(Convenience Translation of Consolidated Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of June 30, 2018 Together with Independent Auditor's Review Report

Deloitte.

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

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Coca Cola İçecek A.Ş.

Introduction

We have reviewed the accompanying consolidated statement of financial position of Coca Cola İçecek A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as of 30 June 2018 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" Standard. Our responsibility is to express a conclusion on this 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 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 consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

Deloitte.

Other Matter

Group's consolidated financial statements for the year ended 31 December 2017 and consolidated interim financial information for the six-month period then ended 30 June 2017 were audited and reviewed by another auditor who expressed an unqualified opinion and an unqualified conclusion on 27 February 2018 and 7 August 2017, respectively.

DRT BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat, SMMM
Partner

İstanbul, 8 August 2018

(Convenience Translation of Consolidated Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of June 30, 2018

(Convenience Translation of Consolidated Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi
Consolidated Interim Balance Sheet as at June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed	Audited
	Notes	**June 30, 2018**	December 31, 2017
ASSETS			
Cash and Cash Equivalents	**4**	**3.743.468**	3.874.702
Investments in Securities	**5**	**2.614**	17.237
Trade Receivables		**1.479.692**	675.151
- Due from related parties	*24*	*187.730*	*108.059*
- Other trade receivables from third parties		*1.291.962*	*567.092*
Other Receivables	**8**	**34.451**	40.266
- Other receivables from third parties	*8*	*34.451*	*40.266*
Derivative Financial Instruments	**6**	**2.329**	152
Inventories		**1.064.573**	563.847
Prepaid Expenses	**9**	**252.951**	174.118
Current Income Tax Assets		**100.844**	110.429
Other Current Assets	**17**	**315.853**	249.358
- Other current assets from third parties	*17*	*315.853*	*249.358*
Total Current Assets		**6.996.775**	5.705.260
Other Receivables		**36.521**	12.602
- Other receivables from third parties		*36.521*	*12.602*
Property, Plant and Equipment	**11**	**6.083.607**	5.257.963
Intangible Assets		**2.543.240**	2.226.549
- Goodwill	*13*	*784.622*	*719.392*
- Other intangible assets	*12*	*1.758.618*	*1.507.157*
Prepaid Expenses	**9**	**200.771**	191.784
Deferred Tax Assets	**22**	**17.182**	-
Derivative Financial Instruments	**6**	**114.578**	-
Total Non-Current Assets		**8.995.899**	7.688.898
Total Assets		**15.992.674**	13.394.158

The explanatory notes form an integral part of these condensed consolidated financial statements

Coca-Cola İçecek Anonim Şirketi

Consolidated Interim Balance Sheet as at June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed	Audited
		June 30, 2018	December 31, 2017
LIABILITIES			
Short-term Borrowings	**7**	**150.388**	79.875
- *Financial borrowings*		*148.619*	*78.283*
- *Finance lease liability*		*1.769*	*1.592*
Current Portion of Long-term Borrowings	**7**	**2.809.234**	2.716.799
Trade Payables		**1.741.380**	955.589
- *Due to related parties*	*24*	*356.625*	*244.587*
- *Other trade payables to third parties*		*1.384.755*	*711.002*
Payables Related to Employee Benefits		**34.759**	39.593
Other Payables	**8**	**350.967**	232.418
- *Other payables to third parties*	*8*	*350.967*	*232.418*
Provision for Corporate Tax		**43.809**	4.842
Current Provisions		**91.788**	66.061
- *Current provisions for employee benefits*		*91.788*	*66.061*
Other Current Liabilities	**17**	**40.964**	32.380
Total Current Liabilities		**5.263.289**	4.127.557
Long-term Borrowings	**7**	**3.768.940**	3.194.034
- *Financial borrowings*		*3.765.740*	*3.190.310*
- *Finance lease liability*		*3.200*	*3.724*
Trade Payables		**41.476**	35.180
- *Due to related parties*	*24*	*35.291*	*29.100*
- *Other trade payables to third parties*		*6.185*	*6.080*
Non-Current Provisions		**80.096**	72.307
- *Non-current provisions for employee benefits*		*80.096*	*72.307*
Deferred Tax Liability	**22**	**485.411**	407.915
Other Non-Current Liabilities	**17**	**142.159**	117.572
Total Non-Current Liabilities		**4.518.082**	3.827.008
Equity of the Parent		**5.399.434**	4.735.738
Share Capital	**18**	**254.371**	254.371
Share Capital Adjustment Differences	**18**	**(8.559)**	(8.559)
Share Premium / Rebate		**214.241**	214.241
Non-Controlling Interest Put Option Valuation Fund		**25.916**	22.353
Other comprehensive income items not to be reclassified to profit or loss		**(10.801)**	(10.801)
- *Actuarial gains / (losses)*		*(20.583)*	*(20.583)*
- *Other valuation funds*		*9.782*	*9.782*
Other comprehensive income items to be reclassified to profit or loss		**2.952.411**	2.233.385
- *Currency translation adjustment*		*2.873.452*	*2.208.338*
- *Hedge reserve gains / (losses)*		*78.959*	*25.047*
Restricted Reserves Allocated from Net Profit	**18**	**155.300**	136.553
Accumulated Profit / Loss		**1.675.258**	1.656.568
Net Income / (Loss) for the period		**141.297**	237.627
Non-Controlling Interest		**811.869**	703.855
Total Equity		**6.211.303**	5.439.593
Total Liabilities		**15.992.674**	13.394.158

(Convenience Translation of Consolidated Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Income for the six months ended June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed		Reviewed	
	Notes	**January 1 - June 30, 2018**	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Net Revenue		5.023.706	3.158.059	4.115.012	2.559.344
Cost of Sales (-)		(3.252.701)	(2.001.087)	(2.713.926)	(1.639.674)
Gross Profit / (Loss)		**1.771.005**	**1.156.972**	1.401.086	919.670
General and Administration Expenses (-)		(206.637)	(113.373)	(182.964)	(91.098)
Distribution, Selling and Marketing Expenses (-)		(941.423)	(558.682)	(791.216)	(458.292)
Other Operating Income	19	77.804	52.444	93.579	72.709
Other Operating Expense (-)	19	(39.624)	(24.507)	(81.209)	(73.010)
Profit / (Loss) From Operations		**661.125**	**512.854**	439.276	369.979
Gain from Investing Activities	20	450	450	-	-
Loss from Investing Activities (-)	20	(10.623)	(7.844)	(6.047)	(2.469)
Shares from Profit/(Loss) of Investments Accounted by Equity Method	10	(176)	(103)	(103)	(74)
Profit / (Loss) Before Financial Income / (Expense)		**650.776**	**505.357**	433.126	367.436
Financial Income / (Expense)	**21**	**(393.383)**	**(216.945)**	(161.503)	(37.566)
Financial Income		803.917	575.694	*122.354*	*16.765*
Financial Expenses (-)		(1.197.300)	(792.639)	*(283.857)*	*(54.331)*
Profit / (Loss) Before Tax from Continuing Operations		**257.393**	**288.412**	271.623	329.870
Tax Expense of Continuing Operations		**(76.517)**	**(44.292)**	(95.173)	(49.655)
Deferred Tax Income / Expense (-)	*22*	27.454	22.339	*(35.172)*	*(12.776)*
Current Period Tax Expense (-)		(103.971)	(66.631)	*(60.001)*	*(36.879)*
Net Income / (Loss) from Continuing Operations		**180.876**	**244.120**	176.450	280.215
Attributable to:					
Non-controlling interest		39.579	56.832	31.136	48.868
Owners of the company / parent	23	141.297	187.288	145.314	231.347
Net Income / (Loss)		**180.876**	**244.120**	176.450	280.215
Equity Holders Earnings Per Share from Continuing Operations (full TL)	23	0,0056	0,0074	0,0057	0,0091
Equity Holders Earnings Per Diluted Share from Continuing Operations (full TL)	23	0,0056	0,0074	0,0057	0,0091

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

(Convenience Translation of Consolidated Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Comprehensive Income
For the six months ended June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

	Reviewed		Reviewed	
	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Net Income	**180.876**	**244.120**	176.450	280.215
Cash flow hedge reserve (net)	**53.912**	**27.975**	(29.537)	(30.768)
Currency translation adjustment	**748.568**	**558.632**	22.214	(202.538)
Other comprehensive income items to be reclassified to profit or loss subsequently	**802.480**	**586.607**	(7.323)	(233.306)
Total Other Comprehensive Income After Tax	**983.356**	**830.727**	169.127	46.909
Attributable to:				
Non-controlling interest	**123.033**	**141.228**	10.674	3.012
Equity holders of the parent	**860.323**	**689.499**	158.453	43.897

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Coca-Cola İçecek Anonim Şirketi

Consolidated Statement of Change in Shareholders' Equity for the six months ended June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

					Other comprehensive income and expense items									
					Subsequently not to be reclassified to profit or loss		Subsequently to be reclassified to profit or loss							
Consolidated Statement of Changes in Shareholders' Equity	**Share Capital**	**Share Capital Adjustment Differences**	**Share Premium / Rebate**	**Non-Controlling Interest Put Option Valuation Fund**	**Other Valuation Funds Gains / Losses**	**Actuarial Gains / Losses**	**Hedge Reserve Gains / Losses**	**Currency Translation Adjustment**	**Restricted Reserves Allocated from Net Profit**	**Accumulated Profit / Loss**	**Net Income / Loss**	**Total Equity of the Parent**	**Non-Controlling Interest**	**Total Equity**
January 1, 2017	254.371	(8.559)	214.241	21.653	9.782	(22.274)	63.677	1.929.045	131.734	1.739.892	(28.394)	4.305.168	691.779	4.996.947
Other comprehensive gain / (loss)	-	-	-	-	-	-	(29.537)	42.676	-	(28.394)	28.394	13.139	(20.462)	(7.323)
Net income / (loss) for the period	-	-	-	-	-	-	-	-	-	-	145.314	145.314	31.136	176.450
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(29.537)	42.676	-	(28.394)	173.708	158.453	10.674	169.127
Dividend paid	-	-	-	-	-	-	-	-	-	(50.111)	-	(50.111)	-	(50.111)
Transfers	-	-	-	-	-	-	-	-	4.819	(4.819)	-	-	-	-
Increase (Decrease) from Other Changes (*)	-	-	-	(2.538)	-	-	-	-	-	-	-	(2.538)	2.538	-
June 30, 2017	254.371	(8.559)	214.241	19.115	9.782	(22.274)	34.140	1.971.721	136.553	1.656.568	145.314	4.410.972	704.991	5.115.963
January 1, 2018	**254.371**	**(8.559)**	**214.241**	**22.353**	**9.782**	**(20.583)**	**25.047**	**2.208.338**	**136.553**	**1.656.568**	**237.627**	**4.735.738**	**703.855**	**5.439.593**
Other comprehensive gain / (loss)	-	-	-	-	-	-	**53.912**	**665.114**	-	**237.627**	**(237.627)**	**719.026**	**83.454**	**802.480**
Net income / (loss) for the period	-	-	-	-	-	-	-	-	-	-	**141.297**	**141.297**	**39.579**	**180.876**
Total Comprehensive Income / (loss)	-	-	-	-	-	-	**53.912**	**665.114**	-	**237.627**	**(96.330)**	**860.323**	**123.033**	**983.356**
Dividend paid	-	-	-	-	-	-	-	-	-	**(200.190)**	-	**(200.190)**	**(11.456)**	**(211.646)**
Transfers	-	-	-	-	-	-	-	-	**18.747**	**(18.747)**	-	-	-	-
Increase (Decrease) from Other Changes (*)	-	-	-	**3.563**	-	-	-	-	-	-	-	**3.563**	**(3.563)**	-
June 30, 2018	**254.371**	**(8.559)**	**214.241**	**25.916**	**9.782**	**(20.583)**	**78.959**	**2.873.452**	**155.300**	**1.675.258**	**141.297**	**5.399.434**	**811.869**	**6.211.303**

(*) Non-controlling interest share put option liability.

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

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Cash Flow for the six months ended June 30, 2018
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed	
	Notes	**June 30, 2018**	June 30, 2017
Net Income		**180.876**	176.450
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities		**797.841**	563.979
Depreciation and amortization		**271.883**	246.937
Adjustments for impairment loss (reversal)		**6.859**	14.697
- *Provision / (reversal) for doubtful receivable*		*1.772*	*2.886*
- *Provision / (reversal) for inventories*		*(5.536)*	*5.871*
- *Impairment loss / (reversal) in property, plant and equipment*	11, 20	*10.623*	*5.940*
Adjustments for provisions		**49.473**	45.458
- *Provision / (reversal) for employee benefits*		*49.473*	*45.458*
Adjustments for interest (income) expenses		**92.071**	66.996
- *Interest income adjustments*	*21*	*(98.582)*	*(24.904)*
- *Interest expense adjustments*	*21*	*190.653*	*91.900*
Unrealized foreign exchange (gain) / loss		**301.312**	94.508
(Gain) / loss from associates	**10**	**176**	103
Income tax expense		**76.517**	95.173
(Gain) / loss on sale of property, plant and equipment	**20**	**(450)**	107
Change in operating activities		**(509.416)**	(249.745)
Adjustments for decrease (increase) in trade accounts receivable		**(806.313)**	(500.765)
- *Increase / (decrease) on due from related parties*		*(79.671)*	*(47.494)*
- *Increase / (decrease) on trade receivables*		*(726.642)*	*(453.271)*
Change in inventories		**(495.190)**	(222.173)
Adjustments for increase (decrease) in trade accounts payable		**792.087**	473.193
- *Increase / (decrease) on due to related parties*		*118.229*	*55.032*
- *Increase / (decrease) on trade payables*		*673.858*	*418.161*
Cash flows from operating activities:		**469.301**	490.684
Interest paid		(170.001)	(88.411)
Interest received	21	98.582	24.904
Provisions for benefits provided to employees		**(20.790)**	(44.471)
Tax returns / (payments)		15.205	(1.735)
Change in other working capital		(17.249)	3.132
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		**375.048**	384.103
Cash outflows arising from purchase of property, plant, equipment and intangible assets		**(439.328)**	(257.689)
- *Payments of property, plant and equipment*	11	*(436.567)*	*(248.575)*
- *Payments of intangibles*	12	*(2.761)*	*(9.114)*
Proceeds from sale of property, plant and equipment and intangibles		**8.290**	5.130
Change in other investing activities		**14.623**	11.036
B. NET CASH (USED) / GENERATED IN INVESTING ACTIVITIES		**(416.415)**	(241.523)
Finance lease liability		(347)	-
Proceeds from borrowings		720.417	1.123.738
Repayments of borrowings		(1.111.690)	(1.170.228)
Cash flow hedge reserve		88.518	(37.871)
Dividends paid		(211.646)	(50.111)
C. NET CASH (USED) / GENERATED FROM FINANCING ACTIVITIES		**(514.748)**	(134.472)
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		**(556.115)**	8.108
Effects of currency translation on cash and cash equivalents		435.966	(11.539)
Effects of currency translation intercompany borrowings		106.859	(3.086)
Currency translation adjustment		(117.944)	(10.850)
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		**424.881**	(25.475)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		**(131.234)**	(17.367)
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**4**	**3.874.702**	1.466.109
CASH AND CASH EQUIVALENTS AT PERIOD END (A+B+C+D+E)	**4**	**3.743.468**	1.448.742

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

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi ("CCI" - "the Company"), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company ("TCCC") trademarks. The Company has 10 (2017 - 10) production facilities in different regions of Turkey and operates 16 (2017 - 15) production facilities in countries other than Turkey. The registered office address of CCI is OSB Mah. Deniz Feneri Sok. No:4 Ümraniye İstanbul, Turkey.

CCI is a listed company on the Borsa Istanbul A.Ş. ("BIST"). CCI's American Depositary receipts issued under the Level I ADR program are traded over the counter in the United States, starting from July 2013. The sale of Capital Markets Board ("CMB") Tranche Issuance Certificated bonds to investors outside of Turkey has been completed as of October 1, 2013 and September 19, 2017, and these bonds were admitted to the Irish Stock Exchange. In July 2018 Board of Directors has decided to terminate the Regulation S and Rule 144A Global Depositary Receipt Program (GDR) and the Level I ADR programme, trading OTC (over the counter) in the United States, in 2018.

The Group consists of the Company, its subsidiaries and joint ventures.

The condensed consolidated financial statements of the Group were approved for issue by the Board of Directors on August 8, 2018, which were signed by the Audit Committee and Chief Financial Officer Michael Anthony Coombs. The General Assembly and the regulatory bodies have the right to make amendments to the financial statements after their issuance.

Shareholders of the Company

AG Anadolu Grubu Holding A.Ş. is the ultimate controlling party of the Company. As of June 30, 2018, and December 31, 2017 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 2018		December 31, 2017	
	Nominal Amount	**Percentage**	Nominal Amount	Percentage
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. ("Anadolu Efes")	**102.047**	**40,12%**	102.047	40,12%
The Coca-Cola Export Corporation ("TCCEC")	**51.114**	**20,09%**	51.114	20,09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ("Efpa")	**25.788**	**10,14%**	25.788	10,14%
Özgörkey Holding A.Ş.	**7.392**	**2,91%**	7.392	2,91%
Publicly Traded	**68.030**	**26,74%**	68.030	26,74%
	254.371	**100,00%**	254.371	100,00%
Inflation Restatement Effect	**(8.559)**	**-**	(8.559)	-
	245.812		245.812	

Özgörkey Holding A.Ş. shares with a nominal value of TL 1.033 has been listed to Central Registry Agency, with a sale purpose (December 31, 2017 - TL 1.033).

Nature of Activities of the Group

CCI and its subsidiary Coca-Cola Satış ve Dağıtım A.Ş. ("CCSD") are among the leading bottlers and distributors of alcohol-free beverages, operating in Turkey. The sole operation area of the Company is the production, sales and distribution of sparkling and still beverages.

The Company has exclusive rights to produce, sell and distribute TCCC branded beverages including Coca-Cola, Coca-Cola Zero, Coca-Cola Light, Fanta, Sprite, Cappy, Sen Sun, Powerade and Fuse Tea in TCCC authorized packages throughout Turkey provided by Bottler's and Distribution Agreements signed between the Group with TCCEC and TCCC. Renewal periods of the signed Bottler's and Distribution Agreements varies between 2018 and 2028.

The Company has exclusive rights to produce, sell and distribute Burn and Gladiator branded energy drinks in authorized packages throughout Turkey, according to the Bottlers Agreements signed between the Company and Monster Energy Company ("MEC") and has the right for selling and distribution of Monster branded products in accordance with the International Distribution Agreement signed with Monster Energy Limited ("MEL") which has taken over TCCC's global energy drink portfolio and is partially owned by TCCC as well.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

According to the Sales and Distribution Agreement signed with Doğadan Gıda Ürünleri Sanayi ve Pazarlama A.Ş. ("Doğadan"), a subsidiary of TCCC, it's approved that sales and distribution of Doğadan products will be realized by CCSD throughout Turkey starting from September 2008.

The Company's international subsidiaries and joint ventures operating outside of Turkey are also engaged in the production, sales and distribution of sparkling and still beverages with TCCC trademarks.

The Company's subsidiary Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye"), which was acquired by CCI on March 16, 2006, is engaged in the production and filling of natural spring water Damla, a registered trademark of CCI, with TCCC approved packages, in Turkey.

The Group has the exclusive bottling and distribution rights in Turkey for Schweppes branded beverages under Bottler's and Distribution Agreement signed with Schweppes Holdings Limited. Special authorization for the Group operating countries, other than Turkey, may be granted from time to time.

Subsidiaries and Joint Ventures

As of June 30, 2018, and December 31, 2017 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

				Effective Shareholding and Voting Rights	
		Place of Incorporation	**Principal Activities**	**June 30, 2018**	December 31, 2017
1)	Coca-Cola Satış ve Dağıtım Anonim Şirketi ("CCSD")	Turkey	Distribution and sales of Coca-Cola, Doğadan and Mahmudiye products	**99,97%**	99,97%
2)	Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye")	Turkey	Filling of natural spring water	**100,00%**	100,00%
3)	J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership ("Almaty CC")	Kazakhstan	Production, distribution and sales of Coca-Cola products	**100,00%**	100,00%
4)	Azerbaijan Coca-Cola Bottlers Limited Liability Company ("Azerbaijan CC")	Azerbaijan	Production, distribution and sales of Coca-Cola products	**99,87%**	99,87%
5)	Coca-Cola Bishkek Bottlers Closed Joint Stock Company ("Bishkek CC")	Kyrgyzstan	Production, distribution and sales of Coca-Cola products	**100,00%**	100,00%
6)	CCI International Holland B.V. ("CCI Holland")	Holland	Holding company	**100,00%**	100,00%
7)	Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership ("Tonus")	Kazakhstan	Holding company	**100,00%**	100,00%
8)	The Coca-Cola Bottling Company of Jordan Limited ("TCCBCJ")	Jordan	Production, distribution and sales of Coca-Cola products	**90,00%**	90,00%
9)	Turkmenistan Coca-Cola Bottlers ("Turkmenistan CC")	Turkmenistan	Production, distribution and sales of Coca-Cola products	**59,50%**	59,50%
10)	(CC) Company for Beverages Industry/Ltd. ("CCBIL")	Iraq	Production, distribution and sales of Coca-Cola products	**100,00%**	100,00%
11)	Waha Beverages B.V. ("Waha B.V.")	Holland	Holding Company	**80,03%**	80,03%
12)	Coca-Cola Beverages Tajikistan Limited Liability Company ("Tajikistan CC")	Tajikistan	Production, distribution and sales of Coca-Cola products	**100,00%**	100,00%
13)	Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC ("Al Waha")	Iraq	Production, distribution and sales of Coca-Cola products	**80,03%**	80,03%
14)	Coca-Cola Beverages Pakistan Limited ("CCBPL") (*)	Pakistan	Production, distribution and sales of Coca-Cola products	**49,67%**	49,67%

(*) CCBPL is fully consolidated since 1 January 2013 in accordance with TFRS, due to amendments made on CCBPL's Shareholders' Agreement for transferring the control of CCBPL to CCI.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Joint Venture

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			June 30, 2018	December 31, 2017
Syrian Soft Drink Sales and Distribution L.L.C. (''SSDSD'')	Syria	Distribution and sales of Coca-Cola products	**50,00%**	50,00%

Economic Conditions and Risk Factors of Subsidiaries and Joint Ventures

The countries, in which certain subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the subsidiaries' and joint ventures ability to operate commercially. Group Management closely monitors uncertainties and adverse changes to minimize the probable effects of such changes.

In this context, Risk Detection Committee; which was established under the arrangements, terms and principles of Turkish Commercial Code, Capital Market Legislation and CMB's "Corporate Governance Principles" assess, manage and report Group risks. Some of the Group priority risks are defined as political instability and security, cyber security, exchange rate volatility, sustainable talent capability, corporate reputation, water and environmental impact of packaging, changing consumer preferences, discriminatory tax and regulations, channel mix shift, economic slowdown, law and order and industrial relations. Group does not expect any adverse effect on the business related to any significant regulatory changes and/or legal arrangements by the authorities. All compliance efforts are in place and there is no legal dispute that may adversely affect the business.

Seasonality of Operations

Sparkling beverages consumption is seasonal, typically resulting in higher demand during the summer season and accordingly the seasonality effects are reflected in the figures. Therefore, the results of operations for the six months ended June 30, 2018 do not automatically constitute an indicator for the results to be expected for the overall fiscal year.

Average Number of Employees

Category-based average number of employees working during the period is as follows (Joint ventures are considered with full numbers for June 30, 2018 and 2017).

	June 30, 2018	June 30, 2017
Blue-collar	**3.325**	3.898
White-collar	**4.985**	4.740
Average number of employees	**8.310**	8.638

2. BASIS OF PRESENTATION

Basis of Preparation

CCI and its subsidiaries that are incorporated in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the CMB, Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts which is issued by the Ministry of Finance. The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate.

The condensed consolidated interim financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with CMB Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employee termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities included in Business Combination application, condensed consolidated financial statements are prepared on a historical cost basis.

2. BASIS OF PRESENTATION (continued)

The condensed consolidated interim financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the CMB (hereinafter will be referred to as "the CMB Accounting Standards") on June 13, 2013 which is published on Official Gazette numbered 28676.

In accordance with Article 5 of the CMB Accounting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

For the period ended June 30, 2018, the Group prepared its condensed consolidated interim financial statements in accordance with the Turkish Accounting Standard No.34 "Interim Financial Reporting". Interim condensed consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Group's December 31, 2017 annual consolidated financial statements

Summary of Significant Accounting Policies

The interim condensed consolidated financial statements of the Group for the six months ended June 30, 2018 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of new and amended standards.

Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017.

a) Standards, amendments and interpretations applicable as at 30 June 2018:

TFRS 9, 'Financial instruments';

TFRS 9, Financial instruments; effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. Group has carried out valuation studies to determine the cumulative effect of the first transition and concluded that no changes should be made to the consolidated financial statements.

TFRS 9 "Financial Instruments" Standard: Classification and Measurement

Group classifies its financial assets in three categories of financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

"Financial assets measured at amortised cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortised cost comprise "cash and cash equivalents" and "trade receivables". Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the consolidated statement of income.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF PRESENTATION (continued)

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Changes regarding the classification of financial assets and liabilities in terms of TFRS 9 are summarised below. Related changes in classification do not result in changes in measurement of the financial assets and liabilities.

Financial assets	**Classification under TAS 39**	**Classification under TFRS 9**
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Due from related parties	Loans and receivables	Amortised cost
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss

Financial liabilities	**Classification under TAS 39**	**Classification under TFRS 9**
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Borrowings	Amortised cost	Amortised cost
Trade payables	Amortised cost	Amortised cost

Impairment

"Expected credit loss model" defined in TFRS 9 "Financial Instruments" superseded the "incurred credit loss model" in TAS 39 "Financial Instruments: Recognition and Measurement" which was effective prior to 1 January 2018. Expected credit losses are a probability weighted estimate of credit losses over the expected life of the financial instrument. The calculation of expected credit loss is performed based on the past experiences and future expectations of the Group.

Transition to TFRS 15 Revenue from Contracts with Customers
TFRS 15, Revenue from Contracts with Customers; effective from annual periods beginning on or after 1 January 2018 and this standard replaces the guidance in TAS 18. There isn't any material impact expected on the financial position or performance of the Group related to this standard.

TFRS 15 Revenue from Contracts with Customers
The Group recognizes revenue in accordance with the new revenue standard which is effective from 1 January 2018, based five-step model set out below:

- Identifying contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF PRESENTATION (continued)

The Group assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.
The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).
A customer receives a discount for purchasing a bundle of goods or services if the sum of the stand-alone selling prices of those promised goods or services in the contract exceeds the promised consideration in a contract. Except when the Group has observable evidence that the entire discount relates to only one or more, but not all, performance obligations in a contract, the Group allocates a discount proportionately to all performance obligations in the contract.
For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. When (or as) a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation. An asset is transferred when (or as) the customer obtains control of that asset.
The Group considers indicators of the transfer of control, which include, the following:

- The Group has a present right to payment for the asset
- The customer has legal title to the asset
- The Group has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset

Product Sales
The Group generally produces, sells and distributes alcohol-free beverages. Revenue is recognized when the control of products is transferred to the customer. There is no significant effect of the new revenue standard on the Group's revenue, profit of losses.
The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Amendments to TFRS 2, 'Share based payments' on clarifying how to account for certain types of share-based payment transactions; effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in TFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. There isn't any material impact expected on the financial position or performance of the Group related to this amendment.

TFRSYK 22, 'Foreign currency transactions and advance consideration'; effective from annual periods beginning on or after 1 January 2018. This TFRSYK addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. There isn't any material impact expected on the financial position or performance of the Group related to this interpretation.

Annual improvements 2014-2016; effective from annual periods beginning on or after 1 January 2018. These amendments impact 2 standards:

- TFRS 1, 'First time adoption of TFRS', regarding the deletion of short-term exemptions for first-time adopters regarding TFRS 7, TAS 19 and TFRS 10,
- TAS 28, 'Investments in associates and joint venture' regarding measuring an associate or joint venture at fair value.

2. BASIS OF PRESENTATION (continued)

b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2018:

Amendment to TFRS 9, 'Financial instruments'; effective from annual periods beginning on or after 1 January 2019. This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from TAS 39. There isn't any material impact expected on the financial position or performance of the Group related to this amendment.

Amendment to TAS 28, 'Investments in associates and joint venture'; effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using TFRS 9. There isn't any material impact expected on the financial position or performance of the Group related to this standard.

TFRS 16, 'Leases'; effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if TFRS 15'Revenue from Contracts with Customers' is also applied. This standard replaces the current guidance in TAS 17 and is a far-reaching change in accounting by lessees in particular. Under TAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). TFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under TFRS 16, 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. The Group's study related with such standards is still in process.

TFRSYK 23, 'Uncertainty over income tax treatments'; effective from annual periods beginning on or after 1 January 2019. This TFRSYK clarifies how the recognition and measurement requirements of TAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The TFRS IC had clarified previously that TAS 12, not TAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. TFRSYK 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. TFRSYK 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Group is assessing the impact of this interpretation on the financial position.

Annual improvements 2015-2017; effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- TFRS 3, 'Business combinations', – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- TFRS 11, 'Joint arrangements', – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- TAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
- TAS 23, 'Borrowing costs' – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2. BASIS OF PRESENTATION (continued)

Amendments to TAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'; effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the reminder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Estimation Uncertainty

For the condensed consolidated interim financial statements, as of June 30, 2018, Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of condensed consolidated financial statements. Actual results can be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period. The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are consistent with the assumptions and estimations made for the year ended December 31, 2017, except for the necessary considerations made for income taxes.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF PRESENTATION (continued)

Functional and Presentation Currency

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

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

Functional Currencies of the Subsidiaries and Joint Ventures

	June 30, 2018		December 31, 2017	
	Local Currency	**Functional Currency**	Local Currency	Functional Currency
CCSD	**Turkish Lira**	**Turkish Lira**	Turkish Lira	Turkish Lira
Mahmudiye	**Turkish Lira**	**Turkish Lira**	Turkish Lira	Turkish Lira
Almaty CC	**Kazakh Tenge**	**Kazakh Tenge**	Kazakh Tenge	Kazakh Tenge
Tonus	**Kazakh Tenge**	**Kazakh Tenge**	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	**Manat**	**Manat**	Manat	Manat
Turkmenistan CC	**Turkmen Manat**	**Turkmen Manat**	Turkmen Manat	Turkmen Manat
Bishkek CC	**Som**	**Som**	Som	Som
TCCBCJ	**Jordanian Dinar**	**Jordanian Dinar**	Jordanian Dinar	Jordanian Dinar
CCBIL	**Iraq Dinar**	**Iraq Dinar**	Iraq Dinar	Iraq Dinar
SSDSD	**Syrian Pound**	**Syrian Pound**	Syrian Pound	Syrian Pound
CCBPL	**Pakistan Rupee**	**Pakistan Rupee**	Pakistan Rupee	Pakistan Rupee
CCI Holland	**Euro**	**U.S. Dollars**	Euro	U.S. Dollars
Waha B.V.	**Euro**	**U.S. Dollars**	Euro	U.S. Dollars
Al Waha	**Iraq Dinar**	**Iraq Dinar**	Iraq Dinar	Iraq Dinar
Tajikistan CC	**Somoni**	**Somoni**	Somoni	Somoni

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group's subsidiaries in Turkey. USD amounts presented in the balance sheet are translated into TL with the official TL exchange rate for purchases of USD on June 30, 2018, USD 1,00 (full) = TL 4,5607 (December 31, 2017; USD 1,00 (full) = TL 3,7719). Furthermore, USD amounts in the income statement have been translated into TL, at the average TL exchange rate for purchases of USD for the period ended June 30, 2018 is USD 1,00 (full) = TL 4,0860 (June 30, 2017; USD 1,00 (full) = TL 3,6356).

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

3. SEGMENT REPORTING

The Company produces segment reports for the chief operating decision maker (Board of Directors and Executive Management) in accordance with basis of preparation as explained in Note 2. Reported information is used by management for observing performance at operation segments and for deciding resource allocation. Transfer prices between related parties are on an arm's length basis in a manner similar to transactions with third parties.

Group's subsidiaries are presented under Note 1 and Group's segment reporting is as follows:

	June 30, 2018			
	Domestic	**International**	**Elimination**	**Consolidated**
Net Revenue	2.343.713	2.680.547	(554)	5.023.706
Cost of sales (-)	(1.396.388)	(1.857.361)	1.048	(3.252.701)
Gross profit	**947.325**	**823.186**	**494**	**1.771.005**
Operating expenses (-)	(686.633)	(486.904)	25.477	(1.148.060)
Other operating income / (expense), net	207.858	14.838	(184.516)	38.180
Profit from operations	**468.550**	**351.120**	**(158.545)**	**661.125**
Gain from investing activities	2.004	(1)	(1.553)	450
Loss from investing activities (-)	(538)	(11.638)	1.553	(10.623)
Shares from Profit/(Loss) of Investments Accounted by Equity Method	-	(176)	-	(176)
Profit / (loss) before financial income / (expense)	**470.016**	**339.305**	**(158.545)**	**650.776**
Financial income	787.023	32.022	(15.128)	803.917
Financial expense (-)	(1.276.712)	(107.803)	187.215	(1.197.300)
Profit / (loss) before tax from continuing operations	**(19.673)**	**263.524**	**13.542**	**257.393**
Tax income / (expense) of continuing operations	39.353	(61.388)	(54.482)	(76.517)
Net income / (loss)	**19.680**	**202.136**	**(40.940)**	**180.876**
Non-controlling interest	**-**	36.387	3.192	39.579
Owners of the company / parent	**19.680**	**165.749**	**(44.132)**	**141.297**
Purchase of tangible and intangible asset	**151.292**	**288.036**	**-**	**439.328**
Depreciation and amortization expenses	85.730	186.589	(436)	271.883
Other non-cash items	(9.959)	2.951	(1.650)	(8.658)
Earnings before interest and tax (EBITDA)	**544.321**	**540.660**	**(160.631)**	**924.350**

	June 30, 2018			
	Domestic	**International**	**Elimination**	**Consolidated**
Total Assets	**8.841.742**	**7.399.869**	**(248.937)**	**15.992.674**
Total Liabilities	**7.018.353**	**3.265.600**	**(502.582)**	**9.781.371**

As of June 30, 2018, the portion of Almaty CC in the consolidated net revenue and total assets is 11% and 8% respectively.

As of June 30, 2018, the portion of CCBPL in the consolidated net revenue and total assets is 25% and 15% respectively.

As of June 30, 2017, the portion of Almaty CC in the consolidated net revenue and total assets is 10% and 9% respectively.

As of June 30, 2017, the portion of CCBPL in the consolidated net revenue and total assets is 27% and 18% respectively.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

3. SEGMENT REPORTING (continued)

	June 30, 2017			
	Domestic	**International**	**Elimination**	**Consolidated**
Net Revenue	1.886.301	2.229.634	(923)	4.115.012
Cost of sales (-)	(1.139.213)	(1.575.605)	892	(2.713.926)
Gross profit	747.088	654.029	(31)	1.401.086
Operating expenses (-)	(560.761)	(434.042)	20.623	(974.180)
Other operating income / (expense), net	121.540	12.474	(121.644)	12.370
Profit from operations	307.867	232.461	(101.052)	439.276
Gain from investing activities	1.262	1	(1.263)	-
Loss from investing activities (-)	(857)	(6.453)	1.263	(6.047)
Shares from Profit/(Loss) of Investments Accounted by Equity Method	-	(103)	-	(103)
Profit / (loss) before financial income / (expense)	308.272	225.906	(101.052)	433.126
Financial income	101.643	36.476	(15.765)	122.354
Financial expense (-)	(153.470)	(146.152)	15.765	(283.857)
Profit / (loss) before tax from continuing operations	256.445	116.230	(101.052)	271.623
Tax income / (expense) of continuing operations	(21.905)	(61.996)	(11.272)	(95.173)
Net income / (loss)	234.540	54.234	(112.324)	176.450
Non-controlling interest	-	33.767	(2.631)	31.136
Owners of the company / parent	234.540	20.467	(109.693)	145.314
Purchase of tangible and intangible asset	111.358	146.331	-	257.689
Depreciation and amortization expenses	74.981	172.392	(436)	246.937
Other non-cash items	9.292	(5.600)	567	4.259
Earnings before interest and tax (EBITDA)	392.140	399.253	(100.921)	690.472

	December 31, 2017			
	Domestic	**International**	**Elimination**	**Consolidated**
Total Assets	7.774.171	5.830.024	(210.037)	13.394.158
Total Liabilities	5.957.276	2.395.417	(398.128)	7.954.565

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

As of June 30, 2018, and 2017, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

	June 30, 2018	June 30, 2017
Profit / (loss) from operations	**661.125**	439.276
Depreciation and amortization	**271.883**	246.937
Provision for employee benefits	**12.661**	11.323
Foreign exchange gain / (loss) under other operating income / (expense)	**(21.319)**	(7.064)
Other	**-**	-
EBITDA	**924.350**	690.472

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

4. CASH AND CASH EQUIVALENTS

	June 30, 2018	December 31, 2017
Cash on hand	**10.443**	4.794
Cash in banks		
-Time	**3.333.896**	3.579.032
-Demand	**363.011**	285.395
Cheques	**36.118**	5.481
	3.743.468	3.874.702

As of June 30, 2018, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 3.223.098, existed for periods varying between 1 day to 84 days (December 31, 2017 - TL 3.018.905, 1 day to 26 days) and earned interest between 0,20% - 7,00% (December 31, 2017 - 0,20% - 5,00%).

As of June 30, 2018, time deposits in local currency amounting to TL 110.798 existed for periods between 2 days and 31 days (December 31, 2017 - TL 560.127, 2 days to 47 days) and earned interest between 15,80% - 19,60% (December 31, 2017 - 13,50% - 15,50%).

As of June 30, 2018, there is TL 4.707 (December 31, 2017 - TL 9.631) of interest income accrual on time deposits with maturities less than 3 months. As of June 30, 2018, and December 31, 2017, the fair values of cash and cash equivalents are equal to book value.

As of June 30, 2018, TL 278.784 (USD 61 million) for 2018 and TL 684.105 (USD 150 million) for 2019, as a total of TL 962.889 (USD 211 million) on time deposits are reserved for the future raw materials purchases (December 31, 2017 - TL 534.654, equivalent to USD 142 million) and related cash flow hedge reserve reflected to other comprehensive gain.

5. INVESTMENTS IN SECURITIES

	June 30, 2018	December 31, 2017
Time deposits with maturities more than 3 months	**2.614**	17.237
	2.614	17.237

As of June 30, 2018, time deposits with maturities over 3 months are composed of USD with 183 days maturity and have 0,30% interest rate.

As of December 31, 2017, time deposits with maturities over 3 months are composed of USD and KZT with 31 and 171 days' maturity and have 1,00% - 3,00% interest rates for USD, 8,00% - 9,50% for KZT.

6. DERIVATIVE FINANCIAL INSTRUMENTS

As of June 30, 2018, the Company has 2 aluminium swap transactions with a total nominal amount of TL 34.998 for 3.700 tones. The total of these aluminium swap contracts is designated as hedging instruments as of March 21, 2018, in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk.

As of December 31, 2017, the Company has 2 aluminium swap transactions with a total nominal amount of TL 427 for 72 tones. The total of these aluminium swap contracts is designated as hedging instruments as of June 2, 2016, in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk.

As of June 30, 2018, the Company does not have any option contracts as hedging instruments in cash flow hedges related to forecasted cash flows, for the probability purchases of production material exposed to commodity price risk.

As of December 31, 2017, the Company has 2 aluminium swap call options at 1.650 USD/per ton for 216 tones. The total of these option contracts is designated as hedging instruments in cash flow hedges related to 2017 - 2018 forecasted cash flows, for the high probability purchases of production material exposed to commodity price risk.

As of June 30, 2018, the Company has a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

6. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Nominal and fair values of commodity swap contracts and cross currency swap contracts as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018		December 31, 2017	
	Nominal Value	**Fair Value Assets / (Liabilities)**	Nominal Value	Fair Value Assets / (Liabilities)
Held for hedging:				
Commodity swap contracts fair value assets / (liabilities)	**34.998**	**2.329**	427	152
Cross currency swap contracts fair value assets / (liabilities)	**684.105**	**114.578**	-	-
Derivative Financial Instruments, Net	**719.103**	**116.907**	427	152

7. FINANCIAL BORROWINGS

	June 30, 2018	December 31, 2017
Short-term borrowings	**148.619**	78.283
Current portion of long-term borrowings	**2.809.234**	2.716.799
Total short-term financial borrowings	**2.957.853**	2.795.082
Long-term borrowings	**3.765.740**	3.190.310
Total financial borrowings	**6.723.593**	5.985.392

As of June 30, 2018, there is interest expense accrual amounting to TL 68.594 on total amount of borrowings (December 31, 2017 - TL 47.045).

As of June 30, 2018, net interest expense on cross currency swap contract is amounting to TL 32.095 (December 31, 2017- None).

The Group has complied with the financial covenants of its borrowing facilities during the 2018 and 2017 reporting period. Short and long-term borrowings denominated in TL and foreign currencies as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018		December 31, 2017	
	Short-term	**Long-term**	Short-term	Long-term
USD	**2.520.684**	**3.068.080**	2.323.361	2.630.014
EUR	**274.797**	**685.933**	406.375	544.617
TL	**3.884**	**-**	22	-
Pakistan Rupee	**133.898**	**-**	53.660	-
Kazakh Tenge	**13.753**	**11.727**	11.664	15.679
Jordanian Dinar	**10.837**	**-**	-	-
	2.957.853	**3.765.740**	2.795.082	3.190.310

Range for the minimum and maximum effective interest rates on the balance sheet date are as follows:

	June 30, 2018	December 31, 2017
Short-term		
USD denominated borrowings	**(3M Libor + 1.05%) - (4,75%)**	(3M Libor + 1.00%) - (4,75%)
EURO denominated borrowings	**3M Euribor + 0,90%) - (3M Euribor + 2,75%)**	(3M Euribor + 0,80%) - (3M Euribor + 2,75%)
Jordanian Dinar denominated borrowings	**(9,13%)**	-
Pakistan Rupee denominated borrowings	**(1M Kibor - 0,10%) - (3M Kibor + 0,50%)**	(1M Kibor+0,20%) - (3M Kibor+0,50%)
KZT denominated borrowings	**(6,00%)**	-
Long-term		
USD denominated borrowings	**(3,85%) - (4,44%)**	(3M Libor + 1,00%) - (4,75%)
EUR denominated borrowings	**(1,00%) - (3M Euribor + 2,75%)**	(3M Euribor + 0,80%) - (3M Euribor + 2,75%)
KZT denominated borrowings	**(6,00%)**	(6,00%)

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

7. FINANCIAL BORROWINGS (continued)

Repayment plans of long-term borrowings as of June 30, 2018 and December 31, 2017 are scheduled as follows (including current portion of long-term borrowings):

	June 30, 2018	December 31, 2017
2018	**2.416.240**	2.716.799
2019	**587.397**	130.051
2020	**500.283**	415.646
2021	**75.361**	64.601
2022	**86.453**	74.070
2023	**643.174**	534.753
2024	**2.266.066**	1.971.189
	6.574.974	5.907.109

Net Financial Debt Distribution

Movements of net debt as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Cash and cash equivalents	**3.743.468**	3.874.702
Borrowings – repayable within one year	**(2.957.853)**	(2.795.082)
Borrowings – repayable after one year	**(3.765.740)**	(3.190.310)
	(2.980.125)	(2.110.690)
Cash and cash equivalents	**3.743.468**	3.874.702
Borrowings – repayable within one year	**(5.627.097)**	(4.956.141)
Borrowings – repayable after one year	**(1.096.496)**	(1.029.251)
	(2.980.125)	(2.110.690)

	Cash and cash equivalents	**Borrowings – repayable within one year**	**Borrowings – repayable after one year**	**Total**
Net debt as of January 1, 2017	1.466.109	(365.485)	(3.404.662)	(2.304.038)
Cash and cash equivalents	2.228.449	(3.529.190)	791.872	(508.869)
Foreign exchange adjustments	180.144	1.099.593	(577.520)	702.217
Net debt as of December 31, 2017	3.874.702	(2.795.082)	(3.190.310)	(2.110.690)
Net debt as of January 1, 2018	**3.874.702**	**(2.795.082)**	**(3.190.310)**	**(2.110.690)**
Cash and cash equivalents	**(567.200)**	**(675.930)**	**(1.034.619)**	**(2.277.749)**
Foreign exchange adjustments	**435.966**	**513.159**	**459.189**	**1.408.314**
Net debt as of June 30, 2018	**3.743.468**	**(2.957.853)**	**(3.765.740)**	**(2.980.125)**

Financial Lease Payable

As of June 30, 2018, net present value of assets under finance lease is amounting to TL 4.969 with following lease payables (December 31, 2017 -TL 5.316).

	June 30, 2018	December 31, 2017
Less than 1 year	1.873	1.707
Next 1-3 years	3.278	3.839
Minimum lease payable	**5.151**	5.546
Future financing cost	(182)	(230)
Finance lease liability	**4.969**	5.316
Less than 1 year	1.769	1.592
Next 1-3 years	3.200	3.724
Net present value of finance lease payables	**4.969**	5.316

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	June 30, 2018	December 31, 2017
Due from personnel	**9.927**	6.966
Deposits and guarantees given	**7.403**	8.859
Receivable from tax office and other official receivables	**14.141**	21.247
Other	**2.980**	3.194
	34.451	40.266

Other Payables

	June 30, 2018	December 31, 2017
Deposits and guarantees	**252.565**	199.705
Taxes and duties payable	**81.296**	27.990
Other	**17.106**	4.723
	350.967	232.418

9. PREPAID EXPENSES

a) Short term prepaid expenses

	June 30, 2018	December 31, 2017
Prepaid marketing expenses	**77.119**	74.865
Prepaid insurance expenses	**10.483**	12.953
Prepaid rent expenses	**7.258**	6.128
Prepaid other expenses	**9.802**	9.936
Advances given	**148.289**	70.236
	252.951	174.118

b) Long term prepaid expenses

	June 30, 2018	December 31, 2017
Prepaid marketing expenses	**139.095**	112.255
Prepaid rent expenses	**31.815**	30.474
Prepaid other expenses	**418**	1.793
Advances given	**29.443**	47.262
	200.771	191.784

10. INVESTMENT IN ASSOCIATES

Investment in associates, consolidated under the equity method of accounting, is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group’s share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group’s share of the results of operations of the associates.

As of June 30, 2018, and December 31, 2017 total assets, total liabilities, net sales and current period income / (oss of SSDSD is as follows:

SSDSD	**June 30, 2018**	December 31, 2017
Total Assets	**1.706**	1.459
Total Liabilities	**5.946**	4.641
Equity	**(4.240)**	(3.182)

SSDSD	**June 30, 2018**	June 30, 2017
Revenue	**-**	-
Net Income / (Loss)	**(352)**	(206)
Group’s share in loss	**(176)**	(103)

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

11. PROPERTY, PLANT AND EQUIPMENT

For the six months ended June 30, 2018 and 2017, the additions and disposals on property, plant and equipment and net book values are as follows:

	Additions	**Transfers**	**Disposals**	**Net book value at June 30, 2018**
Land and Buildings	**1.614**	**70.492**	**(685)**	**1.877.687**
Machinery and Equipment	**48.993**	**94.228**	**(2.756)**	**2.915.802**
Vehicles	**7.349**	**25**	**(2.117)**	**73.767**
Furniture and Fixtures	**3.034**	**192**	**(106)**	**51.677**
Other Tangible Assets	**152.497**	**44.628**	**(2.176)**	**1.002.190**
Leasehold Improvements	**-**	**-**	**-**	**671**
Construction in Progress	**223.080**	**(209.565)**	**-**	**161.813**
	436.567	**-**	**(7.840)**	**6.083.607**

	Additions	Transfers	Disposals	Net book value at June 30, 2017
Land and Buildings	12.817	30.754	(101)	1.549.597
Machinery and Equipment	64.713	53.167	(3.899)	2.436.755
Vehicles	2.859	18	(899)	68.230
Furniture and Fixtures	3.107	1.492	(36)	49.917
Other Tangible Assets	84.206	22.359	(209)	848.754
Leasehold Improvements	280	-	-	1.006
Construction in Progress	80.593	(107.790)	-	148.107
	248.575	-	(5.144)	5.102.366

Impairment Loss

As of June 30, 2018, the Group had provided impairment losses amounting to TL 10.623 (June 30, 2017 - TL 5.940) for property, plant and equipment that had greater carrying value than its estimated recoverable amount. This impairment had been provided for “Out of Use” tangible assets. As of June 30, 2018, there isn’t any reversal from impairment losses provided in prior years (June 30, 2017 - None) (Note 20).

For the six months ended June 30, 2018, there is no capitalized borrowing costs on construction in progress (June 30, 2017 - None).

Finance Leases

Property leased by the Group includes coolers, vehicles, buildings, machinery and equipment.

As of June 30, 2018, net book value of assets under finance leases included in property, plant and equipment amounts to TL 1.021 (December 31, 2017 - TL 1.106).

12. INTANGIBLE ASSETS

For the six months ended June 30, 2018 and 2017, the additions on intangible assets and net book values are as follows:

June 30, 2018	**Additions**	**Disposals**	**Net book value**
Water sources usage right	**-**	**-**	**88**
Bottlers and distribution agreements	**-**	**-**	**1.700.231**
Other Rights	**2.761**	**-**	**58.299**
	2.761	**-**	**1.758.618**

June 30, 2017	Additions	Disposals	Net book value
Water sources usage right	-	-	1.584
Bottlers and distribution agreements	-	-	1.344.899
Other Rights	9.114	(93)	57.514
	9.114	(93)	1.403.997

There is no water sources usage right acquired through government incentive.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

13. GOODWILL

As June 30, 2018, and December 31, 2017 movements of goodwill are as follows:

	January 1, 2018	**Currency Translation Difference**	**June 30, 2018**
Cost	**787.306**	**65.230**	**852.536**
Impairment reserve	**(67.914)**	**-**	**(67.914)**
Net book value	**719.392**	**65.230**	**784.622**

	January 1, 2017	Currency Translation Difference	December 31, 2017
Cost	739.109	48.197	787.306
Impairment reserve	(67.914)	-	(67.914)
Net book value	671.195	48.197	719.392

14. GOVERNMENT INCENTIVES AND GRANTS

As of June 30, 2018, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmudiye production line investments under the scope of investment incentives are amounting to TL 205.441 with a total tax advantage of TL 44.690. Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 3.099.

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

CCI and its Subsidiaries in Turkey

Litigations against the Group

CCI and subsidiaries in Turkey are involved on an ongoing basis in litigation arising in the ordinary course of business as of June 30, 2018 with an amount of TL 9.679 (December 31, 2017 - TL 10.968). As of June 30, 2018, no court decision has been granted yet. Group management does not expect any adverse consequences related with these litigations that would materially affect Group's operation results or financial status or liquidity.

Letters of Guarantee and Contingent Liabilities

As of June 30, 2018, the aggregate amount of letter of guarantees provided to banks are TL 227.911 (December 31, 2017 - TL 315.683).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of June 30, 2018, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR 1.478 million, equivalent to USD 12,2 million (December 31, 2017 - PKR 1.472 million, equivalent to USD 13,3 million).

Group management does not expect any adverse consequences related with these litigations that would materially affect Group's operation results or financial status.

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Mortgages

As of June 30, 2018, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 16.059 (December 31, 2017 - TL 13.281) and TL 100.105 (December 31, 2017 - TL 91.140) respectively, for the credit lines obtained.

Letter of Credit

As of June 30, 2018, CCBPL obtained letter of credits amounting to USD 0,6 million and EUR 7,3 million (December 31, 2017 - CCBPL USD 3,7 million and EUR 11,4 million).

Guarantee Letters

As of June 30, 2018, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 11.259 (December 31, 2017 - TL 10.736).

As of June 30, 2018, and December 31, 2017 total guarantees and pledges given by the Group are as follows:

	June 30, 2018					
	Total TL Equivalent	**Original TL Amount**	**Original USD in Thousands**	**Original EUR in Thousands**	**Original PKR in Thousands**	**Other Foreign Currency TL Equivalent**
A. Total guarantees and pledges given by the Company for its own corporation	**344.075**	**226.769**	**13**	**204**	**2.667.000**	**16.059**
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	**568.996**	**-**	**-**	**91.485**	**1.543.339**	**25.353**
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	**913.071**	**226.769**	**13**	**91.689**	**4.210.339**	**41.412**
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

	December 31, 2017					
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	425.169	319.778	13	204	2.667.000	13.281
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	501.967	-	6.498	96.165	468.836	27.202
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	927.136	319.778	6.511	96.369	3.135.836	40.483
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

Contingent liability related to letter of credits, guarantee letters and borrowings utilized under asset pledges are totally covered by the pledge amount in the related countries, and not separately disclosed under total guarantee and pledge position table.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Tax and Legal Matters

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

As per the change in governing law in Pakistan, “Capacity Tax” was started to be applied as of July 9, 2013, replacing “Sales and Excise Tax”. CCBPL fulfilled all the obligations as per the new law and change in regulations.

As of May 2014, “Capacity Tax” application was cancelled by the constitutional court and the law has been reverted to “Sales and Excise Tax”. After this withdrawal, CCBPL fulfilled all the obligations again according to “Sales and Excise Tax” system.

After the withdrawal, Federal tax office in Pakistan requested PKR 3.505 million (equivalent to USD 28,8 million) additional tax payment from CCBPL, by arguing that “Sales and Excise Tax” should be applied retrospectively by considering the period before the cancellation of “Capacity Tax” application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2017 - PKR 3.505 million, equivalent to USD 31,8 million).

16. COMMITMENTS

Murabaha

CCBPL 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, 2018, CCBPL has USD 16,0 million sugar purchase commitment from the Banks until the end of June 2019 and USD 23,9 million sugar purchase commitment until the end of September 2019.

Operating Leases

CCI and CCSD have signed various operating lease agreements for vehicles.

TL 12.223 of rent expense was reflected for the six months ended June 30, 2018 (June 30, 2017, TL 11.335) in the consolidated income statement due to the non-cancellable operating lease agreement for vehicles.

As of June 30, 2018, and December 31, 2017, future minimum lease payments under non-cancellable operating lease agreements are as follows:

	June 30, 2018	December 31, 2017
Less than 1 year	**3.418**	1.876
Next 1-5 years	**24.315**	30.054

17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	June 30, 2018	December 31, 2017
VAT receivables	**303.221**	238.600
Other	**12.632**	10.758
	315.853	249.358

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

17. OTHER ASSETS AND LIABILITIES (continued)

b) Other Current Liabilities

	June 30, 2018	December 31, 2017
Advances received	**19.238**	13.722
Buying option of share from non-controlling interest	**10.763**	8.902
Other	**10.963**	9.756
	40.964	32.380

The obligation of TL 10.763 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TL 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.

c) Other Non-Current Liabilities

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 TL 142.159 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, 2017-TL 117.572).

18. EQUITY

Share Capital

	June 30, 2018	December 31, 2017
Common shares 1 Kr par value		
Authorized and issued (units)	**25.437.078.200**	25.437.078.200

Reserves

As of June 30, 2018, and December 31, 2017 breakdown of the equity of the Company in its tax books is as follows.

		June 30, 2018			December 31, 2017	
	Historical Amount	**Inflation Restatement Differences**	**Restated Amount**	Historical Amount	Inflation Restatement Differences	Restated Amount
Share Capital	**254.371**	**(8.559)**	**245.812**	254.371	(8.559)	245.812
Restricted Reserves	**141.904**	**13.396**	**155.300**	123.157	13.396	136.553
Extraordinary Reserves	**456.393**	**9.551**	**465.944**	485.691	9.551	495.242

Dividends

After the deduction of the 2016 fiscal year net loss and statutory liabilities, it’s approved to distribute cash dividends TL 170.000 from 2017 net income and TL 30.190 from 2009 extraordinary reserves amounting to total of TL 200.190 gross dividend (TL 0,787 (full) was paid per 100 shares, representing TL 1 nominal value) starting from May 25, 2018. The remainder of 2017 net income will be added to the extraordinary reserves.

In year 2017 the Group paid dividends to its shareholders with an amount of TL 50.011 (TL 0,197 (full) was paid per 100 shares, representing TL 1 nominal value).

There is not any privilege granted to shareholders related to dividend payments.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

19. OTHER INCOME / EXPENSE

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Other operating income				
Gain on sale of scrap materials	**10.218**	**3.036**	8.138	5.473
Insurance compensation income	**172**	**150**	539	23
Foreign exchange gains	**50.955**	**39.358**	75.923	67.278
Other income	**16.459**	**9.900**	8.979	(65)
	77.804	**52.444**	93.579	72.709
Other operating expense				
Donations	**(3)**	**(2)**	(117)	(72)
Foreign exchange loss	**(29.636)**	**(20.172)**	(68.859)	(66.968)
Other expenses	**(9.985)**	**(4.333)**	(12.233)	(5.970)
	(39.624)	**(24.507)**	(81.209)	(73.010)

20. GAIN / LOSS FROM INVESTING ACTIVITIES

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Gain from Investing Activities				
Impairment reversal in property, plant and equipment (Note 11)	**-**	**-**	-	-
Gain on disposal of property, plant and equipment, net	**450**	**450**	-	-
	450	**450**	-	-
Loss from Investing Activities				
Impairment provision in property, plant and equipment (Note 11)	**(10.623)**	**(8.320)**	(5.940)	(4.100)
Loss on disposal of property, plant and equipment, net	**-**	**476**	(107)	1.631
	(10.623)	**(7.844)**	(6.047)	(2.469)

21. FINANCIAL INCOME / EXPENSE

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Interest expense, net	**(92.071)**	**(46.045)**	(66.996)	(33.202)
Foreign exchange gain / (loss), net	**(301.312)**	**(170.900)**	(94.507)	(4.109)
Foreign exchange gain / (loss) on derivative transactions, net	**-**	**-**	-	(255)
	(393.383)	**(216.945)**	(161.503)	(37.566)

As of June 30, 2018, and 2017 foreign exchange gain / (loss) from foreign currency denominated financial borrowings are as follows:

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	**(844.137)**	**(573.480)**	(79.883)	44.172

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

22. TAX RELATED ASSETS AND LIABILITIES

General information

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries 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.

In Turkey, corporate tax rate is 20% (December 31, 2017 - 20%). In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2017 are calculated with 22% tax rate for the temporary differences which will be realized in 2018, 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards.
Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the fourth month. The tax legislation provides for a provisional tax of 22% (2017 - 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. Corporate tax losses can be carried forward for a maximum period of 5 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 5 years.

Different corporate tax rates of foreign subsidiaries are as follows:

	June 30, 2018	December 31, 2017
Kazakhstan	**%20**	%20
Azerbaijan	**%20**	%20
Kyrgyzstan	**%10**	%10
Turkmenistan	**%8**	%8
Tajikistan	**%14**	%14
Jordan	**%14**	%14
Iraq	**%15**	%15
Pakistan	**%31**	%31

The list of temporary differences and the resulting deferred tax liabilities, as of June 30, 2018 and December 31, 2017 using the prevailing effective statutory tax rate is as follows:

	June 30, 2018		December 31, 2017	
	Cumulative Temporary Difference	**Deferred Tax Assets / (Liabilities)**	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	**(2.551.722)**	**(660.075)**	(2.286.702)	(589.990)
Financial Borrowings	**(22.198)**	**(4.780)**	(23.455)	(5.057)
Employee termination, other employee benefits and other payable accruals	**106.244**	**22.257**	92.177	18.728
Unused investment incentive	**205.441**	**44.690**	205.441	39.198
Carry forward tax loss	**295.047**	**88.623**	363.671	111.201
Trade receivables, payables and other	**257.672**	**55.200**	87.665	21.358
Derivative financial instruments	**(77.913)**	**(17.141)**	(43.062)	(8.612)
Inventory	**6.584**	**2.997**	17.944	5.259
	(1.780.845)	**(468.229)**	(1.586.321)	(407.915)
Deferred tax assets		**213.767**		195.744
Deferred tax liabilities		**(681.996)**		(603.659)
Deferred tax liability, net		**(468.229)**		(407.915)

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

22. TAX RELATED ASSETS AND LIABILITIES (continued)

Carried forward tax losses of Pakistan which were formed by the depreciation expenses according to local tax regulations are subject to deferred tax. In accordance with the local tax regulations in Pakistan, these tax losses has an exception of normal time limit (6 years) and can be carried forward with an indefinite life.

As of June 30, 2018, and 2017, the movement of net deferred tax liability is as follows:

	June 30, 2018	June 30, 2017
Balance at January 1,	**407.915**	346.988
Deferred tax expense / (income)	**(27.454)**	35.172
Tax expense recognized in comprehensive income	**17.141**	(7.384)
Currency translation adjustment	**70.627**	2.644
	468.229	377.420

23. EARNINGS / (LOSSES) PER SHARE

Basic earnings / (losses) per share is calculated by dividing net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the related period. The Company has no diluted instruments.

As of June 30, 2018, and 2017 earnings / (losses) per share is as follows:

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Net income / (loss) for the period	**141.297**	**187.288**	145.314	231.347
Weighted average number of ordinary shares	**25.437.078.200**	**25.437.078.200**	25.437.078.200	25.437.078.200
Net Earnings Per Share (Full TL)	**0,0056**	**0,0074**	0,0057	0,0091

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

24. RELATED PARTY BALANCES AND TRANSACTIONS

The Group has various transactions with related parties in normal course of the business. The most significant transactions with related parties are as follows:

	June 30, 2018				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
Related Parties and Shareholders				Short Term	Long Term
Anadolu Group Companies (1)	**191.048**	**24.582**	**108.037**	**11.593**	**-**
Beverage Partners Worldwide (2)	**-**	**-**	**-**	**-**	**-**
The Coca-Cola Company (1)	**54.344**	**886.682**	**75.114**	**291.173**	**35.291**
Özgörkey Holding Group Companies (1)	**459**	**11.828**	**-**	**4.284**	**-**
Efes Karaganda Brewery J.S.C.(1)	**-**	**657**	**-**	**95**	**-**
Syrian Soft Drink Sales and Distribution L.L.C.(4)	**-**	**-**	**4.319**	**-**	**-**
Doğadan (2)	**17.216**	**117.709**	**260**	**37.371**	**-**
Day Trade (2)	**-**	**-**	**-**	**12.109**	**-**
National Beverage Co. (3)	**7.654**	**1.841**	**-**	**-**	**-**
Total	**270.721**	**1.043.299**	**187.730**	**356.625**	**35.291**

	June 30, 2017		December 31, 2017		
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Amounts owed by related parties	Amounts owed to related parties	
Related Parties and Shareholders				Short Term	Long Term
Anadolu Group Companies (1)	110.431	19.364	63.086	9.800	-
Beverage Partners Worldwide (2)	-	-	-	-	-
The Coca-Cola Company (1)	15.541	698.678	40.771	188.561	29.100
Özgörkey Holding Group Companies (1)	269	10.575	-	1.530	-
Efes Karaganda Brewery J.S.C.(1)	-	438	-	105	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	3.464	-	-
Doğadan (2)	27.314	109.998	109	38.190	-
Day Trade (2)	-	-	629	6.401	-
National Beverage Co. (3)	6.810	1.639	-	-	-
Total	160.365	840.692	108.059	244.587	29.100

(1) Shareholder of the Company, subsidiaries and joint ventures of the shareholder
(2) Related parties of the shareholder
(3) Other shareholders of the joint ventures and subsidiaries
(4) Investment in associate consolidated under equity method of accounting

As of June 30, 2018, and 2017, purchases from related parties and significant portion of other expenses consist of services obtained, fixed asset and raw material purchases and toll production.

As of June 30, 2018, and 2017, sales to related parties and other revenues consist of sale of finished goods and support charges of promotional expenses reflected to related parties.

As of June 30, 2018, and 2017, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	June 30, 2018		June 30, 2017	
	Board of Directors	**Executive Directors**	Board of Directors	Executive Directors
Short-term employee benefits	**256**	**7.248**	234	7.134
Other long-term benefits	**-**	**693**	-	878
	256	**7.941**	234	8.012
Number of top executives	**7**	**12**	4	14

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's principal financial instruments are comprised of bank borrowings, bond issues, cash and short-term deposits. The main purpose of these financial instruments is to raise financing 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 interest rate risk, liquidity risk, foreign currency risk, and credit risk. The Group management reviews and agrees policies for managing each of these risks which are summarized below. The Group also monitors the market price risk arising from all financial instruments.

(a) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders and may decide on issue of new shares or sell assets to decrease net financial debt.

As of June 30, 2018, and December 31, 2017 debt to equity ratio, obtained by dividing the total net debt to share capital is as follows:

Net debt is the financial borrowings less cash and cash equivalents and short-term financial assets.

	June 30, 2018	December 31, 2017
Financial Borrowings	**6.723.593**	5.985.392
Less: Cash and cash equivalents and short-term financial assets	**(3.746.082)**	(3.891.939)
Net debt	**2.977.511**	2.093.453
Total share capital	**254.371**	254.371
Net debt / Total equity ratio (%)	**11,71**	8,23

(b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by balancing the interest rate of assets and liabilities or derivative financial instruments.

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

As of June 30, 2018, if variable interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit / (loss) before tax and non-controlling interest for September 30, 2018, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	June 30, 2018	June 30, 2017
Increase / decrease of 1% interest in USD denominated borrowing interest rate	**284**	52
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	**2.097**	2.195
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	**324**	50
Total	**2.705**	2.297

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

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

As of June 30, 2018, and 2017, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Table	**June 30, 2018**	June 30, 2017
Financial instruments with fixed interest rate		
Time deposits	**3.336.510**	1.035.302
Financial liabilities	**5.627.097**	2.860.510
Financial instruments with floating interest rate		
Financial liabilities	**1.096.496**	924.284

(c) Foreign Currency Risk

The Group is exposed to exchange rate fluctuations due to the nature of its business. This risk occurs due to purchases, sales, demand / time deposits and bank borrowings of the Group, which are denominated in currencies other than the functional currency. The Group manages its foreign currency risk by balancing the amount of foreign currency denominated assets and liabilities.

	January 1 - June 30, 2018	**April 1 - June 30, 2018**	January 1 - June 30, 2017	April 1 - June 30, 2017
Total export amount	**14.882**	**5.896**	10.836	8.831
Total import amount	**1.007.363**	**575.411**	708.859	419.884

Foreign Currency Position

As of June 30, 2018, and December 31, 2017, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

	Foreign Currency Position Table					
	June 30, 2018					
	Total TL Equivalent	**USD**	**TL Equivalent**	**Euro**	**TL Equivalent**	**Other Foreign Currency TL Equivalent**
1. Trade Receivables and Due from Related Parties	51.338	11.257	51.338	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.196.899	700.463	3.194.601	412	2.186	112
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	12.399	2.436	11.114	242	1.285	-
4. Current Assets (1+2+3)	**3.260.636**	**714.156**	**3.257.053**	**654**	**3.471**	**112**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	14.098	-	-	2.655	14.098	-
8. Non-Current Assets (5+6+7)	**14.098**	**-**	**-**	**2.655**	**14.098**	**-**
9. Total Assets (4+8)	**3.274.734**	**714.156**	**3.257.053**	**3.309**	**17.569**	**112**
10. Trade Payables and Due to Related Parties	361.228	76.847	350.476	2.017	10.710	42
11. Short-term Borrowings and Current Portion of Long - term Borrowings	2.795.481	552.697	2.520.684	51.759	274.797	-
12a. Monetary Other Liabilities	9.586	2.099	9.572	3	14	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**3.166.295**	**631.643**	**2.880.732**	**53.779**	**285.521**	**42**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	3.754.013	672.722	3.068.080	129.197	685.933	-
16 a. Monetary Other Liabilities	142.158	31.170	142.158	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**3.896.171**	**703.892**	**3.210.238**	**129.197**	**685.933**	**-**
18. Total Liabilities (13+17)	**7.062.466**	**1.335.535**	**6.090.970**	**182.976**	**971.454**	**42**
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	**1.966.934**	**431.279**	**1.966.934**	**-**	**-**	**-**
19a. Total Hedged Assets	**1.282.829**	**281.279**	**1.282.829**	-	-	-
19b. Total Hedged Liabilities	**(684.105)**	**(150.000)**	**(684.105)**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(1.820.798)**	**(190.100)**	**(866.983)**	**(179.667)**	**(953.885)**	**70**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(3.814.229)**	**(623.815)**	**(2.845.031)**	**(182.564)**	**(969.268)**	**70**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**114.578**	**25.123**	**114.578**	-	-	-

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

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

	Foreign Currency Position Table					
	December 31, 2017					
	Total TL Equivalent	**USD**	**TL Equivalent**	**Euro**	**TL Equivalent**	**Other Foreign Currency TL Equivalent**
1. Trade Receivables and Due from Related Parties	44.288	11.742	44.288	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.056.656	809.791	3.054.449	488	2.204	3
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	32.926	179	679	7.141	32.247	-
4. Current Assets (1+2+3)	**3.133.870**	**821.712**	**3.099.416**	**7.629**	**34.451**	**3**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	5.320	291	1.098	935	4.222	-
8. Non-Current Assets (5+6+7)	**5.320**	**291**	**1.098**	**935**	**4.222**	**-**
9. Total Assets (4+8)	**3.139.190**	**822.003**	**3.100.514**	**8.564**	**38.673**	**3**
10. Trade Payables and Due to Related Parties	105.974	27.400	103.351	488	2.203	420
11. Short-term Borrowings and Current Portion of Long - term Borrowings	2.729.736	615.966	2.323.361	89.996	406.375	-
12a. Monetary Other Liabilities	12.200	3.217	12.136	14	64	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**2.847.910**	**646.583**	**2.438.848**	**90.498**	**408.642**	**420**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long-Term Borrowings	3.174.631	697.265	**2.630.014**	120.611	544.617	-
16 a. Monetary Other Liabilities	117.572	31.170	117.572	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**3.292.203**	**728.435**	**2.747.586**	**120.611**	**544.617**	**-**
18. Total Liabilities (13+17)	**6.140.113**	**1.375.018**	**5.186.434**	**211.109**	**953.259**	**420**
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	**-**	**-**	**-**	**-**	**-**	**-**
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(3.000.923)**	**(553.015)**	**(2.085.920)**	**(202.545)**	**(914.586)**	**(417)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(3.039.169)**	**(553.485)**	**(2.087.697)**	**(210.621)**	**(951.055)**	**(417)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**-**	**-**	**-**	**-**	**-**	**-**

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, Euro and other foreign currency denominated exchange rates against TL by 10%, with all other variables held constant.

	Foreign Currency Position Sensitivity Analysis			
	June 30, 2018		June 30, 2017	
	Income / (Loss)	**Income / (Loss)**	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency
Changes in the USD against TL by 10%:				
1- USD denominated net asset / (liability)	**(86.698)**	**86.698**	(208.684)	208.684
2- USD denominated hedging instruments (-)	**-**	**-**	-	-
3- Net effect in USD (1+2)	**(86.698)**	**86.698**	(208.684)	208.684
Changes in the Euro against TL by 10%:				
4- Euro denominated net asset / (liability)	**(95.389)**	**95.389**	(88.646)	88.646
5- Euro denominated hedging instruments (-)	**-**	**-**	-	-
6- Net effect in Euro (4+5)	**(95.389)**	**95.389**	(88.646)	88.646
Average changes in the other foreign currencies against TL by 10%:				
7- Other foreign currency denominated net asset / (liability)	**7**	**(7)**	1	(1)
8- Other foreign currency hedging instruments (-)	**-**	**-**	-	-
9- Net effect in other foreign currency (7+8)	**7**	**(7)**	1	(1)
TOTAL (3+6+9)	**(182.080)**	**182.080**	(297.329)	297.329

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

Foreign Currency Hedge of Net Investments in Foreign Operations

As of April 1, 2018, the Group designated USD 281,3 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 gains and losses on the hedging instrument arising from change in foreign currency valuation relating to the effective portion of the hedge are accounted under Equity in “Hedge Reserve Gains (Losses)” (December 31, 2017 – None).

(d) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Group to significant concentration of credit risk consist principally of cash and cash equivalents and trade receivables. Maximum credit risk on the Group is limited to the amounts disclosed on the financial statements.

The Group maintains cash and cash equivalents with various financial institutions. It is the Group’s policy to limit exposure to any one institution and revalue the credibility of the related financial institutions continuously.

The credit risk associated with trade receivables is partially limited due to a large customer base and due to management’s limitation on the extension of credit to customers. The Group generally requires collateral to extend credit to its customers excluding its distributors.

(e) Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions, bond issues, cash and short-term deposits.

(f) Commodity Price Risk

The Company may be affected by the price volatility of certain commodities such as sugar, aluminum and resin. As its operating activities require the ongoing purchase of these commodities, the Company’s management has a risk management strategy regarding commodity price risk and its mitigation.

Based on a 12-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminium) swap contracts and aluminium swap call option (Note 6).

26. FINANCIAL INSTRUMENTS

Fair Values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and best evidenced by a quoted market price, if one exists.

Foreign currency-denominated financial assets and liabilities are revalued at the exchange rates prevailing at the balance sheet dates.

The following methods and assumptions were used in the estimation of the fair value of the Group’s financial instrument:

***Financial Assets* –** The fair values of certain financial assets carried at cost, including cash and cash equivalents and held to maturity investments plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying values of trade receivables along with the related allowances for bad debt are estimated to be at their fair values.

***Financial Liabilities* –** The fair values of trade payables and other monetary liabilities are estimated to approximate carrying values, due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The carrying values of trade payable are estimated to be their fair values due to their short-term nature.

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

26. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy table

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

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

June 30, 2018	**Level 1**	**Level 2**	**Level 3**
a) Assets presented at fair value			
Derivative financial instruments	**-**	**114.578**	**-**
Total assets	**-**	**114.578**	**-**
b) Liabilities presented at fair value			
Derivative financial instruments	**-**	**2.329**	**-**
Buying option of share from non-controlling interest	**10.763**	**-**	**142.159**
Total liabilities	**10.763**	**2.329**	**142.159**

December 31, 2017	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	152	-
Total assets	-	152	
b) Liabilities presented at fair value			
Derivative financial instruments	-	-	-
Buying option of share from non-controlling interest	8.902	-	117.572
Total liabilities	8.902	-	117.572

27. SUBSEQUENT EVENTS

None.