Earnings Release

Istanbul, 27 February 2019

CONTINUED QUALITY GROWTH IN 2018

FY18 Highlights

- Sales volume up by 6.3%
- Net sales revenue up by 26.6%
- FX-neutral NSR up by 12.8%
- EBITDA up by 35.7%
- EBITDA margin up by 120 bps to 17.6%
- Net income up by 37.5% to TL 327 million
- TL 730 mn free cash flow
- Redemption of USD 500 mn Eurobond
- Repayment of USD 100 mn USPP

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Burak Basarir, CEO of Coca-Cola Icecek, commented: "I am pleased with the quality growth in 2018, once again delivering on our strategic growth equation with net revenue growth ahead of volume and EBITDA growth ahead of net revenue growth. We generated 77 million unit cases of additional sales volume, translating into solid topline growth along with margin expansion. Our successful portfolio strategy enabled us to drive IC packs and grow in almost all our markets.

In Turkey, we recorded the highest annual volume growth since 2012 with strong momentum in the Sparkling category. We achieved a healthy topline growth and margin expansion despite significant headwinds, such as special consumption tax, higher commodity prices, and FX volatility. Throughout 2018, successful brand innovations, increasing portfolio availability in growing channels and accelerated cooler investments supported our growth while our revenue growth management capabilities enabled us to deliver success in a challenging macroeconomic environment.

In Pakistan and the Middle East, operating environment was tough in the second half of the year with political uncertainty and macroeconomic challenges. Nevertheless, we managed to deliver 7.3% volume growth in Pakistan in a year of structural transformation. We outperformed the overall Sparkling market growth on the back of continuous improvement in market execution and the inauguration of our Faisalabad plant in April.

Central Asia operations maintained their strong momentum, with almost all markets posting double-digit volume growth. Successful market execution and effective marketing campaigns provided market share gains in key markets.

Having delivered on our full-year guidance with a solid performance, we remain focused on delivering quality growth with disciplined financial management. As we begin to execute our plans for 2019, we are confident in our execution to turn challenges into opportunities, achieve sustainable quality growth and create value for our stakeholders.

Key P&L Numbers and Margins

Consolidated (million TL)	4Q17	4Q18	Change %	2017	2018	Change %
Volume (million uc)	227	229	0.6%	1,237	1,315	6.3%
Net Sales	1,628	2,001	22.9%	8,392	10,623	26.6%
Gross Profit	518	573	10.7%	2,772	3,527	27.2%
EBIT	43	(17)	(140.1%)	874	1,255	43.6%
EBIT (Exc. other)	36	(34)	(193.3%)	859	1,216	41.5%
EBITDA	170	147	(13.4%)	1,379	1,871	35.7%
EBITDA (Exc. other)	166	129	(22.1%)	1,370	1,835	33.9%
Profit / (Loss) Before Tax	(161)	122	n.m.	421	556	32.0%
Net Income/(Loss)	(149)	148	n.m.	238	327	37.5%
Gross Profit Margin	31.8%	28.6%		33.0%	33.2%	
EBIT Margin	2.6%	(0.9%)		10.4%	11.8%	
EBIT Margin (Exc. other)	2.2%	(1.7%)		10.2%	11.4%	
EBITDA Margin	10.4%	7.4%		16.4%	17.6%	
EBITDA Margin (Exc. other)	10.2%	6.5%		16.3%	17.3%	
Net Income / (Loss) Margin	(9.1%)	7.4%		2.8%	3.1%	

Turkey (million TL)	4Q17	4Q18	Change %	2017	2018	Change %
Volume (million uc)	120	120	(0.2%)	621	650	4.8%
Net Sales	783	884	12.9%	3,952	4,690	18.7%
Gross Profit	271	298	10.1%	1,474	1,799	22.0%
EBIT	46	(21)	(145.1%)	538	877	62.9%
EBIT (Exc. other)	(25)	(39)	56.8%	325	475	46.1%
EBITDA	90	19	(78.5%)	708	1,053	48.8%
EBITDA (Exc. other)	18	6	(68.1%)	494	664	34.4%
Net Income/(Loss)	(79)	338	n.m.	293	34	(88.5%)
Gross Profit Margin	34.5%	33.7%		37.3%	38.4%	
EBIT Margin	5.9%	(2.4%)		13.6%	18.7%	
EBIT Margin (Exc. other)	(3.2%)	(4.4%)		8.2%	10.1%	
EBITDA Margin	11.6%	2.2%		17.9%	22.5%	
EBITDA Margin (Exc. other)	2.3%	0.6%		12.5%	14.2%	
Net Income / (Loss) Margin	(10.0%)	38.2%		7.4%	0.7%	

International (million TL)	4Q17	4Q18	Change %	2017	2018	Change %
Volume (million uc)	107	108	1.5%	617	664	7.8%
Net Sales	845	1,118	32.3%	4,441	5,935	33.6%
Gross Profit	247	276	11.6%	1,298	1,728	33.2%
EBIT	60	8	(87.6%)	513	713	39.0%
EBIT (Exc. other)	53	(8)	(114.8%)	493	684	38.6%
EBITDA	145	130	(10.4%)	851	1,158	36.0%
EBITDA (Exc. other)	140	111	(20.6%)	836	1,115	33.3%
Net Income/(Loss)	(2)	(25)	1352.8%	139	366	162.7%
Gross Profit Margin	29.3%	24.7%		29.2%	29.1%	
EBIT Margin	7.2%	0.7%		11.6%	12.0%	
EBIT Margin (Exc. other)	6.3%	(0.7%)		11.1%	11.5%	
EBITDA Margin	17.2%	11.6%		19.2%	19.5%	
EBITDA Margin (Exc. other)	16.6%	9.9%		18.8%	18.8%	
Net Income / (Loss) Margin	(0.2%)	(2.3%)		3.1%	6.2%	

In the scope of TFRS 15 "Revenue from Contracts with Customers", consideration payables to customers are accounted as reduction in revenue rather than being accounted as selling, distribution and marketing expenses since the expenses are undertaken by customers. In this context, total cash concession impact of TL 129 million and TL 141 million were reflected to "Sales Discounts" for 2017 and 2018, respectively. If there has been no accounting change, 2018 net sales revenue would have been TL 10,764 million.

Operational Overview

Sales Volume

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

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

	Growth (YoY)				Breakdown*	
	4Q17	**4Q18**	**2017**	**2018**	**2017**	**2018**
Sparkling	3.0%	(2.2%)	3.3%	6.8%	70%	71%
Stills (excluding water)	16.8%	(4.9%)	8.5%	11.6%	6%	7%
Water	(4.0%)	7.0%	(3.2%)	6.0%	14%	14%
Tea (NRTD)	(7.7%)	11.5%	20.9%	(1.2%)	9%	9%
Total	**1.4%**	**0.6%**	**4.1%**	**6.3%**	**100%**	**100%**

*Totals may not foot due to rounding differences.

Turkey:

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

(1) Includes low and no calorie

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

International:

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

In Pakistan, volume increased by 7.3% in FY18, cycling 3.5% growth in FY17. The growth was supported by our focus on route-to-market, the inauguration of our Faisalabad plant before the high season and successful consumer activities. The Sparkling category recorded a 6.7% growth in 2018. Improved market execution led us to outperform the overall market growth. Coca-Cola trademark posted mid-single digit growth while Sprite grew by low-teens on the back of our three-brand strategy. The launch of Dasani brand also contributed to volume with c.35% growth in the Water category.

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

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

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

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

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

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

Financial Overview

In FY18,

- **Net sales revenue ("NSR")** rose by 26.6%, mainly driven by Turkey operation and the positive FX conversion impact of International operations. On an FX-neutral [(1)] basis, consolidated NSR was up by 12.8%, mainly driven by volume growth, pricing and favorable sales mix. Turkey's better than expected NSR growth more than offset the lower than expected contribution of international operations; thus, resulting in a consolidated FX-neutral [(1)] NSR growth ahead of our guidance range of 10-12% for 2018.

  In Turkey, NSR was up by 18.7%, mainly led by price adjustments, better portfolio mix and strong volume growth in the Sparkling category. NSR per unit case grew by 13.3%, reflecting our focus on affordability and better sales mix driven by strong growth in Sparkling along with a higher share of IC packages.

  In our International operations, NSR grew by 33.6%, or 7.7% on an FX-neutral basis. NSR growth was mainly attributable to strong volume growth in Pakistan and Central Asia, while NSR per unit case was flat, on an FX-neutral basis.

	Net Sales Revenue (TL m)		NSR per UC (TL)	
	2018	**YoY Change**	**2018**	**YoY Change**
Turkey	4.690	18,7%	7,21	13,3%
International	5.935	33,6%	8,93	24,0%
International (FX Neutral)	4.780	7,7%	7,19	(0,1%)
Consolidated	10.623	26,6%	8,08	19,1%
Consolidated (FX Neutral)	9.470	12,8%	7,20	6,2%

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

- **Gross margin** improved by 20 bps to 33.2% while raw material costs as a percentage of revenue was slightly down on a consolidated basis. Margin improvement was mainly attributable to Turkey operations while the margin of International operations remained almost flat.

  In Turkey, the increase in NSR per unit case, effective cost management through hedging, cash designation and product reformulations more than offset the adverse impact of higher raw material prices and FX headwinds. Gross margin expanded by 110 bps to 38.4%.

  In our International operations, gross margin declined by 10 bps to 29.1%. The favorable impact of lower sugar prices was offset by higher prices of packaging materials, especially PET resin.

- **EBIT margin** improved by 140 bps to 11.8%, mainly driven our ongoing focus on opex management. Operating expenses as a percentage of revenue was 120 bps lower compared to 2017, on the back of increasing efficiency both in Turkey and International operations.
- **EBITDA margin** expanded by 120 bps to 17.6% in 2018, reflecting better operating profitability both in Turkey and International operations. Turkey operation's EBITDA margin was up by 460 bps in 2018, boosted by dividend income from subsidiaries. Excluding the impact of other income/(expense), Turkey's EBITDA margin was 170 bps higher compared to 2017.
- **Net financial expense** was realized as TL 689 million in 2018 compared to TL 439 million in 2017. The increase was mainly attributable to FX losses while increase in 'Other financial FX gain' and the implementation of Net Investment Hedging*, partially offset the adverse impacts of TL depreciation.

Financial Income / (Expense) (TL million)	**4Q17**	**4Q18**	**2017**	**2018**
Interest income	50	61	94	216
Interest expense (-)	(73)	(69)	(208)	(384)
Other financial FX gain / (loss)	160	(76)	211	1,351
Realized FX gain / (loss) - Borrowings	0	(1,964)	(14)	(2,328)
Unrealized FX gain / (loss) - Borrowings	(338)	2,188	(522)	456
Financial Income / (Expense) Net	**(202)**	**139**	**(439)**	**(689)**

- **Non-controlling interest (minority interest)** was TL-33 million in 2018 compared to TL-44 million in 2017, mostly driven by lower net income of Pakistan.
- **Effective tax rate** was 35% in 2018 compared to 33% in 2017. The effective tax rate may vary depending on the different tax rates, the mix of taxable profits by country, non-deductible expenses, tax incentives and other one-off items.
- **Net income** was TL 327 million in 2018 vs. TL 238 million in 2017. Higher operating profitability, lower net FX exposure in the balance sheet and positive impact (TL 288 million) of net investment hedging, more than offset the adverse impact of higher net FX losses due to the depreciation of TRY against USD.

** As of April 1, 2018, the Group designated USD 281 million of its USD 500 million USD denominated bond as a hedging instrument to hedge its foreign currency risk arising from the translation of net assets of its subsidiaries CCI Holland and Waha B.V., located in the Netherlands. Accordingly, gains and losses on the hedging instrument arising from changes in foreign currency valuation relating to the effective portion of the hedge are accounted under Equity in "Gains/(Losses) on Hedge" and under "Other Comprehensive Income/(Loss) Related with Hedges of Net Investment in Foreign Operations" in Other Comprehensive Income Statement.*

In 4Q18,

- **Net sales revenue** rose by 22.9% while it was up by 5.2% on an FX-neutral [(1)] basis.

  In Turkey, NSR was up by 12.9%, mainly led by price adjustments throughout the year.

  In our International operations, NSR grew by 32.3% while it was down by 1.8% on an FX-neutral basis. NSR per unit case decreased by 3.3%, on an FX-neutral basis, reflecting higher discounts in Pakistan.

	Net Sales Revenue (TL m)		NSR per UC (TL)	
	4Q18	**YoY Change**	**4Q18**	**YoY Change**
Turkey	884	12.9%	7.36	13.1%
International	1,118	32.3%	10.31	30.3%
International (FX Neutral)	830	(1.8%)	7.65	(3.3%)
Consolidated	2,001	22.9%	8.76	22.2%
Consolidated (FX Neutral)	1,714	5.2%	7.50	4.6%

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

- **Gross margin** declined by 320 bps to 28.6% due to Turkey and International operations.

  In Turkey, gross margin declined by 80 bps to 33.7% which was mainly attributable to higher costs of packaging materials as the impact of cash designation was limited in the last quarter.

  In our International operations, gross margin declined by 460 bps to 24.7%. The favorable impact of lower sugar prices was offset by higher prices of PET resin, and devaluation of local currency and higher discounts in Pakistan.

- **EBIT margin** decreased by 350 bps in the quarter, reflecting lower gross profitability while operating expenses as a percentage of revenue increased slightly compared to 4Q17, on a consolidated basis. In Turkey, operating expenses as a percentage of revenue was higher driven by distribution, selling and marketing expenses which was partially offset by lower general and administrative expenses. International operations recorded higher operating expenses due to increase in distribution, selling, marketing and general and administrative expenses.

- **EBITDA margin** declined by 300 bps to 7.4% which was attributable to lower operating profitability both in Turkey and international operations.

- **Net financial income** was realized as TL 139 million in 4Q18, supported by the appreciation of Turkish Lira in the quarter.

- **Net income** was TL 148 million in 4Q18 vs. net loss of TL149 million in 4Q17.

- **Free cash flow** remained almost flat TL730 million in 2018, mainly driven by higher operating cash flow as well as positive FX translation impact.
- **CapEx** was TL 858 million in 2018 compared to TL 499 million in 2017, mainly driven by investments in cold drink equipment and FX translation impact. Of the total capital expenditure, 38% was related to Turkey while 62% was related to International operations.
- **Consolidated debt** decreased to USD 939 million by year-end 2018, compared to USD 1,587 million at year-end 2017. Lower consolidated debt is mainly attributable to the redemption of USD 500 million Eurobond* in October 2018 and repayment of USD 100 million US private placement in May 2018. Consolidated cash was USD 439 million at year-end 2018 compared to USD 1,032 million at year-end 2017 mainly due to debt repayments. As a result, consolidated net debt declined from USD 555 million in 2017 to USD 500 million in 2018.

Financial Leverage Ratios	**2017**	**2017***	**2018**
Net Debt / EBITDA	1.52	1.41	1.41
Debt Ratio (Total Fin. Debt / Total Assets)	45%	35%	20%
Fin. Debt-to-Equity Ratio	110%	77%	36%

*Excluding the refinanced Eurobond

- As of 31 December 2018, including the USD 150 million of hedging transaction, 63% of our consolidated financial debt was in USD, 21% in EUR, 12% in TL and the remaining 4% in other currencies.
- The average duration of the consolidated debt portfolio was 4 years and the maturity profile was as follows:

Maturity Date	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
% of total debt**	19%	12%	2%	2%	15%	51%

**Totals may not foot due to rounding differences

Managing FX exposure

- Oct'17: USD 142 million cash designation at USD/TL3.55 for raw material related FX exposure in 2018
- Jan'18: USD 150 million cross-currency swap for 7 years
- Apr'18: USD 281 million of net investment hedging
- Apr'18: USD 150 million cash designation at USD/TL3.95 for raw material related FX exposure in 2019

*The Eurobond issued to investors outside of Turkey on October 1, 2013 with a total nominal value of USD 500 million and maturity of 5 years, matured and the amount of interest and principal was redeemed on October 1, 2018.

Accounting Principles

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

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

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

EBITDA Reconciliation

The Company's "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit/(loss) from operations" plus relevant non-cash expenses including depreciation and amortization, provision for employee benefits like retirement and vacation pay (provision for management bonus not included) and other non-cash expenses like negative goodwill and value increase due to change in scope of consolidation. As of December 31, 2017, and 2018, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

EBITDA (TL million)	4Q17	4Q18	2017	2018
Profit / (loss) from operations	43	(17)	874	1,255
Depreciation and amortization	129	160	497	599
Provision for employee benefits	1	3	13	20
Foreign exchange gain / (loss) under other operating income / (expense)	(3)	1	(6)	(3)
EBITDA	**170**	**147**	**1,379**	**1,871**

Functional and Presentation Currency

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

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

Functional Currencies of the Subsidiaries and Joint Ventures

	December 31, 2017		**December 31, 2018**	
	Local Currency	Functional Currency	**Local Currency**	**Functional Currency**
CCSD	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Mahmudiye	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Almaty CC	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Tonus	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	Manat	Manat	Manat	Manat
Turkmenistan CC	Turkmen Manat	Turkmen Manat	Turkmen Manat	Turkmen Manat
Bishkek CC	Som	Som	Som	Som
TCCBCJ	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar
SBIL	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 December 31, 2018, USD 1,00 (full) = TL 5,2609 (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 December 31, 2018 is USD 1,00 (full) = TL 4,8301 (December 31, 2017; USD 1,00 (full) = TL 3,6445).

Exchange Rates	**4Q17**	**4Q18**	**2017**	**2018**
Average USD/TL	3.8514	5.5447	3.6445	4.8301
End of Period USD/TL	3.7719	5.2609	3.7719	5.2609

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.

2019 Guidance

- **Sales Volume:**
  - Flat volume in Turkey
  - 6%-8% growth in international operations
  - 3%-5% growth on a consolidated basis

- **Net revenue growth:**

  16%-18% on a consolidated basis (FX-neutral[1])

- **EBITDA Margin:**

  Slight improvement on a consolidated basis

- **Capex/Sales:**

  7%-8% (on a comparable basis)

- **Net debt/ EBITDA:**

  Lower than 1.5x (on an FX-neutral[1] and organic basis)

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

[1] FX-neutral: Using constant FX rates when converting country financial statements to TL.

CCI Consolidated Income Statement

	Audited			Unaudited		
	1 January - 31 December			1 October - 31 December		
(TL million)	**2017**	**2018**	**Change (%)**	**2017**	**2018**	**Change (%)**
Sales Volume (UC millions)	**1,237**	**1,315**	**6.3%**	**227**	**229**	**0.6%**
Revenue	8,392	10,623	26.6%	1,628	2,001	22.9%
Cost of Sales	(5,620)	(7,097)	26.3%	(1,110)	(1,428)	28.6%
Gross Profit from Operations	**2,772**	**3,527**	**27.2%**	**518**	**573**	**10.7%**
Distribution, Selling and Marketing Expenses	(1,524)	(1,865)	22.3%	(370)	(480)	29.7%
General and Administrative Expenses	(389)	(446)	14.8%	(112)	(128)	14.2%
Other Operating Income	138	137	(0.7%)	30	0	(98.9%)
Other Operating Expense	(123)	(97)	(20.7%)	(23)	16	(169.8%)
Profit/(Loss) from Operations	**874**	**1,255**	**43.6%**	**43**	**(17)**	**(140.1%)**
Gain/(Loss) From Investing Activities	(13)	(9)	(30.6%)	(2)	1	(128.1%)
Gain/(Loss) from Associates	(0)	(1)	(109.4%)	(0)	(1)	(135.2%)
Profit/(Loss) Before Financial Income/(Expense)	**860**	**1,245**	**44.7%**	**40**	**(17)**	**(142.5%)**
Financial Income	508	1,885	271.0%	283	195	(31.1%)
Financial Expenses	(947)	(2,574)	171.7%	(484)	(56)	(88.4%)
Profit/(Loss) Before Tax	**421**	**556**	**32.0%**	**(161)**	**122**	**(175.5%)**
Deferred Tax Income/(Expense)	(48)	(28)	(41.2%)	(21)	(56)	164.4%
Current Period Tax Expense	(91)	(167)	83.2%	13	32	150.2%
Net Income/(Loss) Before Minority	**281**	**360**	**27.9%**	**(169)**	**98**	**(158.0%)**
Minority Interest	(44)	(33)	(23.9%)	21	50	140.8%
Net Income/(Loss) After Minority	**238**	**327**	**37.5%**	**(149)**	**148**	**(199.8%)**
EBITDA	**1,379**	**1,871**	**35.7%**	**170**	**147**	**(13.4%)**

Turkey Income Statement

(TL million)	Audited 1 January - 31 December 2017	2018	Change (%)	Unaudited 1 October - 31 December 2017	2018	Change (%)
Sales Volume (UC millions)	**621**	**650**	**4.8%**	**120**	**120**	**(0.2%)**
Revenue	3,952	4,690	18.7%	783	884	12.9%
Cost of Sales	(2,478)	(2,891)	16.7%	(513)	(586)	14.3%
Gross Profit from Operations	**1,474**	**1,799**	**22.0%**	**271**	**298**	**10.1%**
Distribution, Selling and Marketing Expenses	(925)	(1,086)	17.3%	(228)	(276)	21.1%
General and Administrative Expenses	(224)	(238)	6.5%	(67)	(61)	(9.7%)
Other Operating Income	256	438	71.6%	81	(9)	(110.7%)
Other Operating Expense	(43)	(37)	(13.9%)	(10)	27	(375.7%)
Profit/(Loss) from Operations	**538**	**877**	**62.9%**	**46**	**(21)**	**(145.1%)**
Gain/(Loss) From Investing Activities	2	(1)	(137.0%)	1	(2)	(320.9%)
Profit/(Loss) Before Financial Income / (Expense)	**540**	**876**	**62.3%**	**47**	**(22)**	**(147.6%)**
Financial Income	486	1,855	282.1%	281	184	(34.5%)
Financial Expenses	(730)	(2,733)	274.3%	(432)	215	(149.8%)
Profit/(Loss) Before Tax	**295**	**(1)**	**(100.5%)**	**(104)**	**378**	**(463.4%)**
Deferred Tax Income/(Expense)	(3)	(6)	104.0%	(10)	(40)	298.3%
Current Period Tax Expense	0	41	n.m.	35	0	(99.6%)
Net Income/(Loss)	**293**	**34**	**(88.5%)**	**(79)**	**338**	**(529.6%)**
EBITDA	**708**	**1,053**	**48.8%**	**90**	**19**	**(78.5%)**

International Income Statement

(TL million)	Audited 1 January - 31 December 2017	2018	Change (%)	Unaudited 1 October - 31 December 2017	2018	Change (%)
Sales Volume (UC millions)	**617**	**664**	**7.8%**	**107**	**108**	**1.5%**
Revenue	4,441	5,935	33.6%	845	1,118	32.3%
Cost of Sales	(3,143)	(4,207)	33.8%	(598)	(842)	40.9%
Gross Profit from Operations	**1,298**	**1,728**	**33.2%**	**247**	**276**	**11.6%**
Distribution, Selling and Marketing Expenses	(599)	(779)	30.1%	(142)	(203)	43.5%
General and Administrative Expenses	(205)	(265)	29.1%	(53)	(80)	52.7%
Other Operating Income	100	90	(9.9%)	21	26	20.9%
Other Operating Expense	(80)	(61)	(24.2%)	(14)	(10)	(23.9%)
Profit/ (Loss) from Operations	**513**	**713**	**39.0%**	**60**	**8**	**(87.6%)**
Gain/(Loss) From Investing Activities	(15)	(9)	(42.5%)	(3)	2	(170.9%)
Gain/ (Loss) from Associates	(0)	(1)	(109.4%)	(0)	(1)	(135.2%)
Profit/(Loss) Before Financial Income/(Expense)	**498**	**704**	**41.4%**	**57**	**9**	**(84.0%)**
Financial Income	52	61	16.5%	8	16	93.1%
Financial Expenses	(247)	(241)	(2.4%)	(59)	(72)	21.7%
Profit/(Loss) Before Tax	**303**	**524**	**72.7%**	**6**	**(47)**	**(854.8%)**
Deferred Tax Income/(Expense)	(45)	(22)	(50.3%)	(11)	(16)	41.7%
Current Period Tax Expense	(74)	(108)	45.9%	(18)	(13)	(28.8%)
Net Income/(Loss) Before Minority	**184**	**393**	**113.6%**	**(23)**	**(75)**	**233.1%**
Minority Interest	(45)	(27)	(39.6%)	21	50	139.6%
Net Income/(Loss) After Minority	**139**	**366**	**162.7%**	**(2)**	**(25)**	**1352.8%**
EBITDA	**851**	**1,158**	**36.0%**	**145**	**130**	**(10.4%)**

CCI Consolidated Balance Sheet

(TL million)	Audited 31 December 2017	Audited 31 December 2018
Current Assets	**5,705**	**4,537**
Cash and Cash Equivalents	3,875	2,290
Investments in Securities	17	21
Derivative Financial Instruments	0	0
Trade Receivables	567	624
Due from related parties	108	127
Other Receivables	40	32
Inventories	564	804
Prepaid Expenses	174	191
Tax Related Current Assets	110	150
Other Current Assets	249	298
Non-Current Assets	**7,689**	**9,483**
Other Receivables	13	38
Property, Plant and Equipment	5,258	6,489
Intangible Assets	1,507	1,869
Goodwill	719	819
Prepaid Expenses	192	258
Deferred Tax Asset	0	8
Other Non-Current Asset	0	1
Total Assets	**13,394**	**14,020**

Current Liabilities	**4,128**	**2,669**
Short-term Borrowings	78	210
Current Portion of Long-term Borrowings	2,717	706
Financial lease payables	2	2
Trade Payables	711	966
Due to Related Parties	245	328
Payables Related to Employee Benefits	40	35
Other Payables	232	288
Provision for Corporate Tax	5	11
Provision for Employee Benefits	66	58
Derivative Financial Instruments	0	13
Other Current Liabilities	32	50
Non-Current Liabilities	**3,827**	**4,901**
Financial lease payables	4	2
Long-term Borrowings	3,190	4,023
Trade Payables & Due to Related Parties	35	47
Provision for Employee Benefits	72	83
Deferred Tax Liability	408	549
Other Non-Current Liabilities	118	198
Equity of the Parent	**4,736**	**5,620**
Minority Interest	704	831
Total Liabilities	**13,394**	**14,020**

CCI Consolidated Cash Flow

(TL million)	Audited Year-End 2017	Audited Year-End 2018
Cash Flow from Operating Activities		
IBT Adjusted for Non-cash items	1,465	1,933
Interest Paid	(182)	(389)
Interest Received	94	216
Change in Tax Assets and Liabilities	(73)	(87)
Employee Termination Benefits, Vacation Pay, Management Bonus payments	(79)	(85)
Operating Cash Flow	**1,226**	**1,587**
Change in Operating Assets & Liabilities	3	1
Net Cash Provided by Operating Activities	**1,229**	**1,588**
Purchase of Property, Plant & Equipment	(499)	(858)
Free Cash Flow	**729**	**730**
Other Net Cash Provided by/(Used in) Investing Activities	8	27
Change in ST & LT Loans	1,649	(3,408)
Dividends paid (including non-controlling interest)	(74)	(230)
Cash Flow Hedge Reserve	(47)	122
Finance Lease Payables	5	(1)
Net Cash Provided by/(Used in) Financing Activities	1,533	(3,517)
Currency Translation on Cash & Cash Equivalents	180	1,107
Currency Translation on Intercompany Borrowings	31	245
Currency Translation Differences	(72)	(176)
Net Change in Cash & Cash Equivalents	**2,409**	**(1,585)**
Cash & Cash Equivalents at the beginning of the period	1,466	3,875
Cash & Cash Equivalents at the end of the period	**3,875**	**2,290**

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Company Profile

CCI is a multinational beverage company which operates in Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria and Tajikistan. As one of the key bottlers of the Coca-Cola system, CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company.

CCI employs close to 8500 people and has a total of 26 plants in 10 countries, offering a wide range of beverages to a consumer base of 400 million people. In addition to sparkling beverages, the product portfolio includes juices, waters, sports and energy drinks, teas and iced teas.

CCI's shares are traded on the Istanbul Stock Exchange (BIST) under the symbol "CCOLA.IS", and Eurobond is traded in the Irish Stock Exchange, under the symbol "CCOLAT":

Reuters: CCOLA.IS

Bloomberg: CCOLA.TI

Eurobond: CCOLAT

Special Note Regarding Forward-Looking Statements

This document contains forward-looking statements including, but not limited to, statements regarding Coca-Cola İçecek's (CCI) plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements can generally be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "target," "believe" or other words of similar meaning. These forward-looking statements reflect the current views and assumptions of management and are inherently subject to significant business, economic and other risks and uncertainties. Although management believes the expectations reflected in the forward-looking statements are reasonable, at this time, you should not place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from CCI's expectations include, without limitation: changes in CCI's relationship with The Coca-Cola Company and its exercise of its rights under our bottler's agreements; CCI's ability to maintain and improve its competitive position in its markets; CCI's ability to obtain raw materials and packaging materials at reasonable prices; changes in CCI's relationship with its significant shareholders; the level of demand for its products in its markets; fluctuations in the value of the Turkish Lira and currencies in CCI's other markets; the level of inflation in Turkey and CCI's other markets; other changes in the political or economic environment in Turkey or CCI's other markets; adverse weather conditions during the summer months; changes in the level of tourism in Turkey; CCI's ability to successfully implement its strategy; and other factors. Should any of these risks and uncertainties materialize, or should any of management's underlying assumptions prove to be incorrect, CCI's actual results from operations or financial conditions could differ materially from those described herein as anticipated, believed, estimated or expected. Forward-looking statements speak only as of the date of this press release and CCI has no obligation to update those statements to reflect changes that may occur after that date.