

Efes Breweries International N.V.

Unaudited Interim Condensed Consolidated Financial Statements

together with Independent Auditors' Review Report

June 30, 2008

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20/8/08

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Efes Breweries International N.V. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

ASSETS

	Notes	June 30, 2008 (unaudited)	December 31, 2007 (audited)
Current assets			
Cash and cash equivalents		184,234	58,526
Trade and other receivables		113,334	88,140
Due from related parties		8,682	8,161
Inventories		237,220	188,041
Prepayments and other current assets		54,259	59,840
Total current assets		597,729	402,708
Non-current assets			
Investments in securities	7	2,766	1,521
Property, plant and equipment	8	848,753	726,490
Intangible assets	4	642,449	536,949
Deferred tax assets		9,589	13,806
Prepayments and other non-current assets		2,719	2,942
Total non-current assets		1,506,276	1,281,708
Total assets		2,104,005	1,684,416

LIABILITIES AND EQUITY

	Notes	June 30, 2008 (unaudited)	December 31, 2007 (audited)
Current liabilities			
Trade and other payables	6	289,809	225,773
Due to related parties		28,277	23,339
Income tax payable		1,321	5,008
Short-term borrowings	10	213,214	188,609
Current portion of long-term borrowings	10	12,582	14,822
Total current liabilities		545,203	457,551
Non-current liabilities			
Long-term borrowings-net of current portion	10	588,641	342,598
Deferred tax liability		14,750	10,912
Other non-current liabilities		341	346
Total non-current liabilities		603,732	353,856
Equity			
Issued capital	5	237,488	237,488
Share premium		319,318	319,318
Currency translation reserve		212,378	138,794
Retained earnings		175,818	167,837
Equity attributable to equity holders of the parent		945,002	863,437
Minority interests		10,068	9,572
Total equity		955,070	873,009
Total liabilities and equity		2,104,005	1,684,416

The accompanying policies and explanatory notes on pages 6 through 16 form an integral part of these interim condensed consolidated financial statements.

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Efes Breweries International N.V. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended June 30, 2008

(Currency – In thousands of U.S. Dollars unless otherwise indicated)

	Notes	Six-month period ended June 30, 2008 (unaudited)	Six-month period ended June 30, 2007 (unaudited)
Sales	11	523,924	384,737
Cost of sales		(306,032)	(204,148)
Gross profit		217,892	180,589
Selling and marketing expenses		(126,083)	(101,385)
General and administrative expenses		(59,949)	(43,537)
Other operating income		4,031	5,387
Other operating expense		(5,996)	(2,700)
Profit from operations		29,895	38,354
Financial income		1,069	2,480
Financial expense		(14,293)	(15,232)
Profit before tax		16,671	25,602
Income tax		(8,866)	(8,165)
Profit after tax		7,805	17,437
<u>Attributable to:</u>			
Minority Interests		(176)	73
Equity holders of the parent		7,981	17,364
Earnings per share (in full amounts of U.S. Dollars)			
Basic		0.04	0.08
Diluted		0.04	0.08

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Efes Breweries International N.V. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2008

(Currency – In thousands of U.S. Dollars unless otherwise indicated)

	Attributable to the Equity Holders of the Parent Company				Minority Interests	Total Equity
	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings		
At January 1, 2007	237,488	319,318	75,520	130,367	9,331	772,024
Foreign currency translation	-	-	22,416	-	209	22,625
Total income and expense for the period recognized directly in equity	-	-	22,416	-	209	22,625
Net profit for the period	-	-	-	17,364	73	17,437
Total income and expense for the period	-	-	22,416	17,364	282	40,062
Dividends of subsidiaries	-	-	-	-	(386)	(386)
Dividends paid to put option holder	-	-	-	-	277	277
At June 30, 2007	237,488	319,318	97,936	147,731	9,504	811,977
	Attributable to the Equity Holders of the Parent Company				Minority Interests	Total Equity
	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings		
At January 1, 2008	237,488	319,318	138,794	167,837	9,572	873,009
Foreign currency translation	-	-	73,584	-	708	74,291
Total income and expense for the period recognized directly in equity	-	-	73,584	-	708	74,292
Net profit for the period	-	-	-	7,981	(176)	7,805
Total income and expense for the period	-	-	73,584	7,981	532	82,097
Dividends of subsidiaries	-	-	-	-	(36)	(36)
Dividends paid to put option holder	-	-	-	-	-	-
At June 30, 2008	237,488	319,318	212,378	175,818	10,068	955,070

The accompanying policies and explanatory notes on pages 6 through 16 form an integral part of these interim condensed consolidated financial statements.

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Efes Breweries International N.V. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

	Notes	Six-month period ended June 30, 2008 (unaudited)	Six-month period ended June 30, 2007 (unaudited)
Cash flows from operating activities			
Net profit before minority interest and income tax		16,671	25,602
Adjustments to reconcile net income to net cash provided by operating activities			
Gain on sale of soft-drink trademarks		-	(3,780)
Depreciation and amortization		45,502	33,821
Provision for bad debt		476	292
Provision for inventories		3,298	1,319
Income recognized from reversal of provision for bad debt		(104)	(129)
Income recognized from reversal of provision for inventories		(82)	(240)
Reversal of impairment on property plant equipment		(263)	-
Reserve for vacation pay liability		977	871
Provision for other assets		310	302
Loss from disposal of property, plant and equipment		1,613	938
Amortised borrowing costs	10	618	645
Interest expense	10	21,291	16,831
Interest income		(1,069)	(2,480)
Net income adjusted for non-cash items		89,238	73,992
(Increase)/decrease in inventories		(47,795)	(35,614)
(Increase)/decrease in trade receivables		(25,128)	(23,349)
(Increase)/decrease in due from related parties		230	(1,197)
Increase/(decrease) in trade and other payables		36,144	34,867
(Decrease)/increase in due to related parties		4,718	(369)
(Increase)/decrease in other current assets		5,601	3,801
(Increase)/decrease in other non-current assets		223	(929)
(Decrease)/increase in other non-current liabilities		22,455	713
Taxes paid		(5,859)	(5,681)
Interest received		1,536	2,140
Interest paid		(20,316)	(23,956)
Net cash provided by operating activities		61,047	24,418
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(121,270)	(66,699)
Proceeds from sale of property, plant and equipment		6,758	3,755
Proceeds from sale of soft-drink trademarks		-	3,780
Acquisition of subsidiaries, net of cash acquired		(73,145)	-
Payments for previously acquired shares		-	(33,516)
Dividends paid to minority shareholders		(36)	(386)
Net cash used in investing activities		(187,693)	(93,066)
Cash flows from financing activities			
Repayment of short-term loans	10	(83,595)	(105,061)
Proceeds from short-term loans	10	98,986	93,012
Proceeds from long-term debt	10	237,698	286
Repayment of long-term debt	10	(6,754)	(8,706)
Net cash (used for) / provided by financing activities		246,335	(20,469)
Currency translation differences		6,019	1,528
Net increase/(decrease) in cash and cash equivalents		125,708	(87,589)
Cash and cash equivalents at beginning of year		58,526	163,861
Cash and cash equivalents at the end of the period		184,234	76,272

The accompanying policies and explanatory notes on pages 6 through 16 form an integral part of these interim condensed consolidated financial statements.

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Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

1. GENERAL

Efes Breweries International N.V. (the Company) was incorporated in the Netherlands on October 2, 1996. The registered address of the Company is Strawinskylaan 1227, 1077XX Amsterdam, the Netherlands.

The Company's ordinary shares have been listed on the London Stock Exchange in the form of global depositary receipts (GDR's).

The parent of the Company is Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi (Anadolu Efes-the Parent Company). Anadolu Efes is a Turkish Corporation, which was established in Istanbul in 1966. The operations of Anadolu Efes consist of production of beer and its raw materials. Certain shares of Anadolu Efes are listed on the Istanbul Stock Exchange.

The consolidated financial statements of the Company for the six month period ended on June 30, 2008 were authorised for issue by the directors on August 27, 2008.

Nature of Activities of the Company/Group

The Company acts as a Dutch Holding company, facilitating investments in breweries.

For the purpose of the unaudited interim condensed consolidated financial statements, the Company and its consolidated subsidiaries are referred to as "the Group".

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2008 and December 31, 2007 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and voting rights %	
			June 30, 2008	December 31, 2007
CJSC "Moscow-Efes Brewery" (Efes Moscow) (ii),	Russia	Production and marketing of beer	90.85	90.85
JSC «AMSTAR» (Amstar) (i)	Russia	Production of beer	90.85	90.85
ZAO Efes Entertainment (Efes Entertainment) (i)	Russia	Restaurant business	90.85	90.85
CJSC.Rostov Beverage (Rostov Beverages) (i)	Russia	Leasing	90.85	90.85
LLC "Stary Melnik" (i)	Russia	Advertising	90.85	90.85
JSC Brewing Union «Krasny Vostok - Solodovbeer» (KV Group) (ii)	Russia	Production of beer	84.36	92.85
LLC "KV - SibPivCompaniya"(iii)	Russia	Production of beer	88.61	97.53
LLC "Vostok solod"(iii)	Russia	Production of malt	84.36	92.85
LLC "Krasny Vostok – Invest"(iii)	Russia	Finance	84.36	92.85
LLC „Tsentralny Torgovy Dom „Krasny Vostok”(iii)	Russia	Trading house	84.36	92.85
CJSC "MTD "Krasny Vostok" (iii)	Russia	Trading house	84.36	92.85
CJSC „Samarskii Torgovyy Dom „Krasny Vostok" (iii)	Russia	Trading house	84.36	92.85
CJSC „Saratovskii Torgovyy Dom „Krasny Vostok" (iii)	Russia	Trading house	84.36	92.85
LLC „Ufimskii Torgovyy Dom „Krasny Vostok" (iii)	Russia	Trading house	84.36	92.85

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

1. GENERAL (Continued)

	Place of Incorporation	Principal Activities	Effective Shareholding and voting rights %	
			June 30, 2007	December 31, 2007
LLC „Barnaulskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	-	92.85
LLC „Volgogradskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Voronezhskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Ekaterinburgskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Kemerovskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	-	92.85
LLC „Krasnodarskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Krasnoyarskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Kurskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Nizhegorodskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Nizhnekamskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Novosibirskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Omskii Dom „Krasny Vostok” (iii)	Russia	Trading house	-	92.85
LLC „Permskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Sankt-Peterburgskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Tomskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
LLC „Chelyabinskii Torgovii Dom „Krasny Vostok” (iii)	Russia	Trading house	84.36	92.85
JSC Efes Karaganda Brewery (Efes Karaganda)	Kazakhstan	Production and marketing of beer	100.00	100.00
Efes Vitanta Moldova Brewery S.A. (Efes Vitanta)	Moldova	Production and marketing of beer, soft drinks, low alcoholic drinks and mineral water	96.50	96.50
Efes Weifert Brewery d.o.o (Efes Weifert)	Serbia	Production and marketing of beer	97.21	97.21
Efes Zajecar Brewery d.o.o (Efes Zajecar)	Serbia	Production and marketing of beer	72.96	72.96
Euro-Asian Brauerein Holding GmbH (Euro Asian)	Germany	Investment company	100.00	100.00
Efes Commerce d.o.o Belgrade (Efes Commerce) (iv)	Serbia	Production and marketing of beverages	100.00	100.00
Brewery Pivdenna C.J.S.C. (Efes Ukraine) (iv)	Ukraine	Production and marketing of beer	100.00	100.00
Efes Romania Industrie Si Comert S.A. (ERIC) (iv)	Romania	Distribution of beer	99.996	99.996
Efes Productie S.R.L. (Efes Productie) (iv)	Romania	Distribution of beer	69.70	69.70
Joint Stock Company Lomisi (Lomisi)	Georgia	Production and marketing of beer and soft drink	100.00	-

(i) Subsidiaries of Efes Moscow, which are consolidated under its financial statements.

(ii) Following revised IAS 32 (Financial Instruments: Disclosure and Presentation), a further effective 9.15% and 15.19% interest has also been consolidated for Efes Moscow and KV Group, respectively.

(iii) Subsidiaries of KV Group, which are consolidated under its financial statements.

(iv) Subsidiaries that are either dormant or in the process of being liquidated.

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Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

1. GENERAL (Continued)

Environments and Economic Conditions of Subsidiaries

The countries, in which the consolidated subsidiaries are operating, have undergone substantial, political and economical changes in the recent years. Accordingly such markets do not possess well-developed business infrastructures and the 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 subsidiaries' ability to operate commercially.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34, "Interim Financial Reporting", adopted by EU. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2007.

In preparation of the interim condensed consolidated financial statements of the Company, the same accounting policies and methods of computation have been followed in the unaudited interim condensed consolidated financial statements as compared to the most recent annual financial statements except for the adoption of new interpretations, noted below.

- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of these new interpretations has no effect on the financial statements of the Company.

3. SEASONALITY OF OPERATIONS

Beer consumption is seasonal, typically resulting in higher demand during the summer season and accordingly lower profitability and turnover during the first half of the year. The figures for the first half include the effects of the seasonal variations therefore the results of business operations for the first six-months up to June 30, 2008 do not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

4. CHANGES IN GROUP'S ORGANIZATION

For the period ended June 30, 2008

In February 2008, the Company acquired 100.00% shares of Lomisi, the leading brewer in Georgia for a total cash consideration of USD 73.3 million. The excess of the acquisition costs over the fair value of net assets acquired was USD 60.7 million and has been recognized as goodwill in the consolidated balance sheet. The valuation process for the brands that are owned by the Lomisi are ongoing and the Company is going to book brands as intangible assets, consequently this would have an impact on the provisional goodwill that has been previously recognized.

A Share Purchase Agreement is executed between the Company and Efes Moscow regarding the sale of all shares currently owned by the Company, representing 92.85% of the voting shares of KV Group, to Efes Moscow. Following this transaction, effective shareholding percentage of the Company in KV Group reduced to 84.36% excluding the effect of put options granted.

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

4. CHANGES IN GROUP'S ORGANIZATION (Continued)

For the year 2007

In February 2007, Efes Vitanta, subsidiary of the Company in Moldova, reached an agreement with The Coca-Cola Company ("TCCC") to sell Efes Vitanta's soft drink brand called "Viva" as well as "Real" brand of bottled water to TCCC.

The Company acquired 6.25% of Efes Weifert in October 2007 through takeover bid process for a total cash consideration of USD 3,144. The excess of fair value of net assets acquired over the purchase price was USD 2,610 and has been recognized as goodwill.

5. SHARE CAPITAL

	June 30, 2008	December 31, 2007
	Number of shares	Number of shares
Common shares, 1 EUR, par value		
Authorized	250,000,000	250,000,000
Issued and outstanding	211,428,569	211,428,569

As at June 30, 2007, the composition of shareholders and their respective % of ownership can be summarized as follows:

	June 30, 2008	December 31, 2007
Anadolu Efes	70.22%	70.22%
Public	29.78%	29.78%
Total	100.00%	100.00%

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

6. COMMITMENTS AND CONTINGENCIES

Put options

A put option has been granted to the European Bank for Reconstruction and Development (“EBRD”) by the Company that may be exercisable between 2008 and 2011. By such put option, the EBRD will be entitled to sell its 8.8% of Efes Moscow shares to the Company at an option price to be determined by an independent valuation.

A put option has been granted to the OAO Krasny Vostok Agro that may be exercisable between 2007 and 2009. By such option, OAO Krasny Vostok Agro will have right to sell its 6.7% of KV Group shares to the Company at an option price either at in full USD 0.395 multiplied by number of shares plus interest accrued from the date of the option until the date of completion at a rate of LIBOR plus 4.9% or the consolidated EBITDA multiplied by a multiple of nine minus net indebtedness.

Following revised IAS 32 (Financial Instruments: Disclosure and Presentation), the obligation for the participating interest related with put options has been regarded as ‘liability for puttable instruments’ in the Group’s financial statements, to be stated at fair value. The liability for the put option has been measured by applying a weighting of different valuation techniques based on best estimates currently available. Subsequent changes to the valuation of the put options have been recorded as changes to ‘liability for puttable instruments’ and to goodwill, without any direct impact on the consolidated income statement.

The contingent considerations related with the put options granted to EBRD and OAO Krasny Vostok Agro of USD 102,807 and USD 26,410 have been presented as ‘liability for puttable instruments’ in trade and other payables in the consolidated balance sheet. In order to give effect to the recognition of the liability for puttable instruments, the equity and net income attributable to the interest of minority shareholders of Efes Moscow and KV Group have been decreased by 8.8% and 6.7%, respectively.

Tax and legal matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates continue to evolve as the governments manage the transformation from a command to a market-oriented economy. Various regulations are not always clearly written and their interpretation 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 (for example, customs and currency control matters) 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 create tax risks in the territories in which the Group operates substantially more than typically found in countries with more developed tax systems.

Management believes that all applicable taxes have been paid or accrued and the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

7. INVESTMENT IN SECURITIES

	June 30, 2008	December 31, 2007
ZAO Mutena Maltery (Mutena Maltery)	1,511	1,511
Efes Belarus Sales Company G.M. (Efes Belarus)	1,202	-
Others	53	10
Total investment in securities – non-current	2,766	1,521

Mutena Maltery (11.09%) is carried at cost, since it does not have a quoted market price in an active market and its fair value cannot be reliably measured by alternative valuation methods.

Efes Belarus, a newly incorporated entity whose activities are still at a low level.

8. PROPERTY, PLANT AND EQUIPMENT

For the six-month period ended June 30, 2008, additions and transfer to property, plant and equipment were as follows:

	Additions	Transfers
Land	38	-
Buildings	35	5,441
Infrastructure	-	1,051
Machinery and equipment	893	45,453
Motor vehicles	1,675	1,482
Other tangible assets	25,885	102
Construction in progress	92,161	(53,529)
	120,687	-

Pledge on tangible assets

Refer to Note 10 for pledge on tangible assets.

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

9. RELATED PARTY BALANCES AND TRANSACTIONS

For the purposes of the unaudited interim condensed consolidated financial statements, the major shareholder of the Company and its associates and the companies, which are identified to be controlled by/associated with it, are referred to as related parties.

1) Balances with Related Parties

Balances with related parties are separately classified in the unaudited interim condensed consolidated balance sheet.

2) Transactions with Related Parties

The most significant transactions with related parties for the six-month period ended June 30, 2008 were as follows:

Nature of Transaction	Related Party	Amount
Management and license fee expense to;	Efes Holland Technical Management Consultancy B.V. (EHTMC) (2)	6,551
Sale of beer to;	Coca Cola Bishkek Bottlers C.J.S.C. (C.C. Bishkek) (2)	198
Sale of beer to;	J.V. Coca Cola Almaty Bottlers Limited Liability (C.C. Almaty) (2)	357
Purchase of materials from;	C.C. Almaty (2)	12
Purchase of raw materials from;	Oyex Handels Gmbh (2)	8,361
Purchase of beer and malt from;	Anadolu Efes (1)	2,883
Purchase of material from;	Anadolu Efes (1)	119
Processing services from;	Mutena Maltery (3)	6,992
Heating and water services given to;	Mutena Maltery (3)	940
Dividend income from	Mutena Maltery (3)	186
Purchase of service from;	Anadolu Bilişim Hizmetleri (ABH) (2)	447

(1) The ultimate shareholder of the Company

(2) Related party of Anadolu Efes

(3) Company's investment

10. BORROWINGS

For the six-month period ended June 30, 2008, issuance, repurchases and repayments of borrowings were as follows:

	Short-Term	Long-Term
Balance as of December 31, 2007	188,609	357,420
Proceeds through subsidiaries acquired	-	9,588
Proceeds	98,986	237,698
Interest expense	9,623	11,668
Interest paid	(9,301)	(11,015)
Repayments	(83,595)	(6,754)
Currency translation differences	8,892	2,000
Amortisation of Syndication Loan		618
Total	213,214	601,223
Less: current portion	-	(12,582)
Long-term debt net-of current portion	-	588,641

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SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

10. BORROWINGS (continued)

As of June 30, 2008, USD 445,605 (December 31, 2007 – USD 343,566) of the total borrowings are secured with the followings:

- Cash collaterals amounting to USD 19,789 (December 31, 2007 – USD 30,304)
- Efes Moscow's and Efes Karaganda's immovable and movable properties, including inventory balances; the assignment of the rights regarding insurance coverage in respect of Efes Moscow's and Efes Karaganda's property amounting to USD 2,515.
- 43% of Efes Moscow's shares and all shares of Efes Karaganda held by the Company.
- The ability of Efes Karaganda to declare dividends is subject to prior consent of the EBRD under the provisions of the loan agreements.
- A Corporate guarantee amounting to USD 310,000 provided by Anadolu Efes.

11. SEGMENT REPORTING

The Group's risks and rates of return are affected predominantly by the fact that it operates in different countries which are considered to be the primary segment and the secondary segment is the business. The Group is in a single product business and products other than beer represent less than 10% of the Group's sales. Segment information is presented in respect of the Group's geographical segments based on location of its assets and customers. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Russia & Serbia & Moldova		Kazakhstan & Georgia		Others* & Eliminations		Consolidated	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
Total Assets	1,521,212	913,285	253,199	85,044	329,594	686,087	2,104,005	1,684,416

	Russia & Serbia & Moldova		Kazakhstan & Georgia		Unallocated		Consolidated	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
External Revenues	450,332	342,756	82,762	49,370	(9,170)	(7,389)	523,924	384,737
Purchase of property, plant and equipment	(74,030)	(41,858)	(44,644)	(22,051)	(2,013)	(2,110)	(120,687)	(66,019)

* Others include the Company and other subsidiaries included in consolidated financial statements.

12. EARNINGS PER SHARE

Basic earnings per share (EPS), which is same as fully diluted EPS is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted EPS computation:

	June 30, 2008	June 30, 2007
Net profit attributable to ordinary shareholders	7,981	17,364
Weighted average number of ordinary shares	211,428,569	211,428,569
EPS (in full U.S. Dollars)	0.04	0.08

Efes Breweries International N.V. and its Subsidiaries

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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13. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's principal financial instruments comprise of bank borrowings and finance leases. The main purpose of these financial instruments is to raise financing for the Group's operations. 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 are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group's management reviews and agrees policies for managing each of these risks which are summarized below. The Group also monitors the market price risk arising from all financial instruments.

The categories as defined by IFRS 7 are included on the face of the balance sheet and these categories are in line with the classes of financial instruments as applied by the company. In addition, no differences exist between the carrying value and the fair value of financial instruments.

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 credit risk of the Group is primarily attributable to its trade receivables. Maximum credit risk on the Group is limited to the amounts disclosed on the financial statements. The Group has its credit control policies and procedures in place and the exposure to credit risk is monitored on an ongoing basis. The credit risk arising from the transactions with customers is mitigated through operating with agreed credit limits and diversification of customers. Management believes that the provisions made are sufficient to cover expected losses. The highest amounts of trade receivables are approximately 7%, 4%, and 3% respectively of Group accounts receivable at June 30, 2008 (2007 – 9%, 3%, 3%) and there is no other significant concentration of credit risk.

Interest rate risk

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group mainly enters into LIBOR based contracts in its financial borrowings. As of June 30, 2008, 2.1% of the Group's long-term debt was at fixed rates (December 31, 2007, 2%).

The weighted average effective interest rates which are calculated from different types of currencies, as at June 30, 2008 are as follows:

Fixed rate bank loans & bonds	10.0%
Floating rate bank loans	Applicable Base Rate + 1.5%

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, with all other variables held constant, of the Company's profit before tax:

	Interest rate increase (%)	Effect on profit before tax June 30, 2008
USD denominated	1%	1,209
EURO denominated	1%	175
Other	1%	134

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SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2008

(Currency – Thousands of U.S. Dollars unless otherwise indicated)

13. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk

Foreign currencies play a significant role in the economies of the territories where the most of the subsidiaries of the Company are operating. The significant part of cash outflows related to financing activities as well as some part of accounts payable balances are hard currency denominated, while cash inflows are primarily denominated in national currencies. Significantly material part of company's sales is recognized in local currencies where its subsidiaries operate. Consequently, any significant decline in the value of the measurement currencies of the subsidiaries against U.S. Dollars may have a negative effect on the subsidiaries' financial position and results of their operations.

The subsidiaries generally do not hedge their foreign currency risks. The governments of these countries have established strict currency controls, which place restrictions on the conversion of national currencies into hard currencies and establish requirements for conversion of hard currency sales to national currencies.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

Currency	Change (%)	Effect on Profit Before Tax June 30, 2008
USD / EUR	10%	1,879
RUB/USD	10%	(23,472)
KZT/USD	10%	(4,693)

Liquidity risks

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of customers.

Fair Values

The fair values of trade receivables and other current assets (net of provision) and trade and other payables are estimated to approximate the carrying value due to their short-term nature.

The fair values of short-term and long-term leasing obligations approximate their carrying values since they are denominated in foreign currencies and revalued at year-end exchange rates.

The fair value of long-term debt is estimated to approximate its carrying value since it is primarily denominated in foreign currencies and is revalued at year-end exchange rates, a substantial portion of long-term debt carries variable interest rates.

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SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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14. SUBSEQUENT EVENTS

A loan agreement has been signed between Efes Karaganda and EBRD amounting to USD 40.0 million on July 2008.

On 9 August 2008 due to the political situation in Georgia, the operations of Lomisi stopped temporarily. Following the recent developments, the situation has been stabilized in the region and the company started to operate again.

Within the scope of collaboration with Heineken N.V. (“Heineken”) in Serbia and Kazakstan, in August 2008, as a result of a share issue, Heineken International B.V. (“Heineken International”) had 72% of Central Europe Beverages B.V. (“CEB”), the newly established holding entity based in Netherlands, which has the majority shareholdings in the operating entities in Serbia, while the Company retained 28% of CEB.

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