

**ANADOLU EFES (BIST: AEFES. IS) 3Q2017 & 9M2017 EARNINGS RELEASE**

Istanbul, November 2, 2017

**9M2017 HIGHLIGHTS**

Consolidated sales volume up 4.6% to 73.7 mhl  
 Consolidated net sales revenue up 23.3% to TL 10,188.6 million  
 Consolidated EBITDA Before Non-Recurring Items (BNRI) up 17.0% to TL 1,810.5 million  
 Consolidated Free Cash Flow was TL 958.1 million versus TL 737.3 million 9M2016

**3Q2017 HIGHLIGHTS**

Consolidated sales volume up 4.9% to 29.1 mhl  
 Consolidated net sales revenue up 23.5% to TL 4,006.4 million  
 Consolidated EBITDA (BNRI) up 24.9% to TL 826.1 million

AEFES Consolidated (TL mn)	3Q2016	3Q2017	% change	9M2016	9M2017	% change
Volume (mhl)	27.7	29.1	4.9%	70.4	73.7	4.6%
Net Sales	3,243.0	4,006.4	23.5%	8,265.0	10,188.6	23.3%
Gross Profit	1,274.3	1,597.1	25.3%	3,311.0	3,951.2	19.3%
EBIT (BNRI)	464.0	589.8	27.1%	934.5	1,090.6	16.7%
EBITDA (BNRI)	661.5	826.1	24.9%	1,547.7	1,810.5	17.0%
Net Income/(Loss)*	132.1	253.7	92.1%	364.2	343.9	-5.6%
			Change (bps)			Change (bps)
Gross Profit Margin	39.3%	39.9%	57	40.1%	38.8%	-128
EBIT (BNRI) Margin	14.3%	14.7%	41	11.3%	10.7%	-60
EBITDA (BNRI) Margin	20.4%	20.6%	22	18.7%	17.8%	-96
Net Income Margin*	4.1%	6.3%	226	4.4%	3.4%	-103

\* Net income attributable to shareholders

Anadolu Efes reported another strong quarter in 3Q2017 delivering 4.9% year-on-year volume growth with continued growth in international beer operations and soft drinks. Consolidated sales volume in the first nine months reached 73.7 mhl, an increase of 4.6%, in line with our FY guidance of mid-single digit growth.

Higher volumes, price increases and positive translation effect of local currencies into TL resulted in a consolidated net sales revenue increase of 23.5% y-o-y in 3Q2017 and 23.3% in 9M2017. Consolidated net sales revenue was TL 10,188.6 million for 9M2017.

Consolidated EBITDA (BNRI) was reported as TL 826.1 million in 3Q2017, up 24.9% y-o-y and resulting in a margin expansion of 22 bps. Both soft drinks and beer operations recorded margin expansion of around 20 bps in 3Q2017 vs 3Q2016. The first nine month's EBITDA (BNRI) increased by 17.0% with a 17.8% margin in 9M2017.

Consolidated net profit was recorded at TL 343.9 million in 9M2017 vs. TL 364.2 million a year ago. Despite the improvement in operating profitability, the net FX-loss was TL 125.8 million higher in 9M2017 compared to prior year. Most of the FX loss was non-cash due to long term borrowings.

Consolidated FCF generation was very strong at TL 958.1 million in 9M2017 from TL 737.3 million in 9M2016. Our consolidated net debt/EBITDA (BNRI) decreased to 1.5x as of September 30, 2017 compared to 1.8x a year ago.

## SUMMARY FINANCIALS

Consolidated (TL mn)	3Q2016	3Q2017	Change %	9M2016	9M2017	Change %
Volume (mhl)	27.7	29.1	4.9%	70.4	73.7	4.6%
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Net Income Margin*	4.1%	6.3%	226	4.4%	3.4%	-103
Beer Group (TL mn)	3Q2016	3Q2017	Change %	9M2016	9M2017	Change %
Volume (mhl)	5.9	6.1	2.2%	15.7	16.3	4.1%
Net Sales	998.3	1,256.8	25.9%	2,590.0	3,324.0	28.3%
Gross Profit	518.0	644.6	24.4%	1,339.2	1,598.0	19.3%
EBIT (BNRI)	153.9	201.6	31.0%	282.2	270.5	-4.2%
EBITDA (BNRI)	242.1	307.8	27.1%	551.1	601.7	9.2%
Net Income/(Loss)*	56.1	134.1	138.8%	217.3	179.5	-17.4%
			Change (bps)	Change (bps)		
Gross Profit Margin	51.9%	51.3%	-60	51.7%	48.1%	-364
EBIT (BNRI) Margin	15.4%	16.0%	62	10.9%	8.1%	-276
EBITDA (BNRI) Margin	24.2%	24.5%	24	21.3%	18.1%	-318
Net Income Margin*	5.6%	10.7%	505	8.4%	5.4%	-299
Turkey Beer (TL mn)	3Q2016	3Q2017	Change %	9M2016	9M2017	Change %
Volume (mhl)	1.7	1.7	-0.8%	4.6	4.4	-5.7%
Net Sales	421.6	480.2	13.9%	1,108.1	1,146.4	3.5%
Gross Profit	254.9	300.6	17.9%	655.8	667.8	1.8%
EBIT (BNRI)	97.3	97.1	-0.2%	195.7	142.1	-27.4%
EBITDA (BNRI)	136.6	139.5	2.1%	318.5	272.9	-14.3%
Net Income/(Loss)*	14.9	35.8	140.3%	86.8	32.4	-62.7%
			Change (bps)	Change (bps)		
Gross Profit Margin	60.5%	62.6%	211	59.2%	58.3%	-92
EBIT (BNRI) Margin	23.1%	20.2%	-287	17.7%	12.4%	-526
EBITDA (BNRI) Margin	32.4%	29.1%	-336	28.7%	23.8%	-494
Net Income Margin*	3.5%	7.4%	392	7.8%	2.8%	-501
EBI (TL mn)	3Q2016	3Q2017	Change %	9M2016	9M2017	Change %
Volume (mhl)	4.2	4.3	3.3%	11.0	11.9	8.1%
Net Sales	568.0	766.7	35.0%	1,459.4	2,153.5	47.6%
Gross Profit	257.4	336.8	30.8%	668.7	911.7	36.3%
EBIT (BNRI)	66.7	113.3	69.7%	120.2	159.8	33.0%
EBITDA (BNRI)	114.7	176.5	53.8%	263.8	358.7	36.0%
Net Income/(Loss)*	59.3	94.8	59.9%	164.2	153.2	-6.7%
			Change (bps)	Change (bps)		
Gross Profit Margin	45.3%	43.9%	-138	45.8%	42.3%	-349
EBIT (BNRI) Margin	11.7%	14.8%	302	8.2%	7.4%	-81
EBITDA (BNRI) Margin	20.2%	23.0%	282	18.1%	16.7%	-142
Net Income Margin*	10.4%	12.4%	193	11.3%	7.1%	-413
CCI (TL mn)	3Q2016	3Q2017	Change %	9M2016	9M2017	Change %
Volume (mn u/c)	383.2	404.8	5.6%	965.1	1,010.3	4.7%
Net Sales	2,244.8	2,749.6	22.5%	5,675.1	6,864.7	21.0%
Gross Profit	758.8	954.1	25.7%	1,979.2	2,355.1	19.0%
EBIT	313.8	391.7	24.8%	663.7	830.9	25.2%
EBITDA	419.1	518.3	23.7%	996.5	1,208.8	21.3%
Net Income/(Loss)*	154.2	240.8	56.2%	331.7	386.2	16.4%
			Change (bps)	Change (bps)		
Gross Profit Margin	33.8%	34.7%	89	34.9%	34.3%	-57
EBIT Margin	14.0%	14.2%	26	11.7%	12.1%	41
EBITDA Margin	18.7%	18.8%	18	17.6%	17.6%	5
Net Income Margin*	6.9%	8.8%	189	5.8%	5.6%	-22

\* Net income attributable to shareholders

## MANAGEMENT COMMENTS

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“We are very pleased to report volume and revenue growth across our businesses in the 3rd quarter which resulted in a 5% volume and 24% revenue growth on a consolidated basis. We are also particularly happy to deliver a record TL 958 million Free Cash Flow generation in the first nine months as a result of our commitment to improve profitability and tight balance sheet management. We expect to see some normalization in free cash flow generation towards the end of the year due to some postponed capex in both beer and soft drink, yet the FCF generation for the full year is still expected to be very strong. We are very happy to continue delivering strong results in a challenging year like 2017.” commented Mr. Gavin Hudson, Anadolu Efes CEO and Beer Group President.

In Turkey, Efes Pilsen relaunch on July 3rd is an indication of our commitment to bringing the freshest beer with highest quality and it is only possible through our valuable stakeholders; our farmers, suppliers, dealers, distributors and employees.

In Russia, the beer market remains under pressure in Q3 due to the continuing effects of PET regulations as well as the cold weather conditions in summer, resulting in a mid single digit volume decline. Efes Russia continues to outperform the market despite cycling a very strong base, on the back of our increased penetration in modern trade channel and solidified presence in Upper Mainstream and Premium segments.

Kazakhstan has started to phase out the impact of devaluation and the beer market continues growing and our business continues to perform well.

Our strong performance in our international operations has led to a total beer volume growth of 2% in third quarter and 4% in the first nine months of the year. Our revenue growth has outpaced that of volume on the back of price increases and positive translation effect of international currencies. Our Beer Group EBITDA (BNRI) grew by 9%, while the margin was below last year's in the first nine months, however third quarter EBITDA (BNRI) margin grew when compared to the same quarter of previous year. We are happy with our third quarter profitability performance, but we are also aware that there is further potential for improvement. Our focus will continue to be on capitalizing on our brands, delivering premiumization and improving efficiency across the board.

We are also happy to keep our year end guidance of mid-single digit volume growth in both beer segment and on a consolidated basis. Consolidated EBITDA (BNRI) margin will be flattish compared to a year ago, as guided before. For the fourth consecutive year, FCF generation will be strong despite cycling a very high base of last year with positive contributions from both soft drinks and beer segments.”

## OPERATIONAL PERFORMANCE - BEER GROUP

### TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	3Q2016	3Q2017	% change	9M2016	9M2017	% change
Volume (mhl)	1.7	1.7	-0.8%	4.6	4.4	-5.7%
Net Sales	421.6	480.2	13.9%	1,108.1	1,146.4	3.5%
Gross Profit	254.9	300.6	17.9%	655.8	667.8	1.8%
EBIT (BNRI)	97.3	97.1	-0.2%	195.7	142.1	-27.4%
EBITDA (BNRI)	136.6	139.5	2.1%	318.5	272.9	-14.3%
Net Income/(Loss)*	14.9	35.8	140.3%	86.8	32.4	-62.7%
			Change (bps)			Change (bps)
Gross Profit Margin	60.5%	62.6%	211	59.2%	58.3%	-92
EBIT (BNRI) Margin	23.1%	20.2%	-287	17.7%	12.4%	-526
EBITDA (BNRI) Margin	32.4%	29.1%	-336	28.7%	23.8%	-494
Net Income Margin*	3.5%	7.4%	392	7.8%	2.8%	-501

\* Net income attributable to shareholders

Turkey domestic volumes were flattish in the 3rd quarter vs a flat market. On the back of a successful execution post Efes Pilsen relaunch in July and better tourism activity, our domestic volumes recorded a slight growth of 0.6% in 3Q year on year. Export volumes out of Turkey were lower compared to the same period of last year. As a result, total volumes in Turkey were realized as 1.7 mhl in 3Q2017, down 0.8% year on year.

Positive performance of domestic volumes in 3Q, the highest quarter of the year, mitigated the volume decline in the first two quarters and accordingly 9M2017 volumes were realized as 4.4 mhl, down 5.7% vs the same period of the previous year.

Net sales revenue grew by 13.9% in 3Q2017 year on year mainly as a result of price increases and positive mix. Growth in net sales revenue per hl was 14.9% in 3Q2017. Net sales revenue growth in the first nine months was 3.5%.

Growth in domestic volumes combined with positive mix effect in 3Q resulted in an increase in Gross Profit margin by 211 bps to 62.6%. In addition, the negative y-o-y impact from FX based raw materials was milder in 3Q compared to the first half of the year and therefore the pressure on gross margin, further mitigated by the FX hedges in place, was more manageable. On an absolute basis Gross Profit grew by 17.9% and reached TL 300.6 million in 3Q. The nine month Gross Profit was TL 667.8 million.

Although there was a decrease in G&A expenses as a percentage of net sales revenue in 3Q2017 vs 3Q2016, total opex was higher due to higher commercial costs related with the relaunch of Efes brand in early July as well as one-off costs associated with the suspension of operations in Merter Brewery.

In 3Q2017, Efes Turkey recorded TL 35.8 million net income versus TL 14.9 million in the same quarter of the previous year. This was achieved despite a total of TL 38.9 million non-cash net FX loss, due to USD and Euro denominated borrowings.

## INTERNATIONAL BEER OPERATIONS

International Beer (TL mn)	3Q2016	3Q2017	% change	9M2016	9M2017	% change
Volume (mhl)	4.2	4.3	3.3%	11.0	11.9	8.1%
Net Sales	568.0	766.7	35.0%	1,459.4	2,153.5	47.6%
Gross Profit	257.4	336.8	30.8%	668.7	911.7	36.3%
EBIT (BNRI)	66.7	113.3	69.7%	120.2	159.8	33.0%
EBITDA (BNRI)	114.7	176.5	53.8%	263.8	358.7	36.0%
Net Income/(Loss)*	59.3	94.8	59.9%	164.2	153.2	-6.7%
			Change (bps)			Change (bps)
Gross Profit Margin	45.3%	43.9%	-138	45.8%	42.3%	-349
EBIT (BNRI) Margin	11.7%	14.8%	302	8.2%	7.4%	-81
EBITDA (BNRI) Margin	20.2%	23.0%	282	18.1%	16.7%	-142
Net Income Margin*	10.4%	12.4%	193	11.3%	7.1%	-413

\* Net income attributable to shareholders

EBI's consolidated sales volume grew by another 3.3% in 3Q2017 despite cycling a very strong base of 11.0% growth in the same quarter of previous year. The growth was achieved by strong performances in Kazakhstan and Georgia as well as continued growth momentum in Russia. Accordingly, international beer operations' growth in 9M2017 was 8.1% year on year.

The Russian beer market is estimated to be down by mid-single digit in the first nine months of the year. In addition to the ongoing effects of PET regulation and downsizing, weak consumer sentiment and still negative disposable income growth in Russia as well as very poor weather conditions in summer were the main reasons for the declining market. Our operations in Russia continued to outperform the market in 3Q on the back of our continued focus on brands and execution, rapid adaptation to the changes in regulations, increased presence in modern trade channel and growth in the DIOT segment.

Local currency prices increases resulted in net sales per hl to grow in 3Q y-o-y. Together with volume growth in the period as well as positive translation effect, EBI's 3Q consolidated net sales revenues increased by 35.0% and reached TL 766.7 million. Net sales revenue growth in the first nine months was 47.6% y-o-y.

Gross profit was reported as TL 336.8 million in 3Q2017 by growing 30.8% vs. 3Q2016. The continuing impact of high procurement prices as well as product and channel mix have led the gross profit margin to decline, yet on the back of price increases, the decrease was milder compared to the previous quarters.

Due to continued efficiency and higher volumes, EBI's consolidated EBIT (BNRI) and EBITDA (BNRI) both recorded around 300 bps margin expansion in 3Q2017. In 9M2017, EBI's consolidated EBITDA (BNRI) was TL 358.7 million, 36.0% higher vs the same period of previous year.

EBI's net profit was recorded TL 94.8 million in 3Q2017 and TL 153.2 million in 9M2017. Strong local currencies against their borrowing currencies led to net FX gain of TL18.1 million in 9M2017 which was TL 78.9 million a year ago.

## OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

### MANAGEMENT COMMENTS

**Burak Basarir, Chief Executive Officer of Coca-Cola İçecek, commented:** “We are pleased with the robust performance across all of our key markets in the third quarter. Solid topline growth which translated into margin expansion, once again validated our successful business model.

Turkey operations delivered healthy volume growth with a continued increase in revenue per unit case. Portfolio shifts to more profitable mix and optimization of market promotions drove stronger margins in the third quarter.

Pakistan operations were able to build on last year’s strong growth, supported by positive economic momentum and successful campaigns. Although price increases decelerated industry growth to some extent, we managed to slightly outpace the industry on a year to date basis by leveraging our strong brands. In Iraq, volume growth accelerated to double digits in the third quarter, supported by strong Sparkling performance in the South.

Central Asia maintained its positive momentum, while Kazakhstan posted strong double-digit volume growth, against a backdrop of recovering macroeconomic indicators. Despite continuing challenges in Turkmenistan, Central Asia’s overall performance was strong, with volume growth in all key categories.

We are also delighted with the successful refinancing of our Eurobond which resulted in both a longer duration and lower financing cost. The issuance confirmed the confidence of investors in CCI and strengthened our position further for future growth opportunities. For the rest of the year, we remain focused on proactive and disciplined financial management, capitalizing on productivity savings and generation of strong free cash flow. Following our strong third quarter, we are on track to deliver our guidance for the full year.”

Coca-Cola İçecek (TL mn)	3Q2016	3Q2017	% change	9M2016	9M2017	% change
Volume (mn u/c)	383.2	404.8	5.6%	965.1	1,010.3	4.7%
Net Sales	2,244.8	2,749.6	22.5%	5,675.1	6,864.7	21.0%
Gross Profit	758.8	954.1	25.7%	1,979.2	2,355.1	19.0%
EBIT	313.8	391.7	24.8%	663.7	830.9	25.2%
EBITDA	419.1	518.3	23.7%	996.5	1,208.8	21.3%
Net Income/(Loss)*	154.2	240.8	56.2%	331.7	386.2	16.4%
			Change (bps)			Change (bps)
Gross Profit Margin	33.8%	34.7%	89	34.9%	34.3%	-57
EBIT Margin	14.0%	14.2%	26	11.7%	12.1%	41
EBITDA Margin	18.7%	18.8%	18	17.6%	17.6%	5
Net Income Margin*	6.9%	8.8%	189	5.8%	5.6%	-22

\* Net income attributable to shareholders

Consolidated volumes increased by 5.6% in 3Q17. Turkey made up 49% of total sales volume in 3Q17, compared to 50% in 3Q16.

The Sparkling category delivered 4.1% growth, driven by both Turkey and International operations. The Stills category (excluding Water) was up by 18.9%, mainly supported by the solid growth of Juice and Ice Tea volumes in Turkey and Kazakhstan. Water posted 3.4% growth, helped by double digit growth in international operations.

Turkey delivered 5.0% volume growth, with the Sparkling category recording its highest 3Q growth in the last 5 years.

Sparkling volume in Turkey registered 3.0% growth, taking category growth to 0.8% for 9M17. Growth in 3Q17 was mainly driven by 17% growth in immediate consumption (IC) packages, in line with our strategy to drive revenue through smaller packages. Successful marketing activities such as a snacking promotion in 330 ml cans and under-the-cap promotion in returnable bottles also supported strong IC volume growth in the peak season. The share of IC packages in the Sparkling category reached 23%, 2.8 pp growth over 3Q16. The total number of Sparkling transactions grew by 12% in 3Q17. Stills (excluding Water) posted 13.8% volume growth, mainly driven by 25.1% growth in Ice Tea. Effective and timely execution of marketing activities supported both volume growth and value share gains in

Ice Tea. Juice posted 8.9% volume growth. We were also able to skew our Juice category portfolio toward higher margin products. The total number of transactions in the Stills category increased by 18% in 3Q17. Water volume showed a slight decline of 0.7% as we focused on selected packages to drive profitability. The non-ready-to-drink (NRTD) Tea category posted 19.4% volume growth in 3Q17, cycling a lower base.

International operations delivered 6.3% volume growth in 3Q17, mainly driven by Pakistan and Central Asia. Pakistan grew by 3.6% in 3Q17, cycling 15.4% volume growth in 3Q16. Brand Coca-Cola registered 5.6% growth, outperforming the overall Sparkling category. While price increases had some temporary slowdown impact on the overall industry, positive macroeconomic growth, successful consumer campaigns and increasing outlet coverage drove 4.8% volume growth in 9M17. We will continue to focus on driving profitable volume growth through cold drink availability and improved execution in the market. Iraq posted 10.0% growth in 3Q17, driven by solid growth in Sparkling. Improved market execution and increasing penetration continued to support results despite the challenging operating environment.

Central Asia maintained its positive momentum, with volume growth accelerating to 8.4% in 3Q17. Kazakhstan and Azerbaijan, our largest markets, both registered mid-twenties volume growth, supported by improving consumer sentiment, strong consumer programs and strengthened market execution. Kazakhstan delivered 25.1% growth, with all categories contributing to these strong results. Continuing economic recovery, improving market execution and the rollout of the One Brand Strategy were the main drivers of volume growth. Among categories, Ice Tea outperformed with 56.9% volume growth, driven by the launch of new flavors. In Azerbaijan, volume grew by 26.0%, cycling the low base of 3Q16. Successful commercial plans and strengthened execution activities, along with macroeconomic stabilization helped 3Q17 performance. Turkmenistan continued to suffer from a challenging macroeconomic environment and registered 64.5% contraction in 3Q17. We remain focused on implementing counter-measures to secure raw material supply and to address affordability.

Consolidated net sales revenue (NSR) increased by 22.5% in 3Q17, reflecting positive pricing and volume impact as well as the positive FX conversion impact of International operations. On an FX-neutral basis, consolidated NSR was up by 12.6% in 3Q17. In Turkey, NSR was up by 16.3%, mainly driven by pricing, successful promotion management and improving packaging mix. Our revenue growth management initiatives continued to deliver solid results, with NSR per unit case maintaining its upward trend, recording 10.8% growth in 3Q17. In our International operations, NSR increased by 29.0%, or 8.8% growth on an FX-neutral basis. Solid volume and NSR per unit case growth in Central Asia and Pakistan were the main drivers of topline in 3Q17, while NSR per unit case was up by 2.3%, on an FX-neutral basis.

Gross margin expanded by 90 bps to 34.7%, mainly driven by Turkey operations, while International operations' margin slightly declined. Cost per unit case increased by 14.4% in 3Q17 (4.6% on an FX-neutral basis), mainly reflecting the higher cost of packaging materials in Turkey. Turkey's gross margin improved by 210 bps to 38.0%. Stronger NSR per case not only compensated for higher packaging costs but also contributed to margin expansion. International gross margin was negatively impacted by Turkmenistan and Iraq despite the improved margin in Pakistan. EBIT margin improved by 20 bps, primarily driven by Turkey, while margins in International operations remained almost flat. As mentioned in our 2Q17 earnings release, some portion of the marketing expenses in Turkey were shifted from 2Q to 3Q, resulting in higher operating expenses in 3Q17. Nevertheless, Turkey's EBIT margin improved on the back of solid gross margin. EBITDA margin showed a slight improvement of 10 bps to 18.8% in 3Q17, reflecting the benefits of solid gross margin expansion in Turkey and lower OpEx/Sales in International operations. Higher operating profitability coupled with lower net financial expenses in 3Q17 resulted in net income growth of 56.2%.

Free cash flow increased to TL 671.5 million in 9M17, up by 26.5% compared to 9M16, mostly attributable to higher cash from operating activities.

Consolidated debt increased by 47% to USD 1,578.0 million as of 9M17 end, compared to year-end 2016. The increase reflects the recent Eurobond issuance of USD 500 million to refinance the existing Eurobond with upcoming maturity in 2018. Consolidated cash was USD 1,034.4 million, USD 614.6 million higher than year-end 2016, also reflecting the recent Eurobond proceeds held in cash, bringing net debt to USD 543.6 million as of 9M17. Consequently, Net Debt/EBITDA ratio improved to 1.48x.

## CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	9M2016	9M2017
Profit/loss from Operations	931.7	1,082.0
Depreciation and amortization	581.4	692.5
Provision for retirement pay liability	14.4	16.8
Provision for vacation pay liability	9.8	6.7
Foreign exchange gain/loss from operating activities	4.0	0.9
Rediscount interest income/expense from operating activities	0.1	0.2
Other	3.5	2.7
<b>EBITDA</b>	<b>1,544.8</b>	<b>1,801.9</b>
<b>EBITDA (BNRI*)</b>	<b>1,547.7</b>	<b>1,810.5</b>

\* Non-recurring items amounted to TRL 2.9 million in 9M2016 and TRL 8.6 million in 9M2017

Financial Income / (Expense) Breakdown (TL mn)	9M2016	9M2017
Interest income	53.5	79.4
Interest expense	-153.4	-179.5
Foreign exchange gain / (loss)	-66.5	-192.3
Other financial expenses (net)	-18.3	-17.2
Gain/ (loss) on derivative transactions	-5.7	0.0
<b>Net Financial Income / (Expense)</b>	<b>-190.5</b>	<b>-309.7</b>

Anadolu Efes Free Cash Flow (TL mn)	9M2016	9M2017
EBITDA	1,544.8	1,801.9
Change in Working Capital	-183.6	-156.7
Income Taxes & Employee Benefits Paid	-85.8	-80.3
CAPEX, net	-489.4	-584.8
Net Financial Income / (Expense)	-48.7	-22.0
<b>FCF</b>	<b>737.3</b>	<b>958.1</b>
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-14.1	-17.8
<b>FCF (after investing activities)</b>	<b>723.2</b>	<b>940.3</b>

	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated (TL mn)	8,146.5	5,086.7	-3,059.8
Beer Group (TL mn)	2,541.5	1,412.5	-1,128.9
Turkey Beer (TL mn)	2,289.0	313.3	-1,975.7
EBI (USD mn)	68.5	308.0	239.6
CCI (TL mn)	5,605.1	3,674.2	-1,930.9
<b>Net Debt/ EBITDA (BNRI)</b>	<b>9M2016</b>	<b>9M2017</b>	
Anadolu Efes Consolidated	1.8	1.5	
Beer Group	1.8	1.5	



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## OUTLOOK

### Sales Volume:

Mid-single digits growth **on a consolidated basis**

**Total Beer:** Mid-single digit growth

**Turkish beer market:** Flattish

**Turkey own beer:** Down low-single digit

**Russian beer market:** Down low-single digit

**Russian own beer:** Outperformance of beer market

**Consolidated Soft Drinks:** Mid-single digit growth

**Turkey soft drinks:** Low-single digit growth

**International soft drinks:** High-single digit growth

### Revenue:

Outperform sales volume **in all business lines**

### EBITDA Margin:

Flattish **on a consolidated basis**

Slightly lower margin for **beer group**

Flat to slight improvement in EBITDA margin for **soft drinks**

### Capex:

As a percentage of sales high single digits **on a consolidated basis**

### FCF:

Positive FCF in **both beer and soft drinks**

### FORESEEABLE RISKS FOR 2017

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**Financial Markets Related:** 2017 will continue to be a challenging year for Emerging Markets. Apart from specific country/region economic or political issues, increasing interest rates and recovery of growth in developed markets put pressure on emerging countries' economic activities and their local currencies. In addition, specific events/political tension may also bring additional volatility. Company has been taking actions to mitigate financial markets related risk as much as possible and manage volatility to some extent. With an accumulated experience of operating in highly volatile markets for long years, we have a successful track record of managing and mitigating risks.

**Procurement Related:** A significant portion of the our cost of sales relates to raw and packaging materials and many of these raw materials are commodities, or are priced based on commodities prices. The supply and price of raw materials used by us can fluctuate as a result of a number of factors. This risk is mitigated by our long term supply contracts and using of available hedging mechanisms to a meaningful extent.

**Political Environment Related:** Some of Anadolu Efes' operating markets have been under political tension for some time both in beer and soft drink sides. Any further escalation of this tension may negatively impact our performance.

**Consumption Related:** With all sales generated from emerging and frontier markets, political or economic instability could deteriorate consumer sentiment.

**PLEASE CLICK HERE TO ACCESS ALL TABLES IN EXCEL FORMAT**

ANADOLU EFES		
Consolidated Income Statements For the Nine-Month Period Ended 30.09.2016 and 30.09.2017		
Prepared in accordance with IFRS as per CMB Regulations		
(TL mn)		
	2016/09	2017/09
<b>SALES VOLUME (mhl)</b>	70.4	73.7
<b>SALES REVENUE</b>	8,265.0	10,188.6
Cost of Sales (-)	-4,954.0	-6,237.4
<b>GROSS PROFIT FROM OPERATIONS</b>	3,311.0	3,951.2
Selling, Distribution and Marketing Expenses (-)	-1,783.4	-2,195.4
General and Administrative Expenses (-)	-612.4	-700.4
Other Operating Income /Expense (net)	16.4	26.7
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	934.5	1,090.6
Income /Expense From Investing Activities (net)	1.6	17.8
Income / (Loss) from Associates	-14.6	-17.0
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	918.6	1,082.8
Financial Income / Expense (net)	-190.5	-309.7
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	728.2	773.2
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-127.7	-163.0
- Deferred Tax Expense (-) / Income	-18.2	-13.7
<b>INCOME/(LOSS) FOR THE PERIOD</b>	582.2	596.5
Attributable to:		
Non-Controlling Interest	218.0	252.7
<b>EQUITY HOLDERS OF THE PARENT</b>	364.2	343.9
<b>EBITDA (BNRI)*</b>	1,547.7	1,810.5

\*Non-recurring items amounted to TL 2.9 million in 9M2016 and TL 8.6 million in 9M2017

Note 1: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up

ANADOLU EFES  
Consolidated Balance Sheets as of 31.12.2016 and 30.09.2017  
Prepared In Accordance with IFRS as per CMB Regulations  
(TL mn)

	2016/12	2017/09
Cash & Cash Equivalents	2,745.3	5,056.6
Financial Investments	11.0	30.1
Derivative Instruments	1.5	1.7
Trade Receivables from Third Parties	1,188.1	1,860.7
from Related Parties	131.5	186.2
Other Receivables	99.1	102.8
Inventories	1,031.0	1,119.7
Other Current Assets	801.2	796.3
<b>Total Current Assets</b>	<b>6,008.7</b>	<b>9,154.1</b>
Other Receivables	14.5	19.2
Financial Investments	0.8	0.8
Investments in Associates	58.4	59.5
Property, Plant and Equipment (incl. inv properties)	7,396.6	7,408.1
Other Intangible Assets	9,964.1	10,081.2
Goodwill	1,675.2	1,734.0
Deferred Tax Assets	274.3	288.9
Other Non-Current Assets	236.0	283.2
<b>Total Non-Current Assets</b>	<b>19,619.9</b>	<b>19,874.7</b>
<b>Total Assets</b>	<b>25,628.6</b>	<b>29,028.7</b>
	<b>2016/12</b>	<b>2017/09</b>
Current portion of long term borrowings	383.1	1,095.6
Short-term Borrowings	117.8	122.2
Derivative Instruments	0.1	0.0
Current Trade Payables to Third Parties	1,258.3	1,709.8
to Related Parties	25.9	28.7
Other Current Payables	661.6	940.2
Provision for Corporate Tax	1.4	39.7
Provisions	129.6	141.1
Other Liabilities	108.6	116.2
<b>Total Current Liabilities</b>	<b>2,686.5</b>	<b>4,193.5</b>
Long-term Borrowings	5,682.4	6,928.7
Non Current Trade Payables	26.4	39.2
Other Non Current Payables	301.5	339.6
Deferred Tax Liability	1,831.5	1,851.0
Other Non Current Liabilities	283.2	295.2
<b>Total Non-Current Liabilities</b>	<b>8,125.1</b>	<b>9,453.7</b>
<b>Total Equity</b>	<b>14,817.0</b>	<b>15,381.5</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>25,628.6</b>	<b>29,028.7</b>

Note 1: "Financial Investments" in Current Assets includes the time deposits with a original maturity more than three months.

**BEER GROUP**  
**Highlighted Income Statements For the Nine-Month Period Ended 30.09.2016 and 30.09.2017**  
**Prepared in accordance with IFRS as per CMB Regulations**  
**(TL mn)**

	<b>2016/09</b>	<b>2017/09</b>
<b>SALES VOLUME (mhl)</b>	15.7	16.3
<b>SALES REVENUE</b>	2,590.0	3,324.0
<b>GROSS PROFIT FROM OPERATIONS</b>	1,339.2	1,598.0
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	282.2	270.5
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	295.9	299.5
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	281.9	227.5
<b>INCOME/(LOSS) FOR THE PERIOD</b>	217.7	179.9
<b>EQUITY HOLDERS OF THE PARENT</b>	217.3	179.5
<b>EBITDA (BNRI)*</b>	551.1	601.7

\*Non-recurring items amounted to TL 2.9 million in 9M2016 and TL 8.6 million in 9M2017  
Note 1: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations.

**BEER GROUP**  
**Consolidated Balance Sheets as of 31.12.2016 and 30.09.2017**  
**Prepared In Accordance with IFRS as per CMB Regulations**  
**(TL mn)**

	<b>2016/12</b>	<b>2017/09</b>
Cash & Cash Equivalents	1,279.2	1,412.5
Derivative Instruments	0.3	0.0
Trade Receivables	715.7	1,003.2
Other Receivables	57.7	51.0
Inventories	509.7	512.5
Other Current Assets	313.6	350.4
<b>Total Current Assets</b>	<b>2,876.3</b>	<b>3,329.8</b>
Investments in Associates	655.9	657.0
Property, Plant and Equipment (incl. inv properties)	2,063.6	2,075.7
Other Intangible Assets	1,781.4	1,863.0
Goodwill	985.3	1,037.8
Other Non-Current Assets	354.6	380.6
<b>Total Non-Current Assets</b>	<b>5,840.8</b>	<b>6,014.2</b>
<b>Total Assets</b>	<b>8,717.1</b>	<b>9,343.9</b>
Current portion of long term borrowings	126.8	327.0
Short-term Borrowings	8.6	79.5
Current Trade Payables	511.1	577.2
Other Current Payables	449.8	626.2
Provisions	47.3	51.9
Other Liabilities	45.4	61.8
<b>Total Current Liabilities</b>	<b>1,189.0</b>	<b>1,723.7</b>
Long-term Borrowings	2,277.7	2,134.9
Other Non Current Payables	301.5	339.6
Deferred Tax Liability	279.5	292.6
Other Non Current Liabilities	106.9	102.5
<b>Total Non-Current Liabilities</b>	<b>2,965.7</b>	<b>2,869.7</b>
<b>Total Equity</b>	<b>4,562.4</b>	<b>4,750.5</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>8,717.1</b>	<b>9,343.9</b>

**TURKEY BEER OPERATIONS**

Highlighted Income Statement Items For Nine-Month Period Ended 30.09.2016 and 30.09.2017  
Prepared In Accordance with IFRS as per CMB Regulations  
(TL mn)

	2016/09	2017/09
<b>SALES VOLUME (mhl)</b>	4.6	4.4
<b>NET SALES</b>	1,108.1	1,146.4
<b>GROSS PROFIT FROM OPERATIONS</b>	655.8	667.8
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	195.7	142.1
Income / Expense from Investing Activities (net)	1.8	6.9
Financial Income / Expense (net)	-102.3	-106.2
<b>CONTINUING OPERATIONS PROFIT BEFORE TAX</b>	95.2	36.2
Tax income /(expense )	-8.4	-3.9
<b>PROFIT FOR THE YEAR</b>	86.8	32.4
<b>EBITDA (BNRI)*</b>	318.5	272.9

\* Non-recurring items amounted to TL 6.6 million in 9M2017

Note: EBITDA comprises of Profit from Operations (excluding other operating income/expense arising from Anadolu Efes' holding nature), depreciation and other relevant non-cash items up to Profit From Operations.

**INTERNATIONAL BEER OPERATIONS (EBI)**

Highlighted Income Statement Items For Nine-Month Period Ended 30.09.2016 and 30.09.2017  
Prepared In Accordance with IFRS as per CMB Regulations  
(TL mn)

	2016/09	2017/09
<b>SALES VOLUME (mhl)</b>	11.0	11.9
<b>NET SALES</b>	1,459.4	2,153.5
<b>GROSS PROFIT</b>	668.7	911.7
<b>PROFIT FROM OPERATIONS (BNRI)*</b>	120.2	159.8
Income / Expense from Investing Activities (net)	13.8	4.4
Financial Income / Expense (net)	88.5	34.1
<b>(LOSS)/PROFIT BEFORE TAX</b>	219.7	196.6
Tax income /(expense )	-55.1	-43.0
<b>(LOSS)/PROFIT AFTER TAX</b>	164.6	153.6
Attributable to		
Minority Interest	0.4	0.4
Equity Holders of the Parent Company	164.2	153.2
<b>EBITDA (BNRI)*</b>	263.8	358.7

\*Non-recurring items amounted to TL 2.9 million in 9M2016 and TL 1.7 million in 9M2017.

Note 1: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations.

Note 2: Figures for EBI are obtained from consolidated financial statements prepared in accordance with IFRS after CMB reclasses.

**SOFT DRINK OPERATIONS (CCI)**  
**Highlighted Income Statement Items For Nine-Month Period Ended 30.09.2016 and 30.09.2017**  
**Prepared In Accordance with IFRS as per CMB Regulations**  
**(TL mn)**

	2016/09	2017/09
<b>SALES VOLUME (mn u/c)</b>	965.1	1,010.3
<b>NET SALES</b>	5,675.1	6,864.7
<b>COST OF SALES</b>	-3,695.9	-4,509.5
<b>GROSS PROFIT</b>	1,979.2	2,355.1
Operating Expenses	-1,313.2	-1,532.3
Other Operating Income / (Expense) (net)	-2.3	8.1
<b>EBIT</b>	663.7	830.9
Gain / (Loss) from Associates	-0.5	-0.2
Income / (Expense) from Investing Activities, net	-13.7	-11.0
Financial Income / (Expense), net	-176.4	-237.6
<b>INCOME BEFORE MINORITY INTEREST &amp; TAX</b>	473.1	582.2
Tax income /(expense)	-84.1	-131.3
<b>INCOME BEFORE MINORITY INTEREST</b>	389.0	450.8
Attributable to,		
Minority Interest	57.2	64.7
<b>Net Income attributable to Shareholders</b>	331.7	386.2
<b>EBITDA</b>	996.5	1,208.8

Note 1: EBITDA comprises of profit from operations, depreciation and other relevant non-cash items up to EBIT.

Note 2: Figures for CCI are obtained from consolidated financial results prepared in accordance with IFRS as per CMB regulations.

**SOFT DRINK OPERATIONS (CCI)**  
**Highlighted Balance Sheet Items as of 31.12.2016 and 30.09.2017**  
**Prepared In Accordance with IFRS as per CMB Regulations**  
**(TL mn)**

	2016/12	2017/09
Cash and Cash Equivalents	1,466.1	3,644.1
Financial Investments	11.0	30.1
Derivative Instruments	1.1	1.7
Trade Receivables and due from related parties	604.3	1,044.0
Inventory (net)	521.3	607.2
Other Receivables	41.4	51.8
Other Current Assets	487.6	445.9
<b>Total Current Assets</b>	3,132.8	5,824.8
Property, Plant and Equipment	5,084.8	5,095.0
Intangible Assets (including goodwill)	2,077.7	2,099.3
Other Non- Current Assets	160.6	200.9
<b>Total Non-current Assets</b>	7,323.1	7,395.3
<b>Total Assets</b>	10,456.0	13,220.0
Short-term Borrowings	109.2	42.7
Current Portion of Long-term Borrowings	256.3	768.6
Trade Payables and due to related parties	773.5	1,161.6
Other Payables	211.7	313.8
Provision for Corporate Tax	0.0	25.0
Short Term Provisions	82.3	89.2
Employee Benefits Payable	31.5	31.9
Other Current Liabilities	33.1	37.1
<b>Total Current Liabilities</b>	1,497.6	2,470.0
Long-term Borrowings	3,404.7	4,793.8
Non -Current Trade Payables and due to related parties	26.4	39.2
Non Current Provisions	65.2	80.5
Deffered Tax Liabilities	353.9	362.6
Other Non- Current Liabilities	111.2	112.2
<b>Total Non-Current Liabilities</b>	3,961.4	5,388.3
<b>Total Equity</b>	4,997.0	5,361.8
<b>Total Liabilities and Shareholders' Equity</b>	10,456.0	13,220.0

Note 1: Figures for CCI are obtained from consolidated financial results prepared in accordance with IFRS as per CMB regulations.

## ABOUT ANADOLU EFES

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Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 14,424, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI, that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This document may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

## ACCOUNTING PRINCIPLES

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The consolidated financial statements of Anadolu Efes are prepared in accordance with International Financial Reporting Standards ("IFRS") as per regulations of the Capital Markets Board of Turkey ("CMB").

The attached financial statements in this announcement comprise the income statements for the period ended 30.09.2016 and 30.09.2017 as well as the balance sheets as of 31.12.2016 and 30.09.2017. Figures in 9M2017 and 9M2016 are presented in the reporting currencies of each business division.

Anadolu Efes and its subsidiaries in which Anadolu Efes holds the majority stake; including Efes Pazarlama (marketing, sales & distribution of beer products in Turkey) and EBI (international beer operations), are fully consolidated in the financials. According to the Shareholder's Agreement regarding the governance of CCI, in which Anadolu Efes holds 50.3% stake, Anadolu Efes also fully consolidates CCI.

## BEER OPERATIONS' 9M2017 RESULTS PRESENTATION & WEBCAST

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Anadolu Efes - Beer Operations' 9M2017 Results Presentation will be held on Friday 3<sup>rd</sup> of November 2017 at 16:30 (Istanbul) 13:30 (London) 9:30 (New York).

### **Audio Conference:**

UK Dial-in: +44 207 194 37 59/ 0 800 376 61 83

USA Dial-in: 8442860643

TR Dial-in: +90 212 375 51 27

Russia Dial-in: +7 495 646 93 15

Confirmation Code: 86443584#

(Participants will have to quote the above code when dialing into the conference)

### **Webcast:**

<http://edge.media-server.com/m/p/ux7dzw7v>

Replay: On demand webcast will be available on the above link for 12 months

A copy of the presentation will be available prior to the conference call from our website at [www.anadoluefes.com](http://www.anadoluefes.com).

## ENQUIRIES

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For financial reports and further information regarding Anadolu Efes, please visit our website at <http://www.anadoluefes.com/> or you may contact;

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