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

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2012 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directos of
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

1. We have audited the accompanying consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş., its subsidiaries and joint ventures (collectively referred to as the "Group"), which comprise the consolidated balance sheet at 31 December 2012 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Group Management's Responsibility for the Financial Statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards accepted by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the proper preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the CMB. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's proper preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. *a member of* ***PricewaterhouseCoopers***
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Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. as of 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards accepted by the CMB (Note 2).

Additional Paragraph for Convenience Translation into English

5. The accounting principles described in Note 2 to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period 1 January - 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations of the Group in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Burak Özpoyraz, SMMM
Partner

Istanbul, 21 March 2013

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED BALANCE SHEET
As at December 31, 2012
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2012	2011
ASSETS			
Current Assets		**3.801.475**	2.328.000
Cash and Cash Equivalents	6	**1.641.411**	917.629
Financial Investments	7	**229.906**	22.602
Derivative Financial Instruments	9	**140**	-
Trade Receivables	11	**823.006**	578.428
Due from Related Parties	38	**179**	100
Other Receivables	12	**25.754**	16.877
Inventories	14	**722.094**	546.227
Other Current Assets	27	**358.985**	246.137
Non-Current Assets		**7.843.328**	4.092.709
Other Receivables	12	**2.208**	1.610
Financial Investments	7	**786**	25.180
Investments in Associates	17	**-**	18.447
Biological Assets	15	**12.214**	6.457
Property, Plant and Equipment	19	**3.572.726**	2.525.511
Intangible Assets	20	**1.929.748**	447.045
Goodwill	21	**2.095.834**	912.645
Deferred Tax Assets	36	**75.256**	62.425
Other Non-Current Assets	27	**154.556**	93.389
Total Assets		**11.644.803**	6.420.709
LIABILITIES			
Current Liabilities		**2.119.407**	1.628.590
Borrowings	8	**885.157**	795.644
Trade Payables	11	**393.669**	307.569
Due to Related Parties	38	**23.980**	9.174
Other Payables	12	**506.791**	342.768
Provision for Corporate Tax		**16.750**	9.415
Provisions	23	**64.472**	28.040
Other Current Liabilities	27	**228.588**	135.980
Non-Current Liabilities		**2.738.605**	1.585.239
Borrowings	8	**2.037.926**	1.303.833
Other Payables	12	**198.337**	165.742
Provision for Employee Benefits	25	**68.049**	54.033
Deferred Tax Liabilities	36	**363.419**	52.290
Other Non-Current Liabilities	27	**70.874**	9.341
Equity		**6.786.791**	3.206.880
Equity Attributable to Equity Holders of the Parent		**6.704.757**	3.143.921
Issued Capital	28	**592.105**	450.000
Inflation Adjustment to Issued Capital	28	**63.583**	63.583
Share Premium	28	**3.137.684**	-
Fair Value Reserve	28	**60.000**	7.822
Currency Translation Differences	28	**141.456**	289.853
Restricted Reserves Allocated from Net Income	28	**209.644**	176.995
Other Reserves	28	**(5.736)**	(5.736)
Cash Flow Hedge Reserve	28	**113**	-
Minority Put Option Liability Reserve	28	**(9.042)**	-
Accumulated Profits	28	**1.908.080**	1.820.229
Net Income		**606.870**	341.175
Non-Controlling Interests		**82.034**	62.959
Total Liabilities		**11.644.803**	6.420.709

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

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2012
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2012	2011
Continuing Operations			
Sales	5, 29	**6.416.835**	4.761.266
Cost of Sales (-)	29	**(3.278.167)**	(2.479.550)
Gross Profit From Operations		**3.138.668**	2.281.716
Marketing, Selling and Distribution Expenses (-)	30	**(1.728.283)**	(1.262.777)
General and Administration Expenses (-)	30	**(635.914)**	(414.838)
Other Operating Income	32	**45.730**	43.074
Other Operating Expenses (-)	32	**(54.517)**	(42.055)
Profit From Operations		**765.684**	605.120
Loss from Associates	17	**(5.991)**	(6.785)
Financial Income	33	**316.001**	240.686
Financial Expenses (-)	34	**(271.955)**	(374.040)
Profit Before Tax From Continuing Operations		**803.739**	464.981
Continuing Operations Tax Income / (Expense)			
Current Period Tax Expense (-)	36	**(189.073)**	(117.476)
Deferred Tax Income / (Expense)	36	**15.602**	11.967
Profit For The Year		**630.268**	359.472
Attributable to:			
Non-Controlling Interests		**23.398**	18.297
Equity holders of the parent		**606.870**	341.175
Earnings per share (Full TRL)	37	**1,0713**	0,7582

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2012
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2012	2011
Profit for the Year		**630.268**	359.472
Other Comprehensive Income:			
Currency Translation Differences		**(151.813)**	303.231
Value Increase / (Decrease) in Available for Sale Securities	7	54.906	(12.365)
Tax Effect	7	(2.728)	618
Value Increase / (Decrease) in Available for Sale Securities, (Net of Taxes)	7	**52.178**	(11.747)
Cash Flow Hedge Reserve		141	-
Tax Effect		(28)	-
Cash Flow Hedge Reserve, (Net of Taxes)		**113**	**-**
Other Comprehensive Income, (Net of Taxes)		**(99.522)**	291.484
Total Comprehensive Income		**530.746**	650.956
Attributable to			
Non-Controlling Interests		**19.982**	27.590
Equity Holders of the Parent		**510.764**	623.366

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2012
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL)

	Share Capital	Inflation Adjustment to Issued Capital	Share Premium	Fair Value Reserve	Currency Translation Difference	Restricted Reserves Allocated From Net Income	Other Reserves	Cash Flow Hedge Reserve	Put Option Liability Reserve	Net Income	Accumulated Profits	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
Balance at December 31, 2010	450.000	63.583	-	19.569	(4.085)	138.442	(5.736)	-	-	503.640	1.601.674	2.767.087	47.918	2.815.005
Other comprehensive income	-	-	-	(11.747)	293.938	-	-	-	-	-	-	282.191	9.293	291.484
Profit for the year	-	-	-	-	-	-	-	-	-	341.175	-	341.175	18.297	359.472
Total comprehensive income	-	-	-	(11.747)	293.938	-	-	-	-	341.175	-	623.366	27.590	650.956
Transfer of previous year net income to the accumulated profits	-	-	-	-	-	38.553	-	-	-	(257.108)	218.555	-	-	-
Dividends paid (Note 28)	-	-	-	-	-	-	-	-	-	(246.532)	-	(246.532)	-	(246.532)
Dividends paid to non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	(12.320)	(12.320)
Change in con-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(229)	(229)
Balance at December 31, 2011	**450.000**	**63.583**	**-**	**7.822**	**289.853**	**176.995**	**(5.736)**	**-**	**-**	**341.175**	**1.820.229**	**3.143.921**	**62.959**	**3.206.880**
Other comprehensive income	**-**	**-**	**-**	**52.178**	**(148.397)**	**-**	**-**	**113**	**-**	**-**	**-**	**(96.106)**	**(3.416)**	**(99.522)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**606.870**	**-**	**606.870**	**23.398**	**630.268**
Total comprehensive income	**-**	**-**	**-**	**52.178**	**(148.397)**	**-**	**-**	**113**	**-**	**606.870**	**-**	**510.764**	**19.982**	**530.746**
Share Capital Increase (Note 1, 28, 37)	**142.105**	**-**	**3.137.684**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.279.789**	**-**	**3.279.789**
Transfer of previous year net income to the accumulated profits	**-**	**-**	**-**	**-**	**-**	**32.649**	**-**	**-**	**-**	**(120.151)**	**87.502**	**-**	**-**	**-**
Dividends paid (Note 28)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(221.024)**	**-**	**(221.024)**	**-**	**(221.024)**
Minority share put option liability (Note 3)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9.042)**	**-**	**221**	**(8.821)**	**(587)**	**(9.408)**
Addition through subsisidiary acquired (Note 3)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19**	**19**
Dividends paid to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(211)**	**(211)**
Change in non-controlling interests (Note 3)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**128**	**128**	**(128)**	**-**
Balance at December 31, 2012	**592.105**	**63.583**	**3.137.684**	**60.000**	**141.456**	**209.644**	**(5.736)**	**113**	**(9.042)**	**606.870**	**1.908.080**	**6.704.757**	**82.034**	**6.786.791**

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

NOTES TO THE CONSOLIDATED CASH FLOWS
For the year ended December 31, 2012
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2012	2011
Cash flows from operating activities			
Continuing operations profit before tax		**803.739**	464.981
Adjustments for:			
Depreciation and amortization expenses	5, 19, 20, 31	**450.577**	335.607
(Gain)/loss on sale of property, plant and equipment and intangible assets, net	32	**(3.806)**	(3.640)
Provision for retirement pay liability	5, 25, 29, 30	**19.769**	10.353
Provision for vacation pay liability	5, 23	**4.449**	3.258
Provision / (reversal of provision) for inventory obsolescence, net	5, 14	**(1.643)**	(4.104)
Provision / (reversal of provision) for doubtful receivables, net	5, 11	**224**	494
Provision for long term incentive plan		**13.701**	7.261
(Impairment reversal) / impairment on property, plant and equipment, net	5, 19, 32	**1.941**	1.374
Foreign exchange (gain) / loss raised from loans, net		**(67.927)**	157.471
Interest expense	34	**76.065**	64.934
Interest income	33	**(71.708)**	(59.286)
(Gain) / loss from derivative financial instruments	33, 34	**125**	71
Borrowing costs	34	**1.572**	886
Loss from sales of investment in associates	3, 5, 32	**11.093**	-
Fair value gain of put-option liability	5, 24, 32	**(3.405)**	-
Fair value increase related to change in scope of consolidation	3, 5, 32	**-**	(2.957)
Loss from associates	5, 17	**5.991**	6.785
Other (income) / expense, net		**562**	(216)
Operating profit before changes in operating assets and liabilities		**1.241.319**	983.272
Change in trade receivables		**(131.925)**	(102.086)
Change in due from related parties		**(79)**	237
Change in inventories		**(85.173)**	(86.501)
Change in other assets, other liabilities and provisions		**99.752**	(46.239)
Change in trade payables		**(61.827)**	54.079
Change in due to related parties		**3.961**	245
Vacation pay, retirement pay liability and long term incentive plan paid	23, 25	**(21.264)**	(15.398)
Taxes paid		**(182.239)**	(122.210)
Cash flows from operating activities		**862.525**	665.399
Investing activities			
Purchase of property, plant and equipment and intangible assets		**(526.606)**	(554.853)
Proceeds from sale of property, plant and equipment and intangible assets		**18.855**	18.771
Biological asset investments		**(5.757)**	(4.945)
Acquisition of subsidiaries and joint venture, net of cash acquired	3	**(181.609)**	-
Proceeds from sale of investment in associate	3, 17	**7.139**	-
Net cash used in investing activities		**(687.978)**	(541.027)
Financing activities			
Dividends paid	28	**(221.024)**	(246.532)
Dividends paid to non-controlling shareholders		**(211)**	(12.320)
Capital increase in subsidiaries by non-controlling shareholders		**29.158**	2
Proceeds from short-term and long-term debt		**2.492.668**	2.468.815
Repayment of short-term and long-term debt		**(1.589.846)**	(2.479.263)
Interest paid		**(69.414)**	(63.552)
Interest received		**65.362**	57.504
Change in time deposits with maturity more than three months		**(127.904)**	32.771
Cash flow from financing activities		**578.789**	(242.575)
Currency translation differences on cash and cash transactions		**(33.620)**	95.163
Net increase / (decrease) in cash and cash equivalents		**753.336**	(118.203)
Cash and cash equivalents at the beginning of the year	6	**913.198**	936.238
Cash and cash equivalents at the end of the year	6	**1.632.914**	913.198

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

(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 İstanbul Stock Exchange (ISE).

The registered office of the Company is located at the address "Bahçelievler Mahallesi Şehit İbrahim Koparır 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 19.036 (December 31, 2011 – 15.507).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer and Finance Director were issued on March 21, 2013. 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 eighteen breweries (five in Turkey, eight in Russia and five in other countries), seven malt production facilities (two in Turkey, five in Russia) and also eight facilities in Turkey, fourteen facilities in other countries for sparkling and still beverages production. The Group has joint control over Coca-Cola İçecek A.Ş. (CCİ), which undertakes production, bottling and distribution facilities of Coca-Cola products in Turkey, Pakistan, Central Asia and the Middle East.

The Group also has joint control over Anadolu Etap Tarım ve Gıda Ürünleri San. ve Tic. A.Ş., which undertakes production and sales of fruit juice concentrates and purees in Turkey. In addition, the Group has sold its minority stakes at an investment company that has breweries in Serbia, namely Central Europe Beverages B.V. (CEB) on December, 2012 (Note 3, 17, 41).

List of Shareholders

As of December 31, 2012 and 2011, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2012		2011	
	Amount	**%**	Amount	%
Yazıcılar Holding A.Ş.	**139.787**	**23,61**	139.787	31,06
Özilhan Sınai Yatırım A.Ş.	**79.813**	**13,48**	79.813	17,74
Anadolu Endüstri Holding A.Ş. (AEH)	**35.292**	**5,96**	35.292	7,84
SABMiller Anadolu Efes Limited (SABMiller AEL)	**142.105**	**24,00**	-	-
Publicly traded and other	**195.108**	**32,95**	195.180	43,36
	592.105	**100,00**	450.000	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 December 31, 2012 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with SABMiller AEL represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

On March 6, 2012, Anadolu Efes Board of Directors decided to increase the Company's issued capital to TRL592.105, while the shareholders' right to purchase new shares has been restricted. The newly issued 142.105.263 bearer shares, which are above the nominal values, were allocated on the name of SABMiller AEL, a subsidiary of SABMiller and issued shares had been transferred to SABMiller in İstanbul Stock Exchange-Wholesale Market on March 14, 2012.

(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 December 31, 2012 and 2011 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding and Voting Rights % December 31, 2012	December 31, 2011
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	**100,00**	100,00
ZAO Moscow-Efes Brewery (Efes Moscow) (1)	Russia	Production and marketing of beer	International Beer	**90,96**	90,96
OAO Knyaz Rurik (Knyaz Rurik)	Russia	Investment company of EBI	International Beer	**99,95**	99,95
ZAO Mutena Maltery (Mutena Maltery)	Russia	Production of malt	International Beer	**99,95**	99,95
OOO Vostok Solod (2)	Russia	Production of malt	International Beer	**90,96**	90,96
OOO T'sentralny Torgovy Dom (2)	Russia	Sales company	International Beer	**90,96**	90,96
ZAO Moskovskii Torgovyii Dom (2)	Russia	Sales company	International Beer	**90,96**	90,96
CJSC SABMiller RUS (SABM RUS) (3)	Russia	Production and marketing of beer	International Beer	**100,00**	-
J.S.C. Efes Kazakhstan Brewery (Efes Kazakhstan) (5)	Kazakhstan	Production and marketing of beer	International Beer	**72,00**	72,00
Dinal LLP (Dinal)	Kazakhstan	Distribution of beer	International Beer	**72,00**	72,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer, low alcoholic and non-alcoholic drinks	International Beer	**96,83**	96,83
Euro-Asien Brauerein Holding GmbH (Euro-Asien)	Germany	Investment company of EBI	International Beer	**100,00**	100,00
J.S.C. Lomisi (Efes Georgia)	Georgia	Production, marketing and sales of beer and carbonated soft drink	International Beer	**100,00**	100,00
PJSC Efes Ukraine (Efes Ukraine) (3) (4)	Ukraine	Production and marketing of beer	International Beer	**99,94**	-
Central Asian Beverages B.V. (Central Asian) (6)	The Netherlands	Investment company of EBI	International Beer	**100,00**	60,00
Efes Trade BY FLLC (Efes Belarus)	Belarus	Market development	International Beer	**100,00**	100,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (7)	Turkey	Marketing and distribution company of the Group in Turkey	Turkey Beer	**100,00**	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) (7)	Turkey	Providing hops (major ingredient of beer) to the breweries of the Group	Turkey Beer	**99,75**	99,75
Anadolu Efes Dış Ticaret A.Ş. (Aefes Dış Ticaret)	Turkey	Foreign trade	Other	**99,82**	99,82
Cypex Co. Ltd. (Cypex)	Turkish Republic of Northern Cyprus	Marketing and distribution of beer	Other	**99,99**	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Other	**99,75**	99,75
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	Other	**99,75**	99,75
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	**100,00**	100,00

(1) On January 2013 , EBI has purchased 8,76 % Efes Moscow shares from European Bank for Reconstruction and Development (EBRD) as a result of realization of the previously granted put option liability to EBRD by EBI. As a result of the acquisition, the Group's effective shareholding rate in Efes Moscow has increased to 99,73% (Note 41).
(2) Subsidiaries of Efes Moscow.
(3) SABM RUS is included in the consolidation by using the full consolidation method when the control rights have been transferred to the Group after the 89% share purchase by EBI and 11% share purchase by Euro Asien, the subsidiary of EBI, were completed at March 6, 2012. Efes Ukraine has been included in the consolidation by using the full consolidation method after the completion of 99,91% share acquisition by EBI (Note 3). After the acquisition process, a portion of Efes Ukraine minority shares has been purchased and the effective shareholding rate increased to 99,94%.
(4) On November 2012, the name of Company has been changed from PJSC Miller Brands Ukraine to PJSC Efes Ukraine.
(5) On January 2013, EBI has purchased 28% of Efes Kazakhstan's minority shares from Heineken International B.V.. As a result of the acqusition, the Group's effective shareholding rate in Efes Kazakhstan has increased to 100% (Note 41).
(6) As a result of the acquisiton of 40% shares of Central Asian from Heineken International B.V.by EBI On December, 2012, the Group's effective shareholding rate has increased to 100%.
(7) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa and Tarbes.

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

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

List of Joint Ventures

The joint ventures included in the consolidation proportionally and their effective shareholding rates at December 31, 2012 and 2011 are as follows:

Joint Venture	Country	Principal Activity	Segment	Effective Shareholding and Voting Rights % December 31, 2012	December 31, 2011
Coca-Cola İçecek A.Ş. (CCİ) (1)	Turkey	Production, bottling of Coca-Cola products	Soft Drinks	**50,26**	50,26
Coca-Cola Satış Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan 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	**50,25**	50,25
Efes Sınai Dış Ticaret A.Ş. (EST)	Turkey	Foreign trade	Soft Drinks	**50,35**	50,35
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC) (2)	Kazakhstan	Production, bottling, distribution and selling of Coca-Cola and distributions of Efes products	Soft Drinks	**50,24**	50,11
Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership (Tonus) (2) (3)	Kazakhstan	Investment company of CCİ	Soft Drinks	**49,87**	47,33
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**50,19**	50,19
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kyrgyzstan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**50,26**	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drinks	**50,26**	50,26
The Coca-Cola Bottling Company of Iraq FZCO (CCBI) (3)	United Arabic Emirates	Investment company of CCİ	Soft Drinks	**-**	50,26
CC Beverage Limited (CCBL)	Iraq	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**50,26**	50,26
SSG Investment Limited (SSG) (3)	British Virgin Islands	Investment company of CCİ	Soft Drinks	**-**	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**45,23**	45,23
Syrian Soft Drink Sales and Distribution L.L.C. (Syrian SD)	Syria	Distribution and selling of Coca-Cola products	Soft Drinks	**25,13**	25,13
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**24,82**	24,82
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drinks	**29,90**	29,90
Waha Beverages B.V. (4)	The Netherlands	Investment company of CCİ	Soft Drink	**38,39**	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (4)	Iraq	Production, distribution, bottling and selling of Coca-Cola products	Soft Drink	**32,64**	-
Coca-Cola Beverages Tajikistan Limited Liability Company (Coca Cola Tajikistan) (5)	Tajikistan	Production, distribution, bottling and selling of Coca-Cola products	Soft Drink	**50,26**	-
Anadolu Etap Tarım ve Gıda Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Turkey	Production and sales of fruit juice concentrate and puree	Other	**33,33**	33,33

(1) Shares of CCİ are currently traded on ISE.

(2) Upon reorganization of Tonus as limited liability company, as per the requirements of the local law and regulations, Tonus decreased its charter capital as a result of which, the Group's ownership in Tonus increased to 49,87% from 47,33% and its indirect ownership ratio in Almaty CC was increased to 50,24% from 50,11% (Note 3).

(3) In accordance with the CCI Board of Directors decisions, it's approved to liquidate the company's subsidiaries CCBI, SSG and Tonus in accordance with the regulations in relevant countries. As of the issuance date of the financial statements, liquidation process of Tonus is not completed. Upon the execution of these procedures , Tonus' 4,85% Almaty CC shares will be purchased based on its nominal value by CCI.Liquidation process of SSG and CCBI has been completed in June 2012 and October 2012 respectively.

(4) 23,60% shares of Waha Beverages B.V, which was incorporated as a subsidiary 100% owned by CCİ with an initial capital amounting to EUR18.000, were sold in February 2012 to European Refreshments (ER). In September 2012, share capital of Waha B.V. has been increased by the shareholding rates of CCİ and ER. Following the capital increase, Waha B.V. acquired 85% shares of Al Waha. After the acquisition, the Group's effective shareholding rate in Al Waha became 32,64 % (Note 3).

(5) In accordance with the Board of Directors decision, a limited liability company in the Republic of Tajikistan has been established for an unlimited duration to deal with sales, marketing and distribution of all kinds of carbonated and non-carbonated non-alcoholic drinks, with a share capital of USD 2,5 million and with the name of Coca-Cola Beverages Tajikistan Limited Liability Company.

Although the Company represents and controls more than 50% of voting rights of CCİ, since the members of the board of directors of CCİ, representing the Company and other shareholders, take decisions mutually in the board of directors meetings as of 31 December 2012 the financial statements of CCİ is consolidated in accordance with interests in joint venture.

On March 2013, the Group and the Coca Cola Export Corporation (TCCEC) which owns the 20,09% of CCI, have decided to modify provisions of CCI's Articles of Association in particular those described as "major decisions" with the execution of the Shareholder's Agreement effective from January 1, 2013. As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholder's Agreement. Consequently, with effect from January 1, 2013 Anadolu Efes will include CCI in full consolidation (Note 41).

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.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated 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 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" Serial XI, No:29 (Communiqué), promulgated in the Official Gazette dated April 9, 2008, effective from January 1, 2008, listed companies are required to prepare their financial statements in conformity with International Accounting/Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

2.2 Functional and Reporting Currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira. As a result of the structure of subsidiaries and joint ventures located in foreign countries and the fact that some foreign subsidiaries and joint ventures carry out their transactions mostly in Euro (EURO) or US Dollars (USD) more than in any other currency, those foreign subsidiaries or joint ventures have adopted EURO or USD as their functional currencies.

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

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

2.1 Functional and Reporting Currency (continued)

Functional Currency of Significant Subsidiaries and Joint Ventures Located in Foreign Countries

Subsidiary or Joint Venture	Local Currency	Functional Currency 2012	2011
EBI	EURO	**USD**	USD
Efes Moscow	Russian Ruble (RUR)	**RUR**	RUR
SABM RUS	RUR	**RUR**	-
Knyaz Rurik	RUR	**MDL**	MDL
Mutena Maltery	RUR	**RUR**	RUR
Efes Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Vitanta	Moldovan Leu (MDL)	**MDL**	MDL
Efes Georgia	Georgian Lari (GEL)	**GEL**	GEL
Efes Ukraine	Ukraine Hryvnya (UAH)	**UAH**	-
AETMC	EURO	**EURO**	EURO
EHTMC	EURO	**EURO**	EURO
Efes Germany	EURO	**EURO**	EURO
CCI Holland	EURO	**USD**	USD
Almaty CC	KZT	**USD**	USD
Azerbaijan CC	Azerbaijani Manat (AZN)	**USD**	USD
Bishkek CC	Kyrgyz Som (KGS)	**USD**	USD
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCBL	Iraqi Dinar (IQD)	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**USD**	-
Jordan CC	Jordan Dinar (JOD)	**USD**	USD
Turkmenistan CC	Turkmenistan Manat (TMT)	**USD**	USD
Coca-Cola Tajikistan	Somoni (TJS)	**USD**	-

2.3 Changes in Accounting Policies

Adoption of new and revised International Financial Reporting Standards

Revised and amended standards and interpretations that are effective after January 1, 2012:

- IFRS 1 (Amendment) "First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters" (effective for annual periods beginning on or after July 1, 2011): IFRS 1 has been amended to allow first-time adopters to utilise the transitional provisions in IFRS 7 and give relief from providing comparative information in the first year of application.

- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after July 1, 2011): The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets.

- IAS 12 (amendment), "Income taxes" on deferred tax, is effective for annual periods beginning on or after January 1, 2012. This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, "Income taxes - recovery of revalued non-depreciable assets", will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. Early adoption is permitted.

Revised and amended standards and interpretations that are effective after January 1, 2013:

- IFRS 1 (amendment), "First time adoption, on government loans", is effective for annual periods beginning on or after January 1, 2013 and earlier application is permitted. The amendment introduces how the first time adopters shall account the government loans at a below market rate of interest.

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

2.3 Changes in Accounting Policies (continued)

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

Revised and amended standards and interpretations that are effective after January 1, 2013 (continued):

- IFRS 7 (Amendment) "Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities" (to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods). New disclosures would provide users of financial statements with information that is useful in.

- IFRS 9, "Financial instruments: Classification and Measurement", is effective for annual periods beginning on or after January 1, 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments

- IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after January 1, 2013): This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. The standard is applied on a modified retrospective approach

- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after January 1, 2013): IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. Proportional consolidation of joint ventures is no longer allowed. The standard will be applied using a modified retrospective approach

- IFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after January 1, 2013): IFRS 12 is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early. IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities

- IAS 27 "Separate Financial Statements" (effective for annual periods beginning on or after January 1, 2013): As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10.

- IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after January 1, 2013): This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

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

2.3 Changes in Accounting Policies (continued)

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

Revised and amended standards and interpretations that are effective after January 1, 2013 (continued):

IFRS 10, IFRS 11 and IFRS 12, IAS 27 "Separate Financial Statements" and IAS 28 "Associates and joint ventures" make up a package of five new and revised standards which must be adopted simultaneously. Earlier application is permitted The amendment also provides additional transition relief in IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before IFRS 12 is applied.

Amendments will be made in the consolidation method for the joint ventures accounted with proportionate consolidation as a result of the adaptation of the above explained five new and revised standarts which are effective after January 1, 2013. According to IFRS 11, Joint Ventures are to be included in consolidation using equity method. The Group's jointly controlled operations are CCI, monitored under the "Soft Drinks" segment, and Anadolu Etap, monitored under "Other" segment.

On March 2013, the Group and the The Coca Cola Export Corporation (TCCEC) which owns the 20,09% of CCI, have decided to modify provisions of CCI's Articles of Association in particular those described as "major decisions" with the execution of the Shareholder's Agreement effective from January 2013. As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholder's Agreement. Consequently, with effect from 1 January 2013, Anadolu Efes will be able to include CCI in full consolidation (Note 1, 41)

Amendment to IFRS 11 will result in the adaptation of equity method accounting for Anadolu Etap starting from 1 January 2013

- IFRS 10, (amendment) "Consolidated Financial Statements", IFRS 12 and IAS 27 for investment entities is effective for annual periods beginning on or after January 1, 2013. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an "investment entity" definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

- IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after January 1, 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

- IAS 1 (amendment), "Presentation of financial statements", regarding other comprehensive income is effective for annual periods beginning on or after July 1, 2012. The main change resulting from these amendments is a requirement for entities to the group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The revised standard will be applied retrospectively. Early adoption is permitted.

- IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after January 1, 2013). IAS 19 has been amended to remove the corridor mechanism and to make the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The revised standard is applied retrospectively with a few exceptions. Early adoption is permitted.

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

2.3 Changes in Accounting Policies (continued)

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

Revised and amended standards and interpretations that are effective after January 1, 2013 (continued)

- IAS 32 (amendment), "'Financial instruments: Presentation', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after January 1, 2013): Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. Earlier application is permitted.

- Improvements made to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 in 2011 will be effective for the periods beginning on or after January 1, 2013.

The Group is in the process of assessing the impact of the new standard on the consolidated financial statements.

2.4 Changes in Accounting Estimates

The accounting estimates of the Group are adopted to be the same as prior years and there is no material change from prior years' accounting policies.

2.5 Offsetting

Financial assets and liabilities are offset and the net amount are reported in the consolidated financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

2.6 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Anadolu Efes, its subsidiaries and joint ventures drawn up to the reporting date. The financial statements of the companies included in the consolidation have been prepared based on the accounting policies and presentation formats adopted by the Group in accordance with CMB Financial Reporting Standards.

Subsidiaries are companies in which Anadolu Efes has the power to exercise more than 50% of the voting rights relating to the shares in the companies as a result of shares owned directly and/or indirectly by itself or although not having the power to exercise more than 50% of the voting rights, exercises control in order to make profit from the operations of companies through the exercise of actual dominant influence over the financial and operating policies. Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to minority shareholders' interests of subsidiaries are shown separately in the consolidated balance sheet and consolidated income statement

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

2.6 Basis of Consolidation (continued)

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted for by way of proportionate consolidation; in other words, the Group includes its share of the assets, liabilities, income and expenses of each joint venture in the relevant components of the financial statements. Starting from January 1, 2013 joint ventures are to be included in consolidation using equity method

Investments in associates are undertakings in which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The Group's investments in associates are accounted for by using the equity method

The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The acquisition method of accounting is used for business combinations. Subsidiaries, joint ventures or investment in associates, acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term investments, which can easily be converted into cash for a certain amount, has high liquidity with original maturities of 3 months or less. The deposits with the original maturities more than 3 months are classified to financial investments. The amounts paid under reverse repurchase agreements are included in the cash and cash equivalents.

2.8 Trade Receivables and Provisions for Doubtful Receivables

Trade receivables that are originated by the Group by the way of providing goods or services are generally collected in 5 to 90 day terms. Trade receivables are recognized and carried at discounted amount if they bear significant interest less an allowance for any uncollectible amounts.

The provisions for doubtful receivables are set aside when there is objective evidence that a receivable cannot be collected and is charged as an expense in the consolidated financial statements. The provision is the difference between the carrying amount and the recoverable amount, being all cash flows, including amounts recoverable from guarantees and collaterals. Subsequent to booking of provision, in case of collection of all or a portion of doubtful receivable, the collected amount is reversed from the doubtful receivable provision and reflected to income statement as gain.

2.9 Related Parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions or be the associate of the Group. Related parties also include individuals who are principle owners, management and members of the Group's board of directors and their families. Amounts due from and due to related parties are carried at cost. Related party transactions are transfers of resources, services or obligations between related parties, regardless of whether a price is charged

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

2.10 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined primarily on the basis of the weighted average cost method. For processed inventories, cost includes direct materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity.

2.11 Biological assets

Biological assets of the Group consist of sewed fruit tree seedlings of Anadolu Etap. The seedlings that are accounted for as biological assets are carried at cost due to immateriality and nonexistence of an active and fair market according to IAS 41.

2.12 Financial Investments

The Group has classified its financial assets as “available-for-sale” in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”. Financial assets, intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates are classified as available-for-sale. These financial assets are included in non-current assets unless management has the intention of holding the investment for less than twelve months from the balance sheet date, or unless they will need to be sold to raise working capital, in which case they are included in current assets. Management determines the appropriate classification of its financial assets at the time of the purchase and re-evaluates such designation on a regular basis.

All investments are initially carried at cost, being the fair value of the consideration given and including acquisition changes associated with the investment. After initial recognition, investments classified as available-for-sale are measured at fair value. For investments actively traded in organized financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date and negative or positive valuation differences of investments, which are measured at fair value, have been recognized under comprehensive income statements as “value increase in available-for-sale securities” in the consolidated financial statements. Negative valuation differences that are exceeding previously recorded value increases are reflected to income statement.

Investments classified as available-for-sale investments, that do not have a quoted market price on an active market and whose fair value cannot be reliably measured by alternative valuation methods, are measured at cost. The carrying amounts of such investments are reviewed at each balance sheet date for impairment.

All the acquisitions and disposals of the available for sale securities are recorded in the accounts at the date of obligation of the Group for purchasing or selling the asset

2.13 Prepayments

Contribution payments to the sales points; related to following years, are recorded as prepayment on the balance sheet.

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

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

2.14 Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is computed by the straight-line method over the following estimated useful lives:

Buildings and land improvements	10-50 years
Machinery and equipment	4-20 years
Leasehold improvements	4-15 years
Furniture and fixtures	3-15 years
Vehicles	5-10 years
Returnable bottles and cases	5-10 years
Other tangible assets	2-14 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated income statement (Note 32).

The Group management accounts returnable bottles under property, plant and equipment. Deposit obligations relating to such returnable bottles are reflected in other payables. The Group carries the liabilities related to returnable packages of Turkey Beer operation in the consolidated balance sheet, until the return of these packages from points of sales. The Group sells its products also in non-returnable bottles. For such sales, there is no deposit obligation of the Group.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the income statement. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

2.15 Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost.

Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill, if the fair value can be measured reliably. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Supplies relating to promotion and marketing activities are incurred as expense when the right to reach these supplies is recognized. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. Intangible assets with indefinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

a) Brands

The brands, which belong to International Beer Operations and which are acquired as part of a business combination, are carried at their fair value and if it is acquired separately, carried at cost in the financial statements. The Group expects that the brands will generate cash inflow indefinitely and therefore are not amortized. The brands are tested for impairment annually.

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

2.15 Intangible Assets (continued)

b) Bottlers Agreement

In the scope of consolidation, intangible assets identified in the fair value financial statements of subsidiaries acquired by CCİ in 2005, 2009 and 2012 acquired through change in scope of consolidation in 2011 and joint venture acquired by CCİ include "Bottlers and Distribution Agreements" that are signed with The Coca-Cola Company. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. Bottlers and distribution agreements are tested for impairment annually.

c) License and Distribution Agreements

License and distribution agreements includes, the agreements that are signed with SABMiller Group Companies, identified in the fair value financial statements of subsidiaries acquired in 2012 in the scope of consolidation. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. license and distribution agreements are tested for impairment annually

d) Rights

The rights acquired as part of a business combination is carried at their fair value and if they are acquired separately, then they are carried at cost in the financial statements. Rights in the consolidated financial statements comprise mainly water sources usage rights and are amortized on a straight-line basis over 10 to 40 years.

e) Software

The cost of acquisition of new software is capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized on a straight-line basis over 1 to 5 years.

2.16 Business combinations and goodwill

A business combination is the bringing together of separate entities or business into one reporting entity.

The Group accounted business combinations that occurred before January 1, 2010 using the purchase method according to the IFRS 3 before revision. In this method, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the acquirer shall include the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured.

Goodwill is accounted in the consolidated financial statements being the excess of the cost of the business combination over the Group's share is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

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

2.16 Business combinations and goodwill (continued)

Goodwill recognized in business combinations is tested for impairment annually (as of December 31) or more frequently, if events or changes in circumstances indicate impairment, instead of amortization. Even though these circumstances do not indicate impairment in the following periods, the impairment loss of goodwill recognized in consolidated income statement is not subject to be reversed. During the impairment test, goodwill relates to cash-generating units.

The excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is accounted for as an income in the related year (gain from bargain purchase).

In business combinations involving entities under common control, assets and liabilities subject to a business combination are recognized at their carrying amounts in the consolidated financial statements. As a result of these transactions, no goodwill or gain from bargain purchase is directly accounted to the financial statements.

For business combinations occurred after January 1, 2010, the Group applied revised IFRS 3 "Business Combination" which is effective for the periods beginning on January 1, 2010.

IFRS 3 (Revised) introduces a number of changes in the accounting of business combinations which will impact the amount of goodwill recognized, the reported profit or loss in the period that a business combination occurs, and profit or loss of the future periods. Such changes include the expensing of acquisition related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). However, as permitted by the revised standard in accordance with the transition period application, the Group recognized subsequent changes in the fair value of contingent consideration balances originated in previous periods before the effective date of IFRS 3 (Revised) by adjusting goodwill.

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. Accordingly, for share purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is accounted for as an equity transaction

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2.17 Trade Payables

Trade payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such financial liabilities are initially recognised at fair value and represented by the original invoice amount. After initial recognition, trade payables are measured at amortised cost using the effective interest rate method. The Group's trade payables are due within twelve months after the financial statement date, therefore classified under current liabilities.

2.18 Borrowings

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the obligations related with the borrowings are removed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

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

2.18 Borrowings (continued)

a) Finance Lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The initial direct costs attributable for the finance lease are added to the amount recognized as an asset. Capitalized leased assets are depreciated over the estimated useful life of the asset.

b) Operating Lease

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. The Group recognizes operating lease payments as an expense in the income statement on a straight-line basis over the lease term.

2.19 Current Income Tax and Deferred Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in equity.

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.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent of the probability that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to net off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority.

2.20 Employee Benefits

a) Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In the consolidated financial statements the Group has reflected a liability using the Projected Unit Credit Method and based on estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds

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

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

2.20 Employee Benefits (continued)

b) Defined Contribution Plans

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are paid.

c) Long Term Incentive Plans

The Group provides a benefit to its employees over a certain seniority level under the name “long term incentive plan”. Provision for long term incentive plan accrued in consolidated financial statements reflects the discounted value of the estimated total provision of possible future liabilities until the financial statement date.

2.21 Provisions, Contingent Assets and Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

b) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements, but disclosed when an inflow of economic benefits is probable

2.22 Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey and used by the Group’s subsidiaries and joint ventures in Turkey as of respective year-ends are as follows:

Date	USD / TRL (full)	EURO / TRL (full)
December 31, 2012	1,7826	2,3517
December 31, 2011	1,8889	2,4438

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the equity items are translated using the exchange rates at the date of the transaction. The income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences resulting from the deviation between the values of investment related to equity accounts of consolidated subsidiaries and joint ventures and the appreciation of foreign currencies against the Turkish Lira are accounted to equity as “currency translation differences”.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate of balance sheet date. On disposal of a foreign entity, currency translation differences are recognized in the income statement as a component of the gain or loss on disposal.

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

2.23 Paid in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.24 Dividends Payable

Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.25 Subsequent Events

The Group adjusts the amount recognized in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.26 Revenue

Revenue is recognized to the extent of probability that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues are stated net of discounts and returns, value added and sales taxes. The following specific recognition criteria must also be met before revenue is recognized:

a) Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

b) Interest Income

Interest income is recognized as the interest accrues. Interest income is reflected under the “financial income” in the consolidated income statement.

c) Dividend Income

Dividend income is recognized when the right to collect the dividend is established.

2.27 Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized. Borrowing costs other than these are recoded as expensed at the date they are incurred.

2.28 Segment Reporting

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

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 (Note 5).

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

2.29 Earnings per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. In Turkey, companies can increase their share capital by making distribution of free shares to existing shareholders from inflation adjustment to shareholders equity.

For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted with respect to free shares issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

2.30 Reporting of Cash Flows

In the consolidated statement of cash flows, cash flows are classified and reported according to their operating, investing and financing activities. Cash flows related with investing activities present the cash flows provided from and used in the Group’s investing activities and cash flows related with financing activities present the proceeds and repayments of sources in the Group’s financing activities.

2.31 Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss (except for foreign currency risk)
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment that could affect profit or loss
- Net investment hedges when hedging the exposure relating to the net investment in foreign operations.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For fair value hedges, the change in the fair value of a hedging instrument is recognized in the statement of consolidated income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of consolidated income as part of financial income and expense.

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

2.31 Hedge Accounting (continued)

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of consolidated income as part of financial income and expense. Amounts recognized as other comprehensive income are transferred to the statement of consolidated income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast purchase occurs.

For net investment hedges, gains and losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations are recognized as other comprehensive income while any gains and losses relating to the ineffective portion are recognized in income statement. The gain or loss on the hedging instrument that has been recognized in equity is transferred to income statement on the disposal of the foreign operation.

Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the statement of consolidated income when sales occur.

CCİ uses aluminum swap contracts in order to offset the possible losses that may arise from anticipated purchases of cans which are subject to aluminum price volatility and designates these aluminum swap transactions as hedging instruments for cash flow hedge relation against high probable future outflows as the hedged item.

Other derivatives not designated for hedge accounting

Other derivatives not designated for hedge accounting are recognized initially at fair value; attributable transaction costs are recognized in statement of consolidated income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of such derivatives are recognized in the consolidated income statement as part of finance income and costs.

2.32 Restatements on Prior Period Financial Statements

In accordance with IAS 16 paragraph 8, CCI overviewed the useful life of spare parts which were accounted as inventories and realized a study for the spare parts which were expected to be used more than one period to identify if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment.

Accordingly, the Group accounting policy was re-assessed and it is decided to account spare parts which were connected with an item of property, plant and equipment for as property plant and equipment.

In this scope, for the consistency of the comparative prior period financial statements, TRL13.798 and TRL15.252 were classified from inventories to property, plant and equipment for December 31, 2010 and December 31, 2011, respectively.

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

2.33 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in income statement in the periods in which they become known. The source of the estimates and assumptions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

a) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered (Note 11).

b) During the assessment of the reserve for inventory obsolescence the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories (Note 14).

c) The Group performs impairment test for tangible assets, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2012, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is the higher of net selling price and value in use.

In these calculations, estimated free cash flows before tax from financial budgets covering a 3-year period and approved by Board of Directors are used. Estimated free cash flows before tax after a 3-year period are calculated for 5 – 10 years period by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product (GDP) per capita and consumer price indices were derived from external sources. Main estimates such as raw material and good prices, working capital requirements and capital expenditures were based on the Group's key assumptions and historical operating data.

The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors and no impairment has been detected on goodwill. Perpetuity growth rate used in impairment test in the operating units is between 1,00% - 3,00% (December 31, 2011 – 1,00 % - 3,00 %) and after tax discount rate is between 6,7% and 13,9% (December 31, 2011 – 8,8% - 14,7%). Based on the Group's sensitivity analysis, adjusting the post-tax weighted average cost of capital by 0.5% up-ward or adjusting the perpetuity growth rate by 0,5% down-ward in the recoverable amount calculation will not result any impairment loss..

d) The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in "other current liabilities" and "other non-current liabilities" in the consolidated balance sheet based on their remaining maturities (Note 24).

e) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee's turnover rates (Note 25).

f) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses. As of December 31, 2012, the estimations made to indicate that the company will incur taxable profits in the future periods were reasonable and deferred tax asset was recorded (Note 36).

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2012

a) On March 6, 2012 after the required approval from the Competition Board related to the alliance with SABMiller, SABMiller's all beer operations in Ukraine and Russia are transferred to EBI, whose 100% shares are owned by Anadolu Efes, and Euro-Asien Brauereien Holding GmbH (Euro-Asien), whose 100% shares are owned by EBI. Anadolu Efes already owned operations in Russia and the operations transferred from SABMiller are combined and started to operate immediately.

Within the scope of this transaction, EBI and Euro Asien's share capitals have been increased and Anadolu Efes Board of Directors resolved to participate in the planned capital increase of EBI by full USD1.859 million, as USD358,8 million in cash and USD1.500 million via loan notes. EBI has increased the share capital of Euro Asien by USD 118 million.

EBI and Euro Asien fulfilled the commitment of USD 1.757 million, equivalent of TRL 3.103.044, including post acquisition costs and SABMiller Russian brands amounting to USD 86,4 million, equivalent of TRL 152.453, in exchange for the transfer of SABMiller's Russia operations. Additionaly, EBI fulfilled the commitment of USD 75 million, equivalent of TRL132.338 for the acquisation of 99,91% shares of Efes Ukraine. Efes Ukraine's shareholder loan amounting to TRL175.760 has been settled with the acquisition

On March 6, 2012, it has been resolved to increase the Company's issued capital to TRL592.105, while the shareholders' right to purchase new shares has been restricted. The newly issued 142.105.263 bearer shares, which are above the nominal values, were allocated on the name of SABMiller Anadolu Efes Limited (SABMiller AEL), a subsidiary of SABMiller. In return of this capital increase, SABMiller AEL fulfilled its capital and premium commitment amounting to TRL3.279.789 at March 6, 2012 and issued shares has been transferred to SABMiller AEL in İstanbul Stock Exchange Wholesale Market at March 14, 2012. All share transfers planned in accordance with the strategic alliance have been completed as of this date.

SABM RUS and Efes Ukraine are included in consolidation by using the full consolidation method after the Group acquired SABMiller's beer operations in Russia by 100% and beer operations in Ukraine by 99,91% on March 2012. TRL3.235.382 has been attributed for the transfer of SABM RUS, Efes Ukraine, for the brands purchased from SABMiller Group companies and call option of the shares of IBT LLP, resident in Kazakhstan as a part of acquisition and past acqusition costs.

Anadolu Efes total share capital increase amounting to TRL3.279.789, acqusition cost amounting to TRL3.413.889 and net cash acquired in the subsidiaries are presented as net in the consolidated statement of cash flows.

In accordance with IFRS 3 "Business Combinations", difference between the total consideration of business combination and the Group's share in the fair value of acquiree's net assets and acquisition cost amounting to TRL1.213.199 is recorded as goodwill in the consolidated balance sheet (Note 21).

In the consolidated income statement, contribution to consolidated revenue by SABM RUS and Efes Ukraine after the date of acquisition is TRL1.024.074. In the same period, the contribution by SABM RUS and Efes Ukraine to profit for the year of the Group amounts to TRL119.958.

If the financial statements of SABM RUS and Efes Ukraine had been consolidated since January 1, 2012, the contribution to consolidated revenue by SABM RUS and Efes Ukraine would have been TRL 1.165.968.

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

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2012(continued)

a) The fair value of the net assets of SABM RUS and MBU derived from the financial statements as of the acquisition date are as follows:

	SABM RUS	**MBU**
Cash and cash equivalents	41.787	16.426
Trade and other receivables	101.942	10.626
Due from related parties	3.263	-
Inventories	75.411	13.484
Other assets	37.270	3.266
Property, plant and equipment	834.370	162.006
Intangible assets	1.443.289	32.380
Financial liabilities	(30.475)	(175.760)
Trade payables	(119.811)	(8.254)
Due to related parties	(10.961)	(3.146)
Other liabilities	(69.206)	(13.128)
Deferred tax liability	(305.366)	(17.211)
Fair value of net assets acquired	**2.001.513**	**20.689**
Total consideration	3.103.044	132.338
Group's share in net assets	(2.001.513)	(20.670)
Goodwill arising from acquisition	**1.101.531**	**111.668**
Total consideration	3.103.044	132.338
Cash in the subsidiary acquired	(41.787)	(16.426)
Net consideration related with acquisition	**3.061.257**	**115.912**

Acqusition, transaction and integration costs amounting to TRL40.609 have been recognized as operating expense in the consolidated income statement for the year ended December 31, 2012.

b) In February 2012, CCI has announced a Share Purchase Agreement has been signed between Waha B.V. and the current shareholders of Al Waha for Soft Drinks, Mineral Water and Juices LLC (Al Waha), who are domiciled in Iraq, for the acquisition of 85% of the shares of Al Waha by Waha B.V. On the other hand, 23,60% shares of Waha B.V., which was established with initial share capital of EURO18.000 in the Netherlands for the purpose of making investments in Southern Iraq and being a 100% subsidiary of CCİ, was sold for purchase price of EURO4.248 to European Refreshments (ER), a 100% subsidiary of The Coca-Cola Company. The Group's share in the change on minority shares amounting to TRL221, which is arising from the net liability of Waha B.V. has been recorded under equity in accordance with the "IAS 27 Consolidated and Separate Financial Statements" (IAS 27).

According to the put option signed with ER, which became effective after the completion of Al Waha acquisition and exercisable between 31 December 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 23,60% participatory shares in Waha B.V.. In accordance with IAS 27, this put option is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability with an amount of TRL37.392 was calculated using discounted cash flow method based on the assumption that ER will exercise the option at the end of 2016 and recorded under "other non-current liabilities" account. The Group's share in difference between the fair value of put option liability and the Group's share of the minority interest calculated over consolidated Waha B.V. and Al Waha net asset value amounting to TRL 9.042 as at 31 December 2012 is reflected in equity as "minority put option liability reserve".

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

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2012 (continued)

b) According to the Share Purchase Agreement between Waha B.V. and current shareholders of Al-Waha (NKG), in September 2012 share capital of Waha B.V. has been increased in the amount of USD136,5 million for which CCI contributed USD104,3 million and ER contributed million USD32,2 prorata to their shareholding in Waha B.V.

Following the capital increase, Waha B.V. acquired 85% shares of Al Waha for a cash consideration of TRL238.703 equivalent of USD133,8 million. Since TRL28.332 of the total consideration amount was advancely paid to suppliers in July 2011 and recognized as other current assets on consolidated balance sheet for the fiscal year 2011, the Group's share in total consideration amounting to TRL105.722 is recognized in consolidated statement of cash flows as of December 31, 2012. As a result of the transaction, the Group's effective shareholding rate in Al-Waha has decreased to 32,64%.

Since the entities with foreign participation cannot own immovable assets under the laws in Iraq, a special purpose entity called "Dakat Al-Tatawor For General Trading, LLC" ("Trust Co.") was founded, which will own all immovable assets of Al Waha and lease all ownerwhip rights of these immovable assets to Al Waha with a special contract. Trust Co. was accounted by using the full consolidation method in the Group's consolidated financial statements as of 31 December 2012 in accordance with Standing Interpretations Committee (SIC) 12 "Consolidation – Special Purpose Entities".

In accordance with IFRS 3 "Business Combinations", the Group's share of the difference between the acquisition cost and the net asset value calculated from the financial statements based on fair value accounting of Al Waha and Trust Co. amounting TRL11.827 to is recorded as goodwill in the consolidated balance sheet as of 31 December 2012 (Note 21).

The fair value of net assets of Al Waha and Trust Co. as of the acquisition date is as follows::

	Fair Value
Property, plant and equipment	126.939
Intangible assets	126.204
Fair value of net assets acquired	**253.142**
Total consideration, Group's share	119.961
Group's share in net assets	(108.134)
Goodwill arising from acquisition, Group's share	**11.827**
Total consideration, Group's share	119.961
Cash in the subsidiary acquired (-), Group's share	-
Advance payment during 2011 (-), Group's share	(14.239)
Net cash outflow of subsidiary acquisition reflected in 2012, Group's share	**105.722**

According to put and call options signed with NKG, within the 13th month until the end of the 36th month starting from the effective date of the shareholders agreement NKG has an option to sell (and Waha B.V. will have an obligation to buy) its remaining 15% participatory shares in Al Waha and Waha B.V. has an option to buy (and NKG will have an obligation to sell) NKG's 15% participatory shares in Al Waha with an amount of USD 26 million. The Group's liability from this buying obligation is amounting to TRL23.292 and was recorded to "other non-current liabilities" in the consolidated balance sheet in accordance with IAS 32 "Financial Instruments" (Note 27). The Group's share of difference between put option liability and the non-controlling interest calculated over consolidated Al Waha and Trust Co. net asset value as at the acquisition date amounting to TRL4.326 is reflected as goodwill in December 31, 2012 consolidated financial statements (Note 21).

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

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2012(continued)

c) On December, 2012, EBI and Heineken International B.V. (Heineken) agreed to unwind their partnerships in Kazakhstan and Serbia. Based on this agreement, sale of 28% stake in Central Europe Beverages (CEB) for USD 4 million, the equivalent of TRL 7.139, to Brau Union AG which is subsidiary of Heineken, has been completed. Loss occurring from the transaction and currency translation difference amounting to TRL11.093 has been recorded under "other operating income" (Note 17, 32).

d) Upon reorganization of Tonus as limited liability company, as per the requirements of the local law and regulations, Tonus decreased its charter capital as a result of which, CCİ's ownership in Tonus increased to 49,87% from 47,33% and its indirect ownership ratio in Almaty CC was increased to 50,24% from 50,11%. As of December 31, 2012, there isn't any change occurred for the CCİ's control over Tonus and TRL128 change in minority interest resulted by this transaction is reflected under equity movement separately in accordance with IAS 27.

Transactions Related with 2011

In March 2011, CCI Holland acquired 100% of SSG shares and 50% of CCBI shares from The Coca-Cola Export Corporation for a cash consideration of TRL35.416. CCBI, whose 50% shares owned by CCI Holland, owned 60% shares of CCBL and SSG owned 40% shares of CCBL as at December 31, 2010. Following this acquisition, CCİ's indirect shareholding rate in CCBL has reached to 100% from 30%. Accordingly, CCİ included SSG, CCBI and CCBL in consolidation by using full consolidation method

Regarding to the consolidation of aforementioned subsidiaries, the Group's share in the difference between the net asset value calculated from the financial statements based on fair value accounting and the acquisition cost amounting to TRL7.384 was recorded as goodwill retrospectively in the restated consolidated balance sheet as of the acqusition date in accordance with IFRS 3 "Business Combinations" (Note 21).

According to this acquisition, the Group's share in the fair value difference occurred from the fair value financial statements amounting to TRL2.957, which is related with the shares formerly owned by the Group, is recorded as "other operating income" in the consolidated income statement in accordance with IFRS 3 (Note 32).

The fair value of the net assets of SSG and CCBI derived from the financial statements as of acquisition date including CCBL financial statements are as follows:

	CCBI	SSG
Cash and cash equivalents	1.445	643
Trade and other receivables	781	520
Inventories	4.797	3.198
Other assets	1.863	1.296
Property, plant and equipment	39.738	26.492
Intangible assets	10.564	7.042
Trade and other payables	(271)	(180)
Due to related parties	(51.534)	(21.550)
Other liabilities	(536)	(159)
Fair value of net assets acquired	**6.847**	**17.302**
Total cash consideration, Group's share	5.141	12.658
Group's share in net assets	(1.720)	(8.695)
Goodwill arising from acquisition	**3.421**	**3.963**
Total cash consideration, Group's share	5.141	12.658
Cash in the subsidiary acquired, Group's share (-)	(363)	(323)
Net cash outflow on acquisition	**4.778**	**12.335**

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

NOTE 4. JOINT VENTURES

Summarized financial information about proportionally consolidated amounts included in the consolidated financial statements before consolidation adjustments and reclassifications are as follows:

	2012	2011
Current assets	**1.545.534**	742.893
Non-current assets	**2.595.089**	1.200.033
Total assets	**4.140.623**	1.942.926
Short-term liabilities	**651.087**	278.899
Long-term liabilities	**1.654.775**	811.667
Equity	**1.834.761**	852.360
Total liabilities	**4.140.623**	1.942.926
Net income	**189.689**	66.208

There are no commitments given by the Company on behalf of the joint ventures as of December 31, 2012 and 2011.

NOTE 5. SEGMENT INFORMATION

The Group's segment reporting disclosed in accordance with IFRS 8 is disclosed as follows with respect to operating segments as of December 31, 2012 and 2011.

	Turkey Beer	**International Beer**	**Soft Drinks**	**Other [1] and Eliminations**	**Total**
2012					
Revenues	1.604.676	2.698.867	2.076.736	66.252	6.446.531
Inter-segment revenues	(11.960)	(220)	(48)	(17.468)	(29.696)
Total Sales	**1.592.716**	**2.698.647**	**2.076.688**	**48.784**	**6.416.835**
EBITDA	**550.526**	**426.056**	**344.477**	**(65.757)**	**1.255.302**
Depreciation and amortization	90.329	258.487	98.467	3.294	450.577
Provision for retirement pay liability	15.610	-	4.053	106	19.769
Fair value gain of put-option liability	-	(3.405)	-	-	(3.405)
Gain from sales of investments in associates	-	11.093	-	-	11.093
Other	8.032	(2.207)	3.654	2.105	11.584
Profit / (loss) for the year	**382.651**	**125.746**	**193.450**	**(71.579)**	**630.268**
Capital expenditures (Note 19, 20)	**115.026**	**240.683**	**184.198**	**6.560**	**546.467**
2011					
Revenues	1.390.840	1.630.697	1.712.991	58.496	4.793.024
Inter-segment revenues	(11.069)	(4.362)	(43)	(16.284)	(31.758)
Total Sales	1.379.771	1.626.335	1.712.948	42.212	4.761.266
EBITDA	519.881	238.961	244.703	(50.129)	953.416
Depreciation and amortization	80.426	175.424	77.283	2.474	335.607
Provision for retirement pay liability	7.039	-	3.249	65	10.353
Fair value increase related to change in scope of consolidation	-	-	(2.957)	-	(2.957)
Other	4.862	2.942	2.138	(4.649)	5.293
Profit / (loss) for the year	336.516	4.473	71.098	(52.615)	359.472
Capital expenditures (Note 19, 20)	94.984	205.702	250.845	3.322	554.853

(1) Includes other subsidiaries included in the consolidation of Anadolu Efes and headquarters expenses.

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

NOTE 5. SEGMENT INFORMATION (continued)

Segment assets and liabilities as of December 31, 2012 and 2011 are disclosed as follows:

	Turkey Beer	International Beer	Soft Drinks	Other [1] and Eliminations	Total
2012					
Segment assets	**7.848.999**	**6.853.293**	**2.144.106**	**(5.201.595)**	**11.644.803**
Segment liabilities	**2.172.425**	**1.496.798**	**1.182.172**	**6.617**	**4.858.012**
Other disclosures					
Investments in associates	**-**	**-**	**-**	**-**	**-**
2011					
Segment assets	3.094.136	2.829.313	1.903.453	(1.406.193)	6.420.709
Segment liabilities	871.460	1.258.990	1.064.143	19.236	3.213.829
Other disclosures					
Investments in associates	-	18.447	-	-	18.447

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

Reconciliation of EBITDA to the consolidated profit before tax and its components as of December 31, 2012 and 2011 are explained in the following table:

	2012	2011
EBITDA	**1.255.302**	953.416
Depreciation and amortization expenses	**(450.577)**	(335.607)
Provision for retirement pay liability	**(19.769)**	(10.353)
Loss from sales of investment in associates	**(11.093)**	-
Provision for vacation pay liability	**(4.449)**	(3.258)
(Impairment reversal) / impairment on property, plant and equipment, net	**(1.941)**	(1.374)
Provision / (reversal of provision) for doubtful receivables, net	**(224)**	(494)
Provision / (reversal of provision) for inventory obsolescence, net	**1.643**	4.104
Fair value gain of put-option liability	**3.405**	-
Fair value increase related to change in scope of consolidation	**-**	2.957
Other	**(6.613)**	(4.271)
Profit from Operations	**765.684**	605.120
Loss from Associates	**(5.991)**	(6.785)
Financial Income	**316.001**	240.686
Financial Expenses (-)	**(271.955)**	(374.040)
Profit Before Tax from Continuing Operations	**803.739**	464.981

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

NOTE 6. CASH AND CASH EQUIVALENTS

	2012	2011
Cash on hand	**1.769**	1.466
Bank accounts		
- Time deposits	**1.527.674**	843.873
- Demand deposits	**103.471**	67.859
Cash and cash equivalents in cash flow statement	**1.632.914**	913.198
Interest income accrual	**8.497**	4.431
	1.641.411	917.629

As of December 31, 2012, as the maturity of all time deposits is less than three months, annual interest rates of the TRL denominated time deposits vary between 3,8% and 8,7% (December 31, 2011 - 3,8% - 13,3%) and annual interest rates of the USD, EURO denominated and other time deposits vary between 0,2% and 10,0% (December 31, 2011 – 0,2% - 10,5%). As of December 31, 2012, cash deposit amounting to TRL3.874 is pledged as collateral by the Group (December 31, 2011 – None).

NOTE 7. FINANCIAL INVESTMENTS

a) Current Investments

	2012	2011
Time deposits with maturity more than three months	**149.401**	21.395
Available for sale assets	**78.955**	-
Investment funds	**1.550**	1.207
	229.906	22.602

Time deposits with maturities over three months were made for periods varying between 3 to 12 months (December 31, 2011 – for 3 to 7 months) and earned interest for TRL denominated deposits is between 8,2% and 8,9% (December 31, 2011 – none) for USD denominated deposits 3,6% and 6,8%;(December 31, 2011 –4,5% and 5,9%).

Shares of Alternatifbank are traded on the ISE, and the Group carried the shares of Alternatifbank at fair value as of December 31, 2012 in the consolidated financial statements. The Group's effective shareholding rate is %7,46

Investment funds in the consolidated financial statements are valued with their market value prevailing at the balance sheet date

As a result of the valuation of current investments and shares of Alternatifbank at their market value, a positive valuation difference amounting to TRL54.906 in 2012 is recognized under consolidated comprehensive income statement as "value increase / (decrease) in available for sale securities" (December 31, 2011 –TRL12.365 negative valuation difference). The deferred tax expense effect of such valuation difference amounting to TRL2.728 (December 31, 2011 – TRL618 deferred tax income is also recognized under consolidated comprehensive income statement.

b) Non-current Investments

	Ownership			
	2012	2011	**2012**	2011
Alternatifbank A.Ş.	**-**	%7,46	**-**	24.394
Other			**786**	786
			786	25.180

Available for sale securities are carried at cost, since these investments do not have a quoted market price in an active market and its fair value cannot be reliably measured by alternative valuation methods.

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

NOTE 8. BORROWINGS

As of December 31, 2012, total borrowings consist of principal (finance lease obligations included) amounting to TRL2.916.751 (2011 – TRL2.092.034) and interest expense accrual amounting to TRL6.332 (2011 – TRL7.443). As of December 31, 2012 and 2011, total amount of borrowings and the effective interest rates are as follows:

	December 31, 2012			December 31, 2011		
Short-term	**Amount**	**Fixed rate**	**Floating rate**	Amount	Fixed rate	Floating rate
Borrowings						
TRL denominated borrowings	113.024	5,00% - 14,75%	-	5.394	7,00% - 13,08%	-
Foreign currency denominated borrowings (USD)	250.179	3,00% - 6,70%	Libor + 1,50% - 3,87%	63.880	4,40% - 7,50%	Libor + 1,99% - 3,60%
Foreign currency denominated borrowings (EURO)	-	-	-	416	3,47% - 3,95%	-
Foreign currency denominated borrowings (Other)	38.328	6,75% - 9,37%	Kibor + 0,40% - 0,50%	67.825	6,75% - 8,50%	Mosprime + 1,00% - Kibor + 0,50%
	401.531			137.515		
Short-term portion of long term borrowings						
TRL denominated borrowings	397	5,00% - 15,00%	-	123	5,00% - 10,00%	-
Foreign currency denominated borrowings (USD)	469.927	3,38% - 6,10%	Libor + 1,00% - 3,50%	520.181	2,90% - 6,10%	Libor + 1,00% - 2,50%
Foreign currency denominated borrowings (EURO)	3.576	3,40%	Euribor + 1,80%	100.813	3,95%	Euribor + 1,80% - 2,00%
Foreign currency denominated borrowings (Other)	8.583	8,11%	-	36.124	8,11%	Mosprime + 1,00%
	482.483			657.241		
Leasing obligations	**1.143**	3,45% - 8,00%	-	888	3,45% - 8,00%	-
	885.157			795.644		
Long-term						
Borrowings						
TRL denominated borrowings	16.195	5,00% - 15,00%	-	1.170	5,00% - 10,00%	-
Foreign currency denominated borrowings (USD)	1.959.498	3,38% - 6,10%	Libor + 0,50% - 3,50%	1.238.794	4,90% - 6,10%	Libor + 1,00% - 2,50%
Foreign currency denominated borrowings (EURO)	59.496	-	Euribor + 1,80%	52.535	-	Euribor + 1,80%
Foreign currency denominated borrowings (Other)	-	-	-	9.219	8,11%	-
	2.035.189			1.301.718		
Leasing obligations	**2.737**	3,45% - 8,00%	-	2.115	3,45% - 8,00%	-
	2.037.926			1.303.833		
	2.923.083			2.099.477		

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

NOTE 8. BORROWINGS (continued)

At October 30, 2012, the Group issued 10 year term, fixed interest bonds amounting to USD500 million with the maturity date November 1, 2022. Bonds are priced based on 3,52% return on resale and have coupon payments every six months with coupon rate 3,38%.

Repayments of long-term borrowings are scheduled as follows (excluding finance lease obligation):

	2012	2011
2013	**-**	326.832
2014	**1.054.947**	944.326
2015	**104.737**	27.371
2016 and thereafter	**875.505**	3.189
	2.035.189	1.301.718

As of December 31, 2012, TRL7.026 (December 31, 2011 – TRL10,760) of the total borrowings that are secured by the Group related with CCİ, its subsidiaries and joint ventures consist of certain property, plant and equipment amounting to TRL23.226 (December 31, 2011 – TRL26.344).

Lessee - Finance Lease

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

As of December 31, 2012 and 2011, the costs of the property plant and equipment obtained by finance lease are TRL63.889 and TRL63.653, respectively whereas net book values are TRL4.860 and TRL5.604, respectively.

Lessee - Operating Lease

Production facility of Mutena Maltery is situated on a site leased from the Moscow City Government under a 49-year lease contract. Furthermore, the Group has operational leasing agreements with Çelik Motor Ticaret A.Ş., a related party of the Group.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2012 CCI has 3 aluminum swap transactions with a nominal value of 4.256 tones. The total of these aluminum swap contracts are designated as hedging instruments as of September 12, 2012, October 10, 2012 and October 30, 2012 in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk (Note 40).

The change in fair value of hedges is effective and recognized in consolidated comprehensive income..

	2012		2011	
	Nominal Value	**Fair Value Asset / (Liability)**	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	**7.774**	**140**	**-**	**-**
	7.774	**140**	**-**	-

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

NOTE 10. OTHER FINANCIAL LIABILITIES

None (December 31, 2011 – None).

NOTE 11. TRADE RECEIVABLES AND PAYABLES

a) Short-Term Trade Receivables

	2012	2011
Trade receivables	**821.011**	580.143
Notes and cheques receivables	**18.542**	13.137
Provision for doubtful accounts (-)	**(16.547)**	(14.852)
	823.006	578.428

The movement of provision for doubtful accounts as of December 31, 2012 and 2011 is as follows:

	2012	2011
Balance at January 1	**14.852**	15.066
Current year provision	**2.015**	4.153
Unused provisions	**(1.791)**	(3.659)
Write-offs from doubtful receivables	**(740)**	(1.527)
Addition through subsidiary acquired	**2.479**	-
Disposals through liquidation	**-**	(297)
Currency translation differences	**(268)**	1.116
Balance at December 31	**16.547**	14.852

b) Short-Term Trade Payables

	2012	2011
Trade payables	**393.669**	307.569

NOTE 12. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	2012	2011
Due from personnel	**5.272**	4.006
Other receivables	**20.482**	12.871
	25.754	16.877

b) Other Non-Current Receivables

	2012	2011
Deposits and guarantees given	**1.429**	1.252
Other	**779**	358
	2.208	1.610

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

NOTE 12. OTHER RECEIVABLES AND PAYABLES (continued)

c) Other Current Payables

	2012	2011
Taxes other than on income	**427.098**	307.762
Deposits and guarantees taken	**56.456**	29.967
Payables for goods in transit	**14.437**	1.599
Other	**8.800**	3.440
	506.791	342.768

d) Other Non-Current Payables

	2012	2011
Deposits and guarantees taken	**198.337**	165.742

NOTE 13. RECEIVABLES AND PAYABLES RELATED TO FINANCE SECTOR

None (December 31, 2011 - None).

NOTE 14. INVENTORIES

	2012	2011
Finished and trade goods	**190.050**	105.425
Work-in-process	**75.498**	67.819
Raw materials	**265.403**	239.088
Packaging materials	**45.212**	35.265
Supplies	**69.220**	53.993
Bottles and cases	**56.365**	29.042
Other	**24.102**	21.905
Reserve for obsolescence (-)	**(3.756)**	(6.310)
	722.094	546.227

The movement of reserve for obsolescence as of December 31, 2012 and 2011 is as below:

	2012	2011
Balance at January 1	**6.310**	12.010
Current year provision	**1.131**	3.261
Inventories written off	**(3.584)**	(7.365)
Addition through subsidiary acquired	**54**	-
Disposals through liquidation	**-**	(2.855)
Currency translation differences	**(155)**	1.259
Balance at December 31	**3.756**	6.310

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

NOTE 15. BIOLOGICAL ASSETS

Planted fruit tree seedlings carried at cost in accordance with IAS 41 are amounting to TRL12.214 as of December 31, 2012. (December 31, 2011 - TRL6.457)

NOTE 16. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None (December 31, 2011 - None).

NOTE 17. INVESTMENTS IN ASSOCIATES

On December, 2012, EBI and. Heineken agreed to unwind their partnerships in Kazakhstan and Serbia. Based on this agreement, Sale of 28% stake in Central Europe Beverages (CEB) for USD 4 million, the equivalent of TRL 7.139, to Brau Union AG which is subsidiary of Heineken, has been completed. Loss occurring from the transaction and currency translation difference amounting to TRL11.093 has been recorded under “other operating income” (Note 3, 32).

The movement of investment in associates as of December 31, 2012 and 2011 is as below:

	2012	2011
Balance at January 1	**18.447**	21.441
Loss from associates	**(5.991)**	(6.785)
Foreign currency translation	**(398)**	3.791
Disposal of investments in associates	**(12.058)**	-
Balance at December 31	**-**	18.447

NOTE 18. INVESTMENT PROPERTY

None (December 31, 2011 - None).

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

NOTE 19. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2012, the movements of property, plant and equipment are as follows:

Cost	2011	Additions	Disposals	Addition Through Business Combination	Foreign Currency Translation	Transfers (*)	2012
Land and land improvements	195.507	16.986	(120)	31.619	(942)	863	243.913
Buildings	975.625	12.261	(414)	251.780	(20.436)	12.517	1.231.333
Machinery and equipment	2.917.397	126.210	(30.354)	537.390	(54.443)	79.341	3.575.541
Vehicles	97.336	16.515	(10.833)	20.392	(4.191)	189	119.408
Furniture and fixtures	1.195.568	213.934	(55.233)	167.900	(30.318)	25.655	1.517.506
Leasehold improvements	5.365	241	(29)	-	(25)	705	6.257
Construction in progress	80.448	147.934	(70)	51.084	(3.578)	(119.709)	156.109
	5.467.246	534.081	(97.053)	1.060.165	(113.933)	(439)	6.850.067

Accumulated Depreciation (-)	2011	Additions	Disposals	Addition Through Business Combination	Foreign Currency Translation	Impairment / (Impairment reversal), net	2012
Land and land improvements	39.741	3.441	(100)	-	(182)	-	42.900
Buildings	307.570	37.177	(201)	-	(2.186)	-	342.360
Machinery and equipment	1.779.005	231.824	(23.772)	-	(12.052)	1	1.975.006
Vehicles	56.318	13.614	(7.475)	-	(1.556)	36	60.937
Furniture and fixtures	755.249	155.782	(50.448)	-	(11.397)	1.904	851.090
Leasehold improvements	3.852	1.205	(8)	-	(1)	-	5.048
	2.941.735	443.043	(82.004)	-	(27.374)	1.941	3.277.341
Net book value	2.525.511						3.572.726

(*) There are transfers to intangible assets in 2012 amounting to TRL 439.

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

NOTE 19. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2011, the movements of property, plant and equipment are as follows:

Cost	2010	Additions	Disposals	Addition Through Business Combination	Foreign Currency Translation	Transfers (*)	2011
Land and land improvements	167.407	1.465	(201)	10.124	13.492	3.220	195.507
Buildings	853.491	22.450	(11.600)	-	89.203	22.081	975.625
Machinery and equipment	2.449.314	91.572	(31.661)	9.185	227.281	171.706	2.917.397
Vehicles	76.185	9.686	(6.313)	430	11.007	6.341	97.336
Furniture and fixtures	972.688	192.150	(40.392)	3.440	52.764	14.918	1.195.568
Leasehold improvements	3.866	75	-	-	266	1.158	5.365
Construction in progress	60.788	230.717	(2)	438	9.010	(220.503)	80.448
	4.583.739	548.115	(90.169)	23.617	403.023	(1.079)	5.467.246

Accumulated Depreciation (-)	2010	Additions	Disposals	Addition Through Business Combination	Foreign Currency Translation	Impairment / (Impairment reversal)	2011
Land and land improvements	34.451	3.361	(115)	-	2.044	-	39.741
Buildings	269.153	27.587	(7.222)	-	18.052	-	307.570
Machinery and equipment	1.525.176	174.407	(27.178)	-	105.873	727	1.779.005
Vehicles	45.068	9.413	(4.150)	-	5.987	-	56.318
Furniture and fixtures	649.638	114.783	(36.373)	-	26.554	647	755.249
Leasehold improvements	2.661	1.045	-	-	146	-	3.852
	2.526.147	330.596	(75.038)	-	158.656	1.374	2.941.735
Net book value	2.057.592						2.525.511

(*) There are transfers to intangible assets in 2011 amounting to TRL 1.079.

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

NOTE 20. INTANGIBLE ASSETS

For the year ended December 31, 2012, movements of intangible assets are as follows:

Cost	2011	Additions	Disposals	Addition Through Business Combination	Currency translation differences	Transfers	2012
Bottling agreements	230.262	-	-	63.425	(12.973)	-	280.714
License and distribution agreements	-	-	-	1.271.868	(45.587)	-	1.226.281
Brands	191.173	-	-	197.190	(2.621)	-	385.742
Rights	29.429	1.492	-	-	(16)	439	31.344
Other	30.477	10.894	(310)	6.610	(720)	-	46.951
	481.341	12.386	(310)	1.539.093	(61.917)	439	1.971.032

Accumulated amortization (-)	2011	Additions	Disposals	Addition Through Business Combination	Currency translation differences	Impairment	2012
Bottling agreements	-	-	-	-	-	-	-
License and distribution agreements	-	-	-	-	-	-	-
Brands	-	-	-	-	-	-	-
Rights	15.528	2.723	-	-	(4)	-	18.247
Other	18.768	4.811	(310)	-	(232)	-	23.037
	34.296	7.534	(310)	-	(236)	-	41.284
Net book value	447.045						1.929.748

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

NOTE 20. INTANGIBLE ASSETS (continued)

For the year ended December 31, 2011, movements of intangible assets are as follows:

Cost	2010	Addition	Disposal	Addition Through Business Combination	Currency translation differences	Transfers	2011
Bottling and distribution agreements	180.025	-	-	8.798	41.439	-	230.262
Brands	160.440	-	-	-	30.733	-	191.173
Rights	27.426	818	-	-	106	1.079	29.429
Other	21.239	5.920	-	34	3.284	-	30.477
	389.130	6.738	-	8.832	75.562	1.079	481.341

Accumulated amortization (-)	2010	Addition	Disposal	Addition Through Business Combination	Currency translation differences	Impairment	2011
Bottling and distribution agreements	-	-	-	-	-	-	-
Brands	-	-	-	-	-	-	-
Rights	13.046	2.473	-	-	9	-	15.528
Other	14.195	2.538	-	-	2.035	-	18.768
	27.241	5.011	-	-	2.044	-	34.296
Net book value	361.889						447.045

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

NOTE 21. GOODWILL

Movement of the goodwill during the period is as follows:

	2012	2011
At January 1	**912.645**	871.079
Additions (Note 3, 24)	**1.229.262**	7.384
Put option fair value change (Note 24)	**(2.891)**	(58.759)
Currency translation differences	**(43.182)**	92.941
At December 31	**2.095.834**	912.645

As of December 31, 2012 and 2011, operating segment distributions of goodwill are presented below:

	Turkey Beer	**International Beer**	**Soft Drinks**	**Other**	**Total**
2012	**50.099**	**1.733.098**	**300.459**	**12.178**	**2.095.834**
2011	50.099	563.041	287.327	12.178	912.645

NOTE 22. GOVERMENT INCENTIVES AND GRANTS

As of December 31, 2012, the Group used an incentive for its investment amounting to TRL34.798 (December 31, 2011 – TRL24.505). on Bursa mineral water and Elazığ, Köyceğiz and Mersin production lines by generating a total tax advantage of TRL6.596 (December 31, 2011 – TRL4.962). The tax advantage amounting to TRL674 was recognized during 2012 (December 31, 2011 – TRL57).

NOTE 23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2012 and 2011, the movement of provisions is as follows:

	2012	2011
Vacation pay liability	**27.149**	22.134
Management bonus accruals	**32.459**	5.294
Other	**4.864**	612
	64.472	28.040

As of December 31, 2012 and 2011, movement of vacation pay liability is as follows:

	2012	2011
Balance at January 1	**22.134**	17.702
Payments	**(1.810)**	(480)
Current year provision	**4.449**	3.258
Addition through subsidiary acquired	**2.529**	-
Currency translation differences	**(153)**	1.654
	27.149	22.134

As of December 31, 2012 and 2011 movement of management bonus accruals is as follows:

	2012	2011
Balance at January 1	**5.294**	5.974
Payments	**(29.662)**	(28.776)
Current year provision	**57.149**	27.706
Currency translation differences	**(322)**	390
	32.459	5.294

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

NOTE 24. COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2012 and 2011 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

	2012						
	Total TRL Equivalent	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand KZT**	**Original Currency Thousand RUR**	**Original Currency Thousand UAH**
A. GPMs given on behalf of the Company's legal personality	**106.639**	**12.431**	**3.029**	**8.544**	**-**	**1.110.984**	**15.740**
B. GPMs given in favor of subsidiaries included in full consolidation [1]	**520.710**	**-**	**287.278**	**-**	**728.000**	**-**	**-**
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	**627.349**	**12.431**	**290.307**	**8.544**	**728.000**	**1.110.984**	**15.740**
Ratio of other GPMs over the Company's equity (%)	**-**	**-**	**-**	**-**	**-**	**-**	

	2011						
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand KZT	Original Currency Thousand RUR	Original Currency Thousand UAH
A. GPMs given on behalf of the Company's legal personality	57.831	11.712	18.424	3.482	16.564	49.879	-
B. GPMs given in favor of subsidiaries included in full consolidation	819.437	-	364.428	40.000	2.177.325	160.000	-
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	877.268	11.712	382.852	43.482	2.193.889	209.879	-
Ratio of other GPMs over the Company's equity (%)	-	-	-	-	-	-	-

[1] Comprises the GPMs given in favor of subsidiaries included in full consolidation for their borrowings.

EBI and Its Subsidiaries

Put Options

The put option granted to European Bank for Reconstruction and Development (EBRD) by EBI that may be exercisable between the 7th and the 10th anniversaries of the date of EBRD's first subscription in the share capital of Efes Moscow has been restructured and the exercisable period of the put option has been revised as between 2012 and 2015. By such put option, EBRD is entitled to sell its Efes Moscow shares to EBI at an option price determined by an independent valuation. On January 2013, EBI has purchased 8,76% of Efes Moscow share for USD 43 million upon to realization of put option by EBRD. The fair value of liability for put option which was determined with the realization of the option amounting to TRL76.652 has been presented in "other current liabilities" in the consolidated balance sheet (December 31, 2011 –TRL87.859). The negative valuation difference between current year fair value and prior year fair value amounting to TRL2.891 (December 31, 2011 – negative valuation difference of TRL58.759) and TRL 3.405 (December 31, 2011-None) has been disclosed as "put option fair value change" in goodwill and other operating income.

NOTE 24. COMMITMENTS AND CONTINGENCIES (continued)

CCİ, Its Subsidiaries and Joint Ventures

a) Put Options

According to the put option that has been granted to Day Investments Ltd. by CCİ, Day Investments Ltd. will have right to sell its shares in Turkmenistan CC to CCİ at the price of USD2.360 thousand. The Group's portion of the liability for the put option amounting to TRL2.114 has been presented in "other current liabilities" (December 31, 2011 – TRL2.240).

According to the put option signed with ER, ER has an option to sell (and CCI will have an obligation to buy) its remaining 23,60% participatory shares in Waha B.V.. The Group's share of the put option liability amounting to TRL37.392 is recorded under "other long term liabilities" (December 31, 2011 – None).

According to shareholders agreement signed with NKG, NKG has an option to sell (and Waha B.V. will have an obligation to buy) its remaining 15% participatory shares in Al Waha and Waha B.V. has an option to buy (and NKG will have an obligation to sell) NKG's 15% participatory shares in Al Waha with an amount of USD 26 million. The Group's share of the liability from this buying obligation is amounting to TRL23.292 and was recorded to "other non-current liabilities" based on the Group's share in the consolidated balance sheet (December 31, 2012 - None). The Group's share of the difference between put option liability and the minority interest calculated over consolidated Al Waha and Trust Co. net asset value as at the acquisition date amounting to TRL4.236 is reflected as goodwill in December 31, 2012 consolidated financial statements (Note 21).

b) Letters of Guarantee

As of December 31, 2012, CCİ's letters of guarantee given to various enterprises are amounting to TRL93.892 (December 31, 2011 – TRL212.285).

c) Murabaha

During 2012 CCBPL and Standard Chartered Bank (The Bank) has made murabaha facility agreement. Based on this agreement, The Bank and CCBPL agree that they shall enter into a series of sugar 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 December 31, 2012, CCBPL has TRL5.776 sugar purchase commitment from the Bank until the end of May 2013 and expense accrual of TRL27 payable for the profit share of the Bank was reflected in the financial statements.

Operational Lease

As of December 31, 2012, the Group's contingent liability for the following 3 years resulting from the non-cancellable operational lease agreements is amounting to TRL24.445 (December 31, 2011 – TRL24.155).

Tax and Legal Matters

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

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

NOTE 25 EMPLOYEE BENEFITS

	2012	2011
Employment termination benefits	**54.195**	43.522
Long-term incentive plans	**13.854**	10.511
	68.049	54.033

In accordance with existing social legislation, the Group's companies incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay. The retirement pay liability as at December 31, 2012 is subject to a ceiling of full TRL3.034 (December 31, 2011 – full TRL2.732) (Retirement pay liability ceiling has been increased to full TRL3.129 as of January 1, 2012). In the consolidated financial statements as of December 31, 2012 and 2011, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. Accordingly, net discount rates determined by considering expected payment dates are in a range between 2,2% and 2,7% (December 31, 2011 4,1%– 4,7%)

Movement of provision for employment termination benefits represented in the consolidated financial statements is as follows:

	2012	2011
Balance at January 1	**43.522**	39.010
Payments	**(9.096)**	(5.841)
Interest cost	**3.307**	3.776
Current year provision	**16.462**	6.577
	54.195	43.522

Movement of provision for long-term incentive plan represented in the consolidated financial statements is as follows:

	2012	2011
Balance at January 1	**10.511**	12.327
Payments	**(10.358)**	(9.077)
Interest cost	**783**	780
Current year provision	**12.918**	6.481
	13.854	10.511

NOTE 26. PENSION PLANS

None (December 31, 2011 – None).

NOTE 27. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	2012	2011
Prepayments	**141.996**	79.482
Value Added Tax (VAT) deductible or transferred	**102.402**	87.373
Advances given to suppliers	**72.210**	54.990
Prepaid taxes	**41.351**	22.453
Other	**1.026**	1.839
	358.985	246.137

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

NOTE 27. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	2012	2011
Prepayments	**129.478**	71.234
Advances given	**12.545**	13.508
Deferred VAT and other taxes	**9.607**	8.549
Other	**2.926**	98
	154.556	93.389

c) Other Current Liabilities

	2012	2011
Liability for put option (Note 24)	**78.766**	90.099
Expense accruals	**114.034**	20.108
Advances taken	**22.844**	18.770
Due to personnel	**11.473**	6.458
Other	**1.471**	545
	228.588	135.980

d) Other Non-Current Liabilities

	2012	2011
Liability for put option (Note 24)	**60.684**	-
Deferred VAT and other taxes	**9.538**	8.505
Other	**652**	836
	70.874	9.341

NOTE 28. EQUITY

a) Issued Capital and Adjustments to Share Capital and Equity Investments

	2012	2011
Common shares 1 full TRL per value		
Authorized capital	**900.000**	900.000
Issued capital	**592.105**	450.000

On March 6, 2012 Anadolu Efes Board of Directors decided to increase the Company's issued capital to TRL592.105, while the shareholders' right to purchase new shares has been restricted and allocated the newly issued 142.105.263 bearer shares on the name of SABMiller AEL, a subsidiary of SABMiller. SABMiller AEL has made the 142.105.263 share purchase transaction for full TRL23,08 per each share and TRL142.105 issued capital and TRL3.137.684 share premium have been recorded according to this transaction.

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

NOTE 28. EQUITY (continued)

a) Issued Capital and Adjustments to Share Capital and Equity Investments (continued)

As of December 31, 2012 and 2011, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2012		2011	
	Amount	**%**	Amount	%
Yazıcılar Holding A.Ş.	**139.787**	**23,61**	139.787	31,06
Özilhan Sınai Yatırım A.Ş.	**79.813**	**13,48**	79.813	17,74
Anadolu Endüstri Holding A.Ş. (AEH)	**35.292**	**5,96**	35.292	7,84
SABMiller AEL	**142.105**	**24,00**	-	-
Publicly traded and other	**195.108**	**32,95**	195.108	43,36
Issued capital	**592.105**	**100,00**	450.000	100,00
Inflation correction adjustment	**63.583**		63.583	
	655.688		513.583	

As of December 31, 2012 and 2011, there is not a privileged share representing the capital. According to the articles of association, foundation shares that do not represent the share capital receives 2% of the profit that remains after 10% of the paid in capital is deducted from the distributable profit.

b) Restricted Reserves Allocated from Net Profit, Revaluation Fund and Accumulated Profits

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

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

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

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

Net income for the year and other statutory resources treated for dividend distribution are TRL1.165.090 as of December 31, 2012. (December 31, 2011 – TRL1.140.226)

Anadolu Efes distributed dividend in 2012, related with the year ended as of December 31, 2011, for a gross amount of full TRL0,45 per share, amounting to a total of TRL221.024 including the payments to founders and members of board of directors (2011 – gross amount full TRL0,48 per share, total amount TRL246.532 including the payments to founders and member of board of directors).

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

NOTE 28. EQUITY (continued)

b) Restricted Reserves Allocated from Net Profit, Revaluation Fund and Accumulated Profits (continued)

For December 31, 2012 and 2011, nominal amounts, equity restatement differences and restated value of equity are as follows:

December 31, 2012	**Nominal Amount**	**Equity Restatement Differences**	**Restated Amount**
Issued capital	**592.105**	**63.583**	**655.688**
Legal reserves	**209.644**	**74.697**	**284.341**
Extraordinary reserves	**466.134**	**26.091**	**492.225**
	1.267.883	**164.371**	**1.432.254**
Share premium			**3.137.684**
Fair value reserve			**60.000**
Currency translation differences			**141.456**
Other reserves			**(5.736)**
Cash flow hedge reserve			**113**
Minority Put Option Liability Reserve			**(9.042)**
Accumulated profits (Including net income)			**1.948.028**
Equity attributable to equity holders of the parent			**6.704.757**

December 31, 2011	Nominal Amount	Equity Restatement Differences	Restated Amount
Issued capital	450.000	63.583	513.583
Legal reserves	176.995	74.697	251.692
Extraordinary reserves	464.805	26.091	490.896
	1.091.800	164.371	1.256.171
Fair value reserve			7.822
Currency translation differences			289.853
Other reserves			(5.736)
Accumulated profits (Including net income)			1.595.811
Equity attributable to equity holders of the parent			3.143.921

NOTE 29. SALES AND COST OF SALES

Revenues	**2012**	2011
Domestic revenues	**2.995.948**	2.625.332
Foreign revenues	**3.420.887**	2.135.934
Total Sales, net	**6.416.835**	4.761.266
Cost of Sales (-)		
Net change in inventory	**2.537.989**	1.939.872
Depreciation and amortization expense on PP&E and intangible assets	**231.039**	166.465
Personnel expenses	**181.558**	127.043
Utility expenses	**141.280**	102.847
Provision for retirement pay liability	**5.478**	2.107
Other expenses	**180.823**	141.216
Total cost of sales	**3.278.167**	2.479.550
Gross Operating Profit	**3.138.668**	2.281.716

As of January 1- December 31, 2012 and 2011, the amount of excise tax accrued over beer sales by the Group in Turkey are TRL2.290.464 and TRL1.847.001, respectively

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

NOTE30. OPERATING EXPENSES

a) Selling, Distribution and Marketing Expenses

	2012	2011
Advertising, selling and marketing expenses	**742.789**	539.413
Personnel expenses	**338.069**	238.758
Transportation and distribution expenses	**318.183**	227.137
Depreciation and amortization expense on PP&E and intangible assets	**190.602**	147.651
Utilities and communication expenses	**25.530**	24.377
Rent expenses	**12.104**	10.089
Repair and maintenance expenses	**8.703**	8.137
Provision for retirement pay liability	**3.695**	2.868
Other expenses	**88.608**	64.347
	1.728.283	1.262.777

b) General and Administration Expenses

	2012	2011
Personnel expenses	**278.409**	193.637
Services rendered from outside	**153.020**	86.206
Taxation (other than on income) expenses	**34.018**	23.454
Depreciation and amortization expense on PP&E and intangible assets	**28.149**	20.032
Utilities and communication expenses	**14.169**	12.544
Provision for retirement pay liability	**10.596**	5.378
Insurance expenses	**10.179**	5.707
Meeting and travel expenses	**8.098**	6.521
Repair and maintenance expenses	**4.657**	4.627
Other expenses	**94.619**	56.732
	635.914	414.838

NOTE 31. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	2012	2011
Cost of sales	**(231.039)**	(166.465)
Marketing, selling and distribution expenses	**(190.602)**	(147.651)
General and administration expenses	**(28.149)**	(20.032)
Other operating expenses	**(787)**	(1.459)
	(450.577)	(335.607)

b) Personnel Expenses

	2012	2011
Cost of sales	**(181.558)**	(127.043)
Marketing, selling and distribution expenses	**(338.069)**	(238.758)
General and administration expenses	**(278.409)**	(193.637)
	(798.036)	(559.438)

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

NOTE 32. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	2012	2011
Gain on sale of fixed assets	**5.472**	9.335
Income from scrap and other materials	**5.191**	4.302
Rent income	**4.326**	3.117
Fais value gain of put option	**3.405**	-
Insurance compensation income	**2.032**	2.230
Impairment reversal of fixed assets (Note 19)	**104**	1.446
Fair value difference related to change in scope of consolidation (Note 3)	**-**	2.957
Other income	**25.200**	19.687
	45.730	43.074

b) Other Operating Expenses

	2012	2011
Donations	**(23.403)**	(19.443)
Loss from sales of investment in associates	**(11.093)**	-
Impairment loss on fixed assets (Note 19)	**(2.045)**	(2.820)
Loss from fixed assets sales	**(1.666)**	(5.695)
Competition Board Penalty	**-**	(6.064)
Other expenses	**(16.310)**	(8.033)
	(54.517)	(42.055)

NOTE 33. FINANCIAL INCOME

	2012	2011
Foreign exchange gain	**243.787**	180.795
Interest income	**71.708**	59.286
Gain from derivative financial instruments	**506**	605
	316.001	240.686

NOTE 34. FINANCIAL EXPENSES

	2012	2011
Foreign exchange loss	**(190.716)**	(302.842)
Interest expense	**(76.065)**	(64.934)
Loss from derivative financial instruments	**(631)**	(676)
Borrowing costs	**(1.572)**	(886)
Other financial expenses	**(2.971)**	(4.702)
	(271.955)	(374.040)

NOTE 35. NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUING OPERATIONS

None (December 31, 2011 - None).

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

NOTE 36. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 20% in Turkey (2011 - 20%). Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax of 20% (2011 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

The main components of tax income and expenses as of December 31, 2012 and 2011 are as follows:

	2012	2011
Current period tax expense	**(189.073)**	(117.476)
Deferred tax income / (expense), net	**15.602**	11.967
	(173.471)	(105.509)

As of December 31, 2012 and 2011, the reconciliation of theoretical income tax calculated with the tax rates used in the countries that Anadolu Efes operates in and total income tax is as follows:

	2012	2011
Consolidated profit before tax	**803.739**	464.981
Enacted tax rate	**%20**	20%
Tax calculated at the parent company tax rate	**(160.748)**	(92.996)
Non-deductible expenses	**(12.092)**	(3.801)
Impact of different tax rates	**(179)**	1.481
Income excluded from tax bases	**2.377**	1.244
Impact of tax paid via tax base increase regarding law no 6111	**-**	(8.504)
Other	**(2.829)**	(2.933)
	(173.471)	(105.509)

As of December 31, 2012 and 2011 consolidated deferred tax assets calculated by using effective tax rates are summarized as below:

	Asset		**Liability**		**Net**	
	2012	2011	**2012**	2011	**2012**	2011
PPE and intangible assets	**-**	-	**(506.117)**	(133.991)	**(506.117)**	(133.991)
Inventories	**19.628**	5.329	**-**	-	**19.628**	5.329
Carry forward losses	**102.065**	100.710	**-**	-	**102.065**	100.710
Retirement pay liability and other employee benefits	**17.516**	14.965	**-**	-	**17.516**	14.965
Other provisions	**40.747**	2.487	**-**	-	**40.747**	2.487
Other (*)	**37.998**	20.635	**-**	-	**37.998**	20.635
	217.954	144.126	**(506.117)**	(133.991)	**(288.163)**	10.135

(*) Includes the income tax paid regarding the disputed tax receivable from tax authorities which was not recognized as income.

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

NOTE 36. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2012 and 2011, the movement of deferred tax liability is as follows:

	2012	2011
Balance at January 1,	**10.135**	(2.835)
Recorded to the consolidated income statement	**15.602**	11.967
Recognized in other comprehensive income (Note 7)	**(2.728)**	618
Addition through company acquisition (Note 3)	**(322.577)**	-
Currency translation differences	**11.405**	385
Balance at December 31	**(288.163)**	10.135

As a result of the Group management's assessment that sufficient taxable income will be generated and such carried losses will be utilized in 9 years period, deferred tax asset amounting to TRL102.065 has been recognized

NOTE 37. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year 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:

	2012	2011
Net income	**606.870**	341.175
Weighted average number of shares	**566.479.724**	450.000.000
Earnings per share (full TRL)	**1,0713**	0,7582

Number of shares, which was 450.000.000 as of December 31, 2011, has been increased with the Group's decision of issued capital increase to full TRL592.105.263 at March 6, 2012 and additional 142.105.263 shares have been registered by CMB on March 8, 2012.

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 consolidated financial statements.

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

NOTE 38. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

i) Bank and Available-For-Sale Securities Balances With Related Parties

	2012	2011
Alternatifbank (2) (4)	**172.223**	338.679
Alternatif Yatırım A.Ş. (4)	**1.551**	1.207
	173.774	339.886

As of December 31, 2012, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 8,03% (December 31, 2011 – 12,04%) and USD denominated time deposits is 3,00% (December 31, 2011 – 5,46%)

ii) Due from Related Parties

	2012	2011
Efes Turizm İşletmeleri A.Ş. (4)	**83**	-
SABMiller Grup Şirketleri (5)	**36**	-
Anadolu Restoran İşletmeleri Ltd. Şti. (4)	**-**	14
Other	**60**	86
	179	100

iii) Due to Related Parties

	2012	2011
SABMiller Group Companies (5)	**17.547**	-
Oyex Handels GmbH (4)	**2.776**	2.133
Anadolu Bilişim Hizmetleri A.Ş. (2) (4)	**1.697**	860
AEH (1) (3)	**1.086**	3.846
Çelik Motor Ticaret A.Ş. (4)	**626**	636
Anadolu Vakfı	**-**	925
Diğer	**248**	774
	23.980	9.174

iv) Short Term Financial Liabilities

	2012	2011
Alternatifbank (2) (4)	**169**	-
	169	-

(1) Related party of Yazıcılar Holding A.Ş., a shareholder
(2) Non-current financial investment of the Group
(3) The shareholder of the Group
(4) Related party of AEH, a shareholder
(5) Related party of SABMiller AEL., a shareholder

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

NOTE 38. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

i) Purchases of Goods and Other Charges

	Nature of transaction	2012	2011
Anadolu Efes Spor Kulübü	Service	**66.200**	49.000
Oyex Handels GmbH (4)	Purchase of materials and fixed asset	**53.642**	27.427
SABMiller Group Companies (5)	Service and purchase of trade goods	**41.754**	-
Anadolu Vakfı	Donations	**23.059**	19.243
Çelik Motor Ticaret A.Ş. (4)	Vehicle leasing	**17.443**	14.499
AEH (1) (3)	Consultancy service	**16.335**	17.971
Anadolu Bilişim Hizmetleri A.Ş. (2) (4)	Information service	**9.818**	12.946
Efes Turizm İşletmeleri A.Ş. (4)	Travel and accomodation	**8.059**	6.515
AEH Münih (4)	Purchase of materials and fixed asset	**5.317**	3.573
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (1)	Rent expense	**982**	1.065
Other		**752**	612
		243.361	152.851

ii) Financial Income / (Expense), Net

	Nature of transaction	2012	2011
Alternatifbank (2) (4)	Interest income / (expense), net	**24.045**	16.156
Other		**-**	(185)
		24.045	15.971

iii) Other Income / (Expense), Net

	Nature of transaction	2012	2011
Alternatifbank (2) (4)	Rent income	**109**	97
Anadolu Bilişim Hizmetleri A.Ş. (2) (4)	Rent income	**33**	14
Anadolu Restoran İşletmeleri Ltd. Şti. (4)	Sale of by-product	**-**	121
Other		**158**	119
		300	351

(1) Related party of Yazıcılar Holding A.Ş., a shareholder
(2) Non-current financial investment of the Group
(3) The shareholder of the Group
(4) Related party of AEH, a shareholder
(5) Related party of SABMillerAEL., a shareholder.

iv) Director's remuneration

Dividends paid to Board of Directors of Anadolu Efes are amounting to TRL13.154 and TRL21.682 as of December 31, 2012 and 2011, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors in the current year are as follows:

	2012	2011
Short-term employee benefits	**16.337**	12.759
Post-employment benefits	**-**	-
Other long term benefits	**6.025**	1.921
Termination benefits	**-**	-
Share-based payments	**-**	-
	22.362	14.680

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

NOTE 39. 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 board/management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments. Related policies can be summarized as follows:

a) Interest Rate Risk

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

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

The Group's financial instruments sensitive to interest rate risk is as follows:

	2012	2011
Financial instruments with fixed interest rate		
Financial assets		
Financial assets at fair value through profit or loss	**1.685.572**	869.699
Financial liabilities	**1.074.360**	137.391
Financial instruments with floating interest rate		
Financial liabilities	**1.848.723**	1.961.783

At December 31, 2012, if interest rate on the Group's foreign currency denominated borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2013 which is the following reporting period, would be:

	2012	2011
Change in USD denominated borrowing interest rate	**4.112**	4.318
Change in EURO denominated borrowing interest rate	**149**	376
Change in Other denominated borrowing interest rate	**62**	183
Total	**4.323**	4.877

b) Foreign Currency Risk

Foreign currency risk 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 or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

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

NOTE 39. 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 December 31, 2012 and 2011 are presented below:

Foreign Currency Position Table
2012

	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	20.204	4.422	7.883	851	2.002	10.319
2a. Monetary Financial Assets (Cash and cash equivalents included)	754.907	405.997	723.730	6.824	16.049	15.128
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	16.339	-	-	1.688	3.970	12.369
4. Current Assets	**791.450**	**410.419**	**731.613**	**9.363**	**22.021**	**37.816**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	476	12	22	-	-	454
8. Non-Current Assets	**476**	**12**	**22**	**-**	**-**	**454**
9. Total Assets	**791.926**	**410.431**	**731.635**	**9.363**	**22.021**	**38.270**
10.Trade Payables and Due to Related Parties	(83.632)	(17.636)	(31.438)	(14.299)	(33.627)	(18.567)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(520.764)	(291.524)	(519.671)	(465)	(1.093)	-
12a. Monetary Other Liabilities	(11.396)	(1.189)	(2.119)	(252)	(592)	(8.685)
12b. Non-monetary Other Liabilities	(298)	-	-	-	-	(298)
13. Current Liabilities	**(616.090)**	**(310.349)**	**(553.228)**	**(15.016)**	**(35.312)**	**(27.550)**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(1.781.868)	(964.904)	(1.720.037)	(26.292)	(61.831)	-
16 a. Monetary Other Liabilities	(60.684)	(34.042)	(60.684)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	**(1.842.552)**	**(998.946)**	**(1.780.721)**	**(26.292)**	**(61.831)**	**-**
18. Total Liabilities	**(2.458.642)**	**(1.309.295)**	**(2.333.949)**	**(41.308)**	**(97.143)**	**(27.550)**
19. Off Balance Sheet Derivative Items' Net Asset/(Liability) Position	**-**	**-**	**-**	**-**	**-**	**-**
19a. Total Hedged Assets	**-**	**-**	**-**	**-**	**-**	**-**
19b. Total Hedged Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position	**(1.666.716)**	**(898.864)**	**(1.602.314)**	**(31.945)**	**(75.122)**	**10.720**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(1.683.233)**	**(898.876)**	**(1.602.336)**	**(33.633)**	**(79.092)**	**(1.805)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**-**	**-**	**-**	**-**	**-**	**-**
23.Total value of Hedged Foreign Currency Assets	**-**	**-**	**-**	**-**	**-**	**-**

Foreign Currency Position Table
2011

	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	18.802	4.768	9.007	589	1.383	8.412
2a. Monetary Financial Assets (Cash and cash equivalents included)	283.009	127.522	240.877	13.953	32.779	9.353
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	12.798	6	11	146	342	12.445
4. Current Assets	**314.609**	**132.296**	**249.895**	**14.688**	**34.504**	**30.210**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	1.818	226	426	369	867	525
8. Non-Current Assets	**1.818**	**226**	**426**	**369**	**867**	**525**
9. Total Assets	**316.427**	**132.522**	**250.321**	**15.057**	**35.371**	**30.735**
10.Trade Payables and Due to Related Parties	(76.392)	(4.744)	(8.961)	(23.588)	(55.412)	(12.019)
11 Short- term Borrowings and Current Portion of Long- term Borrowings	(399.256)	(158.675)	(299.722)	(42.369)	(99.534)	-
12a. Monetary Other Liabilities	(10.532)	(1.186)	(2.241)	(134)	(314)	(7.977)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	**(486.180)**	**(164.605)**	**(310.924)**	**(66.091)**	**(155.260)**	**(19.996)**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(937.221)	(467.422)	(882.913)	(23.118)	(54.308)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	**(937.221)**	**(467.422)**	**(882.913)**	**(23.118)**	**(54.308)**	**-**
18. Total Liabilities	**(1.423.401)**	**(632.027)**	**(1.193.837)**	**(89.209)**	**(209.568)**	**(19.996)**
19. Off Balance Sheet Derivative Items' Net Asset/(Liability) Position	**-**	**-**	**-**	**-**	**-**	**-**
19a. Total Hedged Assets	**-**	**-**	**-**	**-**	**-**	**-**
19b. Total Hedged Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position	**(1.106.974)**	**(499.505)**	**(943.516)**	**(74.152)**	**(174.197)**	**10.739**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(1.121.590)**	**(499.737)**	**(943.953)**	**(74.667)**	**(175.406)**	**(2.231)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**-**	**-**	**-**	**-**	**-**	**-**
23.Total value of Hedged Foreign Currency Assets	**-**	**-**	**-**	**-**	**-**	**-**

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

NOTE 39. 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 December 31, 2012 and 2011 is as follows:

	2012	2011
Total Export	**175.729**	139.269
Total Import	**941.840**	790.044

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2012 and 2011:

Foreign Currency Position Sensitivity Analysis				
	2012			
	Income / (Loss)		**Equity**	
	Increase of the foreign currency	**Decrease of the foreign currency**	**Increase of the foreign currency**	**Decrease of the foreign currency**
Increase / decrease in the USD by 10%:				
USD denominated net asset / (liability)	(160.231)	160.231	528.201	(528.201)
USD denominated hedging instruments(-)	-	-	-	-
Net effect in USD	**(160.231)**	**160.231**	**528.201**	**(528.201)**
Increase / decrease in the EURO by 10%:				
EURO denominated net asset / (liability)	(7.512)	7.512	2.117	(2.117)
EURO denominated hedging instruments(-)	-	-	-	-
Net effect in EURO	**(7.512)**	**7.512**	**2.117**	**(2.117)**
Increase / decrease in the other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	1.072	(1.072)	-	-
Other foreign currency hedging instruments(-)	-	-	-	-
Net effect in other foreign currency	**1.072**	**(1.072)**	**-**	**-**
TOTAL	**(166.671)**	**166.671**	**530.318**	**(530.318)**

Foreign Currency Position Sensitivity Analysis				
	2011			
	Income / (Loss)		Equity	
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in the USD by 10%:				
USD denominated net asset / (liability)	(94.352)	94.352	151.274	(151.274)
USD denominated hedging instruments(-)	-	-	-	-
Net effect in USD	(94.352)	94.352	151.274	(151.274)
Increase / decrease in the EURO by 10%:				
EURO denominated net asset / (liability)	(17.420)	17.420	2.292	(2.292)
EURO denominated hedging instruments(-)	-	-	-	-
Net effect in EURO	(17.420)	17.420	2.292	(2.292)
Increase / decrease in the other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	1.074	(1.074)	-	-
Other foreign currency hedging instruments(-)	-	-	-	-
Net effect in other foreign currency	1.074	(1.074)	-	-
TOTAL	(110.698)	110.698	153.566	(153.566)

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

NOTE 39. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

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 table below summarizes the maturity profile of the Group's financial liabilities on the consolidated balance sheet as of December 31, 2012 and 2011;

2012	**Carrying value**	**Contractual payment (=I+II+III+IV)**	**Less than 3month (I)**	**Between 3-12 month (II)**	**Between 1-5 year (III)**	**More than 5 year (IV)**
Financial Liabilities	2.923.083	2.986.972	494.152	420.357	1.181.054	891.409
Trade payable and due to related parties	417.649	417.649	380.231	29.407	8.011	-
Liability for put option	139.450	139.450	76.652	2.114	60.684	-
	3.480.182	**3.544.071**	**951.035**	**451.878**	**1.249.749**	**891.409**

2011	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Financial Liabilities	2.099.477	2.174.993	195.704	619.986	1.359.048	255
Trade payable and due to related parties	316.743	316.743	262.035	48.700	6.008	-
Liability for put option	90.099	90.099	-	90.099	-	-
	2.506.319	2.581.835	457.739	758.785	1.365.056	255

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 continually assessing the creditworthiness of the counterparties.

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

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group also obtains guarantees from the customers when appropriate.

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

NOTE 39. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

e) Credit Risk (continued)

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2012 and 2011 are disclosed as below:

	Receivables						
	Trade Receivables		**Other Receivables**				
Current Year	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposits**	**Derivative Instruments**	**Other**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	**179**	**823.006**	**-**	**27.962**	**1.789.043**	**-**	**95.520**
- Maximum credit risk secured by guarantees	-	520.014	-	-		-	-
			-				
A. Net carrying amount of financial assets that are neither past due nor impaired	118	723.948	-	27.962	1.789.043	-	-
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	61	97.565	-	-	-	-	-
- Under guarantee	-	15.386	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	1.493	-	-	-	-	-
- past due (gross carrying value)	-	18.040	-	-	-	-	-
- impaired (-)	-	(16.547)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	1.493	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	95.520

Current Year	**Trade Receivables**	**Other Receivables**	**Deposits**	**Derivative Instruments**	**Other**
Past due between 1-30 days	**70.479**	-	-	-	-
Past due between 1-3 months	**17.066**	-	-	-	-
Past due between 3-12 months	**7.947**	-	-	-	-
Past due for more than 1 year	**2.073**	-	-	-	-

	Receivables						
	Trade Receivables		Other Receivables				
Prior Year	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits	Derivative Instruments	Other
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	100	578.428	-	18.487	937.558	-	222.948
- Maximum credit risk secured by guarantees	-	372.786	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	100	520.833	-	18.487	937.558	-	-
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	-	55.712	-	-	-	-	-
- Under guarantee	-	21.566	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	1.883	-	-	-	-	-
- past due (gross carrying value)	-	16.735	-	-	-	-	-
- impaired (-)	-	(14.852)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	1.883	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	222.948

Prior Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments	Other
Past due between 1-30 days	41.798	-	-	-	-
Past due between 1-3 months	8.808	-	-	-	-
Past due between 3-12 months	1.934	-	-	-	-
Past due for more than 1 year	3.172	-	-	-	-

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 40. 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:

i) 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.

ii) 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.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows

Level 1: Market price valuation techniques for the determined financial instruments traded in markets
Level 2: Other valuation techniques including direct or indirect observable inputs
Level 3: Valuation techniques not containing observable market inputs

Current Year	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value			
Share certificates	**78.955**	**-**	**-**
Investment funds	**1.550**	**-**	**-**
Financial liabilities at fair value			
Interest rate swap	**-**	**-**	**-**
Options (Note 24)	**-**	**-**	**116.158**

Prior Year	Level 1	Level 2	Level 3
Financial assets at fair value			
Share certificates	24.394	-	-
Investment funds	1.207	-	-
Financial liabilities at fair value			
Interest rate swap	-	-	-
Options (Note 24)	-	-	90.099

NOTE 40. FINANCIAL INSTRUMENTS (continued)

Derivative Financial Instruments, Risk Management Objectives and Policies

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

The Group's newly acquired subsidiary SABM RUS had entered into cash flow hedge contracts, before the date of acquisition; to hedge its exposure for the changes in foreign currency rates; which effects the cash outflows for planned raw and packaging material purchases. TRL125 income arsising from agreements that are closed during the year and therefore not effective as of 31 December 2012, has been reflected to interim income statements.

CCI has a risk management strategy regarding commodity price risk and its mitigation based on a 12-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminum) swap contracts. As of December 31, 2012 the Company has 3 aluminum swap transactions with a nominal value of 4.256 tones. Those aluminum swap contracts are designated as hedging instruments as of September 12, 2012, October 10, 2012 and October 30, 2012 respectively, in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk The Group's share in fair value of aforementioned aluminum swap contracts amounting to TRL140 is recognized as "Derivative Financial Instruments" in other current assets and the effective portion of changes in fair value of hedges is recognized in interim consolidated statement of comprehensive income.

NOTE 41. SUBSEQUENT EVENTS

a) On December 21, 2012, EBI and Heineken agreed to unwind their partnerships in Serbia, subject to certain conditions. The scope of this agreement is EBI to sell its 28% stake in CEB, the holding company of the Serbian operations, to Heineken and Heineken to buy Heineken's 28% stake in Efes Kazakhstan and thereby obtain full ownership.

The sale of 28% shares of CEB to Brau Union AG which is subsidiary of Heineken, has been completed in December 2012 (Note 3, 17) .

The transfer of the 28% shares and the consequent payment by EBI to Heineken has been completed at January 2013. Payment by EBI has been covered by the Group's existing cash sources As a result of the acquisition, the Group's effective shareholding rate in Efes Kazakhstan has increased to 100%

b) In January 2013, EBI acquired 8,76% shares of Efes Moscow for USD 43 million from European Bank of Reconstruction and Development EBRD as a result of the realization of put option held by EBRD. Following the completion of the transaction, EBI's effective shareholding rate has increased to 99,73%. At the same time, EBI and EBRD entered into a loan agreement of which proceeds were utilized to pay the purchase consideration by EBI. Pursuant to the Share Purchase and Sale Agreement between EBI and EBRD, EBRD transferred its 8,76% stake in Efes Moscow to EBI, while the value of the shares were converted into a 7-year loan at EBI level with a nominal value of USD 43 million, with interest rates of Libor+2,5% for the first 2 years and Libor+2,0% for the remaining 5 years. Anadolu Efes is the "Sponsor" of the loan.

c) In March 2013, the Group and the Coca Cola Export Corporation (TCCEC) which owns the 20,09% of CCI has signed Shareholder Agreement related with the management of CCI. Anadolu Efes and TCCEC have decided to modify provisions of CCI's Articles of Association in particular those described as "major decisions". This would necessitate the amendment to the Articles, which is expected to occur at the first General Assembly of CCI to be held. As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholders Agreement. Consequently, with effect from January 1, 2013, Anadolu Efes will be able to fully consolidate CCI, whereas CCI has been consolidated into Anadolu Efes' financial results by using proportionate consolidation method until December 31, 2012. As of December 31, 2012, on a reported basis, soft drink operations constituted 19%, 26%, 32% and 27% of the total assets, total liabilities, revenue and EBITDA of Anadolu Efes, respectively. As of 31 December 2012, market value of the CCI, listed on the İstanbul Stock Exchange (ISE), is TRL9.411.719.

NOT 41. SUBSEQUENT EVENTS (continued)

d) CCI owns %49,39 of CCBPL, operating in Pakistan. Atlantic Industries, a wholly owned subsidiary of TCCC, also owns a %49,39 stake and a local shareholder, the Packages Group, owns %1,22 of CCBPL. In accordance with IFRS, CCBPL was consolidated by proportional consolidation in the CCİ's financial statements according to its ownership rate with %49,39. In accordance with the Board of Directors decision, it was decided to amend CCBPL's Shareholders' Agreement and the amendment process was completed in March 2013. As a result of such amendment, starting from January 1, 2013, CCBPL is going to be fully consolidated to CCİ's financial statements prepared according to the IFRS CCBPL's volume share in CCI's consolidated sales volume in 2012 was %9,80.

e) On March 2013, an application is filed by CCI pursuant to the Capital Market Board, for the approval of the issuance and sales of the bonds which are planned to be privately placed with qualified investors residing abroad.

f) The negotiations between Anadolu Endüstri Holding A.Ş. (AEH), 100% owned by our shareholders; Yazıcılar Holding A.Ş. (Yazıcılar) and Özilhan Sınai Yatırım A.Ş. (Özilhan Sınai), and the Commercial Bank of Qatar (CBQ), regarding the sale of AEH's majority stake in Alternatifbank A.Ş. (Abank), which was announced to public on December 24, 2012, have been resulted in an agreement. In this respect, parties have signed a share purchase agreement to sell Abank shares, representing 70,84% of the total share capital of Abank, owned by AEH, its subsidiaries that are shareholders of Abank and Özilhan Sınai to CBQ, subject to obtaining the required permissions from regulatory authorities in Qatar and Turkey. In accordance with the share purchase agreement, Anadolu Efes' wholly owned subsidiary Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Efpa), holding a 7,46% stake in Abank, will sell its 31.331.487,70 shares to CBQ. According to the agreement, sales price will be 7,46% of the transaction value that is two times of the total equity excluding minority interests of Abank in its audited IFRS consolidated financial statements as of June 30, 2013. The total equity excluding minority interests of Abank in its audited IFRS consolidated financial statements as of December 31, 2012 was TRL585,08 million.

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