

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

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2017**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2017**  
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**TABLE OF CONTENTS**

	<u>Page</u>
<b>Consolidated Interim Statement of Financial Position .....</b>	<b>1-2</b>
<b>Consolidated Interim Income Statement .....</b>	<b>3</b>
<b>Consolidated Interim Statement of Other Comprehensive Income.....</b>	<b>4</b>
<b>Consolidated Interim Statement of Changes in Equity .....</b>	<b>5</b>
<b>Consolidated Interim Statement of Cash Flows .....</b>	<b>6</b>
<b>Condensed Notes to the Consolidated Interim Financial Statements.....</b>	<b>7-34</b>
Note 1 Group’s Organization and Nature of Activities .....	7-9
Note 2 Basis of Presentation of Consolidated Interim Financial Statements .....	9-13
Note 3 Segment Reporting .....	14-15
Note 4 Cash and Cash Equivalents .....	16
Note 5 Short and Long Term Borrowings .....	17-18
Note 6 Derivative Instruments .....	18
Note 7 Other Receivables and Payables.....	19
Note 8 Investment in Associates .....	19
Note 9 Property, Plant and Equipment .....	20
Note 10 Other Intangible Assets .....	21
Note 11 Goodwill.....	22
Note 12 Equity .....	22
Note 13 Commitments and Contingencies .....	23-24
Note 14 Prepaid Expenses and Deferred Income .....	24
Note 15 Other Assets and Liabilities.....	24-25
Note 16 Other Operating Income / Expenses .....	25-26
Note 17 Income / Expense from Investing Activities.....	26
Note 18 Finance Income / Expense .....	27
Note 19 Tax Assets and Liabilities .....	27-28
Note 20 Earnings per Share.....	28
Note 21 Distribution of Earnings .....	28
Note 22 Related Party Balances and Transactions .....	29-30
Note 23 Nature and Level of Risks Arising from Financial Instruments .....	30-33
Note 24 Financial Instruments .....	33
Note 25 Explanatory Information on Statement of Cash Flows.....	33-34
Note 26 Events after Reporting Period.....	34

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

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

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

	Notes	Unaudited	Audited
		September 30, 2017	December 31, 2016
<b>ASSETS</b>			
Cash and Cash Equivalents	4	<b>5.056.646</b>	2.745.264
Financial Investments		<b>30.075</b>	11.036
Trade Receivables		<b>2.046.852</b>	1.319.634
- Trade Receivables Due from Related Parties	22	<b>186.165</b>	131.499
- Trade Receivables Due from Third Parties		<b>1.860.687</b>	1.188.135
Other Receivables	7	<b>102.826</b>	99.093
- Other Receivables from Third Parties		<b>102.826</b>	99.093
Derivative Financial Assets	6	<b>1.694</b>	1.472
Inventories		<b>1.119.699</b>	1.030.992
Prepaid Expenses	14	<b>506.483</b>	425.477
Current Tax Assets		<b>63.192</b>	124.324
Other Current Assets	15	<b>226.616</b>	251.383
- Other Current Assets from Related Parties		<b>12.500</b>	-
- Other Current Assets from Third Parties		<b>214.116</b>	251.383
<b>Current Assets</b>		<b>9.154.083</b>	6.008.675
Financial Investments		<b>767</b>	767
Trade Receivables		<b>1.262</b>	1.278
- Trade Receivables Due from Third Parties		<b>1.262</b>	1.278
Other Receivables		<b>19.150</b>	14.505
- Other Receivables from Third Parties		<b>19.150</b>	14.505
Investments in Subsidiaries, Joint Ventures and Associates	8	<b>59.457</b>	58.406
Investment Property		<b>96.627</b>	93.897
Property, Plant and Equipment	9	<b>7.311.459</b>	7.302.670
Intangible Assets		<b>11.815.154</b>	11.639.357
- Goodwill	11	<b>1.734.000</b>	1.675.218
- Other Intangible Assets	10	<b>10.081.154</b>	9.964.139
Prepaid Expenses	14	<b>232.001</b>	177.667
Deferred Tax Asset	19	<b>288.877</b>	274.330
Other Non-Current Assets		<b>49.896</b>	57.007
<b>Non-Current Assets</b>		<b>19.874.650</b>	19.619.884
<b>TOTAL ASSETS</b>		<b>29.028.733</b>	25.628.559

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

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

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

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

		Unaudited	Audited
	Notes	September 30, 2017	December 31, 2016
<b>LIABILITIES</b>			
Current Borrowings	5	122.189	117.754
Current Portion of Non-Current Borrowings	5	1.095.647	383.116
Trade Payables		1.738.507	1.284.222
- Trade Payables to Related Parties	22	28.678	25.888
- Trade Payables to Third Parties		1.709.829	1.258.334
Employee Benefit Obligations		53.308	54.076
Other Payables	7	940.187	661.646
- Other Payables to Third Parties		940.187	661.646
Derivative Financial Liabilities	6	-	65
Deferred Income		32.589	33.453
Current Tax Liabilities		39.695	1.441
Current Provisions		141.143	129.641
- Current Provisions for Employee Benefits		140.271	129.081
- Other Current Provisions		872	560
Other Current Liabilities	15	30.283	21.043
<b>Current Liabilities</b>		<b>4.193.548</b>	<b>2.686.457</b>
Long-Term Borrowings	5	6.928.696	5.682.403
Trade Payables		39.220	26.425
- Trade Payables to Third Parties		39.220	26.425
Other Payables	7	339.634	301.549
- Other Payables to Third Parties		339.634	301.549
Deferred Income		246	544
Non-Current Provision		133.452	116.267
- Non-Current Provision for Employee Benefits		133.452	116.267
Deferred Tax Liabilities	19	1.851.016	1.831.472
Other Non-Current Liabilities	15	161.469	166.420
<b>Non-Current Liabilities</b>		<b>9.453.733</b>	<b>8.125.080</b>
Equity Attributable to Equity Holders of the Parent		9.620.583	9.262.501
Issued Capital	12	592.105	592.105
Inflation Adjustment on Capital	12	63.583	63.583
Share Premium (Discount)	12	3.042.134	3.137.684
Put Option Revaluation Fund Related with Non-controlling Interests	12	19.529	19.923
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	12	(26.744)	(20.249)
- Revaluation and Remeasurement Gain/Loss		(26.744)	(20.249)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss	12	2.008.009	1.841.842
- Currency Translation Differences		1.985.804	1.783.517
- Gains (Losses) on Hedge		22.205	58.325
Restricted Reserves Appropriated from Profits	12	317.921	303.414
Other Reserves	12	(235.742)	(235.742)
Prior Years' Profits or Losses	12	3.495.918	3.630.736
Current Period Net Profit or Losses	12	343.870	(70.795)
<b>Non-Controlling Interests</b>		<b>5.760.869</b>	<b>5.554.521</b>
<b>Total Equity</b>		<b>15.381.452</b>	<b>14.817.022</b>
<b>TOTAL LIABILITIES</b>		<b>29.028.733</b>	<b>25.628.559</b>

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

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

**CONSOLIDATED INTERIM INCOME STATEMENT  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017**

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

	Notes	Unaudited			
		1 January - 30 September 2017	1 July – 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
Revenue	3	<b>10.188.584</b>	<b>4.006.380</b>	8.264.994	3.243.032
Cost of Sales		<b>(6.237.421)</b>	<b>(2.409.301)</b>	(4.954.043)	(1.968.689)
<b>GROSS PROFIT (LOSS)</b>		<b>3.951.163</b>	<b>1.597.079</b>	3.310.951	1.274.343
General Administrative Expenses		<b>(700.401)</b>	<b>(222.383)</b>	(612.375)	(206.621)
Sales, Distribution and Marketing Expenses		<b>(2.195.432)</b>	<b>(804.606)</b>	(1.783.354)	(625.539)
Other Income from Operating Activities	16	<b>211.401</b>	<b>62.548</b>	132.186	49.402
Other Expenses from Operating Activities	16	<b>(184.700)</b>	<b>(45.218)</b>	(115.752)	(28.075)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>1.082.031</b>	<b>587.420</b>	931.656	463.510
Investment Activity Income	17	<b>33.932</b>	<b>26.066</b>	22.718	7.488
Investment Activity Expenses	17	<b>(16.141)</b>	<b>(7.155)</b>	(21.102)	(10.399)
Income/ (Loss) from Associates	8	<b>(16.969)</b>	<b>(6.537)</b>	(14.647)	(7.824)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>		<b>1.082.853</b>	<b>599.794</b>	918.625	452.775
Finance Income	18	<b>689.297</b>	<b>190.708</b>	536.252	135.306
Finance Expenses	18	<b>(998.947)</b>	<b>(316.140)</b>	(726.714)	(306.950)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>773.203</b>	<b>474.362</b>	728.163	281.131
Tax (Expense) Income, Continuing Operations		<b>(176.677)</b>	<b>(68.371)</b>	(145.930)	(50.007)
- <i>Current Period Tax (Expense) Income</i>		<b>(162.950)</b>	<b>(71.351)</b>	(127.686)	(51.946)
- <i>Deferred Tax Income (Expense)</i>		<b>(13.727)</b>	<b>2.980</b>	(18.244)	1.939
<b>PROFIT/(LOSS)</b>		<b>596.526</b>	<b>405.991</b>	582.233	231.124
<b>Profit/(Loss) Attributable to</b>					
- Non-Controlling Interest		<i>252.656</i>	<i>152.283</i>	<i>217.990</i>	<i>99.045</i>
- Owners of Parent		<i>343.870</i>	<i>253.708</i>	<i>364.243</i>	<i>132.079</i>
<b>Earnings / (Loss) Per Share (Full TRL)</b>	20	<b>0,5808</b>	<b>0,4285</b>	0,6152	0,2231

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

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

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

	Unaudited			
	1 January - 30 September 2017	1 July – 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
<b>PROFIT/(LOSS)</b>	<b>596.526</b>	<b>405.991</b>	582.233	231.124
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>	<b>(6.495)</b>	<b>(3.327)</b>	(1.784)	(166)
Gains (Losses) on Remeasurements Defined Benefit Plans	<b>(8.118)</b>	<b>(4.158)</b>	(2.230)	(208)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	<b>1.623</b>	<b>831</b>	446	42
- <i>Deferred Tax Income (Expense)</i>	<i>1.623</i>	<i>831</i>	<i>446</i>	<i>42</i>
<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	<b>159.777</b>	<b>93.273</b>	570.159	384.151
Currency Translation Differences	<b>221.393</b>	<b>121.438</b>	573.921	375.754
Other Comprehensive Income (Loss) on Cash Flow Hedge	<b>(77.020)</b>	<b>(35.206)</b>	(4.703)	10.495
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	<b>15.404</b>	<b>7.041</b>	941	(2.098)
- <i>Deferred Tax Income (Expense)</i>	<i>15.404</i>	<i>7.041</i>	<i>941</i>	<i>(2.098)</i>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>153.282</b>	<b>89.946</b>	568.375	383.985
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>749.808</b>	<b>495.937</b>	1.150.608	615.109
<b>Total Comprehensive Income Attributable to</b>				
- Non-Controlling Interest	<i>246.266</i>	<i>163.580</i>	<i>308.528</i>	<i>210.623</i>
- Owners of Parent	<i>503.542</i>	<i>332.357</i>	<i>842.080</i>	<i>404.486</i>

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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, 2017

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

	Issued Capital	Inflation Adjustment on Capital	Share Premium/Discount	Put Option Revaluation Fund Related with Non-controlling Interests	Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss	Retained Earnings					Non-Controlling Interests	Total Equity		
					Revaluation and Remeasurement Gain/ (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Other Reserves	Prior Years' Profits or Losses	Current Period Net Profit or Loss			Equity Attributable to Equity Holders of the Parent	
Previous period (1 January – 30 September 2016)	<b>Beginning Balances</b>	592.105	63.583	3.137.684	5.795	(15.128)	48.156	32.387	282.836	(235.742)	3.994.139	(197.759)	7.708.056	4.865.449	12.573.505
	Transfers	-	-	-	-	-	-	-	14.507	-	(212.266)	197.759	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(1.784)	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)	-
<b>Ending Balances</b>	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	
Current Period (1 January – 30 September 2017)	<b>Beginning Balances</b>	592.105	63.583	3.137.684	19.923	(20.249)	1.783.517	58.325	303.414	(235.742)	3.630.736	(70.795)	9.262.501	5.554.521	14.817.022
	Transfers	-	-	(8.686)	-	-	-	-	14.507	-	(76.616)	70.795	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(6.495)	202.287	(36.120)	-	-	-	343.870	503.542	246.266	749.808
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	-	-	343.870	343.870	252.656	596.526
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	-	(6.495)	202.287	(36.120)	-	-	-	-	159.672	(6.390)	153.282
	Dividends	-	-	(86.864)	-	-	-	-	-	-	(58.202)	-	(145.066)	(40.312)	(185.378)
	Increase (Decrease) from Other Changes (*)	-	-	-	(394)	-	-	-	-	-	-	-	(394)	394	-
<b>Ending Balances</b>	592.105	63.583	3.042.134	19.529	(26.744)	1.985.804	22.205	317.921	(235.742)	3.495.918	343.870	9.620.583	5.760.869	15.381.452	

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

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

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

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

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

	Notes	Unaudited	
		1 January- September 30, 2017	1 January- September 30, 2016
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>1.593.939</b>	1.286.286
Profit/ (Loss) for the period		<b>596.526</b>	582.233
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>1.234.402</b>	973.501
Adjustments for Depreciation and Amortization Expense	3	<b>692.521</b>	581.416
Adjustments for Impairment Loss / (Reversal)	25	<b>23.095</b>	20.250
Adjustments for Provisions	25	<b>38.812</b>	38.397
Adjustments for Interest (Income) Expenses	25	<b>100.127</b>	99.943
Adjustments for Unrealised Foreign Exchange Losses (Gains)		<b>215.214</b>	83.487
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		-	5.737
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	<b>16.969</b>	14.647
Adjustments for Tax (Income) Expenses		<b>176.677</b>	145.930
Other Adjustments for Non-Cash Items	18	<b>496</b>	496
Adjustments for Losses (gains) on Disposal of Non-Current Assets	17	<b>(10.593)</b>	(18.267)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	17	<b>(19.145)</b>	-
Other Adjustments to Reconcile Profit (loss)		<b>229</b>	1.465
<b>Changes in Working Capital</b>		<b>(156.665)</b>	(183.611)
Adjustments for Decrease (Increase) in Accounts Receivables		<b>(734.916)</b>	(740.419)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		<b>(106.066)</b>	(3.744)
Adjustments for Decrease (Increase) in Inventories		<b>(91.557)</b>	92.523
Adjustments for increase (decrease) in Trade Accounts Payable		<b>454.699</b>	230.712
Adjustments for increase (decrease) in Other Operating Payables		<b>321.175</b>	237.317
<b>Cash Flows from (used in) Operations</b>		<b>1.674.263</b>	1.372.123
Payments Related with Provisions for Employee Benefits		<b>(29.935)</b>	(25.095)
Income Taxes (Paid) Return		<b>(50.389)</b>	(60.742)
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(602.608)</b>	(503.485)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	8	<b>(17.845)</b>	(14.075)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		<b>43.325</b>	33.793
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	25	<b>(628.088)</b>	(523.203)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>1.315.963</b>	(452.653)
Proceeds from Borrowings		<b>3.231.390</b>	1.169.633
Repayments of Borrowings		<b>(1.582.712)</b>	(1.359.991)
Income (Loss) from Cash Flow Hedge		<b>(77.235)</b>	(15.577)
Dividends Paid	21	<b>(185.378)</b>	(160.023)
Interest Paid		<b>(128.116)</b>	(113.310)
Interest Received		<b>77.053</b>	53.742
Other inflows (outflows) of cash		<b>(19.039)</b>	(27.127)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES</b>		<b>2.307.294</b>	330.148
<b>Effect Of Currency Translation Differences On Cash and Cash Equivalents</b>		<b>1.884</b>	15.216
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2.309.178</b>	345.364
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>2.740.003</b>	1.888.034
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4	<b>5.049.181</b>	2.233.398

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



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

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

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

**General**

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

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

The Company, its subsidiaries and joint ventures will be referred to as the “Group”. The average number of permanent personnel employed in the Group is 14.424 (December 31, 2016 – 15.724).

The condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Onur Çevikel and Finance Director, Burhan Tanık were issued on November 2, 2017. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

**Nature of Activities of the Group**

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

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

**List of Shareholders**

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

	September 30, 2017		December 31, 2016	
	Amount	(%)	Amount	(%)
Yazıcılar Holding A.Ş.	139.787	23,61	139.787	23,61
Özilhan Sınai Yatırım A.Ş.	79.813	13,48	79.813	13,48
Anadolu Endüstri Holding A.Ş. (AEH)	35.292	5,96	35.292	5,96
AB Inbev Harmony Ltd. <sup>(1)</sup>	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	<b>592.105</b>	<b>100,00</b>	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of September 30, 2017 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with AB Inbev Harmony Ltd. represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

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

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

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

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

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

List of Subsidiaries

The subsidiaries included in the consolidation and their effective shareholding rates at September 30, 2017 and December 31, 2016 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 2017	December 31, 2016
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	100,00
JSC Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing beer	International Beer	100,00	100,00
LLC Vostok Solod <sup>(1)</sup>	Russia	Production of malt	International Beer	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production of beer and low alcoholic drinks	International Beer	96,86	96,86
Euro-Asien Brauerein Holding GmbH (Euro-Asien)	Germany	Investment company of EBI	International Beer	100,00	100,00
JSC Lomisi (Efes Georgia)	Georgia	Production, marketing and sales of beer and carbonated soft drinks	International Beer	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Market development	International Beer	100,00	100,00
LLC Efes Solod <sup>(1)</sup>	Russia	Production of malt	International Beer	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	International Beer	100,00	100,00
LLC Efes Ukraine	Ukraine	Selling and distribution of beer	International Beer	100,00	100,00
AB InBev Efes B.V. <sup>(5)</sup>	The Netherlands	Facilitating foreign investments in breweries	International Beer	100,00	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) <sup>(2)</sup>	Turkey	Marketing and distribution company of the Group	Turkey Beer	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC) <sup>(4)</sup>	The Netherlands Antilles	Providing technical assistance	Other	-	100,00
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) <sup>(3)</sup>	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğan and Mahmudiye products	Soft Drinks	50,25	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Krygyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
CC for Beverage Industry Limited (CCBL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Waha Beverages B.V.	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26

  

Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 2017	December 31, 2016
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap)	Turkey	Sales of fruit juice concentrates and purees and fresh fruit sales	Other	33,33	33,33
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syrian	Distribution and sales of Coca-Cola products	Soft Drinks r	25,13	25,13

(1) Subsidiaries of Efes Moscow.

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

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

(4) AETMC has been liquidated in August 2017. Gain from liquidation of subsidiary has been presented under "Investment Activity Income" in consolidated interim income statement (Note 17).

(5) AB InBev has been established in Netherlands in August 2017.

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

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

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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 Hryvnia, ongoing political instability in Ukraine, and military operations in the region. Consequently, the Group management did not anticipate any impairment related with the carrying value of International Beer in consolidated interim financial statements.

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

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

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

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

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

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

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

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table and total export and total import amounts are presented in the condensed consolidated financial statement disclosures (Note 13, 23).

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

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

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

**2.2 Functional and Reporting Currency**

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira.

**Changes in Functional and Reporting Currency**

In accordance with “IAS 21 The Effects of Changes in Foreign Exchange Rates”, the Group changed the functional currency of the foreign subsidiaries and joint venture of soft drink operations from US Dollars ("USD") to the foreign subsidiaries' and joint ventures' local currencies effective from January 1, 2017; by considering the multinational structure of foreign operations and realization of most of their operations and by assessing the currency of the primary economic environment of foreign operations, currency that influences sales prices for goods and services, currency in which receipts from operating activities are usually retained, currency that mainly influences costs and other expenses for providing goods and services,

Group has been applied the change in functional currency prospectively with effect from 1 January 2017, in accordance with the requirements of IFRS and the relevant Accounting Standards. This change is not materially impacting the financial position or performance of the Group retrospectively. All assets and liabilities are converted into the new functional currency using the exchange rate at the date of the change. Non-monetary assets and liabilities are accounted with their book values.

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		September 30, 2017	December 31, 2016
EBI	EURO	<b>United States Dollar (USD)</b>	USD
Efes Moscow	Russian Ruble (RUR)	<b>RUR</b>	RUR
Efes Kazakhstan	Kazakh Tenge (KZT)	<b>KZT</b>	KZT
Efes Moldova	Moldovan Leu (MDL)	<b>MDL</b>	MDL
Efes Georgia	Georgian Lari (GEL)	<b>GEL</b>	GEL
Efes Ukraine	Ukraine Hryvnya (UAH)	<b>UAH</b>	UAH
EHTMC	EURO	<b>EURO</b>	EURO
Efes Germany	EURO	<b>EURO</b>	EURO
Almaty CC	Kazakh Tenge (KZT)	<b>KZT</b>	USD
Tonus	Kazakh Tenge (KZT)	<b>KZT</b>	USD
Azerbaijan CC	Azerbaijani Manat (AZM)	<b>AZM</b>	USD
Turkmenistan CC	Turkmenistan Manat (TMT)	<b>TMT</b>	USD
Bishkek CC	Kyrgyz Som (KGS)	<b>KGS</b>	USD
TCCBCJ	Jordan Dinar (JOD)	<b>JOD</b>	USD
CCBIL	Iraqi Dinar (IQD)	<b>IQD</b>	USD
SSDSD	Syrian Pound (SYP)	<b>SYP</b>	USD
CCBPL	Pakistan Rupee (PKR)	<b>PKR</b>	PKR
CCI Holland	EURO	<b>USD</b>	USD
Waha B.V.	EURO	<b>USD</b>	USD
Al Waha	Iraqi Dinar (IQD)	<b>IQD</b>	USD
Tacikistan CC	Tajikistani Somoni (TJS)	<b>TJS</b>	USD

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

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

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**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, 2017 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

**2.3 Significant Accounting Estimates and Decisions**

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

**2.4 Changes in Accounting Policies**

The condensed consolidated interim financial statements of the Group for the period ended September 30, 2017 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2016. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016.

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

**Standards, amendments and interpretations applicable as at 30 September 2017:**

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

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

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

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**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 2017:**

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

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

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

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**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 2017 (continued)**

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

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

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

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

**NOTE 3. SEGMENT REPORTING**

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

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

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

	Turkey Beer	International Beer	Soft Drinks	Other <sup>(1)</sup> and Eliminations	Total
<b>January 1 – September 30, 2017</b>					
Revenues	1.146.360	2.153.518	6.864.655	40.338	10.204.871
Inter-segment revenues	(15.645)	(565)	(77)	-	(16.287)
<b>Total Revenues</b>	<b>1.130.715</b>	<b>2.152.953</b>	<b>6.864.578</b>	<b>40.338</b>	<b>10.188.584</b>
<b>EBITDA</b>	<b>266.335</b>	<b>357.077</b>	<b>1.208.768</b>	<b>(30.288)</b>	<b>1.801.892</b>
<b>Profit / (loss) for the period</b>	<b>32.366</b>	<b>153.624</b>	<b>450.833</b>	<b>(40.297)</b>	<b>596.526</b>
<b>Capital expenditures</b>	<b>132.130</b>	<b>114.919</b>	<b>380.937</b>	<b>(17)</b>	<b>627.969</b>
<b>July 1 – September 30, 2017</b>					
Revenues	480.237	766.658	2.749.643	16.137	4.012.675
Inter-segment revenues	(6.017)	(250)	(28)	-	(6.295)
<b>Total Revenues</b>	<b>474.220</b>	<b>766.408</b>	<b>2.749.615</b>	<b>16.137</b>	<b>4.006.380</b>
<b>EBITDA</b>	<b>137.984</b>	<b>175.985</b>	<b>518.296</b>	<b>(8.587)</b>	<b>823.678</b>
<b>Profit / (loss) for the period</b>	<b>35.753</b>	<b>95.145</b>	<b>274.383</b>	<b>710</b>	<b>405.991</b>
<b>Capital expenditures</b>	<b>29.729</b>	<b>19.974</b>	<b>123.248</b>	<b>3</b>	<b>172.954</b>
<b>January 1 – September 30, 2016</b>					
Revenues	1.108.080	1.459.389	5.675.093	35.391	8.277.953
Inter-segment revenues	(12.532)	(364)	(63)	-	(12.959)
<b>Total Revenues</b>	<b>1.095.548</b>	<b>1.459.025</b>	<b>5.675.030</b>	<b>35.391</b>	<b>8.264.994</b>
<b>EBITDA</b>	<b>318.534</b>	<b>260.947</b>	<b>996.489</b>	<b>(31.128)</b>	<b>1.544.842</b>
<b>Profit / (loss) for the period</b>	<b>86.801</b>	<b>164.570</b>	<b>388.967</b>	<b>(58.105)</b>	<b>582.233</b>
<b>Capital expenditures</b>	<b>111.518</b>	<b>58.621</b>	<b>354.284</b>	<b>-</b>	<b>524.423</b>
<b>July 1 – September 30, 2016</b>					
Revenues	421.556	568.015	2.244.756	13.951	3.248.278
Inter-segment revenues	(5.176)	(67)	(3)	-	(5.246)
<b>Total Revenues</b>	<b>416.380</b>	<b>567.948</b>	<b>2.244.753</b>	<b>13.951</b>	<b>3.243.032</b>
<b>EBITDA</b>	<b>136.632</b>	<b>114.426</b>	<b>419.060</b>	<b>(8.956)</b>	<b>661.162</b>
<b>Profit / (loss) for the period</b>	<b>14.885</b>	<b>59.568</b>	<b>177.777</b>	<b>(21.106)</b>	<b>231.124</b>
<b>Capital expenditures</b>	<b>25.367</b>	<b>16.371</b>	<b>79.986</b>	<b>(8)</b>	<b>121.716</b>

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



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

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

**NOTE 3. SEGMENT REPORTING (continued)**

	<b>Turkey Beer</b>	<b>International Beer</b>	<b>Soft Drinks</b>	<b>Other <sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>September 30, 2017</b>					
Segment assets	8.302.028	6.469.420	13.220.034	1.037.251	29.028.733
Segment liabilities	3.383.105	1.371.627	7.858.270	1.034.279	13.647.281
<b>Investment in associates</b>	-	-	-	<b>59.457</b>	<b>59.457</b>
<b>December 31, 2016</b>					
Segment assets	8.109.768	6.011.748	10.455.956	1.051.087	25.628.559
Segment liabilities	3.051.428	1.260.322	5.459.000	1.040.787	10.811.537
<b>Investment in associates</b>	-	-	-	<b>58.406</b>	<b>58.406</b>

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

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

	<b>1 January - 30 September 2017</b>	<b>1 July - 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July - 30 September 2016</b>
EBITDA	<b>1.801.892</b>	<b>823.678</b>	1.544.842	661.162
Depreciation and amortization expenses	<b>(692.521)</b>	<b>(229.401)</b>	(581.416)	(197.556)
Provision for retirement pay liability	<b>(16.794)</b>	<b>(5.837)</b>	(14.393)	(5.325)
Provision for vacation pay liability	<b>(6.742)</b>	<b>4.767</b>	(9.809)	2.567
Foreign exchange gain/(loss) from operating activities	<b>(909)</b>	<b>(5.875)</b>	(3.969)	3.290
Rediscount interest income/(expense) from operating activities	<b>(212)</b>	<b>1.044</b>	(70)	779
Other	<b>(2.683)</b>	<b>(956)</b>	(3.529)	(1.407)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>1.082.031</b>	<b>587.420</b>	931.656	463.510
Investment Activity Income	<b>33.932</b>	<b>26.066</b>	22.718	7.488
Investment Activity Expenses (-)	<b>(16.141)</b>	<b>(7.155)</b>	(21.102)	(10.399)
Income/(Loss) from Associates	<b>(16.969)</b>	<b>(6.537)</b>	(14.647)	(7.824)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>	<b>1.082.853</b>	<b>599.794</b>	918.625	452.775
Finance Income	<b>689.297</b>	<b>190.708</b>	536.252	135.306
Finance Expenses	<b>(998.947)</b>	<b>(316.140)</b>	(726.714)	(306.950)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>773.203</b>	<b>474.362</b>	728.163	281.131

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

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

**NOTE 4. CASH AND CASH EQUIVALENTS**

	<b>September 30, 2017</b>	December 31, 2016
Cash on hand	<b>7.557</b>	3.480
Bank accounts		
- Time deposits	<b>4.328.236</b>	2.133.510
- Demand deposits	<b>632.467</b>	599.788
Other	<b>80.921</b>	3.225
<b>Cash and cash equivalents in cash flow statement</b>	<b>5.049.181</b>	2.740.003
Interest income accrual	<b>7.465</b>	5.261
	<b>5.056.646</b>	2.745.264

As of September 30, 2017, annual interest rates of the TRL denominated time deposits is 14,60% (December 31, 2016 – between 6,50% - 11,50%) and annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,2% and 8,75% (December 31, 2016– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,1% - 14,15%).

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

As of September 30, 2017, “Other” item contains credit card receivables amounting to TRL77.709 (December 31, 2016 – TRL110).

As of September 30, 2017, the Group has designated its bank deposits amounting to TRL280.868, equivalent of thousand USD68.142, thousand EURO9.260 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2016 – TRL731.323, equivalent of thousand USD182.243, thousand EURO21.062, and thousand Russian Ruble (RUR)204.035).

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

**AS AT SEPTEMBER 30, 2017**

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

**NOTE 5. SHORT AND LONG TERM BORROWINGS**

As of September 30, 2017, total borrowings consist of principal (finance lease obligations included) amounting to TRL8.063.054 (December 31, 2016– TRL6.150.756) and interest expense accrual amounting to TRL83.478 (December 31, 2016 – TRL32.517). As of September 30, 2017 and December 31, 2016, total amount of borrowings and the effective interest rates are as follows:

Short-term	September 30, 2017			December 31, 2016		
	Amount	Average fixed rate	Average floating rate	Amount	Average fixed rate	Average floating rate
<b>Borrowings</b>						
TRL denominated borrowings	71.041	14,49%	-	61	-	-
Foreign currency denominated borrowings (USD)	27.878	-	Libor + 1,00%	-	-	-
Foreign currency denominated borrowings (EURO)	9.295	3,05%	-	8.570	3,00%	Euribor + 2,75%
Foreign currency denominated borrowings (Other)	13.975	-	Kibor + 0,34%	109.123	8,88%	Kibor + 0,44%
	<b>122.189</b>			<b>117.754</b>		
<b>Short-term portion of long term borrowings</b>						
Foreign currency denominated borrowings (USD)	423.829	3,55%	-	103.035	4,22%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	661.070	1,80%	Euribor + 1,31%	273.640	-	Euribor + 1,59%
Foreign currency denominated borrowings (Other)	10.748	6,00%	-	6.441	6,00%	-
	<b>1.095.647</b>			<b>383.116</b>		
	<b>1.217.836</b>			<b>500.870</b>		
<b>Long-term</b>						
<b>Borrowings</b>						
Foreign currency denominated borrowings (USD)	6.180.031	4,11%	-	4.796.970	4,02%	Libor + 2,00%
Foreign currency denominated borrowings (EURO)	731.578	1,80%	Euribor + %2,01	860.031	-	Euribor + 1,43%
Foreign currency denominated borrowings (Other)	17.087	6,00%	-	25.402	6,00%	-
	<b>6.928.696</b>			<b>5.682.403</b>		
	<b>8.146.532</b>			<b>6.183.273</b>		

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

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

**NOTE 5. SHORT AND LONG TERM BORROWINGS (continued)**

Repayments of long-term borrowings are scheduled as follows:

	<b>September 30, 2017</b>	December 31, 2016
Between 1 -2 years	<b>1.898.682</b>	2.664.559
Between 2-3 years	<b>756.119</b>	308.217
Between 3-4 years	<b>59.779</b>	532.457
Between 4-5 years	<b>68.553</b>	-
5 years and more	<b>4.145.563</b>	2.177.170
	<b>6.928.696</b>	5.682.403

As of September 19, 2017, CCI completed the sale of nominal US\$500 million 7year fixed rate bonds, with the maturity date of 19 September 2024, with a coupon rate of 4,215% and a re-offer yield of 4,215%.

**NOTE 6. DERIVATIVE INSTRUMENTS**

As of September 30, 2017, the Company has 3 aluminum swap transactions with a total nominal amount of TRL2.958 (December 31, 2016– TRL12.379) for 530 tones. The total of these aluminum swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow for the vhigh probability purchases of can exposed to commodity price risk.

As of September 30, 2017, CCI has 4 option transactions in which CCI acquired the right to purchase 1.590 tonnes of aluminum at USD1.650 per tonne to hedge its financial risk arising from the cash flows between 2017 and 2018 can purchases (December 31, 2016 - 4 option transactions for the right to purchase 6.300 tonnes of aluminum at USD1.650 per tonne).

As of September 30, 2017 the Group has no forward contracts (December 31, 2016 – 1 forward purchase contract with nominal amount of TRL17.596).

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

	<b>September 30, 2017</b>		December 31, 2016	
	<b>Nominal Value</b>	<b>Fair Value Asset / (Liability)</b>	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	<b>2.958</b>	<b>1.694</b>	12.379	1.058
Forward contracts	-	-	17.596	349
	<b>2.958</b>	<b>1.694</b>	29.975	1.407

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

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

**NOTE 7. OTHER RECEIVABLES AND PAYABLES**

**a) Other Current Receivables**

	September 30, 2017	December 31, 2016
Receivables from tax office	20.191	20.390
Due from personnel	15.365	15.376
Deposits and guarantees given	18.975	6.507
Other	48.295	56.820
	<b>102.826</b>	<b>99.093</b>

**b) Other Current Payables**

	September 30, 2017	December 31, 2016
Taxes other than on income	714.066	481.372
Deposits and guarantees taken	213.102	175.848
Other	13.019	4.426
	<b>940.187</b>	<b>661.646</b>

**c) Other Non-Current Payables**

As of September 30, 2017, other non-current payables consists of deposits and guarantees taken amounting to TRL339.634 (December 31, 2016 – TRL301.549).

**NOT 8. INVESTMENTS IN ASSOCIATES**

	September 30, 2017		December 31, 2016	
	Ownership	Amount	Ownership	Amount
Anadolu Etap	%33,33	59.457	%33,33	58.406
SSDSD <sup>(1)</sup>	%25,13	-	%25,13	-
		<b>59.457</b>		<b>58.406</b>

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

	Anadolu Etap		SSDSD	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Total Assets	356.896	289.221	710	713
Total Liabilities	297.439	230.815	1.801	1.621
<b>Net Assets</b>	<b>59.457</b>	<b>58.406</b>	<b>(1.091)</b>	<b>(908)</b>

	Anadolu Etap		SSDSD	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>Group's Share of Loss for the period</b>	<b>(16.793)</b>	<b>(14.166)</b>	<b>(176)</b>	<b>(481)</b>

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

	2017	2016
Balance at January 1	58.406	66.685
Income / Loss from associates	(16.969)	(14.647)
Other	175	481
Capital Increase <sup>(2)</sup>	17.845	14.075
<b>Balance at September 30</b>	<b>59.457</b>	<b>66.594</b>

(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) Capital increase provided to Anadolu Etap.

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

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

**NOTE 9. PROPERTY, PLANT AND EQUIPMENT**

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

<b>Current period</b>	<b>Net Book Value 1 January 2017</b>	<b>Additions</b>	<b>Depreciation Charge</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>(Impairment) / Reversal of impairment, net</b>	<b>Transfers, net (*)</b>	<b>Net Book Value 30 September 2017</b>
Land and land improvements	546.251	8.831	(6.525)	(127)	1.934	-	280	550.644
Buildings	1.871.789	16.815	(60.543)	(2)	26.849	(2)	54.420	1.909.326
Machinery and equipment	3.264.396	96.526	(273.034)	(4.578)	51.762	(3.407)	191.370	3.323.035
Vehicles	93.955	5.477	(17.886)	(2.910)	1.639	(318)	1.021	80.978
Other tangibles	1.298.349	270.310	(308.163)	(5.647)	4.596	(7.879)	56.880	1.308.446
Leasehold improvements	3.713	449	(3.595)	-	4.391	-	-	4.958
Construction in progress	224.217	209.200	-	(37)	4.770	-	(304.078)	134.072
	<b>7.302.670</b>	<b>607.608</b>	<b>(669.746)</b>	<b>(13.301)</b>	<b>95.941</b>	<b>(11.606)</b>	<b>(107)</b>	<b>7.311.459</b>
<b>Previous period</b>	<b>Net Book Value 1 January 2016</b>	<b>Additions</b>	<b>Depreciation Charge</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>(Impairment) / Reversal of impairment, net</b>	<b>Transfers, net (*)</b>	<b>Net Book Value 30 September 2016</b>
Land and land improvements	450.985	9.100	(5.894)	(26)	11.937	-	1.791	467.893
Buildings	1.458.284	17.089	(45.508)	(54)	75.558	-	11.130	1.516.499
Machinery and equipment	2.793.856	73.859	(216.378)	(4.608)	127.417	(5.041)	67.516	2.836.621
Vehicles	90.064	7.333	(16.425)	(2.812)	3.753	(24)	3.849	85.738
Other tangibles	1.214.157	265.789	(275.855)	(6.922)	22.616	(11.261)	29.265	1.237.789
Leasehold improvements	16.837	58	(4.616)	(139)	-	-	-	12.140
Construction in progress	291.725	138.113	-	(237)	12.033	-	(114.651)	326.983
	<b>6.315.908</b>	<b>511.341</b>	<b>(564.676)</b>	<b>(14.798)</b>	<b>253.314</b>	<b>(16.326)</b>	<b>(1.100)</b>	<b>6.483.663</b>

(\*) As of September 30, 2017, there are transfers to other intangible assets amounting to TRL107. (September 30, 2016 – there are transfers amounting to TRL1.100 to other intangible assets).

As of September 30, 2017, there is a pledge on property, plant and equipment of TRL102.505 (December 31, 2016 - TRL102.122) for loans of CCİ. This amount is also included in “Commitments and Contingencies” note under, GPMs table (Note 13).

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

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

**NOTE 10. OTHER INTANGIBLE ASSETS**

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

<b>Current period</b>	<b>Net Book Value 1 January 2017</b>	<b>Additions</b>	<b>Amortization Charge</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>(Impairment) / Reversal of impairment, net</b>	<b>Transfers, net</b>	<b>Net Book Value 30 September 2017</b>
Bottling and distribution agreements	8.127.529	-	-	-	32.714	-	-	8.160.243
License agreements	1.199.235	-	-	-	65.914	-	-	1.265.149
Trademarks	537.669	-	-	-	17.423	-	-	555.092
Rights	10.087	1.661	(4.551)	(47)	35	-	107	7.292
Other	89.619	18.700	(17.026)	(296)	2.381	-	-	93.378
	<b>9.964.139</b>	<b>20.361</b>	<b>(21.577)</b>	<b>(343)</b>	<b>118.467</b>	<b>-</b>	<b>107</b>	<b>10.081.154</b>
<b>Previous period</b>	<b>Net Book Value 1 January 2016</b>	<b>Additions</b>	<b>Amortization Charge</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>(Impairment) / Reversal of impairment, net</b>	<b>Transfers, net</b>	<b>Net Book Value 30 September 2016</b>
Bottling and distribution agreements	7.519.395	-	-	-	87.800	-	-	7.607.195
License agreements	829.202	-	-	-	152.677	-	-	981.879
Trademarks	426.642	-	-	-	32.909	-	-	459.551
Rights	14.297	392	(4.585)	-	18	-	523	10.645
Other	51.513	12.690	(10.570)	(182)	3.816	(337)	577	57.507
	<b>8.841.049</b>	<b>13.082</b>	<b>(15.155)</b>	<b>(182)</b>	<b>277.220</b>	<b>(337)</b>	<b>1.100</b>	<b>9.116.777</b>

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

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

**NOTE 11. GOODWILL**

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

	2017	2016
At January 1	1.675.218	1.334.738
Currency translation differences	58.782	133.726
<b>At September 30</b>	<b>1.734.000</b>	<b>1.468.464</b>

**NOTE 12. EQUITY**

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

September 30, 2017	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	317.921	74.729	392.650
Extraordinary reserves	877	25.831	26.708
	<b>910.903</b>	<b>164.143</b>	<b>1.075.046</b>
Share Premium (Discount)			<b>3.042.134</b>
Put Option Revaluation Fund Related with Non-controlling Interests			<b>19.529</b>
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			<b>(26.744)</b>
- Gains (Losses) on Remeasurements of Defined Benefit Plans			<b>(26.744)</b>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			<b>2.008.009</b>
- Currency Translation Differences			<b>1.985.804</b>
- Gains (Losses) on Hedge			<b>22.205</b>
Other Reserves			<b>(235.742)</b>
Prior Years' Profits or Losses (Including net income)			<b>3.738.351</b>
<b>Equity attributable to equity holders of the parent</b>			<b>9.620.583</b>
			<b>9.620.583</b>
December 31, 2016	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	592.105	63.583	655.688
Legal reserves	303.414	74.729	378.143
Extraordinary reserves	64.900	25.831	90.731
	<b>960.419</b>	<b>164.143</b>	<b>1.124.562</b>
Share Premium (Discount)			<b>3.137.684</b>
Put Option Revaluation Fund Related with Non-controlling Interests			<b>19.923</b>
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss			<b>(20.249)</b>
- Gains (Losses) on Remeasurements of Defined Benefit Plans			<b>(20.249)</b>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss			<b>1.841.842</b>
- Currency Translation Differences			<b>1.783.517</b>
- Gains (Losses) on Hedge			<b>58.325</b>
Other Reserves			<b>(235.742)</b>
Prior Years' Profits or Losses (Including net income)			<b>3.394.481</b>
<b>Equity attributable to equity holders of the parent</b>			<b>9.262.501</b>
			<b>9.262.501</b>



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

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

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

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

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

As of September 30, 2017 and December 31, 2016 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

September 30, 2017								
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	436.917	327.306	188	314	3.234	36.741	2.667.000	12.507
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	706.290	-	50.820	117.314	-	-	80.325	31.234
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	12.609	12.609	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above <sup>(2)</sup>	12.609	12.609	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.155.816</b>	<b>339.915</b>	<b>51.008</b>	<b>117.628</b>	<b>3.234</b>	<b>36.741</b>	<b>2.747.325</b>	<b>43.741</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

December 31, 2016								
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	550.970	429.549	356	1.339	5.996	31.814	2.667.385	21.006
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	710.635	-	69.651	106.264	-	-	1.177.704	31.673
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPMs	11.469	11.469	-	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above <sup>(2)</sup>	11.469	11.469	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.273.074</b>	<b>441.018</b>	<b>70.007</b>	<b>107.603</b>	<b>5.996</b>	<b>31.814</b>	<b>3.845.089</b>	<b>52.679</b>
Ratio of other GPMs over the Company's equity (%)	<b>0,1</b>							

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

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

**CCİ, Its Subsidiaries and Joint Ventures**

**Murabaha**

CCBPL and Standard Chartered Bank and Habib Bank Limited (Banks) has made murabaha facility agreement. Based on this agreement, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of September 30, 2017 CCBPL has USD4,0 million sugar and resin purchase commitment from the Bank until the end of January 2018, USD19,8 million sugar and resin purchase commitment from the Bank until the end of April 2018.

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

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

**NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)**

**Operational Lease**

As of September 30, 2017, the Group’s contingent liability for the following years resulting from the non-cancellable operational lease agreements is amounting to TRL44.733 (December 31, 2016 – TRL40.133).

**Tax and Legal Matters**

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

**NOTE 14. PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short Term Prepaid Expenses**

	<b>September 30, 2017</b>	December 31, 2016
Prepayments	<b>401.132</b>	343.512
Advances given to suppliers	<b>105.351</b>	81.965
	<b>506.483</b>	425.477

**b) Long Term Prepaid Expenses**

	<b>September 30, 2017</b>	December 31, 2016
Prepayments	<b>179.304</b>	159.748
Advances given to suppliers	<b>52.697</b>	17.919
	<b>232.001</b>	177.667

**NOTE 15. OTHER ASSETS AND LIABILITIES**

**a) Other Current Assets**

	<b>September 30, 2017</b>	December 31, 2016
Value Added Tax (VAT) deductible or to be transferred	<b>198.246</b>	239.553
Other current asset from related parties (Anadolu Efes Spor Kulübü)	<b>12.500</b>	-
Other	<b>15.870</b>	11.830
	<b>226.616</b>	251.383

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

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

**NOTE 15. OTHER ASSETS AND LIABILITIES (continued)**

**b) Other Current Liabilities**

	<b>September 30, 2017</b>	December 31, 2016
Put option liability	<b>8.383</b>	8.305
Other	<b>21.900</b>	12.738
	<b>30.283</b>	21.043

**c) Other Non-Current Liabilities**

	<b>September 30, 2017</b>	December 31, 2016
Put option liability	<b>112.191</b>	111.151
Deferred VAT and other taxes	<b>49.278</b>	55.269
	<b>161.469</b>	166.420

The obligation of TRL8.383 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under “other current liabilities”. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the share purchase (December 31, 2016 – TRL8.305).

According to the put option signed with European Refreshment (ER), ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. The Group’s share of the put option liability amounting to TRL112.191 is recorded under “other non-current liabilities” (December 31, 2016 – TRL111.151).

**NOTE 16. OTHER OPERATING INCOME / EXPENSES**

**a) Other Operating Income**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	1 January - 30 September 2016	1 July– 30 September 2016
Foreign exchange gains arising from operating activities	<b>105.390</b>	<b>15.324</b>	57.695	17.344
Income from scrap and other materials	<b>20.320</b>	<b>6.508</b>	14.291	6.148
Rent income	<b>9.183</b>	<b>3.109</b>	5.955	2.014
Reversal of provision for inventory obsolescence	<b>3.743</b>	<b>1.668</b>	2.526	89
Rediscount income	<b>2.792</b>	<b>1.055</b>	1.958	779
Reversal of provision for doubtful receivables	<b>1.035</b>	<b>10</b>	2.908	633
Insurance compensation income	<b>1.462</b>	<b>639</b>	1.306	536
Other income	<b>67.476</b>	<b>34.235</b>	45.547	21.859
	<b>211.401</b>	<b>62.548</b>	132.186	49.402

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

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

**NOTE 16. OTHER OPERATING INCOME / EXPENSES (continued)**

**b) Other Operating Expenses**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July – 30 September 2016</b>
Foreign exchange losses arising from operating activities	(106.299)	(21.199)	(61.664)	(14.054)
Depreciation and amortization expense on PPE & intangible assets	(13.897)	(3.879)	(13.938)	(4.645)
Provision for inventory obsolescence	(7.708)	(479)	(4.006)	(999)
Provision for doubtful receivables	(8.560)	(2.625)	(5.027)	(2.228)
Rediscount expense	(3.004)	(11)	(2.028)	-
Donations	(829)	(495)	(3.390)	(1.363)
Other expenses	(44.403)	(16.530)	(25.699)	(4.786)
	<b>(184.700)</b>	<b>(45.218)</b>	<b>(115.752)</b>	<b>(28.075)</b>

**NOTE 17. INCOME/ EXPENSE FROM INVESTING ACTIVITIES**

**a) Income from Investing Activities**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July – 30 September 2016</b>
Gain on sale of fixed assets	14.787	6.921	20.838	7.046
Gain from liquidation of subsidiaries	19.145	19.145	-	-
Reversal of impairment on tangible assets	-	-	1.880	442
	<b>33.932</b>	<b>26.066</b>	<b>22.718</b>	<b>7.488</b>

**b) Expense from Investing Activities**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July – 30 September 2016</b>
Provision for impairment on tangible assets	(11.947)	(5.606)	(18.194)	(8.468)
Loss on sale of fixed assets	(4.194)	(1.549)	(2.571)	(1.668)
Provision for impairment on intangible assets	-	-	(337)	(263)
	<b>(16.141)</b>	<b>(7.155)</b>	<b>(21.102)</b>	<b>(10.399)</b>

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

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

**NOTE 18. FINANCE INCOME / EXPENSE**

**a) Finance Income**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July – 30 September 2016</b>
Foreign exchange gain	<b>609.644</b>	<b>160.647</b>	459.209	113.984
Interest income	<b>79.398</b>	<b>30.061</b>	53.470	17.736
Gain on derivative transactions	<b>255</b>	<b>-</b>	23.573	3.586
	<b>689.297</b>	<b>190.708</b>	536.252	135.306

**b) Finance Expense**

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	<b>1 January - 30 September 2016</b>	<b>1 July – 30 September 2016</b>
Foreign exchange loss	<b>(801.931)</b>	<b>(252.398)</b>	(525.709)	(220.183)
Interest expense	<b>(179.525)</b>	<b>(58.131)</b>	(153.413)	(51.924)
Borrowing costs	<b>(496)</b>	<b>(166)</b>	(496)	(166)
Loss on derivative transactions	<b>(255)</b>	<b>-</b>	(29.310)	(25.539)
Other financial expenses	<b>(16.740)</b>	<b>(5.445)</b>	(17.786)	(9.138)
	<b>(998.947)</b>	<b>(316.140)</b>	(726.714)	(306.950)

**NOTE 19. TAX ASSETS AND LIABILITIES**

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

**Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries**

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

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

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Deferred tax asset	<b>288.877</b>	274.330
Deferred tax liability	<b>(1.851.016)</b>	(1.831.472)
	<b>(1.562.139)</b>	(1.557.142)

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

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

**NOTE 19. TAX ASSETS AND LIABILITIES (continued)**

	Asset		Liability		Net	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
PP&E and intangible assets	-	-	<b>(2.117.160)</b>	(2.081.235)	<b>(2.117.160)</b>	(2.081.235)
Inventories	<b>2.336</b>	15.652	-	-	<b>2.336</b>	15.652
Carry forward losses	<b>424.868</b>	449.684	-	-	<b>424.868</b>	449.684
Retirement pay liability and other employee benefits	<b>29.402</b>	22.094	-	-	<b>29.402</b>	22.094
Receivables and payables	<b>68.630</b>	31.073	-	-	<b>68.630</b>	31.073
Unused investment incentive	<b>36.568</b>	24.648	-	-	<b>36.568</b>	24.648
Derivative financial instruments	-	-	<b>(6.783)</b>	(19.059)	<b>(6.783)</b>	(19.059)
	<b>561.804</b>	543.152	<b>(2.123.943)</b>	(2.100.294)	<b>(1.562.139)</b>	(1.557.142)

As of September 30, 2017, CCI's total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmutiye production line investments under the scope of investment incentives are amounting to TRL186.896 (December 31, 2016 - TRL132.802) with a total tax advantage of TRL36.568 (December 31, 2016 - TRL24.648). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL2.171 (December 31, 2016 - TRL1.943).

**NOTE 20. 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 2017	1 July – 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
Net income/ (loss)	<b>343.870</b>	<b>253.711</b>	364.243	132.079
Weighted average number of shares	<b>592.105.263</b>	<b>592.105.263</b>	592.105.263	592.105.263
Earnings/ (losses) per share (full TRL)	<b>0,5808</b>	<b>0,4285</b>	0,6152	0,2231

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 21. DISTRIBUTION OF EARNINGS**

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

In 2017, dividend payment amounting to TRL40.312 (December 31, 2016 – TRL14.957) has been made to non-controlling interests.

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

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

NOTE 22. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	September 30, 2017	December 31, 2016
Migros Ticaret A.Ş. and its subsidiaries (Migros) <sup>(3)</sup>	183.363	130.907
Other	2.802	592
	186.165	131.499

Due to Related Parties

	September 30, 2017	December 31, 2016
Anadolu Efes Spor Kulübü	12.500	-
Oyex Handels GmbH <sup>(2) (3)</sup>	4.594	6.409
AB InBev Group Companies <sup>(4) (5)</sup>	6.390	14.995
Çelik Motor Ticaret A.Ş. <sup>(2) (3)</sup>	3.549	1.078
Anadolu Bilişim Hizmetleri A.Ş. <sup>(2) (3) (7)</sup>	164	1.405
Other	1.481	2.001
	28.678	25.888

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

b) Transactions with Related Parties

Finance Income / (Expense), Net

Group has no interest income/expense from related parties for the January 1, 2017 – September 30, 2017 period (2016 –Alternatifbank<sup>(6)</sup>: Interest income TRL7.886).

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 30 September 2017	1 July – 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
Anadolu Efes Spor Kulübü	Service	38.030	12.510	48.660	13.860
AB Inbev Group Companies <sup>(4) (5)</sup>	Service and purchase of trade goods	14.073	2.315	38.831	13.756
Oyex Handels GmbH <sup>(2) (3)</sup>	Purchase of materials and fixed assets	25.013	4.552	25.354	9.209
AEH <sup>(1) (2)</sup>	Consultancy service	25.593	8.533	21.591	7.203
Çelik Motor Ticaret A.Ş. <sup>(2) (3)</sup>	Vehicle leasing	21.599	7.712	19.470	6.388
Efestur Turizm İşletmeleri A.Ş. <sup>(2) (3)</sup>	Travel and accommodation	11.021	5.507	6.362	1.583
Other		8.447	2.586	11.675	4.190
		143.776	43.715	171.943	56.189

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 30 September 2017	1 July – 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
Migros <sup>(3)</sup>	Sales income	401.079	160.757	331.448	144.739
AB Inbev Group Companies <sup>(4) (5)</sup>	Other income	1.106	-	2.475	420
Other	Other income	429	169	260	90
		402.614	160.926	334.183	145.249

(1) The shareholder of the Group

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

(3) Related party of AEH (a shareholder)

(4) Related parties of AB Inbev Harmony Ltd. (a shareholder)

(5) In October 2016, AB InBev (Anheuser Busch InBev) become ultimate parent of AB Inbev Harmony Ltd (which holds 24% shares of Anadolu Efes) after the merger of AB Inbev and SABMiller.

(6) Alternatifbank is not defined as related party as of 30 September 2017 as a result of sale of Alternatifbank's shares to third parties by Yazıcılar Holding and AEH (it was related party between 1 January- 19 December 2016).

(7) The Group's long term financial asset.

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

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

**NOTE 22. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)**

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

**Director’s remuneration**

As of September 30, 2017 and 2016, total benefits to Anadolu Efes Board of Directors are TRL273 and TRL236, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of September 30, 2017 and 2016 are as follows:

	<b>1 January - 30 September 2017</b>	<b>1 July – 30 September 2017</b>	1 January - 30 September 2016	1 July– 30 September 2016
Short-term employee benefits	<b>21.153</b>	<b>4.841</b>	19.205	4.986
Post-employment benefits	-	-	-	-
Other long term benefits	<b>878</b>	-	600	-
Termination benefits	<b>428</b>	-	159	-
Share-based payments	-	-	-	-
	<b>22.459</b>	<b>4.841</b>	19.964	4.986

**NOTE 23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

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

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

**a) Interest Rate Risk**

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

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

**b) Foreign Currency Risk**

Foreign currency risk generally arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments (Note 4). Group’s foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.



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

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

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

NOTE 23. 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, 2017 and December 31, 2016 are presented below:

Foreign Currency Position Table						
September 30, 2017						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	67.670	16.672	59.221	1.208	5.066	3.383
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.480.018	948.549	3.369.342	22.944	96.190	14.486
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	5.283	1.091	3.876	335	1.404	3
<b>4. Current Assets</b>	<b>3.552.971</b>	<b>966.313</b>	<b>3.432.439</b>	<b>24.487</b>	<b>102.660</b>	<b>17.872</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	34.295	387	1.376	7.852	32.919	-
<b>8. Non-Current Assets</b>	<b>34.295</b>	<b>387</b>	<b>1.376</b>	<b>7.852</b>	<b>32.919</b>	-
<b>9. Total Assets</b>	<b>3.587.266</b>	<b>966.700</b>	<b>3.433.815</b>	<b>32.339</b>	<b>135.579</b>	<b>17.872</b>
10. Trade Payables and Due to Related Parties	(298.890)	(59.513)	(211.398)	(14.753)	(61.850)	(25.642)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(1.111.002)	(126.666)	(449.932)	(157.683)	(661.070)	-
12a. Monetary Other Liabilities	(2.732)	(658)	(2.338)	(94)	(394)	-
12b. Non-monetary Other Liabilities	(8.383)	(2.360)	(8.383)	-	-	-
<b>13. Current Liabilities</b>	<b>(1.421.007)</b>	<b>(189.197)</b>	<b>(672.051)</b>	<b>(172.530)</b>	<b>(723.314)</b>	<b>(25.642)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(6.758.868)	(1.696.824)	(6.027.290)	(174.501)	(731.578)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(112.191)	(31.584)	(112.191)	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(6.871.059)</b>	<b>(1.728.408)</b>	<b>(6.139.481)</b>	<b>(174.501)</b>	<b>(731.578)</b>	-
<b>18. Total Liabilities</b>	<b>(8.292.066)</b>	<b>(1.917.605)</b>	<b>(6.811.532)</b>	<b>(347.031)</b>	<b>(1.454.892)</b>	<b>(25.642)</b>
<b>19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position</b>	-	-	-	-	-	-
<b>19a. Total Hedged Assets</b>	-	-	-	-	-	-
<b>19b. Total Hedged Liabilities</b>	-	-	-	-	-	-
<b>20. Net Foreign Currency Asset / (Liability) Position</b>	<b>(4.704.800)</b>	<b>(950.905)</b>	<b>(3.377.717)</b>	<b>(314.692)</b>	<b>(1.319.313)</b>	<b>(7.770)</b>
<b>21. Monetary Items Net Foreign Currency Asset / (Liability) Position</b>	<b>(4.623.804)</b>	<b>(918.440)</b>	<b>(3.262.395)</b>	<b>(322.879)</b>	<b>(1.353.636)</b>	<b>(7.773)</b>
<b>22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position</b>	-	-	-	-	-	-
<b>23. Total value of Hedged Foreign Currency Assets</b>	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2016						
	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	99.558	6.557	23.076	874	3.243	73.239
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.607.111	369.157	1.299.139	38.513	142.879	165.093
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	53.574	494	1.740	101	375	51.459
<b>4. Current Assets</b>	<b>1.760.243</b>	<b>376.208</b>	<b>1.323.955</b>	<b>39.488</b>	<b>146.497</b>	<b>289.791</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	12.256	-	-	3.202	11.879	377
<b>8. Non-Current Assets</b>	<b>12.256</b>	-	-	<b>3.202</b>	<b>11.879</b>	<b>377</b>
<b>9. Total Assets</b>	<b>1.772.499</b>	<b>376.208</b>	<b>1.323.955</b>	<b>42.690</b>	<b>158.376</b>	<b>290.168</b>
10. Trade Payables and Due to Related Parties	(245.046)	(24.062)	(84.680)	(20.878)	(77.455)	(82.911)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(373.939)	(26.670)	(93.857)	(73.760)	(273.642)	(6.440)
12a. Monetary Other Liabilities	(39.542)	(1.079)	(3.797)	(131)	(486)	(35.259)
12b. Non-monetary Other Liabilities	(8.305)	(2.360)	(8.305)	-	-	-
<b>13. Current Liabilities</b>	<b>(666.832)</b>	<b>(54.171)</b>	<b>(190.639)</b>	<b>(94.769)</b>	<b>(351.583)</b>	<b>(124.610)</b>
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(4.963.730)	(1.158.870)	(4.078.295)	(231.821)	(860.033)	(25.402)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(111.151)	(31.584)	(111.151)	-	-	-
<b>17. Non-Current Liabilities</b>	<b>(5.074.881)</b>	<b>(1.190.454)</b>	<b>(4.189.446)</b>	<b>(231.821)</b>	<b>(860.033)</b>	<b>(25.402)</b>
<b>18. Total Liabilities</b>	<b>(5.741.713)</b>	<b>(1.244.625)</b>	<b>(4.380.085)</b>	<b>(326.590)</b>	<b>(1.211.616)</b>	<b>(150.012)</b>
<b>19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position</b>	<b>17.596</b>	<b>5.000</b>	<b>17.596</b>	-	-	-
<b>19a. Total Hedged Assets</b>	<b>17.596</b>	<b>5.000</b>	<b>17.596</b>	-	-	-
<b>19b. Total Hedged Liabilities</b>	-	-	-	-	-	-
<b>20. Net Foreign Currency Asset / (Liability) Position</b>	<b>(3.951.618)</b>	<b>(863.417)</b>	<b>(3.038.534)</b>	<b>(283.900)</b>	<b>(1.053.240)</b>	<b>140.156</b>
<b>21. Monetary Items Net Foreign Currency Asset / (Liability) Position</b>	<b>(3.915.588)</b>	<b>(834.967)</b>	<b>(2.938.414)</b>	<b>(287.203)</b>	<b>(1.065.494)</b>	<b>88.320</b>
<b>22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position</b>	<b>349</b>	<b>99</b>	<b>349</b>	-	-	-
<b>23. Total value of Hedged Foreign Currency Assets</b>	-	-	-	-	-	-

As of December 31, 2016, USD164 million was netted on foreign currency position table and as of September 30, 2016, effect of the intercompany loans amounting to USD163 million was netted on foreign currency position sensitivity analysis). As of September 30, 2017, there was no netting in the foreign currency position and foreign exchange sensitivity analysis table along with the reflection of the functional currency change (Note 2.2)

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

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

NOTE 23. 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, 2017 and 2016 is as follows:

	1 January - 30 September 2017	1 July– 30 September 2017	1 January - 30 September 2016	1 July – 30 September 2016
Total Export	165.155	50.437	144.853	52.639
Total Import	1.477.910	548.817	1.139.015	404.924

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

	Foreign Currency Position Sensitivity Analysis <sup>(*)</sup>			
	September 30, 2017		September 30, 2016	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
<b>Increase / decrease in USD by 10%:</b>				
USD denominated net asset / (liability)	(326.240)	326.240	(256.953)	256.953
USD denominated hedging instruments (-)	-	-	-	-
<b>Net effect in USD</b>	<b>(326.240)</b>	<b>326.240</b>	<b>(256.953)</b>	<b>256.953</b>
<b>Increase / decrease in EURO by 10%:</b>				
EURO denominated net asset / (liability)	(135.364)	135.364	(95.729)	95.729
EURO denominated hedging instruments (-)	-	-	-	-
<b>Net effect in EURO</b>	<b>(135.364)</b>	<b>135.364</b>	<b>(95.729)</b>	<b>95.729</b>
<b>Increase / decrease in other foreign currencies by 10%:</b>				
Other foreign currency denominated net asset / (liability)	(777)	777	4.610	(4.610)
Other foreign currency hedging instruments (-)	-	-	-	-
<b>Net effect in other foreign currency</b>	<b>(777)</b>	<b>777</b>	<b>4.610</b>	<b>(4.610)</b>
<b>TOTAL</b>	<b>(462.381)</b>	<b>462.381</b>	<b>(348.072)</b>	<b>348.072</b>

<sup>(\*)</sup> 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.

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

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

**NOTE 23. 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 24. FINANCIAL INSTRUMENTS**

**Fair Value**

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

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

**a) Financial Assets**

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

**b) Financial Liabilities**

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

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

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

**NOTE 25. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS**

**a) Adjustments for Impairment Loss (Reversal)**

	<b>1 January - 30 September 2017</b>	1 January - 30 September 2016
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 17)	<b>11.605</b>	16.314
Adjustments for impairment loss (reversal of impairment) of receivables (Note 16)	<b>7.525</b>	2.119
Adjustments for impairment loss (reversal of impairment) of inventories (Note 16)	<b>3.965</b>	1.480
Adjustments for impairment loss (reversal of impairment) of intangible assets (Note 17)	-	337
	<b>23.095</b>	20.250

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

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

**NOTE 25. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS (continued)**

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

	<b>1 January - 30 September 2017</b>	1 January - 30 September 2016
Provision for vacation pay liability (Note 3)	<b>6.742</b>	9.809
Provision for retirement pay liability (Note 3)	<b>16.794</b>	14.393
Provision for seniority bonus	<b>15.276</b>	14.195
	<b>38.812</b>	38.397

**c) Adjustments for Interest (Income) Expenses**

	<b>1 January - 30 September 2017</b>	1 January - 30 September 2016
Adjustments for interest income (Note 19)	<b>(79.398)</b>	(53.470)
Adjustments for interest expenses (Note 19)	<b>179.525</b>	153.413
	<b>100.127</b>	99.943

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

	<b>1 January - 30 September 2017</b>	1 January - 30 September 2016
Cash outflows arising from purchase of property, plant and equipment	<b>(607.727)</b>	(510.121)
Cash outflows arising from purchase of intangible assets	<b>(20.361)</b>	(13.082)
	<b>(628.088)</b>	(523.203)

**NOTE 26. EVENTS AFTER REPORTING PERIOD**

It had been shared with the public that Group and AB InBev reached a non-binding agreement regarding a 50:50 merger of Anadolu Efes' and AB InBev's existing Russia and Ukraine businesses and that the parties will be working towards reaching a binding agreement following a satisfactory due diligence process and subject to regulatory approvals in Russia and Ukraine. As required legally, the approval of Federal Antimonopoly Service of the Russian Federation has been obtained on October 26, 2017 while the approval process in Ukraine is still underway. Efes and AB InBev are to continue operating in Russia as two separate entities until the transaction is finalized upon obtaining the legal approvals and completion of the due diligence process.

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