

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

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016**

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

Condensed Consolidated Interim Financial Statements as of September 30, 2016

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**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016**

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

		Unaudited	Audited
	Notes	September 30, 2016	December 31, 2015
ASSETS			
Cash and Cash Equivalents	4	2.236.564	1.891.459
Financial Investments	5	27.278	151
Trade Receivables		1.876.662	1.139.463
- Trade Receivables Due from Related Parties	24	176.963	106.089
- Trade Receivables Due from Third Parties		1.699.699	1.033.374
Other Receivables		82.134	57.557
- Other Receivables from Third Parties	8	82.134	57.557
Derivative Financial Assets	7	466	260
Inventories		1.008.915	1.102.915
Prepaid Expenses	16	434.215	406.064
Current Tax Assets		37.527	80.301
Other Current Assets		222.061	264.372
- Other Current Assets from Related Parties	24	13.750	-
- Other Current Assets from Third Parties	17	208.311	264.372
Current Assets		5.925.822	4.942.542
Financial Investments		767	767
Trade Receivables		1.084	1.038
- Trade Receivables Due from Third Parties		1.084	1.038
Other Receivables		16.925	21.007
- Other Receivables Due from Third Parties	8	16.925	21.007
Investments in Subsidiaries, Joint Ventures and Associates	9	66.594	66.685
Investment Property	10	83.224	72.298
Property, Plant and Equipment	11	6.483.663	6.315.908
Intangible Assets		10.585.241	10.175.787
- Goodwill	13	1.468.464	1.334.738
- Other Intangible Assets	12	9.116.777	8.841.049
Prepaid Expenses	16	194.864	192.915
Deferred Tax Asset	21	222.720	228.863
Other Non-Current Assets	17	77.987	26.280
Non-Current Assets		17.733.069	17.101.548
TOTAL ASSETS		23.658.891	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 SEPTEMBER 30, 2016**

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

		Unaudited	Audited
	Notes	September 30, 2016	December 31, 2015
LIABILITIES			
Current Borrowings	6	121.566	265.812
Current Portion of Non-Current Borrowings	6	594.886	478.781
Trade Payables		1.266.556	1.022.339
- Trade Payables to Related Parties	24	46.055	22.296
- Trade Payables to Third Parties		1.220.501	1.000.043
Employee Benefit Obligations		47.623	47.697
Other Payables		797.454	646.778
- Other Payables to Third Parties	8	797.454	646.778
Derivative Financial Liabilities	7	667	11.279
Deferred Income	16	21.145	31.865
Current Tax Liabilities		30.687	8.174
Current Provisions		131.234	91.977
- Current Provisions for Employee Benefits		129.539	91.770
- Other Current Provisions		1.695	207
Other Current Liabilities	17	41.592	20.461
Current Liabilities		3.053.410	2.625.163
Long-Term Borrowings	6	4.701.137	4.638.623
Trade Payables		22.789	21.305
- Trade Payables to Third Parties		22.789	21.305
Other Payables		300.777	264.564
- Other Payables to Third Parties	8	300.777	264.564
Derivative Financial Liabilities	7	-	98
Deferred Income	16	795	1.581
Non-Current Provision		112.155	99.102
- Non-Current Provision for Employee Benefits		112.155	99.102
Deferred Tax Liabilities	21	1.708.566	1.678.997
Other Non-Current Liabilities	17	195.172	141.152
Non-Current Liabilities		7.041.391	6.845.422
Equity Attributable to Equity Holders of the Parent		8.406.527	7.708.056
Issued Capital	14	592.105	592.105
Inflation Adjustment on Capital	14	63.583	63.583
Share Premium (Discount)	14	3.137.684	3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests	14	7.252	5.795
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(16.912)	(15.128)
-Revaluation and Remeasurement Gain/Loss	14	(16.912)	(15.128)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		560.164	80.543
- Currency Translation Differences	14	547.317	48.156
- Gains (Losses) on Hedge	14	12.847	32.387
Restricted Reserves Appropriated from Profits	14	297.343	282.836
Other Reserves	14	(235.742)	(235.742)
Prior Years' Profits or Losses	14	3.636.807	3.994.139
Current Period Net Profit or Losses		364.243	(197.759)
Non-Controlling Interests		5.157.563	4.865.449
Total Equity		13.564.090	12.573.505
TOTAL LIABILITIES		23.658.891	22.044.090

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

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**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

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

	Notes	Unaudited			
		1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Revenue	3	8.264.994	3.243.032	8.259.956	3.185.278
Cost of Sales		(4.954.043)	(1.968.689)	(4.793.555)	(1.878.430)
GROSS PROFIT (LOSS)		3.310.951	1.274.343	3.466.401	1.306.848
General Administrative Expenses		(612.375)	(206.621)	(639.353)	(213.610)
Sales, Distribution and Marketing Expenses		(1.783.354)	(625.539)	(1.805.823)	(613.150)
Other Income from Operating Activities	18	132.186	49.402	113.803	45.975
Other Expenses from Operating Activities	18	(115.752)	(28.075)	(167.887)	(73.248)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		931.656	463.510	967.141	452.815
Investment Activity Income	19	22.718	7.488	8.251	4.039
Investment Activity Expenses	19	(21.102)	(10.399)	(4.276)	(1.633)
Income/ (Loss) from Associates	9	(14.647)	(7.824)	(18.585)	(10.112)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		918.625	452.775	952.531	445.109
Finance Income	20	536.252	135.306	631.995	204.676
Finance Expenses	20	(726.714)	(306.950)	(1.694.250)	(763.622)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		728.163	281.131	(109.724)	(113.837)
Tax (Expense) Income, Continuing Operations		(145.930)	(50.007)	(7.029)	16.700
- Current Period Tax (Expense) Income		(127.686)	(51.946)	(130.525)	(48.730)
- Deferred Tax (Expense) Income		(18.244)	1.939	123.496	65.430
PROFIT/(LOSS)		582.233	231.124	(116.753)	(97.137)
Profit/(Loss) Attributable to					
- Non-Controlling Interest		217.990	99.045	62.436	42.636
- Owners of Parent		364.243	132.079	(179.189)	(139.773)
Earnings / (Loss) Per Share (Full TRL)	22	0,6152	0,2231	(0,3026)	(0,2361)

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**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

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

	Unaudited			
	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
PROFIT/(LOSS)	582.233	231.124	(116.753)	(97.137)
OTHER COMPREHENSIVE INCOME				
Other Comprehensive Income that will not be Reclassified to Profit or Loss				
Gains (Losses) on Remeasurements of Defined Benefit Plans	(2.230)	(208)	(2.736)	(1.240)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss				
- <i>Deferred Tax Expense (Income)</i>	446	42	548	249
Other Comprehensive Income that will be Reclassified to Profit or Loss				
Currency Translation Differences	573.921	375.754	1.824.104	610.640
Other Comprehensive Income (Loss) on Cash Flow Hedge	(4.703)	10.495	24.730	16.903
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss				
- <i>Deferred Tax Expense (Income)</i>	941	(2.098)	(4.946)	(3.379)
OTHER COMPREHENSIVE INCOME (LOSS)	568.375	383.985	1.841.700	623.173
TOTAL COMPREHENSIVE INCOME (LOSS)	1.150.608	615.109	1.724.947	526.036
Total Comprehensive Income Attributable to				
- <i>Non-Controlling Interest</i>	308.528	210.623	809.546	380.026
- <i>Owners of Parent</i>	842.080	404.486	915.401	146.010

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

	Issued Capital	Inflation Adjustment to Issued Capital	Share Premium/ Discount	Put Option Revaluation Fund Related with Non-controlling Interests	Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss	Accumulated Profit							Total Equity	
					Revaluation and Remeasurements Gain / (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Other Reserves	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests		
Previous Period (1 January – 30 September 2015)	Beginning Balances	592.105	63.583	3.137.684	8.817	(10.480)	(498.289)	2.234	249.541	(235.742)	4.812.035	(512.233)	7.609.255	4.214.684	11.823.939
	Transfers	-	-	-	-	-	-	-	33.295	-	(545.528)	512.233	-	-	-
	Total Comprehensive Income	-	-	-	-	(2.188)	1.074.327	22.451	-	-	-	(179.189)	915.401	809.546	1.724.947
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	(179.189)	(179.189)	62.436	(116.753)
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(2.188)	1.074.327	22.451	-	-	-	-	1.094.590	747.110	1.841.700
	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	5.205	5.205
	Dividends	-	-	-	-	-	-	-	-	-	(272.368)	-	(272.368)	(50.030)	(322.398)
	Increase (Decrease) from Other Changes (*)	-	-	-	1.052	-	-	-	-	-	-	-	1.052	(1.052)	-
Ending Balances	592.105	63.583	3.137.684	9.869	(12.668)	576.038	24.685	282.836	(235.742)	3.994.139	(179.189)	8.253.340	4.978.353	13.231.693	
Current Period (1 January – 30 September 2016)	Beginning Balances	592.105	63.583	3.137.684	5.795	(15.128)	48.156	32.387	282.836	(235.742)	3.994.139	(197.759)	7.708.056	4.865.449	12.573.505
	Transfers	-	-	-	-	-	-	-	14.507	-	(212.266)	197.759	-	-	-
	Total Comprehensive Income	-	-	-	-	(1.784)	499.161	(19.540)	-	-	-	364.243	842.080	308.528	1.150.608
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	364.243	364.243	217.990	582.233
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(1.784)	499.161	(19.540)	-	-	-	-	477.837	90.538	568.375
	Dividends	-	-	-	-	-	-	-	-	-	(145.066)	-	(145.066)	(14.957)	(160.023)
	Increase (Decrease) from Other Changes (*)	-	-	-	1.457	-	-	-	-	-	-	-	1.457	(1.457)	-
	Ending Balances	592.105	63.583	3.137.684	7.252	(16.912)	547.317	12.847	297.343	(235.742)	3.636.807	364.243	8.406.527	5.157.563	13.564.090

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

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

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

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

	Notes	Unaudited	
		1 January- September 30, 2016	1 January- September 30, 2015
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		1.286.286	1.440.237
Profit/ (Loss)		582.233	(116.753)
Adjustments to Reconcile Profit (Loss)		973.501	1.942.069
Adjustments for Depreciation and Amortization Expense	3	581.416	547.199
Adjustments for Impairment Loss (Reversal)		20.250	16.624
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	18	2.119	3.702
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	18	1.480	9.897
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment</i>		16.314	3.025
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Assets</i>	19	337	-
Adjustments for Provisions		38.397	33.610
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>		38.397	33.610
Adjustments for Interest (Income) Expenses		99.943	108.708
<i>Adjustments for Interest Income</i>	20	(53.470)	(59.573)
<i>Adjustments for Interest Expenses</i>	20	153.413	168.281
Adjustments for Unrealised Foreign Exchange Losses (Gains)		83.487	1.215.822
Adjustments for Fair Value Gain / Losses		5.737	1.576
<i>Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments</i>	20	5.737	1.576
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	9	14.647	18.585
Adjustments for Tax (Income) Expenses		145.930	7.029
Other Adjustments for Non-Cash Items	20	496	496
Adjustments for Losses (gains) on Disposal of Non-Current Assets	19	(18.267)	(7.000)
<i>Adjustments for Losses (gains) on Disposal of Tangible Assets</i>		(18.449)	(7.000)
<i>Adjustments for Losses (gains) on Disposal of Intangible Assets</i>		182	-
Other Adjustments to Reconcile Profit (loss)		1.465	(580)
Changes in Working Capital		(183.611)	(263.543)
Adjustments for Decrease (increase) in Trade Accounts Receivable		(740.419)	(723.446)
<i>Adjustments for Decrease (increase) in Trade Accounts Receivable from Related Parties</i>		(70.874)	(166.431)
<i>Adjustments for Decrease (increase) in Trade Accounts Receivable from Third Parties</i>		(669.545)	(557.015)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(3.744)	49.939
Adjustments for Decrease (Increase) in Inventories		92.523	(77.677)
Adjustments for increase (decrease) in Trade Accounts Payable		230.712	332.469
<i>Adjustments for increase (decrease) in Trade Accounts Payable to Related Parties</i>		9.990	(12.151)
<i>Adjustments for increase (decrease) in Trade Accounts Payable to Third Parties</i>		220.722	344.620
Adjustments for increase (decrease) in Other Operating Payables		237.317	155.172
Cash Flows from (used in) Operations		1.372.123	1.561.773
Payments Related with Provisions for Employee Benefits		(25.095)	(27.799)
Income Taxes (Paid) Return		(60.742)	(93.737)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(503.485)	(805.912)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(14.075)	(8.942)
Proceeds from sales of property, plant, equipment		33.793	28.654
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets		(523.203)	(830.829)
<i>Cash Outflows Arising from Purchase of Property, Plant and Equipment</i>		(510.121)	(821.874)
<i>Cash Outflows Arising from Purchase of Intangible Assets</i>		(13.082)	(8.955)
Other inflows (outflows) of cash		-	5.205
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(452.653)	(431.840)
Proceeds from borrowings		1.169.633	1.332.428
Repayments of borrowings		(1.359.991)	(1.402.607)
Income (Loss) from Cash Flow Hedge		(15.577)	25.804
Dividends Paid	23	(160.023)	(322.398)
Interest Paid		(113.310)	(129.361)
Interest Received		53.742	61.323
Other inflows (outflows) of cash		(27.127)	2.971
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		330.148	202.485
Effect Of Currency Translation Differences On Cash And Cash Equivalents		15.216	104.019
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		345.364	306.504
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	1.888.034	1.550.383
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2.233.398	1.856.887

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
AS AT SEPTEMBER 30, 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 15.973 (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 November 3, 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 September 30, 2016 and December 31, 2015, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	September 30, 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
	592.105	100,00	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of September 30, 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.

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**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
AS AT SEPTEMBER 30, 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 September 30, 2016 and December 31, 2015 are as follows:

Subsidiary	Subsidiary	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 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) ⁽⁴⁾	Russia	Production and marketing beer	International Beer	100,00	99,93
LLC Vostok Solod ⁽¹⁾⁽⁴⁾	Russia	Production of malt	International Beer	100,00	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) ⁽⁵⁾	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	96,85	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 ⁽¹⁾⁽⁴⁾	Russia	Production of malt	International Beer	100,00	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) ⁽²⁾	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) ⁽²⁾	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. (CCİ) ⁽³⁾	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, Doğan 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, 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 CCİ	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drinks	50,26	50,26
(CC) Company for Beverage Industry Limited (CCBL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (TCCBCJ)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Turkmenistan Coca-Cola Bottlers (Turkmenistan CC)	Turkmenistan	Production, 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 CCİ	Soft Drinks	40,22	40,22
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan Limited Liability Company (Tajikistan CC)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26

(1) Subsidiaries of Efes Moscow.

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

(3) Shares of CCİ are currently traded on BİST.

(4) In July 2016, investment in Efes Moscow increased to 100% from 99,93%, as a result of exercising call option for Efes Moscow’s 0,07% shares. Investment in LLC Vostok Solod and LLC Efes Solod also increased to 100% accordingly.

(5) In July 2016, investment in Efes Moldova increased to 96,85% from 96,83% as a result of shares purchase from other shareholders.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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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, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 15, 25).

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
AS AT SEPTEMBER 30, 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 nine months up to September 30, 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 September 30, 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 30 September 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 amortization, 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 STATEMENTS
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(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 30 September 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.
- **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 30 September 2016:

- **Amendments to IAS 7 ‘Statement of cash flows’** on disclosure initiative, effective from annual periods beginning on or after 1 January 2017. These amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB’s Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.
- **Amendments IAS 12 ‘Income Taxes’**, effective from annual periods beginning on or after 1 January 2017. The amendments 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.
- **Amendments to IFRS 2, ‘Share based payments’** on clarifying how to account for certain types of share-based payment transactions, effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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

2.4 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations effective after 30 September 2016 (continued):

- **IFRS 9 ‘Financial instruments’**, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- **IFRS 15 ‘Revenue from contracts with customers’**, effective from annual periods beginning on or after 1 January 2018. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

Amendment to IFRS 15, ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

- **IFRS 16 ‘Leases’**, effective from annual periods beginning on or after 1 January 2019, This standard replaces the current guidance in IAS 17 and is a farreaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- **Amendments to IFRS 4 ‘Insurance contracts’ regarding the Implementation of IFRS 9 ‘Financial Instruments’**, effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
 - give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and
 - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard, IAS 39.

The Group is in the process of assessing the effects of the new standards on the consolidated financial statements.

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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NOTE 3. SEGMENT REPORTING

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

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

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

	Turkey Beer	International Beer	Soft Drinks	Other⁽²⁾and Eliminations	Total
January 1 – September 30, 2016					
Revenues	1.108.080	1.459.389	5.675.093	35.391	8.277.953
Inter-segment revenues	(12.532)	(364)	(63)	-	(12.959)
Total Revenues	1.095.548	1.459.025	5.675.030	35.391	8.264.994
EBITDA⁽¹⁾	318.534	260.947	996.489	(31.128)	1.544.842
Profit / (loss) for the period	86.801	164.570	388.967	(58.105)	582.233
Capital expenditures	111.518	58.621	354.284	-	524.423
July 1 – September 30, 2016					
Revenues	421.556	568.015	2.244.756	13.951	3.248.278
Inter-segment revenues	(5.176)	(67)	(3)	-	(5.246)
Total Revenues	416.380	567.948	2.244.753	13.951	3.243.032
EBITDA⁽¹⁾	136.632	114.426	419.060	(8.956)	661.162
Profit / (loss) for the period	14.885	59.568	177.777	(21.106)	231.124
Capital expenditures	25.367	16.371	79.986	(8)	121.716
January 1 – September 30, 2015					
Revenues	1.170.053	1.620.263	5.450.459	31.259	8.272.034
Inter-segment revenues	(11.535)	(469)	(74)	-	(12.078)
Total Revenues	1.158.518	1.619.794	5.450.385	31.259	8.259.956
EBITDA⁽¹⁾	379.304	276.003	950.826	(30.601)	1.575.532
Profit / (loss) for the period	(127.627)	(50.903)	124.386	(62.609)	(116.753)
Capital expenditures	94.170	98.359	643.354	811	836.694
July 1 – September 30, 2015					
Revenues	410.927	561.463	2.204.776	12.983	3.190.149
Inter-segment revenues	(4.646)	(197)	(28)	-	(4.871)
Total Revenues	406.281	561.266	2.204.748	12.983	3.185.278
EBITDA⁽¹⁾	135.864	125.150	423.019	(4.118)	679.915
Profit / (loss) for the period	(103.663)	(45.864)	71.373	(18.983)	(97.137)
Capital expenditures	22.006	34.357	118.469	216	175.048

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

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

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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NOTE 3. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾and Eliminations	Total
September 30, 2016					
Segment assets	8.214.892	5.107.578	9.550.135	786.286	23.658.891
Segment liabilities	2.973.801	1.141.351	4.928.793	1.050.856	10.094.801
Investment in associates	-	-	-	66.594	66.594
December 31, 2015					
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
Other information					
Investment in associates	-	-	-	66.685	66.685

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

Reconciliation of EBITDA to the consolidated Operating Profit/Loss before Finance Income / Expense and its components as of September 30, 2016 and 2015 are as follows:

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
EBITDA	1.544.842	661.162	1.575.532	679.915
Depreciation and amortization expenses	(581.416)	(197.556)	(547.199)	(189.038)
Provision for retirement pay liability	(14.393)	(5.325)	(12.064)	(4.081)
Provision for vacation pay liability	(9.809)	2.567	(8.039)	2.716
Foreign exchange gain/(loss) from operating activities	(3.969)	3.290	(37.648)	(36.250)
Rediscount interest income/(expense) from operating activities	(70)	779	(986)	-
Other	(3.529)	(1.407)	(2.455)	(447)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	931.656	463.510	967.141	452.815
Investment Activity Income	22.718	7.488	8.251	4.039
Investment Activity Expenses	(21.102)	(10.399)	(4.276)	(1.633)
Income/(Loss) from Associates	(14.647)	(7.824)	(18.585)	(10.112)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	918.625	452.775	952.531	445.109

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

	September 30, 2016	December 31, 2015
Cash on hand	2.956	2.845
Bank accounts		
- Time deposits	1.607.426	1.632.557
- Demand deposits	617.508	247.132
Other	5.508	5.500
Cash and cash equivalents in cash flow statement	2.233.398	1.888.034
Interest income accrual	3.166	3.425
	2.236.564	1.891.459

As of September 30, 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), Ukraine Hryvnia (UAH) denominated and other time deposits vary between 0,2% and 14,50% (December 31, 2015– annual interest rates of the US Dollars (USD), Euro (EURO), Ukraine Hryvnia (UAH) denominated and other time deposits vary between 0,2% - 12,50%).

As of September 30, 2016, there is no cash deposit pledged as collateral by the Group (December 31, 2015 – None).

As of September 30, 2016, the Group has designated its bank deposits amounting to TRL597.085, equivalent of thousand USD178.092, thousand EURO18.906 for the future raw material purchases, 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 5. FINANCIAL INVESTMENTS

Short-term Financial Investments

	September 30, 2016	December 31, 2015
Time deposits with maturity more than three months	27.278	151

As of September 30, 2016 time deposits with maturities over 3 months made for 298 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 STATEMENTS

AS AT SEPTEMBER 30, 2016

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NOTE 6. SHORT AND LONG TERM BORROWINGS

As of September 30, 2016, total borrowings consist of principal (finance lease obligations included) amounting to TRL5.350.253 (December 31, 2015– TRL5.353.534) and interest expense accrual amounting to TRL67.336 (December 31, 2015 – TRL29.682). As of September 30, 2016 and December 31, 2015, total amount of borrowings and the effective interest rates are as follows:

Short-term	September 30, 2016			December 31, 2015		
	Amount	Fixed rate	Floating rate	Amount	Fixed rate	Floating rate
Borrowings						
TRL denominated borrowings	92.329	10,05% - 10,10%	-	3.962	-	-
Foreign currency denominated borrowings (USD)	-	-	-	58.152	-	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	7.784	3,00%	Euribor + 2,75%	13.055	3,50%	Euribor + 2,75% - Euribor + 2,95%
Foreign currency denominated borrowings (Other)	21.453	-	Kibor + 0,25% - Kibor+ 0,50%	190.643	8,88%	Kibor + 0,40% - Kibor+ 0,50%
	121.566			265.812		
Short-term portion of long term borrowings						
Foreign currency denominated borrowings (USD)	127.567	3,38% - 4,75%	Libor + 2,00%	100.509	3,38% - 4,75%	Libor + 2,00% - Libor+ 2,10%
Foreign currency denominated borrowings (EURO)	464.146	1,25%	Euribor + 0,90% - Euribor + 2,35%	378.272	-	Euribor + 1,25% - Euribor + 2,35%
Foreign currency denominated borrowings (Other)	3.173	6,00%	-	-	-	-
	594.886			478.781		
	716.452			744.593		
Long-term						
Borrowings						
Foreign currency denominated borrowings (USD)	4.114.532	3,38% - 4,75%	Libor + 2,00%	4.018.970	3,38% - 4,75%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	562.812	-	Euribor + 1,50% - Euribor + 2,00%	593.957	-	Euribor + 1,50% - Euribor + 2,00%
Foreign currency denominated borrowings (Other)	23.793	6,00%	-	25.696	6,00%	-
	4.701.137			4.638.623		
	5.417.589			5.383.216		

**CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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NOTE 6. SHORT AND LONG TERM BORROWINGS (continued)

Repayments of long-term borrowings are scheduled as follows:

	September 30, 2016	December 31, 2015
Between 1 -2 years	2.256.174	251.893
Between 2-3 years	118.924	2.046.254
Between 3-4 years	475.046	104.521
Between 4-5 years	-	443.076
5 years and more	1.850.993	1.792.879
	4.701.137	4.638.623

As of September 30, 2016, TRL995 (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 September 30, 2016 and December 31, 2015, the costs of the property plant and equipment obtained by finance lease are TRL65.513 and TRL66.134, respectively whereas net book values are TRL1.360 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 7. DERIVATIVE INSTRUMENTS

As of September 30, 2016, CCI has 9 aluminum swap transactions with a total nominal amount of TRL21.346 (December 31, 2015– TRL54.283) for 4.258 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the highly probable purchases of can exposed to commodity price risk (Note 26).

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

	September 30, 2016		December 31, 2015	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset / (Liability)
Commodity swap contracts	21.346	(201)	54.283	(7.812)
Forward contracts	-	-	101.765	(3.305)
	21.346	(201)	156.048	(11.117)

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NOTE 8. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	September 30, 2016	December 31, 2015
Receivables from tax office	19.724	16.637
Due from personnel	17.741	12.259
Other	44.669	28.661
	82.134	57.557

b) Other Non-Current Receivables

	September 30, 2016	December 31, 2015
Deposits and guarantees given	10.123	10.062
Other	6.802	10.945
	16.925	21.007

c) Other Current Payables

	September 30, 2016	December 31, 2015
Taxes other than on income	620.925	496.485
Deposits and guarantees taken	170.365	145.649
Other	6.164	4.644
	797.454	646.778

d) Other Non-Current Payables

As of September 30, 2016, other non-current payables consists of deposits and guarantees taken amounting to TRL300.777 (December 31, 2015 – TRL264.564).

NOT 9. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

	September 30, 2016		December 31, 2015	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	33,33%	66.594	33,33%	66.685
SSDSD ^{(1) (2)}	25,13%	-	25,13%	-
		66.594		66.685

Relating to investment in associates, total assets and liabilities as of September 30, 2016 and December 31, 2015 and profit/(loss) for the period of as of September 30, 2016 and September 30, 2015 are as follows:

	Anadolu Etap		SSDSD	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Total Assets	265.569	193.984	1.178	1.179
Total Liabilities	198.975	127.299	637	6.878
Net Assets	66.594	66.685	541	(5.699)

	Anadolu Etap		SSDSD	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Group's Share of Loss for the period	(14.166)	(17.829)	(481)	(756)

(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) As of September 30, 2016, shareholder loans amounting to USD3 million (share of the Group amounting to USD1,5 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.

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NOT 9. INVESTMENTS IN ASSOCIATES (continued)

The movement of investments in associates for the nine-month periods ended as of September 30, 2016 and 2015 are as follows:

	2016	2015
Balance at January 1	66.685	72.517
Income / Loss from associates	(14.647)	(18.585)
Currency translation differences	511	(110)
Other	(30)	866
Capital Increase ⁽¹⁾	14.075	8.942
Balance at September 30	66.594	63.630

(1) Capital increase provided to Anadolu Etap.

NOT 10. INVESTMENT PROPERTIES

For the nine-month periods ended September 30, 2016 and 2015, the additions and disposals on investment property are as follows:

September 30, 2016	Additions	Transfers	Disposals (net)
Land and land improvements	-	44	-
Buildings	-	(44)	(546)
Construction in progress	-	-	-
	-	-	(546)
September 30, 2015	Additions	Transfers	Disposals (net)
Land and land improvements	-	3.737	-
Buildings	-	-	-
Construction in progress	-	(3.737)	-
	-	-	-

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

For the nine-month periods ended September 30, 2016 and 2015, the additions and disposals on property, plant and equipment are as follows:

September 30, 2016	Additions	Transfers (*)	Disposals (net)
Land and land improvements	9.100	1.791	(26)
Buildings	17.089	11.130	(54)
Machinery and equipment	73.859	67.516	(4.608)
Vehicles	7.333	3.849	(2.812)
Other tangibles	265.789	29.265	(6.922)
Leasehold improvements	58	-	(139)
Construction in progress	138.113	(114.651)	(237)
	511.341	(1.100)	(14.798)
September 30, 2015	Additions	Transfers (*)	Disposals (net)
Land and land improvements	1.006	9.142	(794)
Buildings	19.418	169.114	(1.265)
Machinery and equipment	108.470	341.992	(6.803)
Vehicles	12.148	159	(2.106)
Other tangibles	253.235	66.082	(9.746)
Leasehold improvements	187	-	(462)
Construction in progress	433.275	(586.562)	(497)
	827.739	(73)	(21.673)

(*) There are transfers to other intangible assets amounting to TRL1.100 in 2016. (September 30, 2015 – there are transfers amounting to TRL73 to other intangible assets).

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NOTE 12. OTHER INTANGIBLE ASSETS

For the nine-month periods ended September 30, 2016 and 2015, the additions and disposals on other intangible assets are as follows:

September 30, 2016	Additions	Transfers	Disposals (net)
Rights	392	523	-
Other	12.690	577	(182)
	13.082	1.100	(182)
September 30, 2015	Additions	Transfers	Disposals (net)
Rights	443	44	-
Other	8.512	29	18
	8.955	73	18

NOTE 13. GOODWILL

For the nine-month period ended September 30, 2016 and 2015, movements of the goodwill during the period are as follows:

	2016	2015
At January 1	1.334.738	1.232.465
Currency translation differences	133.726	224.160
At September 30	1.468.464	1.456.625

NOTE 14. 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.

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NOTE 14. 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 September 30, 2016 and December 31, 2015, nominal amounts, equity restatement differences and restated value of equity are as follows:

September 30, 2016	Nominal Amount	Equity Inflation Adjustment Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	297.343	74.697	372.040
Extraordinary reserves	66.834	26.091	92.925
	956.282	164.371	1.120.653
Share Premium (Discount)			3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests			7.252
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			(16.912)
- <i>Revaluation and Remeasurement Gain/Loss</i>			(16.912)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			560.164
- <i>Currency Translation Differences</i>			547.317
- <i>Gains (Losses) on Hedge</i>			12.847
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income for the period)			3.833.428
Equity attributable to equity holders of the parent			8.406.527
December 31, 2015	Nominal Amount	Equity Inflation Adjustment Differences	Restated Amount
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
Put Option Revaluation Fund Related with Non-controlling Interests			5.795
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			(15.128)
- <i>Revaluation and Remeasurement Gain/Loss</i>			(15.128)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			80.543
- <i>Currency Translation Differences</i>			48.156
- <i>Gains (Losses) on Hedge</i>			32.387
Other Reserves			(235.742)
Prior Years' Profits or Losses (Including net income for the period)			3.469.185
Equity attributable to equity holders of the parent			7.708.056

**Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
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NOTE 15. COMMITMENTS AND CONTINGENCIES

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

As of September 30, 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:

September 30, 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	516.925	416.674	416	422	10.167	24.930	2.667.000	17.846
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	607.687	-	71.651	106.220	-	-	346.278	26.127
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	-	-	-	-	-	-	-	-
Total	1.136.081	428.143	72.067	106.642	10.167	24.930	3.013.278	43.973
Ratio of other GPMs over the Company's equity (%)	0,1							

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 ⁽¹⁾	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 ⁽²⁾	10.849	10.849	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total	1.154.219	346.969	93.168	108.803	-	22.389	5.467.285	35.934
Ratio of other GPMs over the Company's equity (%)	0,1							

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

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

CCI, 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 September 30, 2016 CCBPL has USD9,8 million sugar and resin purchase commitment from the Banks until the end of June 2017, USD8,7 million sugar and resin purchase commitment from the Bank until the end of September 2017 and expense accrual of USD94 thousand (TRL282) payable for the profit share of the Banks was reflected in the financial statements.

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NOTE 15. COMMITMENTS AND CONTINGENCIES (continued)

Operational Lease

As of September 30, 2016, the Group's contingent liability, for the following years resulting from the non-cancellable operational lease agreements is amounting to TRL37.201 (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 may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

NOTE 16. PREPAID EXPENSES AND DEFERRED INCOME

a) Short Term Prepaid Expenses

	September 30, 2016	December 31, 2015
Prepayments	334.846	323.288
Advances given to suppliers	99.369	82.776
	434.215	406.064

b) Long Term Prepaid Expenses

	September 30, 2016	December 31, 2015
Prepayments	163.215	176.309
Advances given to suppliers	31.649	16.606
	194.864	192.915

c) Short Term Deferred Income

	September 30, 2016	December 31, 2015
Advances taken	19.928	30.610
Deferred income	1.217	1.255
	21.145	31.865

d) Long Term Deferred Income

As of September 30, 2016, long term deferred income amounts to TRL795 (December 31, 2015 – TRL1.581).

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NOTE 17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	September 30, 2016	December 31, 2015
Value Added Tax (VAT) deductible or to be transferred	200.927	259.315
Other	7.384	5.057
	208.311	264.372

b) Other Non-Current Assets

	September 30, 2016	December 31, 2015
Deferred VAT and other taxes	77.805	26.134
Other	182	146
	77.987	26.280

d) Other Current Liabilities

	September 30, 2016	December 31, 2015
Put option liability	7.070	6.862
Other	34.522	13.599
	41.592	20.461

e) Other Non-Current Liabilities

	September 30, 2016	December 31, 2015
Put option liability	119.262	115.749
Deferred VAT and other taxes	75.910	25.403
	195.172	141.152

The obligation of TRL7.070 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 TRL119.262 is recorded under “other non-current liabilities” (December 31, 2015– TRL115.749).

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NOTE 18. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Foreign exchange gains arising from operating activities	57.695	17.344	69.243	19.482
Income from scrap and other materials	14.291	6.148	15.683	7.161
Rent income	5.955	2.014	3.159	2.188
Reversal of provision for doubtful receivables	2.908	633	1.662	955
Reversal of provision for inventory obsolescence	2.526	89	1	-
Rediscount income	1.958	779	1.729	-
Insurance compensation income	1.306	536	886	275
Other income	45.547	21.859	21.440	15.914
	132.186	49.402	113.803	45.975

b) Other Operating Expenses

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Foreign exchange losses arising from operating activities	(61.664)	(14.054)	(106.891)	(55.732)
Depreciation and amortization expense on PPE & intangible assets	(13.938)	(4.645)	(11.215)	(4.827)
Provision for doubtful receivables	(5.027)	(2.228)	(5.364)	(1.851)
Provision for inventory obsolescence	(4.006)	(999)	(9.898)	(2.931)
Donations	(3.390)	(1.363)	(4.643)	(1.603)
Rediscount expense	(2.028)	-	(2.715)	-
Other expenses	(25.699)	(4.786)	(27.161)	(6.304)
	(115.752)	(28.075)	(167.887)	(73.248)

NOTE 19. INVESTMENT ACTIVITY INCOME / EXPENSES

a) Income from Investing Activities

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Gain on sale of fixed assets	20.838	7.046	8.251	4.039
Reversal of impairment on tangible assets	1.880	442	-	-
	22.718	7.488	8.251	4.039

b) Expense from Investing Activities

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Provision for impairment on tangible assets	(18.194)	(8.468)	(3.025)	(1.051)
Loss on sale of fixed assets	(2.571)	(1.668)	(1.251)	(582)
Provision for impairment on intangible assets	(337)	(263)	-	-
	(21.102)	(10.399)	(4.276)	(1.633)

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NOTE 20. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Foreign exchange gain	459.209	113.984	570.171	187.668
Interest income	53.470	17.736	59.573	16.774
Gain on derivative transactions	23.573	3.586	2.251	234
	536.252	135.306	631.995	204.676

b) Finance Expense

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Foreign exchange loss	(525.709)	(220.183)	(1.499.568)	(692.945)
Interest expense	(153.413)	(51.924)	(168.281)	(60.172)
Loss on derivative transactions	(29.310)	(25.539)	(3.827)	(843)
Borrowing costs	(496)	(166)	(496)	(166)
Other financial expenses	(17.786)	(9.138)	(22.078)	(9.496)
	(726.714)	(306.950)	(1.694.250)	(763.622)

NOTE 21. 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 September 30, 2016 and December 31, 2015 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		Liability		Net	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
PP&E and intangible assets	-	-	(2.016.884)	(1.961.892)	(2.016.884)	(1.961.892)
Inventories	26.771	25.221	-	-	26.771	25.221
Carry forward losses	344.450	371.004	-	-	344.450	371.004
Retirement pay liability and other employee benefits	9.042	17.232	-	-	9.042	17.232
Other provisions	100.498	54.193	-	-	100.498	54.193
Unused investment incentive	23.356	21.004	-	-	23.356	21.004
Other	26.921	23.104	-	-	26.921	23.104
	531.038	511.758	(2.016.884)	(1.961.892)	(1.485.846)	(1.450.134)

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NOTE 21. TAX ASSETS AND LIABILITIES (continued)

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

	September 30, 2016	December 31, 2015
Netherlands	%25	%25
Russia	%20	%20
Kazakhstan	%20	%20
Moldova	%12	%12
Georgia	%15	%15
Ukraine	%18	%18
Azerbaijan	%20	%20
Kyrgyzstan	%10	%10
Pakistan	%33	%33
Iraq	%15	%15
Jordan	%14	%14
Turkmenistan	%8	%8
Tajikistan	%15	%15

As of September 30, 2016, TRL594 tax advantage is recognized from the future tax advantage of the incentives used for Bursa mineral water, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin and İzmir production line investments (As of September 30, 2015 tax advantage has not been calculated due to statutory loss).

NOTE 22. EARNINGS PER SHARE

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

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

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

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Net income/ (loss)	364.243	132.079	(179.189)	(139.773)
Weighted average number of shares	592.105.263	592.105.263	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	0,6152	0,2231	(0,3026)	(0,2361)

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

NOTE 23. DISTRIBUTION OF EARNINGS

The Group distributed dividend in 2016, related with the year ended as of December 31, 2015, for a gross amount of full TRL0,25 per share, amounting to a total of TRL145.066 (The Group distributed dividend in 2015, related with the year ended as of December 31, 2014, for a gross amount of full TRL0,46 per share, amounting to a total of TRL272.368).

In 2016, dividend payment amounting to TRL14.957 (December 31, 2015 – TRL50.030) has been made to non-controlling interests

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Bank Balances with Related Parties

	September 30, 2016	December 31, 2015
Alternatifbank ^{(3) (4)}	189.437	96.265

As of September 30, 2016, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 10,82% (December 31, 2015 – %12,00). The weighted average interest rates for USD denominated time deposits is 3,14% (December 31, 2015 – none).

As of September 30, 2016 the Group has demand deposits amounting to TRL13.194 on Alternatifbank. (December 31, 2015 - TRL9.658).

Due from Related Parties

	September 30, 2016	December 31, 2015
Migros Ticaret A.Ş. and its subsidiaries (Migros) ^{(4) (6)}	174.874	104.697
SSDSD	1.657	76
SABMiller Group Companies ⁽⁵⁾	258	302
Anadolu Eğitim ve Sosyal Yardım Vakfı	102	732
Efestur Turizm İşletmeleri A.Ş. ^{(3) (4)}	36	31
Artı Varlık Yönetim A.Ş.	-	29
AEH ^{(2) (3)}	-	212
Other	36	10
	176.963	106.089

Due to Related Parties

	September 30, 2016	December 31, 2015
SABMiller Group Companies ⁽⁵⁾	22.364	15.804
Anadolu Efes Spor Kulübü	13.769	46
Oyex Handels GmbH ^{(3) (4)}	5.752	2.332
AEH ^{(2) (3)}	2.583	457
Anadolu Bilişim Hizmetleri A.Ş. ^{(1) (3) (4)}	716	1.983
Efestur Turizm İşletmeleri A.Ş. ^{(3) (4)}	294	67
Çelik Motor Ticaret A.Ş. ^{(3) (4)}	213	1.381
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	193	140
Other	171	86
	46.055	22.296

The Group has TRL1.055 (December 31, 2015 – TRL1.092) short term and TRL730 (December 31, 2015 – TRL1.482) long term deferred revenue related to AEH.

The Group has TRL13.750 other current assets related to Anadolu Efes Spor Kulübü (December 31, 2015 – None).

(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.

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

		1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Anadolu Efes Spor Kulübü	Service	48.660	13.860	42.500	12.500
SABMiller Group Companies ⁽⁵⁾	Service and purchase of trade goods	38.831	13.756	39.518	13.397
Oyex Handels GmbH ⁽³⁾⁽⁴⁾	Purchase of materials and fixed assets	25.354	9.209	18.846	2.864
AEH ⁽²⁾⁽³⁾	Consultancy service	21.591	7.203	19.954	6.755
Çelik Motor Ticaret A.Ş. ⁽³⁾⁽⁴⁾	Vehicle leasing	19.470	6.388	19.406	6.646
Efestur Turizm İşletmeleri A.Ş. ⁽³⁾⁽⁴⁾	Travel and accommodation	6.362	1.583	7.988	2.044
Anadolu Bilişim Hizmetleri A.Ş. ⁽¹⁾⁽³⁾⁽⁴⁾	Information service	5.568	1.805	5.318	1.528
Anadolu Eğitim ve Sosyal Yardım Vakfı	Donations	2.540	1.025	4.300	1.590
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	Service	1.432	486	1.375	438
AEH Münih ⁽³⁾⁽⁴⁾	Purchase of materials and fixed assets	1.174	625	3.973	972
Arge Danışmanlık A.Ş.	Consultancy service	439	136	406	127
Ahmet Boyacıoğlu	Consultancy service	237	63	243	81
Mehmet Cem Kozlu	Consultancy service	193	49	203	68
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. ⁽³⁾⁽⁴⁾⁽⁶⁾	Rent Expense	18	-	16	1
Other		74	1	63	44
		171.943	56.189	164.109	49.055

Finance Income / (Expenses), Net

		1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Alternatifbank ⁽³⁾⁽⁴⁾	Interest income and other financial expenses, net	7.886	2.751	12.286	2.162

Revenue and Other Income / (Expenses), Net

		1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Migros ⁽⁴⁾⁽⁷⁾	Sales income	331.448	144.739	119.130	119.130
SABMiller Group Companies ⁽⁵⁾	Other income	2.475	420	713	163
Alternatifbank ⁽³⁾⁽⁴⁾	Rent income	105	35	100	31
Anadolu Efes Spor Kulübü	Other income	56	19	-	-
Anadolu Bilişim Hizmetleri A.Ş. ⁽¹⁾⁽³⁾⁽⁴⁾	Rent income	40	2	44	40
Çelik Motor Ticaret A.Ş. ⁽³⁾⁽⁴⁾	Other income	35	22	460	117
AEH ⁽²⁾⁽³⁾	Other income	12	3	12	4
SSDSD	Sales income	-	-	2.345	581
AEH Anadolu Gayrimenkul Yatırımları A.Ş.	Fixed asset sales gain	-	-	808	19
Other	Other income	12	9	112	64
		334.183	145.249	123.724	120.149

(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 – 30 September 2016 have been disclosed as “Revenue and Other Income / (Expense), Net” under “Transactions with Related Parties” (2015 - transactions with Migros for the period between 1 July – 30 September 2015, have been disclosed as “Revenue and Other Income / (Expense), Net” under “Transactions with Related Parties”).

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NOTE 24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

b) Transactions with Related Parties (continued)

Director’s remuneration

As of September 30, 2016 and 2015, total benefits to Anadolu Efes Board of Directors are TRL236 and TRL205, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of September 30, 2016 and 2015 are as follows:

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Short-term employee benefits	19.205	4.986	19.507	5.498
Post-employment benefits	-	-	-	-
Other long term benefits	600	-	774	104
Termination benefits	159	-	350	-
Share-based payments	-	-	-	-
	19.964	4.986	20.631	5.602

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 September 30, 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 4). Group’s foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM STATEMENTS
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(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 September 30, 2016 and December 31, 2015 are presented below:

Foreign Currency Position Table						
September 30, 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	105.819	8.698	26.058	634	2.132	77.629
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.362.900	378.503	1.133.957	35.779	120.246	108.697
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	54.693	536	1.606	231	776	52.311
4. Current Assets	1.523.412	387.737	1.161.621	36.644	123.154	238.637
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets	-	-	-	-	-	-
9. Total Assets	1.523.412	387.737	1.161.621	36.644	123.154	238.637
10. Trade Payables and Due to Related Parties	(215.876)	(35.373)	(105.975)	(15.560)	(52.294)	(57.607)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(582.719)	(38.519)	(115.400)	(138.106)	(464.147)	(3.172)
12a. Monetary Other Liabilities	(55.932)	(15)	(44)	(123)	(413)	(55.475)
12b. Non-monetary Other Liabilities	(7.070)	(2.360)	(7.070)	-	-	-
13. Current Liabilities	(861.597)	(76.267)	(228.489)	(153.789)	(516.854)	(116.254)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(4.094.730)	(1.170.975)	(3.508.123)	(167.464)	(562.813)	(23.794)
16 a. Monetary Other Liabilities	(179)	-	(1)	-	-	(178)
16 b. Non-monetary Other Liabilities	(119.261)	(39.808)	(119.261)	-	-	-
17. Non-Current Liabilities	(4.214.170)	(1.210.783)	(3.627.385)	(167.464)	(562.813)	(23.972)
18. Total Liabilities	(5.075.767)	(1.287.050)	(3.855.874)	(321.253)	(1.079.667)	(140.226)
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	(3.552.355)	(899.313)	(2.694.253)	(284.609)	(956.513)	98.411
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.480.717)	(857.681)	(2.569.528)	(284.840)	(957.289)	46.100
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 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
4. Current Assets	1.098.168	291.307	847.004	33.686	107.039	144.125
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets	-	-	-	-	-	-
9. Total Assets	1.098.168	291.307	847.004	33.686	107.039	144.125
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	(34.574)	-	-	(106)	(337)	(34.237)
12b. Non-monetary Other Liabilities	(6.862)	(2.360)	(6.862)	-	-	-
13. Current Liabilities	(719.890)	(64.442)	(187.371)	(137.528)	(437.009)	(95.510)
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	(289)	(100)	(289)	-	-	-
16 b. Non-monetary Other Liabilities	(115.749)	(39.809)	(115.749)	-	-	-
17. Non-Current Liabilities	(4.101.028)	(1.197.337)	(3.481.377)	(186.920)	(593.957)	(25.694)
18. Total Liabilities	(4.820.918)	(1.261.779)	(3.668.748)	(324.448)	(1.030.966)	(121.204)
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	(3.662.351)	(928.459)	(2.699.588)	(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)	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

As of September 30, 2016, intercompany loan receivables of CCI with an amount of USD163,0 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, USD181,8 million was netted on foreign currency position table and as of September 30, 2015, effect of the intercompany loans amounting to USD202,0 million was netted on foreign currency position sensitivity analysis).

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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 September 30, 2016 and 2015 is as follows:

	1 January - 30 September 2016	1 July – 30 September 2016	1 January - 30 September 2015	1 July – 30 September 2015
Total Export	144.853	52.639	174.682	93.139
Total Import	1.139.015	404.924	1.373.658	624.732

The following table demonstrates the sensitivity analysis of foreign currency as of September 30, 2016 and 2015:

	Foreign Currency Position Sensitivity Analysis			
	September 30, 2016 ^(*)		September 30, 2015 ^(*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(256.953)	256.953	(310.312)	310.312
USD denominated hedging instruments (-)	-	-	4.337	(4.337)
Net effect in USD	(256.953)	256.953	(305.975)	305.975
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(95.729)	95.729	(90.027)	90.027
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(95.729)	95.729	(90.027)	90.027
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	4.610	(4.610)	(3.055)	3.055
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	4.610	(4.610)	(3.055)	3.055
TOTAL	(348.072)	348.072	(399.057)	399.057

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

c) Liquidity Risk

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

d) Price Risk

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

e) Credit Risk

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

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

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

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NOTE 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 September 30, 2016 CCI has 9 aluminum swap transactions with a total nominal amount of TRL21.346 for 4.258 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 September 30, 2016 CCI has foreign currency forward transactions with a total nominal amount of TRL20.447 for 3 forward purchase contracts amounting to USD6,8 million. These foreign currency forward contracts are not designated as hedging instruments as of the balance sheet date (December 31, 2015 – Currency forward transactions with a total nominal amount of TRL101.766, equivalent of 35 mUSD were designated as hedging instruments exposed to foreign currency risk and recognized in the financial statements at fair value in the scope of hedge accounting). Changes in the fair values are recognized in the statement of consolidated income as part of finance income and costs as of September 30, 2016.

As of September 30, 2016, the Group has designated its bank deposits amounting to TRL597.085 (equivalent of thousand USD178.092, thousand EURO18.906) for the future raw material purchases, 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 142.221).

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NOTE 27. EVENTS AFTER REPORTING PERIOD

SABMiller Harmony Limited holds 24% shareholding in Anadolu Efes. As a result of the business combination with SABMiller Limited, which indirectly holds 99% of the shares of SABMiller Harmony Limited, Anheuser-Busch InBev SA/NV has become the indirect 99% shareholder of SABMiller Harmony Limited as of October 10, 2016.

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