COCA-COLA İÇECEK A.Ş.
INTERIM REPORT

as of March 31, 2018

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COMMENTS FROM THE CEO, BURAK BAŞARIR

"We have had a solid start to the year, with accelerated performance in all of our regions. We are pleased that robust volume also translated into healthy revenue growth and margin expansion through rigorous market execution and improving efficiency.

In Turkey we continued to build on our momentum with double-digit volume growth, growing transactions ahead of volume and EBIT ahead of net revenue. Successful execution of revenue growth management initiatives continued to drive an increasing share of immediate consumption ("IC") packages as well as improvement in our net revenue per case in the first quarter of the year.

In Pakistan, volume growth was back on track with sustained improvement in operating profitability. We completed the first phase of our RTM 2.0 project which contributed to improving distribution and commercial efficiency, paving the way for a healthier, more sustainable operating model. We recently inaugurated a new greenfield plant in Faisalabad and are now poised to capture further growth opportunities in the country. In Iraq, volume growth came from a better operating environment and improving market execution.

In Central Asia, volume growth accelerated to double-digit, while our largest markets, Kazakhstan and Azerbaijan, delivered strong volumes coupled with improving margins. We are pleased to report more than doubling of our operating profitability across the overall region.

Following the encouraging results of the first quarter, we are on track to drive profitable growth for the rest of the year and deliver on our guidance. We maintain our commitment to growing shareholder value, and our General Assembly approved a record high dividend of 200 million TL to be paid starting from May 25, 2018. We will continue to invest in our business, enhance our commercial capabilities and further improve efficiency going forward."

ABOUT CCI

CCI is the sixth-largest bottler in the Coca-Cola System in terms of sales volume. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company (TCCC) across Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria and Tajikistan.

CCI employs close to 9,000 people and has a total of 26 plants, offering a wide range of beverages to a consumer base of 400 million people. In addition to sparkling beverages, the product portfolio includes juices, waters, sports and energy drinks, teas and iced teas.

CCI's shares are traded on Borsa Istanbul (BIST) under "CCOLA.IS", American depositary receipts (ADR) are traded over the counter in the United States under "COLAY", Eurobond is traded on Irish Stock Exchange under "CCOLAT" tickers.

SHAREHOLDING STRUCTURE

Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	40.12%
The Coca-Cola Export Corporation	20.09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	10.14%
Özgörkey Holding A.Ş.	2.91%
Publicly-traded	26.74%
	100.00%

The Articles of Association of our Company do not stipulate any privileges for the exercise of voting rights.

DEVELOPMENTS DURING THE PERIOD

Announcement on Moody's Rating Decision

Moody's downgraded Coca-Cola İçecek A.Ş.'s (CCI) long-term rating to Ba1 from Baa3 on March 9, 2018. The outlook on the rating was changed to "stable" from "negative". The rating action was prompted by Moody's recent decision to downgrade Turkey's government issuer rating to Ba2 from Ba1 on March 7, 2018.

Based on Moody's assesment, CCI's Ba1 corporate family rating is one notch above Turkey's government bond rating, and reflects the high dependence on its Turkish operations for revenue and cash flow generation, while recognizing the investment grade financial profile and market leadership position of CCI and significant cash balances, with a majority deposited in the domestic banking system.

Further information related to credit ratings is available on our website, www.cci.com.tr.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Corporate Governance Principles Compliance Report is updated once a year as a part of the annual report. Interim report includes only the essential changing parts.

Investor Relations Department

CCI has an Investor Relations Department reporting directly to the Chief Financial Officer (CFO) Michael Anthony Coombs and managing the relations of the company with its shareholders.

The individuals in charge of investor relations are as follows:

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Questions directed to the Investor Relations Department are answered in accordance with CCI Disclosure Policy. During 1Q18, CCI management and the Investor Relations Department attended 3 investor conferences and roadshows and organized 13 conference calls and met with 83 investors/analysts from 91 companies and investment funds at its headquarters, investors/analysts' offices, investor conferences or teleconferences.

Structure and Composition of the Board of Directors

CCI has a Board of Directors consisting of 12 members, 4 of whom are independent. The Board Members, elected to the Board of Directors for 1 year at the Ordinary General Assembly Meeting which was held on April 13, 2018 to officiate until the Ordinary General Assembly Meeting is as follows:

Tuncay Özilhan	Chairman	(Non-executive)
Galya Fani Molinas	Vice Chairman	(Non-executive)
Talip Altuğ Aksoy	Member	(Non-executive)
Kamilhan Süleyman Yazıcı	Member	(Non-executive)

Kamil Ömer Bozer	Member	(Non-executive)
Mehmet Cem Kozlu	Member	(Non-executive)
Ahmet Boyacıoğlu	Member	(Non-executive)
Mehmet Hurşit Zorlu	Member	(Non-executive)
İzzet Karaca	Member	(Independent)
Ali Galip Yorgancıoğlu	Member	(Independent)
Uğur Bayar	Member	(Independent)
Tayfun Bayazıt	Member	(Independent)

In 1Q18, there arose no situation which revoked the independence of independent members of the Board of Directors.

Working Principles of the Board of Directors

The rate of participation of Board Members in the meetings during the 1Q18 has been 100% and Board Members aim attending every meeting and present an opinion. When there are dissenting opinions on reasonable and detailed grounds regarding the questions asked or different opinions expressed by Board Members, these are recorded in the meeting minutes.

Number, Structure and Independence of the Committees established under the Board

There are three committees active under CCI's Board of Directors: Audit Committee, Corporate Governance Committee and Risk Detection Committee. According to the Board of Directors resolution dated May 2, 2018, the members of the Committees are as below:

	Independent Member	**Executive Member**
Audit Committee		
İzzet Karaca - Chairman	Yes	No
Tayfun Bayazıt – Member	Yes	No
Corporate Governance Committee		
Uğur Bayar – Chairman	Yes	No
M. Hurşit Zorlu - Member	No	No
Kamilhan Süleyman Yazıcı - Member	No	No
R. Yılmaz Argüden - Member	No	No
Yeşim Tohma - Member	No	Yes
Risk Detection Committee		
Ali Galip Yorgancıoğlu - Chairman	Yes	No
Talip Altuğ Aksoy – Member	No	No
Mehmet Cem Kozlu - Member	No	No

In the first nine months period the committees met at the following dates:

CORPORATE GOVERNANCE COMMITTEE
27.02.2018
RISK DETECTION COMMITTEE
27.02.2018
AUDIT COMMITTEE
22.02.2018

SUBSEQUENT EVENTS

Collective Bargaining Agreement

The collective bargaining agreement negotiations between Coca-Cola İçecek and Tek-Gıda İş Sendikası (Labour Union), which have been ongoing for two months, were finalized after the end of business on April 18, 2018 with an agreement on the conditions summarized below. The agreement covers the period from January 1, 2018 to December 31, 2019 and its signing is in process.

The principal terms of the collective bargaining agreement are as follows;

- For the first year of the agreement, gross wages of the union member employees will be increased by 535 TL per person per month, effective 01.01.2018. In the second year of the agreement, gross wages will be increased by the rate of increase in the Consumer Price Index plus 135 TL per person per month.
- The annual social package will be increased by approximately 13% for the first year and by the rate of increase in the Consumer Price Index for the second year.

CCI Faisalabad Plant

Coca-Cola Içecek (CCI) has inaugurated its 6th production plant in Pakistan in Faisalabad. The state-of-the-art production facility will have an annual capacity of 84 mn unit cases. The total amount of investment for the plant is USD 45 million. With the opening of Faisalabad plant, CCI's number of plants and capacity in Pakistan increased to 6 and 440 million unit cases respectively.

Within the next three years, a total investment of USD 250 million in Pakistan has been planned. The investment amounts are subject to change based on final investment decisions.

General Assembly Meeting

The annual ordinary General Assembly of CCI was held on April 13, 2018 at the headquarters of the Company with a quorum of 85.6% constituted by the total present 21,769,735,030 shares out of 25,437,078,200. CCI's domestic and foreign shareholders attended the General Assembly in person or by proxy. The shareholders were informed through invitation, published on March 21, 2018, about the day, hour, venue and agenda of the meeting.

The day, hour, venue and agenda of the meeting was announced on the Turkish Commercial Registry Journal no 9542, dated March 22, 2018, and Sözcü newspaper, dated March 22, 2018, as well as on CCI's web site at www.cci.com.tr.

General Assembly Informative Document was prepared and published on company website before the meeting and it was printed and delivered to the General Assembly participants. The proxy forms for attendance by proxy is also available on our website to ease the process of attendance.

No media representatives were present during the General Assembly meeting. Nonetheless, a Corporate Governance Rating Agency representative was present as a guest at the meeting. In the General Assembly, shareholders used their rights to ask questions. The Shareholders had no request relating to any agenda items.

The shareholders were informed about CCI’s donation made to foundations that are exempted from tax as a separate agenda in the general assembly.

Minutes of the General Assembly meeting and list of attendees are published both in English and in Turkish on company web site.

Dividend Distribution

Proposed dividend distribution from Board of Directors of Coca-Cola İçecek dated February 27, 2018 and resolution number 06, was approved in the Ordinary General Assembly on April 13, 2018. The distribution of a total TL 200,189,805.00 gross dividends to be paid starting from May 25, 2018 was approved. It was resolved that of this amount, after the deduction of the 2016 net loss (TL 28,393,652.00) and statutory liabilities, TL 170,000,000.00 will be paid from 2017 net income (TL 237,627,000.00), and TL 30,189,805.00 will be paid from 2009 extraordinary reserves.

A gross cash dividend of TL 0.787 per 100 shares, representing TL 1 nominal value, will be paid to Turkey-based full and limited corporate tax payers, who receive dividends through an established business or a representative office in Turkey. Other shareholders will receive gross TL 0.787 (net TL 0.66895) per 100 shares.

ADDITIONAL INFORMATION RELATED TO OPERATIONS

Information regarding privileged shares and voting rights

The Articles of Association of our Company do not stipulate any privileges for the exercise of voting rights.

CCI’s Articles of Association do not restrict the transfer of Class C shares. However, there are certain stipulations for the transfer of Class A and Class B shares.

Class A and Class B shares have certain privileged rights with respect to management. CCI has a Board of Directors consisting of 12 members, 7 of whom are nominated by Class A shareholders and 1 of whom is nominated by Class B Shareholders. The remaining 4 Directors are independent.

Information on the acquisition of own shares

CCI did not acquire its own shares in 1Q18.

Research and development activities

There are no any research and development activities and cost during the period. Research and development activities are conducted by The Coca-Cola Company (TCCC), and CCI benefits from the transfer of TCCC’s information and know-how.

Dividend Right

Dividend Policy was submitted to the information of General Assembly on April 15, 2014 and published both in the annual report and on the website.

Dividend Distribution Policy

Our Company carries out dividend distributions pursuant to the provisions of Turkish Commercial Code, Capital Markets Regulations, Tax Regulations and other relevant regulations as well as in accordance with the article on dividend distribution of our Company's Articles of Association. Our Company targets to distribute an amount not to be more than 50% of the distributable profit as cash and/or bonus shares each year. This dividend distribution policy is subject to the investment and other funding needs that may be required for the long term growth of the Company and any special cases that may arise due to the extraordinary developments in the economic conditions. The Board of Directors adopts a resolution on dividend distribution for each accounting period and submits it for the approval of the General Assembly. Dividend distribution commences on the date to be determined by the General

Assembly which shall not be later than the end of the year during which the General Assembly Meeting is held. The Company may consider making advance dividend payment or paying out the dividends in equal or variable installments. Without prejudice to the investment plans and operational requirements, the Board of Directors may propose a dividend distribution at a rate to be higher than the upper limit determined subject to the approval of the General Assembly.

Share groups do not have any privileges with respect to dividends.

Information about the Company's capital and equity structure

Shareholders equity as of 31.03.2018 is TL 4.91 bn and the issued capital is TL 254.37 mn. This is indicator for our strong equity structure.

Measures taken to improve the Company's financial structure

Our Company utilizes long term loans to finance its investments as well as medium and short term loans to finance its working capital requirements. For a sustainable, healthy financing structure, our main priorities are to diversify the funding sources, to achieve optimum maturity of the funding need, to mitigate the foreign exchange risk diversifying the currencies, to keep good relationships with the financial institutions while closely monitoring the market.

Labor movements, labor agreements, and benefits provided to laborers

Average number of personnel employed during the period is 8,055 (31 December 2017: 8,603).

Starting from workforce planning, all human resources processes such as recruitment, performance management, talent management, training and development, compensation and benefit management are based on ensuring, encouraging and rewarding continuous development and superior performance.

The remuneration policy which was prepared to identify the remuneration system and practices applicable to and the other rights and benefits to the board members and top management, is published on our web site.

SHAREHOLDERS' INFORMATION

Number of Shares: 25,437,078,200 (Nominal value of 100 shares is TL 1.)
IPO date: May 12, 2006
Free-float rate 26.74%

Share Performance in 1Q18

Jan. 1 – Mar. 31, 2018	Minimum	Maximum	Average	Mar. 31, 2018
Share price (TL)	31.9	38.6	35.7	35.9
Market Cap. (USD million)	2,140	2,594	2,377	2,308

Independent Auditors:
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Credit Rating:
Foreign Currency Senior Unsecured rating and IDR, 'BBB', Stable Outlook
Local Currency Senior Unsecured and IDR, 'BBB', Stable Outlook
Senior Unsecured Rating, 'BBB', Stable Outlook
(Fitch Rating, July 7, 2017)

Long-term Issuer Rating, "Ba1", Stable Outlook
(Moody's Rating, March 9, 2018)

Corporate Governance Rating:
Corporate Governance Rating of 94.52 out of 100 (SAHA Corporate Governance and Credit Rating Services Inc, July 1, 2017)

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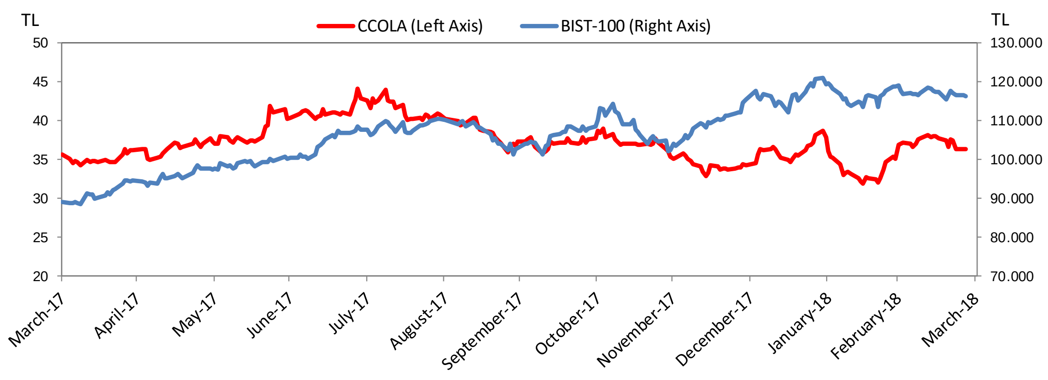
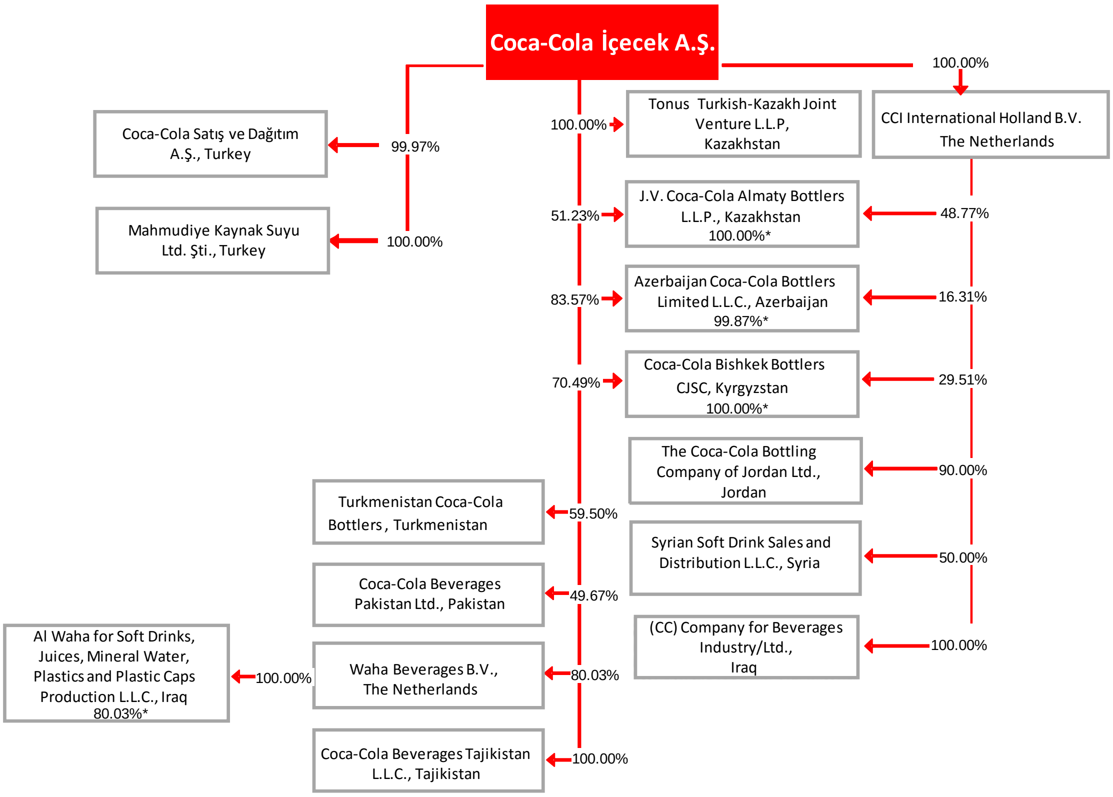
Share Performance



SUBSIDIARIES



* Direct and indirect

FINANCIAL PERFORMANCE REVIEW

CONTINUED QUALITY GROWTH IN 2018 WITH ACCELERATING PERFORMANCE

1Q18 Highlights

- Sales volume up by 12.4%
- Net sales revenue up by 19.9%
- FX-neutral NSR up by 19.2%
- EBIT margin up by 350 bps to 7.9%
- EBITDA margin up by 270 bps to 15.1%
- Net loss down by 46.5%

Follow tomorrow's live event

1Q18 Results Webcast; 16:00 Istanbul / 14:00 London / 09:00 New York

Click here to access webcast

Key P&L Numbers and Margins

Consolidated (million TL)	1Q17	1Q18	Change %
Volume (million uc)	233	262	12.4%
Net Sales	1,556	1,866	19.9%
Gross Profit	481	614	27.5%
EBIT	69	148	114.0%
EBIT (Exc. other)	57	138	143.8%
EBITDA	194	282	45.7%
EBITDA (Exc. other)	188	274	45.9%
Profit/(Loss) Before Tax	(58)	(31)	46.7%*
Net Income/(Loss)	(86)	(46)	46.5%*
Gross Profit Margin	30.9%	32.9%	
EBIT Margin	4.5%	7.9%	
EBIT Margin (Exc. other)	3.6%	7.4%	
EBITDA Margin	12.4%	15.1%	
EBITDA Margin (Exc. other)	12.1%	14.7%	
Net Income / (Loss) Margin	(5.5%)	(2.5%)	

Turkey (million TL)	1Q17	1Q18	Change %
Volume (million uc)	119	136	14.0%
Net Sales	711	884	24.3%
Gross Profit	282	340	20.7%
EBIT	125	192	53.4%
EBIT (Exc. other)	43	60	39.7%
EBITDA	166	239	43.6%
EBITDA (Exc. other)	85	108	26.5%
Net Income/(Loss)	42	77	81.6%
Gross Profit Margin	39.6%	38.5%	
EBIT Margin	17.6%	21.8%	
EBIT Margin (Exc. other)	6.1%	6.8%	
EBITDA Margin	23.4%	27.0%	
EBITDA Margin (Exc. other)	12.0%	12.2%	
Net Income / (Loss) Margin	6.0%	8.7%	

International (million TL)	1Q17	1Q18	Change %
Volume (million uc)	114	126	10.8%
Net Sales	845	981	16.2%
Gross Profit	200	274	36.9%
EBIT	11	72	554.1%
EBIT (Exc. other)	2	65	n.m.
EBITDA	95	160	69.1%
EBITDA (Exc. other)	92	153	67.3%
Net Income/(Loss)	(56)	8	n.m.
Gross Profit Margin	23.7%	27.9%	
EBIT Margin	1.3%	7.4%	
EBIT Margin (Exc. other)	0.3%	6.6%	
EBITDA Margin	11.2%	16.3%	
EBITDA Margin (Exc. other)	10.8%	15.6%	
Net Income / (Loss) Margin	(6.6%)	0.8%	

*Improvement in Profit Before Tax and Net Income is shown as positive percentage change.

Operational Overview

Sales Volume

Consolidated:

Consolidated sales volume increased by 12.4% in the quarter, reaching 262 million UC. The growth was broad-based, with the contribution of all regions.

Among categories, Sparkling (up 11.5%), Stills (up 21.4%) and non-ready-to-drink ("NRTD") Tea (up 21.4%) posted double-digit volume growth while Water (up 6.0%) growth turned positive in the quarter.

The share of Turkey operations within total sales volume was 52% in 1Q18 compared to 51% in 1Q17.

	Growth (YoY)		Breakdown	
	1Q17	**1Q18**	**1Q17**	**1Q18**
Sparkling	7.7%	11.5%	68%	67%
Stills (excluding water)	(10.7%)	21.4%	6%	6%
Water	(10.7%)	6.0%	15%	14%
Tea (NRTD)	25.0%	21.4%	12%	13%
Total	**5.1%**	**12.4%**	**100%**	**100%**

Turkey:

Turkey operations delivered another quarter of quality growth, with a 14.0% increase in volume, coupled with favourable category and packaging mix. All categories registered volume growth in 1Q18, fueled by successful marketing activities, increasing cooler investment and supportive weather conditions.

The Sparkling category grew by 12.9%, the highest quarterly volume growth since 2015. Both future consumption ("FC") and immediate consumption ("IC") packages drove this growth, with the latter accelerating to 30% in 1Q18. The share of IC packages in the Sparkling category increased by almost three percentage points compared to 1Q17, while the number of transactions grew by 21%, outpacing volume growth. Successful launches of 'No Sugar' and 'Fanta C' contributed to strong volume delivery in the category, with the Low/No Calorie segment registering more than 50% growth.

The Stills category grew by 13.8%, mainly led by 58.3% in Ice Tea. The relaunch of the Fuse Tea brand, combined with successful promotions, led the growth while Juice also maintained its momentum.

The Water category turned positive in 1Q18, posting a healthy 7.9% volume growth with packaging mix continuing to evolve in favour of IC packages, consistent with our focus on improving the profitability of this category.

NRTD Tea registered 21.2% volume growth in 1Q18, cycling 24.8% growth in 1Q17.

Operational Overview (continued)

International:

In 1Q18, international operations delivered 10.8% volume growth, with accelerating performance across all regions and growth in all categories.

- In Pakistan, volume increased by 7.1%, mainly driven by the Sparkling category, supported by successful new package launches such as 350 ml Coca-Cola. Sprite outperformed the overall category with growth in the mid-teens in 1Q18.
- Across the Middle East, volume grew by 8.2%. Iraq posted 9.2%, mainly driven by a double-digit increase in the Sparkling category. New flavours of Fanta also contributed to this growth. Jordan recorded 2.8% growth, despite the weak operating environment and a slowdown in overall consumer spending.
- Central Asia operations grew by 18.7% in 1Q18, with all markets, except for Turkmenistan, continuing to post double-digit volume growth. Kazakhstan, our largest market in the region, posted 23.3% growth, led by high-teen growth and the highest ever volume and value share in Sparkling. Azerbaijan recorded the highest volume growth in the region, with 42.4% and reached record high first quarter volume, supported by improving market execution and favourable weather conditions.

Financial Overview

In 1Q18,

- **Net sales revenue ("NSR")** increased by 19.9%, mainly driven by Turkey and Central Asia. On an FX-neutral(1) basis, consolidated NSR was up by 19.2%, on the back of increasing volume, pricing and positive sales mix.

  In Turkey, NSR was up by 24.3%, driven by the growth in the Sparkling category and price increases taken to mitigate the impact of the recent special consumption tax*. NSR per unit case maintained its momentum, recording 9.1% growth, as our revenue growth management initiatives continued to improve the package and category mix.

  In our International operations, NSR increased by 16.2% or 14.9% on an FX-neutral basis. Strong volume growth and pricing in Central Asia were the most significant drivers of the top-line in 1Q18, while NSR per unit case was up by 3.7% on an FX-neutral basis.

	Net Sales Revenue (TL m)			NSR per UC (TL)		
	1Q17	**1Q8**	**YoY Change**	**1Q17**	**1Q18**	**YoY Change**
Turkey	711	884	24.3%	5.98	6.52	9.1%
International	845	981	16.2%	7.41	7.77	4.9%
International (FX Neutral)	845	970	14.9%	7.41	7.68	3.7%
Consolidated	1,556	1,866	19.9%	6.68	7.12	6.7%
Consolidated (FX Neutral)	1,556	1,854	19.2%	6.68	7.08	6.0%

(1) FX-Neutral: Using constant FX rates when converting country P&L's to TL.

- **Gross margin** improved by 200 bps to 32.9%, with raw material costs as a percentage of revenue declining on a consolidated basis, mainly stemming from international operations. Significant expansion in international operations' gross margin more than offset the lower gross margin in Turkey operations.

  Turkey's NSR per unit case growth moderated the adverse impacts of higher packaging costs to a large extent, while gross margin contracted by 110 bps to 38.5%.

  In our International operations, gross margin increased by 420 bps to 27.9% on the back of higher NSR per unit case and decreasing costs per unit case, supported by lower sugar/sweetener costs.

- **EBIT margin** improved by 350 bps to 7.9%, attributable to significant margin improvement in both Turkey and International operations. Our ongoing focus on tight opex management resulted in a 150 bps reduction in comparable operating expenses as a percentage of revenue, compared to the same period of 2017. 89 bps decline in SD&M expenses/NSR and 91 bps decline in G&A expenses/NSR contributed to EBIT margin expansion, coupled with improving gross margin.

- **EBITDA margin** expanded by 270 bps to 15.1% in 1Q18, reflecting better operating profitability both in Turkey and International operations.

**A special consumption tax (SCT) of 10% has been levied on flavoured & plain sparkling, nectars, juice drinks and other flavoured soft drinks, effective 1 January 2018 onwards.*

Financial Overview (continued)

- **Net financial expense** increased by 42.4% reflecting higher net FX losses in 1Q18.
- **Non-controlling interest (minority interest)** remained almost flat in 1Q18.
- **Net loss** declined to TL 46 million in 1Q18 from TL 86 million in 1Q17. This decrease mainly stemmed from strong operating profitability despite higher financial expenses.

Financial Income / (Expense) Breakdown

Financial Income / (Expense) (TL million)	1Q17	1Q18
Interest income	15	50
Interest expense (-)	(48)	(96)
Other financial FX gain / (loss)	34	140
Realized FX gain / (loss) - Borrowings	(0)	(44)
Unrealized FX gain / (loss) - Borrowings	(124)	(227)
Financial Income / (Expense) Net	**(124)**	**(176)**

- **Free cash flow** was TL 8.4 million in 1Q18. Higher cash from operating activities resulted in positive free cash flow despite higher capital expenditure.
- **CapEx** was TL 176 million in 1Q18 compared to TL113 million in 1Q17. Of the total capital expenditure, 40% was related to Turkey while 60% was related to International operations.
- **Consolidated debt** remained almost flat at USD 1,596 million, compared to year-end 2017.
- **Consolidated cash** also remained flat USD 1,020 million, compared to year-end 2017.

Financial Leverage Ratios	1Q17	2017	1Q18	1Q18*
Net Debt / EBITDA	2.22	1.52	1.55	1.55
Debt Ratio (Total Fin. Debt / Total Assets)	35%	45%	43%	34%
Fin. Debt-to-Equity Ratio	76%	110%	113%	77%

*Excluding the refinanced Eurobond

- As of 31 March 2018, excluding the refinanced Eurobond, 77% of our consolidated financial debt was in USD, 20% in EUR and the remaining 3% in TL, Pakistani Rupee and Kazakh Tenge. In January 2018, we completed a hedging transaction for USD 150 million through participating cross-currency swaps to decrease our FX short position. Following the hedging transaction, 63% of our consolidated financial debt is in USD, 20% in EUR and the remaining 17% is in local currency.
- The average duration of the consolidated debt portfolio was 3.1 years (4.3 years excluding 2018 USD 500 m Eurobond) and the maturity profile was as follows:

Maturity Date	2018	2019	2020	2021	2022	2023	2024
% of total debt	47%	2%	7%	1%	1%	9%	33%

- US private placement amounting to USD 100 million will be repaid using excess cash at the end of May 2018.

Accounting Principles

The consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets. In accordance with article 5 of the CMB Accounting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

As of March 31, 2018, the list of CCI's subsidiaries and joint ventures are as follows:

Subsidiaries and Joint Ventures	**Country**	**Consolidation Method**
Coca-Cola Satış ve Dağıtım A.Ş.	Turkey	Full Consolidation
Mahmudiye Kaynak Suyu Limited Şirketi	Turkey	Full Consolidation
J.V. Coca-Cola Almaty Bottlers LLP	Kazakhstan	Full Consolidation
Azerbaijan Coca-Cola Bottlers LLC	Azerbaijan	Full Consolidation
Coca-Cola Bishkek Bottlers Closed J. S. Co.	Kyrgyzstan	Full Consolidation
CCI International Holland B.V.	Holland	Full Consolidation
Tonus Turkish-Kazakh Joint Venture LLP	Kazakhstan	Full Consolidation
The Coca-Cola Bottling Company of Jordan Ltd.	Jordan	Full Consolidation
Turkmenistan Coca-Cola Bottlers	Turkmenistan	Full Consolidation
(CC) Company for Beverage Industry/Ltd.	Iraq	Full Consolidation
Waha Beverages B.V.	Holland	Full Consolidation
Coca-Cola Beverages Tajikistan LLC	Tajikistan	Full Consolidation
Al Waha for Soft Drinks, Juices, Min.Water, Plastics and Plastic Caps Prod.	Iraq	Full Consolidation
Coca-Cola Beverages Pakistan Ltd.	Pakistan	Full Consolidation
Syrian Soft Drink Sales and Distribution LLC	Syria	Equity Method

EBITDA Reconciliation

The Company's "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit/(loss) from operations" plus relevant non-cash expenses including depreciation and amortization, provision for employee benefits like retirement and vacation pay (provision for management bonus not included) and other non-cash expenses like negative goodwill and value increase due to change in scope of consolidation.

As of March 31, 2017 and 2018, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

EBITDA (TL million)	**1Q17**	**1Q18**
Profit / (loss) from operations	69	148
Depreciation and amortization	124	129
Provision for employee benefits	7	7
Foreign exchange gain / (loss) under other operating income / (expense)	(7)	(2)
EBITDA	**194**	**282**

Functional and Presentation Currency

The majority of the consolidated foreign subsidiaries and joint venture are regarded as foreign operations since they are financially, economically and organizationally autonomous. In accordance with “IAS 21 The Effects of Changes in Foreign Exchange Rates”, there has been a change in the functional currency of the foreign subsidiaries and joint venture from US Dollars ("USD") to the foreign subsidiaries' and joint ventures' local currencies effective from January 1, 2017. This was done considering the multinational structure of foreign operations and realization of most of their operations, by assessing the currency of the primary economic environment of foreign operations, the currency that influences sales prices for goods and services, the currency in which receipts from operating activities are usually retained and the currency that mainly influences costs and other expenses for providing goods and services. The group has applied the change in functional currency prospectively, in accordance with the requirements of IFRS and the relevant Accounting Standards. All assets and liabilities are converted into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost.

Functional and presentation currency of the Company is Turkish Lira (TL).

Functional Currencies of the Subsidiaries and Joint Ventures

	December 31, 2017		**March 31, 2018**	
	Local Currency	Functional Currency	**Local Currency**	**Functional Currency**
CCSD	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Mahmudiye	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Almaty CC	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Tonus	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	Manat	Manat	Manat	Manat
Turkmenistan CC	Turkmen Manat	Turkmen Manat	Turkmen Manat	Turkmen Manat
Bishkek CC	Som	Som	Som	Som
TCCBCJ	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar
CCBIL	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
SSDSD	Syrian Pound	Syrian Pound	Syrian Pound	Syrian Pound
CCBPL	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee
CCI Holland	Euro	U.S. Dollars	Euro	U.S. Dollars
Waha B.V.	Euro	U.S. Dollars	Euro	U.S. Dollars
Al Waha	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
Tajikistan CC	Somoni	Somoni	Somoni	Somoni

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 used by the Group’s subsidiaries in Turkey. USD amounts presented in the balance sheet are translated into TL with the official TL exchange rate for purchases of USD on March 31, 2018, USD 1,00 (full) = TL 3,9489 (December 31, 2017; USD 1,00 (full) = TL 3,7719). Furthermore, USD amounts in the income statement have been translated into TL, at the average TL exchange rate for purchases of USD for the period is USD 1,00 (full) = TL 3,8078 (December 31, 2017; USD 1,00 (full) = TL 3,6928)

Exchange Rates	**2017**	**1Q17**	**1Q18**
Average USD/TL	3.6445	3.6928	3.8078
End of Period USD/TL	3.7719	3.6386	3.9489

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 income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

2018 Guidance

- **Volume growth:**
    - 2%-4% in Turkey
    - 8%-10% in international operations
    - 4%-6% on a consolidated basis
- **Net revenue growth:**
    - 8%-10% in Turkey
    - 12%-14% in international operations (FX-neutral)
    - 10%-12% on a consolidated basis (FX-neutral)
- **EBITDA Margin:**
    - Flat in Turkey
    - Slight improvement in international operations
    - Slight improvement on a consolidated basis
- **Capex/Sales:** 7%-8% (on a comparable basis)
- **Net debt/ EBITDA:** Lower than 1.5x (on an FX-neutral and organic basis)

The business outlook of the Company is subject to the risks which are stated in the annual report and financial reports.

Note:

Beginning in 2018, our half-year volume announcement will be included with the earnings release, as the period between the volume announcement and the earnings release has been tightened.

CCI Consolidated Income Statement

	Unaudited		
	1 January - 31 March		
(TL million)	**2017**	**2018**	**Change (%)**
Sales Volume (UC millions)	**233**	**262**	**12.4%**
Revenue	1,556	1,866	19.9%
Cost of Sales	(1,074)	(1,252)	16.5%
Gross Profit from Operations	**481**	**614**	**27.5%**
Distribution, Selling and Marketing Expenses	(333)	(383)	15.0%
General and Administrative Expenses	(92)	(93)	1.5%
Other Operating Income	21	25	21.5%
Other Operating Expense	(8)	(15)	84.4%
Profit/(Loss) from Operations	**69**	**148**	**114.0%**
Gain/(Loss) From Investing Activities	(4)	(3)	(22.3%)
Gain/(Loss) from Associates	(0)	(0)	(146.4%)
Profit/(Loss) Before Financial Income/(Expense)	**66**	**145**	**121.4%**
Financial Income	106	228	116.1%
Financial Expenses	(230)	(405)	76.3%
Profit/(Loss) Before Tax	**(58)**	**(31)**	**(46.7%)**
Deferred Tax Income/(Expense)	(22)	5	n.m.
Current Period Tax Expense	(23)	(37)	61.5%
Net Income/(Loss) Before Minority	**(104)**	**(63)**	**(39.0%)**
Minority Interest	18	17	(2.7%)
Net Income/(Loss) After Minority	**(86)**	**(46)**	**(46.5%)**
EBITDA	**194**	**282**	**45.7%**

Turkey Income Statement

	Unaudited		
	1 January - 31 March		
(TL million)	**2017**	**2018**	**Change (%)**
Sales Volume (UC millions)	**119**	**136**	**14.0%**
Revenue	711	884	24.3%
Cost of Sales	(430)	(544)	26.6%
Gross Profit from Operations	**282**	**340**	**20.7%**
Distribution, Selling and Marketing Expenses	(188)	(229)	21.6%
General and Administrative Expenses	(50)	(51)	1.4%
Other Operating Income	84	138	63.9%
Other Operating Expense	(2)	(6)	191.7%
Profit/(Loss) from Operations	**125**	**192**	**53.4%**
Gain/(Loss) From Investing Activities	(2)	0	n.m.
Profit/(Loss) Before Financial Income / (Expense)	**124**	**193**	**55.7%**
Financial Income	87	224	156.8%
Financial Expenses	(178)	(344)	92.6%
Profit/(Loss) Before Tax	**33**	**73**	**124.9%**
Deferred Tax Income/(Expense)	10	5	(54.7%)
Current Period Tax Expense	(0)	(1)	421.4%
Net Income/(Loss)	**42**	**77**	**81.6%**
EBITDA	**166**	**239**	**43.6%**

International Income Statement

	Unaudited		
	1 January - 31 March		
(TL million)	**2017**	**2018**	**Change (%)**
Sales Volume (UC millions)	**114**	**126**	**10.8%**
Revenue	845	981	16.2%
Cost of Sales	(644)	(708)	9.8%
Gross Profit from Operations	**200**	**274**	**36.9%**
Distribution, Selling and Marketing Expenses	(145)	(154)	6.4%
General and Administrative Expenses	(53)	(55)	4.3%
Other Operating Income	15	17	13.1%
Other Operating Expense	(6)	(9)	47.4%
Profit/ (Loss) from Operations	**11**	**72**	**554.1%**
Gain/(Loss) From Investing Activities	(2)	(3)	58.7%
Gain/ (Loss) from Associates	(0)	(0)	(146.4%)
Profit / (Loss) Before Financial Income / (Expense)	**9**	**69**	**654.6%**
Financial Income	26	11	(58.6%)
Financial Expenses	(59)	(68)	14.9%
Profit/(Loss) Before Tax	**(24)**	**12**	**(152.0%)**
Deferred Tax Income/(Expense)	(32)	1	n.m.
Current Period Tax Expense	(16)	(23)	51.0%
Net Income/(Loss) Before Minority	**(71)**	**(11)**	**(85.3%)**
Minority Interest	16	18	14.2%
Net Income/(Loss) After Minority	**(56)**	**8**	**n.m.**
EBITDA	**95**	**160**	**69.1%**

CCI Consolidated Balance Sheet

(TL million)	Audited 31 December 2017	Unaudited 31 March 2018
Current Assets	**5,705**	**6,507**
Cash and Cash Equivalents	3,875	4,020
Investments in Securities	17	8
Derivative Financial Instruments	0	0
Trade Receivables	567	790
Due from related parties	108	111
Other Receivables	40	35
Inventories	564	991
Prepaid Expenses	174	211
Tax Related Current Assets	110	121
Other Current Assets	249	220
Non-Current Assets	**7,689**	**8,043**
Derivative Financial Instruments	0	21
Other Receivables	13	33
Investments in Associates	0	0
Property, Plant and Equipment	5,258	5,476
Intangible Assets	1,507	1,586
Goodwill	719	708
Prepaid Expenses	192	220
Total Assets	**13,394**	**14,550**

(TL million)	Audited 31 December 2017	Unaudited 31 March 2018
Current Liabilities	**4,128**	**5,003**
Short-term Borrowings	**78**	**140**
Current Portion of Long-term Borrowings	**2,717**	**2,876**
Financial lease payables	**2**	**1**
Trade Payables	**711**	**1,228**
Due to Related Parties	**245**	**276**
Payables Related to Employee Benefits	**40**	**32**
Other Payables	**232**	**330**
Provision for Corporate Tax	**5**	**8**
Provision for Employee Benefits	**66**	**67**
Other Current Liabilities	**32**	**45**
Non-Current Liabilities	**3,827**	**3,955**
Financial lease payables	**4**	**4**
Long-term Borrowings	**3,190**	**3,287**
Trade Payables & Due to Related Parties	**35**	**37**
Provision for Employee Benefits	**72**	**74**
Deferred Tax Liability	**408**	**430**
Other Non-Current Liabilities	**118**	**123**
Equity of the Parent	**4,736**	**4,908**
Minority Interest	**704**	**685**
Total Liabilities	**13,394**	**14,550**

CCI Consolidated Cash Flow

(TL million)	Unaudited Period-End	
	1Q17	**1Q18**
Cash Flow from Operating Activities		
IBT Adjusted for Non-cash items	219	301
Interest Paid	(14)	(77)
Interest Received	14	50
Change in Tax Assets and Liabilities	(11)	(24)
Employee Termination Benefits, Vacation Pay, Management Bonus payments	(41)	(29)
Operating Cash Flow	**167**	**221**
Change in Operating Assets & Liabilities	(109)	(37)
Net Cash Provided by Operating Activities	**58**	**184**
Purchase of Property, Plant & Equipment	(113)	(176)
Free Cash Flow	**(55)**	**8**
Other Net Cash Provided by/(Used in) Investing Activities	11	11
Change in ST & LT Loans	(48)	12
Cash Flow Hedge Reserve	0	13
Finance Lease Payables	0	(0)
Net Cash Provided by/(Used in) Financing Activities	(47)	25
Currency Translation on Cash & Cash Equivalents	12	111
Currency Translation on Intercompany Borrowings	22	29
Currency Translation Differences	(24)	(39)
Net Change in Cash & Cash Equivalents	(82)	145
Cash & Cash Equivalents at the beginning of the period	1,466	3,875
Cash & Cash Equivalents at the end of the period	**1,384**	**4,020**