 with earlier application permitted if IFRS 15, ‘Revenue from Contracts with Customers’, is also applied. This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 2017**

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

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

2.4 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations effective after 30 June 2017 (continued)

- Amendments to IFRS 4, ‘Insurance contracts’ regarding the implementation of IFRS 9, ‘Financial Instruments’, effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
 - give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and
 - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard— IAS 39.
- Amendment to IAS 40, ‘Investment property’ relating to transfers of investment property, effective from annual periods beginning on or after 1 January 2018. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.
- Annual improvements 2014–2016;
 - IFRS 1, ‘First-time adoption of IFRS’, regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018.
 - IAS 28, ‘Investments in associates and joint ventures’ regarding measuring an associate or joint venture at fair value effective 1 January 2018.
- IFRIC 22, ‘Foreign currency transactions and advance consideration’, effective from annual periods beginning on or after 1 January 2018. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.
- IFRS 17, ‘Insurance contracts’, effective from annual periods beginning on or after 1 January 2021. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- IFRIC 23 Uncertainty over Income Tax Treatments This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:
 - Whether tax treatments should be considered collectively
 - Assumptions for taxation authorities' examinations
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
 - The effect of changes in facts and circumstances.

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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), International Beer Operations (International Beer) and Soft Drinks Operations (Soft Drinks).

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
January 1 – June 30, 2017					
Revenues	666.123	1.386.860	4.115.012	24.201	6.192.196
Inter-segment revenues	(9.628)	(315)	(49)	-	(9.992)
Total Revenues	656.495	1.386.545	4.114.963	24.201	6.182.204
EBITDA	128.351	181.092	690.472	(21.701)	978.214
Profit / (loss) for the period	(3.387)	58.479	176.445	(41.002)	190.535
Capital expenditures	102.401	94.945	257.689	(20)	455.015
April 1 – June 30, 2017					
Revenues	371.312	816.537	2.559.344	15.426	3.762.619
Inter-segment revenues	(5.843)	(242)	(27)	-	(6.112)
Total Revenues	365.469	816.295	2.559.317	15.426	3.756.507
EBITDA	69.681	127.439	496.823	(10.352)	683.591
Profit / (loss) for the period	56.475	24.955	280.210	(23.901)	337.739
Capital expenditures	55.814	50.923	144.393	(21)	251.109
January 1 – June 30, 2016					
Revenues	686.524	891.374	3.430.337	21.440	5.029.675
Inter-segment revenues	(7.356)	(297)	(60)	-	(7.713)
Total Revenues	679.168	891.077	3.430.277	21.440	5.021.962
EBITDA⁽¹⁾	181.902	146.521	577.429	(22.172)	883.680
Profit / (loss) for the period	71.916	105.002	211.190	(36.999)	351.109
Capital expenditures	86.151	42.250	274.298	8	402.707
April 1 – June 30, 2016					
Revenues	403.169	547.524	2.129.015	13.791	3.093.499
Inter-segment revenues	(4.554)	(202)	(23)	-	(4.779)
Total Revenues	398.615	547.322	2.128.992	13.791	3.088.720
EBITDA⁽¹⁾	116.225	105.819	421.839	(11.638)	632.245
Profit / (loss) for the period	31.609	83.407	206.046	(19.461)	301.601
Capital expenditures	29.082	27.657	134.566	(774)	190.531

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

NOTE 3. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾and Eliminations	Total
June 30, 2017					
Segment assets	8.325.031	6.404.271	11.170.846	1.041.371	26.941.519
Segment liabilities	3.422.422	1.505.267	6.054.892	1.058.040	12.040.621
Investment in associates	-	-	-	65.921	65.921
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) Includes other subsidiaries included in the consolidation of the Group.

Reconciliation of EBITDA to the consolidated Profit/Loss from Continuing Operations and its components as of June 30, 2017 and 2016 are as follows:

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
EBITDA	978.214	683.591	883.680	632.245
Depreciation and amortization expenses	(463.120)	(232.036)	(383.860)	(195.483)
Provision for retirement pay liability	(10.957)	(5.478)	(9.068)	(4.535)
Provision for vacation pay liability	(11.509)	(3.122)	(12.376)	(4.839)
Foreign exchange gain/(loss) from operating activities	4.966	(6.048)	(7.259)	(2.869)
Rediscount interest income/(expense) from operating activities	(1.256)	(1.242)	(849)	(1.004)
Other	(1.727)	(786)	(2.122)	(889)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	494.611	434.879	468.146	422.626
Investment Activity Income	7.866	6.988	15.230	10.873
Investment Activity Expenses (-)	(8.986)	(4.248)	(10.703)	(8.258)
Income/(Loss) from Associates	(10.432)	(8.738)	(6.823)	(3.398)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	483.059	428.881	465.850	421.843
Finance Income	498.589	128.529	400.946	149.369
Finance Expenses	(682.807)	(150.059)	(419.764)	(202.876)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	298.841	407.351	447.032	368.336

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 4. CASH AND CASH EQUIVALENTS

	June 30, 2017	December 31, 2016
Cash on hand	10.178	3.480
Bank accounts		
- Time deposits	2.009.380	2.133.510
- Demand deposits	664.122	599.788
Other	40.851	3.225
Cash and cash equivalents in cash flow statement	2.724.531	2.740.003
Interest income accrual	2.427	5.261
	2.726.958	2.745.264

As of June 30, 2017, annual interest rates of the TRL denominated time deposits vary between 13,75% and 14,50% (December 31, 2016 - 6,50% - 11,50%) and annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,2% and 10,00% (December 31, 2016– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,1% - 14,15%).

As of June 30, 2017, there is no cash deposit pledged as collateral by the Group (December 31, 2016 – None).

As of June 30, 2017, other item contains credit card receivables amounting to TRL37.819 (December 31, 2016 – TRY110).

As of June 30, 2017, the Group has designated its bank deposits amounting to TRL493.679, equivalent of thousand USD123.401, thousand EURO15.214 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).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT JUNE 30, 2017

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

NOTE 5. SHORT AND LONG TERM BORROWINGS

As of June 30, 2017, total borrowings consist of principal (finance lease obligations included) amounting to TRL6.335.854 (December 31, 2016– TRL6.150.756) and interest expense accrual amounting to TRL36.228 (December 31, 2016 – TRL32.517). As of June 30, 2017 and December 31, 2016, total amount of borrowings and the effective interest rates are as follows:

Short-term	June 30, 2017			December 31, 2016		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
Borrowings						
TRL denominated borrowings	145.948	14,33% - 16,28%	-	61	-	-
Foreign currency denominated borrowings (USD)	21.086	-	Libor + 1,00%	-	-	-
Foreign currency denominated borrowings (EURO)	8.851	3,00% - 3,15%	-	8.570	3,00%	Euribor + 2,75%
Foreign currency denominated borrowings (Other)	30.388	8,88%	Kibor + 0,05% - Kibor+ 0,50%	109.123	8,88%	Kibor + 0,25% - Kibor+ 0,50%
	206.273			117.754		
Short-term portion of long term borrowings						
Foreign currency denominated borrowings (USD)	373.581	3,38% - 4,75%	-	103.035	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	721.966	1,80%	Euribor + 0,80% - Euribor + 2,00%	273.640	-	Euribor + 0,80% - Euribor + 2,35%
Foreign currency denominated borrowings (Other)	11.278	6,00%	-	6.441	6,00%	-
	1.106.825			383.116		
	1.313.098			500.870		
Long-term						
Borrowings						
Foreign currency denominated borrowings (USD)	4.354.221	3,38% - 4,75%	-	4.796.970	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	684.077	1,80%	Euribor + 1,50% - Euribor + 1,75%	860.031	-	Euribor + 0,80% - Euribor + 2,35%
Foreign currency denominated borrowings (Other)	20.686	6,00%	-	25.402	6,00%	-
	5.058.984			5.682.403		
	6.372.082			6.183.273		

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 5. SHORT AND LONG TERM BORROWINGS (continued)

Repayments of long-term borrowings are scheduled as follows:

	June 30, 2017	December 31, 2016
Between 1 -2 years	1.833.712	2.664.559
Between 2-3 years	513.375	308.217
Between 3-4 years	418.492	532.457
Between 4-5 years	30.253	-
5 years and more	2.263.152	2.177.170
	5.058.984	5.682.403

NOTE 6. DERIVATIVE INSTRUMENTS

As of June 30, 2017, the Company has 3 aluminum swap transactions with a total nominal amount of TRL6.524 (December 31, 2016– TRL12.379) for 1.184 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the vhigh probability purchases of can exposed to commodity price risk.

As of June 30, 2017, CCI has 4 option transactions in which CCI acquired the right to purchase 3.192 tonnes of aluminum at USD1.650 per tonne to hedge its financial risk arising from the cash flows between 2017 and 2018 can purchases (December 31, 2016 - 4 option transactions for the right to purchase 6.300 tonnes of aluminum at USD1.650 per tonne).

As of June 30, 2017 the Group has 1 forward purchase contract with a total nominal amount of TRL17.536 (December 31, 2016– 1 forward purchase contract nominal amount of TRL17.596). This forward contract is designated as hedging instruments in cash flow hedges related to forecasted cash flow for the highly probable purchases of raw materials exposed to foreign currency risk.

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

	June 30, 2017		December 31, 2016	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	6.524	2.050	12.379	1.058
Forward contracts	17.536	704	17.596	349
	24.060	2.754	29.975	1.407

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NOTE 7. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	June 30, 2017	December 31, 2016
Receivables from tax office	20.064	20.390
Due from personnel	15.709	15.376
Deposits and guarantees given	18.919	6.507
Other	25.065	56.820
	79.757	99.093

b) Other Non-Current Receivables

	June 30, 2017	December 31, 2016
Deposits and guarantees given	11.724	11.010
Other	2.912	3.495
	14.636	14.505

c) Other Current Payables

	June 30, 2017	December 31, 2016
Taxes other than on income	733.324	481.372
Deposits and guarantees taken	218.152	175.848
Other	5.399	4.426
	956.875	661.646

d) Other Non-Current Payables

As of June 30, 2017, other non-current payables consists of deposits and guarantees taken amounting to TRL326.028 (December 31, 2016 – TRL301.549).

NOT 8. INVESTMENTS IN ASSOCIATES

	June 30, 2017		December 31, 2016	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	%33,33	65.921	%33,33	58.406
SSDSD ⁽¹⁾	%25,13	-	%25,13	-
		65.921		58.406

Relating to investment in associates, Total assets and liabilities as of June 30, 2017 and December 31, 2016 and profit/(loss) for the period of as of June 30, 2017 and June 30, 2016 are as follows:

	Anadolu Etap		SSDSD	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Total Assets	318.278	289.221	699	713
Total Liabilities	252.357	230.815	1.704	1.621
Net Assets	65.921	58.406	(1.005)	(908)

	Anadolu Etap		SSDSD	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Group's Share of Loss for the period	(10.329)	(6.436)	(103)	(387)

(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.

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NOT 8. INVESTMENTS IN ASSOCIATES (continued)

For the six month periods ended June 30, 2017 and 2016, the movement of investments in associates are as follows:

	2017	2016
Balance at January 1	58.406	66.685
Income / Loss from associates	(10.432)	(6.823)
Other	102	387
Capital Increase ⁽¹⁾	17.845	14.075
Balance at June 30	65.921	74.324

(1) Capital increase provided to Anadolu Etap.

NOT 9. INVESTMENT PROPERTIES

For the six-month periods ended June 30, 2017 and 2016, movements of the investment property are as follows:

Current period	Net Book Value 1 January 2017	Additions	Depreciation of Addition	Disposals, net	Currency translation differences, net	Transfers, net (*)	Net Book Value 30 June 2017
Land and land improvements	19.235	-	-	(44)	446	-	19.637
Buildings	73.561	-	(1.766)	-	2.013	-	73.808
Construction in progress	1.101	-	-	-	26	-	1.127
	93.897	-	(1.766)	(44)	2.485	-	94.572

Previous period	Net Book Value 1 January 2016	Additions	Depreciation of Addition	Disposals, net	Currency translation differences, net	Transfers, net (*)	Net Book Value 30 June 2016
Land and land improvements	13.451	-	-	-	1.736	42	15.229
Buildings	58.089	-	(1.249)	(520)	7.331	(42)	63.609
Construction in progress	758	-	-	-	97	-	855
	72.298	-	(1.249)	(520)	9.164	-	79.693

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NOTE 10. PROPERTY, PLANT AND EQUIPMENT

For the six-month periods ended June 30, 2017 and 2016, movements of the property, plant and equipment are as follows:

Current period	Net Book Value 1 January 2017	Additions	Depreciation Charge	Disposals, net	Currency translation differences, net	(Impairment) / Reversal of impairment, net	Transfers, net (*)	Net Book Value 30 June 2017
Land and land improvements	546.251	139	(4.384)	(159)	(814)	-	1.512	542.545
Buildings	1.871.789	13.176	(39.462)	-	20.894	-	32.048	1.898.445
Machinery and equipment	3.264.396	70.187	(183.845)	(5.355)	40.177	1.461	110.414	3.297.435
Vehicles	93.955	4.306	(12.379)	(2.157)	1.515	(14)	1.111	86.337
Other tangibles	1.298.349	192.501	(206.261)	(1.867)	4.025	(7.401)	42.062	1.321.408
Leasehold improvements	3.713	412	(2.439)	-	4.459	-	(72)	6.073
Construction in progress	224.217	161.575	-	(38)	(448)	-	(187.102)	198.204
	7.302.670	442.296	(448.770)	(9.576)	69.808	(5.954)	(27)	7.350.447

Previous period	Net Book Value 1 January 2016	Additions	Depreciation Charge	Disposals, net	Currency translation differences, net	(Impairment) / Reversal of impairment, net	Transfers, net (*)	Net Book Value 30 June 2016
Land and land improvements	450.986	9.051	(3.870)	-	4.230	-	826	461.223
Buildings	1.458.284	11.018	(30.073)	(52)	30.481	-	11.645	1.481.303
Machinery and equipment	2.793.856	56.489	(142.413)	(2.782)	43.635	(1.876)	55.582	2.802.491
Vehicles	90.064	6.163	(11.004)	(2.077)	696	(24)	851	84.669
Other tangibles	1.214.157	224.581	(182.586)	(4.676)	237	(6.388)	19.546	1.264.871
Leasehold improvements	16.837	23	(3.075)	(162)	(1)	-	-	13.622
Construction in progress	291.724	89.017	-	(219)	2.331	-	(89.496)	293.357
	6.315.908	396.342	(373.021)	(9.968)	81.609	(8.288)	(1.046)	6.401.536

(*) As of June 30, 2017, there are transfers to other intangible assets amounting to TRL27. (June 30, 2016 – there are transfers amounting to TRL1.046 to other intangible assets).

As of June 30, 2017, there is a pledge on property, plant and equipment of TRL101.581 (December 31, 2016 - TRL102.122) for loans of CCİ. This amount is also included in “Commitments and Contingencies” note under, GPMs table (Note 14).

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NOTE 11. OTHER INTANGIBLE ASSETS

For the six-month periods ended June 30, 2017 and 2016, movements of the other intangible assets are as follows:

Current period	Net Book Value 1 January 2017	Additions	Amortization Charge	Disposals, net	Currency translation differences, net	(Impairment) / Reversal of impairment, net	Transfers, net	Net Book Value 30 June 2017
Bottling and distribution agreements	8.127.529	-	-	-	(12.032)	-	-	8.115.497
License agreements	1.199.235	-	-	-	27.942	-	-	1.227.177
Trademarks	537.669	-	-	-	9.235	-	-	546.904
Rights	10.087	366	(3.034)	(47)	40	-	27	7.439
Other	89.619	12.353	(10.945)	(341)	1.135	-	-	91.821
	9.964.139	12.719	(13.979)	(388)	26.320	-	27	9.988.838

Previous period	Net Book Value 1 January 2016	Additions	Amortization Charge	Disposals, net	Currency translation differences, net	(Impairment) / Reversal of impairment, net	Transfers, net	Net Book Value 30 June 2016
Bottling and distribution agreements	7.519.395	-	-	-	(13.920)	-	-	7.505.475
License agreements	829.202	-	-	-	103.874	-	-	933.076
Trademarks	426.642	-	-	-	13.339	-	-	439.981
Rights	14.297	140	(3.085)	-	3	-	485	11.840
Other	51.513	6.225	(6.840)	(145)	2.401	(74)	561	53.641
	8.841.049	6.365	(9.925)	(145)	105.697	(74)	1.046	8.944.013

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTE 12. GOODWILL

For the six-month period ended June 30, 2017 and 2016, movements of the goodwill during the period are as follows:

	2017	2016
At January 1	1.675.218	1.334.738
Currency translation differences	23.629	74.000
At June 30	1.698.847	1.408.738

NOTE 13. EQUITY

For June 30, 2017 and December 31, 2016, nominal amounts, equity restatement differences and restated value of equity are as follows:

June 30, 2017	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	317.921	74.729	392.650
Extraordinary reserves	877	25.831	26.708
	910.903	164.143	1.075.046
Share Premium (Discount)			3.042.134
Put Option Revaluation Fund Related with Non- controlling Interests			18.648
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			(23.417)
- Gains (Losses) on Remeasurements of Defined Benefit Plans			(23.417)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			1.926.033
- Currency Translation Differences			1.886.607
- Gains (Losses) on Hedge			39.426
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income)			3.484.643
Equity attributable to equity holders of the parent			9.287.345
			9.287.345
December 31, 2016	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	303.414	74.729	378.143
Extraordinary reserves	64.900	25.831	90.731
	960.419	164.143	1.124.562
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)
- Gains (Losses) on Remeasurements of Defined Benefit Plans			(20.249)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			1.841.842
- Currency Translation Differences			1.783.517
- Gains (Losses) on Hedge			58.325
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income)			3.394.481
Equity attributable to equity holders of the parent			9.262.501
			9.262.501

**Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
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NOTE 14. COMMITMENTS AND CONTINGENCIES

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

As of June 30, 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:

June 30, 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	577.242	465.397	387	926	7.158	35.540	2.667.000	12.349
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	742.108	-	49.000	131.783	-	-	298.921	32.732
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	1.331.959	478.006	49.387	132.709	7.158	35.540	2.965.921	45.081
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	-	-	1.177.704	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 full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in the interim condensed consolidated financial statements.

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

CCİ, Its Subsidiaries and Joint Ventures

Murabaha

CCBPL and Standard Chartered Bank and Habib Bank Limited (Banks) has made murabaha facility agreement. Based on this agreement, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of June 30, 2017 CCBPL has USD2,5 million sugar and resin purchase commitment from the Bank until the end of December 2017, USD56,3 million sugar and resin purchase commitment from the Bank until the end of April 2018.

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NOTE 14. COMMITMENTS AND CONTINGENCIES (continued)

Operational Lease

As of June 30, 2017, the Group's contingent liability for the following years resulting from the non-cancellable operational lease agreements is amounting to TRL41.228 (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

	June 30, 2017	December 31, 2016
Prepayments	385.465	343.512
Advances given to suppliers	123.092	81.965
	508.557	425.477

b) Long Term Prepaid Expenses

	June 30, 2017	December 31, 2016
Prepayments	165.880	159.748
Advances given to suppliers	51.236	17.919
	217.116	177.667

c) Short Term Deferred Income

	June 30, 2017	December 31, 2016
Advances taken	41.550	32.385
Deferred income	1.229	1.068
	42.779	33.453

NOTE 16. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	June 30, 2017	December 31, 2016
Value Added Tax (VAT) deductible or to be transferred	221.116	239.553
Other current asset from related parties (Anadolu Efes Spor Kulübü)	25.000	-
Other	10.065	11.830
	256.181	251.383

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NOTE 16. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	June 30, 2017	December 31, 2016
Deferred VAT and other taxes	53.304	56.948
Other	48	59
	53.352	57.007

c) Other Current Liabilities

	June 30, 2017	December 31, 2016
Put option liability	8.277	8.305
Other	12.529	12.738
	20.806	21.043

d) Other Non-Current Liabilities

	June 30, 2017	December 31, 2016
Put option liability	110.769	111.151
Deferred VAT and other taxes	50.962	55.269
	161.731	166.420

The obligation of TRL8.277 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under “other current liabilities”. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the 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 TRL110.769 is recorded under “other non-current liabilities” (December 31, 2016 – TRL111.151).

NOTE 17. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Foreign exchange gains arising from operating activities	90.066	69.312	40.351	16.025
Income from scrap and other materials	13.812	7.689	8.143	4.780
Rent income	6.074	2.359	3.941	2.060
Reversal of provision for inventory obsolescence	2.075	656	2.437	2.150
Rediscount income	1.737	1.737	1.179	-
Reversal of provision for doubtful receivables	1.025	127	2.275	702
Insurance compensation income	823	129	770	382
Other income	33.241	14.297	23.688	11.406
	148.853	96.306	82.784	37.505

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NOTE 17. OTHER OPERATING INCOME / EXPENSES (continued)

b) Other Operating Expenses

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Foreign exchange losses arising from operating activities	(85.100)	(75.360)	(47.610)	(18.894)
Depreciation and amortization expense on PPE & intangible assets	(10.018)	(4.789)	(9.293)	(4.171)
Provision for inventory obsolescence	(7.229)	(4.739)	(3.007)	(648)
Provision for doubtful receivables	(5.935)	(3.539)	(2.799)	(1.356)
Rediscount expense	(2.993)	(2.979)	(2.028)	(1.004)
Donations	(334)	(289)	(2.027)	(1.471)
Other expenses	(27.873)	(14.630)	(20.913)	(13.353)
	(139.482)	(106.325)	(87.677)	(40.897)

NOTE 18. INCOME/ EXPENSE FROM INVESTING ACTIVITIES

a) Income from Investing Activities

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Gain on sale of fixed assets	7.866	6.988	13.792	10.611
Reversal of impairment on tangible assets	-	-	1.438	262
	7.866	6.988	15.230	10.873

b) Expense from Investing Activities

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Provision for impairment on tangible assets	(5.953)	(4.108)	(9.726)	(8.054)
Loss on sale of fixed assets	(3.033)	(140)	(903)	(200)
Provision for impairment on intangible assets	-	-	(74)	(4)
	(8.986)	(4.248)	(10.703)	(8.258)

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NOTE 19. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Foreign exchange gain	448.997	106.791	363.276	131.661
Interest income	49.337	21.738	35.734	16.191
Gain on derivative transactions	255	-	1.936	1.517
	498.589	128.529	400.946	149.369

b) Finance Expense

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Foreign exchange loss	(549.533)	(85.629)	(293.332)	(142.936)
Interest expense	(121.394)	(60.509)	(101.489)	(49.254)
Loss on derivative transactions	(255)	(255)	(15.965)	(6.271)
Borrowing costs	(330)	(165)	(330)	(165)
Other financial expenses	(11.295)	(3.501)	(8.648)	(4.250)
	(682.807)	(150.059)	(419.764)	(202.876)

NOTE 20. TAX ASSETS AND LIABILITIES

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and joint ventures of the Group operate.

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	2017	2016
Turkey	%20	%20
The Netherlands	%25	%25
Russia	%20	%20
Kazakhstan	%20	%20
Moldova	%12	%12
Georgia	-	%15
Ukraine	%18	%18
Azerbaijan	%20	%20
Kyrgyzstan	%10	%10
Pakistan	%32	%32
Iraq	%15	%15
Jordan	%14	%14
Turkmenistan	%8	%8
Tajikistan	%14	%14

As of June 30, 2017 and December 31, 2016 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	June 30, 2017	December 31, 2016
Deferred tax asset	286.985	274.330
Deferred tax liability	(1.857.824)	(1.831.472)
	(1.570.839)	(1.557.142)

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NOTE 20. TAX ASSETS AND LIABILITIES (continued)

	Asset		Liability		Net	
	June 30 2017	December 31 2016	June 30 2017	December 31 2016	June 30 2017	December 31 2016
PP&E and intangible assets	-	-	(2.164.932)	(2.142.349)	(2.164.932)	(2.142.349)
Inventories	22.933	30.176	-	-	22.933	30.176
Carry forward losses	429.515	452.517	-	-	429.515	452.517
Retirement pay liability and other employee benefits	5.027	5.819	-	-	5.027	5.819
Other provisions	92.593	77.191	-	-	92.593	77.191
Unused investment incentive	23.867	24.648	-	-	23.867	24.648
Derivative financial instruments	-	-	(14.240)	(19.059)	(14.240)	(19.059)
Other	34.398	13.915	-	-	34.398	13.915
	608.333	604.266	(2.179.172)	(2.161.408)	(1.570.839)	(1.557.142)

As of June 30, 2017, CCI's total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmutiye production line investments under the scope of investment incentives are amounting to TRL128.645 (December 31, 2016 - TRL132.802) with a total tax advantage of TRL23.867 (December 31, 2016 - TRL24.648). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL2.107 (December 31, 2016 - TRL1.943).

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 - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Net income/ (loss)	90.162	175.074	232.164	171.881
Weighted average number of shares	592.105.263	592.105.263	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	0,1523	0,2957	0,3921	0,2903

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

NOTE 22. DISTRIBUTION OF EARNINGS

The Group distributed dividend in 2017, related with the year ended as of December 31, 2016, for a gross amount of full TRL0,245 per share, amounting to a total of TRL145.066 (The Group distributed dividend in 2016, related with the year ended as of December 31, 2016, for a gross amount of full TRL0,25 per share, amounting to a total of TRL145.066).

In 2017, dividend payment amounting to TRL24.929 (December 31, 2016 – TRL14.957) has been made to non-controlling interests.

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NOTE 23. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	June 30, 2017	December 31, 2016
Migros Ticaret A.Ş. and its subsidiaries (Migros) ⁽³⁾	160.133	130.907
Other	2.927	592
	163.060	131.499

Due to Related Parties

	June 30, 2017	December 31, 2016
Anadolu Efes Spor Kulübü	25.000	-
Oyex Handels GmbH ^{(2) (3)}	6.575	6.409
AB InBev Group Companies ^{(4) (5)}	5.475	14.995
Çelik Motor Ticaret A.Ş. ^{(2) (3)}	2.751	1.078
Anadolu Bilişim Hizmetleri A.Ş. ^{(2) (3) (8)}	639	1.405
Other	600	2.001
	41.040	25.888

The Group has short term deferred revenue related to AEH as amounting to TRL996. (December 31, 2016 – short term deferred revenue: TRL1.055; long term deferred revenue: TRL474)

b) Transactions with Related Parties

Finance Income / (Expense), Net

Group has no interest income/expense from related parties for the January 1, 2017 – June 30, 2017 period (2016 - Alternatifbank⁽⁶⁾: Interest income TRL5.135 TL).

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Anadolu Efes Spor Kulübü	Service	25.520	13.010	34.800	17.400
AB Inbev Group Companies ^{(4) (5)}	Service and purchase of trade goods	11.758	4.518	25.075	14.446
Oyex Handels GmbH ^{(2) (3)}	Purchase of materials and fixed assets	20.461	7.082	16.145	6.983
AEH ^{(1) (2)}	Consultancy service	17.060	8.535	14.388	7.199
Çelik Motor Ticaret A.Ş. ^{(2) (3)}	Vehicle leasing	13.887	6.817	13.082	6.488
Efestur Turizm İşletmeleri A.Ş. ^{(2) (3)}	Travel and accommodation	5.514	2.999	4.779	2.345
Other		5.861	2.916	7.485	4.086
		100.061	45.877	115.754	58.947

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Migros ⁽³⁾	Sales income	240.322	139.928	186.709	116.225
AB Inbev Group Companies ^{(4) (5)}	Other income	1.106	-	2.055	2.055
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) ⁽⁷⁾	Other income	154	154	-	-
Other	Other income	150	26	170	75
		241.732	140.108	188.934	118.355

- (1) The shareholder of the Group
(2) Related party of Yazıcılar Holding A.Ş. (a shareholder)
(3) Related party of AEH (a shareholder)
(4) Related parties of AB Inbev Harmony Ltd. (a shareholder)
(5) AB InBev (Anheuser Busch InBev), in October 2016 with the merger of AB Inbev and SABMiller became ultimate parent of AB Inbev Harmony Ltd. which holds 24% shares of Anadolu Efes.
(6) Alternatifbank is not determined as related part as of 30 June 2016 as a result of sale of Alternatifbank's shares to third parties by Yazıcılar Holding and AEH (it was related party between 1 January- 19 December 2016).
(7) The Group has joint control over Anadolu Etap.
(8) The Group's long term financial asset.

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NOTE 23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties (continued)

Director’s remuneration

As of June 30, 2017 and 2016, total benefits to Anadolu Efes Board of Directors are TRL177 and TRL152, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of June 30, 2017 and 2016 are as follows:

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Short-term employee benefits	16.312	7.541	14.219	6.222
Post-employment benefits	-	-	-	-
Other long term benefits	878	-	600	-
Termination benefits	428	428	159	-
Share-based payments	-	-	-	-
	17.618	7.969	14.978	6.222

NOTE 24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

a) Interest Rate Risk

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

The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap (IRS) agreement. Total outstanding amount of IRS agreements was USD43 million as of June 30, 2017 (December 31, 2016 – USD43 million).

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

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of June 30, 2017 and December 31, 2016 are presented below:

Foreign Currency Position Table						
June 30, 2017						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	60.657	15.650	54.885	625	2.502	3.270
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.561.892	399.435	1.400.860	35.282	141.234	19.798
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	4.656	797	2.795	465	1.861	-
4. Current Assets	1.627.205	415.882	1.458.540	36.372	145.597	23.068
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	25.934	2	7	6.477	25.927	-
8. Non-Current Assets	25.934	2	7	6.477	25.927	-
9. Total Assets	1.653.139	415.884	1.458.547	42.849	171.524	23.068
10. Trade Payables and Due to Related Parties	(424.955)	(73.312)	(257.111)	(33.999)	(136.098)	(31.746)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(1.116.273)	(112.430)	(394.304)	(180.357)	(721.969)	-
12a. Monetary Other Liabilities	(1.506)	(326)	(1.142)	(91)	(364)	-
12b. Non-monetary Other Liabilities	(8.277)	(2.360)	(8.277)	-	-	-
13. Current Liabilities	(1.551.011)	(188.428)	(660.834)	(214.447)	(858.431)	(31.746)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(4.887.492)	(1.198.544)	(4.203.415)	(170.891)	(684.077)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(110.769)	(31.584)	(110.769)	-	-	-
17. Non-Current Liabilities	(4.998.261)	(1.230.128)	(4.314.184)	(170.891)	(684.077)	-
18. Total Liabilities	(6.549.272)	(1.418.556)	(4.975.018)	(385.338)	(1.542.508)	(31.746)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	17.536	5.000	17.536	-	-	-
19a. Total Hedged Assets	17.536	5.000	17.536	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(4.878.597)	(997.672)	(3.498.935)	(342.489)	(1.370.984)	(8.678)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(4.807.677)	(969.527)	(3.400.227)	(349.431)	(1.398.772)	(8.678)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	704	201	704	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2016						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	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) Position	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, USD164 million was netted on foreign currency position table and as of June 30, 2016, effect of the intercompany loans amounting to USD175,3 million was netted on foreign currency position sensitivity analysis). As of June 30, 2017, there was no netting in the foreign currency position and foreign exchange sensitivity analysis table along with the reflection of the functional currency change.

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

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of June 30, 2017 and 2016 is as follows:

	1 January - 30 June 2017	1 April – 30 June 2017	1 January - 30 June 2016	1 April – 30 June 2016
Total Export	114.718	69.659	76.360	45.679
Total Import	929.093	524.647	733.863	348.592

The following table demonstrates the sensitivity analysis of foreign currency as of June 30, 2017 and 2016:

	Foreign Currency Position Sensitivity Analysis			
	June 30, 2017 ^(*)		June 30, 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)	(340.023)	340.023	(262.738)	262.738
USD denominated hedging instruments (-)	1.754	(1.754)	-	-
Net effect in USD	(338.269)	338.269	(262.738)	262.738
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(139.877)	139.877	(100.534)	100.534
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(139.877)	139.877	(100.534)	100.534
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	(868)	868	(170)	170
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	(868)	868	(170)	170
TOTAL	(479.014)	479.014	(363.442)	363.442

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

c) Liquidity Risk

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

d) Price Risk

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

e) Credit Risk

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

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

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group keeps guarantees for a part of its receivables by means of DDS (Direct Debit System). The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables under guarantee.

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

f) Capital Risk Management

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

NOTE 25. FINANCIAL INSTRUMENTS

Fair Value

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

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

a) Financial Assets

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

b) Financial Liabilities

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

Derivative Instruments, Risk Management Objectives and Policies

Derivative instruments and hedging transactions are explained in Note 4 and Note 6.

NOTE 26. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	1 January - 30 June 2017	1 January - 30 June 2016
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 17)	5.953	8.288
Adjustments for impairment loss (reversal of impairment) of receivables (Note 16)	4.910	524
Adjustments for impairment loss (reversal of impairment) of inventories (Note 16)	5.154	570
Adjustments for impairment loss (reversal of impairment) of intangible assets (Note 17)	-	74
	16.017	9.456

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NOTE 26. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS (continued)

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

	1 January - 30 June 2017	1 January - 30 June 2016
Provision for vacation pay liability (Note 3)	11.509	12.376
Provision for retirement pay liability (Note 3)	10.957	9.068
Provision for seniority bonus	10.328	9.781
	32.794	31.225

c) Adjustments for Interest (Income) Expenses

	1 January - 30 June 2017	1 January - 30 June 2016
Adjustments for interest income (Note 19)	(49.337)	(35.734)
Adjustments for interest expenses (Note 19)	121.394	101.489
	72.057	65.755

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

	1 January - 30 June 2017	1 January - 30 June 2016
Cash outflows arising from purchase of property, plant and equipment	(437.793)	(393.579)
Cash outflows arising from purchase of intangible assets	(12.719)	(6.365)
	(450.512)	(399.944)

NOTE 27. EVENTS AFTER REPORTING PERIOD

- a) CCI has been evaluating various long-term debt instruments to refinance its existing bonds maturing in 2018, as well as to finance new borrowing needs. In this context, an application has been filed as of July 26, 2017, with the Capital Markets Board pursuant to Capital Markets Law numbered 6362 and the Communiqué with Series: VII, Number: 128.8, for the approval of the issuance and the sales of the bonds abroad.
- b) Yazıcılar Holding which will incorporate Özilhan Sınai Yatırım A.Ş. (“ÖSYAŞ”) and AEH within the scope of the above mentioned merger and will be controlled by Kamil Yazıcı Yönetim ve Danışma A.Ş. (“KYYDAŞ”) and Özilhan Family in the direction of equal representation and equal management principle after this planned merger. In order to achieve this, it is envisaged to establish a separate capital company in which 50% - 50% of KYYDAŞ and Özilhan Family will be shareholders. Mutual agreement of the parties on the final binding agreements signed on July 29, 2017. The finalization of the merger process is subject to the approvals to be obtained from the relevant official institutions and organizations, and the approvals of general assembly of ÖSYAŞ, AEH and Yazıcılar Holding.

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