

**AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD JANUARY 1 - JUNE 30, 2019  
AND THE AUDITOR'S REVIEW REPORT**

**(ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**To the General Assembly of AG Anadolu Grubu Holding A.Ş.**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of AG Anadolu Grubu Holding A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as of 30 June 2019 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

**DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.**  
**Member of DELOITTE TOUCHE TOHMATSU LIMITED**

  
**Burç Seven**  
**Partner**

**İstanbul, 19 August 2019**

# AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

## Interim Condensed Consolidated Financial Statements as at June 30, 2019

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(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2019  
AND DECEMBER 31, 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

ASSETS	Notes	Reviewed	Audited
		June 30, 2019	December 31, 2018 Restated (Note 2)
Cash and Cash Equivalents	5	<b>7.645.838</b>	5.282.990
Financial Investments		<b>112.043</b>	40.361
Trade Receivables		<b>4.939.877</b>	3.030.005
- <i>Trade Receivables, Related Parties</i>	21.1	<b>53.281</b>	273.929
- <i>Trade Receivables, Third Parties</i>		<b>4.886.596</b>	2.756.076
Other Receivables		<b>193.951</b>	139.535
- <i>Other Receivables, Related Parties</i>	21.1	<b>3.610</b>	20.595
- <i>Other Receivables, Third Parties</i>		<b>190.341</b>	118.940
Derivative Financial Assets		<b>85.139</b>	102.996
Inventories	6	<b>6.156.030</b>	3.131.137
Prepaid Expenses		<b>797.140</b>	568.852
Current Income Tax Assets	20.1	<b>146.803</b>	189.152
Other Current Assets	12.1	<b>847.153</b>	938.886
<b>TOTAL CURRENT ASSETS</b>		<b>20.923.974</b>	13.423.914
Financial Investments		<b>1.531</b>	367
Trade Receivables		<b>1.536</b>	1.437
- <i>Trade Receivables, Third Parties</i>		<b>1.536</b>	1.437
Other Receivables		<b>67.552</b>	56.768
- <i>Other Receivables, Related Parties</i>	21.1	<b>4.573</b>	-
- <i>Other Receivables, Third Parties</i>		<b>62.979</b>	56.768
Derivative Financial Assets		<b>36.998</b>	83.181
Investments Accounted Through Equity Method	8	<b>1.277</b>	1.920.877
Investment Property		<b>337.414</b>	296.443
Property, Plant and Equipment	9	<b>15.908.027</b>	11.738.915
Right of Use Assets		<b>3.604.606</b>	-
Intangible Assets		<b>22.080.172</b>	17.111.143
- <i>Goodwill</i>	11	<b>5.844.605</b>	2.552.368
- <i>Other Intangible Assets</i>	10	<b>16.235.567</b>	14.558.775
Prepaid Expenses		<b>491.598</b>	425.205
Deferred Tax Assets	20.2	<b>1.198.451</b>	956.572
Other Non-Current Assets	12.2	<b>1.153.955</b>	1.402.606
<b>TOTAL NON-CURRENT ASSETS</b>		<b>44.883.117</b>	33.993.514
<b>TOTAL ASSETS</b>		<b>65.807.091</b>	47.417.428

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2019 AND DECEMBER 31, 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	Audited
		June 30, 2019	Restated (Note 2) December 31, 2018
<b>LIABILITIES</b>			
Short-Term Borrowings	7	3.534.685	3.184.503
Current Portion of Long-Term Borrowings	7	5.315.914	3.756.799
- Bank Loans		4.744.874	3.643.106
- Lease Liabilities		571.040	113.693
Trade Payables		11.426.043	4.161.193
- Trade Payables, Related Parties	21.2	34.419	7.347
- Trade Payables, Third Parties		11.391.624	4.153.846
Employee Benefit Obligations		275.873	114.858
Other Payables		2.156.275	1.515.495
- Other Payables, Third Parties		2.156.275	1.515.495
Derivative Financial Liabilities		38.013	41.037
Deferred Income		404.753	478.774
Income Tax Payable	20.1	131.207	18.036
Short-Term Provisions		557.806	242.946
- Short-Term Provisions for the Employee Benefits	13	406.108	130.899
- Other Short-Term Provisions		151.698	112.047
Other Current Liabilities		102.445	36.532
<b>TOTAL CURRENT LIABILITIES</b>		<b>23.943.014</b>	<b>13.550.173</b>
Long-Term Borrowings	7	16.188.684	8.712.404
- Bank Loans		12.822.252	8.549.418
- Lease Liabilities		3.366.432	162.986
Trade Payables		69.249	44.207
- Trade Payables, Third Parties		69.249	44.207
Other Payables		428.971	392.368
- Other Payables, Third Parties		428.971	392.368
Derivative Financial Liabilities		6.063	3.356
Deferred Income		27.609	30.227
Long-Term Provisions		390.786	192.358
- Long-Term Provisions for the Employee Benefits	13	390.786	192.358
Deferred Tax Liability	20.2	3.010.416	2.762.447
Other Non-Current Liabilities		316.839	270.308
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20.438.617</b>	<b>12.407.675</b>
<b>TOTAL LIABILITIES</b>		<b>44.381.631</b>	<b>25.957.848</b>
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>5.027.827</b>	<b>5.046.470</b>
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		1.057.708	1.200.135
Effects of Business Combinations Under Common Control		(7.145)	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		2.670	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		156.681	73.528
- Revaluation and Remeasurement Gain (Loss)		156.681	73.528
- Gains (Losses) on Remeasurements Defined Benefit Plans		(22.589)	(20.538)
- Other Revaluation and Remeasurement Gain (Loss)		179.270	94.066
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		1.653.242	1.258.524
- Currency Translation Differences		2.386.505	1.789.301
- Gains (Losses) on Hedge		(733.263)	(530.777)
Restricted Reserves Allocated From Net Profit	15	615.970	909.511
Retained Earnings	15	1.710.663	2.467.846
Net Profit or Loss		(471.268)	(1.168.151)
<b>Non-Controlling Interests</b>		<b>16.397.633</b>	<b>16.413.110</b>
<b>TOTAL EQUITY</b>		<b>21.425.460</b>	<b>21.459.580</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>65.807.091</b>	<b>47.417.428</b>

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX AND THREE MONTHS PERIODS ENDED ON JUNE 30, 2019 AND 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed		Not Reviewed	
		January 1- June 30, 2019	Restated (Note 2)	April 1- June 30, 2019	Restated (Note 2)
			January 1- June 30, 2018		April 1- June 30, 2018
Revenue		<b>17.706.337</b>	10.436.742	<b>12.359.214</b>	6.567.877
Cost of Sales		<b>(12.169.195)</b>	(7.039.601)	<b>(8.262.270)</b>	(4.352.779)
<b>GROSS PROFIT (LOSS)</b>		<b>5.537.142</b>	3.397.141	<b>4.096.944</b>	2.215.098
General Administrative Expenses		<b>(974.628)</b>	(809.667)	<b>(536.830)</b>	(471.844)
Marketing Expenses		<b>(3.182.827)</b>	(1.813.048)	<b>(2.195.141)</b>	(1.132.858)
Research and Development Expenses		<b>(1.488)</b>	(2.517)	<b>(276)</b>	(1.262)
Other Operating Income	16.1	<b>343.137</b>	210.906	<b>174.659</b>	134.187
Other Operating Expenses	16.2	<b>(541.576)</b>	(265.503)	<b>(402.571)</b>	(146.845)
Gain (Loss) from Investments Accounted Through Equity Method	8	<b>(263.184)</b>	(329.369)	<b>(110.788)</b>	(186.559)
<b>OPERATING INCOME (LOSS)</b>		<b>916.576</b>	387.943	<b>1.025.997</b>	409.917
Income from Investing Activities	17.1	<b>375.310</b>	18.906	<b>346.044</b>	14.601
Expenses from Investing Activities	17.2	<b>(115.821)</b>	(27.396)	<b>(80.116)</b>	(18.492)
<b>OPERATING INCOME (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>1.176.065</b>	379.453	<b>1.291.925</b>	406.026
Financial Income	18	<b>681.274</b>	1.161.295	<b>369.583</b>	749.765
Financial Expenses	19	<b>(1.946.347)</b>	(2.200.633)	<b>(1.133.043)</b>	(1.328.057)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>(89.008)</b>	(659.885)	<b>528.465</b>	(172.266)
Tax (Expense) Income from Continuing Operations		<b>(212.407)</b>	22.813	<b>(162.347)</b>	(7.900)
- Current Period Tax (Expense) Income	20.3	<b>(239.792)</b>	(168.327)	<b>(153.490)</b>	(96.797)
- Deferred Tax (Expense) Income	20.3	<b>27.385</b>	191.140	<b>(8.857)</b>	88.897
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>		<b>(301.415)</b>	(637.072)	<b>366.118</b>	(180.166)
<b>Net Income (Loss) Attributable to:</b>					
- Non-controlling Interests		<b>169.853</b>	20.751	<b>436.757</b>	115.309
- Equity Holders of the Parent		<b>(471.268)</b>	(657.823)	<b>(70.639)</b>	(295.475)
Earnings / (Loss) per share (full TRL)		<b>(1,94)</b>	(2,70)	<b>(0,29)</b>	(1,21)
- Earnings / (Loss) per share from continuing operations (full TRL)		<b>(1,94)</b>	(2,70)	<b>(0,29)</b>	(1,21)

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX AND THREE MONTHS PERIODS ENDED ON JUNE 30, 2019 AND 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Reviewed		Not Reviewed	
	January 1- June 30, 2019	Restated (Note 2)	April 1- June 30, 2019	Restated (Note 2)
		January 1- June 30, 2018		April 1- June 30, 2018
<b>NET PROFIT (LOSS)</b>	<b>(301.415)</b>	(637.072)	<b>366.118</b>	(180.166)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items Not To Be Reclassified To Profit or Loss</b>	<b>82.423</b>	281.059	<b>62.455</b>	281.895
- Remeasurement Gain (Loss) from Defined Benefit Plans	(3.474)	(1.903)	(2.393)	(858)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Reclassified To Profit or Loss	(2)	-	-	-
- Other Components of Other Comprehensive Income that will Not To Be Reclassified To Other Profit or Loss	<b>109.236</b>	362.283	<b>82.524</b>	362.283
- Tax Effect of Other Comprehensive Income Not To Be Reclassified To Profit or Loss	(23.337)	(79.321)	(17.676)	(79.530)
- Deferred Tax (Expense) Income	(23.337)	(79.321)	(17.676)	(79.530)
<b>Items To Be Reclassified To Profit or Loss</b>	<b>1.688.573</b>	2.087.826	<b>71.608</b>	1.537.623
- Currency Translation Differences	<b>2.135.762</b>	2.426.438	<b>237.409</b>	1.840.805
- Other Comprehensive Income (Loss) on Cash Flow Hedge	(93.550)	275.134	(83.192)	237.546
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 22)	(492.973)	(722.442)	(132.384)	(633.942)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Reclassified To Profit or Loss	<b>20.934</b>	14.037	<b>10.881</b>	10.372
- Tax Effect of Other Comprehensive Income To Be Reclassified To Profit or Loss	<b>118.400</b>	94.659	<b>38.894</b>	82.842
- Deferred Tax (Expense) Income	<b>118.400</b>	94.659	<b>38.894</b>	82.842
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>1.770.996</b>	2.368.885	<b>134.063</b>	1.819.518
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>1.469.581</b>	1.731.813	<b>500.181</b>	1.639.352
<b>Total comprehensive income attributable to:</b>				
- Non-controlling Interest	<b>1.462.978</b>	1.663.050	<b>506.349</b>	1.376.934
- Equity Holders of the Parent	<b>6.603</b>	68.763	<b>(6.168)</b>	262.418

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)  
**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2019 AND 2018**  
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

						Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss		Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss		Restricted Reserves Allocated from Net Profit	Retained Earnings		Attributable to Equity Holders of the Parent	Non-Controlling Interests	Equity
	Paid-in Capital	Inflation Adjustments on Capital	Share Premium/Discount	Effects of Business Combinations Under Common Control	Put Option Revaluation Fund Related With Non-Controlling Interests	Profit / Loss on Remeasurements of Defined Benefit Plans	Other Revaluation and Remeasurement Gain (Loss) (**)	Currency Translation Differences	Gain / Loss on Hedge		Retained Earnings	Net Profit/Loss			
Balances as of January 1, 2018	243.535	65.771	1.319.349	(7.145)	8.728	(16.875)	-	1.149.491	12.385	909.511	2.244.351	(130.050)	5.799.051	11.739.283	17.538.334
Transfers	-	-	(10.767)	-	-	-	-	-	-	-	(119.283)	130.050	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(1.419)	282.581	659.521	(214.097)	-	-	(657.823)	68.763	1.663.050	1.731.813
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(657.823)	(657.823)	20.751	(637.072)
Other Comprehensive Income (Expense)	-	-	-	-	-	(1.419)	282.581	659.521	(214.097)	-	-	-	726.586	1.642.299	2.368.885
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	1.985	1.985
Dividends	-	-	(108.447)	-	-	-	-	-	-	-	83.447	-	(25.000)	(289.348)	(289.348)
Acquisition or Disposal of a Subsidiary Increase/Decrease Through Changes in Ownership Interests in Subsidiaries That Do Not Result in Loss of Control	-	-	-	-	-	-	-	-	-	-	-	-	-	4.143.067	4.143.067
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	771	-	-	-	-	-	-	-	771	(771)	-
Balances as of June 30, 2018 (Restated (Note 2))	243.535	65.771	1.200.135	(7.145)	9.499	(18.294)	282.581	1.809.012	(201.712)	909.511	2.461.105	(657.823)	6.096.175	16.791.649	22.887.824
<b>Balances as of January 1, 2019</b>	<b>243.535</b>	<b>65.771</b>	<b>1.200.135</b>	<b>(7.145)</b>	<b>2.916</b>	<b>(20.538)</b>	<b>94.066</b>	<b>1.789.301</b>	<b>(530.777)</b>	<b>909.511</b>	<b>2.467.846</b>	<b>(1.168.151)</b>	<b>5.046.470</b>	<b>16.413.110</b>	<b>21.459.580</b>
Transfers	-	-	(12.919)	-	-	-	-	-	-	(293.541)	(861.691)	1.168.151	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(2.051)	85.204	597.204	(202.486)	-	-	(471.268)	6.603	1.462.978	1.469.581
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(471.268)	(471.268)	169.853	(301.415)
Other Comprehensive Income (Expense)	-	-	-	-	-	(2.051)	85.204	597.204	(202.486)	-	-	-	477.871	1.293.125	1.770.996
Dividends	-	-	(129.508)	-	-	-	-	-	-	-	104.508	-	(25.000)	(330.258)	(355.258)
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	(246)	-	-	-	-	-	-	-	(246)	(1.148.197)	(1.148.443)
<b>Balances as of June 30, 2019</b>	<b>243.535</b>	<b>65.771</b>	<b>1.057.708</b>	<b>(7.145)</b>	<b>2.670</b>	<b>(22.589)</b>	<b>179.270</b>	<b>2.386.505</b>	<b>(733.263)</b>	<b>615.970</b>	<b>1.710.663</b>	<b>(471.268)</b>	<b>5.027.827</b>	<b>16.397.633</b>	<b>21.425.460</b>

(\*) Balances in the increase (decrease) due to other changes line consists of amount recognized as a result of change in consolidation scope of Migros as of May 1, 2019 as the details are stated in Note 3 and the share of put option revaluation fund related with non-controlling interests of Anadolu Efes, a subsidiary of the Group.

(\*\*) The balance consists of the increase due to revaluation of the assets used in renting activities.

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

**AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2019 AND 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	
		January 1- June 30, 2019	January 1- June 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>3.039.881</b>	<b>802.885</b>
Profit / (Loss)		(301.415)	(637.072)
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>2.652.760</b>	<b>2.260.727</b>
Adjustments for Depreciation and Amortisation Expense		1.140.519	760.374
Adjustments for Impairment Loss (Reversal of Impairment Loss)		111.729	27.476
- Adjustments for Impairment Loss (Reversal) of Receivables		17.356	8.376
- Adjustments for Impairment Loss (Reversal) of Inventories		35.811	3.826
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	17.2	32.445	15.274
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Asset	17.2	26.117	-
Adjustments for Provisions		99.695	67.185
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		86.125	53.693
- Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		(1.172)	896
- Adjustments for (Reversal of) Warranty Provisions		5.747	682
- Adjustments for (Reversal of) Other Provisions		8.995	11.914
Adjustments for Interest (Income) and Expenses		833.391	346.789
Adjustments for Unrealised Foreign Exchange Differences		266.134	833.194
Adjustments for Fair Value (Gains) Losses		(16.300)	-
- Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(16.300)	-
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	263.184	329.369
Adjustments for Tax (Income) Expense	20.3	212.407	(22.813)
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets	17.1,17.2	(64.769)	(4.324)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	17.1,17.2	(64.769)	(4.324)
Other Adjustments to Reconcile Profit (Loss)		(193.230)	(76.523)
<b>Adjustments for Working Capital</b>		<b>927.126</b>	<b>(789.106)</b>
Decrease (Increase) in Financial Investments		1.721	1.764
Adjustments for Decrease (Increase) in Trade Receivables		(1.762.805)	(1.657.341)
Adjustments for Decrease (Increase) in Other Operating Receivables		(3.608)	17.921
Adjustments for Decrease (Increase) in Inventories		(549.511)	(678.930)
Adjustments for Increase (Decrease) in Trade Accounts Payables		2.317.108	1.407.830
Adjustments for Increase (Decrease) in Other Operating Payables		697.069	528.665
Increase (Decrease) in Deferred Income		(76.639)	80.125
Other Adjustments for Increase (Decrease) in Working Capital		303.791	(489.140)
- Decrease (Increase) in Other Assets Related with Operations		380.713	(490.813)
- Increase (Decrease) in Other Liabilities Related with Operations		(76.922)	1.673
<b>Cash Flows Generated from Operations</b>		<b>3.278.471</b>	<b>834.549</b>
Interest Paid		(147.161)	-
Interest Received		60.395	-
Payments Related with Provisions for Employee Benefits		(33.895)	(18.715)
Payments Related with Other Provisions		(7.518)	-
Income Taxes Refund (Paid)		(110.411)	(12.949)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>869.780</b>	<b>(598.238)</b>
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(27.829)	(55.806)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		269.076	30.548
Purchase of Property, Plant, Equipment and Intangible Assets		(1.058.949)	(844.813)
Other Cash Inflows (Outflows) (*)		1.687.482	271.833
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(1.613.067)</b>	<b>(158.050)</b>
Proceeds from Issuing Shares or Other Equity Instruments		-	1.985
Proceeds from Borrowings		5.446.495	7.618.557
Repayments of Borrowings		(5.690.630)	(7.195.593)
Payments of Lease Liabilities		(317.327)	-
Proceeds (Repayments) from Derivative Instruments		(41.888)	16.178
Dividends Paid		(355.258)	(289.348)
Interest Paid		(811.445)	(454.313)
Interest Received		156.986	144.484
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>2.296.594</b>	<b>46.597</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		68.699	669.878
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2.365.293</b>	<b>716.475</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>5.269.086</b>	<b>5.789.520</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>7.634.379</b>	<b>6.505.995</b>

(\*) Other cash inflows (outflows) balance includes the effect of change in consolidation scope amounting to TRL 1.760.884.

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

(Convenience Translation into English of Condensed Consolidated Financial Statements Originally Issued in Turkish)

## AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

AG Anadolu Grubu Holding A.Ş. is a holding company, which is managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages its subsidiaries.

14,16% of shares of AG Anadolu Grubu Holding A.Ş. (“Company” or “AGHOL”) are traded in Borsa İstanbul A.Ş. (“BİST”).

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka E Blok Ümraniye, İstanbul, Turkey.

The interim condensed consolidated financial statements as of June 30, 2019 are authorized for issue by the Board of Directors on August 19, 2019 and are approved by the Finance President Onur Çevikel and the Finance Coordinator Volkan Harmandar on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the consolidated financial statements are issued.

#### Activities of the Group

The Company and its subsidiaries will be referred as the “Group” for the purpose of the consolidated financial statements.

The Group is organized and primarily managed in six principal segments: Beer, soft drinks, Migros, automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting), retailing (stationery, chain restaurant management and tourism) and other (production and sale of electricity, information technology, trade and real estate).

The average number of personnel of the Group for the period ended at June 30, 2019 is 56.654 (December 31, 2018: 24.922).

#### List of Shareholders

As of June 30, 2019 and December 31, 2018 the shareholders and shareholding rates are as follows:

	June 30, 2019		December 31, 2018	
	Paid in Capital	(%)	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş. (*)	118.474	48,65	118.474	48,65
Other Yazıcı Family Members (*)	47.269	19,41	47.287	19,41
Özilhan Family (*)	24.293	9,98	24.293	9,98
Süleyman Kamil Yazıcı and his Family (*) (***)	16.976	6,97	19.000	7,80
Azimet Portföy SKY Serbest Özel Fon (*) (****)	2.024	0,83	-	-
Publicly traded (**)	34.494	14,16	34.480	14,16
Other	5	0,00	1	0,00
<b>Paid-in share capital - historical</b>	<b>243.535</b>	<b>100,00</b>	<b>243.535</b>	<b>100,00</b>
Inflation adjustment on capital	65.771		65.771	
<b>Total share capital</b>	<b>309.306</b>		<b>309.306</b>	

(\*) As of June 30, 2019, 28,65% of AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TRL 69.767 and all of the shares of Other Yazıcı Family Members, Özilhan Family, Süleyman Kamil Yazıcı and his Family and other are publicly issued and 10,32% of them amounting TRL 24.105 are traded on the stock exchange.

(\*\*) The shares only consist of the shares traded on the stock exchange which do not belong to family members.

(\*\*\*) TRL 218 of TRL 16.976 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş.. Anadolu Ecopack Üretim ve Pazarlama A.Ş.’s 100,00% shares belong to Süleyman Kamil Yazıcı and his Family.

(\*\*\*\*) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalıoğlu) are the qualified investors of Azimet Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to the these mentioned individuals as predetermined.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)**

**List of Subsidiaries**

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2019 and December 31, 2018 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2019	December 31, 2018
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	Production and sales of Isuzu branded commercial vehicles	Automotive	55,40	55,40
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	43,05	43,05
Migros Ticaret A.Ş. (Migros) (1) (4)	Turkey	Sales of food and beverage and durable goods	Migros	50,00	-
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	100,00	100,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	100,00	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	100,00	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Inactive	Automotive	51,00	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	56,89	56,89
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü)	Turkey	Distribution of the products of Adel and other imported stationery products	Retailing	73,17	73,17
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Retailing	100,00	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	99,38	99,38
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	100,00	100,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	Retailing	100,00	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	100,00	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	100,00	100,00
Anadolu Termik Santralleri Elektrik Üretim A.Ş. (Anadolu Termik) (3)	Turkey	Inactive	Other	-	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Other	100,00	100,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	100,00	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Other	75,68	75,68
Georgia Urban Enerji Ltd. (GUE)	Georgia	Production and sale of electricity	Other	68,11	68,11
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul)	Turkey	Purchase, sale, rental and management of real estate	Other	100,00	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	100,00	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	100,00	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Production and sale of electricity (Investment in progress)	Other	75,68	75,68
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik)	Turkey	Retailing	Other	100,00	100,00

(1) Shares of Anadolu Isuzu, Anadolu Efes, Adel and Migros are quoted in BİST.

(2) The Company has control over Anadolu Efes although the Company holds less than 50 percent of its shares. In concluding to have control over Anadolu Efes, the Company management considers the number of Board members representing AGHOL in the Board of Directors of Anadolu Efes, the Company's participation in policy-making processes, including participation in decisions about dividends or other distributions, the transactions between AGHOL and Anadolu Efes. The managerial personnel of AGHOL provide internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes.

(3) The merger of AGHOL with its 100% owned inactive subsidiary, Anadolu Termik Santralleri Elektrik Üretim A.Ş., through facilitated merger has been registered on February 21, 2019 by İstanbul Registry of Commerce and merger was realized.

(4) As particularly specified in Note 3, Migros is defined as a subsidiary as of May 1, 2019.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)**

**List of Subsidiaries (cont'd)**

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2019	December 31, 2018
Ant Sinai ve Tic. Ürünleri Paz. A.Ş. (7)	Turkey	Purchase and sale of spare parts	Automotive	55,40	55,40
Efes Breweries International N.V. (EBI) (8)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	43,05	43,05
AB InBev Efes B.V. (8)	The Netherlands	Investment Company	Beer	21,53	21,53
JSC Moscow-Efes Brewery (Efes Moscow) (5) (8) (9)	Russia	Production and marketing of beer	Beer	-	21,53
LLC Vostok Solod (8)	Russia	Production of malt	Beer	21,53	21,53
LLC Bosteels Trade (11)	Russia	Production of malt	Beer	21,53	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (8) (9)	Germany	Investment company	Beer	21,53	21,53
JSC AB InBev Efes (5) (8) (9)	Russia	Production and marketing of beer	Beer	21,53	21,53
LLC Inbev Trade (8)	Russia	Production of malt	Beer	21,53	21,53
PJSC AB InBev Efes Ukraine (8) (9)	Ukraine	Production and marketing of beer	Beer	21,25	21,22
Bevmar GmbH (8) (9)	Germany	Investment Company	Beer	21,53	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (8)	Kazakhstan	Production and marketing beer	Beer	43,05	43,05
International Beers Trading LLP (IBT) (8)	Kazakhstan	Marketing of beer	Beer	43,05	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (8)	Moldova	Production of beer and low alcoholic drinks	Beer	41,70	41,70
JSC Lomisi (Efes Georgia) (8)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	43,05	43,05
PJSC Efes Ukraine (Efes Ukraine) (8)	Ukraine	Production and marketing of beer	Beer	43,02	43,02
Efes Trade BY FLLC (Efes Belarus) (8)	Belarus	Market development	Beer	43,05	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (8)	The Netherlands	Leasing of intellectual property and similar products	Beer	43,05	43,05
LLC Efes Ukraine (10)	Ukraine	Selling and distribution of beer	Beer	-	43,05
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (8)	Turkey	Marketing and distribution company of Anadolu Efes	Beer	43,05	43,05
Cypex Co. Ltd. (Cypex) (8)	Northern Cyprus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Deutschland GmbH (Efes Germany) (8)	Germany	Marketing and distribution of beer	Beer	43,05	43,05
Coca-Cola İçecek A.Ş. (CCI) (6) (8)	Turkey	Production of Coca-Cola products	Soft-drinks	21,64	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (8)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft-drinks	21,63	21,63
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) (8)	Turkey	Filling and selling of natural spring water	Soft-drinks	21,64	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (8)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	21,64	21,64
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) (8)	Kazakhstan	Investment company of CCI	Soft-drinks	21,64	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) (8)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,61	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (8)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
CCI International Holland B.V. (CCI Holland) (8)	The Netherlands	Investment company of CCI	Soft-drinks	21,64	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (8)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (8)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	19,47	19,47
Coca-Cola Beverages Pakistan Ltd (CCBPL) (8)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	10,75	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (8)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	12,87	12,87
Waha Beverages B.V. (8)	The Netherlands	Investment company of CCI	Soft-drinks	17,32	17,32
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (8)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	17,32	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (8)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Ramstore Kazakhstan LLC ("Ramstore Kazakhstan") (12)	Kazakhstan	Sales of food and beverage and durable goods	Migros	50,00	-
Ramstore Macedonia DOO ("Ramstore Macedonia") (12)	Macedonia	Sales of food and beverage and durable goods	Migros	49,50	-
Sanal Merkez Ticaret A.Ş. ("Sanal Merkez") (12)	Turkey	Inactive	Migros	50,00	-
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaria") (12)	Bulgaria	Inactive	Migros	50,00	-

(5) As of March 1, 2019, Efes Moscow and JSC Sun Inbev were merged under JSC Sun Inbev. As a result of the merger, the company's name changed as JSC AB Inbev Efes.

(6) CCI shares are quoted in BIST.

(7) Subsidiary of Anadolu Isuzu.

(8) Subsidiary of Anadolu Efes.

(9) Companies which AB Inbev Efes B.V. directly participates in connection with the business combination explained in Note 3.

(10) The company has been sold on June 4, 2019.

(11) The name of LLC Efes Solod was changed to LLC Bosteels Trade on May 6, 2019.

(12) Companies are subsidiaries of Migros.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)**

**Joint Ventures**

The joint ventures included in consolidation by equity method and its shareholding percentages at June 30, 2019 and December 31, 2018 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2019	December 31, 2018
Migros Ticaret A.Ş. (Migros) (*)	Turkey	Sales of food and beverage and durable goods	-	50,00
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini)	Turkey	Tractor production	50,00	50,00
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	33,33	33,33
LLC Faber-Castell Anadolu	Russia	Trading of all kinds of stationery	28,44	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	17,09	17,09
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	10,82	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	Turkey	Development, production and trade of all kinds of electrical motor vehicles	19,00	19,00

(\*) Shares of Migros are currently quoted in BİST.

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Basis of Preparation of Financial Statements**

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations (“TAS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS/TFRS Taxonomy” which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

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

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with the principles CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting of deferred taxes, accounting of employment termination benefits on an actuarial basis and accruals for various expenses. These consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In the scope of the CMB’s “Communiqué on Financial Reporting in Capital Market” Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at June 30, 2019 in accordance with TAS 34, “Interim Financial Reporting”. The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. The interim condensed consolidated financial statements as of June 30, 2019 have been prepared by applying the accounting policies consistent with the accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2018, except for the application of TFRS 16 effective from January 1, 2019. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**Comparative Information and Restatement of Prior Period Financial Statements**

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. In order to be consistent with the current period presentation, the reclassifications on the consolidated financial statements for the periods ended June 30, 2018 and December 31, 2018 are as follows:

- a) Within the scope of TFRS 15 “Revenue from Customer Contracts” standard, marketing activity participation fees are classified to sales discount due to the fact that related expenses are realized by the customer which was previously recognized in sales and marketing expense. In this context, so as to being consistent with current period presentation as of June 30, 2018, the amount of TRL 73.265 marketing activity participation fee is classified from sales and marketing expenses to sales discount.
- b) Within the scope of TFRS 15 “Revenue from Customer Contracts” standard, services rendered from customers are classified to sales discount due to the fact that related expenses are realized by the customer which was previously recognized in sales and marketing expense. In this context, so as to being consistent with current period presentation as of June 30, 2018, the amount of TRL 97.490 service fees, received from customer are restated to sales discount from sales and marketing expense by classification.
- c) The consolidated income statement of Migros, a subsidiary of the Group for the period ended June 30, 2018 is restated by increasing TRL 2.486 in marketing expenses, TRL 7.855 in general administrative expenses and decreasing TRL 2.275 in tax expense, in order to present accurately the periodical accruals of the yearly expense provisions which are netted at the period ends. As a result of the restatement, as of June 30, 2018, there has been a decrease of TRL 4.034 from the “Gain (Loss) from Investments Accounted Through Equity Method”.
- d) Management of Anadolu Isuzu, a subsidiary of the Group has determined that the foreign exchange rates used in one of the 2018 Export sales project were incorrectly recognized based on the evaluations made in 2019. Anadolu Isuzu management has evaluated the effects of these errors on the consolidated financial statements and the errors identified as a result of these evaluations have been corrected retrospectively. Accordingly, the consolidated statement of financial position as of December 31, 2018 has been restated as follows;
  - Inventories – decrease in the amount of TRL 3.873
  - Trade receivables – increase in the amount of TRL 10.932
  - Other current assets – decrease in the amount of TRL 13.259
  - Short term deferred income – decrease in the amount of TRL 331
  - Long term deferred income – increase in the amount of TRL 2.647
  - Trade payables – increase in the amount of TRL 4.932
  - Deferred tax liability – decrease in the amount of TRL 167
  - Net income - equity holders of the parent– decrease in the amount of TRL 7.359
  - Net income - non-controlling interests – decrease in the amount of TRL 5.924
- e) In the scope of TFRS 3 “Business Combinations”, it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination of Beer Group recognized as of March 31, 2018. Accordingly, consolidated financial statements for the year 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, as of March 31, 2018 fair value of the “Inventory”, “Property, Plant and Equipment”, “Intangible Assets”, “Deferred Tax Asset”, “Other Liabilities” and “Deferred Tax Liabilities” have been changed. The abovementioned items and “Currency Translation Differences”, “Current Period Net Profit or Losses” and “Non-Controlling Interests” has been restated in the consolidated financial statements as of December 31, 2018 and “Cost of Sales”, “General Administrative Expenses”, “Marketing Expenses”, “Income From Investing Activities”, “Deferred Tax Expense” and “Net Profit (Loss)” in the profit or loss statement as of June 30, 2018 has been restated. The fair value of the net assets of the acquired companies derived from the financial statements as of the acquisition date and the reconciliation of goodwill is presented in “Note 3 – Business Combinations”.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**Seasonality of Operations**

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Beer and Soft Drinks segment for the first six months up to June 30, 2019 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out "dealer fairs" for the sales of the brands produced and imported in February. At these sales campaigns and dealer fairs, cheques are received in the amount of orders from the customers and the received orders are met in the first half of the year.

**New standards and interpretations**

**New and amended TFRS Standards that are effective as of January 1, 2019**

TFRS 16	Leases
TFRS Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to TAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Amendments to TAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Annual Improvements to TFRS Standards 2015–2017 Cycle	<i>Amendments to TFRS 3, TFRS 11, TAS 12 and TAS 23</i>

**TFRS 16 Leases**

**TFRS 16, “Leases”;** The Group has adopted the new standard as at 1 January 2019 for the first time, in line with the transition provisions of the standard.

Impacts of the first time adoption of TFRS 16 on the condensed interim consolidated financial statements of the Group are as below:

***The Group – as a lessee***

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
  - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
  - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

The Group recognizes a right of use and a rent obligation on the financial statements at the date of the lease.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

**TFRS 16 Leases (cont'd)**

***Right of use asset***

The right of use asset is initially recognized at cost comprising of:

- a) amount of the initial measurement of the lease liability;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

***Lease Liability***

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

**TFRS 16 Leases (cont'd)**

***Lease Liability (cont'd)***

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group remeasure the lease liability to reflect changes to the lease payments. the Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of the standard and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

**TFRS 16 Leases (cont'd)**

**First adoption to TFRS 16**

The Group has adopted TFRS 16 “Lease” which has been replaced with TAS 17 “Leases” from January 1, 2019 with simplified approach. The Group has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach. With this method, use of rights are measured based on the leasing debts (which are adjusted according to leasing costs paid in cash or accrued) in the transition period.

The amount of the right of use assets are as follows:

	<b>June 30, 2019</b>	December 31, 2018
<b>Balance at January 1</b>	<b>3.536.175</b>	-
Additions	<b>233.405</b>	-
Depreciation charge	<b>(169.838)</b>	-
Disposals, net	<b>(2.329)</b>	-
Currency translation differences, net	<b>7.193</b>	-
<b>Balance at the end of the period</b>	<b>3.604.606</b>	-

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019.

**Finance leases**

The main differences between TFRS 16 and TAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. TFRS 16 requires that the Group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by TAS 17.

Based on an analysis of the finance leases as at June 30, 2019 and on the basis of the facts and circumstances that exist at that date, there isn’t any material impact on the Group’s consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

**TFRS 16 Leases (cont'd)**

**First adoption to TFRS 16 (cont'd)**

The effects of TFRS 16 on the condensed consolidated statement of financial position as of June 30, 2019 are as follows:

	<b>June 30, 2019</b>		
	<b>Without TFRS 16 effects</b>	<b>TFRS 16 effects</b>	<b>With TFRS 16 effects</b>
<b>Current Assets</b>	<b>20.935.563</b>	<b>(11.589)</b>	<b>20.923.974</b>
Trade receivables	4.939.877	-	4.939.877
Other receivables	-	3.610	3.610
Prepaid expenses	812.339	(15.199)	797.140
Other components of current assets	15.183.347	-	15.183.347
<b>Non-current Assets</b>	<b>41.272.010</b>	<b>3.611.107</b>	<b>44.883.117</b>
Other receivables	-	4.573	4.573
Right of use assets	-	3.604.606	3.604.606
Prepaid expenses	513.485	(21.887)	491.598
Investments accounted through equity	4.027	(2.750)	1.277
Deferred tax asset	1.171.886	26.565	1.198.451
Other components of non-current assets	39.582.612	-	39.582.612
<b>TOTAL ASSETS</b>	<b>62.207.573</b>	<b>3.599.518</b>	<b>65.807.091</b>
<b>Current Liabilities</b>	<b>23.460.952</b>	<b>482.062</b>	<b>23.943.014</b>
Current portion of non-current borrowings	4.833.852	482.062	5.315.914
Other components of current liabilities	18.627.100	-	18.627.100
<b>Non-current Liabilities</b>	<b>17.199.751</b>	<b>3.238.866</b>	<b>20.438.617</b>
Long-term borrowings	12.945.490	3.243.194	16.188.684
Deferred tax liabilities	3.008.086	2.330	3.010.416
Other components of non-current liabilities	1.246.175	(6.658)	1.239.517
<b>TOTAL EQUITY</b>	<b>21.546.870</b>	<b>(121.410)</b>	<b>21.425.460</b>
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>5.094.051</b>	<b>(66.224)</b>	<b>5.027.827</b>
Prior Years' Profits or Losses	1.710.663	-	1.710.663
Current Period Net Profit or Losses	(405.177)	(66.091)	(471.268)
Currency Translation Differences	2.386.638	(133)	2.386.505
Other components of equity	1.401.927	-	1.401.927
<b>Non-Controlling Interests</b>	<b>16.452.819</b>	<b>(55.186)</b>	<b>16.397.633</b>
<b>TOTAL LIABILITIES</b>	<b>62.207.573</b>	<b>3.599.518</b>	<b>65.807.091</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
 JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

**TFRS 16 Leases (cont'd)**

**First adoption to TFRS 16 (cont'd)**

The effects of TFRS 16 on the interim condensed consolidated profit or loss statement for the six-month period ended as of June 30, 2019 are as follows:

	June 30, 2019		
	Without TFRS 16 effects	TFRS 16 effects	With TFRS 16 effects
Revenue	17.706.337	-	17.706.337
Cost of Sales (-)	(12.206.283)	37.088	(12.169.195)
<b>GROSS PROFIT (LOSS)</b>	<b>5.500.054</b>	<b>37.088</b>	<b>5.537.142</b>
General Administrative Expenses (-)	(981.670)	7.042	(974.628)
Marketing Expenses (-)	(3.213.395)	30.568	(3.182.827)
Research and Development Expenses (-)	(1.488)	-	(1.488)
Other Operating Income	343.137	-	343.137
Other Operating Expenses (-)	(541.576)	-	(541.576)
Gain (Loss) from Investments Accounted Through Equity Method	(226.373)	(36.811)	(263.184)
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>878.689</b>	<b>37.886</b>	<b>916.576</b>
Income from Investing Activities	375.310	-	375.310
Expense from Investing Activities (-)	(115.821)	-	(115.821)
<b>INCOME BEFORE FINANCING INCOME (EXPENSE)</b>	<b>1.138.178</b>	<b>37.886</b>	<b>1.176.065</b>
Financial Income	680.453	821	681.274
Financial Expenses (-)	(1.811.743)	(134.604)	(1.946.347)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>6.889</b>	<b>(95.898)</b>	<b>(89.008)</b>
Tax (Expense) Income, Continuing Operations	(221.346)	8.939	(212.407)
- Current Period Tax (Expense) (-)	(239.792)	-	(239.792)
- Deferred Tax (Expense) Income	18.446	8.939	27.385
<b>NET INCOME (LOSS)</b>	<b>(214.457)</b>	<b>(86.959)</b>	<b>(301.415)</b>
<b>Profit/(Loss) Attributable to</b>			
- Non-Controlling Interest	190.719	(20.866)	169.853
- Equity Holders of the Parent	(405.177)	(66.091)	(471.268)
<b>EBITDA</b>	<b>2.263.692</b>	<b>245.234</b>	<b>2.508.927</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and amended TFRS Standards that are effective as of January 1, 2019 (cont'd)**

***TFRS Interpretation 23 Uncertainty over Income Tax Treatments***

This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under TAS 12.

***Amendments to TAS 28 Long-term Interests in Associates and Joint Ventures***

This amendment clarifies that an entity applies TFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

***Amendments to TAS 19 Employee Benefits Plan***

Amendments to TAS 19 Employee Benefits address changes in defined benefit plans from the post-employment benefit benefits (defined as defined benefit plans and defined contribution plans) to the recognition of the defined benefit plans and amended TAS 19.

***Annual Improvements to TFRS Standards 2015–2017 Cycle***

*Annual Improvements to TFRS Standards 2015–2017 Cycle include amendments to TFRS 3 Business Combinations and TFRS 11 Joint Arrangements in when a party that participates in, but does not have joint control of, TAS 12 Income Taxes; income tax consequences of dividends in profit or loss, and TAS 23 Borrowing Costs in capitalized borrowing costs.*

**New and revised TFRSs in issue but not yet effective**

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 3	<i>Business Combinations</i>
Amendments to TAS 1	<i>Presentation of Financial Statements</i>
Amendments to TAS 8	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>

***TFRS 17 Insurance Contracts***

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of January 1, 2021.

***Amendments to TFRS 3 Business Combinations***

The definition of “business” is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of “business” in TFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(cont'd)**

**New standards and interpretations (cont'd)**

**New and revised TFRSs in issue but not yet effective (cont'd)**

**Amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting  
Estimates and Errors - Definition of Material**

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards.

Other than TFRS 16, the Group is in the process of assessing the impact of amendments and improvements of these standards on the consolidated financial position and performance of the Group.

**NOTE 3 - BUSINESS COMBINATIONS**

**Transactions for the period of June 30, 2019**

“Business Partnership Agreement” related with the management of Migros, in which the Group has indirect 50% share, executed between the Group and Moonlight Capital S.A, the other shareholder of Migros has expired on April 30, 2019, as a result, there is no change in the shareholding rates. In TFRS 10 Consolidated Financial Statements under “Assessing Control” title, it is stated that an investor has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. Also, it is stated that an investor holds significantly more voting rights than any other vote holder or organised group of vote holders, and the other shareholdings are numerous and widely dispersed, the investor has power over the investee. Since the related criteria in this standard have been fulfilled as of May 1, 2019, Migros has been accounted under investment accounted through equity method until April 30, 2019 and as of May 1, 2019 Migros has been accounted with full consolidation method.

This amendment is accounted as business combination achieved in stages according to TFRS 3 “Business Combinations” and in a business combination achieved in stages, the acquirer shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss.

TFRS 3 Business Combinations permits fair value appraisal works to be completed in one year period. Due to the fact that assets, liabilities and contingent liabilities in the Migros’ financial statements are still in the process of being defined during this reporting period, in accordance with TFRS 3 Business Combinations the Group has recognized the book values of net assets as given in the financial statements of Migros as of April 30, 2019 and provisional goodwill amounting to TRL 2.854.926 which is previously accounted under the carrying value of Migros which was accounted through equity method, is accounted under goodwill under intangible assets in the interim condensed consolidated financial statements (Note 11).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 3 - BUSINESS COMBINATIONS (cont'd)**

**Transactions for the year of 2018**

On March 29, 2018 after the required approvals from the legal authorities related with the alliance with Anheuser Busch InBev SA / NV (AB InBev), EBI's all beer operations in Russia, whose 100% shares are owned by Anadolu Efes, the subsidiary of the Group and AB InBev's all beer operations in Russia and Ukraine, has been merged under AB InBev Efes BV (AB InBev Efes) as 50%-50% ownership of Anadolu Efes and AB InBev. After this business combination, Anadolu Efes's Russian business and AB InBev's Russian and Ukrainian businesses started to operate together.

In August 2017, AB InBev Efes B.V. established in Netherlands by EBI with 100% ownership in order to facilitate the business combination. Thereafter, AB InBev has made an in kind capital contribution to AB InBev Efes with JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH entities' 100,00%, 98,34% and 100,00% shares respectively on March 29, 2018. At the same time, EBI has made an in kind capital contribution to AB InBev Efes with 100% shares of Efes Moscow and Euro-Asien on March 29, 2018. Moreover, AB InBev and EBI have made cash capital increase in AB InBev Efes with a total amount of USD 500 Thousand. After the cash and in kind capital contributions made by AB InBev and EBI, their ownership in AB InBev Efes become 50%-50%.

As a result of this merger, ABI InBev Efes's direct effective shareholding and voting rights have been 100,00%, 98,34% and 100,00% on JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH respectively (Anadolu Efes' share 50,00%, 49,17% and 50,00%). In accordance with the clauses of the shareholders agreement between EBI and AB InBev, EBI has acquired the control on JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. Accordingly; JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH have been consolidated in consolidated financial statements of the Group for the period ended March 31, 2018.

Additionally, as a result of this merger ABI InBev Efes's direct effective shareholding and voting rights have been 100% in Efes Moscow and Euro-Asien. Accordingly, Anadolu Efes' share in these subsidiaries have been changed to 50,00% with retained control (Before this merger, the effective shareholding and voting rights were 100% for these two companies). In accordance with TFRS 10, as a result of the change in effective shareholding rates in Efes Moscow and Euro-Asien with retained control, TRL 586.736 amount has been booked as "Retained Earnings" under equity attributable to equity holders of the parent in consolidated interim financial statements of Anadolu Efes (The Group's share amounts to TRL 252.590).

Based upon the valuation report, the value of the assets that AB InBev has contributed in kind in AB InBev Efes as capital has been booked as USD 1.049.170 thousand in the financial statements of AB InBev Efes (equivalent of TRL 4.143.067). Additionally, AB InBev has made a cash capital contribution to AB InBev Efes amounting to USD 250 Thousand as mentioned above (equivalent of TRL 987).

Based upon the valuation report, the value of the assets that EBI has contributed in kind in AB InBev Efes as capital has been booked as USD 1.049.990 thousand in the financial statements of AB InBev Efes (equivalent of TRL 4.146.305). Additionally, EBI has made a cash capital contribution to AB InBev Efes amounting to USD 250 Thousand as mentioned above (equivalent of TRL 987).

After this merger, 50% of JSC Sun InBev's shareholder loan amounting to TRL 595.553 is taken over by the EBI. 50% of Efes Russia's the shareholder loan amounting to TRL 327.097 is taken over by Brandbev S.A.R.L which is an ABI InBev Group company.

In June 2018, AB Inbev made a cash payment of USD 39,4 Million to EBI regarding to the commitments determined within the scope of this business combination (equivalent of TRL 179.856).

If the financial statements of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH had been consolidated since January 1, 2018, the contribution to consolidated net revenue by the acquired companies would have been TRL 420.313 (Consolidated net revenue would be TRL 10.857.055 for the six months period ended June 30, 2018).

Fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies according to TFRS 3 "Business Combinations" has been realized. As at March 31, 2018, the difference amounting to TRL 485.967 between the Group's acquisition cost and the fair value of net assets of the Group companies is recognized as goodwill in the consolidated financial statements.

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**NOTE 3 - BUSINESS COMBINATIONS (cont'd)**

**Transactions for the year of 2018 (cont'd)**

The fair value of the net assets of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH derived from the financial statements as of the acquisition date are as follows:

	<b>Fair Value</b>			
	<b>Consolidated (JSC Sun InBev, PJSC Sun InBev Ukraine, Bevmar GmbH)</b>	<b>JSC Sun InBev</b>	<b>PJSC Sun InBev Ukraine</b>	<b>Bevmar GmbH</b>
Cash and Cash Equivalents	<b>13.758</b>	11.773	1.985	-
Trade and Other Receivables	<b>231.333</b>	203.884	27.449	-
Due from Related Parties	<b>26.259</b>	24.183	4.703	277.237
Inventories	<b>341.926</b>	274.353	67.573	-
Other Current Assets	<b>48.660</b>	25.439	23.222	-
Tangible Assets	<b>1.736.920</b>	1.463.742	273.178	-
Intangible Assets	<b>3.096.306</b>	2.955.590	140.715	-
Other Non - Current Assets	<b>281</b>	252	29	-
Deferred Tax Assets	<b>138.702</b>	89.633	49.069	-
Financial Liabilities to Related Parties	<b>(596.047)</b>	(873.201)	-	-
Financial Liabilities to Third Parties	<b>(120.293)</b>	-	(119.938)	(355)
Trade payables	<b>(748.718)</b>	(560.950)	(187.768)	-
Due to Related Parties	<b>(194.070)</b>	(129.307)	(67.230)	(243)
Other Liabilities	<b>(258.256)</b>	(197.636)	(60.621)	-
Deferred Tax Liabilities	<b>(611.217)</b>	(586.280)	(24.936)	-
<b>Carrying Value of Net Assets Acquired</b>	<b>3.105.544</b>	<b>2.701.475</b>	<b>127.430</b>	<b>276.639</b>
As result of merger, AB InBev Efes's shareholding rights on companies		100,00%	98,34%	100,00%
<b>Anadolu Efes' share in Net Assets</b>	<b>3.103.427</b>	<b>2.701.475</b>	<b>125.314</b>	<b>276.638</b>
Total consideration	<b>4.143.067</b>			
Shareholder loans transferred, net	<b>(134.229)</b>			
Cash inflows due to commitments determined within the scope of the business combination	<b>(179.856)</b>			
Impaired assets due to a business combination	<b>(239.588)</b>			
Anadolu Efes' share in net assets	<b>3.103.427</b>			
<b>Goodwill arising from acquisition (Note 11)</b>	<b>485.967</b>			

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**NOTE 4 - SEGMENT REPORTING**

The management monitors the operating results of its six business units separately for the purpose of making decisions about the resource allocation and performance assessment. The six operating segments are: beer, soft-drinks, Migros, automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting); retailing (stationery, chain restaurant management and tourism) and other (production and sale of electricity, information technologies, trade and real estate).

Since segment reporting and information used in the Group management reporting is consistent with interim condensed consolidated statement of financial position and interim condensed consolidated statement of profit or loss the Group does not need to perform reconciliation between the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of financial position and the segment reporting disclosure.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 4- SEGMENT REPORTING (cont'd)**

January 1-June 30, 2019	Beer	Soft-Drinks	Migros	Automotive	Retailing	Other	Eliminations and Adjustments	Consolidated	Pro forma Consolidated with Migros (**)
Sales	4.866.285	5.900.185	10.729.120	1.621.358	656.926	389.650	(6.457.187)	17.706.337	24.165.058
Inter-segment sales	149.942	217.065	1.695	32.071	16.929	72.181	(489.883)	-	-
<b>Total Sales</b>	<b>5.016.227</b>	<b>6.117.250</b>	<b>10.730.815</b>	<b>1.653.429</b>	<b>673.855</b>	<b>461.831</b>	<b>(6.947.070)</b>	<b>17.706.337</b>	<b>24.165.058</b>
<b>GROSS PROFIT(LOSS)</b>	<b>1.929.244</b>	<b>2.078.110</b>	<b>2.917.861</b>	<b>279.194</b>	<b>156.532</b>	<b>92.782</b>	<b>(1.916.581)</b>	<b>5.537.142</b>	<b>7.363.518</b>
Operating expenses	(1.850.128)	(1.223.556)	(2.328.817)	(155.891)	(95.464)	(79.303)	1.574.216	(4.158.943)	(5.654.797)
Other operating income (expenses), net	11.799	(103.675)	(239.978)	856	(5.509)	5.580	132.488	(198.439)	(344.306)
Gain (loss) from the investments accounted through equity method (*)	(38.929)	(146)	-	(8.692)	(4.307)	(211.110)	-	(263.184)	(62.153)
<b>OPERATING INCOME (LOSS)</b>	<b>51.986</b>	<b>750.733</b>	<b>349.066</b>	<b>115.467</b>	<b>51.252</b>	<b>(192.051)</b>	<b>(209.877)</b>	<b>916.576</b>	<b>1.302.262</b>
Income (expense) from investing activities, net	361.637	90	8.489	475	3.068	1.015	(115.285)	259.489	254.681
Financial income (expense), net	(161.234)	(277.913)	(742.443)	(315.553)	(78.585)	(272.260)	582.915	(1.265.073)	(1.842.077)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>252.389</b>	<b>472.910</b>	<b>(384.888)</b>	<b>(199.611)</b>	<b>(24.265)</b>	<b>(463.296)</b>	<b>257.753</b>	<b>(89.008)</b>	<b>(285.134)</b>
Tax (expense) income from continuing operations, net	(163.060)	(123.938)	3.602	33.056	1.727	45.579	(9.373)	(212.407)	(217.312)
<b>NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>89.329</b>	<b>348.972</b>	<b>(381.286)</b>	<b>(166.555)</b>	<b>(22.538)</b>	<b>(417.717)</b>	<b>248.380</b>	<b>(301.415)</b>	<b>(502.446)</b>
<b>Profit (Loss) attributable to:</b>									
- Non-controlling interest	(112.420)	(59.711)	73	(34)	-	(4.126)	346.071	169.853	(31.178)
- Equity holders of the parent	201.749	408.683	(381.359)	(166.521)	(22.538)	(413.591)	(97.691)	(471.268)	(471.268)
<b>Total Assets</b>	<b>22.139.803</b>	<b>15.912.300</b>	<b>14.274.631</b>	<b>3.280.754</b>	<b>1.078.159</b>	<b>5.426.558</b>	<b>3.694.886</b>	<b>65.807.091</b>	<b>65.807.091</b>
<b>Total Liabilities</b>	<b>12.277.891</b>	<b>9.294.263</b>	<b>14.009.194</b>	<b>3.365.273</b>	<b>904.356</b>	<b>3.885.499</b>	<b>645.155</b>	<b>44.381.631</b>	<b>44.381.631</b>
<b>Net debt</b>	<b>1.850.220</b>	<b>3.147.021</b>	<b>2.740.077</b>	<b>2.158.102</b>	<b>326.934</b>	<b>3.122.516</b>	<b>(940)</b>	<b>13.343.930</b>	<b>13.343.930</b>
Purchases of tangible & intangible assets, assets used in renting activities and investment property (***)	479.746	459.755	130.011	46.801	10.633	383	(64.016)	1.063.313	1.127.329
<b>EBITDA</b>	<b>627.914</b>	<b>1.141.184</b>	<b>1.076.274</b>	<b>175.980</b>	<b>121.010</b>	<b>36.464</b>	<b>(669.899)</b>	<b>2.508.927</b>	<b>3.151.783</b>
- Depreciation and amortization (***)	529.637	337.475	419.433	43.171	59.459	16.723	(265.379)	1.140.519	1.404.078
- Provision for employee termination benefits	7.325	18.375	50.832	3.016	5.205	137	(23.715)	61.175	84.955
- Provision for vacation pay liability	12.870	7.720	16.965	1.357	787	545	(25.165)	15.079	40.245
- Other	(12.833)	26.735	239.978	4.277	-	-	(145.763)	112.394	258.090

(\*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 38.929 is recorded under 'beer' segment; loss recognized from SSDD amounting TRL 146 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 8.692 is recorded under 'automotive' segment; loss recognized from Aslancık amounting TRL 8.698, loss recognized from TOGG amounting TRL 1.381 and loss recognized from Migros amounting TRL 201.031 are recorded under 'other' segment, loss recognized from LLC Faber-Castell Anadolu amounting TRL 4.307 is recorded under 'retailing' segment.

(\*\*) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros in connection with the management of Migros has expired on April 30, 2019 and the Group has started to fully consolidate Migros in financial statements as of May 1 2019. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of January 1, 2019.

(\*\*\*) TRL 95 of the tangible and intangible assets purchase and TRL 4.564 of the depreciation and amortization belong to investment properties.

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**NOTE 4- SEGMENT REPORTING (cont'd)**

January 1-June 30, 2018	Beer	Soft-Drinks	Automotive	Retailing	Other	Eliminations and Adjustments	Consolidated	Migros	Pro forma Consolidated with Migros (**)
Sales	3.103.908	4.950.557	1.683.143	610.372	100.428	(11.666)	10.436.742	8.463.382	18.638.215
Inter-segment sales	(11.292)	(115)	21.449	11.996	39.318	(61.356)	-	-	-
Total Sales	3.092.616	4.950.442	1.704.592	622.368	139.746	(73.022)	10.436.742	8.463.382	18.638.215
GROSS PROFIT(LOSS)	1.222.516	1.697.741	326.359	140.485	78.333	(68.293)	3.397.141	2.166.487	5.542.107
Operating expenses	(1.301.608)	(1.074.796)	(155.268)	(85.140)	(73.034)	64.614	(2.625.232)	(1.893.559)	(4.504.599)
Other operating income (expenses), net	(6.723)	38.180	(53.610)	(17.151)	(12.273)	(3.021)	(54.598)	(154.289)	(209.102)
Gain (loss) from the investments accounted through equity method (*)	(27.450)	(176)	(5.586)	(425)	(295.732)	-	(329.369)	-	(57.901)
OPERATING INCOME (LOSS)	(113.265)	660.949	111.895	37.769	(302.706)	(6.700)	387.942	118.639	770.505
Income (expense) from investing activities, net	97.892	(10.173)	1.790	451	2.380	(100.829)	(8.489)	200	(8.290)
Financial income (expense), net	(99.101)	(393.383)	(353.847)	(23.873)	(169.133)	(1)	(1.039.338)	(631.588)	(1.670.925)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(114.474)	257.393	(240.162)	14.347	(469.459)	(107.530)	(659.885)	(512.749)	(908.710)
Tax (expense) income from continuing operations, net	30.222	(76.517)	40.723	(7.431)	34.535	1.281	22.813	(26.810)	(3.121)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(84.252)	180.876	(199.439)	6.916	(434.924)	(106.249)	(637.072)	(539.559)	(911.831)
Profit (Loss) attributable to:									
- Non-controlling interest	(53.427)	39.579	(143)	-	2.166	32.576	20.751	(3.293)	(254.009)
- Equity holders of the parent	(30.825)	141.297	(199.296)	6.916	(437.090)	(138.825)	(657.823)	(536.266)	(657.823)
Total Assets	18.028.272	15.992.674	4.838.488	827.002	5.419.965	5.936.666	51.043.067	10.307.750	58.723.941
Total Liabilities	8.432.807	9.781.371	4.355.192	608.070	3.203.826	1.773.977	28.155.243	9.291.002	36.482.816
Net debt	1.748.616	2.982.480	3.125.802	369.444	2.441.578	(3)	10.667.917	2.718.681	13.386.598
Purchases of tangible & intangible assets, assets used in renting activities and investment property (***)	278.821	439.328	498.753	25.727	1.781	11.027	1.255.437	271.117	1.526.554
EBITDA	280.870	924.350	177.453	62.605	9.073	(527)	1.453.824	475.927	1.922.207
- Depreciation and amortization (***)	339.709	271.883	53.884	15.645	14.713	6.177	702.011	141.837	843.848
- Provision for employee termination benefits	6.816	7.456	3.673	2.437	664	58	21.104	41.206	62.310
- Provision for vacation pay liability	9.397	5.205	1.171	5.951	670	2	22.396	19.956	42.352
- Other	10.763	(21.319)	1.244	378	-	(64)	(8.998)	154.289	145.291

(\*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 27.450 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 176 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 5.586 is recorded under 'automotive' segment; loss recognized from Aslançik amounting TRL 24.264 and loss recognized from Migros amounting TRL 271.468 are recorded under 'other' segment; loss recognized from LLC Faber -Castell Anadolu amounting TRL 425 is recorded under 'retailing' segment.

(\*\*) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros in connection with the management of Migros has expired on April 30, 2019 and the Group has started to fully consolidate Migros in financial statements as of May 1 2019. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of January 1, 2018.

(\*\*\*) TRL 6 of the tangible and intangible assets purchase and TRL 4.325 of the depreciation and amortization belong to investment properties.

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**NOTE 4- SEGMENT REPORTING (cont'd)**

<b>April 1-June 30, 2019</b>	<b>Beer</b>	<b>Soft-Drinks</b>	<b>Migros</b>	<b>Automotive</b>	<b>Retailing</b>	<b>Other</b>	<b>Eliminations and Adjustments</b>	<b>Consolidated</b>	<b>Pro forma Consolidated with Migros</b>
Sales	3.126.551	3.671.219	5.806.450	810.484	339.464	139.475	(1.534.429)	12.359.214	14.075.103
Inter-segment sales	149.942	217.065	1.695	18.711	10.491	34.090	(431.994)	-	-
<b>Total Sales</b>	<b>3.276.493</b>	<b>3.888.284</b>	<b>5.808.145</b>	<b>829.195</b>	<b>349.955</b>	<b>173.565</b>	<b>(1.966.423)</b>	<b>12.359.214</b>	<b>14.075.103</b>
<b>GROSS PROFIT(LOSS)</b>	<b>1.407.602</b>	<b>1.379.838</b>	<b>1.562.079</b>	<b>139.912</b>	<b>79.353</b>	<b>49.594</b>	<b>(521.434)</b>	<b>4.096.944</b>	<b>4.581.901</b>
Operating expenses	(1.086.936)	(682.302)	(1.215.030)	(79.499)	(49.005)	(39.515)	420.040	(2.732.247)	(3.121.043)
Other operating income (expenses), net	(45.119)	(87.399)	(140.444)	(2.154)	2.012	7.948	37.244	(227.912)	(274.082)
Gain (loss) from the investments accounted through equity method	(20.495)	(48)	-	(4.021)	(4.307)	(81.917)	-	(110.788)	(27.769)
<b>OPERATING INCOME (LOSS)</b>	<b>255.052</b>	<b>610.089</b>	<b>206.605</b>	<b>54.238</b>	<b>28.053</b>	<b>(63.890)</b>	<b>(64.150)</b>	<b>1.025.997</b>	<b>1.159.007</b>
Income (expense) from investing activities, net	373.448	(372)	13.217	104	2.897	(475)	(122.891)	265.928	265.847
Financial income (expense), net	(72.236)	(161.004)	(382.613)	(143.786)	(42.449)	(182.254)	220.882	(763.460)	(980.635)
<b>INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>556.264</b>	<b>448.713</b>	<b>(162.791)</b>	<b>(89.444)</b>	<b>(11.499)</b>	<b>(246.619)</b>	<b>33.841</b>	<b>528.465</b>	<b>444.219</b>
Tax (expense) income from continuing operations, net	(176.334)	(56.497)	12.321	34.807	1.524	27.596	(5.764)	(162.347)	(159.575)
<b>NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>379.930</b>	<b>392.216</b>	<b>(150.470)</b>	<b>(54.637)</b>	<b>(9.975)</b>	<b>(219.023)</b>	<b>28.077</b>	<b>366.118</b>	<b>284.644</b>
<b>Profit (Loss) attributable to:</b>									
- Non-controlling interest	2.416	(19.062)	35	(20)	-	(3.833)	457.221	436.757	355.283
- Equity holders of the parent	377.514	411.278	(150.505)	(54.617)	(9.975)	(215.190)	(429.144)	(70.639)	(70.639)
Purchases of tangible & intangible assets, assets used in renting activities and investment property	323.546	280.791	87.861	28.311	6.667	126	(21.853)	705.449	727.315
<b>EBITDA</b>	<b>556.255</b>	<b>819.890</b>	<b>586.619</b>	<b>83.473</b>	<b>66.372</b>	<b>25.047</b>	<b>(174.912)</b>	<b>1.962.743</b>	<b>2.123.741</b>
- Depreciation and amortization	246.025	173.945	210.219	19.895	30.208	7.376	(54.099)	633.569	687.914
- Provision for employee termination benefits	3.738	13.467	30.906	1.355	3.117	(170)	(3.782)	48.631	52.485
- Provision for vacation pay liability	715	2.440	(1.555)	552	687	(186)	(6.646)	(3.993)	2.653
- Other	30.230	19.901	140.444	3.412	-	-	(46.236)	147.751	193.913

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**NOTE 4 - SEGMENT REPORTING (cont'd)**

April 1-June 30, 2018	Beer	Soft-Drinks	Automotive	Retailing	Other	Eliminations and Adjustments	Consolidated	Migros	Pro forma Consolidated with Migros
Sales	2.223.517	3.117.210	864.994	307.655	61.708	(7.207)	6.567.877	4.523.246	10.940.176
Inter-segment sales	(7.001)	(58)	11.039	5.744	9.112	(18.836)	-	-	-
Total Sales	2.216.516	3.117.152	876.033	313.399	70.820	(26.043)	6.567.877	4.523.246	10.940.176
GROSS PROFIT(LOSS)	854.362	1.116.065	170.027	73.880	34.820	(34.056)	2.215.098	1.167.989	3.372.524
Operating expenses	(844.721)	(631.148)	(81.807)	(44.295)	(35.472)	31.480	(1.605.963)	(1.004.357)	(2.601.371)
Other operating income (expenses), net	(15.266)	27.937	(20.614)	(6.530)	2.265	(451)	(12.659)	(94.627)	(107.388)
Gain (loss) from the investments accounted through equity method	(18.486)	(103)	(4.415)	(129)	(163.426)	-	(186.559)	-	(39.607)
OPERATING INCOME (LOSS)	(24.111)	512.751	63.191	22.926	(161.813)	(3.027)	409.917	69.005	624.158
Income (expense) from investing activities, net	100.279	(7.394)	1.633	1.297	1.119	(100.825)	(3.891)	3.519	(382)
Financial income (expense), net	(77.233)	(216.945)	(198.688)	(15.120)	(70.302)	(4)	(578.292)	(348.569)	(926.858)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(1.065)	288.412	(133.864)	9.103	(230.996)	(103.856)	(172.266)	(276.045)	(303.082)
Tax (expense) income from continuing operations, net	(1.227)	(44.292)	28.326	(3.551)	12.166	678	(7.900)	(17.627)	(25.119)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(2.292)	244.120	(105.538)	5.552	(218.830)	(103.178)	(180.166)	(293.672)	(328.201)
Profit (Loss) attributable to:									
- Non-controlling interest	(53.313)	56.832	(149)	-	(1.075)	113.014	115.309	(1.074)	(32.727)
- Equity holders of the parent	51.021	187.288	(105.389)	5.552	(217.755)	(216.192)	(295.475)	(292.598)	(295.476)
Purchases of tangible & intangible assets, assets used in renting activities and investment property	155.278	263.567	364.807	15.356	826	11.954	811.788	193.708	1.005.496
EBITDA	248.019	642.280	98.152	32.977	9.707	135	1.031.270	270.143	1.299.697
- Depreciation and amortization	233.615	142.933	26.721	7.887	7.713	3.169	422.038	72.253	494.290
- Provision for employee termination benefits	5.367	3.728	2.066	1.097	361	(5)	12.614	22.475	35.090
- Provision for vacation pay liability	3.278	1.951	669	560	20	(5)	6.473	11.783	18.256
- Other	11.384	(19.186)	1.090	378	-	3	(6.331)	94.627	88.296

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**NOTE 5 - CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents are as follows:

	<b>June 30, 2019</b>	December 31, 2018
Cash	<b>127.726</b>	5.317
Time deposits	<b>5.142.906</b>	4.226.317
Demand deposits	<b>1.294.307</b>	811.176
Credit card receivables	<b>1.061.807</b>	193.835
Other cash and cash equivalents (*)	<b>7.633</b>	32.441
<b>Cash and cash equivalents in the consolidated cash flow statement</b>	<b>7.634.379</b>	5.269.086
Interest income accruals	<b>11.459</b>	13.904
	<b>7.645.838</b>	5.282.990

(\*) Other liquid assets consist of cheques in collection and direct billing system (DBS) balances.

As of June 30, 2019, cash and cash equivalents of AGHOL amount to TRL 387.321 (December 31, 2018: TRL 110.235).

As of June 30, 2019, there is no cash deposit pledged as collateral or no restricted deposit by the Group (December 31, 2018: None).

**NOTE 6 - INVENTORIES**

	<b>June 30, 2019</b>	December 31, 2018
Raw materials	<b>1.132.238</b>	968.353
Work-in-process	<b>271.724</b>	175.974
Finished and trade goods	<b>3.961.372</b>	1.063.086
Packaging materials	<b>214.152</b>	154.802
Bottles and cases	<b>136.677</b>	86.030
Supplies	<b>180.755</b>	150.194
Ongoing real estate projects	<b>175.684</b>	435.999
Other inventories	<b>200.430</b>	148.946
Provisions for impairment (-)	<b>(117.002)</b>	(52.247)
	<b>6.156.030</b>	3.131.137

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**NOTE 7 - BORROWINGS**

	<b>June 30, 2019</b>	December 31, 2018
Bank borrowings	<b>3.457.440</b>	3.184.503
Current portion of long term borrowings	<b>4.744.874</b>	3.643.106
Lease liabilities	<b>571.040</b>	113.693
Factoring payables	<b>77.245</b>	-
<b>Short term borrowings</b>	<b>8.850.599</b>	6.941.302
Bank borrowings	<b>12.822.252</b>	8.549.418
Lease liabilities	<b>3.366.432</b>	162.986
<b>Long term borrowings</b>	<b>16.188.684</b>	8.712.404
<b>Total borrowings</b>	<b>25.039.283</b>	15.653.706

As of June 30, 2019 AGHOL's total bank borrowings amount to TRL 2.050.068 (December 31, 2018: TRL 1.644.887).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group. As of June 30, 2019 and December 31, 2018 performance criteria have been fulfilled.

**Lessee - Finance Lease**

The properties acquired by the Group through financial leasing consist of land, buildings, machinery and equipment, motor vehicles and furniture and fixtures.

Net book value of property, plant and equipment obtained by financial leasing of the Group is TRL 39.683 (December 31, 2018: TRL 43.225). Sale and leaseback process have been applied for the property, plant and equipment amounting TRL 38.840 (December 31, 2018: TRL 42.289) acquired by financial leasing. The Group has continued to record these tangible assets based on previous net book values assuming no leaseback transactions.

The movement of bank loans as of June 30, 2019 and 2018 is as follows:

	<b>June 30, 2019</b>	June 30, 2018
<b>Opening balance</b>	<b>15.653.706</b>	14.112.520
Interest expense	<b>750.244</b>	490.186
Interest paid	<b>(789.491)</b>	(454.313)
Proceeds from borrowings	<b>5.446.495</b>	7.618.557
Repayments of borrowings	<b>(5.690.630)</b>	(7.195.593)
Foreign exchange gain (loss), net	<b>839.536</b>	2.035.605
Classification to lease liabilities item under TFRS 16	<b>(276.679)</b>	-
Currency translation differences	<b>214.718</b>	288.760
Capitalised interest	<b>38.635</b>	26.516
Addition through business combination	-	418.554
Shareholder loans transferred as a result of business combination	-	163.549
Addition through change in consolidation scope	<b>4.915.277</b>	-
<b>Closing balance</b>	<b>21.101.811</b>	17.504.341

As of June 30, 2019, net interest expense on cross currency swap contracts is TRL 63.048 (June 30, 2018: TRL 32.095).

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**NOTE 7 - BORROWINGS (cont'd)**

<b>Short term</b>	<b>June 30, 2019</b>			<b>December 31, 2018</b>		
	<b>Amount</b>	<b>Fixed interest rate</b>	<b>Floating interest rate</b>	<b>Amount</b>	<b>Fixed interest rate</b>	<b>Floating interest rate</b>
Borrowing in Turkish Lira	3.239.811	11,7% - 35,3%	Trlibor + (3,5% - 4,8%)	2.515.681	11,7% - 37,5%	-
Borrowing in foreign currency (EUR)	3.147.954	0,7% - 8,0%	Euribor + (1,4% - 5,1%)	3.030.888	1,0% - 8,0%	Euribor + (0,9%-5,1%)
Borrowing in foreign currency (USD)	1.157.914	3,0% - 6,5%	Libor + (3,2% - 5,8%)	608.226	3,0% - 5,0%	Libor + (1,0% - 5,8%)
Borrowing in foreign currency (Other)	656.635	6,0% - 18,0%	Kibor + (-0,1% - 0,5%) & Mosprime + (2,6%)	672.814	6,0% - 21,5%	Kibor + (-0,1%-0,5%) & Mosprime + (2,6%)
Factoring payables in Turkish Lira	77.245	31,6% - 31,9%	-	-	-	-
	<b>8.279.559</b>			<b>6.827.609</b>		
<b>Long term</b>	<b>Amount</b>	<b>Fixed interest rate</b>	<b>Floating interest rate</b>	<b>Amount</b>	<b>Fixed interest rate</b>	<b>Floating interest rate</b>
Borrowing in Turkish Lira	1.518.816	11,7% - 29,0%	Trlibor + (3,5% - 4,8%)	759.919	11,7% - 29,0%	-
Borrowing in foreign currency (EUR)	4.976.253	3,8% - 6,0%	Euribor + (1,5% - 5,1%)	1.368.410	1,5% - 5,0%	Euribor + (1,6%-5,1%)
Borrowing in foreign currency (USD)	6.278.891	3,4% - 4,4%	Libor + (4,4% - 5,0%)	6.416.056	3,4% - 4,4%	Libor + (3,9% - 5,0%)
Borrowing in foreign currency (Other)	48.292	11,0%	-	5.033	6,0%	-
	<b>12.822.252</b>			<b>8.549.418</b>		
	<b>21.101.811</b>			<b>15.377.027</b>		

Repayments schedules of long-term borrowings are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
1-2 years	2.480.817	1.191.615
2-3 years	1.722.918	767.128
3-4 years	4.555.998	2.811.293
4-5 years	925.048	860.074
5 years and more	3.137.471	2.919.308
	<b>12.822.252</b>	<b>8.549.418</b>

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**NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD**

**Joint Ventures**

Entity	Principle activities	Country	June 30, 2019		December 31, 2018	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Migros (*)	Sales of food and drinks along with durable goods	Turkey	-	-	1.884.617	50,00
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini)	Tractor production	Turkey	1.728	50,00	10.421	50,00
Aslancık	Production of electricity	Turkey	(41.573)	33,33	(54.073)	33,33
LLC Faber-Castell Anadolu	Trading of all kind of stationery	Russia	1.520	28,44	-	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	32.266	17,09	71.195	17,09
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Turkey	7.336	19,00	8.717	19,00
			<b>1.277</b>		<b>1.920.877</b>	

Entity	Group's interest in net income/ (loss)		Group's interest in net income/ (loss)	
	January 1 - June 30, 2019	January 1 - June 30, 2018	April 1 - June 30, 2019	April 1 - June 30, 2018
Migros (*)	(201.031)	(271.468)	(83.019)	(146.952)
Anadolu Landini	(8.692)	(5.586)	(4.021)	(4.415)
Aslancık	(8.698)	(24.264)	3.014	(16.474)
LLC Faber-Castell Anadolu	(4.307)	(425)	(4.307)	(129)
Anadolu Etap	(38.929)	(27.450)	(20.495)	(18.486)
SSDSD	(146)	(176)	(48)	(103)
TOGG	(1.381)	-	(1.912)	-
	<b>(263.184)</b>	<b>(329.369)</b>	<b>(110.788)</b>	<b>(186.559)</b>

(\*) Shares of Migros are currently quoted in BİST.

Summary financial information of the Group's investment in joint venture Anadolu Landini is as follows:

Anadolu Landini	June 30, 2019		December 31, 2018	
	January 1 - June 30, 2019	January 1 - June 30, 2018	April 1 - June 30, 2019	April 1 - June 30, 2018
Total assets	171.218	194.532	171.218	194.532
Total liabilities	167.762	173.691	167.762	173.691
Net assets	3.456	20.841	3.456	20.841
<b>Group's share in net assets</b>	<b>1.728</b>	<b>10.421</b>	<b>1.728</b>	<b>10.421</b>
Revenue	21.537	44.360	18.252	15.972
Net loss for the period	(17.384)	(11.174)	(8.042)	(8.833)
<b>Group's share in net loss of the joint venture</b>	<b>(8.692)</b>	<b>(5.586)</b>	<b>(4.021)</b>	<b>(4.415)</b>

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**NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)**

**Joint Ventures (cont'd)**

Summary financial information of the Group's investment in joint venture Migros is as follows:

	December 31, 2018
<b>Migros</b>	
Current assets	4.474.261
Non-current assets	6.410.600
<b>Total assets</b>	<b>10.884.861</b>
Short-term borrowings	1.229.090
Other current liabilities	5.445.829
Long-term borrowings	3.341.007
Other non-current liabilities	233.845
<b>Total liabilities</b>	<b>10.249.771</b>
<b>Net assets</b>	<b>635.090</b>
<b>Attributable to:</b>	
Non-controlling interests	2.186
<b>Net assets of the equity holders of the parent</b>	<b>632.904</b>
<b>Group's share in net assets</b>	<b>1.884.617</b>

	January 1 - June 30, 2019	January 1 - June 30, 2018	April 1 - June 30, 2019	April 1 - June 30, 2018
Revenue	<b>10.730.815</b>	8.463.382	<b>5.808.145</b>	4.523.246
Net loss profit for the period	(381.286)	(539.559)	(150.470)	(293.673)
Non-controlling interests	73	(3.293)	35	(1.074)
<b>Equity holders of the parent</b>	<b>(381.359)</b>	(536.266)	<b>(150.505)</b>	(292.599)
Acquisition accounting and fair value adjustments	(7.802)	(6.669)	(2.631)	(1.305)
The effect of change in consolidation scope	(12.901)	-	(12.901)	-
<b>Net loss per consolidation</b>	<b>(402.062)</b>	(542.935)	<b>(166.037)</b>	(293.904)
<b>Group's share in net loss</b>	<b>(201.031)</b>	(271.468)	<b>(83.019)</b>	(146.952)

The movement of carrying value of the joint venture Migros in the interim condensed consolidated financial statements as of June 30, 2019 and 2018 is as follows:

	June 30, 2019	June 30, 2018
Balance at the beginning of the period	<b>1.884.617</b>	2.297.857
Group's share in net loss	<b>(201.031)</b>	(271.468)
Change in consolidation scope	<b>(1.705.328)</b>	-
Group's share in currency translation differences	<b>21.742</b>	14.019
<b>Balance at the end of the period</b>	<b>-</b>	2.040.408

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**NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)**

**Joint Ventures (cont'd)**

Summary financial information of the Group's investment in joint venture Aslançık is as follows:

	<b>June 30, 2019</b>	December 31, 2018
<b>Aslançık</b>		
Total assets	<b>589.702</b>	595.008
Total liabilities	<b>582.809</b>	625.619
Net assets	<b>6.893</b>	(30.611)
Fair value adjustment	<b>(131.625)</b>	(131.625)
Net assets included in consolidation	<b>(124.732)</b>	(162.236)
<b>Group's share in net assets</b>	<b>(41.573)</b>	(54.073)

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>Aslançık</b>				
Revenue	<b>93.712</b>	57.458	<b>64.033</b>	39.080
Net (loss)/ income for the period	<b>(26.096)</b>	(72.799)	<b>9.042</b>	(49.426)
<b>Group's share in net (loss) income of the joint venture</b>	<b>(8.698)</b>	(24.264)	<b>3.014</b>	(16.474)

Summary financial information of the Group's investment in joint venture LLC Faber-Castell Anadolu is as follows:

	<b>June 30, 2019</b>	December 31, 2018
<b>LLC Faber-Castell Anadolu</b>		
Total assets	<b>5.983</b>	16.874
Total liabilities	<b>2.944</b>	17.990
Net assets	<b>3.039</b>	(1.116)
<b>Group's share in net assets</b>	<b>1.520</b>	-

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>LLC Faber-Castell Anadolu</b>				
Revenue	<b>1.888</b>	10.723	<b>(144)</b>	6.464
Net loss for the period	<b>(8.614)</b>	(850)	<b>(7.357)</b>	(257)
<b>Group's share in net loss of the joint venture</b>	<b>(4.307)</b>	(425)	<b>(4.307)</b>	(129)

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**NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)**

**Joint Ventures (cont'd)**

Summary financial information of the Group's investment in joint venture Anadolu Etap is as follows:

	<b>June 30, 2019</b>	December 31, 2018		
<b>Anadolu Etap</b>				
Total assets	<b>1.326.681</b>			1.240.684
Total liabilities	<b>1.245.405</b>			1.061.349
Net assets	<b>81.276</b>			179.335
<b>Group's share in net assets</b>	<b>32.266</b>			71.195

  

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>Anadolu Etap</b>				
Net loss for the period	<b>(98.060)</b>	(76.072)	<b>(51.626)</b>	(49.180)
<b>Group's share in net loss of the joint venture</b>	<b>(38.929)</b>	(27.450)	<b>(20.495)</b>	(18.486)

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT**

Movements of property, plant and equipment for the period ended on June 30, 2019 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
January 1, 2019	802.465	4.086.837	10.081.766	241.907	1.553.979	2.873.073	182.773	526.981	20.349.781
Additions	321	3.952	80.488	9.523	122.227	198.609	10.408	529.259	954.787
Disposals (-)	(64.339)	(120.306)	(70.142)	(23.839)	(11.461)	(91.899)	(3.109)	(1.006)	(386.101)
Addition through change in consolidation scope	1.011.834	1.136.872	1.193.242	6.667	800.955	-	847.452	56.981	5.054.003
Currency translation differences	35.015	332.576	860.015	18.810	14.116	106.350	(244)	59.240	1.425.878
Transfers	9.471	62.909	178.227	(1)	19.435	191.941	3.244	(442.858)	22.368
Impairment / (impairment reversal), net	-	-	-	-	-	-	(3.570)	(28.323)	(31.893)
<b>June 30, 2019</b>	<b>1.794.767</b>	<b>5.502.840</b>	<b>12.323.596</b>	<b>253.067</b>	<b>2.499.251</b>	<b>3.278.074</b>	<b>1.036.954</b>	<b>700.274</b>	<b>27.388.823</b>
<b>Accumulated depreciation</b>									
January 1, 2019	129.928	958.590	4.761.117	135.695	1.057.100	1.462.140	103.575	2.721	8.610.866
Depreciation charge for the period	5.036	76.444	413.554	11.315	99.780	266.417	15.406	-	887.952
Disposals (-)	(281)	(22.299)	(50.765)	(15.721)	(9.896)	(83.373)	(2.176)	-	(184.511)
Addition through change in consolidation scope	-	43.324	624.608	1.872	476.360	-	421.819	-	1.567.983
Currency translation differences	12.374	74.696	450.414	13.006	5.036	42.678	(762)	-	597.442
Transfers	-	(188)	(789)	-	61	1.428	-	-	512
Impairment / (impairment reversal), net	-	-	(438)	-	-	3.603	(2.613)	-	552
<b>June 30, 2019</b>	<b>147.057</b>	<b>1.130.567</b>	<b>6.197.701</b>	<b>146.167</b>	<b>1.628.441</b>	<b>1.692.893</b>	<b>535.249</b>	<b>2.721</b>	<b>11.480.796</b>
<b>Net carrying amount</b>	<b>1.647.710</b>	<b>4.372.273</b>	<b>6.125.895</b>	<b>106.900</b>	<b>870.810</b>	<b>1.585.181</b>	<b>501.705</b>	<b>697.553</b>	<b>15.908.027</b>

As at June 30, 2019, there are mortgages on PP&E amounting TRL 114.303 (December 31, 2018: TRL 120.149) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at June 30, 2019, TRL 515.732 of the PP&E is pledged (December 31, 2018: TRL 515.268) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

Çelik Motor and Adel, subsidiaries of the Group, have signed a sale and lease back agreement for property, plant and equipment amounting TRL 38.840 and continued to record these PP&Es by previous net book values assuming no leaseback transactions (December 31, 2018: TRL 42.289).

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Movements of property, plant and equipment for the period ended on June 30, 2018 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
January 1, 2018	716.373	3.119.270	7.260.781	204.012	1.371.923	2.005.359	174.083	178.397	15.030.198
Additions	441	2.109	62.064	18.811	108.612	200.254	1.764	376.858	770.913
Addition through business combination	495	246.338	1.196.685	-	-	210.101	379	82.922	1.736.920
Disposals (-)	(701)	(347)	(63.704)	(18.178)	(29.987)	(139.949)	-	-	(252.866)
Currency translation differences	55.690	417.871	938.097	35.010	15.163	273.445	187	56.064	1.791.527
Transfers	158	73.228	144.907	1.602	8.477	82.292	2.857	(314.613)	(1.092)
<b>June 30, 2018</b>	<b>772.456</b>	<b>3.858.469</b>	<b>9.538.830</b>	<b>241.257</b>	<b>1.474.188</b>	<b>2.631.502</b>	<b>179.270</b>	<b>379.628</b>	<b>19.075.600</b>
<b>Accumulated depreciation</b>									
January 1, 2018	105.376	726.389	3.625.166	105.658	964.496	1.050.731	93.073	2.721	6.673.610
Depreciation charge for the period	5.704	54.480	294.248	13.400	80.601	181.696	7.197	-	637.326
Disposals (-)	-	(55)	(53.335)	(11.574)	(28.916)	(133.000)	-	-	(226.880)
Currency translation differences	8.260	74.393	414.947	21.858	8.159	152.984	173	-	680.774
Impairment / (impairment reversal), net	-	-	3.968	-	14	11.292	-	-	15.274
<b>June 30, 2018</b>	<b>119.340</b>	<b>855.207</b>	<b>4.284.994</b>	<b>129.342</b>	<b>1.024.354</b>	<b>1.263.703</b>	<b>100.443</b>	<b>2.721</b>	<b>7.780.104</b>
<b>Net carrying amount</b>	<b>653.116</b>	<b>3.003.262</b>	<b>5.253.836</b>	<b>111.915</b>	<b>449.834</b>	<b>1.367.799</b>	<b>78.827</b>	<b>376.907</b>	<b>11.295.496</b>

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**NOTE 10 - INTANGIBLE ASSETS**

Movements of intangible assets for the period ended on June 30, 2019 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
<b>Cost</b>					
January 1, 2019	9.226.672	4.486.108	963.295	601.652	15.277.727
Additions	-	-	-	104.067	104.067
Disposals (-)	-	-	-	(4.465)	(4.465)
Addition through change in consolidation scope	-	-	2.787	683.549	686.336
Currency translation differences	402.133	805.190	165.694	39.366	1.412.383
Transfers	-	-	-	23.706	23.706
<b>June 30, 2019</b>	<b>9.628.805</b>	<b>5.291.298</b>	<b>1.131.776</b>	<b>1.447.875</b>	<b>17.499.754</b>
<b>Accumulated amortization</b>					
January 1, 2019	-	308.509	111.704	298.739	718.952
Amortization charge for the period	-	17	-	54.440	54.457
Disposals (-)	-	-	-	(1.390)	(1.390)
Addition through change in consolidation scope	-	-	-	416.734	416.734
Currency translation differences	-	2	9.706	19.951	29.659
Transfers	-	-	-	19.658	19.658
Impairment	-	16.825	-	9.292	26.117
<b>June 30, 2019</b>	<b>-</b>	<b>325.353</b>	<b>121.410</b>	<b>817.424</b>	<b>1.264.187</b>
<b>Net carrying amount</b>	<b>9.628.805</b>	<b>4.965.945</b>	<b>1.010.366</b>	<b>630.451</b>	<b>16.235.567</b>

Movements of intangible assets for the period ended on June 30, 2018 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
<b>Cost</b>					
January 1, 2018	8.378.797	1.352.039	587.423	432.923	10.751.182
Additions	-	-	-	26.617	26.617
Addition through business combination	-	2.665.530	416.806	13.970	3.096.306
Disposals (-)	-	-	-	(223)	(223)
Currency translation differences	733.327	561.630	171.261	77.853	1.544.071
Transfers	-	-	-	1.092	1.092
<b>June 30, 2018</b>	<b>9.112.124</b>	<b>4.579.199</b>	<b>1.175.490</b>	<b>552.232</b>	<b>15.419.045</b>
<b>Accumulated amortization</b>					
January 1, 2018	-	19.224	-	227.073	246.297
Amortization charge for the period	-	14	-	26.858	26.872
Disposals (-)	-	-	-	(187)	(187)
Currency translation differences	-	17	-	11.081	11.098
<b>June 30, 2018</b>	<b>-</b>	<b>19.255</b>	<b>-</b>	<b>264.825</b>	<b>284.080</b>
<b>Net carrying amount</b>	<b>9.112.124</b>	<b>4.559.944</b>	<b>1.175.490</b>	<b>287.407</b>	<b>15.134.965</b>

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**NOTE 11 - GOODWILL**

Movements of the goodwill for the periods ended June 30, 2019 and 2018 are as follows:

	<b>June 30, 2019</b>	June 30, 2018
At January 1	<b>2.552.368</b>	1.834.897
Addition through business combination (Note 3)	-	485.967
Addition through change in consolidation scope (*)	<b>2.856.491</b>	-
Currency translation differences	<b>435.746</b>	155.698
<b>Balance at the end of the period</b>	<b>5.844.605</b>	2.476.562

(\*) The balance consists of the addition of the goodwill amounting to TRL 1.565 in Migros's financial statements as a result of the full consolidation of Migros as of May 1, 2019 and as the details stated in Note 3, the goodwill amounting to TRL 2.854.926 which was included in the carrying value of Migros, which was accounted through equity method previously.

**NOTE 12 - OTHER ASSETS AND LIABILITIES**

**12.1 Other Current Assets**

	<b>June 30, 2019</b>	December 31, 2018
Assets used in renting activities	<b>322.169</b>	328.683
VAT receivable	<b>363.002</b>	536.318
Other current assets from related parties (Anadolu Efes Spor Kulübü)	<b>45.000</b>	-
Other current assets	<b>116.982</b>	73.885
	<b>847.153</b>	938.886

Movements of current assets used in renting activities for periods ended June 30, 2019 and 2018 are as follows:

**Current Assets Used in Renting Activities**

	<b>June 30, 2019</b>	June 30, 2018
<b>Cost</b>		
Balance at January 1	<b>332.136</b>	420.585
Additions	<b>787</b>	323.489
Disposals	<b>(416.801)</b>	(336.295)
Transfers	<b>373.858</b>	234.275
Increases due to revaluation	<b>39.892</b>	49.083
<b>Balance at the end of the period</b>	<b>329.872</b>	691.137
<b>Accumulated depreciation</b>		
Balance at January 1	<b>3.453</b>	6.491
Depreciation charge for the period (*)	<b>47</b>	47
Disposals	<b>(33.218)</b>	(21.636)
Transfers	<b>37.421</b>	19.517
<b>Balance at the end of the period</b>	<b>7.703</b>	4.419
<b>Net carrying amount</b>	<b>322.169</b>	686.718

(\*) All depreciation expenses are included in the cost of sales.

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**NOTE 12 - OTHER ASSETS AND LIABILITIES (cont'd)**

**12.2 Other Non-Current Assets**

	<b>June 30, 2019</b>	December 31, 2018
Assets used in renting activities	<b>1.018.182</b>	1.302.368
VAT receivable and other taxes	<b>97.989</b>	81.584
Other non-current assets	<b>37.784</b>	18.654
	<b>1.153.955</b>	1.402.606

Movements of non-current assets used in renting activities for periods ended June 30, 2019 and 2018 are as follows:

**Non-Current Assets Used in Renting Activities**

	<b>June 30, 2019</b>	June 30, 2018
<b>Cost</b>		
Balance at January 1	<b>1.391.698</b>	1.795.616
Additions	<b>3.576</b>	134.412
Transfers (Note 12.1)	<b>(373.858)</b>	(234.275)
Increases due to revaluation	<b>69.343</b>	313.200
<b>Balance at the end of the period</b>	<b>1.090.759</b>	2.008.953
<b>Accumulated depreciation</b>		
Balance at January 1	<b>89.330</b>	80.365
Depreciation charge for the period (*)	<b>20.668</b>	34.722
Transfers (Note 12.1)	<b>(37.421)</b>	(19.517)
<b>Balance at the end of the period</b>	<b>72.577</b>	95.570
<b>Net carrying amount</b>	<b>1.018.182</b>	1.913.383

(\*) All depreciation expenses are included in the cost of sales.

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**NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**Employee Benefit Obligations**

The provisions for employee benefits as of June 30, 2019 and December 31, 2018 are as follows:

	<b>June 30, 2019</b>	December 31, 2018
<b>Short-term</b>	<b>406.108</b>	130.899
Provision for bonus	<b>165.435</b>	47.531
Provision for vacation pay liability	<b>210.753</b>	47.866
Other short-term employee benefits	<b>29.482</b>	34.848
Provision for employee termination benefits	<b>438</b>	654
<b>Long-term</b>	<b>390.786</b>	192.358
Provision for employee termination benefits	<b>379.757</b>	182.070
Provision for incentive plan	<b>11.029</b>	10.288
	<b>796.894</b>	323.257

**NOTE 14 - COMMITMENTS**

As of June 30, 2019 and December 31, 2018 letter of guarantees, pledges and mortgages (GPMs) are as follows:

<b>June 30, 2019</b>	<b>Total TRL Equivalent</b>	<b>Original Currency TRL</b>	<b>Original Currency Thousand USD</b>	<b>Original Currency Thousand EUR</b>	<b>Original Currency Thousand RUR</b>	<b>Original Currency Thousand UAH</b>	<b>Original Currency Thousand PKR</b>	<b>TRL Equivalent of Other Currency</b>
Letter of guarantees, pledge and mortgages provided by the Company								
A. Total amount of GPMs given on behalf of the Company's legal personality	<b>2.132.450</b>	621.898	181.437	48.081	28	51.664	2.667.000	46.436
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	<b>964.229</b>	6.360	66.891	75.400	-	-	1.740.887	17.885
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Total amount of other GPM's	<b>238.971</b>	19.457	20.741	15.288	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	<b>238.971</b>	19.457	20.741	15.288	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
	<b>3.335.650</b>	647.715	269.069	138.769	28	51.664	4.407.887	64.321

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**NOTE 14 – COMMITMENTS (cont'd)**

December 31, 2018	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company								
A. Total amount of GPMs given on behalf of the Company's legal personality	1.649.692	313.751	181.375	30.877	27	42.879	2.667.000	86.307
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	930.515	6.360	58.500	85.121	-	-	2.222.331	18.987
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Total amount of other GPM's	231.419	14.559	23.704	15.288	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	231.419	14.559	23.704	15.288	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
	2.811.626	334.670	263.579	131.286	27	42.879	4.889.331	105.294

As of June 30, 2019, the ratio of other GPMs over the Group's equity is 1,1%. (December 31, 2018: 1,1%).

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar 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 June 30, 2019, CCBPL has USD 11,2 Million sugar purchase commitment to the Banks until the end of December 2019, has USD 10,8 Million sugar purchase commitment to the Banks until the end of March 2020, has USD 10,9 Million resin purchase commitment to the Banks until the end of November 2019 and USD 4,7 Million sugar purchase commitment to the Banks until the end of May 2020.

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

The Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

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, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., 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 may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of June 30, 2019, the remaining amount of the related loan is USD 94.843 Thousand.

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**NOTE 14 – COMMITMENTS (cont'd)**

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of June 30, 2019, the principal of the loan is USD 62.222 Thousand and the warranty per the Group is USD 20.741 Thousand (December 31, 2018: USD 71.111 Thousand). The Company, has acted as a guarantor in the proportion of its capital (33,33%) to Aslancık's finance loan amounting to EUR 23.364 Thousand. As of June 30, 2019, the principal of the loan is EUR 23.364 Thousand and the warranty per the Group is EUR 7.788 Thousand.

As of June 30, 2019 the obligation of TRL 13.582 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd. (Day), with a consideration of USD 2.360 Thousand amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the of share purchase (December 31, 2018: TRL 12.416).

According to the put option signed with European Refreshments (“ER”), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group’s consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TRL 216.622 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2018: TRL 198.020).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of June 30, 2019, there are no defaulting installments (December 31, 2018: None).

In line with Kartal Gayrimenkul’s preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of June 30, 2019, penalty amount that Kartal Gayrimenkul has paid is TRL 71 for delay (December 31, 2018: None).

**NOTE 15 - EQUITY**

**Share Capital / Adjustments to Share Capital and Equity Instruments**

As of June 30, 2019 and December 31, 2018, the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the period ended June 30, 2019 and December 31, 2018 are as follows (the amounts are historical):

	June 30, 2019		December 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	243.534.518	243.535	243.534.518	243.535
<b>Balance at the end of the period</b>	<b>243.534.518</b>	<b>243.535</b>	<b>243.534.518</b>	<b>243.535</b>

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**NOTE 15 – EQUITY (cont'd)**

AGHOL's common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG Sınai Yatırım ve Yönetim A.Ş.. Class A shares are all bearer type shares; belonging to AG Sınai Yatırım ve Yönetim A.Ş. and also Yazıcı Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sınai Yatırım ve Yönetim A.Ş. (Management Company) which is an associate of İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. by 50% share each is a management company established to manage AGHOL and the subsidiaries of AGHOL. AG Sınai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı Family and İzzet Özilhan Family through equal shareholding and equal representation principle.

Class	Number of shares	Percentage of capital (%)	Number of members on Board
A (Bearer)	194.827.614	80,00	-
B (Registered)	48.706.904	20,00	6
	<b>243.534.518</b>	<b>100,00</b>	

**Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain**

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 Capital Markets Board of Turkey 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 shall be subject to distributable dividend computations.

Companies distribute dividend within the framework of profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Companies pay dividends specified in their articles of incorporation or profit distribution policies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

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**NOTE 15 – EQUITY (cont'd)**

**Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain (cont'd)**

	<b>June 30, 2019</b>	December 31, 2018
Restricted reserves allocated from net profit	<b>615.970</b>	909.511
- Legal reserves	<b>89.844</b>	89.844
- Gain on sales of real estate and associates (*)	<b>526.126</b>	819.667

(\*) The Group's gain from sale of real estate and associates amounting TRL 526.126 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

**Retained Earnings**

As of June 30, 2019 and December 31, 2018 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	<b>June 30, 2019</b>	December 31, 2018
Equity reserves	<b>2.422</b>	2.422
Extraordinary reserves	<b>1.575.425</b>	1.600.425
Other profit reserves	<b>5.119</b>	5.119
Retained earnings	<b>127.697</b>	859.880
	<b>1.710.663</b>	2.467.846

**Non-Controlling Interest**

Non-controlling interests are separately classified in the interim condensed consolidated financial statements.

**NOTE 16 - OTHER OPERATING INCOME/EXPENSES**

**16.1 Other Operating Income**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Foreign exchange gains arising from trading activities	<b>163.156</b>	118.983	<b>61.271</b>	90.454
Interest income on term sales	<b>42.371</b>	-	<b>42.371</b>	-
Income from scrap and other materials	<b>18.159</b>	13.903	<b>10.166</b>	5.841
Rent income	<b>15.333</b>	9.612	<b>8.069</b>	5.793
Rediscount gain from trading activities	<b>11.119</b>	10.872	<b>748</b>	226
Other	<b>92.999</b>	57.536	<b>52.034</b>	31.873
	<b>343.137</b>	210.906	<b>174.659</b>	134.187

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**NOTE 16 - OTHER OPERATING INCOME/EXPENSES (cont'd)**

**16.2 Other Operating Expenses**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Foreign exchange losses arising from trading activities	<b>175.688</b>	144.735	<b>109.696</b>	100.090
Interest expense on term purchases	<b>147.161</b>	-	<b>147.161</b>	-
Administrative fines	<b>69.681</b>	-	<b>69.681</b>	-
Rediscount loss from trading activities	<b>21.272</b>	22.096	<b>2.305</b>	7.071
Provision for doubtful receivables	<b>20.105</b>	10.298	<b>15.835</b>	7.640
Depreciation and amortization expense on tangible and intangible assets	<b>2.867</b>	2.320	<b>1.394</b>	1.189
Other	<b>104.802</b>	86.054	<b>56.499</b>	30.855
	<b>541.576</b>	265.503	<b>402.571</b>	146.845

**NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES**

**17.1 Income from Investing Activities**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Transfer of currency translation differences previously accounted as other comprehensive income	<b>190.276</b>	-	<b>190.276</b>	-
Gain on sale of property, plant and equipment	<b>93.955</b>	16.446	<b>64.791</b>	13.292
Rent income	<b>160</b>	2.445	<b>58</b>	1.294
Dividend income	<b>34</b>	15	<b>34</b>	15
Other	<b>90.885</b>	-	<b>90.885</b>	-
	<b>375.310</b>	18.906	<b>346.044</b>	14.601

**17.2 Expenses from Investing Activities**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Provision for impairment on tangible assets (Note 9)	<b>31.489</b>	15.274	<b>29.919</b>	8.448
Loss on sale of tangible and intangible assets	<b>29.186</b>	12.122	<b>11.635</b>	10.044
Provision for impairment on intangible assets (Note 10)	<b>26.117</b>	-	<b>10.061</b>	-
Losses from leasehold improvements of closed stores (Note 9)	<b>956</b>	-	<b>956</b>	-
Other	<b>28.073</b>	-	<b>27.545</b>	-
	<b>115.821</b>	27.396	<b>80.116</b>	18.492

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**NOTE 18 - FINANCIAL INCOME**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Foreign exchange gain	<b>535.281</b>	1.015.850	<b>308.366</b>	675.537
Interest income	<b>155.996</b>	145.445	<b>71.593</b>	74.787
Interest income from subleases	<b>821</b>	-	<b>448</b>	-
Derivative transactions income	<b>(10.824)</b>	-	<b>(10.824)</b>	(559)
	<b>681.274</b>	1.161.295	<b>369.583</b>	749.765

**NOTE 19 - FINANCIAL EXPENSES**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Interest expense	<b>865.668</b>	490.186	<b>495.048</b>	272.532
Foreign exchange loss	<b>828.123</b>	1.686.783	<b>462.492</b>	1.042.791
Interest expense from leases	<b>127.783</b>	-	<b>102.626</b>	-
Loss on derivative transactions	<b>64.457</b>	882	<b>36.455</b>	321
Other expense	<b>60.316</b>	22.782	<b>36.422</b>	12.413
	<b>1.946.347</b>	2.200.633	<b>1.133.043</b>	1.328.057

**NOTE 20 - TAX ASSETS AND LIABILITIES**

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

The corporate tax rate for the fiscal year is 22% in Turkey (2018: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 22% (2018: 22%) 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.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Amendment of Certain Taxes and Laws and Other Acts", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of June 30, 2019 are calculated with 22% tax rate for the temporary differences which will be realized in 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

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.

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**NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)**

**20.1 Current Income Tax Assets and Tax Provision**

	<b>June 30, 2019</b>	December 31, 2018
Current income tax assets	<b>146.803</b>	189.152
Income tax payable (-)	<b>(131.207)</b>	(18.036)
<b>Net tax (liability) / asset</b>	<b>15.596</b>	171.116

**20.2 Deferred Tax Assets and Liabilities**

The distribution of deferred tax assets and liabilities is as follows:

	<b>June 30, 2019</b>	December 31, 2018
Deferred tax asset	<b>1.198.451</b>	956.572
Deferred tax liability (-)	<b>(3.010.416)</b>	(2.762.447)
<b>Total deferred tax asset/(liability), net</b>	<b>(1.811.965)</b>	(1.805.875)

Movement of net deferred tax liabilities as of the period ended on June 30, 2019 is as follows:

	<b>Balance December 31, 2018</b>	<b>Recorded to profit or loss</b>	<b>Balance June 30, 2019</b>
Property, plant and equipment, intangibles, investment property, assets used in renting activities	<b>(3.201.112)</b>	<b>(370.145)</b>	<b>(3.571.257)</b>
Tax losses carried forward	<b>1.003.545</b>	<b>199.821</b>	<b>1.203.366</b>
Employee termination benefit and other employee benefits	<b>55.761</b>	<b>88.510</b>	<b>144.271</b>
Inventories	<b>81.304</b>	<b>(20.867)</b>	<b>60.437</b>
Investment incentive	<b>65.913</b>	<b>18.106</b>	<b>84.019</b>
Other provisions and accruals	<b>195.498</b>	<b>128.712</b>	<b>324.210</b>
Derivative financial instruments	<b>(14.983)</b>	<b>(2.691)</b>	<b>(17.674)</b>
Other	<b>8.199</b>	<b>(47.536)</b>	<b>(39.337)</b>
<b>Net deferred tax liability</b>	<b>(1.805.875)</b>	<b>(6.090)</b>	<b>(1.811.965)</b>
Addition through change in consolidation scope	-	<b>(91.278)</b>	-
Currency translation difference	-	<b>187.585</b>	-
Recognised in other comprehensive income	-	<b>(62.832)</b>	-
	<b>(1.805.875)</b>	<b>27.385</b>	<b>(1.811.965)</b>

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**NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)**

**20.2 Deferred Tax Assets and Liabilities (cont'd)**

The movement of net deferred tax liabilities as of the period ended on June 30, 2018 is as follows:

	Balance December 31 ,2017	Recorded to profit or loss	Balance June 30, 2018
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(2.180.213)	(982.827)	(3.163.040)
Tax losses carried forward	646.038	456.534	1.102.572
Employee termination benefit and other employee benefits	36.566	17.218	53.784
Inventories	73.861	(4.887)	68.974
Investment incentive	51.827	9.797	61.624
Other provisions and accruals	28.873	146.909	175.782
Derivative financial instruments	(28.448)	(17.272)	(45.720)
Other	7.573	7.161	14.734
<b>Net deferred tax liability</b>	<b>(1.363.923)</b>	<b>(367.367)</b>	<b>(1.731.290)</b>
Addition through business combination	-	472.515	-
Currency translation difference	-	71.417	-
Recognised in other comprehensive income	-	14.575	-
	<b>(1.363.923)</b>	<b>191.140</b>	<b>(1.731.290)</b>

**20.3 Tax Expense**

	January 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2019	April 1- June 30, 2018
Current period tax expense (-)	<b>(239.792)</b>	(168.327)	<b>(153.490)</b>	(96.797)
Deferred tax income	<b>27.385</b>	191.140	<b>(8.857)</b>	88.897
	<b>(212.407)</b>	22.813	<b>(162.347)</b>	(7.900)

**NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS**

**21.1 Trade Receivables and Other Receivables from Related Parties**

	June 30, 2019	December 31, 2018
Anadolu Landini (1)	<b>39.348</b>	52.243
Anadolu Etap (1)	<b>6.099</b>	4.515
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3)	<b>1.861</b>	1.371
LLC Faber-Castell Anadolu (Russia) (1)	<b>160</b>	1.917
Migros Group Companies (2) (*)	-	207.907
Other	<b>5.813</b>	5.976
	<b>53.281</b>	273.929

(\*) Migros Group Companies consist of Migros, Kipa Ticaret A.Ş. which merged with Migros as of August 31, 2018, Sanal Merkez Ticaret A.Ş., Ramstore Kazakhstan LLC, Ramstore Macedonia DOO and Ramstore Bulgaria E.A.D..

(1) A joint venture

(2) The balances are related with Migros, which was a joint venture until April 30, 2019.

(3) Other

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**NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)**

**21.1 Trade Receivables and Other Receivables from Related Parties (cont'd)**

As of June 30, 2019 there is no amount in long term portion of trade receivables from related parties (December 31, 2018: None).

As of June 30, 2019 there are other short term receivables from related parties amounting TRL 3.610 (December 31, 2018: TRL 20.595).

As of June 30, 2019 there are other long term receivables from related parties amounting TRL 4.573 (December 31, 2018: None).

**21.2 Trade Payables to Related Parties**

	<b>June 30, 2019</b>	December 31, 2018
Anadolu Efes Spor Kulübü (3)	<b>30.730</b>	-
Anadolu Landini (1)	<b>242</b>	6.142
Migros Group Companies (2)	-	651
Other	<b>3.447</b>	554
	<b>34.419</b>	7.347

As of June 30, 2019 there is no long term trade payables due to related parties (December 31, 2018: None).

**21.3 Related Party Transactions**

**Terms and conditions of transactions with related parties**

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There has been no guarantees given or received for any related party receivables or payables. For the period ended June 30, 2019, the Group has not provided for any doubtful receivables, relating to amounts due from related parties (December 31, 2018: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of June 30, 2019 and 2018 are as follows:

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>Sales of goods and services, net</b>				
Migros Group Companies (2)	<b>225.542</b>	260.877	<b>48.350</b>	150.358
Anadolu Etap (1)	<b>3.644</b>	3.062	<b>2.248</b>	1.621
Anadolu Efes Spor Kulübü (3)	<b>3.206</b>	1.448	<b>2.627</b>	617
Anadolu Eğitim ve Sosyal Yardım Vakfı				
Sağlık Tes. İkt. İşl. (3)	<b>1.416</b>	823	<b>751</b>	408
Anadolu Landini (1)	<b>602</b>	9.198	<b>224</b>	392
Other	<b>722</b>	386	<b>371</b>	209
	<b>235.132</b>	275.794	<b>54.571</b>	153.605

(1) A joint venture

(2) The balances are related with Migros, which was a joint venture until April 30, 2019.

(3) Other

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**NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)**

**21.3 Related Party Transactions (cont'd)**

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>Purchases of goods, property, plant &amp; equipment and other charges</b>				
Anadolu Efes Spor Kulübü (3)	<b>45.750</b>	26.020	<b>22.500</b>	13.011
Anadolu Etap (1)	<b>3.801</b>	-	<b>3.794</b>	-
Migros Group Companies (2)	<b>1.677</b>	2.078	<b>430</b>	1.528
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	<b>102</b>	40.493	<b>2</b>	630
Other	<b>834</b>	958	<b>511</b>	478
	<b>52.164</b>	69.549	<b>27.237</b>	15.647

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
<b>Various sales included in other income (includes dividends received)</b>				
Anadolu Landini (1)	<b>8.445</b>	11.949	<b>4.984</b>	10.699
Migros Group Companies (2)	<b>98</b>	215	<b>25</b>	112
Other	<b>767</b>	53	<b>72</b>	27
	<b>9.310</b>	12.217	<b>5.081</b>	10.838

(1) A joint venture

(2) The balances are related with Migros, which was a joint venture until April 30, 2019.

(3) Other

*Compensation of Key Management Personnel of the Group*

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries. Benefits provided to senior managers include benefits such as wages, seniority, notice and leave.

The details of benefits provided to the key management personnel for the periods ended on June 30, 2019 and 2018 are as follows:

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Short term benefits provided to key management personnel	<b>39.150</b>	27.183	<b>16.848</b>	12.389
Post-employment benefits	<b>1.888</b>	517	<b>750</b>	214
<b>Total gain</b>	<b>41.038</b>	27.700	<b>17.598</b>	12.603
<b>Social Security employer share</b>	<b>1.105</b>	645	<b>565</b>	344

*Other*

The Company and its subsidiaries other than Migros and McDonald's donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2019, donations amount to TRL 100 (December 31, 2018: TRL 42.973).

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**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Financial Risk Management Objectives and Policies**

**General**

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. 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 are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

**Fair Value Hedge Accounting**

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques not containing observable market inputs

	<b>June 30, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative financial assets	<b>122.137</b>	-	<b>122.137</b>	-
Derivative financial liabilities	<b>44.076</b>	-	<b>44.076</b>	-
Put option liability	<b>230.204</b>	<b>13.582</b>	-	<b>216.622</b>
	<b>December 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative financial assets	186.177	-	186.177	-
Derivative financial liabilities	44.393	-	44.393	-
Put option liability	210.436	12.416	-	198.020

**Foreign currency risk**

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		<b>Exchange buying rate at December 31, 2018</b>	<b>Average exchange buying rate in the period</b>	<b>Exchange buying rate at June 30, 2019</b>
USD/TRL	Turkey	5,2609	5,6197	5,7551
EUR/TRL	Turkey	6,0280	6,3456	6,5507

Foreign currency risk arises from the EUR 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. Anadolu Efes, a subsidiary of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. Anadolu Efes's foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. Çelik Motor, a subsidiary of the Group, hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument).

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**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign currency risk (cont'd)**

EBI, the subsidiary of the Group, has a cross currency swap agreement on April 12, 2018 in order to hedge foreign currency risk arising from Russian Ruble receivables arising from shareholder loans which was taken over following the business combination mentioned in Note 3 amounting to TRL 395.460 (December 31, 2018: TRL 361.501).

CCI, the subsidiary of the Group, has a cross currency swap contract with a total amount of USD 150 Million (nominal amount: TRL 293.265) signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term (December 31, 2018: TRL 219.135).

As of June 30, 2019, Anadolu Efes, the subsidiary of the Group, has 9 currency option contracts with a total nominal amount of TRL 207.184 designated as hedging instruments in cash flow hedges for the highly probable raw material purchases and payments related to operational expenses which are exposed to foreign currency risk (December 31, 2018: None).

The Company has signed a cross currency swap contract with a total amount of EUR 120 Million (nominal amount: TRL 746.327) due on May 12, 2021 and December 20, 2022, for the probability of arising exchange rate exposure in the long term (December 31, 2018: EUR 25 Million).

As of June 30, 2019, CCBPL has FX forward transactions with a total nominal amount of TRL 35.494, for 1 forward purchase contracts amounting to CNY (Chinese Yuan) 43,4 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk.

Çelik Motor, the subsidiary of the Group, has a forward contract with a total amount of EUR 40 Million signed on June 21, 2019 and due on August 2019, for the probability of arising exchange rate exposure (December 31, 2018: None).

Migros, the subsidiary of the Group, has a forward contract with a total amount of EUR 10 Million signed in October 2018 and due on November 22, 2019 for the probability of arising exchange rate exposure (December 31, 2018: EUR 40 Million).

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**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign currency risk (cont'd)**

June 30, 2019	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	225.223	14.444	14.713	45.716
2a. Monetary financial assets (cash and cash equivalents included)	3.041.481	300.155	182.175	120.680
2b. Non - monetary financial assets	411.424	186	2.268	395.496
3. Other	47.984	870	4.893	10.926
<b>4. Current assets (1+2+3)</b>	<b>3.726.112</b>	<b>315.655</b>	<b>204.049</b>	<b>572.818</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	7.042	195	903	-
<b>8. Non - current assets (5+6+7)</b>	<b>7.042</b>	<b>195</b>	<b>903</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>3.733.154</b>	<b>315.850</b>	<b>204.952</b>	<b>572.818</b>
10. Trade payables	1.168.301	134.541	27.189	215.894
11. Short - term borrowings and current portion of long - term borrowings	4.111.015	159.135	487.761	-
12a. Monetary other liabilities	17.697	1.473	353	6.908
12b. Non - monetary other liabilities	21.445	2.360	1.078	800
<b>13. Current liabilities (10+11+12)</b>	<b>5.318.458</b>	<b>297.509</b>	<b>516.381</b>	<b>223.602</b>
14. Trade payables	7.717	-	1.178	-
15. Long - term borrowings	11.376.033	1.092.675	776.646	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	222.984	37.715	906	-
<b>17. Non - current liabilities (14+15+16)</b>	<b>11.606.734</b>	<b>1.130.390</b>	<b>778.730</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>16.925.192</b>	<b>1.427.899</b>	<b>1.295.111</b>	<b>223.602</b>
<b>19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)</b>	<b>7.116.598</b>	<b>783.679</b>	<b>397.888</b>	<b>-</b>
19a. Total hedged assets	7.116.598	783.679	397.888	-
19b. Total hedged liabilities	-	-	-	-
<b>20. Net foreign currency asset / (liability) position (9-18+19)</b>	<b>(6.075.440)</b>	<b>(328.370)</b>	<b>(692.271)</b>	<b>349.216</b>
<b>21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(13.414.059)</b>	<b>(1.073.225)</b>	<b>(1.096.239)</b>	<b>(56.406)</b>
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

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**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign Currency Risk (cont'd)**

December 31, 2018	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	207.232	13.633	15.825	40.116
2a. Monetary financial assets (cash and cash equivalents included)	1.931.627	311.073	34.710	85.871
2b. Non - monetary financial assets	10.362	-	1.719	-
3. Other	34.318	1.187	3.547	6.693
4. Current assets (1+2+3)	2.183.539	325.893	55.801	132.680
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	4.564	201	580	10
8. Non - current assets (5+6+7)	4.564	201	580	10
9. Total assets (4+8)	2.188.103	326.094	56.381	132.690
10. Trade payables	894.599	105.085	34.098	136.216
11. Short - term borrowings and current portion of long - term borrowings	3.669.836	116.730	506.922	-
12a. Monetary other liabilities	5.565	199	750	-
12b. Non - monetary other liabilities	16.655	2.454	373	1.499
13. Current liabilities (10+11+12)	4.586.655	224.468	542.143	137.715
14. Trade payables	5.338	-	885	3
15. Long - term borrowings	7.978.335	1.239.021	242.198	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	198.023	37.641	-	-
17. Non - current liabilities (14+15+16)	8.181.696	1.276.662	243.083	3
18. Total liabilities (13+17)	12.768.351	1.501.130	785.226	137.718
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	6.089.083	761.079	345.906	-
19a. Total hedged assets	6.195.353	781.279	345.906	-
19b. Total hedged liabilities	106.270	20.200	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(4.491.165)	(413.957)	(382.939)	(5.028)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(10.414.814)	(1.136.329)	(734.318)	(10.232)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

Information related to export and import as of June 30, 2019 and 2018 are as follows:

	<b>January 1- June 30, 2019</b>	January 1- June 30, 2018	<b>April 1- June 30, 2019</b>	April 1- June 30, 2018
Total Export Amount	<b>638.997</b>	492.261	<b>335.317</b>	255.605
Total Import Amount	<b>2.733.259</b>	1.952.281	<b>1.651.463</b>	974.784

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
 JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign Currency Risk (cont'd)**

Foreign currency position sensitivity analysis		
June 30, 2019 (*)		
	Income / (loss)	Income / (loss)
	Increase of the	Decrease of the
	foreign currency	foreign currency
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(639.995)	639.995
2- USD denominated hedging instruments(-)	451.015	(451.015)
<b>3- Net effect in USD (1+2)</b>	<b>(188.980)</b>	<b>188.980</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(714.129)	714.129
5- Euro denominated hedging instruments(-)	260.645	(260.645)
<b>6- Net effect in Euro (4+5)</b>	<b>(453.484)</b>	<b>453.484</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	34.922	(34.922)
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>34.922</b>	<b>(34.922)</b>
<b>TOTAL (3+6+9)</b>	<b>(607.542)</b>	<b>607.542</b>

Foreign currency position sensitivity analysis		
June 30, 2018 (*)		
	Income / (loss)	Income / (loss)
	Increase of the	Decrease of the
	foreign currency	foreign currency
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(569.530)	569.530
2- USD denominated hedging instruments(-)	424.728	(424.728)
<b>3- Net effect in USD (1+2)</b>	<b>(144.802)</b>	<b>144.802</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(443.511)	443.511
5- Euro denominated hedging instruments(-)	244.845	(244.845)
<b>6- Net effect in Euro (4+5)</b>	<b>(198.666)</b>	<b>198.666</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	(4.431)	4.431
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>(4.431)</b>	<b>4.431</b>
<b>TOTAL (3+6+9)</b>	<b>(347.899)</b>	<b>347.899</b>

(\*) Monetary assets and liabilities eliminated during the consolidation are not included.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT  
JUNE 30, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Foreign Currency Hedge of Net Investments in Foreign Operations**

Anadolu Efes, the subsidiary of the Group, designated denominated bond issued amounting to USD 500 Million as of January 1, 2018 and EUR 100 Million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

As of April 1, 2018, CCI, the subsidiary of the Group, designated USD 281 Million out of USD denominated bond issued amounting to USD 500 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V..

The Company designated loans amounting to EUR 97 Million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, EBI (whose main activity is facilitating foreign investments of Anadolu Efes in breweries).

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 492.973 (TRL 385.611 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December 31, 2018: TRL 1.520.855 (TRL 1.192.092 - including deferred tax effect)).

**NOTE 23 - EVENTS AFTER THE REPORTING PERIOD**

None.

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