

COCA-COLA İÇECEK A.Ş. Material Event Disclosure (General)

Summary Info

2018 Volume Announcement

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2018 Volume Announcement

Consolidated Sales Volume

In FY18, consolidated sales volume increased by 6.3% to 1,315 million unit case (UC), exceeding our guidance of 4%-6%. FY18 growth represents 77 million UC incremental volume which was driven by strong performance of Sparkling (up 6.8%), Stills (up 11.6%) and Water (up 6.0%) categories while non-ready-to-drink ('NRTD') Tea was down by 1.2%.

In 4Q18, consolidated sales volume increased by 0.6% to 229 million UC, driven by Water (up 7.0%) and NRTD Tea (up 11.5%) while Sparkling and Stills categories contracted by 2.2% and 4.9%, respectively, mostly due to Turkey operation.

Turkey

In FY18, volume increased by 4.8% in Turkey to 650 million UC, marking the highest annual growth since 2012. All categories except for the NRTD Tea posted growth in FY18 while the Sparkling category grew by 5.7%, cycling 1.7% growth in FY17. The share of immediate consumption ('IC') packages in the Sparkling category continued to increase in 2018, reaching to 23% from 22% in FY17. The number of transactions exceeded the volume growth with 11% increase. Throughout 2018, accelerated cooler investments, strong brand innovations such as Coca-Cola No Sugar and Fanta-C, and increased full portfolio availability supported the Sparkling volume. Sugar free segment was up by 26%, reflecting our focus on 'Coca-Cola No Sugar' while the share of sugar free in Sparkling volume increased by 1 pp to c.7%. The Stills category grew by 5.8% with Ice Tea being the main contributor through accelerated investment and increased availability. The Water category volume was up by 7.6% in 2018 with double-digit growth in IC packages. The decline in NRTD Tea volume was primarily due to the price increases.

In 4Q18, volume remained almost flat at 120 million UC, despite the decline in NARTD market, impacted by macroeconomic headwinds deteriorating consumer sentiment and price increases taken in September. The Sparkling category contracted by 6.9% while sugar free segment continued to grow. The Stills category volume declined by 10.4% in the quarter, while the Water category grew by 9.4%. NRTD Tea delivered 11.9% growth, supported by the low base in 4Q17.

International

In FY18, our international operations posted 7.8% volume growth, reaching 664 million UC primarily driven by Pakistan and Kazakhstan operations.

In Pakistan, volume increased by 7.3% in FY18, cycling 3.5% growth in FY17. The growth was supported by our focus on route-to-market, the inauguration of our Faisalabad plant before the high season and successful consumer activities.

The Sparkling category recorded a 6.7% growth in 2018. Improved market execution led us to outperform the overall market growth. Coca-Cola trademark posted mid-single digit growth while Sprite grew by low-teens on the back of our three-brand strategy. The launch of Dasani brand also contributed to volume with c.35% growth in the Water category.

Across the Middle East, volume grew by 2.0%. Iraq posted 3.9% growth while high-single digit growth in the Sparkling category partially offset by the contraction in the Water category. Jordan sales volume contracted by 8.4% due to increases in the excise tax and weak macroeconomic backdrop putting pressure on overall consumer spending.

Central Asia registered 12.7% growth, with all markets except for Turkmenistan delivering double-digit growth. Kazakhstan posted 14.1% growth, reaching the highest-ever sales volume, along with significant value share gains. Strong market execution and effective marketing campaigns coupled with improved macroeconomics supported by higher oil prices resulted in double-digit growth in all categories. Azerbaijan posted 29.7% growth, driven by more than 30% growth in the Sparkling category, reaching highest volume ever. Growth in Azerbaijan coming from all categories which was the result of strong market execution and marketing investment. Turkmenistan on the other hand, recorded 34.9% volume contraction due to continued currency convertibility issues, causing interruptions in production.

In 4Q18, international operations delivered 1.5% growth, reaching 108 million UC sales volume.

Pakistan volume was up by 1.4% in 4Q18, reflecting some slowdown due to price increases in early October as well as macroeconomic backdrop putting pressure on private consumption.

Across the Middle East, volume declined by 5.3%. Sales volume in Iraq was down by 2.2%, as markets were closed for almost 10 days due to a religious occasion and security concerns, along with continued challenges due to political environment. Jordan contracted 21.9% mainly due to the weak macroeconomic environment.

Central Asia registered 7.2% volume growth with more than 20% growth in Azerbaijan, Kyrgyzstan, and Tajikistan. During the quarter, Kazakhstan posted 6.7% growth, cycling 13.4% growth in 4Q17. New year consumer promotions and successful consumer activations contributed to the Sparkling category growth in the Region.

We hereby declare that our above statements are in conformity with the principles included in the Capital Markets Board's Communiqué on Material Events, that they fully reflect the information we have acquired, that the information complies with our books, records and documents, that we have made our best effort to fully and accurately obtain all information regarding the matter and that we are responsible for this disclosure made hereby.

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We proclaim that our above disclosure is in conformity with the principles set down in “Material Events Communiqué” of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and

documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we're personally liable for the disclosures.