Convenience Translation of the Report and Financial Statements Originally Issued in Turkish

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

Consolidated Financial Statements as of December 31, 2008 Together with Report of Independent Auditors

Güney Bağımsız Denetim ve
SMMM AŞ
Büyükdere Cad. Beytem Plaza
No:22 K:9-10, 34381 - Şişli
İstanbul - Turkey

Tel: +90 212 315 30 00
Fax: +90 212 230 82 91
www.ey.com

(Convenience Translation of Independent Auditors Report Originally Issued in Turkish)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Anadolu Efes Biracılık ve Malt Sanayi Anonim Şirketi:

We have audited the accompanying consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayi Anonim Şirketi ("the Company"), its subsidiaries and joint ventures (collectively referred to as "the Group") which comprise the consolidated balance sheet as at December 31, 2008, and the consolidated income statement, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Financial reporting standards issued by the Capital Market Board. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards issued by the Capital Market Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 preparation and fair presentation 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with financial reporting standards issued by Capital Markets Board (CMB).

Additional paragraph for convenience translation to English :

As of December 31, 2008, the accounting principles described in Note 2 (defined as CMB Financial Reporting Standards) to the accompanying 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 and presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
An Affiliated Firm of Ernst & Young International

Ertan Ayhan, SMMM
Partner

April 7, 2009
Istanbul, Turkey

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

Consolidated Financial Statements as of December 31, 2008

TABLE OF CONTENTS

Convenience Translation of Financial Statements Originally Issued in Turkish

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED BALANCE SHEET
As at December 31, 2008

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

	Notes	Audited 2008	Audited 2007
ASSETS			
Current Assets		**1.775.000**	1.155.177
Cash and Cash Equivalents	6	**690.175**	303.367
Investments In Securities	7	**2.683**	4.145
Trade Receivables	10	**421.214**	344.778
Due from Related Parties	37	**3.873**	7.784
Other Receivables	11	**9.782**	6.376
Inventories	13	**490.636**	372.370
Other Current Assets	26	**156.637**	116.357
Non-Current Assets		**3.348.529**	2.739.290
Other Receivables	11	**1.718**	574
Investments In Securities	7	**23.446**	44.701
Investments In Associates	16	**54.911**	759
Property, Plant and Equipment	18	**1.996.781**	1.589.040
Intangible Assets	19	**341.186**	228.578
Goodwill	20	**866.506**	815.806
Deferred Tax Assets	35	**38.096**	16.755
Other Non-Current Assets	26	**25.885**	43.077
Total Assets		**5.123.529**	3.894.467

	Notes	Audited 2008	Audited 2007
LIABILITIES			
Current Liabilities		**1.411.751**	1.002.865
Short-term Borrowings	8	**799.195**	456.145
Trade Payables	10	**203.498**	165.688
Due to Related Parties	37	**16.633**	17.031
Other Payables	11	**174.367**	159.022
Provision for Corporate Tax		**9.881**	17.141
Provisions	22	**18.235**	15.153
Other Liabilities	26	**189.942**	172.685
Non-Current Liabilities		**1.196.127**	752.634
Long-term Borrowings	8	**1.029.831**	602.265
Other Payables	11	**103.073**	84.495
Provision for Employee Benefits	24	**30.333**	25.552
Deferred Tax Liability	35	**27.875**	34.188
Other Liabilities	26	**5.015**	6.134
EQUITY			
Equity Attributable Equity Holders of the Parent		**2.154.146**	1.821.553
Issued Capital	27	**450.000**	450.000
Inflation Adjustment to Issued Capital	27	**63.583**	63.583
Value Increase Funds	27	**811**	26.293
Currency Translation Differences	27	**19.791**	(155.019)
Restricted Reserves Allocated from Net Profit	27	**83.953**	60.419
Accumulated Profits	27	**1.226.330**	1.001.795
Net Income		**309.678**	374.482
Minority Interests		**361.505**	317.415
Total Liabilities		**5.123.529**	3.894.467

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

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2008
(Currency– Unless otherwise indicated thousands of Turkish Lira (TL))

	Notes	Audited 2008	Audited 2007
CONTINUING OPERATIONS			
Sales	28	**3.668.917**	3.030.359
Cost of Sales (-)	28	**(1.860.707)**	(1.495.629)
GROSS PROFIT FROM OPERATIONS		**1.808.210**	1.534.730
Marketing, Selling and Distribution Expenses (-)	29	**(913.028)**	(757.954)
General and Administration Expenses (-)	29	**(306.890)**	(261.020)
Other Operating Income	31	**82.397**	33.354
Other Operating Expense (-)	31	**(43.174)**	(37.282)
PROFIT FROM OPERATIONS		**627.515**	511.828
Loss from Associates	16	**(5.654)**	(331)
Financial Income	32	**187.427**	159.897
Financial Expenses (-)	33	**(454.313)**	(169.942)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**354.975**	501.452
Continuing Operations Tax Income / (Expense)			
Current Period Tax Expense (-)	35	**(95.572)**	(112.128)
Deferred Tax Income	35	**29.267**	727
PROFIT FOR THE YEAR		**288.670**	390.051
Attributable to:			
Minority interests		**(21.008)**	15.569
Equity holders of the parent		**309.678**	374.482
EARNINGS PER SHARE (FULL TL)	36	**0,69**	0,83

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

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2008
(Currency– Unless otherwise indicated thousands of Turkish Lira (TL))

	Issued Capital	Inflation Adjustment to Issued Capital	Value Increase Funds	Currency Translation Differences	Restricted Reserves Allocated from Net Profit	Net Income	Accumulated Profits	Equity of the Parent	Minority Interests	Total Equity
Balance at December 31, 2006	**112.877**	**277.158**	**26.404**	**(37.283)**	**50.190**	**269.020**	**975.242**	**1.673.608**	**341.128**	**2.014.736**
Transfer of net income to the accumulated profits	-	-	-	-	10.229	(161.089)	150.860	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(525)	(525)
Dividend paid (Note 27)	-	-	-	-	-	(107.931)	-	(107.931)	-	(107.931)
Transfer	-	-	759	-	-	-	(759)	-	-	-
Capital increase	337.123	(213.575)	-	-	-	-	(123.548)	-	-	-
Currency translation differences	-	-	-	(117.736)	-	-	-	(117.736)	(38.124)	(155.860)
Value decrease in available for sale securities (Note 7)	-	-	(870)	-	-	-	-	(870)	-	(870)
Purchases from minority interest	-	-	-	-	-	-	-	-	(633)	(633)
Profit for the year	-	-	-	-	-	374.482	-	374.482	15.569	390.051
Balance at December 31, 2007	**450.000**	**63.583**	**26.293**	**(155.019)**	**60.419**	**374.482**	**1.001.795**	**1.821.553**	**317.415**	**2.138.968**
Transfer of net income to the accumulated profits	-	-	-	-	23.534	(248.069)	224.535	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(45)	(45)
Dividend paid (Note 27)	-	-	-	-	-	(126.413)	-	(126.413)	-	(126.413)
Currency translation differences	-	-	-	180.298	-	-	-	180.298	47.827	228.125
Gain recognised in income statement due to sales of shares of subsidiaries	-	-	-	(5.488)	-	-	-	(5.488)	-	(5.488)
Value decrease in available for sale securities (Note 7)	-	-	(25.482)	-	-	-	-	(25.482)	-	(25.482)
Change in minority share(*)	-	-	-	-	-	-	-	-	17.316	17.316
Profit for the year	-	-	-	-	-	309.678	-	309.678	(21.008)	288.670
Balance at December 31, 2008	**450.000**	**63.583**	**811**	**19.791**	**83.953**	**309.678**	**1.226.330**	**2.154.146**	**361.505**	**2.515.651**

(*) Coca Cola İçecek A.Ş. acquired minority shares of J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership and Coca-Cola Bishkek Bottlers Closed Joint Stock Company from The Coca-Cola Export Corporation in 2008. As a result of this share purchase, minority interests decreased by TL 5.159. Furthermore, Efes Breweries International N.V. transferred the shares of Efes Weifert Brewery d.o.o and Efes Zajecar Brewery d.o.o. to Central Europe Beverage B.V. and sold the shares of J.S.C. Efes Karaganda Brewery to Heineken International B.V. As a result of these transactions, minority interests increased by TL 22.475.

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

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED CASH FLOW STATEMENT
For the year ended December 31, 2008
(Currency– Unless otherwise indicated thousands of Turkish Lira (TL))

	Notes	Audited 2008	Audited 2007
Cash flows from operating activities			
Continuing Operations Profit Before Tax		**354.975**	501.452
Adjustments for:			
Depreciation and amortization expenses	5, 18, 19, 30	**243.494**	206.740
(Gain) / loss on sale of property, plant and equipment and intangible assets, net	31	**(8.461)**	(751)
(Impairment reversal) / impairment on property, plant and equipment, net	18	**1.687**	(2.641)
Provision for retirement pay liability	5, 24	**5.191**	6.172
Provision for vacation pay liability	5, 22	**3.885**	3.704
Provision for inventory, net	13	**6.859**	1.833
Provision for doubtful receivables, net	10	**3.474**	(744)
Foreign exchange (gain) / loss raised from loans, net		**189.531**	(87.141)
Interest expense	33	**90.597**	85.935
Interest income	32	**(45.599)**	(33.966)
Syndication loan expense		**1.634**	1.614
(Gain) / loss from derivative financial instruments	32, 33	**277**	8.617
Gain from sale of subsidiaries	31	**(41.621)**	-
(Gain) / loss from associates, net	16	**5.654**	331
Negative Goodwill	31	**(579)**	-
Goodwill impairment loss	20, 31	**-**	927
Gain on sale of soft-drink trademarks	31	**-**	(5.211)
Impairment loss on available for sales securities	31	**1.202**	-
Other (income) / expense, net		**1**	4
Operating profit before changes in operating assets and liabilities		**812.201**	686.875
Change in trade receivables		**(93.535)**	5.605
Change in due from related parties		**(153)**	(6.706)
Change in inventories		**(124.738)**	(92.435)
Change in other assets, other liabilities and provisions		**93.285**	(22.533)
Change in trade payables		**37.441**	30.918
Change in due to related parties		**(1.534)**	(2.028)
Vacation and retirement pay liability paid		**(4.339)**	(3.535)
Taxes paid		**(116.999)**	(112.889)
Net cash provided by operating activities		**601.629**	483.272
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	5, 18, 19	**(469.289)**	(389.502)
Proceeds from sale of property, plant and equipment and intangible assets		**28.019**	15.265
Acquisition of associates, subsidiaries and joint venture, net of cash acquired	3	**(155.737)**	(3.841)
Proceed from sale of subsidiaries, net of cash acquired		**84.639**	-
Proceed from sale of soft-drink trademarks	31	**-**	5.211
Cash payment for acquired minority shares	3	**(17.803)**	(47.053)
Net cash used in investing activities		**(530.171)**	(419.920)
Cash flows from financing activities			
Dividends paid		**(126.413)**	(107.931)
Dividends paid to minority shareholders		**(45)**	(525)
Proceeds from short-term and long-term debt		**1.138.989**	754.333
Repayment of short-term and long-term debt		**(741.612)**	(717.972)
Interest paid		**(91.018)**	(97.064)
Interest received		**44.454**	31.004
Cash paid for derivative financial instruments		**(277)**	(8.617)
Net cash provided by / (used in) financing activities		**224.078**	(146.772)
Currency translation differences on cash and cash transactions		**91.767**	(8.553)
Net increase / (decrease) in cash and cash equivalents		**295.536**	(83.420)
Cash and cash equivalents at the beginning of the year		**299.835**	391.808
Cash and cash equivalents at the end of the year	6	**687.138**	299.835

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

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

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (a Turkish corporation, 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 address of the Company is located at Bahçelievler Mahallesi Adnan Kahveci Bulvarı No: 5 Bahçelievler - İstanbul.

The Group consists of the Company, its subsidiaries and joint ventures. The average number of personnel employed in the Group is 18.054 (December 31, 2007 – 11.234).

The consolidated financial statements of the Group are approved by the Chief Financial Officer and Finance Director as to be presented on April 7, 2009. General Assembly and specified regulatory bodies have the right to make amendments on statutory financial statements after presentation.

Nature of Activities of the Group

The operations of the Group consist of production, bottling, distribution and selling of beer under a number of trademarks and also production, bottling, distribution and selling and distribution of sparkling and still beverages with The Coca- Cola Company (TCCC) trademark. The Group owns and operates fourteen breweries (five in Turkey and nine in other countries), five malt production facilities (two in Turkey, three in Russia) and also seven facilities in Turkey, twelve facilities in other countries for sparkling and still beverages production. The Group has a joint control over Coca-Cola İçecek A.Ş. (CCİ), which undertakes bottling and distribution facilities of the Coca-Cola Products in Turkey, Central Asia and Middle East.

In addition, the Group has also minority stakes over a Coca-Cola bottling company in Turkmenistan, namely Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC), an investment company which has breweries in Serbia, namely Central Europe Beverages B.V (CEB) and a malt production company in Russia.

List of Shareholders

As of December 31, 2008 and 2007, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2008		2007	
	Amount	**%**	Amount	%
Yazıcılar Holding A.Ş.	**139.082**	**30,91**	139.082	30,91
Özilhan Sınai Yatırım A.Ş.	**78.910**	**17,54**	78.746	17,50
Anadolu Endüstri Holding A.Ş. (AEH)	**35.292**	**7,84**	35.292	7,84
Publicly traded and other	**196.716**	**43,71**	196.880	43,75
	450.000	**100,00**	450.000	100,00

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

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, 2008 and 2007 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding and Voting Rights % 2008	2007
Efes Breweries International N.V. (EBI) (1)	The Netherlands	Facilitating foreign investments in breweries	Beer	**70,22**	70,22
ZAO Moscow-Efes Brewery (Efes Moscow) (5)	Russia	Production and marketing of beer	Beer	**63,79**	63,79
OAO Amstar (Amstar) (7)	Russia	Production of beer	Beer	**63,79**	63,79
Rostov Beverages C.J.S.C. (Efes Rostov) (7)	Russia	Lease	Beer	**63,79**	63,79
OOO Stary Melnik (Stary Melnik) (7)	Russia	Service sector	Beer	**63,79**	63,79
ZAO Efes Entertainment (Efes Entertainment) (7)	Russia	Service sector	Beer	**63,79**	64,76
OAO Krasny Vostok Solodovpivo (KV Grubu) (5)	Russia	Production and marketing of beer	Beer	**59,23**	65,20
ZAO Siberian Brewery Company (6) (7)	Russia	Production of beer	Beer	**62,22**	68,48
OOO Vostok Solod (6)	Russia	Production of malt	Beer	**59,23**	65,20
OOO KV-Invest (6)	Russia	Finance	Beer	**59,23**	65,20
OOO T'sentralny Torgovy Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
ZAO Moskovskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
ZAO Samarskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
ZAO Saratovskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
ZAO Ufimskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Barnaulskii Torgovyii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Volgogradskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Voronezhskii Torgovyii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Ekaterinburgskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Kemerovskii Torgovyii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Krasnodarskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Krasnoyarskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Kurskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Nizhegorodskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Nizhnekamskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Novosibirskii Torgovyii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Omskii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Permskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Sankt-Peterburgskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
OOO Tomskii Torgovyii Dom (2) (6)	Russia	Sales company	Beer	**-**	65,20
OOO Chelyabinskii Torgovyii Dom (6)	Russia	Sales company	Beer	**59,23**	65,20
J.S.C. Efes Karaganda Brewery (Efes Karaganda)	Kazakhstan	Production and marketing of beer	Beer	**50,56**	70,22
Dinal LLP (Dinal)	Kazakhstan	Production and marketing of beer	Beer	**50,56**	-
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer, and low alcoholic drinks	Beer	**67,76**	67,76
Efes Weifert Brewery d.o.o. (Efes Weifert) (8)	Serbia	Production and marketing of beer	Beer	**-**	68,26
Efes Zajecar Brewery d.o.o. (Efes Zajecar) (8)	Serbia	Production and marketing of beer	Beer	**-**	51,23
Efes Commerce d.o.o. Belgrade (Efes Commerce)	Serbia	Production and marketing of beverages	Beer	**70,22**	70,22
Efes Romania Industrie Si Comert S.A. (ERIC)	Romania	Distribution of beer	Beer	**70,23**	70,23
Efes Productie S.R.L. (Efes Productie) (9)	Romania	Distribution of beer	Beer	**-**	79,18
Brewery Pivdenna C.J.S.C. (Efes Ukraine) (10)	Ukraine	Production and marketing of beer	Beer	-	70,22
Euro-Asian Brauerein Holding GmbH (Euro-Asian)	Germany	Investment company of EBI	Beer	**70,22**	70,22
J.S.C. Lomisi (Efes Georgia) (3)	Georgia	Production and marketing of beer and carbonated soft drink	Beer	**70,22**	-
Central Asian Beverages B.V. (Central Asian) (4)	The Netherlands	Investment company of EBI	Beer	**42,13**	-
Efes Belarus Sales Company G.M. (Efes Belarus) (4)	Belarus	Market development	Beer	**70,22**	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Turkey	Marketing and distribution company of the Group in Turkey	Beer	**100,00**	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes)	Turkey	Providing hops (major ingredient of beer) to the breweries of the Group	Beer	**99,75**	99,75
Anadolu Efes Dış Ticaret A.Ş. (Aefes Dış Ticaret)	Turkey	Foreign trade	Beer	**99,62**	99,62
Cypex Co. Ltd. (Cypex)	Turkish Republic of Northern Cyprus	Marketing and distribution of beer	Beer	**99,99**	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Beer	**99,75**	99,75
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	Beer	**99,75**	99,75

(1) Shares of EBI are currently traded on the London Stock Exchange.
(2) Closed down in 2008 during the restructuring of KV Group companies.
(3) Acquired by EBI in February 2008 and included in the scope of consolidation (Note 3).
(4) Established in 2008 by EBI (Note 3).
(5) As explained in Note 23 (a), following IAS 32 "Financial Instruments (revised)", a further effective interest of 6,43% and 10,67% has also been consolidated for Efes Moscow and KV Group, respectively due to the put options granted to the minority shareholders of Efes Moscow and KV Group. (Note 3)
(6) Subsidiaries of KV Group.
(7) Subsidiaries of Efes Moscow.
(8) With the scope of collaboration between EBI and Heineken N.V., the shares held by EBI have been transferred to Central Europe Beverages B.V. (Note 3).
(9) With the completion of the liquidation process of Efes Productie in 2008, Efes Productie has not been included in the scope of consolidation (Note 2).
(10) Efes Ukraine has been disposed in 2008 and not included in the scope of consolidation (Note 3).

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

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, 2008 and 2007 are as follows:

Joint Venture	Country	Principal Activity	Segment	Effective Shareholding and Voting Rights %	
				2008	2007
Coca-Cola İçecek A.Ş. (1)	Turkey	Production, bottling of Coca-Cola products	Soft Drink	**50,26**	50,26
Coca-Cola Satış Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola products	Soft Drink	**50,25**	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drink	**50,25**	50,25
Efes Sınai Dış Ticaret A.Ş. (EST)	Turkey	Foreign trade	Soft Drink	**50,50**	50,50
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of Coca-Cola and distributions of Efes products	Soft Drink	**50,08**	44,03
Tonus Joint Stock Company (Tonus)	Kazakhstan	Investment company of CCİ	Soft Drink	**47,33**	47,33
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drink	**45,18**	45,18
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kyrgyzstan	Production, bottling, distribution and selling of Coca-Cola and distributions of Efes products	Soft Drink	**50,26**	45,23
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drink	**50,26**	50,26
The Coca-Cola Bottling Company of Iraq FZCO (JV Dubai)	United Arabic Emirates	Investment company of CCİ	Soft Drink	**25,13**	25,13
CC Beverage Limited	Iraq	Production, bottling, distribution and selling of Coca-Cola products	Soft Drink	**15,08**	15,08
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca-Cola products	Soft Drink	**45,23**	45,23
Syrian Soft Drink Sales and Distribution L.L.C. (Syrian SD)	Syria	Distribution and selling of Coca-Cola products	Soft Drink	**25,13**	25,13
Coca-Cola Beverages Pakistan Ltd (CCBPL) (2)	Pakistan	Production, distribution and selling of Coca-Cola products	Soft Drink	**24,62**	-

(1) Shares of CCİ are currently traded on ISE.
(2) CCİ has signed the share transfer agreement to acquire 48,99% shares of CCBPL from The Coca- Cola Company (TCCC) as of September 25, 2008 (Note 3).

Although the Company has been representing and controlling more than 50% of voting rights of CCİ, since the Company and other shareholders of CCİ take decisions mutually in the board of directors meetings; the financial statements of CCİ is consolidated in joint venture approach.

Environments and Economic Conditions of Subsidiaries and Joint Ventures in Foreign Countries

Certain countries, in which consolidated subsidiaries and joint ventures are operating, have undergone substantial, political and economical changes in recent years. Accordingly such markets do not possess well-developed business infrastructures and the 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 subsidiaries' and joint ventures' ability to operate commercially.

NOTE 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Financial Statements

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

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

2.1 Basis of Preparation of Financial Statements (continued)

The consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with CMB Accounting 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 employee 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 Combination application, financial statements are prepared on historical cost basis.

Previously, the financial statements of the Group as at and for the year ended December 31, 2007 have been prepared in accordance with the Communiqué Serial XI, No: 25 'Communiqué on Accounting Standards in Capital Markets'. In this Communiqué, the Capital Markets Board (CMB) stated that alternatively, the application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be also considered to be compliant with the CMB Accounting Standards. Accordingly, the consolidated financial statements of the Group as at and for the year ended December 31, 2007 had been prepared in accordance with the alternative methods allowed by the CMB.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Serial XI, No:29, published in the Official Gazette dated 9 April 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. Since, there are not any differences between the accounting policies of the alternative method of Communiqué Serial XI, No:25 (previously applied) and the Communiqué Serial XI, No:29, there is no difference in the accounting policies applied in preparation of the financial statements of the current and prior period but only certain reclassifications raised in order to be compliant with the compulsory format. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué Serial XI, No: 29 declared by the CMB on April 9, 2008.

In December 2000, ERIC and Efes Productie adopted a plan of liquidation and as a result changed their basis of accounting, from the going-concern basis to a liquidation basis. Efes Productie has been liquidated in 2008.

2.2 Functional and Presentation Currency

The functional and presentation currency of the Company is TL.

Effective from January 1, 2005 concurrent with the removal of six zero digits, the new currency unit of Turkey was introduced as New Turkish Lira (YTL). The Government resolved to remove the "New" phrase in the local currency unit effective from January 1, 2009. Accordingly the Company's functional and presentation currency as of December 31, 2008 is TL and comparative figures for prior year(s) have also been presented in TL, using the conversion rate of YTL 1 = TL 1.

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 transact more of their business in EURO or USD 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 (TL))

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

2.2. Functional and Presentation Currency (continued)

Functional and Presentation Currencies of Foreign Subsidiaries and Joint Ventures:

Subsidiary or Joint Venture	Local Currency	Functional Currency 2008	2007
EBI	EURO	**USD**	USD
Efes Moscow	Russian Ruble (RUR)	**RUR**	RUR
Amstar	RUR	**RUR**	RUR
Efes Rostov	RUR	**RUR**	RUR
KV Grubu	RUR	**RUR**	RUR
Efes Karaganda	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Vitanta	Moldovan Leu (MDL)	**MDL**	MDL
Lomisi	Georgia Lari (GEL)	**GEL**	GEL
CCI Holland	EURO	**USD**	USD
Almaty CC	KZT	**USD**	USD
Azerbaijan CC	Manat	**USD**	USD
Bishkek CC	Kirghiz Som (KGS)	**USD**	USD
CCBPL	Pakistan Rupee (PKR)	**PKR**	-
Jordan CC	Jordanian Dinar	**USD**	USD
AETMC	EURO	**EURO**	EURO
EHTMC	EURO	**EURO**	EURO
Euro-Asian, ERIC, Efes Commerce, JV Dubai, Efes Entertainment, Central Asian, Central Europe, Efes Belarus, Tonus, Dinal and other	Various	**Various**	Various

2.3 Reclassification on the 2007 Financial Statements

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Serial XI, No:29, The Group has made certain reclassifications in the consolidated balance sheet and income statement as of December 31, 2007, respectively to conform to the consolidated financial statements as of December 31, 2008.

The reclassifications, to be comparable with the current year financial presentation, are as follows:

a) TL 83 representing deposits and guarantees given has been reclassified from “Trade Receivables” to “Other Current Receivables”.

b) TL 1.600 representing due from personnel has been reclassified from “Due from Related Parties” to “Other Current Receivables”.

c) TL 25.079 and TL 42.808 representing advances given to suppliers and VAT deductible respectively have been reclassified from “Other Current Receivables” to “Other Current Assets”.

d) TL 811 representing advances given to suppliers has been reclassified from “Inventories” to “Other Current Assets”.

e) TL 8.055 representing deferred VAT and other taxes has been reclassified from “Other Non-Current Receivables” to “ Other Non-Current Assets”.

f) TL 17.159 representing advances given has been reclassifed from “Property, Plant and Equipment” to “Other Non-Current Assets”.

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

2.3 Reclassification on the 2007 Financial Statements (continued)

g) TL 181 representing deposits and guarantees received has been reclassified from "Short Term Trade Payables" to "Other Current Payables".

h) TL 3.550 representing payables to personnel has been reclassified from "Due to Related Parties" to "Other Current Liabilites".

i) TL 1.612 in the "Short-term Advances Received" in current liabilities has been reclassified to "Other Current Liabilities".

j) TL 17.141 representing provision for corporate tax has been reclassified from "Short Term Provisions" to " Provision for Corporate Tax".

k) TL 129.402, TL 25.169 and TL 4.270 representing taxes other than income, deposit and guarantees taken and other in "Other Current Liabilities" have been reclassified to "Other Current Payables".

l) TL 12.198 representing provision for vacation pay liability has been reclassified from "Long-term Provisions" to "Short-term Provisions". TL 23.676 and TL 1.876 representing provision for retirement pay liability and long-term incentive plans liability respectively have been reclassified to "Employee Termination Benefit".

m) TL 84.495 representing deposits and guarantees taken has been reclassified from "Other Non Current Liabilities" to "Other Non-Current Payables".

n) TL 100.788 representing equity restatement differences in "Adjustment to Issued Capital" and and TL 159.353 representing "Extraordinary Reserves" have been reclassified to "Accumulated Profit".

o) TL 33.875 and TL 33.966 representing foreign exchange gain and interest income respectively have been reclassified from " Other Income" to "Financial Income".

p) TL 60.592 representing foreign exchange loss has been reclassified from "Other Expenses" to "Financial Expenses" and and TL 331 representing loss from associates has been reclassified from "Other Expenses" to "Loss from Associates".

r) TL 18.796 representing returnable bottles and cases has been reclassified from "Inventories" to "Property, Plant and Equipment".

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

2.4 Changes in Accounting Policies

The new standards which are effective as of January 1, 2008 and changes and interpretations of current standards are as follows :

IFRIC 11, "IFRS 2 - Group and Treasury Share Transactions" (Effective for fiscal periods beginning on or after March 1, 2007).

This interpretation provides guidance on share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments to settle the share-based payment obligation. This interpretation also covers parent's share based payments to its subsidiary's employees.

IFRIC 12, "Service Concession Arrangements" (Effective for fiscal periods beginning on or after January 1, 2008).

The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides the operator not to account for the infrastructure as property, plant and equipment, but recognize as a financial asset and / or an intangible asset.

IFRIC 14, "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction" (Effective for fiscal periods beginning on or after January 1, 2008)

IFRIC 14, "IAS 19 addresses the interaction between a minimum funding requirement and the limit placed by IAS 19 Employee Benefits on the measurement of the defined benefit asset or liability. Furthermore, this interpretation clarifies the effect of minimum funding requirement on test of asset ceiling and standardizes the applications in use.

Such new standard, amendments and interpretations to existing standards do not have any material effect on the financial statements of the Group.

The standards which are published but are not effective and are not early adopted by the Group as of the date of authorization of the financial statements, and the changes and interpretations to the current standards are as follows :

IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures - Reclassification of Financial Assets (Revised) (Effective for fiscal periods beginning on or after July 1, 2008)

The amendment to IAS 39, issued in October 31, 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category to the available-for-sale or held-to-maturity category in particular circumstances. The amendment also permits an entity to transfer from the fair value through profit or loss, or available-for-sale categories, to the loans and receivables category when that financial asset meets the definition of loans and receivables and if the entity has the intention and ability to hold that financial asset for the foreseeable future. The effective date of the amendment is 1 July 2008.

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

2.4 Changes in Accounting Policies (continued)

IAS 23, "(Revised) Borrowing Costs" (Effective for fiscal periods beginning on or after January 1, 2009).

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. In accordance with the transitional requirements of the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date. The Group has been analyzing the effect of the related amendment in the financial statements.

IFRS 8, Operating Segments (effective for financial years beginning on or after 1 January 2009)

IFRS 8 replaces IAS 14 Segment Reporting and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group has been analyzing the effect of the related amendment in the financial statements.

IFRIC 13, "Customer Loyalty Programmes"(Effective for fiscal periods beginning on or after July 1, 2008).

The Interpretation requires loyalty award credits granted to customers in connection with a sales transaction to be accounted for as a separate component of the sales transaction. The consideration received in the sales transactions would, therefore, be allocated between the loyalty award credits and the other components of sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. Since the Group does not have such an implementation, IFRIC 13 will not have any effect on the financial statements of the Group.

IAS 1, "Presentation of Financial Statements" (Revised) (Effective for fiscal periods beginning on or after January 1, 2009).

IAS 1 has been revised to enhance the usefulness of information in the financial statements. The main changes from the previous version are; an entity must present all non-owner changes in equity in a separate line and present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. In addition, a statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income" is introduced. The Group will implement the changes related to presentation of financial statements using the compulsory standard formats prescribed by the CMB.

IFRS 2, "Share Based Payments (Revised) Qualifying and Cancellation" (Effective for fiscal periods beginning on or after January 1, 2009).

Standard clarifies two issues: Definition of 'Vesting Conditions' and the concept of 'Non-vesting Conditions' for the arrangements other than performance and service conditions. This standard also states that, if neither the entity nor the counterparty has the choice as to whether to meet a non-vesting condition, a failure to meet this non-vesting condition does not have any accounting effect, similar to the treatment of market conditions. IFRS 2 will not have any effect on the financial statements of the Group.

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

2.4 Changes in Accounting Policies (continued)

IFRS 3, Business Combinations and IAS 27 Consolidated and Separate Financial Statements (revised) (effective for annual periods beginning on or after July 1, 2009)

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. IFRS 3 revised introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. 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). IAS 27 revised requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Amendments to IAS 32 and IAS 1: "Puttable Financial Instruments and Obligations Arising on Liquidation" (Effective for fiscal periods beginning on or after January 1, 2009).

The change in IAS 32 considers that some puttable financial instruments and financial instruments that impose on the issuer an obligation to deliver a pro-rata share of net assets of the entity only on liquidation are equity. The change in IAS 1 recommends that the puttable financial instruments should be described and explained in detail. The Group anticipates that the change will have no impact on the financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements (Effective for financial years beginning on or after January 1, 2009).

The amendment allows an entity to determine the "cost" of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statements. The revision to IAS 27 will have to be applied prospectively.

IAS 39 Financial Instruments: Recognition and Measurement- Eligible Hedged items (Effective for fiscal periods beginning on or after January 1, 2009):

1) Oneside risk in hedged instruments 2) It determines how hedging accounting principles will be applied in financial hedging instruments in inflation issues. Since the Group has not hedging accounting as mentioned, the amendment has not any effect in financial statements.

Amendments to IFRIC 9 and IFRS 39 Embedded Derivatives (effective for annual periods beginning on or after June 30, 2009)

According to these amendments, entities must assess whether to separate an embedded derivative from a host contract in the case where the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category.

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

2.4 Changes in Accounting Policies (continued)

Amendments to IFRS 7 "Financial Instruments: Disclosures" – (effective for annual periods beginning on or after January 1, 2009)

The amended IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

IFRIC 15, "Agreements for the Construction of Real Estate" (Effective for fiscal periods beginning on or after January 1, 2009).

IFRIC 15, "Agreements for the Construction of Real Estate", was issued on 3 July, 2008 and is effective for annual periods beginning on or after 1 January 2009 and must be applied retrospectively. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. The Group anticipates that the interpretation will have no impact on the financial statements.

IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (Effective for fiscal periods beginning on or after October 1, 2008).

IFRIC 16, "Hedges of a Net Investment in a Foreign Operation", was issued on 3 July, 2008 and can be applied prospectively. A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. This interpretation will have no impact on the Group's financial statements.

IFRIC 17, "Distributions of Non-cash Assets to Owners" (Effective for fiscal period begenning on or after July 1, 2009 and it will be applied prospectively).

The Standart applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. The Group is evaluating the effect of the Interpretation.

IFRIC 18, "Transfer of Assets from Customers" (Effective for fiscal periods begenning on or after July 1, 2009).

The Standart specifies how the assets such as property, plant and equipment or cash for the construction or acquisition of such items received from the customers should be accounted for. The Group is evaluating the effect of the Interpretation.

Improvements to IFRSs

In May 2008, the International Accounting Standards Board (IASB) issued its first set of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The Group has not yet adopted the following amendments and anticipates that these changes will have no material effect on the financial statements.

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", when a subsidiary is held for sale, all of its assets and liabilities will be classified as held for sale under IFRS 5, even when the entity retains a non-controlling interest in the subsidiary after the sale.

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

2.4 Changes in Accounting Policies (continued)

IAS 1 “Presentation of Financial Statements”, assets and liabilities classified as held for trading are not automatically classified as current in the balance sheet.

IAS 16, “Property, Plant and Equipment”, items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Furthermore, “Property, Plant and Equipment” replaces the term “net selling price” with fair value less costs to sell.

IAS 19, “Employee Benefits”, revised the definition of ‘past service costs’, ‘return on plan assets’ and ‘short term’ and ‘other long-term’ employee benefits. Amendment to plans that result in a reduction in benefits related to future services are accounted for as curtailment. Deleted the reference to the recognition of contingent liabilities to ensure consistency with IAS 37.

IAS 20, “Accounting for Government Grants and Disclosures of Government Assistance”, loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.

IAS 23, “Borrowing Costs”, the definition of borrowing costs is revized to consolidate the two types of items that are considered components of “borrowing costs” into one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

IAS 27, “Consolidated and Separate Financial Statement”, when a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 28, “Investment in Associates”, if an associate is accounted for a fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significantly restrictions on the ability of the associate to transfer funds to entity in the form of cash repayment of loans applies. An investment in an associate is a single asset for the purpose of conducting the impairment test. Therefore, any impairment test is not separately allocated to the goodwill included in the investment balance.

IAS 29, “Financial Reporting in Hyperinflationary Economies”, revised the reference to the exception to measure assets and liabilities at historical costs, such that it notes property, plant and equipment as being example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.

IAS 31, “Interest in Joint ventures, if a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

IAS 34, “Interim Financial Reporting”, earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 36, “Impairment of Assets”, when discounted cash flows are used to estimate “fair value less cost to sell” additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate “value in use”.

IAS 38, “Intangible Assets”, expenditure on advertising and promotional activities is recognized as an expense when the company either has the right to access the goods or has received the service.

IFRS 7, “Financial Instruments” Disclosures: Removal of the reference to ‘total interest income’ as a component of finance costs.

IAS 8, “Accounting Policies, Change in Accounting Estimates and Errors”, clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

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

2.4 Changes in Accounting Policies (continued)

IAS 10, "Events after the Reporting Period", clarification that dividends declared after the end of the reporting period are not obligations.

IAS 18, "Revenue", replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 39, "Financial Instruments: Recognition and Measurement", changes in circumstances relating to derivatives are not reclassification and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting.

IAS 40, "Investment Property", revision of the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognized liability.

IAS 41, "Agriculture", removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced of the term 'point-of-sale costs' with 'costs to sell'.

The Group is considering the affects of the first time application of these amendments to its financial statements.

2.5 Changes in Accounting Estimates

The accounting estimates of the Group are adopted to be same as prior periods.

2.6 Offsetting

Financial assets and liabilities are offset and the net amount 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 basis or realize the assets and settle the liabilities simultaneously.

2.7 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Anadolu Efes, and its subsidiaries and joint ventures drawn up to 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 the CMB Accounting 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 results 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 for 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, respectively.

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

2.7 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.

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

Investments in associates are undertakings over 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 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.

The purchase method of accounting is used for acquired business. 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.

2.8 Cash and Cash Equivalents

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

2.9 Trade Receivables and Provision for Doubtful Receivables

Trade receivables that are originated by the Group by the way of providing goods or services generally have 5-90 day terms. Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

The allowance for doubtful receivables is realized when there is objective evidence that receivable can not be collected and is charged as an expense in the consolidated financial statements. The allowance is the difference between the carrying amount and the recoverable amount, being all cash flows, including amounts recoverable from guarantees and collaterals.

2.10 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 that are principle owners, management and members of the Group's board of directors and their families. 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.

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

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

2.11 Inventories

Inventories, including work-in-process are valued at the lower of cost and net realizable value, after provision for obsolete items. 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 weighted average cost method. For processed inventories, cost includes direct labor, direct materials and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealizable inventory has been fully written off.

2.12 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 operating 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 which are classified as available-for-sale are measured at fair value. For investments that are 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 positive or negative valuation differences of investments, which are measured at fair value, have been recognized under equity in "revaluation fund" as "securities value increase fund" in the consolidated balance sheet.

Investments classified as available for sale investments, that do not have a quoted market price in an active market and whose fair value can not 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 to accounts at the date of obligation of the Group for purchasing or selling the asset.

2.13 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 on 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

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

2.13 Property, Plant and Equipment (continued)

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. Impairment losses are recognized in the income statement.

The Group companies account for returnable bottles in property, plant and equipment. Deposit liabilities relating to such returnable bottles are reflected in other payables. 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.

2.14 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. 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.

In the scope of consolidation, intangible assets identified in the fair value financial statements of subsidiaries and joint venture acquired by CCİ in 2005 and 2008 respectively include the “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.

The carrying values of intangible assets are reviewed for impairment at least annually when events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

The brands acquired as part of a business combination is carried at their fair value in the financial statements. The Group expects that the brands will generate cash inflow indefinitely and therefore are not amortised. The brands are tested for impairment annually.

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

2.15 Business combinations and goodwill

A business combination is the bringing together of separate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of IFRS 3.

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.

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 access 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 (negative goodwill).

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 is directly accounted to the financial statements.

2.16 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.

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. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

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

2.17 Deferred Tax

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 that it is probable 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 related to income taxes levied by the same taxation authority are offset accordingly.

2.18 Employee Benefits

a) Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Group Companies operating in Turkey is 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 upon 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.

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.

2.19 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.

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

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

2.20 Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement of the associated period, as foreign currency loss or gain. Foreign currency translation rates used by the Group's subsidiaries and joint ventures in Turkey as of respective year-ends are as follows:

Date	USD / TL (full)	EURO / TL (full)
December 31, 2007	1,1647	1,7102
December 31, 2008	1,5123	2,1408

The assets and liabilities of foreign subsidiaries and joint ventures are translated at the rate of exchange ruling at the balance sheet date. 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 were taken to equity as "currency translation differences".

Goodwill and fair value adjustments arising on 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.

2.21 Revenue

Revenue is recognized to the extent that it is probable 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.

2.22 Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds and are generally expensed as incurred.

2.23 Segment Reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

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

2.24 Earnings per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year 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 in respect of 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.

2.25 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 earnings in the periods in which they become known. The source of the risk carrying estimates, assumptions and calculation indefinitions 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

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 renegotation conditions with these debtors are considered. The details of provision for doubtful receivables are disclosed in the Note 10.

b) Reserve for inventory obsolescence

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. As a result of this, the inventories with the net realizable values below the costs are written down in the Note 13.

c) Impairment test for intangible assets with an indefinite useful life and goodwill

The Group performs impairment test for intangible assets with indefinite useful life and goodwill and on annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2008, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recovarable amount is determined taking the value in use calculation as basis.

During these calculations, estimated free cash flow before tax from financial budgets covering 3-year period and approved by board of directors are used. Estimated free cash flows before tax after 3-year period are calculated 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, 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.

d) Retirement pay liability

The discount rates are actuarial assumptions determined with future salary increase and the employee's turnover rates. The details about provision for employee benefits are disclosed in Note 24.

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

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2008

a) Acquisitions

In February 2008, EBI has acquired 100 % shares of Lomisi, which operates in Georgia, for a cash consideration of TL 86.570. The net income as of December 31, 2008 realized after the acquisition date is amounting to TL 4.848 and has been reflected to Group's consolidated income statement. The Group recorded TL 36.325 difference between the fair value of net assets and the acquisition cost as goodwill in the consolidated balance sheet.

CCİ signed the share purchase agreement for the acquisition of 48,99% stake of TCCC in CCBPL for USD 76,9 million as of September 25, 2008 and have consolidated proportionally in the financial statements for the year ended December 31, 2008. The consolidated income statement reflects the results of CCBPL only for the period between September 30, 2008 and December 31, 2008, since the acquisition was realized on September 25, 2008. The Group's portion of the net loss of CCBPL for this period was TL 2.644. The Group recorded TL 477 difference between the fair value of net assets and the acquisition cost as goodwill in the consolidated balance sheet.

In October 2008, the Group acquired 100% share of Dinal, a brewery in Kazakhstan, for a total cash consideration of TL 24.664. The net profit as of December 31, 2008 realized after the acquisition date is amounting to TL 167 and has been reflected to Group's consolidated income statement. The Group recorded TL 3.084 difference between the fair value of net assets and the acquisition cost as goodwill in the consolidated balance sheet.

The total fair values of net assets of Lomisi, CCBPL and Dinal as of the acquisition date are as follows:

	Fair Value	Carrying Value
Cash and cash equivalents	3.958	3.958
Trade and other receivables	1.987	1.987
Due from related parties	2.355	2.355
Inventories	15.257	15.257
Other assets	8.736	8.736
Property, plant and equipment	73.783	61.341
Intangible assets	55.282	2.904
Deferred Tax Assets	356	-
Financial Liabilities	(20.128)	(20.128)
Trade and other payables	(10.370)	(10.370)
Due to related parties	(2.469)	(2.469)
Deferred tax liabilities	(4.402)	(2.684)
Other liabilities	(4.536)	(4.536)
Fair value of net assets acquired	**119.809**	**56.351**
Total cash consideration	159.695	
Group's share in net assets	(119.809)	
Goodwill arising from acquisition	**39.886**	
Total cash consideration	159.695	
Net cash acquired with the subsidiary (-)	(3.958)	
Net cash outflow on acquisition	**155.737**	

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2008 (continued)

b) Acquisitions (continued)

CCİ has acquired 12,04% minority shares of Almaty CC from The Coca-Cola Export Corporation (TCCEC) and the difference between the net asset value of Almaty CC and the acquisition cost of CCİ amounting to TL 9.943 has been recorded as positive goodwill to the consolidated balance sheet.

Furthermore, CCİ has acquired 10% minority shares of CC Bishkek from TCCEC and the negative difference between the net asset value derived from the fair value financial statements of CC Bishkek and the acquisition cost of CCİ amounting to TL 579 has been reflected as negative goodwill to "other operating income" in the consolidated income statement.

c) Disposals

All shares of Efes Ukraine held by EBI have been sold in August 2008 amounting to TL 2.614. As a result of this transaction, the Group has recognized a profit amounting to TL 3.884, which has been reflected to "other operating income" in the consolidated financial statements.

Following the acquisition of Dinal, within the scope of collaboration with Heineken N.V. (Heineken), the Group sold 28% of its shares of Efes Karaganda to Heineken International B.V. (Heineken International) for a cash consideration of TL 83.431. As a result of this transaction, the profit amounting to TL 55.409 is recognized in "other operating income" in the consolidated income statement.

d) Restructuring

In February 2008, under the framework of restructuring, a Share Purchase Agreement is executed between EBI and Efes Moscow regarding the sale of all shares owned by EBI, representing 92,85% share of KV Group, to Efes Moscow. However, effective voting right of the Group in KV Group has not changed compared those as of December 31, 2007, regarding the put options granted to minority shareholders. The transaction has been treated in accordance with the principles of under common control, thus there is no amount recognized in the consolidated income statement.

Within the scope of collaboration of Group with Heineken in Serbia, EBI and Heineken established the holding entity based company Central Europe Beverages B.V. (CEB), which is 28% owned by EBI and 72% by Heineken International. In August 2008, EBI has contributed to CEB by transferring all of its shares on Efes Weifert and Efes Zajecar, resulting in a loss of TL 17.672 recognized in the consolidated income statement, which has been netted off under "other operating income" in the consolidated financial statements.

Transactions Related with 2007

In April 25, 2007, CCİ, a joint venture of Anadolu Efes, has acquired 50% shares of Syrian SD, which operates in Syria, from AEH. The Group's portion of the cash outflow resulting from the acquisition is amounting to TL 117. The Group's portion of the positive goodwill arising from this acquisition amounting to TL 927 is recognized in the consolidated financial statements. As of December 31, 2007, related goodwill has been fully impaired in the consolidated financial statements.

In October 2007, EBI has acquired 6,25% shares of Efes Weifert, for a cash consideration of TL 3.724. The goodwill arising from this acquisition amounting to TL 3.092 is recognized in the consolidated financial statements.

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

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:

	2008	2007
Current assets	**421.267**	267.948
Non-current assets	**808.652**	574.860
Total assets	**1.229.919**	842.808
Short-term liabilities	**197.424**	210.931
Long-term liabilities	**475.566**	167.307
Equity	**556.929**	464.570
Total liabilities and equity	**1.229.919**	842.808

	2008	2007
Net income	**40.895**	77.225

NOTE 5. SEGMENT INFORMATION

a) Business Segment

Information per business segment as of December 31, 2008 and 2007 are as follows:

	2008			
	Beer	**Soft Drink**	**Unallocated**	**Group**
Revenues	2.536.848	1.133.355	-	3.670.203
Inter-segment revenues	(870)	(416)	-	(1.286)
Total sales (net)	**2.535.978**	**1.132.939**	**-**	**3.668.917**
Gross profit	**1.349.121**	**458.287**	**802**	**1.808.210**
Capital expenditures (Note 18, 19)	**316.764**	**152.525**	**-**	**469.289**
Non-cash expenses up to profit from operations				
Depreciation and amortization (Note 18, 19, 30)	190.013	53.481	-	243.494
Provision for retirement pay liability	2.780	2.411	-	5.191
Provision for vacation pay liability	3.002	883	-	3.885
Other	(27.880)	2.489	-	(25.391)
	167.915	**59.264**	**-**	**227.179**
Assets	4.752.131	1.207.417	(890.930)	5.068.618
Investment in associates	52.937	1.974	-	54.911
Total assets	**4.805.068**	**1.209.391**	**(890.930)**	**5.123.529**
Total liabilities	**(1.837.966)**	**(646.838)**	**(123.074)**	**(2.607.878)**
Loss from associates	**(6.501)**	**847**	**-**	**(5.654)**

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

NOTE 5. SEGMENT INFORMATION (continued)

a) Business Segment (continued)

	2007			
	Beer	Soft Drink	Unallocated	Group
Revenues	2.069.864	964.369	-	3.034.233
Inter-segment revenues	(3.814)	(60)	-	(3.874)
Total sales (net)	2.066.050	964.309	-	3.030.359
Gross profit	1.139.152	396.544	(966)	1.534.730
Capital expenditures (Note 18, 19)	254.856	134.646	-	389.502
Non-cash expenses up to profit from operations				
Depreciation and amortization (Note 18, 19, 30)	161.354	45.386	-	206.740
Provision for retirement pay liability	4.560	1.612	-	6.172
Provision for vacation pay liability	2.406	1.298	-	3.704
Other	(6.735)	1.528	-	(5.207)
	161.585	49.824	-	211.409
Assets	4.018.290	831.994	(956.576)	3.893.708
Investment in associates	-	759	-	759
Total assets	4.018.290	832.753	(956.576)	3.894.467
Total liabilities	(1.263.170)	(347.239)	(145.090)	(1.755.499)
Loss from associates	-	(331)	-	(331)

b) Geographical Segment

Information per geographical segment as of December 31, 2008 and 2007 are as follows:

	2008			
	Domestic	**Foreign**	**Unallocated**	**Group**
Revenues	2.113.630	1.567.965	-	3.681.595
Inter-segment revenues	(12.678)	-	-	(12.678)
Total sales (net)	**2.100.952**	**1.567.965**	**-**	**3.668.917**
Assets	3.384.815	2.584.340	(900.537)	5.068.618
Investment in associates	52.937	1.974	-	54.911
Total assets	**3.437.752**	**2.586.314**	**(900.537)**	**5.123.529**
Total liabilities	**(953.626)**	**(1.540.084)**	**(114.168)**	**(2.607.878)**
Capital expenditures (Note 18, 19)	**181.010**	**288.279**	**-**	**469.289**

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

NOTE 5. SEGMENT INFORMATION (continued)

b) Geographical Segment (continued)

	2007			
	Domestic	Foreign	Unallocated	Group
Revenues	1.769.636	1.272.058	-	3.041.694
Inter-segment revenues	(11.335)	-	-	(11.335)
Total sales (net)	1.758.301	1.272.058	-	3.030.359
Assets	2.910.110	1.944.869	(961.271)	3.893.708
Investment in associates	-	759	-	759
Total assets	2.910.110	1.945.628	(961.271)	3.894.467
Total liabilities	(717.701)	(895.029)	(142.769)	(1.755.499)
Capital expenditures (Note 18, 19)	218.615	170.887	-	389.502

NOTE 6. CASH AND CASH EQUIVALENTS

	2008	2007
Cash on hand	**871**	579
Bank accounts		
- Time deposits	**654.121**	271.247
- Demand deposits	**32.095**	27.913
Other	**51**	96
Cash and cash equivalents in cash flow statement	**687.138**	299.835
Interest income accrual on time deposits	**3.037**	3.532
	690.175	303.367

As of December 31, 2008, as the maturity of all time deposits is less than three months, annual interest rates of the Turkish Lira denominated time deposits vary between 12,0% and 23,5% (December 31, 2007 - 12,7% - 19,0%) and annual interest rates of the USD and EURO denominated time deposits vary between 0,1% and 10,0% (December 31, 2007 – 3,4% - 7,2%).

As of December 31, 2008, cash deposits at banks of TL 133.534 is pledged by Group as collateral for credit facilities of subsidiaries (December 31, 2007 - TL 37.347).

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

NOTE 7. INVESTMENTS IN SECURITIES

a) Current Investments

	2008	2007
Investment funds	**2.369**	3.874
Government bonds	**314**	271
	2.683	4.145

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

b) Non-current Investments

	Final Rate			
	2008	2007	**2008**	2007
Alternatifbank A.Ş.	**7,46%**	7,46%	**17.456**	39.224
ZAO Mutena Maltery (Mutena Maltery)	**16,66%**	16,66%	**5.204**	4.679
Other			**786**	798
			23.446	44.701

Available for sale securities (except for Alternatifbank) 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. Shares of Alternatifbank are traded on the ISE, and the Group carried the shares of Alternatifbank at fair value as of December 31, 2008 in the consolidated financial statements.

As a result of the valuation of current investments and shares of Alternatifbank at their market value, there exist a loss amounting to TL 26.823 (December 31, 2007 – loss amounting to TL 1.641) in 2008. Such loss is netted off by the deferred tax asset effect amounting to TL 1.341 (December 31, 2007 – TL 82 deferred tax asset) and recognized under equity in "value increase funds" as "value decrease in available for sale securities" in the consolidated balance sheet. The loss amounting to TL 1.202 arising from the change in fair value of Alternatifbank has been reflected to the "other operating expenses" in the consolidated income statements.

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

NOTE 8. BORROWINGS

As of December 31, 2008, total borrowings consist of principles (finance lease obligations included) amounting to TL 1.820.165 (2007 – TL 1.051.135) and interest expense accrual amounting to TL 8.861 (2007 – TL 7.275). As of December 31, 2008 and December 31, 2007, total amount of borrowings and the effective interest rates are as follows:

	2008			2007		
Short-term	**Amount**	**Fixed rate**	**Floating rate**	Amount	Fixed rate	Floating rate
Borrowings						
TL denominated borrowings	1.008	-	-	56.235	16,7%- 17,5%	-
Foreign currency denominated borrowings (USD)	173.870	4,50% - 8,50%	Libor + 0,60% - 2,50%	45.527	5,3% - 5,7%	Libor + 0,5% - 2,5%
Foreign currency denominated borrowings (EURO)	-	-	-	11.568	-	Euribor + 2,95%
Foreign currency denominated borrowings (Other)	82.888	8,00% - 20,00%	Kibor + 1,50% - Kibor + 2,70%	192.410	6,8% - 11,0%	Ruribor + 0,24% Mosprime + 1,5%
	257.766			305.740		
Short-term portion of long term borrowings						
Foreign currency denominated borrowings (USD)	536.628	12,00%	Libor + 0,70% - 4,25%	114.182	6,0%	Libor + 0,55% - 3,55%
Foreign currency denominated borrowings (EURO)	125	-	Euribor + 0,88 % - 1,00%	35.929	-	Euribor + 0,55% - 0,9%
Foreign currency denominated borrowings (Other)	4.033	8,11%	Mosprime + 3,60%	-	-	-
	540.786			150.111		
Leasing obligations	643	6,00% - 14,50%		294	8,5% - 14,5%	-
	799.195			456.145		
Long-term						
Borrowings						
Foreign currency denominated borrowings (USD)	847.248	12,00%	Libor + 0,75% - 4,25%	532.154	-	Libor + 0,7% - 3,55%
Foreign currency denominated borrowings (EURO)	71.402	-	Euribor + 0,88% - 1,00%	19.702	-	Euribor + 0,88% - 0,9%
Foreign currency denominated borrowings (Other)	110.458	8,11%	Mosprime + 3,6 %	50.113	8,1%	-
	1.029.108			601.969		
Leasing obligations	723	6,00% - 14,50%		296	12,3% - 14,5%	-
	1.029.831			602.265		
	1.829.026			1.058.410		

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

NOTE 8. BORROWINGS (continued)

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

	2008	2007
2009	**-**	406.619
2010	**577.937**	147.523
2011 and thereafter	**451.171**	47.827
	1.029.108	601.969

As of December 31, 2008, TL 128.009 (December 31, 2007 – TL 45.613) of the total borrowings are secured by the Group with the followings:

Related with EBI and its subsidiaries;

- Cash collaterals amounting to TL 130.965 (December 31, 2007 – TL 35.295).
- The ability of Efes Karaganda, Efes Moldova and Efes Georgia to declare dividend is subject to prior consent of the related financial institution under the provisions of the loan agreements.

Related with CCİ, its subsidiaries and joint ventures;

- Certain PP&E amounting to TL 1.900 (December 31, 2007 – TL 1.442) (Note 18).

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, 2008 and 2007, the costs of the PP&E obtained by finance lease are TL 63.085 and TL 61.957, respectively whereas net book values are TL 10.374 and TL 12.348, respectively.

Lessee - Operating Lease

The brewery of Efes Moscow is situated on a site leased from the Moscow City Government under a 49-year lease contract.

NOTE 9. OTHER FINANCIAL LIABILITIES

None (December 31, 2007 – None).

NOTE 10. TRADE RECEIVABLES AND PAYABLES

a) Short-Term Trade Receivables

	2008	2007
Trade receivables	**423.214**	350.675
Notes and cheques receivables	**19.148**	14.763
Provision for doubtful accounts (-)	**(21.148)**	(20.660)
	421.214	344.778

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

NOTE 10. TRADE RECEIVABLES AND PAYABLES (continued)

The movement of provision for doubtful accounts as of December 31, 2008 and 2007 is as follows:

	2008	2007
Balance at January 1	**20.660**	23.817
Current year provision	**4.237**	2.096
Unused and uncollectible provisions	**(763)**	(2.840)
Additions through acquisition	**185**	-
Disposal through subsidiaries sold	**(4.911)**	-
Currency translation differences	**1.740**	(2.413)
Balance at December 31	**21.148**	20.660

As of December 31, 2008 and 2007, aging of receivables table is as following:

	Neither past due nor impaired	**Past due but not impaired**				
		Up to 1 month	**1-2 months**	**2-3 months**	**>3 months**	**Total**
2008	**346.917**	**46.074**	**9.467**	**13.735**	**5.021**	**421.214**
2007	290.760	29.853	13.834	8.436	1.895	344.778

b) Short-Term Trade Payables

	2008	2007
Trade payables	**203.498**	165.688

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	2008	2007
Other receivables	**7.578**	4.776
Due from personnel	**2.204**	1.600
	9.782	6.376

b) Other Non-Current Receivables

	2008	2007
Deposits and guarantees given	**959**	133
Other	**759**	441
	1.718	574

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

NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

c) Other Current Payables

	2008	2007
Taxes other than on income	**143.436**	129.402
Deposits and guarantees taken	**26.781**	25.350
Other	**4.150**	4.270
	174.367	159.022

d) Other Non-Current Payables

	2008	2007
Deposits and guarantees taken	**103.073**	84.495

NOTE 12. RECEIVABLES AND PAYABLES RELATED TO FINANCE SECTOR

None (December 31, 2007 - None).

NOTE 13. INVENTORY

	2008	2007
Finished and trade goods	**83.951**	59.167
Work-in-process	**48.702**	44.983
Raw materials	**196.695**	132.764
Advertising, promotion and packaging materials	**53.403**	34.686
Supplies	**49.311**	38.914
Bottles and cases	**46.213**	56.450
Goods in transit	**10.783**	9.324
Other	**10.073**	6.663
Reserve for obsolescence (-)	**(8.495)**	(10.581)
	490.636	372.370

The movement of reserve for obsolescence as of December 31, 2008 and December 31, 2007 is as below:

	2008	2007
Balance at January 1	**10.581**	12.045
Current year provision, net	**7.315**	1.833
Inventories written off	**(456)**	-
Disposal through subsidiaries sold	**(8.722)**	-
Currency translation differences	**(223)**	(3.297)
Balance at December 31	**8.495**	10.581

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

NOTE 14. BIOLOGICAL ASSETS

None (December 31, 2007 – None).

NOTE 15. RECEIVABLE AND PAYABLE FROM CONSTRUCTION CONTRACTS

None (December 31, 2007 - None).

NOTE 16. INVESTMENTS IN ASSOCIATES

	2008		2007	
	Ownership Interest (%)	**Carrying value**	Ownership Interest (%)	Carrying value
Turkmenistan CC	**16,71%**	**1.974**	16,71%	759
CEB (Note 3)	**19,66%**	**52.937**	-	-
Total		**54.911**		759

As of December 31, 2008 and 2007, total assets, liabilities and net loss of CEB and Turkmenistan CC are shown as below:

	2008	2007
Total Assets	**77.244**	2.852
Total Liabilities	**22.333**	2.093
Net Assets	**54.911**	759
Net Income Loss	**(5.654)**	(331)

NOTE 17. INVESTMENT PROPERTY

None (December 31, 2007 - None).

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

NOTE 18. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2008, the movements of property, plant and equipment are as follows:

Cost	2007	Additions	Disposals	Addition Through company acquired	Disposal through company sold	Currency translation differences	Transfers(*)	2008
Land and land improvements	103.239	6.635	(673)	10.739	(2.324)	7.086	6.481	131.183
Buildings	697.009	15.088	(737)	9.416	(28.637)	53.603	34.891	780.633
Machinery and equipment	1.852.923	70.910	(29.075)	25.083	(55.367)	115.463	188.433	2.168.370
Vehicles	65.257	7.661	(6.461)	3.230	(4.086)	8.738	2.681	77.020
Furniture and fixtures	663.728	121.718	(23.751)	24.178	(7.615)	42.327	705	821.290
Leasehold improvements	3.100	21	-	-	-	129	-	3.250
Construction in progress	75.519	243.998	(1.581)	1.137	(425)	13.171	(233.468)	98.351
	3.460.775	**466.031**	**(62.278)**	**73.783**	**(98.454)**	**240.517**	**(277)**	**4.080.097**

Accumulated depreciation (-)	2007	Additions	Disposals	Addition through company acquired	Disposal through company sold	Currency translation differences	Impairment	2008
Land and land improvements	24.475	5.612	(271)	-	(1.563)	956	-	29.209
Buildings	216.562	19.367	(696)	-	(16.648)	8.740	-	227.325
Machinery and equipment	1.135.801	132.279	(15.629)	-	(31.050)	37.348	1.687	1.260.436
Vehicles	34.651	7.560	(6.120)	-	(2.001)	3.545	-	37.635
Furniture and fixtures	458.184	75.283	(20.172)	-	(5.122)	18.138	-	526.311
Leasehold improvements	2.062	256	-	-	-	82	-	2.400
	1.871.735	**240.357**	**(42.888)**	**-**	**(56.384)**	**68.809**	**1.687**	**2.083.316**
Net book value	**1.589.040**							**1.996.781**

(*) There are transfers to intangible assets in 2008 totally amounting to TL 277.

- Related with CCİ, its subsidiaries and joint ventures;

  As of December 31, 2008, certain items of property, plant and equipment with a total net book value of TL 1.900 were pledged as security (2007 – TL 1.442) (Note 8).

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

NOTE 18. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2007, the movements of property, plant and equipment are as follows:

Cost	2006	Additions	Disposals	Addition through company acquired	Currency translation differences	Transfers(*)	2007
Land and land improvements	88.569	9.372	(446)	-	(5.476)	11.220	103.239
Buildings	671.077	25.981	(2.354)	-	(46.990)	49.295	697.009
Machinery and equipment	1.793.762	56.649	(27.213)	-	(89.771)	119.496	1.852.923
Vehicles	67.688	6.630	(9.055)	395	(5.705)	5.304	65.257
Furniture and fixtures	611.059	82.054	(18.860)	896	(16.575)	5.154	663.728
Leasehold improvements	2.849		-	-	(180)	431	3.100
Construction in progress	70.040	205.668	(428)	-	(8.839)	(190.922)	75.519
	3.305.044	386.354	(58.356)	1.291	(173.536)	(22)	3.460.775

Accumulated depreciation (-)	2006	Additions	Disposals	Addition through company acquired	Currency translation differences	Impairment	2007
Land and land improvements	23.693	1.543	(97)	-	(664)	-	24.475
Buildings	205.882	18.565	(806)	-	(7.381)	302	216.562
Machinery and equipment	1.077.670	113.519	(19.057)	-	(33.388)	(2.943)	1.135.801
Vehicles	38.472	6.215	(7.265)	-	(2.771)	-	34.651
Furniture and fixtures	418.644	63.650	(16.625)	-	(7.485)	-	458.184
Leasehold improvements	1.575	604	-	-	(117)	-	2.062
	1.765.936	204.096	(43.850)	-	(51.806)	(2.641)	1.871.735
Net book value	1.539.108						1.589.040

(*) There are transfers to intangible assets in 2007 totally amounting to TL 22.

- Related with CCİ, its subsidiaries and joint ventures;

  As of December 31, 2007, certain items of property, plant and equipment with a total net book value of TL 1.442 were pledged as security (December 31, 2006 – TL 1.740).

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

NOTE 19. INTANGIBLE ASSETS

For the year ended December 31, 2008, movements of intangible assets are as follows:

Cost	**2007**	**Additions**	**Disposals**	**Addition through company acquired**	**Disposal through company sold**	**Currency translation differences**	**Transfers**	**2008**
Bottling and distribution agreements	107.197	-	-	18.221	-	35.824	-	161.242
Brands	107.870	-	-	35.641	-	20.487	-	163.998
Rights	13.652	796	(6)	891	-	161	277	15.771
Other	15.579	2.462	(193)	529	(1.286)	1.986	-	19.077
	244.298	**3.258**	**(199)**	**55.282**	**(1.286)**	**58.458**	**277**	**360.088**

Accumulated depreciation (-)	**2007**	**Additions**	**Disposals**	**Addition through company acquired**	**Disposal through company sold**	**Currency translation differences**	**Impairment**	**2008**
Bottling and distribution agreements	-	-	-	-	-	-	-	-
Brands	-	-	-	-	-	-	-	-
Rights	7.552	1.339	-	-	-	(3)	-	8.888
Other	8.168	1.798	(31)	-	(533)	612	-	10.014
	15.720	**3.137**	**(31)**	**-**	**(533)**	**609**	**-**	**18.902**
Net book value	**228.578**							**341.186**

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

NOTE 19. INTANGIBLE ASSETS (continued)

For the year ended December 31, 2007, movements of intangible assets are as follows:

Cost	2006	Additions	Disposals	Addition through company acquired	Currency translation differences	Transfers	2007
Bottling and distribution agreements	129.146	-	-	-	(21.949)	-	107.197
Brands	126.047	-	-	-	(18.177)	-	107.870
Rights	13.579	68	(9)	-	(8)	22	13.652
Other	14.106	3.080	(52)	3	(1.558)	-	15.579
	282.878	3.148	(61)	3	(41.692)	22	244.298

Accumulated amortization (-)	2006	Additions	Disposals	Addition through company acquired	Currency translation differences	Impairment	2007
Bottling and distribution agreements	-	-	-	-	-	-	-
Brands	-	-	-	-	-	-	-
Rights	6.188	1.366	(1)	-	(1)	-	7.552
Other	7.795	1.278	(52)	-	(853)	-	8.168
	13.983	2.644	(53)	-	(854)	-	15.720
Net book value	268.895						228.578

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

NOTE 19. INTANGIBLE ASSETS (continued)

Impairment Test for intangible assets with an indefinite useful life

As of December 31, 2008, the intangible assets with an indefinite useful life have been tested for impairment by comparing the carrying amount with recoverable amount. As a result of related test performance, no impairment is detected on intangible assets with indefinite useful life.

NOTE 20. GOODWILL

Movement of the goodwill during the period is as follows:

	2008	2007
At January 1	**815.806**	900.767
Additions (Note 3)	**49.829**	4.019
Disposals	**(19.862)**	-
Put option fair value change (Note 23)	**(47.994)**	-
Impairment of goodwill (Note 3)	**-**	(927)
Currency translation differences	**68.727**	(88.053)
At December 31	**866.506**	815.806

Impairment Test for Goodwill

As of December 31, 2008, the goodwill has been tested for impairment by comparing the carrying amount with recoverable amount. As a result of related test performance, no impairment is detected on goodwill.

As of December 31, 2008 and 2007, business and geographical segment distributions of goodwill are presented below:

		2008	
	Beer	**Soft Drink**	**Group**
Domestic	50.099	235.602	285.701
Foreign	547.798	33.007	580.805
Group	597.897	268.609	866.506

		2007	
	Beer	Soft Drink	Group
Domestic	50.099	235.602	285.701
Foreign	513.995	16.110	530.105
Group	564.094	251.712	815.806

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

NOTE 21. GOVERMENT INCENTIVES AND GRANTS

As of December 31, 2008, Group companies, which preferred to make use of investment allowance, do not have any remaining investment incentive to be utilized per the transition provisions of investment allowance (December 31, 2007 – TL 16.209).

NOTE 22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2008 and 2007, the movement of provisions is as follows:

	2008	2007
Vacation pay liability	**16.023**	12.198
Management bonus accruals	**1.698**	2.758
Other	**514**	197
	18.235	15.153

As of December 31, 2008 and 2007, movement of vacation pay liability is as follows:

	2008	2007
Balance at January 1	**12.198**	9.784
Payments	**(864)**	(654)
Current year provision	**3.885**	3.704
Addition through acquisition	**181**	-
Currency translation differences	**623**	(636)
	16.023	12.198

As of December 31, 2008 and 2007 movement of management bonus accruals is as follows:

	2008	2007
Balance at January 1	**2.758**	1.988
Payments	**(15.938)**	(15.227)
Current year provision	**14.508**	15.997
Currency translation difference	**370**	-
	1.698	2.758

NOTE 23. COMMITMENTS AND CONTINGENCIES

Anadolu Efes, Ef-Pa and Tarbes

As of December 31, 2008 and 2007, the commitments that are not included in the liabilities, consist of letter of guarantees given to banks, suppliers and customs offices are TL 7.994 and TL 4.903, respectively.

EBI and Its' Subsidiaries

a) Put Options

A put option has been granted to the EBRD by EBI that may be exercisable between the 7th and the 10th anniversary (2008 and 2011) of the date of the EBRD's first subscription in the share capital of Efes Moscow. By such put option, the EBRD will be entitled to sell its Efes Moscow shares to EBI at an option price determined by an independent valuation.

Following revised IAS 32 "Financial Instruments", participation interests related with above mentioned put option has been regarded as liability in the consolidated financial statements, to be stated at fair value. The liability for the put option has been measured by applying a weighting of different valuation techniques based on best estimates currently available, and TL 101.400 (December 31, 2007 – TL 119.739) has been presented in "other current liabilities" as 'liability for put option" in the consolidated balance sheet.

A put option has been granted to the OAO Krasny Vostok Agro by EBI that may be exercisable between 2007 and 2010. By such option, OAO Krasny Vostok Agro will have right to sell its 6,7% of KV Group shares to EBI at an option price either at in full USD 0,395 multiplied by number of shares plus interest accrued from the date of the option until the date of completion at a rate of Libor plus 4,9% or the earnings before interest, taxes, depreciation and amortization (EBITDA) of KV Group multiplied by a multiple of nine minus net indebtedness. The liability for the put option has been measured by applying a weighting of different valuation techniques based on best estimates currently available, and TL 43.530 (December 31, 2007 – TL 28.188) has been presented in "other current liabilities" as "liability for put option" in the consolidated balance sheet.

The differences with the previous years' figures in put option granted to EBRD and KV Agro, amounting to TL 47.994 has been recognized in put-options fair value change under goodwill (Note 20).

b) 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 the government manages the transformation from a command to a market-oriented economy. The various legislation and regulations are not always clearly written and their interpretation 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 matters) 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 (TL))

NOTE 23. COMMITMENTS AND CONTINGENCIES (continued)

CCİ, Its Subsidiaries and Joint Ventures

Letters of Guarantee

As of December 31, 2008, CCİ's letters of guarantee given to various enterprises are amounting to TL 25.365 (December 31, 2007 – TL 2.345).

Operational Lease

As of December 31, 2008, CCİ's minimum liability resulting from the non-cancellable operational lease agreements is amounting to TL 7.759 (December 31, 2007 – TL 3.666).

NOTE 24. EMPLOYEE BENEFITS

a) Short Term Employee Benefits

None (December 31, 2007 – None).

b) Long Term Employee Benefits

	2008	2007
Employee termination benefits	**25.604**	23.676
Long-term incentive plans	**4.729**	1.876
	30.333	25.552

Provision for Retirement Pay Liability

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 (limited to a maximum of TL 2,1732 and TL 2,0302 at December 31, 2008 and 2007 respectively) per year of employment at the rate of pay applicable at the date of retirement or termination. In the consolidated financial statements as of December 31, 2008 and 2007, 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.

The principal actuarial assumptions used at the balance sheet dates are as follows:

	2008	2007
Discount rate	**12,0%**	11%
Expected salary / limit increase rate	**5,4%**	5%

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

NOTE 24. EMPLOYEE BENEFITS (continued)

b) Long Term Employee Benefits (continued)

Provision for Retirement Pay Liability (continued)

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

	2008	2007
Balance at January 1	**23.676**	20.385
Payments	**(3.475)**	(2.881)
Interest cost	**2.841**	2.242
Current year provision	**2.350**	3.930
Addition through joint venture acquired	**212**	-
	25.604	23.676

As of December 31, 2008 and 2007, movement of provision for long-term incentive plans is as follows:

	2008	2007
Balance at January 1	**1.876**	1.311
Payments	**(1.582)**	(915)
Current year provision	**2.996**	2.006
Currency translation differences	**1.439**	(526)
	4.729	1.876

NOTE 25. PENSION PLANS

None (December 31, 2007 – None).

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

NOTE 26. OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES

a) Other Current Assets

	2008	2007
Value Added Tax (VAT) deductible and VAT to be transferred	**56.294**	42.808
Prepaid taxes	**34.705**	17.568
Prepaid expenses	**33.232**	30.091
Advances given to suppliers	**29.723**	25.889
Other	**2.683**	1
	156.637	116.357

b) Other Non-Current Assets

	2008	2007
Prepaid expenses	**16.687**	17.863
Deferred VAT and other taxes	**4.612**	8.055
Advances given	**4.522**	17.159
Other	**64**	-
	25.885	43.077

c) Other Current Liabilities

	2008	2007
Liability for put option (Note 23)	**144.930**	147.927
Expense accruals	**32.835**	19.326
Advances taken	**8.130**	1.612
Due to personnel	**3.817**	3.550
Other	**230**	270
	189.942	172.685

d) Other Non-Current Liabilities

	2008	2007
Deferred VAT and other taxes	**4.560**	5.418
Other	**455**	716
	5.015	6.134

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

NOTE 27. EQUITY

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

	2008	2007
Common share 1 full TL nominal value		
Authorized capital ceiling	**900.000**	900.000
Issued capital	**450.000**	450.000

As of December 31, 2008 and 2007, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	2008		2007	
	Amount	**%**	Amount	%
Yazıcılar Holding A.Ş.	**139.082**	**30,91**	139.082	30,91
Özilhan Sınai Yatırım A.Ş.	**78.910**	**17,54**	78.746	17,50
Anadolu Endüstri Holding A.Ş.	**35.292**	**7,84**	35.292	7,84
Publicly traded and other	**196.716**	**43,71**	196.880	43,75
Issued capital	**450.000**	**100,00**	450.000	100,00
Restatement effect	**63.583**		63.583	
	513.583		513.583	

As of December 31, 2008 and 2007, 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. 5% of the remaining profit after deducting the portion of the foundation shares is distributed to the members of the Board of Directors equally.

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 can not be used.

Quoted companies are subject to dividend requirements regulated by the Turkish Capital Market Board as follows:

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the entire amount of net distributable profit can be distributed. If it exceeds the statutory net distributable profit, the entire amount of the statutory net distributable profit can be distributed. If there is loss either in the financial statements prepared in accordance with CMB regulations and or in the statutory financial statements in any period, then dividend is not going to be distributed.

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

NOTE 27. EQUITY (continued)

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

Based on the CMB Decree 1/6, dated January 9, 2009, the principles regarding to the distribution of the profit of 2008 operations of quoted companies subject to capital market is as follows: the minimum dividend distribution rate is 20% in accordance with the article 5 of Communiqué Serial: IV, No:27; the distribution may be made by either as cash or bonus shares to be issued to the shareholders by including the dividend in capital or a certain amount as cash and a certain amount as bonus shares in accordance with the resolution taken in general assembly meeting.

Also, in accordance with the above mentioned Decree, 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 CMB Communiqué Serial XI, No: 29 shall be subject to distributable dividend computations.

Inflation adjustments to issued capital and historical amount of extraordinary reserves can be used for in kind capital increase, dividend distribution in cash or the net loss deduction. However, the inflation adjustment to issued capital is subject to corporate tax if used in dividend distribution in cash.

As of December 31, 2008, the Group’s net income and the total other legal sources subject to the dividend distribution is amounting to TL 921.365.

As of December 31, 2008 and 2007, nominal amounts, equity restatement differences and restated value of equity are as follow;

2008	**Nominal Amount**	**Equity Restatement Differences**	**Restated Amount**
Issued capital	450.000	63.583	513.583
Legal reserves	83.953	74.697	158.650
Extraordinary reserves	257.543	26.091	283.634
	791.496	**164.371**	**955.867**
Special reserves			811
Currency translation differences			19.791
Accumulated profits			1.177.677
Equity attributable equity holders of the parent			**2.154.146**

2007	**Nominal Amount**	**Equity Restatement Differences**	**Restated Amount**
Issued capital	450.000	63.583	513.583
Legal reserves	60.419	74.697	135.116
Extraordinary reserves	159.353	26.091	185.444
	669.772	**164.371**	**834.143**
Special reserves			26.293
Currency translation differences			(155.019)
Accumulated profits			1.116.136
Equity attributable equity holders of the parent			**1.821.553**

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

NOTE 28. SALES AND COST OF SALES

Revenues	2008	2007
Domestic revenues	**2.100.952**	1.758.301
Foreign revenues	**1.567.965**	1.272.058
Total Sales (net)	**3.668.917**	3.030.359
Cost of Sales (-)		
Net change in inventory	**1.413.065**	1.150.813
Depreciation and amortisation expense on PP&E and intangible assets	**124.899**	110.162
Personnel expenses	**102.048**	90.336
Utility expenses	**85.382**	63.946
Provision for retirement pay liability	**1.204**	1.361
Other expenses	**134.109**	79.011
Total cost of sales	**1.860.707**	1.495.629
Gross Operating Profit	**1.808.210**	1.534.730

As of January 1- December 31, 2008 and 2007, the amount of excise tax accrued over beer sales by the Group in Turkey are TL 968.871 and TL 860.331, respectively.

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

NOTE 29. OPERATING EXPENSES

	2008	2007
Marketing, selling and distribution expenses	**(913.028)**	(757.954)
General and administration expenses	**(306.890)**	(261.020)
	(1.219.918)	(1.018.974)

a) Selling, Distribution and Marketing Expenses

	2008	2007
Advertising, selling and marketing expenses	**397.352**	345.081
Personnel expenses	**161.628**	134.050
Transportation and distribution expenses	**160.761**	124.053
Depreciation and amortisation expense on PP&E and intangible assets	**102.812**	82.443
Utilities and communication expenses	**19.021**	15.230
Rent expenses	**10.535**	5.635
Repair and maintenance expenses	**6.894**	5.971
Obsolete inventory provision, net	**6.859**	1.833
Provision for retirement pay liability	**1.393**	1.600
Other expenses	**45.773**	42.058
	913.028	757.954

b) General and Administration Expenses

	2008	2007
Personnel expenses	**138.124**	120.765
Services rendered from outside	**52.768**	43.309
Taxation (other than on income) expenses	**17.297**	15.849
Depreciation and amortisation expense on PP&E and intangible assets	**15.238**	13.745
Utilities and communication expenses	**9.188**	8.245
Meeting and travel expenses	**4.827**	3.945
Insurance expenses	**3.984**	2.175
Repair and maintenance expenses	**3.882**	3.627
Provision for retirement pay liability	**3.426**	3.290
Provision for vacation pay liability	**2.594**	3.211
Other expenses	**55.562**	42.859
	306.890	261.020

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

NOTE 30. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	2008	2007
Cost of sales	**(124.899)**	(110.162)
Marketing, selling and distribution expenses	**(102.812)**	(82.443)
General and administration expenses	**(15.238)**	(13.745)
Other operating expenses	**(545)**	(390)
	(243.494)	(206.740)

b) Personnel Expenses

	2008	2007
Cost of sales	**(102.048)**	(90.336)
Marketing, selling and distribution expenses	**(161.628)**	(134.050)
General and administration expenses	**(138.124)**	(120.765)
	(401.800)	(345.151)

NOTE 31. OTHER OPERATING INCOME / EXPENSE

a) Other Operating Income

	2008	2007
Income from sale of subsidiary (Note 3)	**41.621**	-
Gain on sale of fixed assets	**18.068**	6.139
Income from scrap and other materials	**7.238**	8.819
Insurance compensation income	**2.708**	166
Negative goodwill (Note 3)	**579**	-
Impairment reversal of fixed assets	**-**	3.160
Gain on sale of soft-drink brands	**-**	5.211
Other income	**12.183**	9.859
	82.397	33.354

b) Other Operating Expense

	2008	2007
Donations	**(22.516)**	(19.389)
Loss from fixed assets sales	**(9.607)**	(5.388)
Impairment loss on fixed assets	**(1.687)**	(518)
Impairment of financial investments (Note 7)	**(1.202)**	-
Goodwill impairment loss (Note 3)	**-**	(927)
Other expenses	**(8.162)**	(11.060)
	(43.174)	(37.282)

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

NOTE 32. FINANCIAL INCOME

	2008	2007
Foreign exchange gain	**140.601**	125.931
Interest income	**45.599**	33.966
Gain from derivative financial instruments	**1.227**	-
	187.427	159.897

NOTE 33. FINANCIAL EXPENSES

	2008	2007
Foreign exchange loss	**(353.689)**	(65.507)
Interest expense	**(90.597)**	(85.935)
Loss from derivative financial instruments	**(1.504)**	(8.617)
Other financial expenses	**(8.523)**	(9.883)
	(454.313)	(169.942)

NOTE 34. NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUING OPERATIONS

None (December 31, 2007 - None).

NOTE 35. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporation tax rate for the fiscal year is 20% in Turkey (2007 - 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% (2007 – 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.

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

NOTE 35. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES (continued)

The main components of tax income and expenses as of December 31, 2008 and 2007 are as follows:

	2008	2007
Current tax expense	**(95.572)**	(112.128)
Deferred tax income / (expense), net	**29.267**	727
	(66.305)	(111.401)

As of December 31, 2008 and 2007, 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:

	2008	2007
Consolidated profit before tax	**354.975**	501.452
Enacted tax rate	**20%**	%20
Tax calculated at the parent company tax rate	**(70.995)**	(100.290)
Non-deductible expenses	**(5.229)**	(3.403)
Income excluded from tax bases	**13.800**	4.269
Deferred tax asset effect of the previously unused tax losses	**24.471**	98
Tax effect of loss making companies	**(33.301)**	(4.261)
Permanent differences between reported and statutory results	**(6.670)**	(6.685)
Impact of different tax rates	**11.619**	(1.129)
	(66.305)	(111.401)

Deferred Tax assets and Liabilities

	Asset		**Liability**		**Net**	
	2008	2007	**2008**	2007	**2008**	2007
Property, plant and equipment and intangible assets	**-**	-	**(69.044)**	(58.443)	**(69.044)**	(58.443)
Inventories	**2.085**	942	**-**	-	**2.085**	942
Carry forward losses	**50.760**	15.756	**-**	-	**50.760**	15.756
Retirement pay liability and other benefits	**8.461**	7.115	**-**	-	**8.461**	7.115
Other	**17.959**	17.197	**-**	-	**17.959**	17.197
	79.265	41.010	**(69.044)**	(58.443)	**10.221**	(17.433)

As of December 31, 2008 and 2007, the movement of deferred tax liability is as follows:

	2008	2007
Balance at January 1,	**(17.433)**	(18.833)
Recorded to the consolidated income statement	**29.267**	727
Recognized in equity (Note 7)	**1.341**	82
Addition through company acquisition	**(4.046)**	-
Currency translation adjustment	**1.092**	591
Balance at December 31	**10.221**	(17.433)

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

NOTE 36. EARNINGS PER SHARE

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

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

	2008	2007
Net income	**309.678**	374.482
Weighted average number of shares	**450.000.000**	450.000.000
Net profit per share (full TL)	**0,69**	0,83

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

NOTE 37. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

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

	2008	2007
Alternatifbank (2) (5)	**178.032**	112.009
Alternatif Yatırım A.Ş. (5)	**2.683**	4.145
	180.715	116.154

ii) Due from Related Parties

	2008	2007
Mutena Maltery (2)	**3.065**	399
Turkmenistan CC (3)	**131**	101
Alternatifbank (2) (5)	**-**	5.650
Anadolu Sağlık Merkezi İktisadi İşletmesi (ASM) (5)	**-**	1.540
Other	**677**	94
	3.873	7.784

iii) Due to Related Parties

	2008	2007
Mutena Maltery (2)	**9.667**	6.020
Oyex Handels GmbH (5)	**2.488**	4.173
Anadolu Bilişim Hizmetleri A.Ş. (2) (5)	**1.443**	1.857
AEH (1) (4)	**1.395**	3.002
Other	**1.640**	1.979
	16.633	17.031

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

NOTE 37. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

i) Purchases of Goods and Other Charges

	2008	2007
Oyex Handels GmbH (5)	**23.666**	15.772
Anadolu Vakfı	**22.505**	18.870
Efes Pilsen Spor Kulübü	**22.000**	25.500
Anadolu Bilişim Hizmetleri A.Ş. (2) (5)	**12.895**	11.039
AEH (1) (4)	**12.049**	8.310
Mutena Maltery (2)	**8.412**	10.401
Çelik Motor Ticaret A.Ş. (5)	**6.616**	3.600
Efes Turizm İşletmeleri A.Ş. (5)	**5.882**	3.082
AEH Münih (5)	**4.970**	2.567
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (1)	**1.046**	1.079
Other	**2.358**	2.345
	122.399	102.565

ii) Financial Income / (Expense), Net

	2008	2007
Alternatifbank (2) (5)	**32.612**	13.299
AEH (4)	**1.487**	-
	34.099	13.299

iii) Other Income / (Expense), Net

	2008	2007
Alternatifbank (2) (5)	**216**	202
Anadolu Bilişim Hizmetleri A.Ş. (2) (5)	**80**	205
Anadolu Restaurant İşl. Ltd. Şti. (5)	**68**	40
Other	**399**	359
	763	806

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

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

NOTE 37. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As of December 31, 2008, remuneration and similar benefits received by total number of 51 (December 31,2007 - 53) executive members of the Board of Directors, Chief Executive Officer (CFO), Chief Operating Officers (CEO) and Directors are as follows:

	2008	2007
Executive members of Board of Directors	**8.921**	8.512
CFO, CEO and Directors	**13.120**	13.871
	22.041	22.383

NOTE 38. 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, credit 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.

The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap (IRS) agreements. Total outstanding amount of IRS agreements was USD 25,1 million as of December 31, 2008.

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.

At December 31, 2008, 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 year ended March 31, 2009, which is the following reporting period, would be:

	2008	2007
Change in USD denominated borrowing interest rate	**3.477**	1.643
Change in EURO denominated borrowing interest rate	**179**	229
Change in Other denominated borrowing interest rate	**185**	48
Total	**3.841**	1.920

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

NOTE 38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

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.

Net foreign currency exposure for the consolidated Group companies as of December 31, 2008 and 2007 are presented below:

Foreign Currency Position Table
2008

	Total TL Equivalent (Functional Currency)	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	15.495	5.679	8.588	800	1.712	5.195
2a. Monetary Financial Assets (Cash and cash equivalents included)	197.659	60.768	91.900	45.086	96.520	9.239
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	18.481	1.416	2.141	3.859	8.262	8.078
4. Current Assets	**231.635**	**67.863**	**102.629**	**49.745**	**106.494**	**22.512**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets	**231.635**	**67.863**	**102.629**	**49.745**	**106.494**	**22.512**
10. Trade Payables and Due to Related Parties	(35.768)	(5.517)	(8.341)	(12.125)	(25.957)	(1.470)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(202.013)	(132.378)	(200.196)	(459)	(982)	(835)
12a. Monetary Other Liabilities	(3.023)	(84)	(128)	(507)	(1.086)	(1.809)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	**(240.804)**	**(137.979)**	**(208.665)**	**(13.091)**	**(28.025)**	**(4.114)**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(849.067)	(513.992)	(777.312)	(33.518)	(71.755)	-
16 a. Monetary Other Liabilities	-	-	-	-		-
116 b. Non-monetary Other Liabilities	-	-	-	-		-
17. Non-Current Liabilities	**(849.067)**	**(513.992)**	**(777.312)**	**(33.518)**	**(71.755)**	**-**
18. Total Liabilities	**(1.089.871)**	**(651.971)**	**(985.977)**	**(46.609)**	**(99.780)**	**(4.114)**
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	**(858.236)**	**(584.108)**	**(883.348)**	**3.136**	**6.714**	**18.398**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(876.717)**	**(585.524)**	**(885.489)**	**(723)**	**(1.548)**	**10.320**
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
2007

	Total TL Equivalent (Functional Currency)	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	11.229	6.401	7.456	1.069	1.827	1.946
2a. Monetary Financial Assets (Cash and cash equivalents included)	69.284	44.225	51.509	7.997	13.677	4.098
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	20.086	49	58	8.373	14.320	5.708
4. Current Assets	**100.599**	**50.675**	**59.023**	**17.439**	**29.824**	**11.752**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets	**100.599**	**50.675**	**59.023**	**17.439**	**29.824**	**11.752**
10. Trade Payables and Due to Related Parties	(42.889)	(4.736)	(5.516)	(18.629)	(31.859)	(5.514)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(231.333)	(132.089)	(153.844)	(43.443)	(74.297)	(3.192)
12a. Monetary Other Liabilities	(3.433)	(388)	(452)	(496)	(848)	(2.133)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	**(277.655)**	**(137.213)**	**(159.812)**	**(62.568)**	**(107.004)**	**(10.839)**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(185.585)	(141.680)	(165.015)	(12.028)	(20.570)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
116 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	**(185.585)**	**(141.680)**	**(165.015)**	**(12.028)**	**(20.570)**	**-**
18. Total Liabilities	**(463.240)**	**(278.893)**	**(324.827)**	**(74.596)**	**(127.574)**	**(10.839)**
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	**(362.641)**	**(228.218)**	**(265.804)**	**(57.157)**	**(97.750)**	**913**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(382.727)**	**(228.267)**	**(265.862)**	**(65.530)**	**(112.070)**	**(4.795)**
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 (TL))

NOTE 38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The information regarding the export and import figures realized as of December 31, 2008 and 2007 is as follows:

	2008	2007
Total Export Amount	**81.968**	64.090
Total Import Amount	**521.453**	437.773

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2008 and 2007:

Foreign Currency Position Sensitivity Analysis				
	2008			
	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 against TL by 10%:				
USD denominated net asset / (liability)	(88.335)	88.335	108.245	(108.245)
USD denominated hedging instruments(-)	-	-	-	-
Net effect in USD	**(88.335)**	**88.335**	**108.245**	**(108.245)**
Increase / decrease in the EURO against TL by 10%:				
EURO denominated net asset / (liability)	671	(671)	2.057	(2.057)
EURO denominated hedging instruments(-)	-	-	-	-
Net effect in EURO	**671**	**(671)**	**2.057**	**(2.057)**
Increase / decrease in the other foreign currencies against TL by 10%:				
Other foreign currency denominated net asset / (liability)	1.840	(1.840)	-	-
Other foreign currency hedging instruments(-)	-	-	-	-
Net effect in other foreign currency	**1.840**	**(1.840)**	**-**	**-**
TOTAL	**(85.824)**	**85.824**	**110.302**	**(110.302)**

Foreign Currency Position Sensitivity Analysis				
	2007			
	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 against TL by 10%:				
USD denominated net asset / (liability)	(26.580)	26.580	100.565	(100.565)
USD denominated hedging instruments(-)	-	-	-	-
Net effect in USD	**(26.580)**	**26.580**	**100.565**	**(100.565)**
Increase / decrease in the EURO against TL by 10%:				
EURO denominated net asset / (liability)	(9.775)	9.775	1.101	(1.101)
EURO denominated hedging instruments(-)	-	-	-	-
Net effect in EURO	**(9.775)**	**9.775**	**1.101**	**(1.101)**
Increase / decrease in the other foreign currencies against TL by 10%:				
Other foreign currency denominated net asset / (liability)	91	(91)	-	-
Other foreign currency hedging instruments(-)	-	-	-	-
Net effect in other foreign currency	**91**	**(91)**	**-**	**-**
TOTAL	**(36.264)**	**36.264**	**101.666**	**(101.666)**

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

NOTE 38. 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, 2008 and 2007;

2008	**Carrying value**	**Contractual undiscounted 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	1.829.026	1.957.666	156.234	670.034	694.968	436.430
Trade Payable and due to related parties	220.131	220.131	172.966	46.948	217	-
Liability for put option	144.930	144.930	144.930	-	-	-

2007	Carrying value	Contractual undiscounted 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	1.058.410	1.180.093	122.884	366.629	690.580	-
Trade Payable and due to related parties	182.719	182.719	169.221	13.498	-	-
Liability for put option	147.927	147.927	147.927	-	-	-

As of December 31, 2008, the amount of the financial assets including cash and cash equivalents, available for sale securities, trade receivables and due from related parties that have maturity less than three months is TL 1.084.132 (December 31, 2007 – TL 640.870).

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 monitoring credit exposures, 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 (TL))

NOTE 38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

	Receivables						
	Trade Receivables		Other Receivables				
Current Year	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposit**	**Derivative Instruments**	**Other**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	**3.873**	**421.214**	**-**	**11.500**	**689.304**	**-**	**25.054**
- Maximum credit risk secured by guarantees	-	226.523	-	-	-	-	-
	-	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	3.873	346.917	-	11.500	689.304	-	-
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	-	72.407	-	-	-	-	-
- Under guarantee							
D. Net carrying amount of financial assets impaired	-	1.890	-	-	-	-	-
- past due (gross carrying value)	-	23.038	-	-	-	-	-
- impaired (-)	-	(21.148)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	1.890	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	25.054

	Receivables						
	Trade Receivables		Other Receivables				
Prior Year	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposit**	**Derivative Instruments**	**Other**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	**7.784**	**344.778**	**-**	**6.950**	**302.788**	**-**	**2.612**
- Maximum credit risk secured by guarantees	-	198.160	-	-	-	-	-
	-	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	7.784	290.760	-	6.950	302.788	-	-
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	-	50.643	-	-	-	-	-
- Under guarantee							
D. Net carrying amount of financial assets impaired	-	3.375	-	-	-	-	-
- past due (gross carrying value)	-	24.035	-	-	-	-	-
- impaired (-)	-	(20.660)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	3.375	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	2.612

f) Fair Values

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.

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

NOTE 39. FINANCIAL INSTRUMENTS

Financial Hedging Instruments, Risk Management Objectives and Policies

Derivative instruments are initially measured at cost. After initial recognition, derivatives are measured at fair value. Structured forward buy-sell contracts and interest rate swap agreements are the main financial derivative instruments of the Group, which are effective to avoid the occurrence of foreign currency and interest rate risks from the operational and financial activities. Since the conditions for the hedge accounting in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" are not met, hedge accounting is not applicable for these financial instruments.

NOTE 40. SUBSEQUENT EVENTS

According to the Board of Directors Meeting held on May 27, 2008, it's approved to purchase 12,50% shares of Turkmenistan CC for USD 2 million from Day Investments Ltd. who owns 25% of the shares. Share transfer registrations of 12,50% purchase from Day Investments Ltd. and purchase of 13,75% shares from TCCEC which was approved at the end of 2007, were completed as of January 2009. Following the completion of these acquisitions, CCİ's share in Türkmenistan CC reached to 59,5%.

According to the Board of Directors Meeting held on May 29, 2008, it's approved the signing of a Memorandum of Understanding for the acquisition of certain assets, right, and licenses relating to the water business of Sandras Su Gıda Turizm Taşımacılık İnşaat A.Ş. (Sandras), a Kalkavan Group company. According to Board of Directors Meeting held on March 5, 2009, in order to meet additional capacity requirement in the water sector, it's decided to purchase certain real estates, movables, licenses and other assets related to the water business of Sandras for an amount of TL 29.350 and the acquisition agreement was signed on March 6, 2009.

NOTE 41. OTHER ISSUES

Net Interest Income / (Expense)

	2008	2007
Interest income (Note 32)	**45.599**	33.966
Interest expense (Note 33)	**(90.597)**	(85.935)
Other expenses related to borrowings	**(5.518)**	(3.444)
	(50.516)	(55.413)

…………………………………….