

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

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS AS OF MARCH 31, 2016**

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

Consolidated Interim Financial Statements as of March 31, 2016

---

TABLE OF CONTENTS

	<u>Page</u>
<b>Consolidated Interim Statement of Financial Position .....</b>	<b>1-2</b>
<b>Consolidated Interim Income Statement .....</b>	<b>3</b>
<b>Consolidated Interim Statement of Other Comprehensive Income.....</b>	<b>4</b>
<b>Consolidated Interim Statement of Changes in Equity .....</b>	<b>5</b>
<b>Consolidated Interim Statement of Cash Flows .....</b>	<b>6</b>
<b>Condensed Notes to the Consolidated Interim Financial Statements.....</b>	<b>7-33</b>
Note 1	Group's Organization and Nature of Activities .....7-9
Note 2	Basis of Presentation of Consolidated Interim Financial Statements .....9-12
Note 3	Business Combinations ..... 12
Note 4	Segment Reporting ..... 13-14
Note 5	Cash and Cash Equivalents ..... 14
Note 6	Financial Investments ..... 14
Note 7	Short and Long Term Borrowings ..... 15-16
Note 8	Derivative Instruments ..... 16
Note 9	Other Receivables and Payables..... 17
Note 10	Investment in Associates ..... 17-18
Note 11	Investment Properties ..... 18
Note 12	Property, Plant and Equipment ..... 18
Note 13	Other Intangible Assets ..... 19
Note 14	Goodwill..... 19
Note 15	Equity ..... 19-20
Note 16	Commitments and Contingencies..... 21-22
Note 17	Prepaid Expenses and Deferred Income ..... 22
Note 18	Other Assets and Liabilities..... 23
Note 19	Other Operating Income / Expenses ..... 24
Note 20	Income / Expense from Investing Activities..... 24
Note 21	Finance Income / Expense ..... 25
Note 22	Tax Assets and Liabilities ..... 25-26
Note 23	Earnings per Share..... 26
Note 24	Related Party Balances and Transactions ..... 27-29
Note 25	Nature and Level of Risks Arising from Financial Instruments ..... 29-32
Note 26	Financial Instruments ..... 32
Note 27	Events after Reporting Period..... 33

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2016**

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

		Unaudited	Audited
	Notes	March 31, 2016	December 31, 2015
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>5.052.662</b>	4.942.542
Cash and Cash Equivalents	5	<b>1.700.080</b>	1.891.459
Financial Investments	6	<b>8.724</b>	151
Trade Receivables			
- Trade Receivables from Related Parties	24	<b>105.469</b>	106.089
- Trade Receivables from Third Parties		<b>1.276.549</b>	1.033.374
Other Receivables from Third Parties	9	<b>56.785</b>	57.557
Inventories		<b>1.095.817</b>	1.102.915
Prepaid Expenses	17	<b>454.938</b>	406.064
Derivative Instruments	8	-	260
Prepaid Income Tax		<b>75.346</b>	80.301
Other Current Assets	18	<b>278.954</b>	264.372
		<b>17.049.297</b>	17.101.548
<b>Non-Current Assets</b>			
Financial Investments		<b>767</b>	767
Trade Receivables from Third Parties		<b>1.001</b>	1.038
Other Receivables from Third Parties	9	<b>16.512</b>	21.007
Investments in Associates	10	<b>63.563</b>	66.685
Investment Property	11	<b>74.793</b>	72.298
Property, Plant and Equipment	12	<b>6.269.314</b>	6.315.908
Intangible Assets			
- Goodwill	14	<b>1.347.906</b>	1.334.738
- Other Intangible Assets	13	<b>8.803.817</b>	8.841.049
Prepaid Expenses	17	<b>193.811</b>	192.915
Deferred Tax Asset	22	<b>232.980</b>	228.863
Other Non-Current Assets	18	<b>44.833</b>	26.280
<b>TOTAL ASSETS</b>		<b>22.101.959</b>	22.044.090

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2016**

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

		Unaudited	Audited
	Notes	March 31, 2016	December 31, 2015
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
		<b>2.825.586</b>	2.625.163
Short-term Borrowings	7	<b>216.722</b>	265.812
Short-term Portion of Long-term Borrowings	7	<b>525.594</b>	478.781
Trade Payables			
- Trade Payables to Related Parties	24	<b>79.673</b>	22.296
- Trade Payables to Third Parties		<b>1.199.226</b>	1.000.043
Employee Benefits Payable		<b>38.907</b>	47.697
Other Payables to Third Parties	9	<b>611.112</b>	646.778
Derivative Instruments	8	<b>5.749</b>	11.279
Deferred Income	17	<b>31.826</b>	31.865
Provision for Income Tax		<b>3.792</b>	8.174
Short-term Provisions			
- Short-term Provision for Employee Benefits		<b>85.092</b>	91.770
- Other Short-term Provisions		<b>936</b>	207
Other Current Liabilities	18	<b>26.957</b>	20.461
<b>Non-Current Liabilities</b>			
		<b>6.757.542</b>	6.845.422
Long-term Borrowings	7	<b>4.528.543</b>	4.638.623
Trade Payables to Third Parties		<b>21.061</b>	21.305
Other Payables to Third Parties	9	<b>268.648</b>	264.564
Derivative Instruments	8	<b>-</b>	98
Deferred Income	17	<b>1.316</b>	1.581
Long-term Provision for Employee Benefits		<b>101.023</b>	99.102
Deferred Tax Liability	22	<b>1.681.474</b>	1.678.997
Other Non-Current Liabilities	18	<b>155.477</b>	141.152
<b>Equity</b>			
		<b>12.518.831</b>	12.573.505
<b>Equity Attributable to Equity Holders of the Parent</b>			
		<b>7.748.990</b>	7.708.056
Issued Capital	15	<b>592.105</b>	592.105
Inflation Adjustment to Issued Capital	15	<b>63.583</b>	63.583
Share Premium/Discount	15	<b>3.137.684</b>	3.137.684
Other Reserves	15	<b>(235.742)</b>	(235.742)
Cumulative Other Comprehensive Income / Expense will not be Reclassified to Profit and Loss			
- Revaluation and Remeasurement Loss	15	<b>(15.366)</b>	(15.128)
Cumulative Other Comprehensive Income / Expense will be Reclassified to Profit and Loss		-	-
- Currency Translation Differences	15	<b>48.205</b>	48.156
- Hedge Gain / Loss	15	<b>13.352</b>	32.387
- Revaluation Gain	15	<b>5.670</b>	5.795
Restricted Reserves	15	<b>282.836</b>	282.836
Accumulated Profit	15	<b>3.796.380</b>	3.994.139
Net Income/ (Loss)		<b>60.283</b>	(197.759)
<b>Non-Controlling Interests</b>			
		<b>4.769.841</b>	4.865.449
<b>TOTAL LIABILITIES</b>			
		<b>22.101.959</b>	22.044.090

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

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

**CONSOLIDATED INTERIM INCOME STATEMENT  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

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

	Notes	Unaudited	
		1 January - 31 March 2016	1 January – 31 March 2015
Revenue	4	1.933.242	1.931.029
Cost of Sales (-)		(1.201.207)	(1.142.270)
<b>GROSS PROFIT</b>		<b>732.035</b>	<b>788.759</b>
General and Administrative Expenses (-)		(189.277)	(202.160)
Sales, Distribution and Marketing Expenses (-)		(495.737)	(486.863)
Other Operating Income	19	45.279	48.458
Other Operating Expenses (-)	19	(46.780)	(67.579)
<b>PROFIT FROM OPERATIONS</b>		<b>45.520</b>	<b>80.615</b>
Income from Investing Activities	20	4.357	1.489
Expenses from Investing Activities (-)	20	(2.445)	(938)
Income/ (Loss) from Associates	10	(3.425)	(4.851)
<b>OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)</b>		<b>44.007</b>	<b>76.315</b>
Finance Income	21	251.577	261.237
Finance Expenses (-)	21	(216.888)	(651.596)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>78.696</b>	<b>(314.044)</b>
Continuing Operations Tax Income / Expense		(29.188)	31.287
- Current Period Tax Expense (-)		(23.771)	(15.775)
- Deferred Tax Income/ Expense		(5.417)	47.062
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>49.508</b>	<b>(282.757)</b>
<b>Profit/(Loss) for the Period Attributable to</b>			
- Non-Controlling Interest		(10.775)	(70.799)
- Equity Holders of the Parent		60.283	(211.958)
<b>Earnings / (Loss) Per Share (Full TRL)</b>	23	<b>0,1018</b>	<b>(0,3580)</b>

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

**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

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

	Unaudited	
	1 January – 31 March 2016	1 January – 31 March 2015
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>49.508</b>	<b>(282.757)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to Profit and Loss</b>		
Actuarial Loss from Defined Benefit Plans	(296)	(197)
Taxation on Other Comprehensive Income not to be Classified to Profit and Loss		
- Deferred Tax Expense (-) / Income	59	39
<b>To be Classified to Profit and Loss</b>		
Currency Translation Differences	(92.819)	829.756
Cash Flow Hedge (Loss) / Gain	(13.876)	10.126
Taxation on Other Comprehensive Income that will be reclassified to Profit and Loss		
- Deferred Tax Expense (-) / Income	2.776	(2.025)
<b>OTHER COMPREHENSIVE INCOME / LOSS</b>	<b>(104.156)</b>	<b>837.699</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(54.648)</b>	<b>554.942</b>
<b>Total Comprehensive Income Attributable to</b>		
- Non-Controlling Interest	(95.707)	257.298
- Equity Holders of the Parent	41.059	297.644

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

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

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

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

	Issued Capital	Inflation Adjustment to Issued Capital	Share Premium/Discount	Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss		Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss				Accumulated Profit		Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Equity
				Revaluation and Remeasurement Gain / (Loss)	Currency Translation Differences	Hedge Gain / (Loss)	Revaluation Gain / (Loss)	Other Reserves	Restricted Reserves	Accumulated Profit / (Loss)	Net Income			
<b>Balances as of January 1, 2015 (Beginning) (Previously Reported)</b>	592.105	63.583	3.137.684	(10.480)	(498.289)	2.234	8.817	(235.742)	249.541	4.812.035	(512.233)	7.609.255	4.214.684	11.823.939
Transfers	-	-	-	-	-	-	-	-	-	(512.233)	512.233	-	-	-
Total Comprehensive Income	-	-	-	(157)	503.118	6.641	-	-	-	-	(211.958)	297.644	257.298	554.942
Non-controlling interest share put option liability	-	-	-	-	-	-	(21)	-	-	-	-	(21)	(21)	(42)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(12)	(12)
<b>Balance as of March 31, 2015 (Ending)</b>	592.105	63.583	3.137.684	(10.637)	4.829	8.875	8.796	(235.742)	249.541	4.299.802	(211.958)	7.906.878	4.471.949	12.378.827
<b>Balances as of January 1, 2016 (Beginning) (Previously Reported)</b>	592.105	63.583	3.137.684	(15.128)	48.156	32.387	5.795	(235.742)	282.836	3.994.139	(197.759)	7.708.056	4.865.449	12.573.505
Transfers	-	-	-	-	-	-	-	-	-	(197.759)	197.759	-	-	-
Total Comprehensive Income	-	-	-	(238)	49	(19.035)	-	-	-	-	60.283	41.059	(95.707)	(54.648)
Non-controlling interest share put option liability	-	-	-	-	-	-	(125)	-	-	-	-	(125)	125	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
<b>Balance as of March 31, 2016 (Ending)</b>	592.105	63.583	3.137.684	(15.366)	48.205	13.352	5.670	(235.742)	282.836	3.796.380	60.283	7.748.990	4.769.841	12.518.831

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

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

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

	Notes	Unaudited	
		1 January- March 31, 2016	1 January- March 31, 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>123.381</b>	<b>104.977</b>
Profit/ (Loss) for the Period		<b>49.508</b>	(282.757)
<b>Adjustments Related to Reconciliation of Profit for the Period</b>			
Depreciation and Amortization	4	<b>188.377</b>	169.879
Provision / (Reversal of Provision) for Inventory Obsolescence, net	19	<b>2.075</b>	3.356
Impairment / (Reversal of Impairment) on Property, Plant And Equipment, net	20	<b>496</b>	501
Impairment / (Reversal of Impairment) on Intangible Assets, net	20	<b>70</b>	-
Provision / (Reversal of Provision) for Doubtful Receivables, net	19	<b>(130)</b>	(310)
Provision for Retirement Pay Liability	4	<b>4.533</b>	3.991
Provision for Vacation Pay Liability	4	<b>7.537</b>	6.592
Provision for Long Term Incentive Plan		<b>5.164</b>	4.885
Borrowing Expenses	21	<b>165</b>	165
Equity Loss from Associates	10	<b>3.425</b>	4.851
Gain / Loss from Derivative Transactions	21	<b>9.275</b>	-
Interest Income and Expense Adjustment	21	<b>32.692</b>	31.384
Foreign Exchange Loss from Borrowings and Intercompany Receivables		<b>(96.678)</b>	470.586
Tax Income / Expense Adjustment		<b>29.188</b>	(31.287)
Gain / Loss from Sales of Non-Current Assets	20	<b>(2.478)</b>	(1.052)
Other Reconciling Adjustments		<b>727</b>	-
<b>Change in Working Capital</b>			
Adjustments Related to Increase / Decrease in Inventory		<b>6.432</b>	(68.081)
Adjustments Related to Increase / Decrease in Trade Receivables		<b>(242.600)</b>	(355.975)
Adjustments Related to Increase / Decrease in Other Operating Receivables		<b>(21.569)</b>	22.754
Adjustments Related to Increase / Decrease in Trade Payables		<b>203.687</b>	174.664
Adjustments Related to Increase / Decrease in Other Operating Payables		<b>(29.037)</b>	(14.326)
Vacation Pay, Retirement Pay Liability And Long Term Incentive Plan Paid		<b>(10.338)</b>	(13.619)
Taxes Paid		<b>(17.140)</b>	(21.224)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(202.233)</b>	<b>(275.359)</b>
Cash Inflow from Sale of Tangible and Intangible Assets		<b>9.841</b>	6.832
Cash Outflow from Purchase of Tangible and Intangible Assets		<b>(212.074)</b>	(282.191)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(72.089)</b>	<b>6.128</b>
Cash Inflow from Borrowings		<b>104.969</b>	55.184
Cash Outflows from Repayment of Borrowings		<b>(159.137)</b>	(71.627)
Dividends Paid to Non-Controlling Interests		<b>(26)</b>	(12)
Interest Received		<b>19.816</b>	24.988
Interest Paid		<b>(9.894)</b>	(11.099)
Change in Time Deposits With Maturity More Than Three Months		<b>(8.573)</b>	2.957
Income from Cash Flow Hedge		<b>(19.244)</b>	5.737
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>		<b>(150.941)</b>	<b>(164.254)</b>
<b>D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>(40.141)</b>	<b>65.118</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(191.082)</b>	<b>(99.136)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>1.888.034</b>	<b>1.550.383</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>1.696.952</b>	<b>1.451.247</b>

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



**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES**

**General**

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes, the Company) was established in İstanbul in 1966. Certain shares of Anadolu Efes are listed on the Borsa İstanbul (BIST).

The registered office of the Company is located at the address “Bahçelievler Mahallesi Şehit İbrahim Koparr Caddesi No: 4 Bahçelievler – İstanbul”.

The Company, its subsidiaries and joint ventures will be referred to as the “Group”. The average number of permanent personnel employed in the Group is 15.878 (December 31, 2015 – 17.429).

The condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Onur Çevikel and Finance Director, Burhan Tanık were issued on May 4, 2016. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

**Nature of Activities of the Group**

The operations of the Group consist of production, bottling, selling and distribution of beer under a number of trademarks and also production, bottling, selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark. The Group owns and operates fifteen breweries (four in Turkey, six in Russia and five in other countries), six malt production facilities (two in Turkey, four in Russia) and also nine facilities in Turkey, sixteen facilities in other countries for sparkling and still beverages production.

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates and purees in Turkey and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

**List of Shareholders**

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

	March 31, 2016		December 31, 2015	
	Amount	%	Amount	%
Yazıcılar Holding A.Ş.	139.787	23,61	139.787	23,61
Özilhan Sınai Yatırım A.Ş.	79.813	13,48	79.813	13,48
Anadolu Endüstri Holding A.Ş. (AEH)	35.292	5,96	35.292	5,96
SABMiller Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	<b>592.105</b>	<b>100,00</b>	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of March 31, 2016 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with SABMiller Harmony Ltd. represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

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

**List of Subsidiaries**

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

Subsidiary	Subsidiary	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				March 31, 2016	December 31, 2015
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	100,00
JSC Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing beer	International Beer	99,93	99,93
LLC Vostok Solod <sup>(1)</sup>	Russia	Production of malt	International Beer	99,93	99,93
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	96,83	96,83
Euro-Asien Brauerein Holding GmbH (Euro-Asien)	Germany	Investment company of EBI	International Beer	100,00	100,00
JSC Lomisi (Efes Georgia)	Georgia	Production, marketing and sales of beer and carbonated soft drinks	International Beer	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Market development	International Beer	100,00	100,00
LLC Efes Solod <sup>(1)</sup>	Russia	Production of malt	International Beer	99,93	99,93
LLC Efes Ukraine	Ukraine	Selling and distribution of beer	International Beer	100,00	100,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) <sup>(2)</sup>	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) <sup>(2)</sup>	Turkey	Providing hops (major ingredient of beer) to the breweries of the Group	Turkey Beer	99,75	99,75
Cypex Co. Ltd. (Cypex)	Republic of Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Other	99,75	99,75
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	Other	99,75	99,75
Efes Deutschland GmbH (Efes Germany)	The Netherlands	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) <sup>(3)</sup>	Turkey	Production, bottling of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmuđiye products	Soft Drinks	50,25	50,25
Mahmuđiye Kaynak Suyu Ltd. Şti. (Mahmuđiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of and distribution of Coca Cola products	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Krygyzstan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
(CC) Company for Beverage Industry Limited (CCBL)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Turkmenistan Coca-Cola Bottlers (Turkmenistan CC)	Turkmenistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Waha Beverages B.V. (Waha B.V.)	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan Limited Liability Company (Coca Cola Tajikistan)	Tajikistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26

(1) Subsidiaries of Efes Moscow.

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

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

---

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

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

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

The Group management assessed the effects of deterioration in macroeconomic conditions in Ukraine, devaluation of Ukrainian Hryvnya, ongoing political instability in Ukraine, and military operations in the region. Consequently, the Group management did not anticipate any impairment related with the carrying value of International Beer in consolidated interim financial statements.

**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**2.1 Basis of Preparation and Presentation of Consolidated Interim Financial Statements**

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

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

In accordance with the CMB’s "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In the scope of the CMB’s "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared condensed consolidated interim financial statements for the period ended March 31, 2016 in accordance with TAS 34, "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 16, 25).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

(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 beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first three months up to March 31, 2016 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

**2.3 Significant Accounting Estimates and Decisions**

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

**2.4 Changes in Accounting Policies**

The condensed consolidated interim financial statements of the Group for the period ended March 31, 2016 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2015. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015.

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

**Standards, amendments and interpretations applicable as at 31 March 2016:**

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

(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 applicable as at 31 March 2016 (continued):**

- Amendments to IAS 27, ‘Separate financial statements’ on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
  - IFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
  - IFRS 7, ‘Financial instruments: Disclosures’, (with consequential amendments to IFRS 1) regarding servicing contracts.
  - IAS 19, ‘Employee benefits’ regarding discount rates.
  - IAS 34, ‘Interim financial reporting’ regarding disclosure of information.
- Amendment to IAS 1, ‘Presentation of financial statements’ on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports.
- Amendment to IFRS 10 ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’, effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

**Standards, amendments and interpretations effective after 31 March 2016:**

- IAS 7 ‘effective from annual periods beginning on or after 1 January 2017. The improvements are part of the Board’s Disclosure Initiative. The amendments require companies to provide information about changes in their financing liabilities and come as a response to requests from investors for information that helps them better understand changes in a company’s debt. The amendments will help to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).
- IAS 12 ‘Income Taxes’ effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. It also clarify certain other aspects of accounting for deferred tax assets.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

(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 31 March 2016 (continued):**

- 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.
- IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 16 ‘leases’ effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, ‘Revenue from Contracts with Customers’, is also applied. New standard 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.

**Standards and amendments issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) as of reporting date**

- IFRS 9 ‘Financial instruments’
- IFRS 15 ‘Revenue from contracts with customers’

**Standards and amendments not issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) as of reporting date**

- IFRS 16 “Leases”
- IAS 7 “Statement of Cash Flow”
- IAS 12 “Income Taxes”

**NOTE 3. BUSINESS COMBINATIONS**

**Transactions Related with 2016**

None.

**Transactions Related with 2015**

None.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 4. SEGMENT REPORTING**

The management monitors the operating results of its three business units separately for the purpose of making decisions about the resource allocation and performance assessment. The three operating segments are Turkey Beer Operations (Turkey Beer) which is conducted by the Company, International Beer Operations (International Beer) which is conducted by EBI and Soft Drinks Operations (Soft Drinks) which is conducted by CCI.

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

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

	<b>Turkey Beer</b>	<b>International Beer</b>	<b>Soft Drinks</b>	<b>Other<sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>January 1 – March 31, 2016</b>					
Revenues	283.355	343.850	1.301.322	7.649	1.936.176
Inter-segment revenues	(2.802)	(95)	(37)	-	(2.934)
<b>Total Revenues</b>	<b>280.553</b>	<b>343.755</b>	<b>1.301.285</b>	<b>7.649</b>	<b>1.933.242</b>
<b>EBITDA</b>	<b>65.677</b>	<b>40.702</b>	<b>155.073</b>	<b>(10.017)</b>	<b>251.435</b>
<b>Profit / (loss) for the period</b>	<b>40.307</b>	<b>21.595</b>	<b>5.144</b>	<b>(17.538)</b>	<b>49.508</b>
<b>Capital expenditures</b>	<b>57.069</b>	<b>14.593</b>	<b>139.732</b>	<b>782</b>	<b>212.176</b>

<b>January 1 – March 31, 2015</b>					
Revenues	339.779	385.219	1.203.038	6.402	1.934.438
Inter-segment revenues	(3.381)	-	(28)	-	(3.409)
<b>Total Revenues</b>	<b>336.398</b>	<b>385.219</b>	<b>1.203.010</b>	<b>6.402</b>	<b>1.931.029</b>
<b>EBITDA</b>	<b>109.455</b>	<b>16.895</b>	<b>161.708</b>	<b>(15.900)</b>	<b>272.158</b>
<b>Profit / (loss) for the period</b>	<b>(56.061)</b>	<b>(88.662)</b>	<b>(114.294)</b>	<b>(23.740)</b>	<b>(282.757)</b>
<b>Capital expenditures</b>	<b>32.309</b>	<b>27.495</b>	<b>226.781</b>	<b>128</b>	<b>286.713</b>

	<b>Turkey Beer</b>	<b>International Beer</b>	<b>Soft Drinks</b>	<b>Other<sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>March 31, 2015</b>					
Segment assets	7.948.634	4.491.085	8.909.098	753.142	22.101.959
Segment liabilities	2.602.473	1.011.174	4.863.169	1.106.312	9.583.128
<b>Other information</b>					
<b>Investment in associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.563</b>	<b>63.563</b>

<b>December 31, 2015</b>					
Segment assets	7.956.706	4.331.652	8.945.762	809.970	22.044.090
Segment liabilities	2.638.080	915.941	4.804.259	1.112.305	9.470.585
Investment in associates	-	-	-	66.685	66.685

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 4. SEGMENT REPORTING (continued)**

Reconciliation of EBITDA to the consolidated Operating Profit/Loss before Finance Income / Expense and its components as of March 31, 2016 and 2015 are as follows:

	1 January- March 31, 2016	1 January- March 31, 2015
EBITDA	251.435	272.158
Depreciation and amortization expenses	(188.377)	(169.879)
Provision for retirement pay liability	(4.533)	(3.991)
Provision for vacation pay liability	(7.537)	(6.592)
Foreign exchange gain/(loss) from operating activities	(4.390)	(9.460)
Rediscount interest income/(expense) from operating activities	155	(550)
Other	(1.233)	(1.071)
<b>PROFIT/ (LOSS) FROM OPERATIONS</b>	<b>45.520</b>	<b>80.615</b>
Income from Investing Activities	4.357	1.489
Expense from Investing Activities (-)	(2.445)	(938)
Income/(Loss) from Associates	(3.425)	(4.851)
<b>OPERATING PROFIT/ (LOSS) BEFORE FINANCE INCOME / EXPENSE</b>	<b>44.007</b>	<b>76.315</b>

**NOTE 5. CASH AND CASH EQUIVALENTS**

	March 31, 2016	December 31, 2015
Cash on hand	3.145	2.845
Bank accounts		
- Time deposits	1.298.032	1.632.557
- Demand deposits	392.273	247.132
Other	3.502	5.500
<b>Cash and cash equivalents in cash flow statement</b>	<b>1.696.952</b>	<b>1.888.034</b>
Interest income accrual	3.128	3.425
	<b>1.700.080</b>	<b>1.891.459</b>

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

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

As of March 31, 2016, the Group has designated its bank deposits amounting to TRL498.844, equivalent of thousand USD155.864, thousand EURO17.762, and thousand Russian Ruble (RUR)5.647 for the future raw material purchases, fixed asset purchases and operational and interest expense related payments in the scope of hedge accounting (December 31, 2015 – TRL370.128, equivalent of thousand USD96.931, thousand EURO26.000, and thousand Russian Ruble (RUR) 142.221).

**NOTE 6. FINANCIAL INVESTMENTS**

**Short-term Financial Investments**

	March 31, 2016	December 31, 2015
Time deposits with maturity more than three months	8.724	151

As of March 31, 2016 time deposits with maturities over 3 months made for 115 days period, are denominated in USD and interest rate is 2,00% (December 31,2015 – USD, 206 days, 2,00%)



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

**AS AT MARCH 31, 2016**

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

**NOTE 7. SHORT AND LONG TERM BORROWINGS**

As of March 31, 2016, total borrowings consist of principal (finance lease obligations included) amounting to TRL5.200.002 (December 31, 2015– TRL5.353.534) and interest expense accrual amounting to TRL70.857 (December 31, 2015 – TRL29.682). As of March 31, 2016 and December 31, 2015, total amount of borrowings and the effective interest rates are as follows:

Short-term	March 31, 2016			December 31, 2015		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
<b>Borrowings</b>						
TRL denominated borrowings	6.120	-	-	3.962	-	-
Foreign currency denominated borrowings (USD)	28.334	-	Libor + 2,40%	58.152	-	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	66.898	-	Euribor + 1,00% - Euribor + 2,95%	13.055	3,50%	Euribor + 2,75% - Euribor + 2,95%
Foreign currency denominated borrowings (Other)	115.370	7,25% - 8,88%	Kibor + 0,25% - Kibor+ 0,50%	190.643	8,88%	Kibor + 0,40% - Kibor+ 0,50%
	<b>216.722</b>			<b>265.812</b>		
<b>Short-term portion of long term borrowings</b>						
Foreign currency denominated borrowings (USD)	129.958	3,38% - 4,75%	Libor + 2,00% - Libor+ 2,10%	100.509	3,38% - 4,75%	Libor + 2,00% - Libor+ 2,10%
Foreign currency denominated borrowings (EURO)	395.636	1,25%	Euribor + 1,25% - Euribor + 2,35%	378.272	-	Euribor + 1,25% - Euribor + 2,35%
	<b>525.594</b>			<b>478.781</b>		
	<b>742.316</b>			<b>744.593</b>		
<b>Long-term</b>						
<b>Borrowings</b>						
Foreign currency denominated borrowings (USD)	3.918.160	3,38% - 4,75%	Libor + 2,00%	4.018.970	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	585.602	-	Euribor + 1,50% - Euribor + 2,00%	593.957	-	Euribor + 1,50% - Euribor + 2,00%
Foreign currency denominated borrowings (Other)	24.781	6,00%	-	25.696	6,00%	-
	<b>4.528.543</b>			<b>4.638.623</b>		
	<b>5.270.859</b>			<b>5.383.216</b>		

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)**

Repayments of long-term borrowings are scheduled as follows:

	<b>March 31, 2016</b>	December 31, 2015
Between 1 -2 year	<b>298.599</b>	251.893
Between 2-3 year	<b>1.979.518</b>	2.046.254
Between 3-4 year	<b>240.516</b>	104.521
Between 4-5 year	<b>261.887</b>	443.076
5 year and more	<b>1.748.023</b>	1.792.879
	<b>4.528.543</b>	4.638.623

As of March 31, 2016, TRL13.028 (December 31, 2015 – TRL33.521) of the total borrowings are secured by the Group related with CCI, its subsidiaries and joint ventures with property, plant and equipment pledge.

**Lessee - Finance Lease**

Properties leased by the Group include buildings, machinery and equipment, motor vehicles and furniture and fixtures. The most significant obligations assumed under the lease terms, other than rental payments, are the upkeep of the facilities, insurance and property taxes. Lease terms generally range from 3 to 25 years with options to renew at varying terms.

As of March 31, 2016 and December 31, 2015, the costs of the property plant and equipment obtained by finance lease are TRL66.089 and TRL66.134, respectively whereas net book values are TRL1.445 and TRL1.488, respectively.

**Lessee - Operating Lease**

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

**NOTE 8. DERIVATIVE INSTRUMENTS**

As of March 31, 2016, the Company has 9 aluminum swap transactions with a total nominal amount of TRL42.006 for 8.408 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the high probability purchases of can exposed to commodity price risk (Note 26).

As of March 31, 2016 CCI has foreign currency forward transactions with a total nominal amount of TRL79.087 (December 31, 2015– TRL101.765), for 3 forward purchase contracts amounting to USD 28 million. The total of these foreign currency forward contracts are undesignated as hedging instruments exposed to foreign currency risk as of the balance sheet date and recognized initially at fair value (Note 26).

The effective portion of the change in fair value of hedges is recognized in other comprehensive income.

	<b>March 31, 2016</b>		December 31, 2015	
	<b>Nominal Value</b>	<b>Fair Value Asset / (Liability)</b>	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	<b>42.006</b>	<b>(5.749)</b>	54.283	(7.812)
Forward contracts	-	-	101.765	(3.305)
	<b>42.006</b>	<b>(5.749)</b>	156.048	(11.117)

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 9. OTHER RECEIVABLES AND PAYABLES**

**a) Other Current Receivables**

	March 31, 2016	December 31, 2015
Receivables from tax office	17.285	16.637
Due from personnel	12.155	12.259
Other	27.345	28.661
	<b>56.785</b>	<b>57.557</b>

**b) Other Non-Current Receivables**

	March 31, 2016	December 31, 2015
Deposits and guarantees given	9.814	10.062
Other	6.698	10.945
	<b>16.512</b>	<b>21.007</b>

**c) Other Current Payables**

	March 31, 2016	December 31, 2015
Taxes other than on income	456.727	496.485
Deposits and guarantees taken	150.188	145.649
Other	4.197	4.644
	<b>611.112</b>	<b>646.778</b>

**d) Other Non-Current Payables**

As of March 31, 2016, other non-current payables consists of deposits and guarantees taken amounting to TRL268.648 (December 31, 2015 – TRL264.564).

**NOT 10. INVESTMENTS IN ASSOCIATES**

	March 31, 2016		December 31, 2015	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	33,33%	63.563	33,33%	66.685
SSDSD <sup>(1) (2) (3)</sup>	25,13%	-	25,13%	-
		<b>63.563</b>		<b>66.685</b>

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

	Anadolu Etap		SSDSD	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Total Assets	204.767	193.984	975	1.179
Total Liabilities	141.204	127.299	2.570	6.878
<b>Net Assets</b>	<b>63.563</b>	66.685	<b>(1.595)</b>	<b>(5.699)</b>

	Anadolu Etap		SSDSD	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Group's Share of Loss for the period</b>	<b>(3.122)</b>	(4.513)	<b>(303)</b>	(338)

- (1) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.
- (2) Since the carrying value of SSDSD at the consolidated balance sheet is TRL566 loss, the carrying amount was netted off with trade receivables from SSDSD at the consolidated financial statements.
- (3) As of March 31, 2016, shareholder loans amounting to USD3 million, which is given by the shareholders of SSDSD according to their percentage of shares are deducted from the accumulated losses of SSDSD and converted into capital.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOT 10. INVESTMENTS IN ASSOCIATES (continued)**

The movement of investments in associates as of March 31, 2016 and 2015 are as follows:

	<b>2016</b>	2015
Balance at January 1	<b>66.685</b>	72.517
Income / Loss from associates	<b>(3.425)</b>	(4.851)
Currency translation differences	<b>(263)</b>	(21)
Netted off with trade receivables from SSDSD <sup>(1)</sup>	<b>566</b>	359
<b>Balance at March 31</b>	<b>63.563</b>	68.004

(1) Since the carrying value of SSDSD at the consolidated balance sheet is TRL566 loss, the carrying amount was netted off with trade receivables from SSDSD at the consolidated financial statements.

**NOT 11. INVESTMENT PROPERTIES**

For the three-month periods ended March 31, 2016 and 2015, the additions and disposals on investment property are as follows:

<b>March 31, 2016</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Land and land improvements	-	-	-
Buildings	-	-	<b>(494)</b>
Construction in progress	-	-	-
	-	-	<b>(494)</b>
<b>March 31, 2015</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Land and land improvements	-	3.295	-
Buildings	-	-	-
Construction in progress	-	(3.295)	-
	-	-	-

**NOTE 12. PROPERTY, PLANT AND EQUIPMENT**

For the three-month periods ended March 31, 2016 and 2015, the additions and disposals on property, plant and equipment are as follows:

<b>March 31, 2016</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals (net)</b>
Land and land improvements	<b>8.755</b>	<b>621</b>	-
Buildings	<b>3.524</b>	<b>2.813</b>	<b>(27)</b>
Machinery and equipment	<b>21.250</b>	<b>87.824</b>	<b>(3.411)</b>
Vehicles	<b>4.136</b>	<b>115</b>	<b>(1.534)</b>
Other tangibles	<b>121.507</b>	<b>9.055</b>	<b>(1.625)</b>
Construction in progress	<b>49.798</b>	<b>(100.987)</b>	<b>(113)</b>
	<b>208.970</b>	<b>(559)</b>	<b>(6.710)</b>
<b>March 31, 2015</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals (net)</b>
Land and land improvements	73	7.584	-
Buildings	11.437	1.603	(1.113)
Machinery and equipment	40.581	25.437	(1.284)
Vehicles	3.118	8	(947)
Other tangibles	82.232	18.204	(2.436)
Construction in progress	146.377	(52.843)	-
	<b>283.818</b>	<b>(7)</b>	<b>(5.780)</b>

(\*) There are transfers to other intangible assets amounting to TRL559 in 2016. (March 31, 2015 – there are transfers amounting to TRL7 to other intangible assets).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 13. OTHER INTANGIBLE ASSETS

For the three-month periods ended March 31, 2016 and 2015, the additions and disposals on other intangible assets are as follows:

<b>March 31, 2016</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Rights	9	-	-
Other intangible assets	3.197	559	(159)
	<b>3.206</b>	<b>559</b>	<b>(159)</b>

  

<b>March 31, 2015</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals (net)</b>
Rights	55	7	-
Other intangible assets	2.840	-	-
	<b>2.895</b>	<b>7</b>	<b>-</b>

NOTE 14. GOODWILL

For the three-month period ended March 31, 2016 and 2015, movements of the goodwill during the period are as follows:

	<b>2016</b>	2015
At January 1	<b>1.334.738</b>	1.232.465
Currency translation differences	<b>13.168</b>	109.229
<b>At March 31</b>	<b>1.347.906</b>	1.341.694

NOTE 15. EQUITY

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB) at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Quoted companies are subject to dividend requirements regulated by the CMB as follows: Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué.

In accordance with the CMB decision dated January 27, 2010, it's decided to remove the obligation related with the minimum dividend distribution rate for publicly traded companies.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 15. EQUITY (Continued)**

Inflation adjustment to shareholders' equity and carrying amount of extraordinary reserves can only be netted-off against prior years' losses and used as an internal source for capital increase. However, when inflation adjustment to shareholders' equity is used for cash dividend distribution, it is subject to income tax.

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

<b>March 31, 2016</b>	<b>Nominal Amount</b>	<b>Equity Restatement Differences</b>	<b>Restated Amount</b>
Issued capital	592.105	63.583	655.688
Legal reserves	282.836	74.697	357.533
Extraordinary reserves	226.407	26.091	252.498
	<b>1.101.348</b>	<b>164.371</b>	<b>1.265.719</b>
Share Premium/Discount			<b>3.137.684</b>
Cumulative Other Comprehensive Income / Expense that will not be Classified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			<b>(15.366)</b>
Cumulative Other Comprehensive Income / Expense that will be Classified to Profit and Loss			-
- Currency Translation Differences			<b>48.205</b>
- Hedge Loss			<b>13.352</b>
- Revaluation Gain			<b>5.670</b>
Other Reserves			<b>(235.742)</b>
Accumulated profit (Including net income)			<b>3.529.468</b>
<b>Equity attributable to equity holders of the parent</b>			<b>7.748.990</b>
<b>December 31, 2015</b>	<b>Nominal Amount</b>	<b>Equity Restatement Differences</b>	<b>Restated Amount</b>
Issued capital	592.105	63.583	655.688
Legal reserves	282.836	74.697	357.533
Extraordinary reserves	226.407	26.091	252.498
	1.101.348	164.371	1.265.719
Share Premium/Discount			3.137.684
Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			(15.128)
Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss			
- Currency Translation Differences			48.156
- Hedge Loss			32.387
- Revaluation Gain			5.795
Other Reserves			(235.742)
Accumulated profit (Including net income)			3.469.185
<b>Equity attributable to equity holders of the parent</b>			<b>7.708.056</b>

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 16. COMMITMENTS AND CONTINGENCIES**

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

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

March 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	518.043	418.330	707	1.735	10.167	24.930	2.667.000	16.747
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	675.407	-	80.574	116.052	-	-	1.845.905	24.778
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	11.469	11.469	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above	11.469	11.469	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.204.919</b>	<b>429.799</b>	<b>81.281</b>	<b>117.787</b>	<b>10.167</b>	<b>24.930</b>	<b>4.512.905</b>	<b>41.525</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

  

December 31, 2015								
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	431.235	336.120	168	2.373	-	22.389	2.667.000	10.238
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	712.135	-	93.000	106.430	-	-	2.800.285	25.696
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	10.849	10.849	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above <sup>(2)</sup>	10.849	10.849	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.154.219</b>	<b>346.969</b>	<b>93.168</b>	<b>108.803</b>	<b>-</b>	<b>22.389</b>	<b>5.467.285</b>	<b>35.934</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

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

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

**CCİ, Its Subsidiaries and Joint Ventures**

**Murabaha**

CCBPL and Standard Chartered Bank and Habib Bank Limited ("Banks") has made murabaha facility agreement. Based on this agreement, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of March 31, 2016 CCBPL has USD20,8 million sugar and resin purchase commitment from the Bank until the end of December 2016, USD22,1 million sugar and resin purchase commitment from the Bank until the end of February 2017 and expense accrual of USD0,5 million (TRL1,5 million) payable for the profit share of the Bank was reflected in the financial statements.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 16. COMMITMENTS AND CONTINGENCIES (continued)**

**Operational Lease**

As of March 31, 2016, the Group’s contingent liability, for the following years resulting from the non- cancellable operational lease agreements is amounting to TRL37.023 (December 31, 2015 – TRL41.364).

**Tax and Legal Matters**

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas (as examples, customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts 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 17. PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short Term Prepaid Expenses**

	<b>March 31, 2016</b>	December 31, 2015
Prepayments	<b>365.808</b>	323.288
Advances given to suppliers	<b>89.130</b>	82.776
	<b>454.938</b>	406.064

**b) Long Term Prepaid Expenses**

	<b>March 31, 2016</b>	December 31, 2015
Prepayments	<b>173.574</b>	176.309
Advances given to suppliers	<b>20.237</b>	16.606
	<b>193.811</b>	192.915

**c) Short Term Deferred Income**

	<b>March 31, 2016</b>	December 31, 2015
Advances taken	<b>30.323</b>	30.610
Deferred income	<b>1.503</b>	1.255
	<b>31.826</b>	31.865

**d) Long Term Deferred Income**

As of March 31, 2016, long term deferred income amounts to TRL1.316 (December 31, 2015 – TRL1.581).



CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2016	December 31, 2015
Value Added Tax (VAT) deductible or to be transferred	222.090	259.315
Other	56.864	5.057
	<b>278.954</b>	264.372

b) Other Non-Current Assets

	March 31, 2016	December 31, 2015
Deferred VAT and other taxes	44.637	26.134
Other	196	146
	<b>44.833</b>	26.280

c) Other Current Liabilities

	March 31, 2016	December 31, 2015
Put option liability	6.687	6.862
Other	20.270	13.599
	<b>26.957</b>	20.461

d) Other Non-Current Liabilities

	March 31, 2016	December 31, 2015
Put option liability	112.795	115.749
Deferred VAT and other taxes	42.682	25.403
	<b>155.477</b>	141.152

The obligation of TRL6.687 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the of share purchase (December 31, 2015– TRL6.862).

According to the put option signed with European Refreshment (ER), ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. The Group's share of the put option liability amounting to TRL112.795 is recorded under "other non-current liabilities" (December 31, 2015– TRL115.749).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 19. OTHER OPERATING INCOME / EXPENSES**

**a) Other Operating Income**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Foreign exchange gains arising from operating activities	24.326	37.641
Income from scrap and other materials	3.363	4.193
Rent income	1.881	233
Reversal of provision for doubtful receivables	1.573	916
Rediscount income	1.179	1.729
Insurance compensation income	388	187
Reversal of provision for inventory obsolescence	284	3
Other income	12.285	3.556
	<b>45.279</b>	<b>48.458</b>

**b) Other Operating Expenses**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Foreign exchange losses arising from operating activities	(28.716)	(47.101)
Depreciation and amortization expense on PPE & intangible assets	(5.122)	(827)
Provision for inventory obsolescence	(2.359)	(3.359)
Provision for doubtful receivables	(1.443)	(606)
Rediscount expense	(1.024)	(2.279)
Donations	(556)	(1.077)
Other expenses	(7.560)	(12.330)
	<b>(46.780)</b>	<b>(67.579)</b>

**NOTE 20. INCOME/ EXPENSE FROM INVESTING ACTIVITIES**

**a) Income from Investing Activities**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Gain on sale of fixed assets	3.181	1.489
Reversal of impairment on tangible assets	1.176	-
	<b>4.357</b>	<b>1.489</b>

**b) Expense from Investing Activities**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Provision for impairment on tangible assets	(1.672)	(501)
Loss on sale of fixed assets	(703)	(437)
Provision for impairment on intangible assets	(70)	-
	<b>(2.445)</b>	<b>(938)</b>

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 21. FINANCE INCOME / EXPENSE**

**a) Finance Income**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Foreign exchange gain	<b>231.615</b>	237.589
Interest income	<b>19.543</b>	23.646
Gain on derivative transactions	<b>419</b>	2
	<b>251.577</b>	261.237

**b) Finance Expense**

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Foreign exchange loss	<b>(150.396)</b>	(592.670)
Interest expense	<b>(52.235)</b>	(55.030)
Loss on derivative transactions	<b>(9.694)</b>	(10)
Borrowing costs	<b>(165)</b>	(165)
Other financial expenses	<b>(4.398)</b>	(3.721)
	<b>(216.888)</b>	(651.596)

**NOTE 22. TAX ASSETS AND LIABILITIES**

The corporation tax rate for the fiscal year is 20% in Turkey (31 December 2015 - 20%). Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax of 20% (31 December 2015 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years. In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

As of March 31, 2016 and December 31, 2015 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	<b>Asset</b>		<b>Liability</b>		<b>Net</b>	
	<b>March 31 2016</b>	December 31 2015	<b>March 31 2016</b>	December 31 2015	<b>March 31 2016</b>	December 31 2015
PP&E and intangible assets	-	-	<b>(1.952.742)</b>	(1.961.892)	<b>(1.952.742)</b>	(1.961.892)
Inventories	<b>23.671</b>	25.221	-	-	<b>23.671</b>	25.221
Carry forward losses	<b>369.379</b>	371.004	-	-	<b>369.379</b>	371.004
Retirement pay liability and other employee benefits	<b>20.075</b>	17.232	-	-	<b>20.075</b>	17.232
Other provisions	<b>51.990</b>	54.193	-	-	<b>51.990</b>	54.193
Unused investment incentive	<b>23.658</b>	21.004	-	-	<b>23.658</b>	21.004
Other	<b>15.475</b>	23.104	-	-	<b>15.475</b>	23.104
	<b>504.248</b>	511.758	<b>(1.952.742)</b>	(1.961.892)	<b>(1.448.494)</b>	(1.450.134)

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 22. TAX ASSETS AND LIABILITIES (continued)**

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

	<b>March 31 2016</b>	December 31 2015
Netherlands	<b>%25</b>	%25
Russia	<b>%20</b>	%20
Kazakhstan	<b>%20</b>	%20
Moldova	<b>%12</b>	%12
Georgia	<b>%15</b>	%15
Ukraine	<b>%18</b>	%18
Azerbaijan	<b>%20</b>	%20
Kyrgyzstan	<b>%10</b>	%10
Pakistan	<b>%33</b>	%33
Iraq	<b>%15</b>	%15
Jordan	<b>%14</b>	%14
Turkmenistan	<b>%8</b>	%8
Tajikistan	<b>%15</b>	%15

As of March 31, 2016, Group used incentives for Bursa mineral water, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin and İzmir production line investments with an amount of TRL126.617 (December 31, 2015 - TRL107.922) by generating future tax advantage of TRL23.658 (December 31, 2015 - TRL21.004). As of March 31, 2016 calculated tax deduction amount is USD274 (Since, the Company is in statutory loss as of March 31, 2015, tax advantage has not been calculated for that period).

**NOTE 23. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

Following table illustrates the net income and share figures used in earnings per share calculation:

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Net income/ (loss)	<b>60.283</b>	(211.958)
Weighted average number of shares	<b>592.105.263</b>	592.105.263
Earnings/ (losses) per share (full TRL)	<b>0,1018</b>	(0,3580)

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.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Bank Balances with Related Parties

	March 31, 2016	December 31, 2015
Alternatifbank <sup>(3) (4)</sup>	287.478	96.265

As of March 31, 2016, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 10,50% (December 31, 2015 – %12,00). The weighted average interest rates for USD denominated time deposits is 1,63% (December 31, 2015 – none).

As of March 31, 2016 the Group has demand deposits amounting to TRL15.113 on Alternatifbank. (December 31, 2015 - TRL9.658).

Due from Related Parties

	March 31, 2016	December 31, 2015
Migros Ticaret A.Ş. and its subsidiaries (Migros) <sup>(4) (6)</sup>	103.788	104.697
SSDSD	850	76
Efes Turizm İşletmeleri A.Ş. <sup>(3) (4)</sup>	598	31
Anadolu Eğitim ve Sosyal Yardım Vakfı	96	732
SABMiller Group Companies <sup>(5)</sup>	93	302
AEH <sup>(2) (3)</sup>	16	212
Artı Varlık Yönetim A.Ş.	-	29
Diğer	28	10
	105.469	106.089

Due to Related Parties

	March 31, 2016	December 31, 2015
Anadolu Efes Spor Kulübü	52.527	46
SABMiller Group Companies <sup>(5)</sup>	18.879	15.804
Oyex Handels GmbH <sup>(3) (4)</sup>	3.996	2.332
Çelik Motor Ticaret A.Ş. <sup>(3) (4)</sup>	3.049	1.381
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1) (3) (4)</sup>	769	1.983
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	180	140
AEH <sup>(2) (3)</sup>	73	457
Efes Turizm İşletmeleri A.Ş. <sup>(3) (4)</sup>	41	67
Diğer	159	86
	79.673	22.296

The Group has TRL1.090 (December 31, 2015 – TRL1.092) short term and TRL1.258 (December 31, 2015 – TRL1.482) long term deferred revenue related to AEH.

- (1) Non-current financial investment of the Group
- (2) The shareholder of the Group
- (3) Related party of Yazıcılar Holding A.Ş. (a shareholder)
- (4) Related party of AEH (a shareholder)
- (5) Related party of SABMiller Harmony Ltd (a shareholder)
- (6) Migros Ticaret A.Ş. and its subsidiaries (Migros) have been defined as related party after AEH, shareholder of the company, has participated indirectly in Migros Ticaret A.Ş. in July 2015. Consequently, receivables from Migros has been classified as “Due from Related Parties” in consolidated statement of financial position as of reporting date.

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

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 31 March 2016	1 January- 31 March 2015
Anadolu Efes Spor Kulübü	Service	17.400	15.001
SABMiller Group Companies <sup>(5)</sup>	Service and purchase of trade goods	10.629	8.978
Oyex Handels GmbH <sup>(3)(4)</sup>	Purchase of materials and fixed assets	9.162	8.316
AEH <sup>(2)(3)</sup>	Consultancy service	7.189	6.570
Çelik Motor Ticaret A.Ş. <sup>(3)(4)</sup>	Vehicle leasing	6.594	6.285
Efestur Turizm İşletmeleri A.Ş. <sup>(3)(4)</sup>	Travel and accommodation	2.434	2.938
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1)(3)(4)</sup>	Information service	1.942	1.918
AEH Anadolu Gayrimenkul Yatırımları A.Ş. <sup>(4)</sup>	Service	457	483
Anadolu Eğitim ve Sosyal Yardım Vakfı	Donations	365	960
AEH Münih <sup>(3)(4)</sup>	Purchase of materials and fixed assets	263	1.148
Arge Danışmanlık A.Ş.	Consultancy service	150	85
Ahmet Boyacıoğlu	Consultancy service	87	81
Mehmet Cem Kozlu	Consultancy service	72	68
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. <sup>(3)(4)(6)</sup>	Rent Expense	18	15
Other		45	59
		<b>56.807</b>	<b>52.905</b>

Finance Income / (Expenses), Net

	Nature of transaction	1 January - 31 March 2016	1 January- 31 March 2015
Alternatifbank <sup>(3)(4)</sup>	Interest income and other financial expenses, net	3.650	7.249

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 31 March 2016	1 January- 31 March 2015
Migros <sup>(4)(7)</sup>	Sales income	70.484	-
Alternatifbank <sup>(3)(4)</sup>	Rent income	35	33
Anadolu Bilişim Hizmetleri A.Ş. <sup>(1)(3)(4)</sup>	Rent income	32	2
Anadolu Efes Spor Kulübü	Other income	19	17
Çelik Motor Ticaret A.Ş. <sup>(3)(4)</sup>	Other income	5	35
AEH <sup>(2)(3)</sup>	Other income	4	5
SSDSD	Sales income	-	477
SABMiller Group Companies <sup>(5)</sup>	Other income	-	372
		<b>70.579</b>	<b>941</b>

(1) Non-current financial investment of the Group

(2) The shareholder of the Group

(3) Related party of Yazıcılar Holding A.Ş. (a shareholder)

(4) Related party of AEH (a shareholder)

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

(6) Related party of Özilhan Sınai Yatırım A.Ş. (a shareholder)

(7) Migros Ticaret A.Ş. and its subsidiaries (Migros) have been defined as related party after AEH, shareholder of the company, has participated indirectly in Migros Ticaret A.Ş. in July 2015. Consequently, transactions with Migros for the period between 1 January – 31 March 2016, have been disclosed as “Revenue and Other Income / (Expense), Net” under “Transactions with Related Parties”.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

**NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)**

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

**Director’s remuneration**

As of March 31, 2016 and 2015, total benefits to Anadolu Efes Board of Directors are TRL70 and TRL66, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of March 31, 2016 and 2015 are as follows:

	<b>1 January - 31 March 2016</b>	1 January- 31 March 2015
Short-term employee benefits	<b>7.997</b>	8.808
Post-employment benefits	-	-
Other long term benefits	<b>600</b>	643
Termination benefits	<b>159</b>	350
Share-based payments	-	-
	<b>8.756</b>	9.801

**NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

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

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

**a) Interest Rate Risk**

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

The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap (IRS) agreement. Total outstanding amount of IRS agreements was USD43 million as of March 31, 2016 (December 31, 2015 – USD43 million).

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group’s exposure to market risk for changes in interest rates relates primarily to the Group’s debt obligations.

**b) Foreign Currency Risk**

Foreign currency risk generally arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments (Note 5). Group’s foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

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

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of March 31, 2016 and December 31, 2015 are presented below:

Foreign Currency Position Table						
March 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	66.690	4.776	13.532	396	1.271	51.887
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.044.793	321.175	910.018	30.258	97.071	37.704
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	66.118	188	533	733	2.352	63.233
<b>4. Current Assets</b>	<b>1.177.601</b>	<b>326.139</b>	<b>924.083</b>	<b>31.387</b>	<b>100.694</b>	<b>152.824</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets</b>	<b>1.177.601</b>	<b>326.139</b>	<b>924.083</b>	<b>31.387</b>	<b>100.694</b>	<b>152.824</b>
10. Trade Payables and Due to Related Parties	(188.599)	(28.228)	(79.981)	(13.932)	(44.695)	(63.923)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(603.865)	(52.495)	(148.739)	(141.828)	(454.998)	(128)
12a. Monetary Other Liabilities	(47.910)	(2.422)	(6.862)	(61)	(196)	(40.852)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>13. Current Liabilities</b>	<b>(840.374)</b>	<b>(83.145)</b>	<b>(235.582)</b>	<b>(155.821)</b>	<b>(499.889)</b>	<b>(104.903)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.865.887)	(1.148.975)	(3.255.506)	(182.539)	(585.603)	(24.778)
16 a. Monetary Other Liabilities	(116.038)	(40.954)	(116.038)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(3.981.925)</b>	<b>(1.189.929)</b>	<b>(3.371.544)</b>	<b>(182.539)</b>	<b>(585.603)</b>	<b>(24.778)</b>
<b>18. Total Liabilities</b>	<b>(4.822.299)</b>	<b>(1.273.074)</b>	<b>(3.607.126)</b>	<b>(338.360)</b>	<b>(1.085.492)</b>	<b>(129.681)</b>
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	-	-	-	-	-	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.644.698)	(946.935)	(2.683.043)	(306.973)	(984.798)	23.143
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.710.816)	(947.123)	(2.683.576)	(307.706)	(987.150)	(40.090)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-
<b>23. Total value of Hedged Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Foreign Currency Position Table						
December 31, 2015						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	54.343	2.606	7.576	461	1.464	45.303
2a. Monetary Financial Assets (Cash and cash equivalents included)	981.613	288.545	838.973	32.514	103.316	39.324
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	62.212	156	455	711	2.259	59.498
<b>4. Current Assets</b>	<b>1.098.168</b>	<b>291.307</b>	<b>847.004</b>	<b>33.686</b>	<b>107.039</b>	<b>144.125</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
<b>8. Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets</b>	<b>1.098.168</b>	<b>291.307</b>	<b>847.004</b>	<b>33.686</b>	<b>107.039</b>	<b>144.125</b>
10. Trade Payables and Due to Related Parties	(152.802)	(13.363)	(38.855)	(16.618)	(52.805)	(61.142)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(525.652)	(48.719)	(141.654)	(120.804)	(383.867)	(131)
12a. Monetary Other Liabilities	(41.436)	(2.360)	(6.862)	(106)	(337)	(34.237)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>13. Current Liabilities</b>	<b>(719.890)</b>	<b>(64.442)</b>	<b>(187.371)</b>	<b>(137.528)</b>	<b>(437.009)</b>	<b>(95.510)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.984.990)	(1.157.428)	(3.365.339)	(186.920)	(593.957)	(25.694)
16 a. Monetary Other Liabilities	(116.038)	(39.909)	(116.038)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(4.101.028)</b>	<b>(1.197.337)</b>	<b>(3.481.377)</b>	<b>(186.920)</b>	<b>(593.957)</b>	<b>(25.694)</b>
<b>18. Total Liabilities</b>	<b>(4.820.918)</b>	<b>(1.261.779)</b>	<b>(3.668.748)</b>	<b>(324.448)</b>	<b>(1.030.966)</b>	<b>(121.204)</b>
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	101.766	35.000	101.766	-	-	-
19a. Total Hedged Assets	101.766	35.000	101.766	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.620.984)	(935.472)	(2.719.978)	(290.762)	(923.927)	22.921
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.784.962)	(970.628)	(2.822.199)	(291.473)	(926.186)	(36.577)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.306)	(1.137)	(3.306)	-	-	-
<b>23. Total value of Hedged Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As of March 31, 2016, intercompany loan receivables of CCI with an amount of USD190,9 million from its subsidiaries which have been provided to finance their ongoing investment activities and working capital requirements was netted on foreign currency position (As of December 31, 2015 and March 31, 2015, USD181,8 million and USD253,1 million was netted on foreign currency position table and on foreign currency position sensitivity analysis respectively).



CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016

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

NOTE 25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of March 31, 2016 and 2015 is as follows:

	1 January - 31 March 2016	1 January- 31 March 2015
Total Export	30.681	44.289
Total Import	385.271	383.237

The following table demonstrates the sensitivity analysis of foreign currency as of March 31, 2016 and 2015:

	Foreign Currency Position Sensitivity Analysis			
	March 31, 2016 <sup>(*)</sup>		March 31, 2015 <sup>(*)</sup>	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency (*)
<b>Increase / decrease in USD by 10%:</b>				
USD denominated net asset / (liability)	(268.358)	268.358	(296.630)	296.630
USD denominated hedging instruments (-)	-	-	5.552	(5.552)
<b>Net effect in USD</b>	<b>(268.358)</b>	<b>268.358</b>	<b>(291.078)</b>	<b>291.078</b>
<b>Increase / decrease in EURO by 10%:</b>				
EURO denominated net asset / (liability)	(98.715)	98.715	(42.405)	42.405
EURO denominated hedging instruments (-)	-	-	-	-
<b>Net effect in EURO</b>	<b>(98.715)</b>	<b>98.715</b>	<b>(42.405)</b>	<b>42.405</b>
<b>Increase / decrease in other foreign currencies by 10%:</b>				
Other foreign currency denominated net asset / (liability)	(4.009)	4.009	(3.202)	3.202
Other foreign currency hedging instruments (-)	-	-	-	-
<b>Net effect in other foreign currency</b>	<b>(4.009)</b>	<b>4.009</b>	<b>(3.202)</b>	<b>3.202</b>
<b>TOTAL</b>	<b>(371.082)</b>	<b>371.082</b>	<b>(336.685)</b>	<b>336.685</b>

(\*) 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.

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 also obtains guarantees from the customers when appropriate.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

---

**NOTE 25. 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 26. FINANCIAL INSTRUMENTS**

**Fair Value**

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

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

**a) Financial Assets**

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

**b) Financial Liabilities**

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

**Derivative Instruments, Risk Management Objectives and Policies**

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

As of March 31, 2016 CCI has 9 aluminum swap transactions with a total nominal amount of TRL42.006 for 8.408 tones (December 31, 2015 – TRL54.283) are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk. As of March 31, 2016 CCI has foreign currency forward transactions with a total nominal amount of TRL79.087, for 3 forward purchase contracts amounting to USD28 million (December 31, 2015 – TRL101.766) are undesignated as hedging instruments.

As of March 31, 2016, the Group has designated its bank deposits amounting to TRL498.844 (equivalent of thousand USD155.864, thousand EURO17.762 and thousand RUR5.647 for the future raw material and fixed asset purchases in the scope of hedge accounting (December 31, 2015 – TRL370.128, equivalent of thousand USD96.931, thousand EURO26.000, and thousand Russian Ruble (RUR) 142.221).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2016**

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

---

**NOTE 27. EVENTS AFTER REPORTING PERIOD**

- a) In accordance with the Anadolu Efes General Assembly Meeting held at April 14, 2016, it has been decided to distribute dividend amounting to TRL145.066 to shareholders from extraordinary reserves of previous years starting from May 30, 2016.
- b) In accordance with the CCI General Assembly Meeting held at April 13, 2016, it has been decided to distribute dividend amounting to TRL30.016 to shareholders starting from May 27, 2015 from the net distributable profit of the fiscal year 2015 and the remainder of the net distributable profit to be added to extraordinary reserves.

.....