**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, 2009 Together with Report of Independent Auditors

**(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 Sanayii 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, 2009, and the consolidated income statement, consolidated comprehensive 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 (CMB). 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 CMB. 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 respect, the financial position of the Group as of December 31, 2009, and its financial performance and its consolidated cash flows for the year then ended in accordance with financial reporting standards issued by CMB.

**Additional paragraph for convenience translation to English :**

As of December 31, 2009, 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

March 30, 2010
Istanbul, Turkey

## Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

## Consolidated Financial Statements as of December 31, 2009

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## CONSOLIDATED BALANCE SHEET
### As at December 31, 2009
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

| | Notes | Audited 2009 | 2008 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | **2.056.660** | 1.775.000 |
| Cash and Cash Equivalents | 6 | **1.053.256** | 690.175 |
| Investments In Securities | 7 | **21.204** | 2.683 |
| Trade Receivables | 10 | **421.539** | 421.214 |
| Due from Related Parties | 37 | **810** | 3.873 |
| Other Receivables | 11 | **5.827** | 9.782 |
| Inventories | 13 | **412.389** | 490.636 |
| Other Current Assets | 26 | **141.635** | 156.637 |
| **Non-Current Assets** | | **3.373.381** | 3.348.529 |
| Other Receivables | 11 | **944** | 1.718 |
| Investments In Securities | 7 | **40.101** | 23.446 |
| Investments In Associates | 16 | **45.356** | 54.911 |
| Property, Plant and Equipment | 18 | **1.981.611** | 1.996.781 |
| Intangible Assets | 19 | **357.016** | 341.186 |
| Goodwill | 20 | **855.570** | 866.506 |
| Deferred Tax Assets | 35 | **46.871** | 38.096 |
| Other Non-Current Assets | 26 | **45.912** | 25.885 |
| **Total Assets** | | **5.430.041** | 5.123.529 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | **1.488.643** | 1.411.751 |
| Short-term Borrowings | 8 | **949.326** | 799.195 |
| Trade Payables | 10 | **234.879** | 203.498 |
| Due to Related Parties | 37 | **14.996** | 16.633 |
| Other Payables | 11 | **202.308** | 174.367 |
| Provision for Corporate Tax | | **16.507** | 9.881 |
| Provisions | 22 | **20.334** | 18.235 |
| Other Liabilities | 26 | **50.293** | 189.942 |
| **Non-Current Liabilities** | | **1.207.220** | 1.196.127 |
| Long-term Borrowings | 8 | **908.059** | 1.029.831 |
| Other Payables | 11 | **126.620** | 103.073 |
| Provision for Employee Benefits | 24 | **40.148** | 30.333 |
| Deferred Tax Liability | 35 | **33.780** | 27.875 |
| Other Liabilities | 26 | **98.613** | 5.015 |
| **EQUITY** | | | |
| **Equity Attributable Equity Holders of the Parent** | | **2.426.917** | 2.154.146 |
| Issued Capital | 27 | **450.000** | 450.000 |
| Inflation Adjustment to Issued Capital | 27 | **63.583** | 63.583 |
| Value Increase Funds | 27 | **17.339** | 811 |
| Currency Translation Differences | 27 | **(18.016)** | 19.791 |
| Restricted Reserves Allocated from Net Income | 27 | **108.217** | 83.953 |
| Other Reserves | 27 | **4.916** | - |
| Accumulated Profits | 27 | **1.378.290** | 1.226.330 |
| Net Income | | **422.588** | 309.678 |
| **Minority Interests** | | **307.261** | 361.505 |
| **Total Liabilities** | | **5.430.041** | 5.123.529 |

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

## CONSOLIDATED INCOME STATEMENT
### For the year ended December 31, 2009

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

| | | Audited | |
|---|---|---|---|
| | **Notes** | **2009** | 2008 |
| **Continuing Operations** | | | |
| Sales | 5, 28 | **3.811.067** | 3.668.917 |
| Cost of Sales (-) | 28 | **(1.907.934)** | (1.860.707) |
| **Gross Profit From Operations** | | **1.903.133** | 1.808.210 |
| Marketing, Selling and Distribution Expenses (-) | 29 | **(928.050)** | (913.028) |
| General and Administration Expenses (-) | 29 | **(322.094)** | (306.890) |
| Other Operating Income | 31 | **41.470** | 82.397 |
| Other Operating Expense (-) | 31 | **(46.478)** | (43.174) |
| **Profit From Operations** | | **647.981** | 627.515 |
| Loss from Associates | 16 | **(10.925)** | (5.654) |
| Financial Income | 32 | **375.081** | 187.427 |
| Financial Expenses (-) | 33 | **(468.383)** | (454.313) |
| **Profit Before Tax From Continuing Operations** | | **543.754** | 354.975 |
| Continuing Operations Tax Income / (Expense) | | | |
| Current Period Tax Expense (-) | 35 | **(127.260)** | (95.572) |
| Deferred Tax Income | 35 | **5.778** | 29.267 |
| **Profit For The Year** | | **422.272** | 288.670 |
| **Attributable to:** | | | |
| Minority interests | | **(316)** | (21.008) |
| Equity holders of the parent | | **422.588** | 309.678 |
| **EARNINGS PER SHARE (FULL TRL)** | 36 | **0,9391** | 0,6882 |

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**For the year ended December 31, 2009**
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

| | | Audited | |
|---|---|---|---|
| | **Notes** | **2009** | 2008 |
| **Profit for the Year** | | **422.272** | 288.670 |
| **Other Comprehensive Income / (Loss):** | | | |
| Currency Translation Differences | | **(57.786)** | 222.637 |
| Fair Value Difference due to Change in Consolidation Scope | 3 | **4.916** | - |
| Value Increase / (Decrease) in Available-for-Sale Securities | 7 | **17.398** | (26.823) |
| Tax Income / (Expense) on Other Comprehensive Income / (Loss) | 7 | **(870)** | 1.341 |
| **Other Comprehensive Income / (Loss), (Net of Taxes)** | | **(36.342)** | 197.155 |
| **Total Comprehensive Income** | | **385.930** | 485.825 |
| **Total Comprehensive Income / (Loss) Attributable to:** | | | |
| Minority Interests | | **(20.295)** | 26.819 |
| Equity Holders of the Parent | | **406.225** | 459.006 |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**For the year ended December 31, 2009**
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL)

| | Issued Capital | Inflation Adjustment to Issued Capital | Value Increase Funds | Currency Translation Differences | Restricted Reserves Allocated from Net Income | Other Reserves | Net Income | Accumulated Profits | Equity Attributable to Equity Holders of the Parent | Minority Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 (Note 27) | - | - | - | - | - | - | (126.413) | - | (126.413) | - | (126.413) |
| Dividend paid to minority interest | - | - | - | - | - | - | - | - | - | (45) | (45) |
| Change in minority share(*) | - | - | - | - | - | - | - | - | - | 17.316 | 17.316 |
| Other comprehensive income/(loss) | - | - | (25.482) | 174.810 | - | - | - | - | 149.328 | 47.827 | 197.155 |
| 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** |
| Transfer of net income to the accumulated profits | - | - | - | - | 24.264 | - | (176.224) | 151.960 | - | - | - |
| Dividend paid (Note 27) | - | - | - | - | - | - | (133.454) | - | (133.454) | - | (133.454) |
| Dividend paid to minority interest | - | - | - | - | - | - | - | - | - | (37) | (37) |
| Change in minority share(*) | - | - | - | - | - | - | - | - | - | (33.912) | (33.912) |
| Other comprehensive income / (loss) | - | - | 16.528 | (37.807) | - | 4.916 | - | - | (16.363) | (19.979) | (36.342) |
| Profit for the year | - | - | - | - | - | - | 422.588 | - | 422.588 | (316) | 422.272 |
| **Balance at December 31, 2009** | **450.000** | **63.583** | **17.339** | **(18.016)** | **108.217** | **4.916** | **422.588** | **1.378.290** | **2.426.917** | **307.261** | **2.734.178** |

(*) The Company acquired minority shares of 3,25% of Efes Breweries International N.V (EBI) and EBI, which is the subsidiary of the company, acquired minority shares of KV Group in 2009 and also CCİ, which is the joint venture of the company acquired minority shares of Azerbaijan Coca-Cola Bottlers LLC. As a result of these share purchases, minority interests decreased by TRL 33.938, TRL 2.338 and TRL 3.412 respectively. Furthermore, CCİ consolidated Turkmenistan Coca-Cola Bottlers Ltd. for using the full consolidation method. Accordingly, the minority interests increased by TRL 5.776 (December 31, 2008 - Coca Cola İçecek A.Ş. (CCİ) 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. Accordingly, minority interests decreased by TRL 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 TRL 22.475.).

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

## CONSOLIDATED STATEMENT OF CASH FLOW
### For the year ended December 31, 2009
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

| | Notes | Audited 2009 | 2008 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Continuing Operations Profit Before Tax | | **543.754** | 354.975 |
| **Adjustments for:** | | | |
| Depreciation and amortization expenses | 5, 18, 19, 30 | **265.557** | 243.494 |
| (Gain) / loss on sale of property, plant and equipment and intangible assets, net | 31 | **4.627** | (8.461) |
| Provision for retirement pay liability | 5, 24 | **9.023** | 5.191 |
| Provision for vacation pay liability | 5, 22 | **25** | 3.885 |
| Provision for inventory, net | 5, 13 | **3.409** | 6.859 |
| Provision for doubtful receivables, net | 5, 10 | **1.498** | 3.633 |
| (Impairment reversal) / impairment on property, plant and equipment, net | 18, 31 | **(561)** | 1.687 |
| Foreign exchange (gain) / loss raised from loans, net | | **36.571** | 189.531 |
| Interest expense | 33 | **84.007** | 90.597 |
| Interest income | 32 | **(59.209)** | (45.599) |
| Syndication loan expense | | **2.966** | 1.634 |
| Negative goodwill | 3, 5, 31 | **(13.503)** | (579) |
| Loss from derivative financial instruments | 32, 33 | **587** | 277 |
| Gain from sale of subsidiaries | 5, 31 | **-** | (41.621) |
| Loss from associates, net | 5, 16 | **10.925** | 5.654 |
| Other (income) / expense, net | | **3.973** | 4.199 |
| **Operating profit before changes in operating assets and liabilities** | | **893.649** | 815.356 |
| Change in trade receivables | | **(361)** | (93.694) |
| Change in due from related parties | | **3.063** | (153) |
| Change in inventories | | **90.115** | (124.738) |
| Change in other assets, other liabilities and provisions | | **65.218** | 90.432 |
| Change in trade payables | | **24.156** | 37.441 |
| Change in due to related parties | | **(4.258)** | (1.534) |
| Vacation pay, retirement pay liability and long term incentive plan paid | | **(10.556)** | (5.921) |
| Taxes paid | | **(123.297)** | (116.999) |
| **Net cash provided by operating activities** | | **937.729** | 600.190 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and intangible assets | 5, 18, 19 | **(317.651)** | (469.289) |
| Water source business investment | 3 | **(14.835)** | - |
| Proceeds from sale of property, plant and equipment and intangible assets | | **13.543** | 28.019 |
| Proceed from sale of subsidiaries, net of cash acquired | | **-** | 84.639 |
| Acquisition of subsidiaries and joint venture, net of cash acquired | 3 | **(20.121)** | (155.737) |
| Cash payment for acquired minority shares | 3 | **(78.211)** | (17.803) |
| **Net cash used in investing activities** | | **(417.275)** | (530.171) |
| **Cash flows from financing activities** | | | |
| Dividends paid | 27 | **(133.454)** | (126.413) |
| Dividends paid to minority shareholders | | **(37)** | (45) |
| Proceeds from short-term and long-term debt | | **944.482** | 1.138.989 |
| Repayment of short-term and long-term debt | | **(889.875)** | (741.612) |
| Interest paid | | **(86.849)** | (91.295) |
| Interest received | | **55.422** | 44.454 |
| Time deposits with maturity more than three months | 7 | **(19.259)** | - |
| **Net cash provided by / (used in) financing activities** | | **(129.570)** | 224.078 |
| **Currency translation differences on cash and cash transactions** | | **(29.488)** | 93.206 |
| **Net increase in cash and cash equivalents** | | **390.884** | 294.097 |
| **Cash and cash equivalents at the beginning of the year** | 6 | **687.138** | 299.835 |
| **Cash and cash equivalents at the end of the year** | 6 | **1.048.534** | 687.138 |

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

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

## NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

### General

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (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 permanent personnel employed in the Group is 15.122 (December 31, 2008 – 16.017).

The consolidated financial statements of the Group are approved by the Board of Directors of the Company and signed by Chief Financial Officer and Finance Director as to be presented on March 30, 2010. 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, selling and distribution of beer under a number of trademarks and also production, bottling, selling and distribution of sparkling and still beverages with The Coca-Cola Company (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 eight 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 production, bottling and distribution facilities of the Coca-Cola Products in Turkey, Pakistan, Central Asia and Middle East.

The Group also has joint control over Anadolu Etap Tarım ve Gıda Ürünleri San. ve Tic. A.Ş., which undertakes production and sales of fruit juice concentrates and purees in Turkey. In addition, the Group has minority stakes over 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, 2009 and 2008, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

| | **2009** | | 2008 | |
|---|---|---|---|---|
| | **Amount** | **%** | Amount | % |
| Yazıcılar Holding A.Ş. | **139.251** | **30,94** | 139.082 | 30,91 |
| Özilhan Sınai Yatırım A.Ş. | **78.937** | **17,54** | 78.910 | 17,54 |
| Anadolu Endüstri Holding A.Ş. (AEH) | **35.292** | **7,84** | 35.292 | 7,84 |
| Publicly traded and other | **196.520** | **43,68** | 196.716 | 43,71 |
| | **450.000** | **100,00** | 450.000 | 100,00 |

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

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

### List of Subsidiaries

The subsidiaries included in the consolidation and their effective shareholding rates at December 31, 2009 and 2008 are as follows:

| Subsidiary | Country | Principal Activity | Segment | Effective Shareholding and Voting Rights % | |
|---|---|---|---|---|---|
| | | | | **2009** | 2008 |
| Efes Breweries International N.V. (EBI) (1) (7) | The Netherlands | Facilitating foreign investments in breweries | International Beer | **73,47** | 70,22 |
| ZAO Moscow-Efes Brewery (Efes Moscow) | Russia | Production and marketing of beer | International Beer | **66,75** | 63,79 |
| OAO Amstar (Amstar) (2) | Russia | Production of beer | International Beer | **66,75** | 63,79 |
| Rostov Beverages C.J.S.C. (Efes Rostov) (2) | Russia | Lease | International Beer | **66,75** | 63,79 |
| OOO Stary Melnik (Stary Melnik) (2) | Russia | Service sector | International Beer | **66,75** | 63,79 |
| ZAO Efes Entertainment (Efes Entertainment) (2) | Russia | Service sector | International Beer | **66,75** | 63,79 |
| OAO Krasny Vostok Solodovpivo (KV Group) (2) (8) | Russia | Production of beer | International Beer | **66,73** | 59,23 |
| ZAO Siberian Brewery Company (3) | Russia | Production and marketing of beer | International Beer | **66,74** | 62,22 |
| OOO Vostok Solod (3) | Russia | Production of malt | International Beer | **66,73** | 59,23 |
| OOO KV-Invest (3) | Russia | Finance | International Beer | **66,73** | 59,23 |
| OOO T'sentralny Torgovy Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| ZAO Moskovskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| ZAO Samarskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| ZAO Saratovskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| ZAO Ufimskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Volgogradskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| OOO Ekaterinburgskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Krasnodarskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Krasnoyarskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Kurskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| OOO Nizhegorodskii Torgovyii Dom (3) | Russia | Sales company | International Beer | **66,73** | 59,23 |
| OOO Nizhnekamskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Permskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Sankt-Peterburgskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| OOO Chelyabinskii Torgovyii Dom (3) (4) | Russia | Sales company | International Beer | **-** | 59,23 |
| J.S.C. Efes Karaganda Brewery (Efes Karaganda) | Kazakhstan | Production and marketing of beer | International Beer | **52,90** | 50,56 |
| Dinal LLP (Dinal) | Kazakhstan | Distribution of beer | International Beer | **52,90** | 50,56 |
| Efes Vitanta Moldova Brewery S.A. (Efes Moldova) | Moldova | Production and marketing of beer, and low alcoholic drinks | International Beer | **70,90** | 67,76 |
| Efes Commerce d.o.o. Belgrade (Efes Commerce) (5) | Serbia | Marketing of beverages | International Beer | **-** | 70,22 |
| Efes Romania Industrie Si Comert S.A. (ERIC) (9) | Romania | Distribution of beer | International Beer | **73,46** | 70,23 |
| Euro-Asian Brauerein Holding GmbH (Euro-Asian) | Germany | Investment company of EBI | International Beer | **73,47** | 70,22 |
| J.S.C. Lomisi (Efes Georgia) | Georgia | Production, marketing and sales of beer and carbonated soft drink | International Beer | **73,47** | 70,22 |
| Central Asian Beverages B.V. (Central Asian) | The Netherlands | Investment company of EBI | International Beer | **44,08** | 42,13 |
| Efes Trade BY FLLC (Efes Belarus) | Belarus | Market development | International Beer | **73,47** | 70,22 |
| Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (6) | Turkey | Marketing and distribution company of the Group in Turkey | Turkey Beer | **100,00** | 100,00 |
| Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) (6) | Turkey | Providing hops (major ingredient of beer) to the breweries of the Group | Turkey Beer | **99,75** | 99,75 |
| Anadolu Efes Dış Ticaret A.Ş. (Aefes Dış Ticaret) | Turkey | Foreign trade | Other | **99,62** | 99,62 |
| Cypex Co. Ltd. (Cypex) | Turkish Republic of Northern Cyprus | Marketing and distribution of beer | Other | **99,99** | 99,99 |
| Anadolu Efes Technical and Management Consultancy N.V. (AETMC) | The Netherlands Antilles | Providing technical assistance | Other | **99,75** | 99,75 |
| Efes Holland Technical Management Consultancy B.V. (EHTMC) | The Netherlands | Providing technical assistance | Other | **99,75** | 99,75 |
| Caspian Marketing Ltd. | Azerbaijan | Marketing and distribution of beer | Other | **100,00** | - |
| Efes Deutschland GmbH (Efes Germany) | Germany | Marketing and distribution of beer | Other | **100,00** | - |

(1) Shares of EBI are currently traded on the London Stock Exchange.
(2) Subsidiaries of Efes Moscow.
(3) Subsidiaries of KV Group.
(4) Closed down in 2009 during the restructuring of KV Group companies.
(5) Liquidation of Efes Commerce has been completed in 2009 and excluded from scope of the consolidation.
(6) Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa and Tarbes.
(7) As of September 2009, Company acquired EBI shares, representing approximately 3,25% of the issued share capital of EBI (Note 3).
(8) Following the purchase of 7,13% share of KV Group, Efes Moscow's shareholding in KV Group has increased from 92,85% to 99,98% (Note 3).
(9) In December 2000, ERIC adopted a plan of liquidation and as a result, changed its basis of accounting from going concern basis to a liquidation basis.

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

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

### List of Joint Ventures

The joint ventures included in the consolidation proportionally and their effective shareholding rates at December 31, 2009 and 2008 are as follows:

| Joint Venture | Country | Principal Activity | Segment | Effective Shareholding and Voting Rights % 2009 | 2008 |
|---|---|---|---|---|---|
| Coca-Cola İçecek A.Ş. (1) | Turkey | Production, bottling of Coca-Cola products | Soft Drinks | **50,26** | 50,26 |
| Coca-Cola Satış Dağıtım A.Ş. (CCSD) | Turkey | Distribution and selling of Coca-Cola products | Soft Drinks | **50,25** | 50,25 |
| Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) | Turkey | Filling and selling of natural spring water | Soft Drinks | **50,25** | 50,25 |
| Efes Sınai Dış Ticaret A.Ş. (EST) | Turkey | Foreign trade | Soft Drinks | **50,50** | 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 Drinks | **50,11** | 50,08 |
| Tonus Joint Stock Company (Tonus) | Kazakhstan | Investment company of CCİ | Soft Drinks | **47,33** | 47,33 |
| Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) | Azerbaijan | Production, bottling, distribution and selling of Coca-Cola products | Soft Drinks | **50,19** | 45,18 |
| Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC) | Kyrgyzstan | Production, bottling, distribution and selling of Coca-Cola products and distributions of Efes products | Soft Drinks | **50,26** | 50,26 |
| CCI International Holland B.V. (CCI Holland) | The Netherlands | Investment company of CCİ | Soft Drinks | **50,26** | 50,26 |
| The Coca-Cola Bottling Company of Iraq FZCO (JV Dubai) | United Arabic Emirates | Investment company of CCİ | Soft Drinks | **25,13** | 25,13 |
| CC Beverage Limited | Iraq | Production, bottling, distribution and selling of Coca-Cola products | Soft Drinks | **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 Drinks | **45,23** | 45,23 |
| Syrian Soft Drink Sales and Distribution L.L.C. (Syrian SD) | Syria | Distribution and selling of Coca-Cola products | Soft Drinks | **25,13** | 25,13 |
| Coca-Cola Beverages Pakistan Ltd (CCBPL) (3) | Pakistan | Production, bottling, distribution and selling of Coca-Cola products | Soft Drinks | **24,73** | 24,62 |
| Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (2) | Turkmenistan | Production, bottling, distribution and selling of Coca-Cola products | Soft Drinks | **29,90** | - |
| Anadolu Etap Tarım ve Gıda Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (4) | Turkey | Production and sales of fruit juice concentrate and puree | Other | **33,33** | - |

(1) Shares of CCİ are currently traded on ISE.
(2) In January 2009, CCİ has increased its existing shareholding in Turkmenistan Coca-Cola Bottlers Ltd (TCCB), consolidated with equity pick up method in 2008, by purchasing 13,75% of the shares of The Coca-Cola Export Corporation (TCCEC) and 12,50% of the shares of Day Investments Ltd in TCCB. Turkmenistan CC has been included in CCİ's financial statements as its subsidiary (Note 3).
(3) With the participation of CCI to share capital increase of CCBPL together with TCCC in June 2009, ownership of CCI in CCBPL increased to 49,22% from 48,99%.
(4) Anadolu Etap has been acquired by the Company in 2009 and consolidated in financial statements (Note 3).

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

### 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 CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

The Group companies, which operate in Turkey, maintain their books of account and prepare their statutory financial statements in TRL 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.

The consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries and joint ventures and presented in TRL 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 combinations application, financial statements are prepared on historical cost basis.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Serial XI, No:29, published in the Official Gazette dated April 9, 2008, effective from January 1, 2008, listed companies are required to prepare their financial statements in conformity with International Accounting/Financial Reporting Standards (IAS / IFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué Serial XI, No: 29 declared by the CMB on April 9, 2008.

### 2.2 Functional and presentation currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is TRL. 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 (EURO) or US Dollars (USD) than in any other currency, those foreign subsidiaries or joint ventures have adopted EURO or USD as their functional currencies.

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

| Subsidiary or Joint Venture | Local Currency | Functional Curency | |
|---|---|---|---|
| | | **2009** | 2008 |
| 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 |
| Efes Georgia | Georgian Lari (GEL) | **GEL** | GEL |
| CCI Holland | EURO | **USD** | USD |
| Almaty CC | KZT | **USD** | USD |
| Azerbaijan CC | Azerbaijan Manat | **USD** | USD |
| Bishkek CC | Kirghiz Som (KGS) | **USD** | USD |
| CCBPL | Pakistan Rupee (PKR) | **PKR** | PKR |
| Jordan CC | Jordanian Dinar | **USD** | USD |
| AETMC | EURO | **EURO** | EURO |
| EHTMC | EURO | **EURO** | EURO |

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

### 2.3 Changes in Accounting Policies

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

The new standards, amendments and interpretations, which are effective as of December 31, 2009 and important for the financial position, performance and disclosures of the Group, are summarized below:

IFRS 7 "Financial Instruments: Disclosures" (Amendment): The amendment requires enhanced disclosures about fair value measurement and liquidity risk. Additional explanation about fair value measurement and liquidity risk are disclosed in the related notes to consolidated financial statements. As amendment only results in additional disclosures, there is no impact on accumulated profits.

IFRS 8 "Operating Segments": IFRS 8 replaces IAS 14 Segment Reporting and adopts a full management approach to operating segments. The information reported is that which the management uses internally for evaluating the performance of operating segments and allocating resources to those segments. When the information is recognized on a different basis to the primary financial statements, entities need to provide explanations and reconciliations of the differences. The Group has provided segment reporting comparatively in related disclosure according to the aforementioned amendment.

IAS 1 "Presentation of Financial Statements" (Revised): The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. The Group has applied the aforementioned changes in two consecutive tables in accordance with CMB compulsory reporting format changes. As the change in accounting policy only impacts presentation aspects, there is no impact on accumulated profits.

IAS 23 "Borrowing Costs" (Revised): 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 those are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. In accordance with the transitional requirements of the Standard, the Group has adopt this as a prospective change. Accordingly, borrowing costs were capitalized on qualifying assets with a commencement date after January 1, 2009. No changes were made for borrowing costs incurred to this date.

The new standards and interpretations, which are effective as of December 31, 2009 and are not important for the Group's financial position and performance, are summarized below:

IFRS 1 (Revised) - "First-time Adoption of IFRS" and IAS 27 "Consolidated and Separate Financial Statements''
IFRS 2 "Share-based Payment (Amendment) - Vesting Conditions and Cancellations"
Amendments to IAS 32 "Financial Instruments: Presentation" and amendments to IAS 1 "Presentation of Financial Statements- Puttable Financial Instruments and Obligations Arising on Liquidation"
IFRIC 9 - "Reassessment of Embedded Derivatives" and IAS 39 "Financial Instruments: Recognition and Measurement - Embedded Derivatives" (amendments)
IFRIC 13 "Customer Loyalty Programmes"
IFRIC 15 "Agreements for the Construction of Real Estate"
IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
IFRIC 18 "Transfers of Assets from Customers"

**Improvements to IFRS - issued in May 2008 and April 2009**

In May 2008 and April 2009, International Accounting Standards Board (IASB) has issued amendments in order to eliminate the inconsistencies and clarify the explanations related to standards**.** Transitional provisions and application periods vary for each amendment which are 1 January 2009 and 1 July 2009 respectively.

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

### 2.3 Changes in Accounting Policies (continued)

**New and amended standards and interpretations applicable as of January 1, 2010**

IFRS 1 (Amendment): The amendments will provide relief to entities that are first-time adopters with oil and gas assets or leases by reducing the cost of transition to IFRS. The amendments may be applied earlier than the effective date and this fact must be disclosed. The amendment does not have any effect on Group's financial statements (have not been endorsed by European Union yet).

IFRS 2 (Amendment): For group reporting and consolidated financial statements, the amendment clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. Management will need to consider any such past transactions. Furthermore, amendments to the scope of IFRS 2 and definitions included in the standard, and improvements to the applications have been provided. This amendment is applied retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of changes in accounting policy. Earlier application is permitted and must be disclosed. The amendment does not have any effect on Group's financial statements (have not been endorsed by European Union yet).

IFRS 3 "Business Combinations" and IAS 27 "Amendments to Separate Financial Statements" (Revised): The revised version of IFRS 3 and amended version of IAS 27 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 after the reporting period in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such equity transaction 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. This amendment will be applied retrospectively and prospectively. The Group is assessing the impact of the amendment to its consolidated financial statements.

Amendments to IAS 39: The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment does not have any effect on Group's financial performance.

IFRIC 17 "Distributions of Non-cash Assets to Owners": The Interpretation applies to non-reciprocal distributions of non-cash assets, and distributions that gave the shareholders a choice of receiving either non-cash assets or a cash alternative. The interpretation does not have any effect on Group's financial performance.

**New and amended standards and interpretations issued that are effective subsequent to December 31, 2010 (these amendments have not been endorsed by European Union yet):**

IFRS 9 "Measurement and Classification of Financial Assets"
IAS 24 (Amendment) "Related Party Disclosures"
IAS 32 (Amendment) "Classification of Rights Issues"
IFRIC 9 (Amendment) "Reassessment of embedded derivatives''
IFRIC 14 (Amendment) "Prepayments of a Minimum Funding Requirement"
IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

Group is assessing the effects of these interpretations and amendments on its consolidated financial statements.

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

### 2.4 Changes in Accounting Estimates

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

### 2.5 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.

### 2.6 Basis of Consolidation

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

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.

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.

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.

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.

### 2.7 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.

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

### 2.8 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 cannot 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.

### 2.9 Related Parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions or be the associate of the group. Related parties also include individuals 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.

### 2.10 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 materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealizable inventory has been fully written off.

### 2.11 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 comprehensive income statements as “value increase in available for sale securities” in the consolidated financial statements.

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

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

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

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

### 2.12 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 |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated income statement (Note 18).

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.

### 2.13 Intangible Assets

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

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

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

### 2.13 Intangible Assets (continued)

#### a) Brands

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

#### b) Bottlers and Distribution Agreement

In the scope of consolidation, intangible assets identified in the fair value financial statements of subsidiaries acquired by CCİ in 2005 and 2009, and joint venture acquired by CCİ in 2008 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.

#### c) Rights

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

#### d) Software

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

### 2.14 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.

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

**2.14 Business combinations and goodwill (continued)**

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 or negative goodwill is directly accounted to the financial statements.

**2.15 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.

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

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

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

### 2.17 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.

### 2.18 Provisions, Contingent Assets and Liabilities

#### a) Provisions

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

#### b) Contingent Assets and Liabilities

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

### 2.19 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 announced by the Central Bank of the Republic of Turkey and used by the Group's subsidiaries and joint ventures in Turkey as of respective year-ends are as follows:

| Date | USD / TRL (full) | EURO / TRL (full) |
|---|---|---|
| December 31, 2009 | 1,5057 | 2,1603 |
| 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".

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

### 2.19 Foreign Currency Translations (continued)

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.

### 2.20 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.

### 2.21 Borrowing Costs

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

### 2.22 Segment Reporting

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

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business. Group's segment reporting disclosed in conformity with IAS 14 in previous periods is reassessed in accordance with IFRS 8 and disclosed with respect to operating segments (Note 5).

### 2.23 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.

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

### 2.24 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 estimates and assumptions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

**a) Provision for doubtful receivables**

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, 2009, 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 (TRL))

## NOTE 3. BUSINESS COMBINATIONS

### Transactions Related with 2009

### Acquisitions

In January 2009, CCİ has increased its existing shareholding in Turkmenistan CC with the acquisition of 13,75% shares of Turkmenistan CC which previously owned by The Coca-Cola Export Corporation (TCCEC) and 12,50% shares from Day Investments Ltd. which had 25% shares in Turkmenistan CC, for a cash consideration of TRL 7.026. Following the completion of the acquisitions, CCİ's share in Turkmenistan CC reached to 59,5% and it is included in consolidation by using the full consolidation method. The Group recorded TRL 1.928 difference between the fair value of the net assets of Turkmenistan CC and the acquisition cost as negative goodwill in "other operating income" in the consolidated financial statements.

In accordance with the change in the scope of consolidation and in conformity with IFRS 3, Group's share of fair value difference amounting to TRL 4.916 occurred from the financial statements of Turkmenistan CC prepared according to fair value basis was recorded by the Group as "fair value difference due to change in consolidation scope" in consolidated comprehensive income statement.

The total fair value of net assets of Turkmenistan CC as of the acquisition date is as follows:

| | Fair Value | Carrying Value |
|---|---|---|
| Cash and cash equivalents | 1.113 | 1.113 |
| Trade and other receivables | 297 | 297 |
| Inventories | 9.059 | 9.059 |
| Other assets | 481 | 481 |
| Property, plant and equipment | 14.280 | 14.154 |
| Intangible assets | 29.648 | 333 |
| Trade and other payables | (10.087) | (10.087) |
| Due to related parties | (3.407) | (3.407) |
| Other liabilities | (4) | (4) |
| Fair value of net assets acquired | 41.380 | 11.939 |
| Total cash consideration, Group's share | 3.531 | |
| Group's share in net assets | (5.459) | |
| Negative goodwill arising from acquisition | (1.928) | |
| Total cash consideration, Group's share | 3.531 | |
| Net cash acquired with the subsidiary, Group's share (-) | (559) | |
| Net cash outflow on acquisition | 2.972 | |

According to the put and call option agreement signed with Day Investments Ltd., within three months from the expiry of the three year period from the completion date of share transfer registration which is in January 2009, Day Investments Ltd. shall have an option to offer (and CCI will have an obligation to buy) its remaining 12,5% participatory shares in Turkmenistan CC and CCI shall have an option to buy (and Day Investments Ltd. will have an obligation to sell) Day Investment Ltd.'s 12,5% participatory shares in Turkmenistan CC with an amount of USD 2.360 thousands ( Note 23). The Group recorded TRL 814 negative goodwill which is occurred from the accounting of the buying obligation liability in accordance with IAS 32, to "other operating income" in the consolidated income statement.

In March 2009, CCİ has purchased certain real estates, movables, licenses and other assets related to the water business of Sandras Su Gıda Turizm Taşımacılık İnşaat A.Ş (Sandras), natural water company of Kalkavan Grubu, for an amount of TRL 29.500. In accordance with IFRS 3 "Business Combinations", tangible and intangible assets identified in the acquisition of Sandras were recorded at their fair value amounting to TRL 17.856. The Group recorded TRL 2.468 negative difference between the fair value of total assets acquired and the acquisition cost of the Company amounting to TRL 14.835 as negative goodwill to "other operating income" in the consolidated income statement.

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

## NOTE 3. BUSINESS COMBINATIONS (continued)

### Transactions Related with 2009 (continued)

In May 2009, CCİ acquired 9,96% minority shares of Azerbaijan CC for a cash consideration of TRL 9.121 and increased its shareholding percentage to 99,86%. The Group recorded the difference amounting to TRL 1.404 between the net asset value of Azerbaijan CC and the acquisition cost of the Group, which is amounting to 4.584, as goodwill to the consolidated financial statements.

The put option, which had been granted by EBI to Tradex Partner Limited Co. (Tradex) and that was exercisable between 2007 and 2010, has been exercised by purchasing the shares in KV Group by EBI's Russian operating subsidiary Efes Moscow in August 2009 for a cash consideration of TRL 44.916. Subsequent to purchase of option shares, a further 0,43% of KV Group minority shares have been acquired with a cash consideration of TRL 3.066. The excess of the acquisition costs over the fair value of net assets acquired was TRL 728 and recognized as goodwill in the consolidated financial statements with the purchase of 0,43% minority shares, Efes Moscow increased its shareholding in KV Group to 99,98% from 92,85%.

In July 2009, the Company announced its firm intention to make a cash offer for the entire issued share capital of EBI, not already owned by the Group. The aforementioned shares are held in the form of Global Depository Receipts (GDRs), listed on the London Stock Exchange, held only by Qualified Institutional Buyers and represent approximately 29,78% of the entire issued share capital of EBI. The Offer values EBI at US$ 11,10 in cash for each GDR (representing five EBI ordinary shares). As of September 3, 2009, the Company acquired 6.872.085 shares of EBI, representing 3,25% of EBI's issued capital, for a cash consideration TRL 25.645 and increased its share in EBI to 73,47%. Difference between the net asset value of EBI and the acquisition cost amounting to TRL 8.923 has been reflected as negative goodwill under "other operating income" in the Group's consolidated financial statements.

In November 2009, the Company acquired 33,33 % of Anadolu Etap, a leading company that produces fruit juice concentrates and purees in Turkey for a cash consideration of TRL 18.311. Difference between the fair value of net assets of Anadolu Etap and the acquisition cost amounting to TRL 12.178 has been reflected as goodwill in the Group's consolidated financial statements.

The total fair value of net assets of Anadolu Etap as of the acquisition date is as follows:

| | Fair Value | Carrying Value |
|---|---|---|
| Cash and cash equivalents | 3.487 | 3.487 |
| Trade and other receivables | 1.290 | 1.290 |
| Inventories | 30.531 | 25.577 |
| Other assets | 4.438 | 4.438 |
| Property, plant and equipment and intangibles | 34.548 | 13.873 |
| Deferred tax assets | - | 1.021 |
| Financial liabilities | (17.238) | (17.238) |
| Trade and other payables | (6.697) | (6.697) |
| Due to related parties | (2.727) | (2.727) |
| Deferred tax liabilities | (4.002) | - |
| Other liabilities | (25.233) | (25.233) |
| Fair value of net assets acquired | 18.397 | (2.209) |
| Total cash consideration | 18.311 | |
| Group's share in net assets | (6.133) | |
| Goodwill arising from acquisition | 12.178 | |
| Total cash consideration | 18.311 | |
| Net cash acquired with the subsidiary, Group's share (-) | (1.162) | |
| Net cash outflow on acquisition | 17.149 | |

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

**NOTE 3. BUSINESS COMBINATIONS (continued)**

**Transactions Related with 2008**

**Acquisitions**

In February 2008, EBI has acquired 100 % shares of Efes Georgia, which operates in Georgia, for a cash consideration of TRL 86.570. The net income as of December 31, 2008 realized after the acquisition date is amounting to TRL 4.848 and has been reflected to Group's consolidated income statement. The Group recorded TRL 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 TRL 2.644. The Group recorded TRL 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 TRL 24.664. The net profit as of December 31, 2008 realized after the acquisition date is amounting to TRL 167 and has been reflected to Group's consolidated income statement. The Group recorded TRL 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 |

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

**NOTE 3. BUSINESS COMBINATIONS (continued)**

**Transactions Related with 2008 (continued)**

**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 TRL 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 TRL 579 has been reflected as negative goodwill to "other operating income" in the consolidated income statement.

**Disposals**

All shares of Efes Ukraine held by EBI have been sold in August 2008 amounting to TRL 2.614. As a result of this transaction, the Group has recognized a profit amounting to TRL 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 TRL 83.431. As a result of this transaction, the profit amounting to TRL 55.409 is recognized in "other operating income" in the consolidated income statement.

**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 TRL 17.672 recognized in the consolidated income statement, which has been netted off under "other operating income" in the consolidated financial statements.

**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:

| | **2009** | 2008 |
|---|---|---|
| Current assets | **609.128** | 421.267 |
| Non-current assets | **854.736** | 808.652 |
| **Total assets** | **1.463.864** | 1.229.919 |
| Short-term liabilities | **587.452** | 197.424 |
| Long-term liabilities | **232.062** | 475.566 |
| Equity | **644.350** | 556.929 |
| **Total liabilities and equity** | **1.463.864** | 1.229.919 |
| **Net income** | **85.226** | 40.895 |

There are no commitments given by the Company on behalf of the joint ventures as of December 31, 2009 and 2008.

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

## NOTE 5. SEGMENT INFORMATION

Group's segment reporting disclosed in conformity with IAS 14 in previous periods is reassessed in accordance with IFRS 8 and disclosed as follows with respect to operating segments:

| | Turkey Beer | International Beer | Soft Drinks | Other (1) and Eliminations | Total |
|---|---|---|---|---|---|
| **2009** | | | | | |
| Revenues | 1.264.171 | 1.325.053 | 1.209.908 | 32.415 | 3.831.547 |
| Inter-segment revenues | (9.046) | (349) | (49) | (11.036) | (20.480) |
| **Total Sales** | **1.255.125** | **1.324.704** | **1.209.859** | **21.379** | **3.811.067** |
| **EBITDA** | **502.959** | **262.993** | **185.277** | **(34.615)** | **916.614** |
| Depreciation and amortization | 68.967 | 130.214 | 66.286 | 90 | 265.557 |
| Provision for retirement pay liability | 4.820 | - | 4.203 | - | 9.023 |
| Negative goodwill | - | - | (5.210) | (8.293) | (13.503) |
| Other | 2.276 | 5.257 | 1.154 | (1.131) | 7.556 |
| **Profit / (loss) for the period** | **363.056** | **(360)** | **85.035** | **(25.459)** | **422.272** |
| **Capital expenditures (Note 18, 19)** | **102.698** | **156.581** | **65.704** | **(7.332)** | **317.651** |
| 2008 | | | | | |
| Revenues | 1.182.147 | 1.346.968 | 1.134.811 | 29.113 | 3.693.039 |
| Inter-segment revenues | (12.679) | (870) | (416) | (10.157) | (24.122) |
| Total Sales | 1.169.468 | 1.346.098 | 1.134.395 | 18.956 | 3.668.917 |
| EBITDA | 494.227 | 199.157 | 188.597 | (27.287) | 854.694 |
| Depreciation and amortization | 65.951 | 123.879 | 53.482 | 182 | 243.494 |
| Provision for retirement pay liability | 2.780 | - | 2.411 | - | 5.191 |
| Income from disposal of subsidiary | - | (41.621) | - | - | (41.621) |
| Negative goodwill | - | - | (579) | - | (579) |
| Other | 3.661 | 13.082 | 2.824 | 1.127 | 20.694 |
| Profit / (loss) for the period | 341.720 | (68.094) | 41.464 | (26.420) | 288.670 |
| Capital expenditures (Note 18, 19) | 94.568 | 221.776 | 152.525 | 420 | 469.289 |

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

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

## NOTE 5. SEGMENT INFORMATION (continued)

Segment assets and liabilities as of December 31 2009 and 2008 is disclosed as follows:

| | Turkey Beer | International Beer | Soft Drinks | Other (1) and Eliminations | Total |
|---|---|---|---|---|---|
| **2009** | | | | | |
| Segment assets | 2.463.934 | 2.449.692 | 1.439.099 | (922.684) | 5.430.041 |
| Segment liabilities | 502.454 | 1.390.927 | 800.882 | 1.600 | 2.695.863 |
| **Other disclosures** | | | | | |
| Investments in associates | - | 45.356 | - | - | 45.356 |
| 2008 | | | | | |
| Segment assets | 2.133.697 | 2.675.745 | 1.229.919 | (915.832) | 5.123.529 |
| Segment liabilities | 394.318 | 1.559.608 | 672.990 | (19.038) | 2.607.878 |
| Other disclosures | | | | | |
| Investments in associates | - | 52.937 | 1.974 | - | 54.911 |

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

Reconciliation of EBITDA to the consolidated profit before tax and its components as of December 31 2009 and 2008 are explained in the following table:

| | **2009** | 2008 |
|---|---|---|
| EBITDA | **916.614** | 854.694 |
| Depreciation and amortization expenses | **(265.557)** | (243.494) |
| Provision for retirement pay liability | **(9.023)** | (5.191) |
| Provision for vacation pay liability | **(25)** | (3.885) |
| Provision for inventory, net | **(3.409)** | (6.859) |
| Provision for doubtful receivables, net | **(1.498)** | (3.633) |
| Negative goodwill | **13.503** | 579 |
| Gain from sales of subsidiaries | **-** | 41.621 |
| Other | **(2.624)** | (6.317) |
| **Profit from Operations** | **647.981** | 627.515 |
| Loss from Associates | **(10.925)** | (5.654) |
| Financial Income | **375.081** | 187.427 |
| Financial Expenses (-) | **(468.383)** | (454.313) |
| **Profit Before Tax from Continuing Operations** | **543.754** | 354.975 |

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

## NOTE 6. CASH AND CASH EQUIVALENTS

| | 2009 | 2008 |
|---|---|---|
| Cash on hand | **990** | 871 |
| Bank accounts | | |
| - Time deposits | **1.013.979** | 654.121 |
| - Demand deposits | **33.532** | 32.095 |
| Other | **33** | 51 |
| **Cash and cash equivalents in cash flow statement** | **1.048.534** | 687.138 |
| Interest income accrual | **4.722** | 3.037 |
| | **1.053.256** | 690.175 |

As of December 31, 2009, as the maturity of all time deposits is less than three months, annual interest rates of the TRL denominated time deposits vary between 4,5 % and 10,8% (December 31, 2008 - 12,0% - 23,5%) and annual interest rates of the USD, EURO denominated and other time deposits vary between 0,2% and 8,0% (December 31, 2008 – 0,1% - 10,0%). As of December 31, 2009, cash deposits at banks of TRL 11.161 is pledged by Group as collateral for credit facilities of subsidiaries (December 31, 2008 - TRL 133.534).

## NOTE 7. INVESTMENTS IN SECURITIES

### a) Current Investments

| | 2009 | 2008 |
|---|---|---|
| Time deposits with maturity more than three months | **19.259** | - |
| Investment funds | **1.753** | 2.369 |
| Government bonds | **192** | 314 |
| | **21.204** | 2.683 |

Investment funds and government bonds in the consolidated financial statements are valued with their market value prevailing at the balance sheet date. Time deposits with maturities over three months in foreign currencies equivalent to TL 19.259, were made for periods varying between 5 months to 1 year and earned interest is between 5,00% and 8,00% (December 31, 2008 – None).

### b) Non-current Investments

| | Ownership | | | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| Alternatifbank A.Ş. | **7,46%** | 7,46% | **34.240** | 17.456 |
| ZAO Mutena Maltery (Mutena Maltery) | **14,68%** | 16,66% | **5.075** | 5.204 |
| Other | | | **786** | 786 |
| | | | **40.101** | 23.446 |

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, 2009 in the consolidated financial statements.

As a result of the valuation of current investments and shares of Alternatifbank at their market value, a gain amounting to TRL 17.398 in 2009 is recognized under consolidated comprehensive income statement as "value increase in available for sale securities" (December 31, 2008 – loss amounting to TRL 26.823). The deferred tax expense effect of such gain amounting to TRL 870 (December 31, 2008 – TRL 1.341 deferred tax income) is also recognized under consolidated comprehensive income statement.

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

## NOTE 8. BORROWINGS

As of December 31, 2009, total borrowings consist of principles (finance lease obligations included) amounting to TRL 1.852.556 (2008 – TRL 1.820.165) and interest expense accrual amounting to TRL 4.829 (2008 – TRL 8.861). As of December 31, 2009 and 2008, total amount of borrowings and the effective interest rates are as follows:

| | **2009** | | | 2008 | | |
|---|---|---|---|---|---|---|
| **Short-term** | **Amount** | **Fixed rate** | **Floating rate** | Amount | Fixed rate | Floating rate |
| **Borrowings** | | | | | | |
| TRL denominated borrowings | 260.691 | 7,67%- 7,88% | 6,67% - 15,75% | 1.008 | - | - |
| Foreign currency denominated borrowings (USD) | 63.596 | 4,00% - 5,40% | Libor + 0,95% - 4,00% | 173.870 | 4,50% - 8,50% | Libor + 0,60% - 2,50% |
| Foreign currency denominated borrowings (EURO) | 7.563 | 4,00% | - | - | - | - |
| Foreign currency denominated borrowings (Other) | 28.817 | - | Kibor + 1,75% - 2,5% | 82.888 | 8,00% - 20,00% | Kibor + 1,50% - 2,70% |
| | **360.667** | | | 257.766 | | |
| **Short-term portion of long term borrowings** | | | | | | |
| Foreign currency denominated borrowings (USD) | 509.561 | - | Libor + 0,75% - 4,75% | 536.628 | 12,00% | Libor + 0,70% - 4,25% |
| Foreign currency denominated borrowings (EURO) | 25.472 | - | Euribor + 0,88% - 4,75% | 125 | - | Euribor + 0,88 % - 1,00% |
| Foreign currency denominated borrowings (Other) | 52.844 | 8,11% | Mosprime + 3,65% | 4.033 | 8,11% | Mosprime + 3,60% |
| | **587.877** | | | 540.786 | | |
| **Leasing obligations** | **782** | 4,00% - 12,50% | | 643 | 6,00% - 14,50% | |
| | **949.326** | | | 799.195 | | |
| **Long-term** | | | | | | |
| **Borrowings** | | | | | | |
| Foreign currency denominated borrowings (USD) | 582.632 | - | Libor + 0,75% - 4,75% | 847.248 | 12,00% | Libor + 0,75% - 4,25% |
| Foreign currency denominated borrowings (EURO) | 279.288 | - | Euribor + 0,88 % - 4,75% | 71.402 | - | Euribor + 0,88% - 1,00% |
| Foreign currency denominated borrowings (Other) | 44.913 | 8,11% | Kibor + 0,75% | 110.458 | 8,11% | Mosprime + 3,6 % |
| | **906.833** | | | 1.029.108 | | |
| **Leasing obligations** | **1.226** | 4,00% - 12,50% | | 723 | 6,0% - 14,50% | |
| | **908.059** | | | 1.029.831 | | |
| | **1.857.385** | | | 1.829.026 | | |

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

**NOTE 8. BORROWINGS (continued)**

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

| | **2009** | 2008 |
|---|---|---|
| 2010 | **-** | 577.937 |
| 2011 | **313.244** | 310.589 |
| 2012 | **524.510** | 8.685 |
| 2013 and thereafter | **69.079** | 131.897 |
| | **906.833** | 1.029.108 |

As of December 31, 2009, TRL 44.328 (December 31, 2008 – TRL 128.009) of the total borrowings are secured by the Group with the followings:

Related with EBI and its subsidiaries;

- No cash collaterals. (December 31, 2008 – TRL 130.965).
- Certain parts of the property, plant and equipment of Efes Georgia.

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 property, plant and equipment amounting to TRL 13.701 (December 31, 2008 – TRL 1.900) (Note 18).
- Cash collateral amounting to 11.161 TRL under the provision of loan agreements to certain banks. ( December 31, 2008 – None)

**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, 2009 and 2008, the costs of the PP&E obtained by finance lease are TRL 64.037 and TRL 63.085, respectively whereas net book values are TRL 9.086 and TRL 10.374, 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. Furthermore, the Group has operational leasing agreements with Çelik Motor Ticaret A.Ş., a related party.

**NOTE 9. OTHER FINANCIAL LIABILITIES**

None (December 31, 2008 – None).

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

## NOTE 10. TRADE RECEIVABLES AND PAYABLES

### a) Short-Term Trade Receivables

| | **2009** | 2008 |
|---|---|---|
| Trade receivables | **419.310** | 423.214 |
| Notes and cheques receivables | **16.096** | 19.148 |
| Provision for doubtful accounts (-) | **(13.867)** | (21.148) |
| | **421.539** | 421.214 |

The movement of provision for doubtful accounts as of December 31, 2009 and 2008 is as follows:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **21.148** | 20.660 |
| Current year provision | **2.581** | 4.237 |
| Unused provisions | **(1.083)** | (604) |
| Write-offs from doubtful receivables | **(8.538)** | (159) |
| Additions through acquisition | **-** | 185 |
| Disposal through subsidiaries sold | **-** | (4.911) |
| Currency translation differences | **(241)** | 1.740 |
| **Balance at December 31** | **13.867** | 21.148 |

### b) Short-Term Trade Payables

| | **2009** | 2008 |
|---|---|---|
| Trade payables | **234.879** | 203.498 |

## NOTE 11. OTHER RECEIVABLES AND PAYABLES

### a) Other Current Receivables

| | **2009** | 2008 |
|---|---|---|
| Due from personnel | **2.368** | 2.204 |
| Other receivables | **3.459** | 7.578 |
| | **5.827** | 9.782 |

### b) Other Non-Current Receivables

| | **2009** | 2008 |
|---|---|---|
| Deposits and guarantees given | **418** | 959 |
| Other | **526** | 759 |
| | **944** | 1.718 |

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

### NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

**c) Other Current Payables**

| | **2009** | 2008 |
|---|---|---|
| Taxes other than on income | **163.264** | 143.436 |
| Deposits and guarantees taken | **20.548** | 22.259 |
| Payables for goods in transit | **13.376** | 4.522 |
| Other | **5.120** | 4.150 |
| | **202.308** | 174.367 |

**d) Other Non-Current Payables**

| | **2009** | 2008 |
|---|---|---|
| Deposits and guarantees taken | **126.620** | 103.073 |

### NOTE 12. RECEIVABLES AND PAYABLES RELATED TO FINANCE SECTOR

None (December 31, 2008 - None).

### NOTE 13. INVENTORY

| | **2009** | 2008 |
|---|---|---|
| Finished and trade goods | **97.089** | 83.951 |
| Work-in-process | **47.382** | 48.702 |
| Raw materials | **132.897** | 196.695 |
| Packaging materials | **33.587** | 53.403 |
| Supplies | **49.549** | 49.311 |
| Bottles and cases | **29.424** | 46.213 |
| Goods in transit | **16.638** | 10.783 |
| Other | **17.180** | 10.073 |
| Reserve for obsolescence (-) | **(11.357)** | (8.495) |
| | **412.389** | 490.636 |

The movement of reserve for obsolescence as of December 31, 2009 and 2008 is as below:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **8.495** | 10.581 |
| Current year provision, net | **5.740** | 7.315 |
| Inventories written off | **(2.331)** | (456) |
| Disposal through subsidiaries sold | **-** | (8.722) |
| Currency translation differences | **(547)** | (223) |
| **Balance at December 31** | **11.357** | 8.495 |

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

## NOTE 14. BIOLOGICAL ASSETS

None (December 31, 2008 – None).

## NOTE 15. RECEIVABLE AND PAYABLE FROM CONSTRUCTION CONTRACTS

None (December 31, 2008 - None).

## NOTE 16. INVESTMENTS IN ASSOCIATES

| | **2009** | | 2008 | |
|---|---|---|---|---|
| | **Ownership (%)** | **Carrying value** | Ownership (%) | Carrying value |
| CEB (Note 3) | **%20,57** | **45.356** | 19,66% | 52.937 |
| Turkmenistan CC | **-** | **-** | 16,71% | 1.974 |
| **Total** | | **45.356** | | 54.911 |

As of December 31, 2009 and 2008, total assets, liabilities and net loss of CEB and Turkmenistan CC are shown as below:

| | **2009** | 2008 |
|---|---|---|
| Total Assets | **68.838** | 77.244 |
| Total Liabilities | **23.482** | 22.333 |
| **Net Assets** | **45.356** | 54.911 |
| **Net Loss** | **(10.925)** | (5.654) |

The movement of investment in associates as of December 31, 2009 and 2008 is as below:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **54.911** | 759 |
| Acqusitions | **-** | 50.701 |
| Loss from associates | **(10.925)** | (5.654) |
| Change in scope of consolidation | **(1.995)** | - |
| Foreign currency translation | **3.365** | 9.105 |
| **Balance at December 31** | **45.356** | 54.911 |

In January 2009, CCİ has increased its shareholding in Turkmenistan CC from 33,25% to 59,5% and is included in consolidation by using the full consolidation method. Related change in investment in associates is shown in change in scope of consolidation in the movement table (Note 3).

In August 2008, 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., which is 28% owned by EBI and 72% by Heineken International. CEB is included in the consolidated financial statements by using the equity pickup method.

## NOTE 17. INVESTMENT PROPERTY

None (December 31, 2008 - None).

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

## NOTE 18. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2009, the movements of property, plant and equipment are as follows:

| Cost | 2008 | Additions | Disposals | Addition Through Business Combination | Foreign Currency Translation | Transfers(*) | 2009 |
|---|---|---|---|---|---|---|---|
| Land and land improvements | 131.183 | 3.201 | (594) | 2.623 | (3.063) | 4.648 | 137.998 |
| Buildings | 780.633 | 22.357 | (5.358) | 11.264 | (22.600) | 34.587 | 820.883 |
| Machinery and equipment | 2.153.449 | 23.456 | (19.494) | 9.624 | (54.259) | 153.408 | 2.266.184 |
| Vehicles | 77.020 | 2.672 | (4.676) | 746 | (3.185) | 818 | 73.395 |
| Furniture and fixtures | 836.211 | 98.501 | (29.114) | 691 | (20.494) | (1.153) | 884.642 |
| Leasehold improvements | 3.250 | 52 | - | - | (57) | - | 3.245 |
| Construction in progress | 98.351 | 165.427 | (627) | 519 | (7.829) | (192.497) | 63.344 |
| | **4.080.097** | **315.666** | **(59.863)** | **25.467** | **(111.487)** | **(189)** | **4.249.691** |

| Accumulated Depreciation (-) | 2008 | Additions | Disposals | Addition Through Business Combination | Foreign Currency Translation | Impairment / (Impairment reversal) | 2009 |
|---|---|---|---|---|---|---|---|
| Land and land improvements | 29.209 | 2.633 | (87) | - | (498) | - | 31.257 |
| Buildings | 227.325 | 20.885 | (1.396) | - | (3.466) | - | 243.348 |
| Machinery and equipment | 1.255.525 | 144.982 | (15.772) | - | (17.637) | (631) | 1.366.467 |
| Vehicles | 37.635 | 7.941 | (3.549) | - | (1.164) | - | 40.863 |
| Furniture and fixtures | 531.222 | 85.516 | (23.715) | - | (9.446) | 70 | 583.647 |
| Leasehold improvements | 2.400 | 143 | (7) | - | (38) | - | 2.498 |
| | **2.083.316** | **262.100** | **(44.526)** | **-** | **(32.249)** | **(561)** | **2.268.080** |
| **Net book value** | **1.996.781** | | | | | | **1.981.611** |

(*) There are transfers to intangible assets in 2009 amounting to TRL 189.

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

## NOTE 18. PROPERTY, PLANT AND EQUIPMENT (continued)

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

| Cost | 2007 | Additions | Disposals | Addition Through Business Combinations | Disposal Through Subsidiary Sold | Foreign Currency Translation | 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 | 55.989 | (29.075) | 25.083 | (55.367) | 115.463 | 188.433 | 2.153.449 |
| Vehicles | 65.257 | 7.661 | (6.461) | 3.230 | (4.086) | 8.738 | 2.681 | 77.020 |
| Furniture and fixtures | 663.728 | 136.639 | (23.751) | 24.178 | (7.615) | 42.327 | 705 | 836.211 |
| 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 Business Combinations | Disposal Through Subsidiary Sold | Foreign Currency Translation | 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 | 127.368 | (15.629) | - | (31.050) | 37.348 | 1.687 | 1.255.525 |
| Vehicles | 34.651 | 7.560 | (6.120) | - | (2.001) | 3.545 | - | 37.635 |
| Furniture and fixtures | 458.184 | 80.194 | (20.172) | - | (5.122) | 18.138 | - | 531.222 |
| 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 amounting to TRL 277.

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

## NOTE 19. INTANGIBLE ASSETS

For the year ended December 31, 2009, movements of intangible assets are as follows:

| Cost | 2008 | Additions | Disposals | Addition Through Business Combinations | Currency translation differences | Transfers | 2009 |
|---|---|---|---|---|---|---|---|
| Bottling and distribution agreements | 161.242 | - | - | 14.869 | (752) | - | 175.359 |
| Brands | 163.998 | - | - | - | (4.857) | - | 159.141 |
| Rights | 15.771 | 284 | (1.111) | 11.081 | 5 | 189 | 26.219 |
| Other | 19.077 | 1.701 | (1.818) | 31 | (685) | - | 18.306 |
| | **360.088** | **1.985** | **(2.929)** | **25.981** | **(6.289)** | **189** | **379.025** |

| Accumulated amortization (-) | 2008 | Additions | Disposals | Addition Through Business Combinations | Currency translation differences | Impairment | 2009 |
|---|---|---|---|---|---|---|---|
| Bottling and distribution agreements | - | - | - | - | - | - | - |
| Brands | - | - | - | - | - | - | - |
| Rights | 8.888 | 1.954 | (96) | - | 1 | - | 10.747 |
| Other | 10.014 | 1.503 | - | - | (255) | - | 11.262 |
| | **18.902** | **3.457** | **(96)** | **-** | **(254)** | **-** | **22.009** |
| **Net book value** | **341.186** | | | | | | **357.016** |

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

**NOTE 19. INTANGIBLE ASSETS (continued)**

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

| Cost | 2007 | Additions | Disposals | Addition Through Business Combinations | Disposal Through Company Sold | Foreign Currency Translation | 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 amortization (-) | 2007 | Additions | Disposals | Addition Through Business Combinations | Disposal Through Company Sold | Foreign Currency Translation | Transfers | 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 (TRL))

**NOTE 19. INTANGIBLE ASSETS (continued)**

**Impairment test for intangible assets with an indefinite useful life**

As of December 31, 2009, 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:

| | **2009** | 2008 |
|---|---|---|
| At January 1 | **866.506** | 815.806 |
| Additions (Note 3) | **14.310** | 49.829 |
| Disposals | **-** | (19.862) |
| Put option fair value change (Note 23) | **(8.273)** | (47.994) |
| Currency translation differences | **(16.973)** | 68.727 |
| **At December 31** | **855.570** | 866.506 |

As of December 31, 2009 and 2008, business and geographical segment distributions of goodwill are presented below:

| | Turkey Beer | International Beer | Soft Drinks | Others | Group |
|---|---|---|---|---|---|
| **2009** | **50.099** | **523.450** | **269.843** | **12.178** | **855.570** |
| 2008 | 50.099 | 547.798 | 268.609 | - | 866.506 |

**Impairment Test for Goodwill**

As of December 31, 2009, the goodwill has been tested for impairment by comparing the carrying amount with recoverable amount. The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors and no impairment has been detected on goodwill. Perpetuity growth rate used in impairment test in the operating units is between 1,00% and 3,00% and after tax discount rate is between 10,33% and 14,40%.

## NOTE 21. GOVERMENT INCENTIVES AND GRANTS

As of December 31, 2009, 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, 2008 – None).

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

## NOTE 22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of December 31, 2009 and 2008, the movement of provisions is as follows:

| | **2009** | 2008 |
|---|---|---|
| Vacation pay liability | **15.141** | 16.023 |
| Management bonus accruals | **4.681** | 1.698 |
| Other | **512** | 514 |
| | **20.334** | 18.235 |

As of December 31, 2009 and 2008, movement of vacation pay liability is as follows:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **16.023** | 12.198 |
| Payments | **(593)** | (864) |
| Current year provision | **25** | 3.885 |
| Addition through acquisition | **59** | 181 |
| Currency translation differences | **(373)** | 623 |
| | **15.141** | 16.023 |

As of December 31, 2009 and 2008 movement of management bonus accruals is as follows:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **1.698** | 2.758 |
| Payments | **(15.500)** | (15.938) |
| Current year provision | **18.541** | 14.508 |
| Currency translation difference | **(58)** | 370 |
| | **4.681** | 1.698 |

## NOTE 23. COMMITMENTS AND CONTINGENCIES

**Anadolu Efes (Company)**

As of December 31, 2009 and 2008 guarantees, pledges and mortgages (GPMs) given by the Company is as follows:

| | **2009** | 2008 |
|---|---|---|
| A. GPMs given on behalf of the Company's legal personality | **12.907** | 7.396 |
| B. GPMs given in favor of subsidiaries included in full consolidation | **818.676** | 816.642 |
| C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business | **-** | - |
| D. Other GPMs | **-** | - |
| i. GPMs given in favor of parent company | - | - |
| ii. GPMs given in favor of group companies not in the scope of B and C above | **-** | - |
| iii. GPMs given in favor of third party companies not in the scope of C above | - | - |
| **Total** | **831.583** | 824.038 |

| | | |
|---|---|---|
| Ratio of other GPMs over the Company's equity (%) | **-** | **-** |

**NOTE 23. COMMITMENTS AND CONTINGENCIES (continued)**

**Ef-Pa – Tarbes**

As of December 31, 2009 and 2008, the commitments that are not included in the liabilities, consist of letter of guarantees given to banks, suppliers and customs offices are TRL 810 and TRL 598, respectively.

**EBI and Its Subsidiaries**

**Put Options**

The put option granted to the EBRD by EBI that may be exercisable between the 7th and the 10th anniversary of the date of the EBRD's first subscription in the share capital of Efes Moscow has been restructured and the exercisable period of the put option has been revised as between 2011 and 2015. 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. The liability for the put option has been measured by applying a weighting of different valuation techniques based on best estimates currently available, and TRL 90.425 (December 31, 2008 – TRL 101.400) has been presented in "other non-current liabilities" as liability for put option in the consolidated balance sheet. The valuation difference between current year fair value and prior year fair value amounting to TRL (10.532) has been disclosed as "put option fair value change" in goodwill (December 31, 2008 – TRL (54.924)).

The put option, which had been granted by EBI to Tradex Partner Limited Co. (Tradex) and that was exercisable between 2007 and 2010, has been exercised by purchasing shares of 6,70% in KV Group by EBI's Russian operating subsidiary Efes Moscow in August 2009 for a cash consideration of TRL 44.916. The positive valuation difference between current year fair value and prior year fair value amounting to TRL 2.259 has been disclosed as "put option fair value change" in goodwill (December 31, 2008 – TRL 6.930).

**CCİ, Its Subsidiaries and Joint Ventures**

**a) Put Options**

A put option has been granted to Day Investments Ltd. by CCİ that may be exercisable in 2012. By such option, Day Investments Ltd. will have right to sell its shares in Turkmenistan CC to CCİ at the price of USD 2.360 thousand. Group's portion of the liability for the put option amounting to TRL 1.785 has been presented in "other non-current liabilities".

**b) Letters of Guarantee**

As of December 31, 2009, CCİ's letters of guarantee given to various enterprises are amounting to TRL 56.013 (December 31, 2008 – TRL 25.365).

**Operational Lease**

As of December 31, 2009, Group's contingent liability for the following periods resulting from the non-cancellable operational lease agreements is amounting to TRL 14.642 (December 31, 2008 – TRL 17.322).

**Tax and Legal Matters**

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

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

## NOTE 24. EMPLOYEE BENEFITS

| | **2009** | 2008 |
|---|---|---|
| Employee termination benefits | **30.103** | 25.604 |
| Long-term incentive plans | **10.045** | 4.729 |
| | **40.148** | 30.333 |

In accordance with existing social legislation, the Group's companies incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay. The retirement pay liability as at 31 December 2009 is subject to a ceiling of TRL 2,365 (December 31, 2008 –TRL 2,173) (Retirement pay liability ceiling has been increased to TRL 2,427 as of 1 January, 2010). In the consolidated financial statements as of December 31, 2009 and 2008, 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:

| | **2009** | 2008 |
|---|---|---|
| Discount rate | **11,0%** | 12,0% |
| Expected salary / limit increase rate | **4,8%** | 5,4% |

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

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1 | **25.604** | 23.676 |
| Payments | **(4.583)** | (3.475) |
| Interest cost | **2.816** | 2.841 |
| Current year provision | **6.207** | 2.350 |
| Addition through joint venture acquired | **55** | 212 |
| Currency translation differences | **4** | - |
| | **30.103** | 25.604 |

## NOTE 25. PENSION PLANS

None (December 31, 2008 – None).

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

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

### a) Other Current Assets

| | 2009 | 2008 |
|---|---|---|
| Value Added Tax (VAT) deductible and VAT to be transferred | **55.806** | 56.294 |
| Prepaid expenses | **29.582** | 33.232 |
| Prepaid taxes | **27.517** | 34.705 |
| Advances given to suppliers | **25.912** | 29.723 |
| Other | **2.818** | 2.683 |
| | **141.635** | 156.637 |

### b) Other Non-Current Assets

| | 2009 | 2008 |
|---|---|---|
| Prepaid expenses | **27.260** | 16.687 |
| Advances given | **12.873** | 4.522 |
| Deferred VAT and other taxes | **5.275** | 4.612 |
| Other | **504** | 64 |
| | **45.912** | 25.885 |

### c) Other Current Liabilities

| | 2009 | 2008 |
|---|---|---|
| Expense accruals | **29.005** | 31.328 |
| Advances taken | **15.587** | 8.130 |
| Due to personnel | **3.514** | 3.817 |
| Liability for put option | **-** | 144.930 |
| Other | **2.187** | 1.737 |
| | **50.293** | 189.942 |

### d) Other Non-Current Liabilities

| | 2009 | 2008 |
|---|---|---|
| Liability for put option (Note 23) | **92.210** | - |
| Deferred VAT and other taxes | **5.228** | 4.560 |
| Other | **1.175** | 455 |
| | **98.613** | 5.015 |

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

## NOTE 27. EQUITY

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

| | **2009** | 2008 |
|---|---|---|
| Common shares 1 TRL par value | | |
| Authorized capital | **900.000** | 900.000 |
| Issued capital | **450.000** | 450.000 |

As of December 31, 2009 and 2008, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

| | **2009** | | 2008 | |
|---|---|---|---|---|
| | **Amount** | **%** | Amount | % |
| Yazıcılar Holding A.Ş. | **139.251** | **30,94** | 139.082 | 30,91 |
| Özilhan Sınai Yatırım A.Ş. | **78.937** | **17,54** | 78.910 | 17,54 |
| Anadolu Endüstri Holding A.Ş. (AEH) | **35.292** | **7,84** | 35.292 | 7,84 |
| Publicly traded and other | **196.520** | **43,68** | 196.716 | 43,71 |
| Issued capital | **450.000** | **100,00** | 450.000 | 100,00 |
| Inflation correction adjusment | **63.583** | | 63.583 | |
| | **513.583** | | 513.583 | |

As of December 31, 2009 and 2008, 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 cannot be used.

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

Based on the CMB Decree 1/6, dated January 9, 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.

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

**NOTE 27. EQUITY (continued)**

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

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

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

Net income for the year and other statutory resources treated for dividend distribution are TRL 1.055.588 as of December 31, 2009. (December 31, 2008 – TRL 921.365)

The Group distributed dividend in 2009, related with the year ended as of December 31, 2008, for a gross amount of full TRL 0,258 per share, amounting to a total of TRL 133.454 including the payments to founders and members of board of directors (2008 – gross amount full TRL 0,253 per share, total amount TRL 126.413 including the payments to founders and member of board of directors).

For December 31, 2009 and 2008, nominal amounts, equity restatement differences and restated value of equity are as follows:

| **December 31, 2009** | **Nominal Amount** | **Equity Restatement Differences** | **Restated Amount** |
|---|---|---|---|
| Issued capital | 450.000 | 63.583 | 513.583 |
| Legal reserves | 108.217 | 74.697 | 182.914 |
| Extraordinary reserves | 348.976 | 26.091 | 375.067 |
| | **907.193** | **164.371** | **1.071.564** |
| Value increase funds | | | 17.339 |
| Currency translation differences | | | (18.016) |
| Other reserves | | | 4.916 |
| Accumulated profits (Including net income) | | | 1.351.114 |
| **Equity attributable to equity holders of the parent** | | | **2.426.917** |

| December 31, 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 |
| Value increase funds | | | 811 |
| Currency translation differences | | | 19.791 |
| Accumulated profits (Including net income) | | | 1.177.677 |
| Equity attributable to equity holders of the parent | | | 2.154.146 |

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

## NOTE 28. SALES AND COST OF SALES

| Revenues | 2009 | 2008 |
|---|---|---|
| Domestic revenues | **2.193.184** | 2.100.952 |
| Foreign revenues | **1.617.883** | 1.567.965 |
| **Total Sales (net)** | **3.811.067** | 3.668.917 |
| **Cost of Sales (-)** | | |
| Net change in inventory | **1.488.821** | 1.430.680 |
| Depreciation and amortisation expense on PP&E and intangible assets | **134.821** | 124.899 |
| Personnel expenses | **101.978** | 102.048 |
| Utility expenses | **88.407** | 85.382 |
| Provision for retirement pay liability | **1.859** | 1.204 |
| Other expenses | **92.048** | 116.494 |
| **Total cost of sales** | **1.907.934** | 1.860.707 |
| **Gross Operating Profit** | **1.903.133** | 1.808.210 |

As of January 1- December 31, 2009 and 2008, the amount of excise tax accrued over beer sales by the Group in Turkey are TRL 1.042.193 and TRL 968.871, respectively.

## NOTE 29. OPERATING EXPENSES

### a) Selling, Distribution and Marketing Expenses

| | 2009 | 2008 |
|---|---|---|
| Advertising, selling and marketing expenses | **405.857** | 397.352 |
| Personnel expenses | **168.543** | 161.628 |
| Transportation and distribution expenses | **148.208** | 160.761 |
| Depreciation and amortization expense on PP&E and intangible assets | **114.286** | 102.812 |
| Utilities and communication expenses | **17.359** | 19.021 |
| Rent expenses | **9.183** | 10.535 |
| Repair and maintenance expenses | **7.372** | 6.894 |
| Obsolete inventory provision, net | **3.409** | 6.859 |
| Provision for retirement pay liability | **2.761** | 1.393 |
| Other expenses | **51.072** | 45.773 |
| | **928.050** | 913.028 |

### b) General and Administration Expenses

| | 2009 | 2008 |
|---|---|---|
| Personnel expenses | **143.968** | 138.124 |
| Services rendered from outside | **68.471** | 62.128 |
| Taxation (other than on income) expenses | **18.031** | 17.297 |
| Depreciation and amortization expense on PP&E and intangible assets | **15.973** | 15.238 |
| Utilities and communication expenses | **9.445** | 9.188 |
| Insurance expenses | **7.298** | 5.895 |
| Provision for retirement pay liability | **4.403** | 2.594 |
| Meeting and travel expenses | **3.919** | 4.827 |
| Repair and maintenance expenses | **3.319** | 3.882 |
| Other expenses | **47.267** | 47.717 |
| | **322.094** | 306.890 |

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

## NOTE 30. EXPENSES BY NATURE

### a) Depreciation and Amortization Expenses

| | **2009** | 2008 |
|---|---|---|
| Cost of sales | **(134.821)** | (124.899) |
| Marketing, selling and distribution expenses | **(114.286)** | (102.812) |
| General and administration expenses | **(15.973)** | (15.238) |
| Other operating expenses | **(477)** | (545) |
| | **(265.557)** | (243.494) |

### b) Personnel Expenses

| | **2009** | 2008 |
|---|---|---|
| Cost of sales | **(101.978)** | (102.048) |
| Marketing, selling and distribution expenses | **(168.543)** | (161.628) |
| General and administration expenses | **(143.968)** | (138.124) |
| | **(414.489)** | (401.800) |

## NOTE 31. OTHER OPERATING INCOME / EXPENSE

### a) Other Operating Income

| | **2009** | 2008 |
|---|---|---|
| Negative goodwill (Note 3) | **13.503** | 579 |
| Insurance compensation income | **5.977** | 2.708 |
| Income from scrap and other materials | **4.980** | 7.238 |
| Gain on sale of fixed assets | **3.733** | 18.068 |
| Impairment reversal of fixed assets (Note 18) | **631** | - |
| Income from sale of subsidiary (Note 3) | **-** | 41.621 |
| Other income | **12.646** | 12.183 |
| | **41.470** | 82.397 |

### b) Other Operating Expense

| | **2009** | 2008 |
|---|---|---|
| Donations | **(22.297)** | (22.516) |
| Loss from fixed assets sales | **(8.360)** | (9.607) |
| Impairment loss on fixed assets (Note 18) | **(70)** | (1.687) |
| Impairment of financial investments | **-** | (1.202) |
| Other expenses | **(15.751)** | (8.162) |
| | **(46.478)** | (43.174) |

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

## NOTE 32. FINANCIAL INCOME

| | 2009 | 2008 |
|---|---|---|
| Foreign exchange gain | **315.852** | 140.601 |
| Interest income | **59.209** | 45.599 |
| Gain from derivative financial instruments | **20** | 1.227 |
| | **375.081** | 187.427 |

## NOTE 33. FINANCIAL EXPENSES

| | 2009 | 2008 |
|---|---|---|
| Foreign exchange loss | **(375.748)** | (353.689) |
| Interest expense | **(84.007)** | (90.597) |
| Loss from derivative financial instruments | **(607)** | (1.504) |
| Other financial expenses | **(8.021)** | (8.523) |
| | **(468.383)** | (454.313) |

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

None (December 31, 2008 - None).

## NOTE 35. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 20% in Turkey (2008 - 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% (2008 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

The main components of tax income and expenses as of December 31, 2009 and 2008 are as follows:

| | 2009 | 2008 |
|---|---|---|
| Current tax expense | **(127.260)** | (95.572) |
| Deferred tax income / (expense), net | **5.778** | 29.267 |
| | **(121.482)** | (66.305) |

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

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

As of December 31, 2009 and 2008, 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:

| | **2009** | 2008 |
|---|---|---|
| Consolidated profit before tax | **543.754** | 354.975 |
| Enacted tax rate | **%20** | 20% |
| Tax calculated at the parent company tax rate | **(108.751)** | (70.995) |
| Non-deductible expenses | **(6.448)** | (5.229) |
| Income excluded from tax bases | **2.426** | 13.800 |
| Impact of different tax rates | **2.722** | 11.619 |
| Other | **(11.431)** | (15.500) |
| | **(121.482)** | (66.305) |

As of December 31, 2009 and 2008 consolidated deferred tax assets calculated by using effective tax rates are summarized as below:

| | **Asset** | | **Liability** | | **Net** | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| PPE and intangible assets | **-** | - | **(77.733)** | (69.044) | **(77.733)** | (69.044) |
| Inventories | **3.923** | 2.085 | **-** | - | **3.923** | 2.085 |
| Carry forward losses | **57.149** | 50.760 | **-** | - | **57.149** | 50.760 |
| Retirement pay liability and other benefits | **10.373** | 8.461 | **-** | - | **10.373** | 8.461 |
| Other (*) | **19.379** | 17.959 | **-** | - | **19.379** | 17.959 |
| | **90.824** | 79.265 | **(77.733)** | (69.044) | **13.091** | 10.221 |

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

As of December 31, 2009 and 2008, the movement of deferred tax liability is as follows:

| | **2009** | 2008 |
|---|---|---|
| Balance at January 1, | **10.221** | (17.433) |
| Recorded to the consolidated income statement | **5.778** | 29.267 |
| Recognized in equity (Note 7) | **(870)** | 1.341 |
| Addition through company acquisition | **(1.699)** | (4.046) |
| Currency translation adjustment | **(339)** | 1.092 |
| **Balance at December 31** | **13.091** | 10.221 |

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

## 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:

| | 2009 | 2008 |
|---|---|---|
| Net income | **422.588** | 309.678 |
| Weighted average number of shares | **450.000.000** | 450.000.000 |
| Net profit per share (full TRL) | **0,9391** | 0,6882 |

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

| | 2009 | 2008 |
|---|---|---|
| Alternatifbank (2) (5) | **218.315** | 178.032 |
| Alternatif Yatırım A.Ş. (5) | **1.945** | 2.683 |
| | **220.260** | 180.715 |

#### ii) Due from Related Parties

| | 2009 | 2008 |
|---|---|---|
| Anadolu Restoran İşletmeleri Ltd. Şti. (5) | **127** | - |
| Mutena Maltery (2) | **-** | 3.065 |
| Turkmenistan CC (3) | **-** | 131 |
| Other | **683** | 677 |
| | **810** | 3.873 |

#### iii) Due to Related Parties

| | 2009 | 2008 |
|---|---|---|
| Mutena Maltery (2) | **8.248** | 9.667 |
| Oyex Handels GmbH (5) | **4.553** | 2.488 |
| Anadolu Bilişim Hizmetleri A.Ş. (2) (5) | **1.088** | 1.443 |
| AEH (1) (4) | **313** | 1.395 |
| Other | **794** | 1.640 |
| | **14.996** | 16.633 |

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

## NOTE 37. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

### b) Transactions with Related Parties

#### i) Purchases of Goods and Other Charges

| | 2009 | 2008 |
|---|---|---|
| Efes Pilsen Spor Kulübü | **33.000** | 22.000 |
| Oyex Handels GmbH (5) | **26.932** | 23.666 |
| Anadolu Vakfı | **22.261** | 22.505 |
| AEH (1) (4) | **12.824** | 12.049 |
| Anadolu Bilişim Hizmetleri A.Ş. (2) (5) | **12.673** | 12.895 |
| Çelik Motor Ticaret A.Ş. (5) | **10.060** | 6.616 |
| Mutena Maltery (2) | **7.727** | 8.412 |
| AEH Münih (5) | **4.476** | 4.970 |
| Efes Turizm İşletmeleri A.Ş. (5) | **3.452** | 5.882 |
| Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (1) | **1.145** | 1.046 |
| Other | **2.894** | 2.358 |
| | **137.444** | 122.399 |

#### ii) Financial Income / (Expense), Net

| | 2009 | 2008 |
|---|---|---|
| Alternatifbank (2) (5) | **12.839** | 32.612 |
| AEH (1) (4) | **1.183** | 1.487 |
| | **14.022** | 34.099 |

#### iii) Other Income / (Expense), Net

| | 2009 | 2008 |
|---|---|---|
| Anadolu Bilişim Hizmetleri A.Ş. (2) (5) | **263** | 80 |
| Alternatifbank (2) (5) | **80** | 216 |
| Anadolu Restaurant İşl. Ltd. Şti. (5) | **65** | 68 |
| Other | **580** | 399 |
| | **988** | 763 |

**(1)** Related party of Yazıcılar Holding A.Ş., a shareholder
**(2)** Non-current financial investment of the Group
**(3)** Turkmenistan CC has been consolidated in the financial statements of CCİ in 2009.
**(4)** The shareholder of the Group
**(5)** Related party of AEH, a shareholder

#### iv) Director's remuneration

As of December 31, 2009, remuneration and similar benefits received by total executive members of the Board of Directors, Chief Executive Officer (CFO), Chief Operating Officers (CEO) and Directors are as follows:

| | 2009 | 2008 |
|---|---|---|
| Executive members of Board of Directors | **12.324** | 8.921 |
| CFO, CEO and Directors (*) | **12.134** | 10.840 |
| | **24.458** | 19.761 |

(*) After revision in the scope of directors' definition, remuneration amount for 2008 has been restated decreasing by TRL 2.280.

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

## 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 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, 2009.

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

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

| | **2009** | 2008 |
|---|---|---|
| **Financial instruments with fixed interest rate** | | |
| Financial assets | | |
| Financial assets at fair value through profit or loss | **1.038.185** | 657.523 |
| Financial liabilities | **232.892** | 278.591 |
| | | |
| **Financial instruments with floating interest rate** | | |
| Financial liabilities | **1.624.463** | 1.550.368 |

At December 31, 2009, 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, 2010, which is the following reporting period, would be:

| | **2009** | 2008 |
|---|---|---|
| Change in USD denominated borrowing interest rate | **2.685** | 3.477 |
| Change in EURO denominated borrowing interest rate | **754** | 179 |
| Change in Other denominated borrowing interest rate | **285** | 185 |
| Total | **3.724** | 3.841 |

### b) Foreign Currency Risk

Foreign currency risk arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

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

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

### b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of December 31, 2009 and 2008 are presented below:

**Foreign Currency Position Table**
**2009**

| | Total TRL Equivalent (Functional Currency) | USD | TRL Equivalent | Euro | TRL Equivalent | Other Foreign Currency TRL Equivalent |
|---|---|---|---|---|---|---|
| 1. Trade Receivables and Due from Related Parties | 12.203 | 3.644 | 5.487 | 825 | 1.783 | 4.933 |
| 2a. Monetary Financial Assets (Cash and cash equivalents included) | 172.818 | 48.041 | 72.335 | 38.421 | 83.001 | 17.482 |
| 2b. Non- monetary Financial Assets | - | - | - | - | - | - |
| 3. Other Current Assets and Receivables | 3.741 | 74 | 112 | 173 | 374 | 3.255 |
| **4. Current Assets** | **188.762** | **51.759** | **77.934** | **39.419** | **85.158** | **25.670** |
| 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** | **188.762** | **51.759** | **77.934** | **39.419** | **85.158** | **25.670** |
| 10. Trade Payables and Due to Related Parties | (76.315) | (5.642) | (8.495) | (30.586) | (66.075) | (1.745) |
| 11. Short- term Borrowings and Current Portion of Long- term Borrowing | (512.407) | (317.936) | (478.716) | (15.596) | (33.691) | - |
| 12a. Monetary Other Liabilities | (4.393) | (604) | (910) | (362) | (783) | (2.700) |
| 12b. Non-monetary Other Liabilities | - | - | - | - | - | - |
| **13. Current Liabilities** | **(593.115)** | **(324.182)** | **(488.121)** | **(46.544)** | **(100.549)** | **(4.445)** |
| 14. Trade Payables and Due to Related Parties | (933) | - | - | (432) | (933) | - |
| 15. Long-Term Borrowings | (595.039) | (209.343) | (315.208) | (129.533) | (279.831) | - |
| 16 a. Monetary Other Liabilities | - | - | - | - | - | - |
| 16 b. Non-monetary Other Liabilities | - | - | - | - | - | - |
| **17. Non-Current Liabilities** | **(595.972)** | **(209.343)** | **(315.208)** | **(129.965)** | **(280.764)** | **-** |
| **18. Total Liabilities** | **(1.189.087)** | **(533.525)** | **(803.329)** | **(176.509)** | **(381.313)** | **(4.445)** |
| **19. Off Balance Sheet Derivative Items' Net Asset/(Liability) Position** | **-** | **-** | **-** | **-** | **-** | **-** |
| **19a. Total Hedged Assets** | **-** | **-** | **-** | **-** | **-** | **-** |
| **19b. Total Hedged Liabilities** | **-** | **-** | **-** | **-** | **-** | **-** |
| **20. Net Foreign Currency Asset / (Liability) Position** | **(1.000.325)** | **(481.766)** | **(725.395)** | **(137.090)** | **(296.155)** | **21.225** |
| **21. Monetary Items Net Foreign Currency Asset / (Liability) Position** | **(1.004.066)** | **(481.840)** | **(725.507)** | **(137.263)** | **(296.529)** | **17.970** |
| **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**
**2008**

| | Total TRL Equivalent (Functional Currency) | USD | TRL Equivalent | Euro | TRL Equivalent | Other Foreign Currency TRL 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 | - | - | - | - | - | - |
| 16 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** | **-** | **-** | **-** | **-** | **-** | **-** |

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

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

**b) Foreign Currency Risk (continued)**

The information regarding the export and import figures realized as of December 31, 2009 and 2008 is as follows:

| | **2009** | 2008 |
|---|---|---|
| Total Export | **98.606** | 81.968 |
| Total Import | **509.818** | 521.453 |

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2009 and 2008:

| **Foreign Currency Position Sensitivity Analysis** | | | | |
|---|---|---|---|---|
| | **2009** | | | |
| | **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 TRL by 10%:** | | | | |
| USD denominated net asset / (liability) | (72.540) | 72.540 | 105.876 | (105.876) |
| USD denominated hedging instruments(-) | - | - | - | - |
| **Net effect in USD** | **(72.540)** | **72.540** | **105.876** | **(105.876)** |
| **Increase / decrease in the EURO against TRL by 10%:** | | | | |
| EURO denominated net asset / (liability) | (29.616) | 29.616 | 2.130 | (2.130) |
| EURO denominated hedging instruments(-) | - | - | - | - |
| **Net effect in EURO** | **(29.616)** | **29.616** | **2.130** | **(2.130)** |
| **Increase / decrease in the other foreign currencies against TRL by 10%:** | | | | |
| Other foreign currency denominated net asset / (liability) | 2.123 | (2.123) | - | - |
| Other foreign currency hedging instruments(-) | - | - | - | - |
| **Net effect in other foreign currency** | **2.123** | **(2.123)** | **-** | **-** |
| **TOTAL** | **(100.033)** | **100.033** | **108.006** | **(108.006)** |

| 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 TRL 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 TRL 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 TRL 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) |

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

## 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, 2009 and 2008;

| **2009** | **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 | 1.857.385 | 1.939.770 | 689.223 | 270.582 | 979.965 | - |
| Trade Payable and due to related parties | 249.875 | 249.902 | 203.607 | 41.152 | 5.143 | - |
| Liability for put option | 92.210 | 92.210 | - | - | 92.210 | - |

| 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 | - | - | - |

### d) Price Risk

This is a combination of currency, interest and market risks which the Group manages through natural hedges that arise from offsetting the same currency receivables and payables, interest bearing assets and liabilities. Market risk is closely monitored by the management using the available market information and appropriate valuation methods.

### e) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by limiting transactions with specific counterparties and continually assessing the creditworthiness of the counterparties.

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

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

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

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

### e) Credit Risk (continued)

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2009 and 2008 are disclosed as below:

| | **Receivables** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Trade Receivables** | | **Other Receivables** | | | | |
| **Current Year** | **Due from related parties** | **Due from third parties** | **Due from related parties** | **Due from third parties** | **Deposits** | **Derivative Instruments** | **Other** |
| **Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)** | **810** | **421.539** | **-** | **6.771** | **1.071.525** | **-** | **65.750** |
| - Maximum credit risk secured by guarantees | - | 245.455 | - | 74 | - | - | - |
| A. Net carrying amount of financial assets that are neither past due nor impaired | 810 | 371.686 | - | 6.771 | 1.071.525 | - | - |
| 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 | - | 48.007 | - | - | - | - | - |
| - Under guarantee | | 6.908 | - | - | - | - | - |
| D. Net carrying amount of financial assets impaired | - | 1.846 | - | - | - | - | - |
| - past due (gross carrying value) | - | 15.713 | - | - | - | - | - |
| - impaired (-) | - | (13.867) | - | - | - | - | - |
| - Net carrying amount of financial assets under guarantee | - | 1.846 | - | - | - | - | - |
| - not past due (gross carrying value) | - | - | - | - | - | - | - |
| - impaired (-) | - | - | - | - | - | - | - |
| - Net carrying amount of financial assets under guarantee | - | - | - | - | - | - | - |
| E. Off- balance sheet items which include credit risk | - | - | - | - | - | - | 65.750 |

| **Current Year** | **Trade Receivables** | **Other Receivables** | **Deposits** | **Derivative Instruments** | **Other** |
|---|---|---|---|---|---|
| **Past due between 1-30 days** | **21.425** | **-** | **-** | **-** | **-** |
| **Past due between 1-3 months** | **13.411** | **-** | **-** | **-** | **-** |
| **Past due between 3-12 months** | **6.901** | **-** | **-** | **-** | **-** |
| **Past due for more more than 1 year** | **6.270** | **-** | **-** | **-** | **-** |

| | Receivables | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trade Receivables | | Other Receivables | | | | |
| Prior Year | Due from related parties | Due from third parties | Due from related parties | Due from third parties | Deposits | Derivative Instruments | Other |
| Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E) | **3.873** | **421.214** | **-** | **11.500** | **689.304** | **-** | **25.054** |
| - Maximum credit risk secured by guarantees | - | 233.464 | - | - | - | - | - |
| A. Net carrying amount of financial assets that are neither past due nor impaired | 3.873 | 345.027 | - | 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 | - | 74.297 | - | - | - | - | - |
| - 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 |

| Prior Year | Trade Receivables | Other Receivables | Deposits | Derivative Instruments | Other |
|---|---|---|---|---|---|
| Past due between 1-30 days | 46.074 | - | - | - | - |
| Past due between 1-3 months | 14.032 | - | - | - | - |
| Past due between 3-12 months | 9.921 | - | - | - | - |
| Past due for more more than 1 year | 4.270 | - | - | - | - |

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

### 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.

**Fair value hierarchy table**

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

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

| **Financial assets at fair value** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| Share certificates | 34.240 | - | 5.075 |
| Investment funds | 1.753 | - | - |
| **Financial liabilities at fair value** | | | |
| Interest rate swap | - | 1.488 | - |
| Options | - | - | 90.425 |

## 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.

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

## NOTE 40. SUBSEQUENT EVENTS

In January 2010, the Council of State Department No 13 has ruled an interlocutory injunction which suspended the Competition Board's approval of the sale of "Tekel Birası" beer brand to Anadolu Efes.

In February 2010, Efes Moscow completed a cash capital increase in the amount of USD 200 million. The Group and the minority shareholder EBRD both contributed to this capital increase as per their shareholding therefore Efes Moscow's effective shareholding rate remains the same.

In February 2010, the Group repriced the Term Loan signed on July 6, 2009 and amounting USD 300 million (equivalent amount) with the consent of all of the banks at the original facility. Consequently, interest rate of both USD and EURO tranches declined to LIBOR+300 bps per annum and EURIBOR+300 bps per annum respectively from 475 bps per annum above the related benchmark rates. All other terms, including the maturity of the loan remains the same.

In March 2010, in accordance with the restructuring of the Efes Group Companies located in Russia, the official merger process of Amstar and Rostov Beverages with Efes Moscow has been completed.

In March 2010, CCİ decided to utilize USD 360 million loan, which will be used to refinance maturing debts of CCI and some of its subsidiaries for the planned early payments of the loans and for other funding requirements.

In March 2010, Board of Directors of Anadolu Etap resolved to increase the capital of Anadolu Etap by TL 27.585. The Company resolved to participate in the capital increase as per its shareholding of 33,33%.

In March 30, 2010, Anadolu Efes acquired 10.987.470 EBI GDRs representing approximately 25,98% of the issued share capital of EBI from a group of shareholders at a price of USD 17,00 per GDR, each representing 5 shares. Anadolu Efes already owns 155.329.514 EBI Shares representing approximately 73,47% of the issued share capital of EBI, thus following the transaction, Anadolu Efes will control approximately 99,45% of the entire issued share capital of EBI. The total consideration of approximately USD 187 million has been provided from Anadolu Efes' existing cash resources and an additional bilateral loan received in the amount of USD 100 million with a maturity of two years. Under the rules of the City Code on Takeover and Mergers of the United Kingdom, Anadolu Efes intends to make an all cash offer as soon as reasonably practical to acquire the outstanding 232.341 EBI GDRs, representing approximately 0,55% of the issued share capital of EBI, at a price of USD 17,00 per GDR. Further, Anadolu Efes intends to instigate procedures to begin the compulsorily purchase of any outstanding EBI shares pursuant to the squeeze out procedures in the Netherlands.

## NOTE 41. OTHER ISSUES

### Net Interest Income / (Expense)

| | **2009** | 2008 |
|---|---|---|
| Interest income (Note 32) | **59.209** | 45.599 |
| Interest expense (Note 33) | **(84.007)** | (90.597) |
| Other expenses related to borrowings | **(4.642)** | (5.518) |
| | **(29.440)** | (50.516) |

…………………………………….