

ANADOLU EFES (BIST: AEFES. IS) 9M2019 EARNINGS RELEASE

Istanbul, November 5, 2019

3Q2019 HIGHLIGHTS
Consolidated sales volume up 0.7% to 33.6 mhl

Consolidated net sales revenue up 12.3% to TL 7,098.0 million

Consolidated EBITDA Before Non-Recurring Items (BNRI) up 17.8% to TL 1,415.1 million (excluding the impact of IFRS 16, EBITDA (BNRI) grew by 15.0% to TL 1,381.9 million)

9M2019 HIGHLIGHTS
Consolidated sales volume up 1.8% on a proforma basis to 89.3 mhl

Consolidated net sales revenue up 23.0% on a proforma basis to TL 18,231.4 million

Consolidated EBITDA Before Non-Recurring Items (BNRI) up 32.6% on a proforma basis to TL 3,188.8 million (excluding the impact of IFRS 16, EBITDA (BNRI) grew by 29.0% to TL 3,100.5 million)

Consolidated Free Cash Flow was TL 1,435.2 million in 9M2019

AEFES Consolidated (TL mn)	Proforma & Restated*			3Q2019		Proforma & Restated*			9M2019	
	3Q2018	3Q2019	% change	(excl. IFRS 16)	(excl. IFRS 16)	9M2018	9M2019	% change	(excl. IFRS 16)	(excl. IFRS 16)
Volume (mhl)	33.4	33.6	0.7%	33.6	0.7%	87.7	89.3	1.8%	89.3	1.8%
Net Sales	6,321.2	7,098.0	12.3%	7,098.0	12.3%	14,824.5	18,231.4	23.0%	18,231.4	23.0%
Gross Profit	2,345.9	2,780.5	18.5%	2,780.6	18.5%	5,305.5	6,785.5	27.9%	6,785.2	27.9%
EBIT (BNRI)	711.1	995.0	39.9%	986.2	38.7%	1,140.3	1,836.0	61.0%	1,813.3	59.0%
EBITDA (BNRI)	1,201.6	1,415.1	17.8%	1,381.9	15.0%	2,404.4	3,188.8	32.6%	3,100.5	29.0%
Net Income/(Loss)**	-66.1	585.3	n.m.	583.4	n.m.	-239.6	838.2	n.m.	846.1	n.m.
			Change (bps)		Change (bps)			Change (bps)		Change (bps)
Gross Profit Margin	37.1%	39.2%	206	39.2%	206	35.8%	37.2%	143.0	37.2%	143
EBIT (BNRI) Margin	11.3%	14.0%	277	13.9%	264	7.7%	10.1%	237.9	9.9%	225
EBITDA (BNRI) Margin	19.0%	19.9%	93	19.5%	46	16.2%	17.5%	127.2	17.0%	79
Net Income Margin**	-1.0%	8.2%	929	8.2%	926	-1.6%	4.6%	621	4.6%	626

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 9 months of operation of combined business. In addition to actual results, 9M2018 figures also include the incremental depreciation charge in 9M2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

**Net income attributable to shareholders

Unless stated otherwise, the figures from hereon are based on proforma numbers (including the ABI merger in Russia & Ukraine for 1Q2018) and excluding IFRS16 impact for 9M2019.

Anadolu Efes' **consolidated sales volume** reached 33.6 mhl in the third quarter of the year with a y-o-y increase of 0.7%. Beer operations marked another successful performance in 3Q, with the robust contribution from all countries with the exception of Turkey, yielding 4.2% volume growth for beer group, the 6th consecutive quarter of solid growth. As for soft drinks, the strong quarterly growth in Turkey was not enough to mitigate the pressure in international operations therefore consolidated soft drink sales volume was down by 0.8%. Consequently, Anadolu Efes' consolidated sales volume reached 89.3 mhl in 9M2019, up 1.8% compared to 9M2018.

Consolidated net sales revenue increased by 12.3% y-o-y to TL 7,098.0 million in the third quarter of the year, as a result of higher volumes in international beer operations and higher average prices per hl in all business units. As a result, in 9M2019, net sales revenue reached TL 18,231.4 million, with 23.0% y-o-y improvement.

Consolidated EBITDA (BNRI) grew by 15.0% in the period, outperforming the revenue growth with the significant expansion of EBITDA in international beer operations as the main contributor. EBITDA (BNRI) margin improved by 46 bps y-o-y to 19.5% in 3Q2019, thanks to higher volumes and extraction of synergies in Russia and Ukraine. Accordingly, in 9M2019, EBITDA (BNRI) reached TL 3,100.5 million with 17.0% margin, 79 bps higher compared to 9M2018.

Anadolu Efes generated TL 583.4 million **net income** in 3Q2019; the highest level recorded since 1Q2013, compared to a net loss of TL 66.1 million in 3Q2018. The y-o-y improvement on Anadolu Efes' bottomline is due to the increase in operational profit as well as lower FX losses, thanks to more stable TL against hard currencies in 9M2019 compared to 2018YE, as well as lower net financial and other expenses. FX gains resulted from repatriation of cash from international beer operations to Turkey beer has also contributed positively to net income. Net income was recorded at TL 846.1 million in 9M2019 improving from a net loss of TL 239.6 million in 9M2018.

Anadolu Efes recorded significant amount of **Free Cash Flow** in this quarter as well benefitting significantly from higher operational profitability and improvements in working capital besides the positive effect of seasonality. Anadolu Efes' FCF in 9M2019 reached TL1,435.2 million, as a result of strong cash generating performances of both beer group and CCI. Consolidated **Net Debt to EBITDA (BNRI)** was as low as 1.1x as of September 30, 2019.

FOR MORE DETAILS ON THE ACCOUNTING PRINCIPLES IMPLEMENTS SUCH AS IFRS 16, IFRS 3 AND PROFORMA ADJUSTMENTS, PLEASE REFER TO "ACCOUNTING PRINCIPLES" SECTION AT THE BACK OF THIS ANNOUNCEMENT.

SUMMARY FINANCIALS

Consolidated (TL mn)	3Q2018 Proforma & Restated	3Q2019	Proforma Change	3Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	33.4	33.6	0.7%	33.6	0.7%
Net Sales	6,321.2	7,098.0	12.3%	7,098.0	12.3%
Gross Profit	2,345.9	2,780.5	18.5%	2,780.6	18.5%
EBIT (BNRI)	711.1	995.0	39.9%	986.2	38.7%
EBITDA (BNRI)	1,201.6	1,415.1	17.8%	1,381.9	15.0%
Net Income/(Loss)**	-66.1	585.3	n.m.	583.4	n.m.
			Change (bps)		Change (bps)
Gross Profit Margin	37.1%	39.2%	206	39.2%	206
EBIT (BNRI) Margin	11.3%	14.0%	277	13.9%	264
EBITDA (BNRI) Margin	19.0%	19.9%	93	19.5%	46
Net Income Margin**	-1.0%	8.2%	929	8.2%	926

Beer Group (TL mn)	3Q2018 Proforma & Restated	3Q2019	Proforma Change	3Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	9.7	10.1	4.2%	10.1	4.2%
Net Sales	2,649.7	3,190.1	20.4%	3,190.1	20.4%
Gross Profit	1,090.5	1,418.8	30.1%	1,418.9	30.1%
EBIT (BNRI)	103.8	315.0	203.6%	312.7	201.3%
EBITDA (BNRI)	402.5	543.3	35.0%	528.6	31.3%
Net Income/(Loss)**	-83.4	311.9	n.m.	312.0	n.m.
			Change (bps)		Change (bps)
Gross Profit Margin	41.2%	44.5%	332	44.5%	332
EBIT (BNRI) Margin	3.9%	9.9%	596	9.8%	589
EBITDA (BNRI) Margin	15.2%	17.0%	184	16.6%	138
Net Income Margin**	-3.1%	9.8%	1,292	9.8%	1,293

Turkey Beer (TL mn)	3Q2018 Reclassed***	3Q2019	Change	3Q2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	1.8	1.7	-6.4%	1.7	-6.4%
Net Sales	608.1	742.0	22.0%	742.0	22.0%
Gross Profit	356.5	422.0	18.4%	422.1	18.4%
EBIT (BNRI)	122.6	140.6	14.7%	139.6	13.8%
EBITDA (BNRI)	173.7	194.0	11.7%	185.7	7.0%
			Change (bps)		Change (bps)
Gross Profit Margin	58.6%	56.9%	-175	56.9%	-174
EBIT (BNRI) Margin	20.2%	19.0%	-121	18.8%	-136
EBITDA (BNRI) Margin	28.6%	26.1%	-241	25.0%	-352

EBI (TL mn)	3Q2018 Proforma & Restated	3Q2019	Proforma Change	3Q2019 (excl. IFRS16)	Proforma Change
Volume (mhl)	7.9	8.4	6.7%	8.4	6.7%
Net Sales	2,028.2	2,432.3	19.9%	2,432.3	19.9%
Gross Profit	721.3	980.3	35.9%	980.4	35.9%
EBIT (BNRI)	-16.4	182.7	n.m.	181.5	n.m.
EBITDA (BNRI)	230.4	356.6	54.8%	350.1	52.0%
			Change (bps)		Change (bps)
Gross Profit Margin	35.6%	40.3%	474	40.3%	475
EBIT (BNRI) Margin	-0.8%	7.5%	832	7.5%	827
EBITDA (BNRI) Margin	11.4%	14.7%	330	14.4%	303

CCI (TL mn)	3Q2018	3Q2019	Change
Volume (mn u/c)	416.7	413.5	-0.8%
Net Sales	3,671.6	3,908.0	6.4%
Gross Profit	1,255.9	1,357.8	8.1%
EBIT	615.5	684.1	11.1%
EBITDA	813.1	871.9	7.2%
Net Income/(Loss)**	29.4	556.5	1795.4%
			Change (bps)
Gross Profit Margin	34.2%	34.7%	54
EBIT Margin	16.8%	17.5%	74
EBITDA Margin	22.1%	22.3%	16
Net Income Margin**	0.8%	14.2%	1,344

** Net income attributable to shareholders

***In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 3Q2018 numbers are reclassified accordingly.

Consolidated (TL mn)	9M2018 Proforma & Restated*	9M2019	Proforma Change	9M2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	87.7	89.3	1.8%	89.3	1.8%
Net Sales	14,824.5	18,231.4	23.0%	18,231.4	23.0%
Gross Profit	5,305.5	6,785.5	27.9%	6,785.2	27.9%
EBIT (BNRI)	1,140.3	1,836.0	61.0%	1,813.3	59.0%
EBITDA (BNRI)	2,404.4	3,188.8	32.6%	3,100.5	29.0%
Net Income/(Loss)**	-239.6	838.2	n.m.	846.1	n.m.
			Change (bps)		Change (bps)
Gross Profit Margin	35.8%	37.2%	143	37.2%	143
EBIT (BNRI) Margin	7.7%	10.1%	238	9.9%	225
EBITDA (BNRI) Margin	16.2%	17.5%	127	17.0%	79
Net Income Margin**	-1.6%	4.6%	621	4.6%	626

Beer Group (TL mn)	9M2018 Proforma & Restated*	9M2019	Proforma Change	9M2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	26.0	27.6	6.2%	27.6	6.2%
Net Sales	6,202.7	8,206.4	32.3%	8,206.4	32.3%
Gross Profit	2,357.0	3,348.0	42.0%	3,348.0	42.0%
EBIT (BNRI)	-120.6	410.5	n.m.	401.8	n.m.
EBITDA (BNRI)	682.3	1,175.8	72.3%	1,133.1	66.1%
Net Income/(Loss)**	-223.3	513.7	n.m.	521.7	n.m.
			Change (bps)		Change (bps)
Gross Profit Margin	38.0%	40.8%	280	40.8%	280
EBIT (BNRI) Margin	-1.9%	5.0%	695	4.9%	684
EBITDA (BNRI) Margin	11.0%	14.3%	333	13.8%	281
Net Income Margin**	-3.6%	6.3%	986	6.4%	996

Turkey Beer (TL mn)	9M2018 Reclassified***	9M2019	Change	9M2019 (excl. IFRS16)	Proforma Change (excl. IFRS 16)
Volume (mhl)	4.3	4.1	-4.6%	4.1	-4.6%
Net Sales	1,343.0	1,660.6	23.6%	1,660.6	23.6%
Gross Profit	751.4	884.6	17.7%	884.6	17.7%
EBIT (BNRI)	142.1	102.1	-28.2%	98.0	-31.1%
EBITDA (BNRI)	289.2	272.9	-5.6%	251.8	-12.9%
			Change (bps)		Change (bps)
Gross Profit Margin	55.9%	53.3%	-268	53.3%	-268
EBIT (BNRI) Margin	10.6%	6.1%	-443	5.9%	-468
EBITDA (BNRI) Margin	21.5%	16.4%	-510	15.2%	-637

EBI (TL mn)	9M2018 Proforma & Restated*	9M2019	Proforma Change	9M2019 (excl. IFRS16)	Proforma Change
Volume (mhl)	21.7	23.5	8.4%	23.5	8.4%
Net Sales	4,830.1	6,506.4	34.7%	6,506.4	34.7%
Gross Profit	1,575.6	2,419.7	53.6%	2,419.7	53.6%
EBIT (BNRI)	-243.1	331.0	n.m.	326.4	n.m.
EBITDA (BNRI)	410.4	923.2	124.9%	901.8	119.7%
			Change (bps)		Change (bps)
Gross Profit Margin	32.6%	37.2%	457	37.2%	457
EBIT (BNRI) Margin	-5.0%	5.1%	1,012	5.0%	1,005
EBITDA (BNRI) Margin	8.5%	14.2%	569	13.9%	536

CCI (TL mn)	9M2018	9M2019	Change
Volume (mn u/c)	1,086.4	1,085.8	-0.1%
Net Sales	8,622.0	10,025.2	16.3%
Gross Profit	2,953.8	3,435.9	16.3%
EBIT	1,281.6	1,435.0	12.0%
EBITDA	1,759.1	2,013.1	14.4%
Net Income/(Loss)**	165.4	965.2	483.6%
			Change (bps)
Gross Profit Margin	34.3%	34.3%	1
EBIT Margin	14.9%	14.3%	-55
EBITDA Margin	20.4%	20.1%	-32
Net Income Margin**	1.9%	9.6%	771

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 9 months of operation of combined business. In addition to actual results, 9M2018 figures also include the incremental depreciation charge in 9M2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

** Net income attributable to shareholders

***In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 9M2018 numbers are reclassified accordingly.

Within the scope of IFRS 15 "Revenue from Customer Contracts" standard, service fees received from customers which were previously recognized in sales and marketing expense are now recorded under sales discount account. In order to give consistent and like-for-like figures, 9M2018 are restated as well. In 9M2018, in CCI, service fees received from customers amounting to 117 million TL are now classified as sales discounts rather than sales and marketing expenses. Likewise, in beer group, service fees received from customers amounting to 202 million TL in 9M2018 on a proforma basis are now classified as sales discounts rather than sales and marketing expenses.

MANAGEMENT COMMENTS

“I am very happy to announce strong results in the third quarter as we managed to post 20% and 12% net revenue growth in beer group and consolidated basis respectively, almost TL 1.4 bn FCF generation and significant net income on a consolidated basis” commented Mr. Can Çaka, Anadolu Efes CEO and Beer Group President.

As witnessed in previous quarters, international beer operations continued to lead the strong results with the positive contribution coming from all countries, especially Russia and Ukraine. In Russia, our volumes continued to beat market where synergy execution continued as per initial plans. Our strong volume performance in Russia came despite unusually cooler summer and the strong base of last year due to the FIFA World Cup 2018. It is also worth mentioning that the launch of Efes brands in Ukraine drove our outperformance throughout the year and in this quarter as well. I am particularly happy with the strong volume performance delivered in Kazakhstan, Moldova and Georgia where these operations all maintained their strong market positions.

On the other hand, macro deterioration and political uncertainty, resulting in the lowest consumer confidence levels of the past decade in Turkey continued into the third quarter affecting adversely not only the beer industry but the FMCG sector as a whole, albeit at a higher decline in the former. Although the touristic activity was in line with expectations, did not fully offset the slowdown in domestic demand. Overall, strong international beer performance offset the softer Turkey volumes and our total beer volumes grew by 4% in the third quarter. In this very challenging environment, we kept on investing in our brands to make sure that our portfolio is well established to capture changes in consumer preferences, our superior taste and quality are underlined, freshness of our beer is ensured while affordability is not neglected.

As for soft drinks, challenges in international operations resulted in a slight decrease in consolidated soft drink volumes, despite 4% quarterly growth in Turkey operations.

Our commitment to maximize free cash flow by focusing on tight balance sheet management resulted in significant decrease in working capital need in international beer operations. Together with the significant free cash flow contribution of our soft drink operations, which again was mainly attributable to positive contribution of net working capital, we managed to deliver TL 1.4 billion free cash flow on a consolidated basis in the first nine months of the year.

As we are heading into the end of 2019, we maintain our guidance on consolidated and beer group basis, given the strong results in beer operations outside of Turkey and Turkey soft drink operations. Turkey beer operations faced a turbulent quarter in terms of macro and political developments contrary to our previous assumption that the consumer sentiment may improve through the season, therefore we are revising our expectation for Turkey beer. However, the strong performances of Russia and Ukraine combined with the performance of other international beer operations in line with our initial business plans, offset the softness in Turkey beer operations hence the reiteration in our consolidated guidance. On the soft drink side, continued challenging market conditions in international operations especially in Pakistan and Iraq necessitated a downward revision in international and consolidated soft drink volume guidance. Aside from volume performance, price increases and positive mix we are witnessing across the board, enable us to maintain a solid revenue growth outlook both on a consolidated basis and on operating segments.

As a beverage company with strong positions across the board, we give utmost importance to building competitive advantage through leaner and more efficient processes within the organization. We revisited our operating framework to achieve operational excellence by setting targets from digital transformation to standardized operating models. At the same time, we are committed to financial discipline and strong free cash flow generation which remain crucial strategic priorities for our company.

Growing together with our people, we at Anadolu Efes will continue to brew joy for the consumers.”

OPERATIONAL PERFORMANCE - BEER GROUP

TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	Reclassified*					Reclassified*				
	3Q2018	3Q2019	% change	3Q2019 (excl. IFRS 16)	% change (excl. IFRS 16)	9M2018	9M2019	% change	9M2019 (excl. IFRS 16)	% change (excl. IFRS 16)
Volume (mhl)	1.8	1.7	-6.4%	1.7	-6.4%	4.3	4.1	-4.6%	4.1	-4.6%
Net Sales	608.1	742.0	22.0%	742.0	22.0%	1,343.0	1,660.6	23.6%	1,660.6	23.6%
Gross Profit	356.5	422.0	18.4%	422.1	18.4%	751.4	884.6	17.7%	884.6	17.7%
EBIT (BNRI)	122.6	140.6	14.7%	139.6	13.8%	142.1	102.1	-28.2%	98.0	-31.1%
EBITDA (BNRI)	173.7	194.0	11.7%	185.7	7.0%	289.2	272.9	-5.6%	251.8	-12.9%
			Change (bps)		Change (bps)			Change (bps)		Change (bps)
Gross Profit Margin	58.6%	56.9%	-175	56.9%	-174	55.9%	53.3%	-268	53.3%	-268
EBIT (BNRI) Margin	20.2%	19.0%	-121	18.8%	-136	10.6%	6.1%	-443	5.9%	-468
EBITDA (BNRI) Margin	28.6%	26.1%	-241	25.0%	-352	21.5%	16.4%	-510	15.2%	-637

*In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore, 3Q2018 and 9M2018 numbers are reclassified accordingly.

Turkey beer's total sales volume was 1.7 mhl in 3Q2019, down 6.4% compared to the same quarter of last year. Weak consumer sentiment put pressure to demand in the FMCG sector, where beer, declining by 6.1%, showed a similar trend. In the beer category consumer pull decreased due to higher prices on the back of excise taxes, also being impacted from unfavorable weather conditions in the high season and high base of last year. Although the number of tourists in the period was favorable and was in line with the initial expectations, it was not enough to compensate the weak demand in the domestic consumption. In 9M2019, volumes reached to 4.1 mhl, down 4.6% compared to 9M2018.

As a result of price increases and positive category mix, Turkey beer operation's **net sales revenues** per hl increased by 30.3% in 3Q2019, on a y-o-y basis. In 3Q2019, despite the volume decline in the period, Turkey beer's net sales revenue increased by 22.0% y-o-y to TL 742.0 million. In 9M2019, net sales revenues reached TL 1,660.6 million, up 23.6% compared to 9M2018.

The increase in cost of sales per hl on y-o-y basis was 35.8% in the period. Similar to previous quarters, the increase in cost of sales was driven by higher raw material, packaging and energy prices as well as package mix. Higher FX hedge rates versus last year also led to the increase in CoS, despite being significantly lower compared to spot rates. **Gross profit** in the period increased by 18.4% y-o-y to TL 422.1 million, with a margin of 56.9%, down 174 bps. In 9M2019, gross profitability was up by 17.7% y-o-y with 53.3% margin.

Operating expenses were up by 25.6% in 3Q2019 versus the same period of last year. The increase in operating expenses is attributable mainly to our commitment to invest in our brands and led to an increase in our marketing expenses. To win with our portfolio and increase touch with consumers, especially with young ones, we continued organizing events and festivals. We are also focusing on sales execution for the long term sustainability of the business notwithstanding the market contraction and the benefits of these investments have started to be reaped by the increase in customer satisfaction. Therefore, in 3Q2019, **EBITDA** was TL 185.7 million with a margin of 25.0%. In 9M2019, EBITDA was recorded TL251.8 million yielding an EBITDA margin of 15.2%.

INTERNATIONAL BEER OPERATIONS

	Proforma & Restated*			3Q2019			Proforma & Restated*			9M2019		
	3Q2018	3Q2019	% change	(excl. IFRS 16)	% change (excl. IFRS 16)	9M2018	9M2019	% change	(excl. IFRS 16)	% change (excl. IFRS 16)		
International Beer (TL mn)												
Volume (mhl)	7.9	8.4	6.7%	8.4	6.7%	21.7	23.5	8.4%	23.5	8.4%		
Net Sales	2,028.2	2,432.3	19.9%	2,432.3	19.9%	4,830.1	6,506.4	34.7%	6,506.4	34.7%		
Gross Profit**	721.3	980.3	35.9%	980.4	35.9%	1,575.6	2,419.7	53.6%	2,419.7	53.6%		
EBIT (BNRI)**	-16.4	182.7	n.m.	181.5	n.m.	-243.1	331.0	n.m.	326.4	n.m.		
EBITDA (BNRI)	230.4	356.6	54.8%	350.1	52.0%	410.4	923.2	124.9%	901.8	119.7%		
			Change (bps)		Change (bps)			Change (bps)		Change (bps)		
Gross Profit Margin	35.6%	40.3%	474	40.3%	475	32.6%	37.2%	457	37.2%	457		
EBIT (BNRI) Margin	-0.8%	7.5%	832	7.5%	827	-5.0%	5.1%	1,012	5.0%	1,005		
EBITDA (BNRI) Margin	11.4%	14.7%	330	14.4%	303	8.5%	14.2%	569	13.9%	536		

*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 9 months of operation of combined business. In addition to actual results, 9M2018 figures also include the incremental depreciation charge in 9M2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

International beer operations' **consolidated sales volume** reached 8.4 mhl in 3Q2019, up 6.7% compared to 3Q2018. Russian beer market posted low-single digit growth in 9M2019 over the same period of last year, where July and August volumes showed decline due to unfavorable weather conditions and the strong base of last year. Although market's monthly year on year volumes fluctuated from double digit growth to decline through the year, our sales volume managed to record growth every month year on year; yielding market share gains y-o-y, despite competitive pressures. Market share gains in super premium and mainstream segments as well as in modern and traditional trade channels contributed to our strong performance in the period. Ukraine beer market has also shown low- single digit growth in 9M2019; whereas our volume increase was low-double digits. The outperformance is attributable not only to the improvements in route-to-market but also the launch of Efes portfolio of brands in the market. Our other international operations all posted robust growth rates in the period. Kazakhstan's volumes benefitted from extended visibility practices especially in modern trade where the overall market share increased slightly compared to a year ago. In Moldova, the volumes were up y-o-y especially in the premium segment, thanks to successful launch of ABI portfolio as well as robust contribution from Efes brand. In Georgia, we were able to maintain our strong position despite challenging market conditions. Thus, in 9M2019, consolidated sales volume of international beer operations increased to 23.5 mhl, up by 8.4% y-o-y.

As a result of 6.7% volume growth, as well as higher prices per hl in all operations, International beer operation's **net sales revenue increased** by 19.9% to TL 2,432.3 million in the period versus TL 2,028.2 million in 3Q2018. In 9M2019, net sales revenue reached TL 6,506.4 million, 34.7% above last year.

Gross profit expanded by 35.9% to TL 980.4 million in 3Q2019, driven by better operating leverage due to strong topline growth, favorable category mix as well as extraction of synergies. Gross profit in 9M2019 was TL 2,419.7 million with a margin of 37.2%, 457 bps higher y-o-y.

EBITDA (BNRI) increased by 52.0% to TL 350.1 million in 3Q2019, benefitting from the improvement in gross profitability and further synergy generation in OPEX. EBITDA (BNRI) margin was 14.4% in 3Q2019, 303 bps above last year. As a result, in 9M2019, EBITDA (BNRI) reached TL 901.8 million with a margin of 13.9%, up 536 bps y-o-y.

OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

MANAGEMENT COMMENTS

Burak Basarir, CEO of Coca-Cola İçecek, commented: “Our operational and financial position remained strong in the third quarter despite significant headwinds in some of our key markets. Our successful market execution and disciplined cost management enabled us to maintain quality growth, despite significant macroeconomic challenges in our largest markets.

Turkish operation delivered double-digit revenue and EBITDA growth despite declining consumer confidence and adverse weather conditions in the high season. Albeit the contraction in total Sparkling category, immediate consumption (‘IC’) packages continue growing, on the back of the strong contribution of the on-premise channel. As the overall volume continues to decline in the NARTD¹ market, our business strategy enables us to mitigate adverse market conditions and deliver margin expansion in such an environment. As a result, we recorded the highest-ever EBIT margin² and increased NARTD value share in Turkey³ in the first nine months.

In Pakistan, deteriorating macroeconomic conditions continue to put pressure on the overall NARTD market. We remain focused on improving our route-to-market infrastructure and securing profitable growth by implementing our revenue growth management initiatives.

In the Middle East, Iraq operation delivered 5.4% volume growth on the back of route-to-market restructuring, cooler placements, and new production lines in Hilla plant.

Central Asia operations maintained top-line volume growth, although at a slower pace. Excluding Turkmenistan, where currency conversion problem persists, the region delivered 6.1% growth, with the contribution of Kazakhstan, Kyrgyzstan, and Tajikistan.

Having completed the first nine months of the year, we make some downward revisions in our full-year guidance, reflecting challenging market conditions in some of our international operations, primarily in Pakistan and Iraq. However, we still expect to deliver our guidance for consolidated EBITDA margin on the back of cost-saving initiatives.

Despite the challenges of 2019, I am confident of our long-term strategy to deliver profitable growth through our promising geographies, superior execution capabilities, and strong product portfolio.”

Coca-Cola İçecek (TL mn)	3Q2018	3Q2019	% change	9M2018	9M2019	% change
Volume (mn u/c)	416.7	413.5	-0.8%	1,086.4	1,085.8	-0.1%
Net Sales	3,671.6	3,908.0	6.4%	8,622.0	10,025.2	16.3%
Gross Profit	1,255.9	1,357.8	8.1%	2,953.8	3,435.9	16.3%
EBIT	615.5	684.1	11.1%	1,281.6	1,435.0	12.0%
EBITDA	813.1	871.9	7.2%	1,759.1	2,013.1	14.4%
Net Income/(Loss)*	29.4	556.5	1795.4%	165.4	965.2	483.6%
			Change (bps)			Change (bps)
Gross Profit Margin	34.2%	34.7%	54	34.3%	34.3%	1
EBIT Margin	16.8%	17.5%	74	14.9%	14.3%	-55
EBITDA Margin	22.1%	22.0%	-15	20.4%	20.1%	-32
Net Income Margin*	0.8%	14.2%	1344	1.9%	9.6%	771

* Net income attributable to shareholders

For the full text of Coca-Cola İçecek’s 9M2019 Earnings Release, please refer to the link below:

www.cci.com.tr/en/investor-relations/financial-information/financial-results

¹Non-alcoholic ready-to-drink ²Excluding other expense ³Source: Nielsen

ANADOLU EFES CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	9M2018 Proforma Restated	9M2019
Profit/loss from Operations	1,056.3	1,826.4
Depreciation and amortization	1,195.5	1,289.6
Provision for retirement pay liability	23.0	45.5
Provision for vacation pay liability	14.0	17.3
Foreign exchange gain/loss from operating activities	24.5	-1.5
Rediscount interest income/expense from operating activities	2.7	-2.1
Other	4.5	3.9
EBITDA	2,320.4	3,179.1
EBITDA (BNRI*)	2,404.4	3,188.8

* Non-recurring items amounted to TRL 84.0 million in 9M2018 and TRL 9.6 million in 9M2019

Financial Income / (Expense) Breakdown (TL mn)	9M2018	9M2019
Interest income	208.8	190.7
Interest expense	-430.7	-444.6
Foreign exchange gain / (loss)	-789.2	-105.0
Other financial expenses (net)	-34.2	-74.7
Gain/(loss) on derivative transactions	16.3	-161.4
Net Financial Income / (Expense)	-1,029.1	-595.0

Free Cash Flow (TL mn)	9M2018	9M2019
EBITDA	2,376.1	3,179.1
Change in Working Capital	247.1	218.8
Income Taxes & Employee Benefits Paid	-98.0	-341.0
CAPEX, net	-992.8	-1,277.4
Net Financial Income / (Expense)	-125.1	-344.2
FCF	1,407.3	1,435.2
Other investing activities (Acquisitions, Disposals, Minority Buy-Out and Share Capital)	202.9	0.0
FCF (after investing activities)	1,610.2	1,435.2

	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated (TL mn)	9,538.2	5,372.2	-4,165.9
Beer Group (TL mn)	4,528.1	2,647.8	-1,880.4
Turkey Beer (TL mn)	3,597.0	514.4	-3,082.7
EBI (TL mn)	931.8	2,116.4	1,184.6
CCI (TL mn)	5,010.0	2,724.5	-2,285.6

Net Debt/ EBITDA (BNRI)	9M2018 Proforma Restated	9M2019
Anadolu Efes Consolidated	1.7	1.1
Beer Group	1.7	1.2

OUTLOOK

Our 2019 guidance reflects reported financials where 2018 numbers include 9-months ABI-Efes impact and 2019 expected numbers include 12-months. Reference to “proforma” means 12 month ABI-Efes impact in 2018.

In light of the first 9 months’ performance, we are reiterating our consolidated and total beer group guidance, while making a revision in Turkey Beer, as well as international and consolidated soft drink volume guidance. The volume expectation in Turkey beer, which we guided as low single digit decline, is now being revised to mid-single digit decline and accordingly revenue growth expectation is revised as low-twenties growth from high twenties. Accordingly, for Turkey Beer operations we reiterate our initial EBITDA margin contraction expectation albeit at a faster rate of decline. Similarly, in soft drink operations, the consolidated soft drink sales volume guidance is revised down to slight decline from previous 1%-3% growth on the back of the revision in international soft drink volume guidance from 2%-4% growth to low single digit decline. Accordingly, consolidated soft drink revenue growth is revised from its previous level of 16%-18% to 10-12%.

Given the strong results in beer segment outside of Turkey and maintenance of Turkey soft drinks guidance, there is no change in our consolidated and beer group expectations.

FORESEEABLE RISKS FOR 2019

Financial Markets Related: 2019 will continue to be a challenging year for Emerging Markets. Apart from specific country/region economic or political issues, concerns on global slowdown, trade tensions, tightening global financial conditions and general investor sentiment put pressure on emerging countries’ economic activities and their local currencies. In addition, specific events/political tension may also bring additional volatility. We are taking actions to mitigate financial markets related risk as much as possible and manage volatility to some extent. With an accumulated experience of operating in highly volatile markets for long years, we have a successful track record of managing and mitigating risks.

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

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

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

2019 outlook reflects management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties including but not limited to macro-economic, financial, geopolitical and political risks, which could materially impact the Company’s actual performance.

PLEASE CLICK TO ACCESS ALL TABLES IN EXCEL FORMAT

ANADOLU EFES

Consolidated Income Statements For the Nine-Months Period Ended 30.09.2018 and 30.09.2019

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	Proforma & Restated	
	2018/09	2019/09
SALES VOLUME (mhl)	87.7	89.3
SALES REVENUE	14,824.5	18,231.4
Cost of Sales (-)	-9,519.0	-11,445.9
GROSS PROFIT FROM OPERATIONS	5,305.5	6,785.5
Selling, Distribution and Marketing Expenses (-)	-2,997.4	-3,578.5
General and Administrative Expenses (-)	-1,250.8	-1,286.8
Other Operating Income /Expense (net)	-1.1	-93.9
EBIT (BNRI)*	1,140.3	1,836.0
Income /Expense From Investing Activities (net)	-19.2	479.3
Income / (Loss) from Associates	-70.5	-62.0
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	966.5	2,243.7
Financial Income / Expense (net)	-1,057.3	-595.0
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	-90.7	1,648.7
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-249.5	-382.4
- Deferred Tax Expense (-) / Income	56.7	-96.5
INCOME/(LOSS) FOR THE PERIOD	-283.5	1,169.9
Attributable to:		
Non-Controlling Interest	-43.9	331.6
EQUITY HOLDERS OF THE PARENT	-239.6	838.2
EBITDA (BNRI)*	2,404.4	3,188.8

*Non-recurring items amounted to TL 84.0 million in 9M2018 and TL 9.6 million in 9M2019.

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

ANADOLU EFES

Consolidated Balance Sheets as of 31.12.2018 and 30.09.2019

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	Restated*	
	2018/12	2019/09
Cash & Cash Equivalents	4,770.1	5,371.8
Financial Investments	21.2	0.5
Derivative Instruments	0.0	17.5
Trade Receivables from Third Parties	2,183.8	3,381.3
from Related Parties	230.0	356.9
Other Receivables	102.0	184.1
Inventories	1,943.1	2,309.6
Other Current Assets	1,039.6	1,180.2
TOTAL CURRENT ASSETS	10,289.6	12,801.8
Other Receivables	52.9	83.7
Financial Investments	0.8	0.8
Investments in Associates	71.2	9.4
Property, Plant and Equipment (incl. inv properties)	10,866.8	11,592.7
Other Intangible Assets	14,411.9	15,534.2
Goodwill	2,558.3	2,910.5
Deferred Tax Assets	675.4	709.9
Non current derivative financial instruments (asset)	47.0	0.0
Other Non-Current Assets	475.0	900.8
TOTAL NON-CURRENT ASSETS	29,159.3	31,742.0
TOTAL ASSETS	39,449.0	44,543.9
	Restated	
	2018/12	2019/09
Current portion of long term borrowings	1,524.4	1,946.2
Short-term Borrowings	830.7	632.7
Current portion of term lease obligations (IFRS 16)	0.0	111.8
Derivative Instruments	29.8	23.2
Current Trade Payables to Third Parties	3,318.0	5,254.5
to Related Parties	282.6	548.1
Other Current Payables	1,472.4	1,493.9
Provision for Corporate Tax	17.1	98.8
Provisions	194.8	208.5
Other Liabilities	172.2	183.0
TOTAL CURRENT LIABILITIES	7,842.0	10,500.7
Long-term Borrowings	6,873.6	6,959.3
Long term lease obligations (IFRS 16)	0.0	321.7
Non Current Trade Payables	44.2	12.1
Other Non Current Payables	391.4	477.8
Deferred Tax Liability	2,755.3	2,945.6
Other Non Current Liabilities	414.6	504.8
TOTAL NON-CURRENT LIABILITIES	10,479.0	11,221.3
TOTAL EQUITY	21,127.9	22,822.0
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	39,449.0	44,543.9

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

* In the scope of TFRS 3 "Business Combinations", it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination recognized as of March 31, 2018.

Accordingly, consolidated financial statements as of December 31, 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, fair value of the "Inventory", "Property, Plant and Equipment", "Intangible Assets", "Deferred Tax Asset", "Other Liabilities" and "Deferred Tax Liabilities" has been changed. The abovementioned items and "Currency Translation Differences", "Current Period Net Profit or Losses" and "Non-Controlling Interests" has been restated in the consolidated financial statements as of December 31, 2018.

BEER GROUP

Consolidated Income Statements For the Nine-Months Period Ended 30.09.2018 and 30.09.2019
Prepared in accordance with IFRS as per CMB Regulations
(TL mn)

	Proforma & Restated 2018/09	2019/09
Sales Volume (mhl)	26.0	27.6
Sales Revenue	6,202.7	8,206.4
Cost of Sales (-)	-3,845.7	-4,858.4
Gross Profit From Operations	2,357.0	3,348.0
EBIT (BNRI)*	-120.6	410.5
Operating Profit Before Finance Income/(Expense)	-183.2	983.2
Profit Before Tax From Continuing Operations	-412.9	637.7
Income/(Loss) For The Period	-435.5	387.0
Equity Holders Of The Parent	-223.3	513.7
EBITDA (BNRI)*	682.3	1,175.8

*Non-recurring items amounted to TL 84.0 million in 9M2018 and TL 9.6 million in 9M2019.

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

TURKEY BEER OPERATIONS

Consolidated Income Statements For the Nine-Months Period Ended 30.09.2018 and 30.09.2019
Prepared in accordance with IFRS as per CMB Regulations
(TL mn)

	Reclassified 2018/09	2019/09
Sales Volume (mhl)	4.3	4.1
Sales Revenue	1,343.0	1,660.6
Gross Profit From Operations	751.4	884.6
EBIT (BNRI)*	142.1	102.1
EBITDA (BNRI)*	289.2	272.9

*In 2018, there has been a reallocation of certain "other income/expense" items within Beer Group without affecting consolidated profitability. Therefore 9M2018 numbers are reclassified accordingly.

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

INTERNATIONAL BEER OPERATIONS (EBI)

Consolidated Income Statements For the Nine-Months Period Ended 30.09.2018 and 30.09.2019
Prepared in accordance with IFRS as per CMB Regulations
(TL mn)

	Proforma & Restated 2018/09	2019/09
Sales Volume (mhl)	21.7	23.5
Sales Revenue	4,830.1	6,506.4
Gross Profit From Operations	1,575.6	2,419.7
EBIT (BNRI)*	-243.1	331.0
EBITDA (BNRI)*	410.4	923.2

*Non-recurring items amounted to TL 83.6 million in 9M2018 and TL 9.6 million in 9M2019.

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

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

BEER GROUP

Consolidated Balance Sheets as of 31.12.2018 and 30.09.2019

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	Restated*	
	2018/12	2019/09
Cash & Cash Equivalents	2,480.3	2,647.8
Financial Investments	0.0	0.0
Derivative Instruments	0.0	0.0
Trade Receivables	1,663.9	2,249.4
Other Receivables	70.9	148.9
Inventories	1,139.3	1,323.7
Other Current Assets	400.1	540.6
TOTAL CURRENT ASSETS	5,754.5	6,910.3
Trade Receivables	1.4	1.4
Financial Investments	0.8	0.8
Investments in Associates	668.7	606.9
Property, Plant and Equipment (incl. inv properties)	4,138.3	4,619.6
Other Intangible Assets	5,134.1	5,929.4
Goodwill	1,720.1	2,076.0
Deferred Tax Assets	656.9	604.0
Other Non-Current Assets	276.3	505.2
TOTAL NON-CURRENT ASSETS	12,596.7	14,343.3
TOTAL ASSETS	18,351.2	21,253.6
Current portion of long term borrowings	816.2	1,022.1
Short-term Borrowings	620.3	227.5
Current portion of term lease obligations (IFRS 16)	0.0	72.8
Current Trade Payables	2,307.6	3,802.4
Other Current Payables	1,184.2	1,038.7
Provision for Corporate Tax	6.1	26.3
Provisions	136.6	120.6
Other Liabilities	104.1	111.1
TOTAL CURRENT LIABILITIES	5,175.1	6,421.5
Long-term Borrowings	2,848.7	3,278.5
Long term lease obligations (IFRS 16)	0.0	167.6
Other Non Current Payables	381.5	420.4
Deferred Tax Liability	1,013.8	1,171.9
Other Non Current Liabilities	141.1	190.3
TOTAL NON-CURRENT LIABILITIES	4,385.1	5,228.8
TOTAL EQUITY	8,790.9	9,603.3
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	18,351.2	21,253.6

* In the scope of TFRS 3 "Business Combinations", it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination recognized as of March 31, 2018. Accordingly, consolidated financial statements as of December 31, 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, fair value of the "Inventory", "Property, Plant and Equipment", "Intangible Assets", "Deferred Tax Asset", "Other Liabilities" and "Deferred Tax Liabilities" has been changed. The abovementioned items and "Currency Translation Differences", "Current Period Net Profit or Losses" and "Non-Controlling Interests" has been restated in the consolidated financial statements as of December 31, 2018.

SOFT DRINK OPERATIONS (CCI)

Consolidated Income Statements For the Nine-Months Period Ended 30.09.2018 and 30.09.2019

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	2018/09*	2019/09
SALES VOLUME (UC millions)	1,086.4	1,085.8
SALES REVENUE	8,622.0	10,025.2
Cost of Sales (-)	-5,668.2	-6,589.3
GROSS PROFIT FROM OPERATIONS	2,953.8	3,435.9
Selling, Distribution and Marketing Expenses (-)	-1,379.3	-1,485.2
General and Administrative Expenses (-)	-315.4	-411.3
Other Operating Income /Expense (net)	22.4	-104.4
EBIT	1,281.6	1,435.0
Income /Expense From Investing Activities (net)	-10.0	1.3
Income / (Loss) from Associates	-0.3	-0.3
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	1,271.3	1,436.0
Financial Income	1,690.5	311.5
Financial Expenses	-2,545.8	-561.1
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	415.9	1,186.4
-Deferred Tax Income/(Expense)	30.2	76.8
-Current Period Tax Expense	-199.6	-309.8
INCOME/(LOSS) FOR THE PERIOD	246.6	953.4
Non-Controlling Interest	-81.2	11.8
EQUITY HOLDERS OF THE PARENT	165.4	965.2
EBITDA	1,759.1	2,013.1

SOFT DRINK OPERATIONS (CCI)

Consolidated Balance Sheets as of 31.12.2018 and 30.09.2019

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	Restated* 2018/12	2019/09
Cash and Cash Equivalents	2,289.7	2,724.0
Investments in Securities	21.2	0.5
Derivative Financial Instruments	0.0	0.0
Trade Receivables	624.0	1,204.0
Due from related parties	126.6	285.1
Other Receivables	32.3	35.1
Inventories	804.0	986.0
Prepaid Expenses	191.1	275.5
Tax Related Current Assets	150.2	111.5
Other Current Assets	298.1	270.2
TOTAL CURRENT ASSETS	4,537.2	5,891.9
Other Non-Current Asset	0.6	0.0
Other Receivables	38.0	36.1
Right of Use Asset	131.4	194.1
Property, Plant and Equipment	6,489.1	6,735.7
Intangible Assets	1,869.4	2,011.8
Goodwill	819.4	815.9
Prepaid Expenses	258.5	247.8
Deferred Tax Asset	10.9	95.9
TOTAL NON-CURRENT ASSETS	9,617.4	10,137.2
TOTAL ASSETS	14,154.6	16,029.1
	Restated* 2018/12	2019/09
Short-term Borrowings	210.4	405.2
Current Portion of Long-term Borrowings	706.4	924.1
Financial lease payables	29.0	49.7
Trade Payables	966.2	1,521.7
Due to Related Parties	328.1	478.7
Payables Related to Employee Benefits	34.7	38.7
Other Payables	288.1	454.9
Provision for Corporate Tax	10.9	72.6
Provision for Employee Benefits	58.3	87.8
Other Current Liabilities	63.6	56.2
TOTAL CURRENT LIABILITIES	2,696.0	4,089.7
Financial lease payables	136.0	172.9
Long-term Borrowings	4,022.5	3,680.8
Trade Payables & Due to Related Parties	47.0	62.2
Provision for Employee Benefits	82.5	108.8
Deferred Tax Liability	548.7	583.3
Other Non-Current Liabilities	198.0	213.0
Equity of the Parent	5,598.5	6,302.4
Minority Interest	825.5	816.0
TOTAL NON-CURRENT LIABILITIES	5,034.0	4,820.9
TOTAL EQUITY	6,424.6	7,118.4
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	14,154.6	16,029.1

* Details about the restatement were explained in the footnote 2 of the financial statements.

ABOUT ANADOLU EFES

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 17,330, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

ACCOUNTING PRINCIPLES

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

The attached financial statements in this announcement comprise the income statements for the period ended 30.09.2018 and 30.09.2019 as well as the balance sheets as of 31.12.2018 and 30.09.2019. Figures in 9M2018 and 9M2019 are presented in the reporting currencies of each business division.

For comparison purposes in this release we included "Proforma" figures for 9M2018, which assumed the combined operation in Russia and Ukraine would become operational on January 1st 2018.

Similarly, after the merger in Russia and Ukraine, fixed assets in these operations were revalued as per IFRS 3 requirements. Post this revaluation, additional depreciation charges occurred, of which TL 171.1 million was one-off in 9M2019. However, in order to provide a better comparison for the operation's real performance, we have restated the 9M2018 Gross Profit, EBIT (BNRI) and Net Income accordingly as well.

Due to adoption of IFRS 16 "Lease" starting from 01.01.2019 with simplified approach, 9M2018 figures has not been restated, as permitted under the simplified transition approach. Therefore, in this release we are using the 9M2019 excluding IFRS 16 adjustments making them comparable with 9M2018 figures.

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

BEER OPERATIONS' 9M2019 RESULTS PRESENTATION & WEBCAST

Anadolu Efes - Beer Operations' 9M2019 Results Presentation will be held on Wednesday 6th of November 2019 at 16:30 (Istanbul) 13:30 (London) 08:30 (New York).

Audio Conference:

UK Dial-in: +44 207 194 37 59
USA Dial-in: +1 646 722 49 16
TR Dial-in: +90 212 375 51 27
Russia Dial-in: +7 495 646 93 15

Confirmation Code: 15868727#

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

Webcast:

<http://event.on24.com/wcc/r/2102602-1/ED47EB51F1E1E0AF037D8F8BAD9F21AD?partnerref=rss-events>

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

A copy of the presentation will be available prior to the conference call from our website at www.anadoluefes.com.

ENQUIRIES

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

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