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

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

pwc

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 31 December 2014 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standards that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

   An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 independent audit includes also 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 consolidated financial statements.

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

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

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. and its subsidiaries as at 31 December 2014 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

5. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 5 March 2015.

6. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Burak Özpoyraz, SMMM
Partner

Istanbul, 5 March 2015

Consolidated Financial Statements as of December 31, 2014

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
	Notes	**2014**	2013
ASSETS			
Current Assets		**4.497.418**	4.959.127
Cash and Cash Equivalents	6	**1.559.518**	1.746.369
Financial Investments	7	**2.971**	562.985
Trade Receivables			
- Trade Receivables from Related Parties	34	**1.201**	6.213
- Trade Receivables from Third Parties	10	**1.062.931**	888.315
Other Receivables from Third Parties	11	**55.492**	47.523
Inventories	12	**1.085.532**	1.004.016
Prepaid Expenses	13	**436.152**	430.509
Derivative Financial Instruments	9	**3.005**	-
Prepaid Income Tax		**91.945**	74.556
Other Current Assets	22	**198.671**	198.641
Non-Current Assets		**15.616.387**	17.407.857
Financial Investments		**767**	786
Other Receivables from Third Parties	11	**9.506**	5.566
Investments in Associates	14	**72.517**	62.755
Investment Property	15	**77.078**	117.135
Property, Plant and Equipment	16	**5.538.159**	5.759.638
Intangible Assets			
- Goodwill	18	**1.232.465**	2.453.049
- Other Intangible Assets	17	**8.236.894**	8.636.751
Prepaid Expenses	13	**252.884**	222.670
Deferred Tax Asset	32	**153.272**	132.529
Other Non-Current Assets	22	**42.845**	16.978
TOTAL ASSETS		**20.113.805**	22.366.984

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
	Notes	**2014**	2013
LIABILITIES			
Current Liabilities		**2.533.723**	3.147.302
Short-term Borrowings	8	**521.571**	303.369
Short-term Portion of Long-term Borrowings	8	**354.072**	1.437.073
Trade Payables			
- Trade Payables to Related Parties	34	**37.360**	27.630
- Trade Payables to Third Parties	10	**849.359**	773.687
Employee Benefits Payable	21	**44.022**	53.612
Other Payables to Third Parties	11	**571.691**	414.449
Derivative Instruments	9	**388**	479
Deferred Income	13	**26.414**	50.654
Provision for Income Tax		**5.186**	6.753
Short-term Provisions			
- Short-term Provision for Employee Benefits	21	**112.165**	67.786
- Other Short-term Provisions		**1.544**	5.396
Other Current Liabilities	22	**9.951**	6.414
Non-Current Liabilities		**5.756.143**	5.757.756
Long-term Borrowings	8	**3.631.155**	3.535.490
Trade Payables to Third Parties		**27.148**	2.895
Other Payables to Third Parties	11	**239.124**	210.821
Deferred Income	13	**2.611**	3.643
Long-term Provision for Employee Benefits	21	**94.269**	88.319
Deferred Tax Liability	32	**1.633.503**	1.730.612
Other Non-Current Liabilities	22	**128.333**	185.976
Equity		**11.823.939**	13.461.926
Equity Attributable to Equity Holders of the Parent		**7.609.255**	9.571.651
Issued Capital	23	**592.105**	592.105
Inflation Adjustment to Issued Capital	23	**63.583**	63.583
Share Premium/Discount	23	**3.137.684**	3.137.684
Other Reserves	23	**(235.742)**	(235.742)
Cumulative Other Comprehensive Income / Expense will not be Reclassified to Profit and Loss			
- Revaluation and Remeasurement Loss	23	**(10.480)**	(5.398)
Cumulative Other Comprehensive Income / Expense will be Reclassified to Profit and Loss			
- Currency Translation Differences	23	**(498.289)**	968.155
- Hedge Gain / Loss	23	**2.234**	(304)
- Revaluation Gain	23	**8.817**	(10.008)
Restricted Reserves	23	**249.541**	249.541
Accumulated Profit	23	**4.812.035**	2.203.115
Net Income/ (Loss)		**(512.233)**	2.608.920
Non-Controlling Interests	4	**4.214.684**	3.890.275
TOTAL LIABILITIES		**20.113.805**	22.366.984

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

CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2014
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2014	Audited 2013
Revenue	5, 24	**10.079.137**	9.195.773
Cost of Sales (-)	24	**(5.662.038)**	(5.200.108)
GROSS PROFIT		**4.417.099**	3.995.665
General and Administrative Expenses (-)	25	**(891.023)**	(797.048)
Sales, Distribution and Marketing Expenses (-)	25	**(2.610.369)**	(2.461.797)
Other Operating Income	27	**142.170**	79.155
Other Operating Expenses (-)	27	**(141.701)**	(72.121)
PROFIT FROM OPERATIONS		**916.176**	743.854
Income from Investing Activities	28	**38.678**	2.801.995
Expenses from Investing Activities (-)	29	**(587.672)**	(84.161)
Income/ (Loss) from Associates	14	**(1.723)**	(9.821)
OPERATING PROFIT BEFORE FINANCE INCOME / (EXPENSE)		**365.459**	3.451.867
Finance Income	30	**810.889**	406.981
Finance Expenses (-)	31	**(1.439.428)**	(956.405)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(263.080)**	2.902.443
Continuing Operations Tax Income / Expense			
- Current Period Tax Expense (-)	32	**(124.729)**	(104.161)
- Deferred Tax Income	32	**56.255**	54.708
PROFIT/(LOSS) FOR THE PERIOD		**(331.554)**	2.852.990
Profit/(Loss) for the Period Attributable to			
- Non-Controlling Interest	4	**180.679**	244.070
- Equity Holders of the Parent		**(512.233)**	2.608.920
Earnings Per Share (Full TRL)	33	**(0,8651)**	4,4062

As the details stated in "Note 3 - Transactions Related with 2013" the nonrecurring gain amounting to TRL 2.722.194 is recognized in the consolidated income statement under "Income from Investing Activities" for the year ended December 31, 2013.

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

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2014
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Audited	
	2014	2013
PROFIT/(LOSS) FOR THE PERIOD	**(331.554)**	2.852.990
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to Profit and Loss		
Actuarial Loss from Defined Benefit Plans	**(9.120)**	(3.368)
Taxation on Other Comprehensive Income that will not be reclassified to Profit and Loss		
- Deferred Tax Expense (-) / Income	**1.824**	674
To be Classified to Profit and Loss		
Currency Translation Differences	**(1.297.816)**	1.231.176
Available for Sale Financial Investments Revaluation (Loss) / Gain	**-**	(63.158)
Cash Flow Hedge (Loss) / Gain	**4.431**	(754)
Other Comprehensive Income that will be reclassified to Profit	**37.455**	(10.006)
Taxation on Other Comprehensive Income that will be reclassified to Profit and Loss		
- Deferred Tax Expense (-) / Income	**(886)**	3.309
OTHER COMPREHENSIVE INCOME / LOSS	**(1.264.112)**	1.157.873
TOTAL COMPREHENSIVE INCOME	**(1.595.666)**	4.010.863
Total Comprehensive Income Attributable to		
- Non-Controlling Interest	**366.730**	567.413
- Equity Holders of the Parent	**(1.962.396)**	3.443.450

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2014

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

				Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss	Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss					Accumulated Profit				
	Issued Capital	**Inflation Adjustment to Issued Capital**	**Share Premium/ Discount**	**Revaluation and Remeasurement Gain / (Loss)**	**Currency Translation Differences**	**Hedge Gain / (Loss)**	**Revaluation Gain / (Loss)**	**Other Reserves**	**Restricted Reserves**	**Accumulated Profit /(Loss)**	**Net Income**	**Equity Attributable to Equity Holders of the Parent**	**Non-Controlling Interests**	**Equity**
Balance as of January 1, 2013 (Beginning) (Previously Reported)	592.105	63.583	3.137.684	-	141.456	113	55.875	(10.653)	209.644	1.908.080	606.870	6.704.757	82.034	6.786.791
Restatement due to change in IFRS 11	-	-	-	-	-	-	-	-	-	-	-	-	(12.405)	(12.405)
Restatement due to change in IAS 19	-	-	-	(7.152)	-	-	-	-	-	2.219	2.941	(1.992)	-	(1.992)
Balances as of January 1, 2013 (Beginning) (Restated)	592.105	63.583	3.137.684	(7.152)	141.456	113	55.875	(10.653)	209.644	1.910.299	609.811	6.702.765	69.629	6.772.394
Transfers	-	-	-	-	-	-	-	-	39.897	292.816	(332.713)	-	-	-
Total Comprehensive Income	-	-	-	(238)	905.079	(304)	(70.007)	-	-	-	2.608.920	3.443.450	567.413	4.010.863
Dividends	-	-	-	-	-	-	-	-	-	-	(277.098)	(277.098)	(40.064)	(317.162)
Change in non-controlling interest due to purchase of non-controlling interest (Note 3)	-	-	-	-	-	-	-	(225.089)	-	-	-	(225.089)	(65.807)	(290.896)
Transfers due to Change in Scope of Consolidation (*)	-	-	-	1.992	(78.380)	(113)	4.124	-	-	-	-	(72.377)	-	(72.377)
Change in Non-Controlling Interests due to Change in Scope of Consolidation (**)	-	-	-	-	-	-	-	-	-	-	-	-	3.359.104	3.359.104
Balance as of December 31, 2013 (Ending)	592.105	63.583	3.137.684	(5.398)	968.155	(304)	(10.008)	(235.742)	249.541	2.203.115	2.608.920	9.571.651	3.890.275	13.461.926
Balances as of January 1, 2014 (Beginning) (Restated)	**592.105**	**63.583**	**3.137.684**	**(5.398)**	**968.155**	**(304)**	**(10.008)**	**(235.742)**	**249.541**	**2.203.115**	**2.608.920**	**9.571.651**	**3.890.275**	**13.461.926**
Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.608.920**	**(2.608.920)**	**-**	**-**	**-**
Total Comprehensive Income	**-**	**-**	**-**	**(5.082)**	**(1.466.444)**	**2.538**	**18.825**	**-**	**-**	**-**	**(512.233)**	**(1.962.396)**	**366.730**	**(1.595.666)**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(42.321)**	**(42.321)**
Balance as of December 31, 2014 (Ending)	**592.105**	**63.583**	**3.137.684**	**(10.480)**	**(498.289)**	**2.234**	**8.817**	**(235.742)**	**249.541**	**4.812.035**	**(512.233)**	**7.609.255**	**4.214.684**	**11.823.939**

(*) The transfers reflect transferred amounts to the statement of income which are previously recognized in other comprehensive income as a result, effective from January 1, 2013 CCİ and CCBPL, previously accounted by using equity method is included in scope of consolidation.
(**) The change represents changes in non-controlling interests resulting from including CCİ and CCBPL in consolidation as of January 1, 2013.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2014
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited 2014	2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		**1.569.239**	1.263.694
Profit/ (Loss) for the Period		**(331.554)**	2.852.990
Adjustments Related to Reconciliation of Profit for the Period			
Depreciation and Amortization	5, 15, 16, 17, 26	**726.504**	711.713
Provision / (Reversal of Provision) for Inventory Obsolescence, net	12	**1.240**	4.698
Impairment / (Reversal of Impairment) on Property, Plant And Equipment, net	16, 28, 29	**5.845**	75.326
Impairment / (Reversal of Impairment) on Intangibles, net	17, 18, 28, 29	**579.726**	1.226
Provision / (Reversal of Provision) for Doubtful Receivables, net	10	**1.613**	2.290
Provision for Retirement Pay Liability	5, 21, 24, 25	**18.592**	16.714
Provision for Vacation Pay Liability	5, 21	**7.507**	11.941
Provision for Long Term Incentive Plan	21	**16.816**	10.493
Borrowing Expenses	31	**661**	661
Equity Loss / (Income) from Associates	14	**1.723**	9.821
Gain on Sale of Subsidiaries	28, 29	**120**	(74.566)
Income Recognized due to Change in Scope of Consolidation	28	**-**	(2.722.194)
Interest Income and Expense Adjustment	30, 31	**108.200**	79.974
Foreign Exchange Loss from Borrowings		**582.183**	610.173
Tax Income / Expense Adjustment	32	**68.474**	49.453
Gain / Loss from Sales of Non-Current Assets	28, 29	**(36.697)**	2.395
Change in Working Capital			
Adjustments Related to Increase / Decrease in Inventory		**(78.393)**	(97.893)
Adjustments Related to Increase / Decrease in Trade Receivables		**(170.727)**	(53.434)
Adjustments Related to Increase / Decrease in Other Operating Receivables		**(61.402)**	45.708
Adjustments Related to Increase / Decrease in Trade Payables		**105.823**	58.848
Adjustments Related to Increase / Decrease in Other Operating Payables		**230.860**	(148.835)
Vacation Pay, Retirement Pay Liability And Long Term Incentive Plan Paid	21	**(51.377)**	(30.065)
Other Reconciling Adjustments		**1.257**	(579)
Taxes Paid		**(157.755)**	(153.164)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(1.050.188)**	(842.826)
Cash Inflow from Sale of Tangible and Intangible Assets		**61.919**	23.773
Cash Outflow from Purchase of Tangible and Intangible Assets		**(1.045.809)**	(1.174.551)
Cash Inflow from the Sale of Other Subsidiaries or Share of Funds or Debt Instruments		**49**	92.197
Capital Increase in Jointly Controlled Entities	14	**(10.535)**	(37.201)
Capital Increase from Non-Controlling Interests		**-**	53.627
Cash Outflow from Acquisition of Non-Controlling Interests, net	3	**(55.812)**	(290.896)
Cash Inflow due to Change in Scope of Consolidation	3	-	490.225
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(722.995)**	(192.685)
Cash Inflow from Borrowings		**735.969**	2.889.437
Cash Outflows from Repayment of Borrowings		**(1.869.146)**	(2.341.738)
Dividends Paid	23	**-**	(277.098)
Dividends Paid to Non-Controlling Interests	4	**(42.321)**	(40.064)
Interest Received		**85.981**	67.587
Interest Paid		**(192.254)**	(135.881)
Change in Time Deposits With Maturity More Than Three Months		**558.776**	(354.928)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**(203.944)**	228.183
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**17.118**	122.396
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(186.826)**	350.579
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**1.737.209**	1.386.630
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		**1.550.383**	1.737.209

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

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

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

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

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

The Company, its subsidiaries and joint ventures will be referred to as the "Group". The average number of permanent personnel employed in the Group is 19.197 (December 31, 2013– 19.852).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer and Finance Director were issued on March 5, 2015. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

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

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates and purees in Turkey. (In January 2014 legal entity name of Anadolu Etap Tarım ve Gıda Ürünleri San. ve Tic. A.Ş has been changed as Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş). The Group also has joint control over Syrian Soft Drink Sales & Dist. LLC (SSDSD) which undertakes distribution and sales of sparkling and still beverages in Syria.

List of Shareholders

As of December 31, 2014 and December 31, 2013, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2014		December 31, 2013	
	Amount	**%**	Amount	%
Yazıcılar Holding A.Ş.	**139.787**	**23,61**	139.787	23,61
Özilhan Sınai Yatırım A.Ş.	**79.813**	**13,48**	79.813	13,48
Anadolu Endüstri Holding A.Ş. (AEH)	**35.292**	**5,96**	35.292	5,96
SABMiller Harmony Ltd. (1)	**142.105**	**24,00**	142.105	24,00
Publicly traded and other	**195.108**	**32,95**	195.108	32,95
	592.105	**100,00**	592.105	100,00

Capital structure of AEH, the shareholder of the Company, comprises of Yazıcılar Holding A.Ş. (68%) and Özilhan Sınai Yatırım A.Ş. (32%); consequently, as of December 31, 2014 Yazıcılar Holding A.Ş. and Özilhan Sınai Yatırım A.Ş. together with SABMiller AEL represent directly and indirectly more than half of the voting rights of the Company according to the shareholder agreement.

(1) Following the transfer of 24% shares of the Company to SABMiller Anadolu Efes Ltd (SABMiller AEL) in the context of strategic alliance with SABMiller in 2012, SABMiller AEL has transferred its shareholding in the Company to SABMiller Harmony Ltd.

(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, 2014 and December 31, 2013 are as follows:

Subsidiary	Subsidiary	Principal Activity	Segment	Effective Shareholding And Voting Rights % 2014	2013
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating foreign investments in breweries	International Beer	**100,00**	100,00
CJSC Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing beer	International Beer	**99,93**	99,93
CJSC Knyaz Rurik (Knyaz Rurik) (1)	Russia	Investment company	International Beer	**-**	100,00
CJSC Mutena Maltery (Mutena Maltery) (1)	Russia	Production of malt	International Beer	**-**	100,00
CJSC Vostok Solod (2)	Russia	Production of malt	International Beer	**99,93**	99,93
LLC Moskovskii Torgovyii Dom (3)	Russia	Sales company	International Beer	**-**	99,93
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	**100,00**	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	**100,00**	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	**96,83**	96,83
Euro-Asien Brauerein Holding GmbH (Euro-Asien)	Germany	Investment company of EBI	International Beer	**100,00**	100,00
JSC Lomisi (Efes Georgia)	Georgia	Production, marketing and sales of beer and carbonated soft drinks	International Beer	**100,00**	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	**99,94**	99,94
Central Asian Beverages B.V. (Central Asian)	The Netherlands	Investment company of EBI	International Beer	**-**	100,00
Efes Trade BY FLLC (Efes Belarus)	Belarus	Market development	International Beer	**100,00**	100,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (4)	Turkey	Marketing and distribution company of the Group	Turkey Beer	**100,00**	100,00
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes) (4)	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) (5)	Turkey	Foreign trade	Other	**-**	99,82
Cypex Co. Ltd. (Cypex)	Republic of Northern Cyprus	Marketing and distribution of beer	Other	**99,99**	99,99
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	The Netherlands Antilles	Providing technical assistance	Other	**99,75**	99,75
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	Other	**99,75**	99,75
Efes Deutschland GmbH (Efes Germany)	The Netherlands	Marketing and distribution of beer	Other	**100,00**	100,00
Coca-Cola İçecek A.Ş. (CCİ) (6)	Turkey	Production, bottling of Coca-Cola products	Soft Drinks	**50,26**	50,26
Coca-Cola Satış Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft Drinks	**50,25**	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	**50,26**	50,25
Efes Sınai Dış Ticaret A.Ş. (EST) (7)	Turkey	Foreign trade	Soft Drinks	**-**	50,35
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of and distribution of Coca Cola products	Soft Drinks	**50,26**	50,26
Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership (Tonus) (9)	Kazakhstan	Investment company of CCİ	Soft Drinks	**50,26**	49,87
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**50,19**	50,19
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kryghyzstan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drinks	**50,26**	50,26
CC for Beverage Industry Limited (CCBL)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**45,23**	45,23
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**24,91**	24,91
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**29,90**	29,90
Waha Beverages B.V	The Netherlands	Investment company of CCİ	Soft Drinks	**40,22**	38,39
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (8)	Iraq	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**40,22**	32,64
Coca-Cola Beverages Tajikistan Limited Liability Company (Coca Cola Tajikistan)	Tajikistan	Production, bottling, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26

(1) In June 2014, CJSC Mutena Maltery and CJSC Knyaz Rurik were merged to Efes Moscow.
(2) Subsidiaries of Efes Moscow.
(3) LLC Moskovskii Torgovyii Dom has been closed in February 2014.
(4) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa and Tarbes.
(5) Anadolu Efes Dış Ticaret A.Ş has been sold in June 2014. Disposal impacts by the sale of the subsidiary have been reflected to consolidated financial statements.
(6) Shares of CCİ are currently traded on BIST.
(7) Efes Sınai Dış Ticaret A.Ş. has been sold in May 2014.
(8) The purchase of remaining 15,00% shares with a buying option in Al Waha, was completed by Waha B.V., a 76.40% subsidiary of CCI, as of January 14, 2014. The payment of total purchase price of USD26.000.000 was completed following the finalization of the ongoing capital increase process in Waha B.V. in the Netherlands. Following the share capital increase, CCI's direct share in Waha B.V. increased from 76,40% to 80,03% (The Group's share has been increased from 38,39% to 40,22%) and accordingly indirect share in Al Waha increased from 64,94% to 80,03% (The Group's share has been increased from 32,64% to 40,22%).
(9) According to Kazakh law, in the event that the company purchases its own shares, it is mandatory for the company to offer other shareholder(s) to acquire the redeemed shares and pursuant to Article 33.3 of Commercial Code of Kazakhstan, unless shareholder(s) buy(s) such shares, the company is obliged to decrease its share capital. Therefore, as per the resolution of the "Tonus" shareholders, dated on April 18, 2014, the share capital was decreased and after the completion of the registration, CCİ's shares in Tonus increased to 100% from 99,23% as of October 2014. This transaction does not have any effect on the consolidated financial statements.

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

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

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group's operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the commercial activities of subsidiaries and joint ventures.

Deterioration in macroeconomic conditions in Russia and Ukraine, devaluation of Russian Ruble and Ukrainian Hryvnya, ongoing political instability in Ukraine, possibility of military operations in the region could have an adverse effect on the results of International Beer segment. Consequently, the deterioration in the Group's international beer market expectations for the medium term resulted in recognition of impairment on goodwill (Note 18).

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards (TAS) issued by Public Oversight Accounting and Auditing Standards Authority (POAASA). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (TFRS) and its addendum and interpretations.

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the the consolidated financial statements of the Group have been prepared accordingly.

The Company and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

2.2 Functional and Reporting Currency

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

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

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

2.2 Functional and Reporting Currency (currency)

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary	Local Currency	Functional Currency	
		2014	2013
EBI	EURO	**USD**	USD
Efes Moscow	Russian Ruble (RUR)	**RUR**	RUR
Efes Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Vitanta	Moldovan Leu (MDL)	**MDL**	MDL
Efes Georgia	Georgian Lari (GEL)	**GEL**	GEL
Efes Ukraine	Ukraine Hryvnya (UAH)	**UAH**	UAH
AETMC	EURO	**EURO**	EURO
EHTMC	EURO	**EURO**	EURO
Efes Germany	EURO	**EURO**	EURO
CCI Holland	EURO	**USD**	USD
Almaty CC	KZT	**USD**	USD
Azerbaijan CC	Azerbaijani Manat (AZM)	**USD**	USD
Bishkek CC	Kyrgyz Som (KGS)	**USD**	USD
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCBL	Iraqi Dinar (IQD)	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**USD**	USD
Jordan CC	Jordan Dinar (JOD)	**USD**	USD
Turkmenistan CC	Turkmenistan Manat (TMT)	**USD**	USD
Coca-Cola Tajikistan	Somoni (TJS)	**USD**	USD

2.3 Changes in Accounting Policies

Adoption of new and revised International Financial Reporting Standards

Standards, Amendments and IFRICs applicable to 31 December 2014 year ends:

- Amendment to IAS 32, ‘Financial instruments: Presentation’, on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendments to IAS 36, ‘Impairment of assets’, effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 ‘Financial instruments: Recognition and measurement’, on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is notated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

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

2.3 Changes in Accounting Policies (continued)

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

Standards, Amendments and IFRICs applicable to 31 December 2014 year ends (continued):

- IFRIC 21, ‘Levies’, effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, ‘Provisions, contingent liabilities and contingent assets’. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Amendments to IFRS 10, ‘Consolidated financial statements’, IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

New IFRS standards, amendments and IFRICs effective after 1 January 2015:

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards:

    - IFRS 2, ‘Share-based payment’
    - IFRS 3, ‘Business Combinations’
    - IFRS 8, ‘Operating segments’
    - IFRS 13, ‘Fair value measurement’
    - IAS 16, ‘Property, plant and equipment’ and IAS 38,‘Intangible assets’
    - Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and
    - IAS 39, Financial instruments – Recognition and measurement’

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:

    - IFRS 1, ‘First time adoption’
    - IFRS 3, ‘Business combinations’
    - IFRS 13, ‘Fair value measurement’ and
    - IAS 40, ‘Investment property’.

- IFRS 14 ‘Regulatory deferral accounts’, effective from annual periods beginning on or after 1 January 2016. IFRS 14, ‘Regulatory deferral accounts’ permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

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

2.3 Changes in Accounting Policies (continued)

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

New IFRS standards, amendments and IFRICs effective after 1 January 2015 (continued):

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. The amendment clarifies that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This also has clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- Amendments to IAS 16 'Property,plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

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

2.3 Changes in Accounting Policies (continued)

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

New IFRS standards, amendments and IFRICs effective after 1 January 2015 (continued):

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

    - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
    - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
    - IAS 19, 'Employee benefits' regarding discount rates.
    - IAS 34, 'Interim financial reporting' regarding disclosure of information.

2.4 Changes in Accounting Estimates

The accounting estimates of the Group are adopted to be the same as prior years and there is no material change from prior years' accounting policies except for the change explained in Note 2.12.

2.5 Offsetting

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

2.6 Basis of Consolidation

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

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to minority shareholders' interests of subsidiaries are shown separately in the consolidated balance sheet and consolidated income loss statement.

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 with equity method starting from January 1, 2013 according to IFRS 11.

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

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

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

2.7 Cash and Cash Equivalents

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

2.8 Trade Receivables and Provisions for Doubtful Receivables

Trade receivables that are originated by the Group by the way of providing goods or services are generally collected in 5 to 90 day terms. Trade receivables are recognized and carried at discounted amount if they bear significant interest less an allowance for any uncollectible amounts. The provisions for doubtful receivables are set aside when there is objective evidence that a receivable cannot be collected and is charged as an expense in the consolidated financial statements. The provision is the difference between the carrying amount and the recoverable amount, being all cash flows, including amounts recoverable from guarantees and collaterals.

2.9 Related Parties

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

2.10 Inventories

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

2.11 Financial Investments

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

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

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

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

2.11 Financial Investments (continued)

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

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

2.12 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 by the straight-line method over the following estimated useful lives:

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated income statement (Note 28).

The Group has changed the accounting estimates with regards to useful lives of machinery and equipment of CCI in 2014 and increased its assumption for useful lives from 12 years to 20 years. This estimation change does not require any retrospective application on the financial statements and its effect on current year depreciation is amounting to TRL30.621 positively.

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

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

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

2.13 Other Intangible Assets

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

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

a) Brands

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

b) Bottlers and Distribution Agreement

Bottlers and distribution agreements include

i) Bottlers and distribution agreements that are signed with the Coca Cola Company identified in the financial statements of the subsidiaries acquired through change in scope of consolidation in 2013.

ii) "Distribution Agreements" that are signed with SABMiller Group Companies identified in the fair value financial statements of the subsidiaries acquired by EBI in 2012.

Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. Bottlers and distribution agreements are tested for impairment annually.

c) License Agreements

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

d) Rights

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

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

2.13 Other Intangible Assets (continued)

e) Software

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

2.14 Business Combinations and Goodwill

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

The Group accounted business combinations that occurred before January 1, 2010 using the purchase method according to the IFRS 3 before revision. In this method, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the acquirer shall include the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured.

Goodwill is accounted for 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 and the fair value of the non-controlling interest in the acquiree.

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

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

In business combinations involving entities under common control, assets and liabilities subject to a business combination are recognized at their carrying amounts in the consolidated financial statements. As a result of these transactions, neither goodwill nor gain from bargain purchase is directly accounted for in the financial statements.

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

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

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

2.14 Business Combinations and Goodwill (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

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

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2.15 Trade Payables

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

2.16 Borrowings

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

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

a) Finance Lease

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

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

b) Operating Lease

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

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

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

2.17 Current Income Tax and Deferred Tax

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

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

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	2014	2013
Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	**15%**	15%
Ukraine	**18%**	19%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Pakistan	**34%**	35%
Iraq	**15%**	15%
Jordan	**14%**	14%
Turkmenistan	**8%**	8%
Tajikistan	**15%**	15%

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

2.18 Employee Benefits

a) Defined Benefit Plans

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

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

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

2.18 Employee Benefits (continued)

b) Defined Contribution Plans

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

c) Long Term Incentive Plans

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

2.19 Provisions, Contingent Assets and Liabilities

a) Provisions

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

b) Contingent Assets and Liabilities

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

2.20 Foreign Currency Translations

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

Date	USD / TRL (full)	EURO / TRL (full)
December 31, 2014	2,3189	2,8207
December 31, 2013	2,1343	2,9365

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the equity items are translated using the exchange rates at the date of the transaction. The income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences resulting from the deviation between the values of investment related to equity accounts of consolidated subsidiaries and joint ventures and the appreciation of foreign currencies against the Turkish Lira are accounted to equity as “currency translation differences”. Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate of balance sheet date. On disposal of a foreign entity, currency translation differences are recognized in the income statement as a component of the gain or loss on disposal.

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

2.21 Paid in Capital

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

2.22 Dividends Payable

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

2.23 Subsequent Events

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

2.24 Revenue

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

a) Sale of Goods

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

b) Interest Income

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

c) Dividend Income

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

2.25 Borrowing Costs

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

2.26 Segment Reporting

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

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business (Note 5).

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

2.27 Earnings per Share

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

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

2.28 Reporting of Cash Flows

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

2.29 Hedge Accounting

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss (except for foreign currency risk)

- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment that could affect profit or loss

- Net investment hedges when hedging the exposure relating to the net investment in foreign operations.

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

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

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

2.29 Hedge Accounting (continued)

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

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

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

CCİ uses aluminum swap contracts in order to offset the possible losses that may arise from anticipated purchases of cans which are subject to aluminum price volatility and designates these aluminum swap transactions as hedging instruments for cash flow hedge relation against high probable future outflows as the hedged item. It has also made forward currency purchase agreements for resin purchases in order to offset the possible losses due to the fact that resin prices are denominated in foreign currency, designates these forward currency purchases as hedging instruments for cash flow hedge relation against highly probable future outflows arising from foreign currency denominated resin purchases as the hedged item.

Turkey Beer designates a portion of its foreign currency denominated time deposits for foreign currency denominated raw material procurements and uses forward contracts in order to offset the possible losses that may arise from anticipated procurements which are subject to foreign currency volatility and designates these transactions as hedging instruments for cash flow hedge relation against high probable future outflows as the hedged item.

Other derivatives not designated for hedge accounting

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

2.30 Use of Estimates

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

a) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered (Note 10).

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

2.30 Use of Estimates (continued)

b) During the assessment of the reserve for inventory obsolescence the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories (Note 12).

c) The Group performs impairment test for tangible assets, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2014, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is the higher of net selling price and value in use.

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

The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors. Perpetuity growth rate used in impairment test in the operating units is between 0,86% - 3,00% (December 31, 2013 – 1,00 % - 3,00 %) and after tax discount rate is between 9,14% and 17,46% (December 31, 2013 – 7,7% - 12,1%). Impairment amounting to TRL579.726 has been identified for the intangible assets of International Beer Operations (Note 17, 18). If all factors other than growth rate and change in estimated post-tax discount rate remain constant, changes in these two factors may result in change in the amount of the impairment.

d) The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in "other current liabilities" and "other non-current liabilities" in the consolidated balance sheet based on their remaining maturities (Note 22).

e) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee's turnover rates (Note 21).

f) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses. As of December 31, 2014, the estimations made to indicate that the company will incur taxable profits in the future periods were reasonable and deferred tax asset was recorded (Note 32).

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2014

Al Waha Put Option

As of December 31, 2013, according to shareholders agreement signed with NKG, NKG had an option to sell (and Waha B.V. had an obligation to buy) its remaining 15% participatory shares in Al Waha and Waha B.V. had an option to buy (and NKG will had obligation to sell) NKG's 15% participatory shares in Al Waha with an amount of USD26 million. In January 2014, the put option has been realized following the payment of TRL55.812 (equivalent of 26 million USD) by CCI with the share transfer.

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2013

a) Termination of Shareholder Status with Heineken in Kazakhstan

The transfer of the 28% shares and the consequent payment by EBI to Heineken has been completed in January 2013. USD165.395 payment equivalent of TRL290.896 made by EBI has been covered by the Group’s existing cash sources. As a result of the acquisition, the Group’s effective shareholding rate in Efes Kazakhstan has increased to 100%. The difference between the purchase consideration and the carrying amount of the shares purchased amounting to TRL225.089 is accounted for in “Other Reserves” under equity in the consolidated statement of financial position.

b) EBRD Put Option

In January 2013, EBI acquired 8,76% shares of Efes Moscow for USD43 million from European Bank of Reconstruction and Development (EBRD) as a result of the realization of put option held by EBRD. Following the completion of the transaction, EBI’s effective shareholding rate has increased to 99,73%. At the same time, EBI and EBRD entered into a loan agreement of which proceeds were utilized to pay the purchase consideration by EBI. Pursuant to the Share Purchase and Sale Agreement between EBI and EBRD, EBRD transferred its 8,76% stake in Efes Moscow to EBI, while the value of the shares were converted into a 7-year loan at EBI level with a nominal value of USD43 million, with interest rates of Libor+2,5% for the first 2 years and Libor+2,0% for the remaining 5 years. Anadolu Efes is the “Sponsor” of the loan.

c) Shareholders’ Agreement regarding governance of CCİ

The Group and TCCEC which owns the 20,09% of CCİ has signed Shareholder Agreement related with the management of CCİ. Anadolu Efes and TCCEC have decided to modify provisions of CCİ’s Articles of Association in particular those described as “major decisions”. As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholders Agreement.

The Company has gained control power over the CCİ with the Association Agreement, which is effective as of January 1, 2013. Consequently, effective from January 1, 2013, Anadolu Efes is started to include CCİ in consolidation, whereas CCİ has been consolidated into Anadolu Efes’ financial results by using proportionate consolidation method with effective shareholding rate of 50,26% until December 31, 2012.

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

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2013 (continued)

c) Shareholders' Agreement regarding governance of CCİ (continued)

	Fair value
Cash and cash equivalents	490.225
Trade and other receivables	307.771
Inventories	348.218
Other assets	537.677
Property, plant and equipment	2.509.905
Intangible assets	6.434.886
Financial liabilities	(1.822.514)
Trade payables	(294.585)
Other liabilities	(362.482)
Deferred tax liability	(1.349.187)
Non- controlling interests	(207.100)
Fair value of the net assets acquired	**6.592.814**
Fair value of already held shares prior to obtaining control power	3.573.347
Group's share in net assets	(3.313.231)
Goodwill arising from acquisition	**260.116**

Fair value gain of the carrying amount of net assets on financial statements as of the date the Company gains control power on CCİ is as follows:

	CCİ
Carrying amount of net the assets	1.885.447
Ownership rate of the Group which the control is changed	%50,26
Fair value of already held shares prior to obtaining control power	3.573.347
Net assets acquired by the Group	(947.537)
Goodwill arising from previous years acquisitions of CCİ shares	(235.602)
Carrying amount of CCİ on Group financial statements (Note 9)	(1.183.139)
Fair value difference resulted from control power change	**2.390.208**
Other comprehensive income recognized in the income statement due to acquisition of subsidiary	90.354
Value increase recognized as an income due to acquisition of subsidiary	**2.480.562**

d) Amended Shareholders' Agreement regarding governance of CCBPL

CCİ owns 49,39% of CCBPL, operating in Pakistan. Atlantic Industries, a wholly owned subsidiary of TCCC, also owns a 49,39% stake and a local shareholder, the Packages Group, owns 1,22% of CCBPL. It was decided to amend CCBPL's Shareholders Agreement and the amendment process was completed in March 2013. As a result of such amendment which is effective from January 1, 2013, control power of CCBPL was transferred to CCİ and CCBPL is included in CCİ financial statements by using full consolidation method.

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

NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2013 (continued)

d) Amended Shareholders' Agreement regarding governance of CCBPL (continued)

Fair value difference amounting TRL259.612 attributable to the already held shares prior to obtaining control over CCİ is accounted under the "other operating income" in consolidated financial statements. In accordance with IFRS 3, foreign currency translation differences which are amounting to TRL(17.980) attributable to previously held shares, are accounted as "income from investing activities" (Note 28)**.**

Fair value gain of the carrying amount of net assets on financial statements as of the date CCİ gains control power on CCBPL is as follows:

	Fair value
Cash and cash equivalents	570
Trade and other receivables	20.233
Inventories	57.656
Other current assets	38.595
Property, plant and equipment	500.275
Intangible assets	178.948
Other non-current assets	16.495
Financial liabilities	(287.665)
Trade payables	(9.198)
Due to related parties	(6.007)
Other payables	(36.265)
Deferred tax liability	(91.900)
Other liabilities	(21.002)
Goodwill recognized during acquisition of CCBPL shares at prior years	2.795
Value of net assets	**363.530**
Fair value of shares of CCBPL owned by the Group	420.985
Less: Total value of net assets owned by CCI before re-measurement	(179.548)
Increase in provisional fair value due to acquisition of subsidiary	**241.437**

	CCBPL
Carrying amount of net the assets	323.937
Ownership rate of the CCİ which the control is changed	49,39%
Fair value of already held shares prior to obtaining control power	420.985
Net assets acquired by the CCİ	(159.992)
Goodwill arising from previous years acquisitions of Pakistan shares	(1.381)
Carrying amount of CCBPL on CCİ financials	(161.373)
Makul değer farkı	**259.612**
Less: Currency translation difference recognized in the Income statement due to acquisition of subsidiary	(17.980)
Value increase recognized as an income due to acquisition of subsidiary (Note 28)	**241.632**

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

NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES

The Company has control over CCİ while it has 50,26% ownership interest in CCİ. CCİ is included in consolidation by using the full consolidation method and equity and net income attributable to non-controlling interests is recorded as “non-controlling interests” in statement of financial position and profit and loss statement.

Non-controlling interest reflected to profit and loss statement in the period is amounting to TRL180.679 (31 December 2013 – TRL244.070), of which TRL180.499 (31 December 2013 – TRL230.529) is related with net income of CCİ attributable to non-controlling interests.

Non-controlling interest reflected to statement of financial position at the end of the period is amounting to TRL4.214.684 (31 December 2013 – TRL3.890.275), of which TRL4.211.381 (31 December 2013 – TRL3.590.263) is related with equity of CCİ attributable to non-controlling interests.

In 2014, dividend payment amounting to TRL42.321 (31 December 2013 – TRL40.064), has been made to non-controlling interests. TRL42.283 (31 December 2013 – TRL39.859), of this amount has been made by CCI.

The Group management has identified CCİ as a separate operating segment. Summarized information on statement of financial position and profit and loss statement is given as “Soft Drinks” segment in Note 5 “Segment Information”.

Summarized statement of cash flows of CCİ is given below:

	2014	2013
Net cash generated from operating activities	**748.035**	660.365
Net cash used in investing activities	**(219.724)**	(1.080.112)
Net cash generated from financing activities	**(739.082)**	774.517
Currency translation adjustment	**50.969**	73.026
Net increase / (decrease) in cash and cash equivalents	**(159.802)**	427.796

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

NOTE 5. 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.

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

	Turkey Beer	**International Beer**	**Soft Drinks**	**Other[(1)] and Eliminations**	**Total**
January 1 – December 31, 2014					
Revenues	1.627.735	2.445.458	5.985.370	38.650	10.097.213
Inter-segment revenues	(12.526)	(2.014)	(143)	(3.393)	(18.076)
Total Revenues	**1.615.209**	**2.443.444**	**5.985.227**	**35.257**	**10.079.137**
EBITDA	**483.542**	**325.248**	**961.531**	**(67.945)**	**1.702.376**
Profit / (loss) for the period	**233.168**	**(821.366)**	**347.204**	**(90.560)**	**(331.554)**
Capital expenditures	**147.803**	**163.716**	**737.549**	**576**	**1.049.644**
January 1 – December 31, 2013					
Revenues	1.517.477	2.475.301	5.186.445	33.159	9.212.382
Inter-segment revenues	(13.005)	(1.132)	(85)	(2.387)	(16.609)
Total Revenues	1.504.472	2.474.169	5.186.360	30.772	9.195.773
EBITDA	419.730	241.203	892.055	(58.301)	1.494.687
Profit / (loss) for the period	129.617	(162.535)	260.532	2.625.376	2.852.990
Capital expenditures	161.436	302.204	704.032	7.583	1.175.255

(1) Includes other subsidiaries included in the consolidation of the Group, headquarters expenses and non- recurring income amounting to TRL2.722.194 for the period between January 1 – December 31, 2013 as the details are given in "Note 3 - Transactions Related with 2013".

	Turkey Beer	**International Beer**	**Soft Drink**	**Other [(1)] and Eliminations**	**Total**
December 31, 2014					
Segment assets	**7.982.423**	**4.439.040**	**7.201.860**	**490.482**	**20.113.805**
Segment liabilities	**2.330.155**	**987.824**	**3.828.828**	**1.143.059**	**8.289.866**
Investment in associates	**-**	**-**	**-**	**72.517**	**72.517**
December 31, 2013					
Segment assets	7.756.508	7.173.873	7.005.772	430.831	22.366.984
Segment liabilities	2.305.316	1.284.611	4.134.427	1.180.704	8.905.058
Investment in associates	-	-	-	62.755	62.755

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

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

NOTE 5. SEGMENT REPORTING (continued)

Reconciliation of EBITDA to the consolidated Operating Profit/Loss before Finance Expense and its components as of December 31, 2014 and 2013 are as follows:

	2014	2013
EBITDA	**1.702.376**	1.494.687
Depreciation and amortization expenses	**(726.504)**	(711.713)
Provision for retirement pay liability	**(18.592)**	(16.714)
Provision for vacation pay liability	**(7.507)**	(11.941)
Foreign exchange gain/loss from operating activities	**(28.324)**	(8.396)
Rediscount interest income/expense from operating activities	**(716)**	(1.473)
Other	**(4.557)**	(596)
PROFIT/ (LOSS) FROM OPERATIONS	**916.176**	743.854
Income from Investing Activities	**38.678**	2.801.995
Expense from Investing Activities (-)	**(587.672)**	(84.161)
Income/(Loss) from Associates	**(1.723)**	(9.821)
OPERATING PROFIT/ (LOSS) BEFORE FINANCE EXPENSE	**365.459**	3.451.867

NOTE 6. CASH AND CASH EQUIVALENTS

	2014	2013
Cash on hand	**4.315**	4.696
Bank accounts		
- Time deposits	**1.399.754**	1.559.266
- Demand deposits	**143.564**	173.247
Other	**2.750**	-
Cash and cash equivalents in cash flow statement	**1.550.383**	1.737.209
Interest income accrual	**9.135**	9.160
	1.559.518	1.746.369

As of December 31, 2014, annual interest rates of the TRL denominated time deposits vary between 7,99% and 13,5% (December 31, 2013 - 4,5% - 10,1%) and annual interest rates of the USD, EURO denominated and other time deposits vary between 0,2% and 22,0% (December 31, 2013– 0,2% - 5,0%). As of December 31, 2014, there is no cash deposit pledged as collateral by the Group (December 31, 2013 – TRL4.425). As of December 31,2014, the Group has designated its time deposits amounting to TRL62.610 (equivalent of 27 million USD) for the future raw material purchases in the scope of hedge accounting (December 31, 2013 – None).

NOTE 7. FINANCIAL INVESTMENTS

Short-term Financial Investments

	2014	2013
Time deposits with maturity more than three months	**2.971**	562.985
	2.971	562.985

Time deposits with maturities over three months are denominated in AZM (December 31, 2013 – USD and AZM). They were made for 181 days periods (December 31, 2013 – for 91 to 181 months) and interest rate is 7,50% (December 31, 2013 – 3,35% and 6,00%).

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

NOTE 8. SHORT AND LONG TERM BORROWINGS

As of December 31, 2014, total borrowings consist of principal (finance lease obligations included) amounting to TRL4.480.620 (December 31, 2013– TRL5.249.671) and interest expense accrual amounting to TRL26.178 (December 31, 2013 – TRL26.261). As of December 31, 2014 and 2013, total amount of borrowings and the effective interest rates are as follows:

	2014			2013		
Short-term	**Amount**	**Fixed rate**	**Floating rate**	**Amount**	**Fixed rate**	**Floating rate**
Borrowings						
TRL denominated borrowings	3.872	-	-	3.760	-	-
Foreign currency denominated borrowings (USD)	162.649	-	Libor+ 1.35% - Libor + 2.00%	141.828	5,00%	Libor+1,00% – Libor +1,20%
Foreign currency denominated borrowings (EUR)	6.235	3,90%	Euribor+ 2.95%	-	-	-
Foreign currency denominated borrowings (Other)	348.815	9,13%	Kibor + 0,40% - Kibor+ 0.50%	157.781	9,37%	Kibor + 0,40%-Kibor+ 0,80%
	521.571			303.369		
Short-term portion of long term borrowings						
TRL denominated borrowings	15.233	10,00%	-	15.460	9,75% - 10,00%	-
Foreign currency denominated borrowings (USD)	337.453	3,38% - 4,75%	Libor + 1.00% - Libor+2.50%	1.279.607	1,95% - 4,75%	Libor + 1,40% - Libor + 3,50%
Foreign currency denominated borrowings (EURO)	1.386	-	Euribor + 2.00% - Euribor+2.65%	142.006	3,25%	Euribor + 1,80% - Euribor+ 2,65%
	354.072			1.437.073		
	875.643			1.740.442		
Long-term						
Borrowings						
TRL denominated borrowings	-	-	-	15.000	10,00%	-
Foreign currency denominated borrowings (USD)	3.261.336	3,38% - 4,75%	Libor +2.00% - Libor+2.50%	3.226.849	3,38% - 4,75%	Libor + 2,00%- Libor + 3,50%
Foreign currency denominated borrowings (EURO)	369.819	-	Euribor + 2.00% - Euribor +2.65%	293.641	-	Euribor + 2,35% - Euribor + 2,65%
	3.631.155			3.535.490		
	4.506.798			5.275.932		

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

NOTE 8. SHORT AND LONG TERM BORROWINGS (continued)

Repayments of long-term borrowings are scheduled as follows:

	2014	2013
2015	**-**	239.102
2016	**344.171**	348.532
2017	**136.599**	48.784
2018 and thereafter	**3.150.385**	2.899.072
	3.631.155	3.535.490

As of December 31, 2014, TRL 39.806 (December 31, 2013 – TRL 33.769) of the total borrowings are secured by the Group related with CCİ, its subsidiaries and joint ventures with property, plant and equipment pledge amounting to TRL69.764 (December 31, 2013 – TRL61.707).

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, 2014 and 2013, the costs of the property plant and equipment obtained by finance lease are TRL73.805 and TRL76.425, respectively whereas net book values are TRL1.803 and TRL1.987, respectively.

Lessee - Operating Lease

The Group has operational leasing agreements with Çelik Motor Ticaret A.Ş. a related party of the Group.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2014 CCI has 4 aluminum swap transactions with a total nominal amount of TRL17.811 for 4.000 tones. The total of these aluminum swap contracts are designated as hedging instruments as of June 18, 2013, July 15, 2013, July 16, 2013 and November 28, 2013 in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk (Note 36).

As of December 31, 2014 the Company has resin forward transactions with a total nominal amount of TL 62.239, for 6 forward purchase contracts amounting to USD 26.840 million. The total of these resin contracts are designated as hedging instruments as of July 25, 2014, August 19, 2014, October 17, 2014, October 21, 2014 and October 30, 2014 in cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk (Note 36).

As of December 31, 2014 Turkey Beer has foreign currency forward transactions with a total nominal amount of TRL11.595, for 12 forward purchase contracts. The total of these forward contracts are designated as hedging instruments as of November 28, 2014 in cash flow hedges related to forecasted cash flow, for the highly probable purchases of raw materials exposed to foreign currency risk (Note 36).

The effective portion of the change in fair value of hedges is recognized in other comprehensive income.

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

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	2014		2013	
	Nominal Value	**Fair Value Asset / (Liability)**	Nominal Value	Fair Value Asset/ (Liability)
Commodity swap contracts	**17.811**	**(388)**	23.303	(479)
Forward contracts	**73.834**	**3.005**	-	-
	91.645	**2.617**	23.303	(479)

The Company uses forward USD purchase agreements to keep USD share of cash portfolio in a certain level and to protect it for the possible effect of fluctuation in USD against TRL. Such derivative instruments are measured at fair value and changes are reflected in the income statement. As of December 31, 2014 there are not any outstanding forward purchase contracts, as which TL 2.564 was reflected to financial statements (Note 30).

The ineffective portion of the foreign currency forward transaction, which has a nominal value of 11.595 TL, of Turkey Beer amounting to 15 TL is accounted as "Gain on derivative transactions" in Finance Income as of December 31, 2014 (Note 30).

NOT 10. TRADE RECEIVABLES AND PAYABLES

a) Short Term Trade Receivables

	2014	2013
Trade receivables	**1.048.265**	885.518
Notes and cheques receivables	**42.482**	30.677
Provision for doubtful receivables (-)	**(27.816)**	(27.880)
	1.062.931	888.315

The movement of provision for doubtful accounts as of December 31, 2014 and 2013 is as follows:

	2014	2013
Balance at January 1	**27.880**	8.548
Current year provision	**8.099**	4.346
Provisions no longer required	**(6.486)**	(2.056)
Write-offs from doubtful receivables	**(184)**	(219)
Recognized due to change in scope of consolidation	**-**	15.724
Currency translation differences	**(1.493)**	1.537
Balance at December 31	**27.816**	27.880

b) Short-Term Trade Payables

	2014	2013
Trade payables	**756.751**	722.100
Accrued Expenses	**92.608**	51.587
	849.359	773.687

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

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	2014	2013
Receivables from tax office	**15.041**	11.677
Due from personnel	**10.949**	9.581
Other	**29.502**	26.265
	55.492	47.523

b) Other Non-Current Receivables

	2014	2013
Deposits and guarantees given	**6.382**	4.479
Other	**3.124**	1.087
	9.506	5.566

c) Other Current Payables

	2014	2013
Taxes other than on income	**447.639**	308.025
Deposits and guarantees taken	**122.046**	97.941
Other	**2.006**	8.483
	571.691	414.449

d) Other Non-Current Payables

As of December 31, 2014, other non-current payables consists of deposits and guarantees taken amounting to TRL239.124 (December 31, 2013 – TRL210.821).

NOTE 12. INVENTORIES

	2014	2013
Finished and trade goods	**315.380**	235.007
Work-in-process	**67.527**	96.027
Raw materials	**461.243**	432.841
Packaging materials	**113.506**	88.064
Supplies	**63.642**	79.703
Bottles and cases	**38.511**	41.284
Other	**30.177**	38.713
Reserve for obsolescence (-)	**(4.454)**	(7.623)
	1.085.532	1.004.016

The movement of reserve for obsolescence as of December 31, 2014 and 2013 is as below:

	2014	2013
Balance at January 1	**7.623**	1.305
Current year provision	**3.292**	5.186
Provisions no longer required	**(2.052)**	(488)
Inventories written-off	**(4.676)**	(3.392)
Change in scope of consolidation	**-**	4.300
Currency translation differences	**267**	712
Balance at December 31	**4.454**	7.623

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

NOTE 13. PREPAID EXPENSES

a) Short Term Prepaid Expenses

	2014	2013
Prepayments	**267.179**	240.868
Advances given to suppliers	**168.973**	189.641
	436.152	430.509

b) Long Term Prepaid Expenses

	2014	2013
Prepayments	**170.709**	163.617
Advances given to suppliers	**82.175**	59.053
	252.884	222.670

c) Short Term Deferred Income

	2014	2013
Advances taken	**24.575**	44.565
Deferred income	**1.839**	6.089
	26.414	50.654

d) Long Term Deferred Income

	2014	2013
Deferred income	**2.611**	3.643
	2.611	3.643

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

NOT 14. INVESTMENTS IN ASSOCIATES

	2014		2013	
	Ownership	**Amount**	Ownership	Amount
Anadolu Etap	**33,33%**	**72.517**	33,33%	62.755
SSDSD [(1)]	**25,13%**	**-**	25,13%	-
		72.517		62.755

Group's share of total assets and liabilities as of December 31, 2014 and 2013 and profit/(loss) for the period of investment in associates as of December 31, 2014 and 2013 in Group's financial statements are as follows:

	Anadolu Etap		**SSDSD**	
	2014	2013	**2014**	2013
Total Assets	**159.262**	141.606	**1.516**	1.982
Total Liabilities	**86.745**	78.851	**5.278**	4.520
Net Assets	**72.517**	62.755	**(3.762)**	(2.538)

	Anadolu Etap		**SSDSD**	
	2014	2013	**2014**	2013
Group's Share of Profit/(Loss) for the period	**(774)**	(7.093)	**(949)**	(2.728)

The movement of investments in associates as of December 31, 2014 and 2013 are as follows:

	2014	2013
Balance at January 1	**62.755**	1.215.786
Income / Loss from associates	**(1.723)**	(9.821)
Amount recognized due to change in scope of consolidation[(1)]	**-**	2.390.208
Disposals of investments in associates as a result of changes in scope of consolidation [(2)]	**-**	(3.573.347)
Additions to investments in associates as a result of changes in scope of consolidation[(3)]	**-**	436
Currency translation differences	**(54)**	(246)
Unrealized losses under IAS 28	**1.004**	2.538
Capital increase[(4)]	**10.535**	37.201
Balance at December 31	**72.517**	62.755

(1) The amount consists of fair value difference attributable to the already held shares prior to obtaining control over CCİ (Note 3c).
(2) The amount consists of disposal of investments in associates resulted from including CCİ in consolidation scope in 2013 (Note 3c).
(3) As stated above, as a result of consolidation of CCİ in 2013, SSDSD, which has been accounted by using equity method in CCİ financial statements, started to be accounted as an investment in associates in Group's financial statements.
(4) Capital increase provided to Anadolu Etap

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

NOT 15. INVESTMENT PROPERTIES

Cost	2013	Additions	Disposals	Currency translation differences	Transfers	2014
Land and land improvements	15.928	-	-	(6.010)	542	10.460
Buildings	163.756	-	-	(64.793)	16.486	115.449
Construction in progress	7.899	102	(123)	(2.613)	(1.042)	4.223
	187.583	**102**	**(123)**	**(73.416)**	**15.986**	**130.132**

Accumulated depreciation(-)	2013	Additions	Disposals	Currency translation differences	Transfers	2014
Land and land improvements	-	-	-	-	-	-
Buildings	70.448	3.450	-	(29.164)	8.320	53.054
Construction in progress	-	-	-	-	-	-
	70.448	**3.450**	**-**	**(29.164)**	**8.320**	**53.054**
Net book value	**117.135**					**77.078**

Cost	2012	Additions	Disposals	Currency translation differences	Transfers	2013
Land and land improvements	-	-	-	-	15.928	15.928
Buildings	-	-	-	-	163.756	163.756
Construction in progress	-	-	-	-	7.899	7.899
	-	**-**	**-**		**187.583**	**187.583**

Accumulated depreciation(-)	2012	Additions	Disposals	Currency translation differences	Transfers	2013
Land and land improvements	-	-	-	-	-	-
Buildings	-	-	-	-	70.448	70.448
Construction in progress	-	-	-	-	-	-
	-	**-**	**-**	**-**	**70.448**	**70.448**
Net book value	**-**					**117.135**

The fair value of investment property is assumed to approximate its carrying value as of December 31, 2014 and 2013.

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

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2014, the movements of property, plant and equipment are as follows:

Cost	**2013**	**Additions**	**Disposals**	**Currency translation differences**	**Impairment / (Impairment reversal), net**	**Transfers (*)**	**2014**
Land and land improvements	454.189	3.236	(387)	(28.604)	-	47.616	**476.050**
Buildings	1.586.905	14.451	(2.683)	(208.156)	-	63.982	**1.454.499**
Machinery and equipment	4.417.872	168.334	(87.100)	(691.763)	-	284.043	**4.091.386**
Vehicles	163.457	12.805	(26.584)	(11.816)	-	491	**138.353**
Other tangibles	2.044.312	299.925	(112.569)	28.094	-	18.721	**2.278.483**
Leasehold improvements	21.991	9.346	(2)	(511)	-	1.938	**32.762**
Construction in progress	407.894	524.844	(1)	(24.007)	-	(433.148)	**475.582**
	9.096.620	**1.032.941**	**(229.326)**	**(936.763)**	**-**	**(16.357)**	**8.947.115**

Accumulated depreciation (-)	**2013**	**Additions(**)**	**Disposals**	**Currency translation differences**	**Impairment / (Impairment reversal), net**	**Transfers (*)**	**2014**
Land and land improvements	57.028	8.825	(71)	(14.372)	-	15	**51.425**
Buildings	306.957	52.265	(1.311)	(35.504)	-	(8.315)	**314.092**
Machinery and equipment	2.062.811	317.896	(83.167)	(389.460)	203	(16)	**1.908.267**
Vehicles	62.046	21.397	(23.999)	(4.790)	(90)	-	**54.564**
Other tangibles	844.384	303.878	(95.771)	13.435	5.732	-	**1.071.658**
Leasehold improvements	3.756	5.748	-	(554)	-	-	**8.950**
	3.336.982	**710.009**	**(204.319)**	**(431.245)**	**5.845**	**(8.316)**	**3.408.956**
Net book value	**5.759.638**						**5.538.159**

As at December 31, 2014; amounting to TRL4.691 financial expense attributable to construction in progress is capitalized (December 31, 2013 – TRL126).

(*) There are transfers amounting to TRL7.666 to investment properties and TRL375 to other intangible assets in 2014.
(**) As at December 31, 2014 depreciation amounting to TRL4.631 is related to inventories (2013 – TRL12.187) (Note 26).

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

NOTE 16. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2013, the movements of property, plant and equipment are as follows:

Cost	**2012**	**Additions**	**Disposals**	**Addition Through Change in Scope of Consolidation**	**Investment properties**	**Currency translation differences**	**Impairment / (Impairment reversal), net**	**Transfers (*)**	**2013**
Land and land improvements	141.640	8.253	(2.954)	307.117	(15.928)	27.693	-	(11.632)	454.189
Buildings	967.768	16.079	(773)	582.776	(163.756)	143.986	-	40.825	1.586.905
Machinery and equipment	2.727.954	205.433	(58.833)	977.916	-	371.600	-	193.802	4.417.872
Vehicles	82.795	28.443	(22.263)	45.952	-	22.294	-	6.236	163.457
Other tangibles	1.055.945	392.793	(110.178)	530.920	-	136.541	-	38.291	2.044.312
Leasehold improvements	5.226	11.525	(1.117)	(543)	-	231	-	6.669	21.991
Construction in progress	128.149	474.521	(997)	65.767	(7.899)	24.529	-	(276.176)	407.894
	5.109.477	**1.137.047**	**(197.115)**	**2.509.905**	**(187.583)**	**726.874**	**-**	**(1.985)**	**9.096.620**

Accumulated depreciation (-)	**2012**	**Additions**	**Disposals**	**Addition Through Change in Scope of Consolidation**	**Investment properties**	**Currency translation differences**	**Impairment / (Impairment reversal), net**	**Transfers (*)**	**2013**
Land and land improvements	31.768	9.563	(292)	-	-	2.986	7.048	5.955	57.028
Buildings	286.195	60.375	(185)	-	(70.448)	28.597	1.631	792	306.957
Machinery and equipment	1.548.729	354.673	(53.550)	-	-	164.124	55.329	(6.494)	2.062.811
Vehicles	43.677	22.491	(16.805)	-	-	12.083	600	-	62.046
Other tangibles	613.321	257.607	(99.002)	-	-	61.993	10.718	(253)	844.384
Leasehold improvements	3.349	1.368	(1.113)	-	-	152	-	-	3.756
	2.527.039	**706.077**	**(170.947)**	**-**	**(70.448)**	**269.935**	**75.326**	**-**	**3.336.982**
Net book value	**2.582.438**								**5.759.638**

(*) There are transfers to intangible assets in 2013 amounting to TRL1.985 .

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

NOTE 17. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2014, the movements of other intangible assets are as follows:

Cost	2013	Additions	Disposals	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	2014
Bottling contracts	6.750.479	-	-	183.553	-	-	**6.934.032**
Licence agreements	1.365.250	-	-	(505.399)	-	-	**859.851**
Brands	448.562	-	-	(57.878)	(10.251)	-	**380.433**
Rights	36.428	1.775	(87)	(26)	-	375	**38.465**
Other intangible assets	84.862	14.826	(1.218)	(19.641)	-	-	**78.829**
	8.685.581	**16.601**	**(1.305)**	**(399.391)**	**(10.251)**	**375**	**8.291.610**

Accumulated amortization (-)	2013	Additions	Disposals	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	2014
Bottling contracts	-	-	-	-	-	**-**	**-**
Licence agreements	-	-	-	-	-	**-**	**-**
Brands	-	-	-	-	-	**-**	**-**
Rights	15.877	5.603	(1)	(18)	-	**-**	**21.461**
Other intangible assets	32.953	12.073	(1.212)	(10.559)	-	**-**	**33.255**
	48.830	**17.676**	**(1.213)**	**(10.577)**	**-**	**-**	**54.716**
Net book value	**8.636.751**						**8.236.894**

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

NOTE 17. OTHER INTANGIBLE ASSETS (continued)

For the year ended December 31, 2013, the movements of other intangible assets are as follows:

Cost	2012	Additions	Disposals	Addition Through Change in Scope of Consolidation	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	2013
Bottling contracts	-	-	-	6.401.133	349.346	-	-	6.750.479
Licence agreements	1.226.281	-	-	-	138.969	-	-	1.365.250
Brands	385.742	6.446	-	-	57.600	(1.226)	-	448.562
Rights	15.232	1.640	-	17.535	36	-	1.985	36.428
Other intangible assets	32.991	30.122	(299)	16.218	5.830	-	-	84.862
	1.660.246	**38.208**	**(299)**	**6.434.886**	**551.781**	**(1.226)**	**1.985**	**8.685.581**

Accumulated amortization (-)	2012	Additions	Disposals	Addition Through Change in Scope of Consolidation	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	2013
Bottling contracts	-	-	-	-	-	-	-	-
Licence agreements	-	-	-	-	-	-	-	-
Brands	-	-	-	-	-	-	-	-
Rights	10.974	4.900	-	-	3	-	-	15.877
Other intangible assets	17.172	12.923	(299)	-	3.157	-	-	32.953
	28.146	**17.823**	**(299)**	**-**	**3.160**	**-**	**-**	**48.830**
Net book value	**1.632.100**							**8.636.751**

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

NOTE 18. GOODWILL

Movement of the goodwill during the period is as follows:

	2014	2013
At January 1	**2.453.049**	1.783.196
Recognized due to change in scope of consolidation (Note 3)	**-**	389.189
Impairment (Note 29)	**(569.475)**	
Currency translation differences	**(651.109)**	280.664
At December 31	**1.232.465**	2.453.049

As of December 31, 2014 and 2013, operating segment distributions of goodwill are presented below:

	Turkey Beer	**International Beer**	**Soft Drinks**	**Other**	**Total**
2014	**50.099**	**679.875**	**502.491**	**-**	**1.232.465**
2013	50.099	1.938.972	463.978	-	2.453.049

NOTE 19. GOVERMENT INCENTIVES AND GRANTS

As of December 31, 2014, the Group used an incentive for its investment amounting to TRL104.015 (December 31, 2013 – TRL64.657) on Bursa mineral water and Elazığ, Köyceğiz, Çorlu, Ankara and Mersin production lines by generating a total tax advantage of TRL20.032 (December 31, 2013 – TRL13.994). The tax advantage amounting to TRL656 was recognized during 2014 (December 31, 2013 – TRL67).

NOTE 20. COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2014 and 2013 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

	December 31, 2014								
	Total TRL Equivalent	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand KZT**	**Original Currency Thousand RUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**Other Foreign Currency TRL Equivalent**
A. GPMs given on behalf of the Company's legal personality	**380.439**	**277.025**	**5.848**	**2.769**	**-**	**279.099**	**5.389**	**2.667.000**	**8.147**
B. GPMs given in favor of subsidiaries included in full consolidation (1)	**607.438**	**-**	**158.978**	**31.150**	**-**	**-**	**-**	**6.486.963**	**1.092**
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-	-
D. Other GPMs	**10.200**	**10.200**	-	-	-	-	-	-	-
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	**10.200**	**10.200**	-	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-	-
Total	**998.077**	**287.225**	**164.826**	**33.919**	**-**	**279.099**	**5.389**	**9.153.963**	**9.239**
Ratio of other GPMs over the Company's equity (%)	**0,1%**	-	-	-	-	-	-	-	-

(1) Includes the GPMs given in favor of subsidiaries included in full consolidation for their borrowings.

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

NOTE 20. COMMITMENTS AND CONTINGENCIES (continued)

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

	December 31, 2013								
	Total TRL Equivalent	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand KZT**	**Original Currency Thousand RUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**Other Foreign Currency TRL Equivalent**
A. GPMs given on behalf of the Company's legal personality	**409.772**	**300.122**	**6.879**	**1.771**	**-**	**11.524**	**79.436**	**2.927.984**	**8.312**
B. GPMs given in favor of subsidiaries included in full consolidation [1]	**604.795**	**-**	**231.323**	**13.520**	**-**	**-**	**-**	**3.513.025**	**-**
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	**1.014.567**	**300.122**	**238.202**	**15.291**	**-**	**11.524**	**79.436**	**6.441.009**	**8.312**
Ratio of other GPMs over the Company's equity (%)	-	-	-	-	-	-	-	-	-

(1) Includes the GPMs given in favor of subsidiaries included in full consolidation for their borrowings.

CCİ, Its Subsidiaries and Joint Ventures

a) Put Options

According to the put option that has been granted to Day Investments Ltd. by CCİ, Day Investments Ltd. will have right to sell its shares in Turkmenistan CC to CCİ at the price of USD2.360 thousand. The Group's portion of the liability for the put option amounting to TRL5.473 has been presented in "other current liabilities" (December 31, 2013– TRL5.037).

According to the put option signed with European Refreshment (ER), ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. The Group's share of the put option liability amounting to TRL85.761 is recorded under "other long term liabilities" (December 31, 2013– TRL113.040).

As of December 31, 2014, according to shareholders agreement signed with NKG, NKG had an option to sell (and Waha B.V. had an obligation to buy) its remaining 15% participatory shares in Al Waha and Waha B.V. had an option to buy (and NKG will had obligation to sell) NKG's 15% participatory shares in Al Waha with an amount of USD26 million. In January 2015, put option has been realized following the payment of the amount related with the share transfer (Note 3).

b) Murabaha

During 2012 CCBPL and Standard Chartered Bank (SCB) have made murabaha facility agreement. Based on this agreement, SCB and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2014, CCBPL has TRL110.612 sugar and resin purchase commitment from SCB until the end of September 30, 2015 and TRL10.203 sugar and resin purchase commitment from SCB until the end of March 30, 2015 and expense accrual of TRL1.040 payable for the profit share of SCB was reflected in the financial statements.

Operational Lease

As of December 31, 2014, the Group's contingent liability, for the following years resulting from the non-cancellable operational lease agreements is amounting to TRL39.434 (December 31, 2013– TRL40.479).

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

NOTE 20. COMMITMENTS AND CONTINGENCIES (continued)

CCİ, Its Subsidiaries and Joint Ventures (continued)

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.

NOTE 21. EMPLOYEE BENEFITS

a) Employee Benefits Obligations

As of December 31, 2014 and 2013, employee benefits obligations are as follows:

	2014	2013
Payables to personnel	**8.103**	23.997
Social security liabilities	**24.156**	16.557
Other	**11.763**	13.058
	44.022	53.612

b) Short Term Provision for Employee Benefits

As of December 31, 2014 and 2013, short term provision for employee benefits are as follows:

	2014	2013
Provision for vacation pay liability	**31.949**	45.264
Management bonus accrual	**44.075**	12.238
Other	**36.141**	10.284
	112.165	67.786

As of December 31, 2014 and 2013, the movement of provision for vacation pay liability is as below:

	2014	2013
Balance at January 1	**45.264**	21.154
Payments and used vacations	**(13.404)**	(2.623)
Current year provision	**7.507**	11.941
Recognized due to change in scope of consolidation	**-**	11.740
Currency translation differences	**(7.418)**	3.052
	31.949	45.264

As of December 31, 2014 and 2013, the movement of management bonus accruals is as below:

	2014	2013
Balance at January 1	**12.238**	28.482
Payments	**(55.003)**	(62.806)
Current year provision	**84.143**	33.331
Recognized due to change in scope of consolidation	**-**	10.264
Currency translation differences	**2.697**	2.967
	44.075	12.238

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

NOTE 21. EMPLOYEE BENEFITS (continued)

c) Long Term Provision for Employee Benefits

	2014	2013
Employment termination benefits	**86.013**	79.616
Long term incentive plans	**8.256**	8.703
	94.269	88.319

In accordance with existing social legislation, the Group's companies incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay. The retirement pay liability as at December 31, 2014 is subject to a ceiling of full TRL3.438 (December 31, 2013 – full TRL3.254) (Retirement pay liability ceiling has been increased to full TRL3.541 as of January 1, 2015). In the consolidated financial statements as of December 31, 2014 and 2013, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. Accordingly, net discount rates determined by considering expected payment dates are in a range between 1,69% and 3,49% (December 31, 2013 - 3,76%– 3,80%)

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

	2014	2013
Balance at January 1	**79.616**	38.503
Payments	**(20.504)**	(8.833)
Interest cost	**6.573**	3.853
Current year provision	**12.019**	12.861
Recognized due to change in scope of consolidation	**-**	30.796
Actuarial loss	**8.309**	2.436
	86.013	79.616

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

	2014	2013
Balance at January 1	**8.703**	12.841
Payments	**(17.469)**	(18.609)
Interest cost	**541**	1.285
Current year provision	**16.275**	9.208
Recognized due to change in scope of consolidation	**-**	2.017
Actuarial loss	**206**	1.961
	8.256	8.703

NOTE 22. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	2014	2013
Value Added Tax (VAT) deductible or to be transferred	**196.885**	196.689
Other	**1.786**	1.952
	198.671	198.641

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

NOTE 22. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	2014	2013
Deferred VAT and other taxes	**42.663**	16.697
Other	**182**	281
	42.845	16.978

c) Other Current Liabilities

	2014	2013
Put option liability (Note 20)	**5.473**	5.037
Other	**4.478**	1.377
	9.951	6.414

d) Other Non-Current Liabilities

	2014	2013
Put option liability (Note 20)	**85.761**	168.532
Deferred VAT and other taxes	**42.018**	16.601
Other	**554**	843
	128.333	185.976

NOTE 23. EQUITY

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

	2014	2013
Common shares 1 full TRL per value		
Authorized capital	**900.000**	900.000
Issued capital	**592.105**	592.105

The composition of shareholders and their respective percentage of ownership as of December 31, 2014 and 2013 are given at Note 1 – Group's Organization and Nature of Activities.

NOTE 23. EQUITY (continued)

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

As of December 31, 2014 and 2013, there is no privileged share representing the capital. According to the articles of association, foundation shares that do not represent the share capital receives 2% of the profit that remains after 10% of the paid in capital is deducted from the distributable profit**.**

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

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

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

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

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

Net income for the year and other statutory resources treated for dividend distribution are TRL940.165 as of December 31, 2014 (December 31, 2013 – TRL863.616).

At the Anadolu Efes Ordinary General Meeting, it is decided not to distribute dividends in 2014 related with the year ended December 31, 2013. The Group distributed dividend in 2013, related with the year ended December 31, 2012, for a gross amount of full TRL0,45 per share, amounting to a total of TRL277.098 including payments to founders.

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

NOTE 23. EQUITY (continued)

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

For December 31, 2014 and 2013, nominal amounts, equity restatement differences and restated value of equity are as follows:

December 31, 2014	**Nominal Amount**	**Equity Restatement Differences**	**Restated Amount**
Issued capital	592.105	63.583	655.688
Legal reserves	249.541	74.697	324.238
Extraordinary reserves	435.771	26.091	461.862
	1.277.417	**164.371**	**1.441.788**
Share Premium/Discount			**3.137.684**
Cumulative Other Comprehensive Income / Expense that will not be Classified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			**(10.480)**
Cumulative Other Comprehensive Income / Expense that will be Classified to Profit and Loss			
- Currency Translation Differences			**(498.289)**
- Hedge Loss			**2.234**
- Revaluation Gain			**8.817**
Other Reserves			**(235.742)**
Accumulated profit (Including net income)			**3.763.243**
Equity attributable to equity holders of the parent			**7.609.255**

December 31, 2013	**Nominal Amount**	**Equity Restatement Differences**	**Restated Amount**
Issued capital	592.105	63.583	655.688
Legal reserves	249.541	74.697	324.238
Extraordinary reserves	435.771	26.091	461.862
	1.277.417	164.371	1.441.788
Share Premium/Discount			3.137.684
Cumulative Other Comprehensive Income / Expense that will not be reclassified to Profit and Loss			
- Revaluation and Remeasurement Gain / Loss			(5.398)
Cumulative Other Comprehensive Income / Expense that will be reclassified to Profit and Loss			
- Currency Translation Differences			968.155
- Hedge Loss			(304)
- Revaluation Gain			(10.008)
Other Reserves			(235.742)
Accumulated profit (Including net income)			4.275.476
Equity attributable to equity holders of the parent			9.571.651

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

NOTE 24. SALES AND COST OF SALES

Revenues	**2014**	2013
Domestic revenues	**4.671.663**	4.412.306
Foreign revenues	**5.407.474**	4.783.467
Total sales, net	**10.079.137**	9.195.773
Cost of Sales (-)		
Net change in inventory	**4.551.818**	4.124.002
Depreciation and amortization expense on PP&E and intangible assets	**326.101**	354.132
Personnel expenses	**295.637**	281.036
Utility expenses	**194.957**	198.618
Provision for retirement pay liability	**2.763**	4.210
Other expenses	**290.762**	238.110
Total cost of sales	**5.662.038**	5.200.108
Gross Operating Profit	**4.417.099**	3.995.665

NOTE 25. OPERATING EXPENSES

a) General and Administrative Expenses

	2014	2013
Personnel expenses	**424.185**	367.200
Service rendered from outside	**167.383**	149.574
Depreciation and amortization expense on PP&E and intangible assets	**64.095**	49.767
Taxation (other than on income) expenses	**34.255**	35.870
Utilities and communication expenses	**23.320**	21.864
Meeting and travel expenses	**17.407**	17.338
Insurance expenses	**14.842**	12.952
Provision for retirement pay liability	**6.426**	6.407
Repair and maintenance expenses	**6.333**	6.387
Other expenses	**132.777**	129.689
	891.023	797.048

b) Selling, Distribution and Marketing Expenses

	2014	2013
Advertising, selling and marketing expenses	**1.042.414**	1.008.841
Personnel expenses	**538.468**	486.883
Transportation and distribution expenses	**455.645**	421.051
Depreciation and amortization expense on PP&E and intangible assets	**331.972**	306.716
Utilities and communication expenses	**45.134**	48.799
Rent expenses	**32.892**	29.884
Repair and maintenance expenses	**26.258**	18.875
Provision for retirement pay liability	**9.403**	6.097
Other expenses	**128.183**	134.651
	2.610.369	2.461.797

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

NOTE 26. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	2014	2013
Cost of sales	**(326.101)**	(354.132)
Marketing, selling and distribution expenses	**(331.972)**	(306.716)
General and administration expenses	**(64.095)**	(49.767)
Inventories	**(4.631)**	(12.187)
Other operating expenses	**(4.336)**	(1.098)
	(731.135)	(723.900)

b) Personnel Expenses

	2014	2013
Cost of sales	**(295.637)**	(281.036)
Marketing, selling and distribution expenses	**(538.468)**	(486.883)
General and administration expenses	**(424.185)**	(367.200)
	(1.258.290)	(1.135.119)

NOTE 27. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	2014	2013
Foreign exchange gains arising from operating activities	**43.487**	24.629
Income from scrap and other materials	**18.155**	17.189
Insurance compensation income	**2.420**	3.279
Rent income	**1.546**	1.272
Rediscount income	**1.017**	522
Other income	**75.545**	32.264
	142.170	79.155

b) Other Operating Expenses

	2014	2013
Foreign exchange losses arising from operating activities	**(71.811)**	(33.025)
Donations	**(9.137)**	(6.323)
Depreciation and amortization expense on PPE & intangible assets	**(4.336)**	(1.098)
Rediscount expense	**(1.733)**	(1.995)
Other expenses	**(54.684)**	(29.680)
	(141.701)	(72.121)

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

NOTE 28. INCOME FROM INVESTING ACTIVITIES

	2014	2013
Gain on sale of fixed assets	**37.985**	3.330
Reversal of impairment on property, plant and equipment (Note 16)	**693**	1.884
Income recognized due to change in scope of consolidation	**-**	2.722.194
Gain on sale of financial investments	**-**	74.566
Other	**-**	21
	38.678	2.801.995

NOTE 29. EXPENSE FROM INVESTING ACTIVITIES

	2014	2013
Provision for impairment on intangible assets (Note 17, 18)	**(579.726)**	(1.226)
Provision for impairment on tangible assets (Note 16)	**(6.538)**	(77.210)
Loss on sale of fixed assets	**(1.288)**	(5.725)
Loss from the disposal of investment in associates	**(120)**	-
	(587.672)	(84.161)

NOTE 30. FINANCE INCOME

	2014	2013
Foreign exchange gain	**723.203**	340.161
Interest income	**85.107**	66.820
Gain on derivative transactions	**2.579**	-
	810.889	406.981

NOTE 31. FINANCE EXPENSE

	2014	2013
Foreign exchange loss	**(1.229.697)**	(797.956)
Interest expense	**(193.307)**	(146.794)
Borrowing costs	**(661)**	(661)
Other financial expenses	**(15.763)**	(10.994)
	(1.439.428)	(956.405)

NOTE 32. TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 20% in Turkey (2013 - 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% (2013 – 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.

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

NOTE 32. TAX ASSETS AND LIABILITIES (continued)

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, 2014 and 2013 are as follows:

	2014	2013
Current period tax expense	**(124.729)**	(104.161)
Deferred tax income / (expense), net	**56.255**	54.708
	(68.474)	(49.453)

As of December 31, 2014 and 2013, 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:

	2014	2013
Consolidated profit before tax	**(263.080)**	2.902.443
Effect of associate income net off tax	**1.723**	9.821
Taxable profit	**(261.357)**	2.912.264
Enacted tax rate	**20%**	%20
Tax calculated at the parent company tax rate	**52.271**	(582.453)
Tax effect of non-deductible expenses	**(1.973)**	(29)
Effect of provision for impairment on goodwill and other intangible assets	**(115.945)**	-
Tax effect of gain recognized due to the change in scope of consolidation	**-**	544.443
Tax effect of income excluded from tax bases	**14.538**	9.438
Effect of different tax rates	**981**	(909)
Other	**(18.346)**	(19.943)
	(68.474)	(49.453)

As of December 31, 2014 and 2013 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		**Liability**		**Net**	
	2014	2013	**2014**	2013	**2014**	2013
Trade receivables and payables	**-**	-	**(16.291)**	(16.291)	**(16.291)**	(16.291)
PP&E and intangible assets	**-**	-	**(1.851.058)**	(1.966.338)	**(1.851.058)**	(1.966.338)
Inventories	**20.556**	25.380	**-**	-	**20.556**	25.380
Carry forward losses	**269.681**	221.370	**-**	-	**269.681**	221.370
Retirement pay liability and other employee benefits	**16.445**	16.687	**-**	-	**16.445**	16.687
Other provisions	**35.278**	76.752	**-**	-	**35.278**	76.752
Other	**45.158**	44.357	**-**	-	**45.158**	44.357
	387.118	384.546	**(1.867.349)**	(1.982.629)	**(1.480.231)**	(1.598.083)

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

NOTE 32. TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2014 and 2013, the movement of deferred tax liability is as follows:

	2014	2013
Balance at January 1	**(1.598.083)**	(258.595)
Recorded to the consolidated income statement	**56.255**	54.708
Recognized in other comprehensive income	**988**	2.585
Recognized due to the change in scope of consolidation (Note 3)	**-**	(1.349.187)
Foreign currency differences	**60.609**	(47.594)
Balance at December 31	**(1.480.231)**	(1.598.083)

As a result of the Group management's assessment that sufficient taxable income will be generated and such carried losses will be utilized until 2024, deferred tax asset amounting to TRL269.681 has been recognized.

NOTE 33. EARNINGS PER SHARE

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

Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

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

	2014	2013
Net income/ (loss)	**(512.233)**	2.608.920
Weighted average number of shares	**592.105.263**	592.105.263
Earnings/ (losses) per share (full TRL)	**(0,8651)**	4,4062

NOTE 34. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Bank and Available-For-Sale Securities Balances with Related Parties

	2014	2013
Alternatifbank (1)(2)	**602.390**	255.794

As of December 31, 2014, maturities of time deposits on Alternatifbank are less than three months and the weighted average interest rates for TRL denominated time deposits is 10,36% (December 31, 2013 – 8,66%) and USD denominated time deposits is 2,71% (December 31, 2013– 3,20%).

As of December 31, 2014 the Group has demand deposits amounting to TRL10.633 on Alternatifbank (1)(2) (December 31, 2013 - TRL9.263).

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

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

NOTE 34. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

a) Balances with Related Parties (continued)

Due from Related Parties

	2014	2013
SSDSD	**1.037**	1.513
AEH[2] [3]	**95**	4.587
Efes Turizm İşletmeleri A.Ş. [3] [4]	**30**	45
Artı Varlık Yönetim A.Ş. [4]	**20**	-
Anadolu Efes Spor Kulübü	**1**	4
SABMiller Group Companies[5]	**-**	41
Other	**18**	23
	1.201	6.213

Due to Related Parties

	2014	2013
SABMiller Group Companies[5]	**27.783**	18.434
Çelik Motor Ticaret A.Ş. [3] [4]	**2.899**	2.970
Oyex Handels GmbH [3] [4]	**2.560**	2.972
Anadolu Bilişim Hizmetleri A.Ş. [1] [3] [4]	**1.752**	1.767
AEH [2] [3]	**1.112**	1.111
Anadolu Vakfı	**856**	31
AEH Anadolu Gayrimenkul Yatırımları A.Ş. [4]	**176**	-
Efes Turizm İşletmeleri A.Ş. [3] [4]	**163**	338
Other	**59**	7
	37.360	27.630

The Group has TRL1.124 and TRL2.486 short term and long term deferred revenue, respectively related to AEH (2013 – TRL577 and TRL1.881).

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	2014	2013
Anadolu Efes Spor Kulübü	Service	**60.004**	61.215
SABMiller Group Companies [5]	Service and purchase of trade goods	**59.063**	49.872
Oyex Handels GmbH [3] [4]	Purchase of materials and fixed assets	**30.300**	7.266
Çelik Motor Ticaret A.Ş. [3] [4]	Vehicle leasing	**27.533**	26.948
AEH [2] [3]	Consultancy service	**23.519**	21.578
Anadolu Bilişim Hizmetleri A.Ş. [1] [3] [4]	Information service	**11.612**	13.898
Efes Turizm İşletmeleri A.Ş. [3] [4]	Travel and accommodation	**10.404**	11.322
Anadolu Vakfı	Donations	**8.634**	5.892
AEH Münih [3] [4]	Purchase of materials and fixed assets	**6.482**	8.345
AEH Anadolu Gayrimenkul Yatırımları A.Ş. [4]	Service	**1.786**	-
Arge Danışmanlık A.Ş	Consultancy service	**482**	597
Ahmet Boyacıoğlu	Consultancy service	**257**	292
Mehmet Cem Kozlu	Consultancy service	**142**	189
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. [3] [4]	Rent Expense	**13**	648
Other		**528**	682
		240.759	208.744

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

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

NOTE 34. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties (continued)

Finance Income / (Expenses), Net

	Nature of transaction	2014	2013
Alternatifbank (3) (4)	Interest income / (expense), net	**30.034**	7.041
		30.034	7.041

Other Income / (Expenses), Net

	Nature of transaction	2014	2013
Ankara Anadolu Gayrimenkul Yatırımları A.Ş(4)	Fixed asset sale	**33.500**	-
SSDSD	Sales income	**5.665**	1.245
SABMiller Group Companies (5)	Other income	**4.824**	155
AEH(2) (3)	Other income	**1.151**	45
Çelik Motor Ticaret A.Ş. (3) (4)	Other income	**405**	84
Alternatifbank (3) (4)	Rent income	**121**	113
Anadolu Efes Spor Kulübü	Other income	**65**	72
Anadolu Bilişim Hizmetleri A.Ş. (1) (3) (4)	Rent income	**10**	8
Other		**31**	40
		45.772	1.762

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

Director's remuneration

As of December 31, 2014 and 2013, total benefits to Anadolu Efes Board of Directors are TRL349 and TRL277, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors as of December 31, 2014 and 2013 are as follows:

	2014	2013
Short-term employee benefits	**31.998**	27.967
Post-employment benefits	**-**	-
Other long term benefits	**3.742**	5.627
Termination benefits	**1.718**	-
Share-based payments	**-**	-
	37.458	33.594

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

a) Interest Rate Risk

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

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

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

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

a) Interest Rate Risk (continued)

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

	2014	2013
Financial instruments with fixed interest rate		
Financial assets		
Financial assets at fair value through profit or loss	**1.411.860**	2.131.411
Financial liabilities	**3.386.503**	3.149.442
Financial instruments with floating interest rate		
Financial liabilities	**1.120.295**	2.390.763

At December 31, 2014, if interest rate on the Group's foreign currency denominated borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2015 which is the following reporting period, would be:

	2014	2013
Change in USD denominated borrowing interest rate	**1.633**	4.215
Change in EURO denominated borrowing interest rate	**935**	984
Change in Other denominated borrowing interest rate	**622**	238
Total	**3.190**	5.437

b) Foreign Currency Risk

Foreign currency risk arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Net foreign currency exposure for the consolidated Group companies as of December 31, 2014 and December 31, 2013 are presented below:

Foreign Currency Position Table

2014

	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	67.998	5.119	11.870	730	2.060	54.068
2a. Monetary Financial Assets (Cash and cash equivalents included)	536.667	215.103	498.802	4.070	11.479	26.386
2b. Non- monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	57.073	91	211	202	570	56.292
4. Current Assets	**661.738**	**220.313**	**510.883**	**5.002**	**14.109**	**136.746**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	38.224	-	-	11.050	31.168	7.056
8. Non-Current Assets	**38.224**	**-**	**-**	**11.050**	**31.168**	**7.056**
9. Total Assets	**699.962**	**220.313**	**510.883**	**16.052**	**45.277**	**143.802**
10.Trade Payables and Due to Related Parties	(199.226)	(16.030)	(37.171)	(24.139)	(68.090)	(93.965)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(494.861)	(212.961)	(493.835)	(364)	(1.026)	-
12a. Monetary Other Liabilities	(22.619)	(2.360)	(5.473)	(114)	(321)	(16.825)
12b. Non-monetary Other Liabilities	(3.261)	-	-	(3)	(9)	(3.252)
13. Current Liabilities	**(719.967)**	**(231.351)**	**(536.479)**	**(24.620)**	**(69.446)**	**(114.042)**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.617.849)	(1.400.699)	(3.248.080)	(131.091)	(369.769)	-
16 a. Monetary Other Liabilities	(85.760)	(36.983)	(85.760)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	**(3.703.609)**	**(1.437.682)**	**(3.333.840)**	**(131.091)**	**(369.769)**	**-**
18. Total Liabilities	**(4.423.576)**	**(1.669.033)**	**(3.870.319)**	**(155.711)**	**(439.215)**	**(114.042)**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	**73.834**	**31.840**	**73.834**	**-**	**-**	**-**
19a. Total Hedged Assets	**73.834**	**31.840**	**73.834**	**-**	**-**	**-**
19b. Total Hedged Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position	**(3.649.780)**	**(1.416.880)**	**(3.285.602)**	**(139.659)**	**(393.938)**	**29.760**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	**(3.815.650)**	**(1.448.811)**	**(3.359.647)**	**(150.908)**	**(425.667)**	**(30.336)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**-**	**-**	**-**	**-**	**-**	**-**
23.Total value of Hedged Foreign Currency Assets	**3.005**	**1.052**	**3.005**	**-**	**-**	**-**

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

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

Foreign Currency Position Table
2013

	Total TRL Equivalent (Functional Currency)	Thousand USD	TRL Equivalent	Thousand EURO	TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	39.000	4.683	9.995	752	2.209	26.796
2a. Monetary Financial Assets (Cash and cash equivalents included)	865.229	277.258	591.751	73.082	214.605	58.873
2b. Non- monetary Financial Assets	-					
3. Other Current Assets and Receivables	41.821	1	3	1.046	3.072	38.746
4. Current Assets	946.050	281.942	601.749	74.880	219.886	124.415
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	1.789	1	2	-	-	1.787
8. Non-Current Assets	1.789	1	2	-	-	1.787
9. Total Assets	947.839	281.943	601.751	74.880	219.886	126.202
10.Trade Payables and Due to Related Parties	(114.998)	(29.811)	(63.625)	(13.336)	(39.162)	(12.211)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(1.274.301)	(532.594)	(1.136.715)	(46.854)	(137.586)	-
12a. Monetary Other Liabilities	(27.162)	(2.360)	(5.038)	(130)	(382)	(21.742)
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities	(1.416.461)	(564.765)	(1.205.378)	(60.320)	(177.130)	(33.953)
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	(3.298.114)	(1.407.705)	(3.004.464)	(100.000)	(293.650)	-
16 a. Monetary Other Liabilities	(168.533)	(78.964)	(168.533)	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities	(3.466.647)	(1.486.669)	(3.172.997)	(100.000)	(293.650)	-
18. Total Liabilities	(4.883.108)	(2.051.434)	(4.378.375)	(160.320)	(470.780)	(33.953)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	-	-	-	-	-	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position	(3.935.269)	(1.769.491)	(3.776.624)	(85.440)	(250.894)	92.249
21. Monetary Items Net Foreign Currency Asset / (Liability) Position	(3.978.879)	(1.769.493)	(3.776.629)	(86.486)	(253.966)	51.716
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

The information regarding the export and import figures realized as of December 31, 2014 and 2013 is as follows:

	2014	2013
Total Export	**181.585**	184.134
Total Import	**1.715.117**	1.463.657

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2014 and 2013:

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2014(*)		December 31,2013(*)	
	Income / (Loss)			
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency (*)
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	**(335.965)**	**335.965**	(377.662)	377.662
USD denominated hedging instruments (-)	**7.383**	**(7.383)**	-	-
Net effect in USD	**(328.582)**	**328.582**	(377.662)	377.662
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	**(42.567)**	**42.567**	(25.089)	25.089
EURO denominated hedging instruments (-)	**-**	**-**	-	-
Net effect in EURO	**(42.567)**	**42.567**	(25.089)	25.089
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	**(3.034)**	**3.034**	9.225	(9.225)
Other foreign currency hedging instruments (-)	**-**	**-**	-	-
Net effect in other foreign currency	**(3.034)**	**3.034**	9.225	(9.225)
TOTAL	**(374.183)**	**374.183**	(393.526)	393.526

(*) Monetary assets and liabilities eliminated in scope of consolidation are not included.

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

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2014		December 31,2013	
	Equity			
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency (*)
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	**345.122**	**(345.122)**	588.612	(588.612)
USD denominated hedging instruments (-)	**-**	**-**	-	-
Net effect in USD	**345.122**	**(345.122)**	588.612	(588.612)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	**2.673**	**(2.673)**	2.714	(2.714)
EURO denominated hedging instruments (-)	**-**	**-**	-	-
Net effect in EURO	**2.673**	**(2.673)**	2.714	(2.714)
TOTAL	**347.795**	**(347.795)**	591.326	(591.326)

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, 2014 and 2013;

2014 **Contractual maturities**	**Carrying value**	**Contractual payment (=I+II+III+IV)**	**Less than 3month (I)**	**Between 3-12 month (II)**	**Between 1-5 year (III)**	**More than 5 year (IV)**
Financial Liabilities	4.506.798	4.839.007	133.291	792.150	2.329.111	1.584.455
Trade payable and due to related parties	913.867	913.867	810.368	76.353	27.146	-
Liability for put option	91.234	91.234	-	5.473	85.761	-
Total	**5.511.899**	**5.844.108**	**943.659**	**873.976**	**2.442.018**	**1.584.455**

2013 Contractual maturities	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Financial Liabilities	5.275.932	5.770.400	922.211	931.065	2.416.168	1.500.956
Trade payable and due to related parties	752.625	752.625	692.093	57.228	3.304	-
Liability for put option	173.569	173.569	-	5.037	168.532	-
Total	6.202.126	6.696.594	1.614.304	993.330	2.588.004	1.500.956

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

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

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.

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2014 and 2013 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)	**1.201**	**1.062.931**	-	**64.998**	**1.555.424**	-	**334.203**
- Maximum credit risk secured by guarantees	-	**756.762**	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	**1.201**	**987.945**	-	**64.998**	**1.555.424**	-	-
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	-	**73.561**	-	-	-	-	-
- Under guarantee	-	**11.839**	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	**1.425**	-	-	-	-	-
- past due (gross carrying value)	-	**29.241**	-	-	-	-	-
- impaired (-)	-	**(27.816)**	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	**1.425**	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	**334.203**

Current Year	**Trade Receivables**	**Other Receivables**	**Deposits**	**Derivative Instruments**	**Other**
Past due between 1-30 days	**46.845**	-	-	-	-
Past due between 1-3 months	**16.339**	-	-	-	-
Past due between 3-12 months	**2.003**	-	-	-	-
Past due for more than 1 year	**8.374**	-	-	-	-

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

NOTE 35. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

e) Credit Risk (continued)

	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)	6.213	888.315	-	53.089	2.304.658	-	338.190
- Maximum credit risk secured by guarantees	-	475.010	- -	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	6.213	747.045	-	53.089	2.304.658	-	-
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	-	139.661	-	-	-	-	-
- Under guarantee	-	33.621	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	1.609	-	-	-	-	-
- past due (gross carrying value)	-	29.489	-	-	-	-	-
- impaired (-)	-	(27.880)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	1.609	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	338.190

Prior Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments	Other
Past due between 1-30 days	77.219	-	-	-	-
Past due between 1-3 months	44.465	-	-	-	-
Past due between 3-12 months	9.636	-	-	-	-
Past due for more than 1 year	8.341	-	-	-	-

f) Capital Risk Management

The Group's policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group periodically measures Net Debt to EBITDA ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents from total borrowings.

NOTE 36. FINANCIAL INSTRUMENTS

Fair Value

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

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

a) Financial Assets

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

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

NOTE 36. FINANCIAL INSTRUMENTS (continued)

Fair Value (continued)

b) Financial Liabilities

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

Fair value hierarchy table

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

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

Current Year	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value			
Interest rate swap	**-**	**3.005**	**-**
Financial liabilities at fair value			
Interest rate swap	**-**	**388**	**-**
Options (Note 22)	**-**	**-**	**85.761**

Prior Year	Level 1	Level 2	Level 3
Financial liabilities at fair value			
Interest rate swap	-	479	-
Options (Note 22)	-	-	113.039

Derivative Financial Instruments, Risk Management Objectives and Policies

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

As of December 31, 2014 CCI has 4 aluminum swap transactions with a nominal value of TRL17.811 and 4.000 tones. (As of December 31,2013 CCI has 4 aluminum swap transactions with a nominal value of TRL23.303 and 5.800 tones). As of December 31, 2014 CCI has resin forward transactions with a total nominal amount of TL 62.239, for 6 forward purchase contracts amounting to USD 26.840 thousand (December 31, 2013 – None).

As of December 31, 2014 Turkey Beer has foreign currency forward transactions with a total nominal amount of TL 11.595, for 12 forward purchase contracts amounting to USD 5.000 million (December 31, 2013 – None). As of December 31, 2014, Turkey Beer has allocated its time deposits amounting to TRL62.610 (equivalent of 27 million USD) for the future raw material purchases in the scope of hedge accounting (December 31, 2013 – None).

NOTE 37. EVENTS AFTER REPORTING PERIOD

None.