TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2014

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT
31 MARCH 2014

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Current Period*** ***Unaudited*** **31 March 2014**	***Prior Period*** ***Audited*** **31 December 2013**
ASSETS			
Current Assets		**293.717.849**	**278.022.394**
Cash and cash equivalents		64.090.747	53.750.789
Financial investments		167.199	167.199
Trade receivables		177.733.439	168.543.899
Other receivables		488.056	535.195
Inventories		46.892.445	48.937.272
Prepaid expenses		4.345.963	6.088.040
Non-current assets		**189.799.058**	**178.816.669**
Other receivables		70.438	65.095
Investment properties	4	1.786.349	1.813.616
Property, plant and equipment	5	179.096.503	168.319.544
Intangible assets	6	307.834	331.087
Deferred tax assets	9	7.981.992	7.677.943
Prepaid expenses		555.942	609.384
TOTAL ASSETS		**483.516.907**	**456.839.063**

The accompanying notes are integral part of these condensed consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT
31 MARCH 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Current Period*** ***Unaudited*** **31 March 2014**	***Prior Period*** ***Audited*** **31 December 2013**
LIABILITIES			
Current liabilities		**223.718.355**	**216.076.582**
Trade payables		46.278.600	50.657.371
- Due to related parties	3	912.153	1.189.090
- Other trade payables		45.366.447	49.468.281
Other payables		23.204.052	22.752.440
Deferred income		5.053.060	3.579.022
Current income tax liability	9	7.449.384	6.032.837
Short term provisions		48.451.442	50.628.585
-Provision for employee benefits		7.628.965	12.698.734
-Other short term provisions		40.822.477	37.929.851
Other current liabilities		93.281.817	82.426.327
Non-current liabilities		**7.671.386**	**7.459.526**
Long term provisions		7.671.386	7.459.526
- Provision for employee benefits		7.671.386	7.459.526
TOTAL LIABILITIES		**231.389.741**	**223.536.108**
EQUITY		**252.127.166**	**233.302.955**
Equity attributable to equity holders of the Group		**252.127.166**	**233.302.955**
Share capital	8	322.508.253	322.508.253
Adjustment to share capital	8	277.612.961	277.612.961
Share premium	8	153.768	153.768
Items that will not be reclassified to profit or loss		(823.187)	(773.509)
- Revaluation of defined employee benefit plans		(823.187)	(773.509)
Accumulated losses	8	(366.198.518)	(449.719.831)
Net profit for the period		18.873.889	83.521.313
TOTAL EQUITY AND LIABILITIES		**483.516.907**	**456.839.063**

The accompanying notes are integral part of these condensed consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 31 MARCH 2014

(Amounts expressed in TurkishLlira ("TL") unless otherwise indicated.)

	Notes	*Unaudited* *Current Period* **1 January- 31 March 2014**	***Restated(*)*** *Unaudited* *Prior Period* **1 January- 31 March 2013**
Statement of Profit or Loss			
Revenue		115.632.937	88.579.141
Cost of sales (-)		(53.753.814)	(41.638.303)
GROSS PROFIT		**61.879.123**	**46.940.838**
General administrative expenses (-)		(9.129.578)	(6.065.635)
Marketing, selling and distribution expenses (-)		(28.611.919)	(23.505.735)
Other income from operating activities		2.190.531	645.119
Other expenses from operating activities (-)		(3.769.222)	(1.157.033)
OPERATING PROFIT		**22.558.935**	**16.857.554**
Income from investing activities		2.112.074	555.663
Expense from investing activities (-)		-	(21.381)
OPERATING PROFIT BEFORE FINANCE EXPENSES		**24.671.009**	**17.391.836**
Finance expenses (-)		(654.411)	(1.026.458)
PROFIT BEFORE TAXES		**24.016.598**	**16.365.378**
Taxes on income		(5.142.709)	(3.403.176)
- Current tax expense (-)	9	(5.434.338)	(931.980)
- Deferred tax (expense)/ income	9	291.629	(2.471.196)
PROFIT FOR THE PERIOD		**18.873.889**	**12.962.202**
Allocation of profit for the period:		**18.873.889**	**12.962.202**
Non-controlling interests		-	-
Equity holders of the Group		18.873.889	12.962.202
		18.873.889	**12.962.202**
Earnings per share for net profit attributable to the equity holders of the parent company (Kr)	**10**	**0,06**	**0,04**
Other comprehensive income:			
Items that will not be reclassified to profit or loss		(49.678)	-
-Revaluation of defined employee benefit plans		(62.098)	-
-Deferred tax income		12.420	-
TOTAL COMPREHENSIVE INCOME		**18.824.211**	**12.962.202**
Allocation of comprehensive income:			
Non-controlling interests		-	-
Equity holders of the Group		18.824.211	12.962.202
		18.824.211	**12.962.202**

(*) Note 2.1.e

The accompanying notes are integral part of these condensed consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Unaudited:

					Items That Will Not Be Reclassified To Profit or Loss	***Accumulated Losses***		
	Share Capital	**Adjustment to Share Capital**	**Capital Advance**	**Share Premium**	**Revaluation of Defined Emp. Benefits**	**Accumulated Losses**	**Net Profit for the Period**	**Total Equity**
1 January 2014	**322.508.253**	**277.612.961**	**-**	**153.768**	**(773.509)**	**(449.719.831)**	**83.521.313**	**233.302.955**
Transfer	-	-	-	-	-	83.521.313	(83.521.313)	-
Total comprehensive income	-	-	-	-	(49.678)	-	18.873.889	18.824.211
31 March 2014	**322.508.253**	**277.612.961**	**-**	**153.768**	**(823.187)**	**(366.198.518)**	**18.873.889**	**252.127.166**
1 January 2013	**322.508.253**	**277.612.961**	**-**	**153.768**	**(780.546)**	**(490.985.352)**	**41.265.521**	**149.774.605**
Transfer	-	-	-	-	-	41.265.521	(41.265.521)	-
Total comprehensive income	-	-	-	-	-	-	12.962.202	12.962.202
31 March 2013	**322.508.253**	**277.612.961**	**-**	**153.768**	**(780.546)**	**(449.719.831)**	**12.962.202**	**162.736.807**

The accompanying notes are integral part of these condensed consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Unaudited* *Current Period* **1 January- 31 March 2014**	*Unaudited* *Prior Period* **1 January- 31 March 2013**
Cash flows provided from operating activities:			
Profit for the period		**18.873.889**	**12.962.202**
Adjustments to reconcile profit for the period:			
Depreciation and amortisation	4-5-6	9.403.375	7.329.014
Interest expense		-	63.401
Interest income		(1.596.930)	(212.580)
Tax expense		5.142.709	3.403.176
Rediscount interest expense (net)		518.585	182.953
Provision for doubtful receivables		841.996	468.501
Reversal of provision for doubtful receivables		(151.847)	(38.151)
Provision for employment termination benefits		320.618	782.933
Unused vacation pay obligation and other provisions		1.457.128	1.314.937
Gain on sales of property, plant and equipment (net)		(482.436)	(249.225)
Provision for excise duty		389.693	389.693
Provision for net realizable values adjustment of inventories (net)		166.549	140.104
Other provisions and accruals		2.502.933	34.689
		37.386.262	**26.571.647**
Changes in working capital:			
Increase in trade receivables		(10.450.489)	(8.950.634)
Decrease/ (increase) in inventories		1.878.278	(346.776)
Decrease/ (increase) in other receivables and prepaid expenses		2.168.125	(2.963.120)
Increase/ (decrease) in other payables, deferred income and other current liabilities		12.781.140	(6.398.150)
Decrease in trade payables		(4.326.556)	(1.262.343)
Cash flow from operating activities:			
Unused vacation obligation and other provisions paid		(6.526.897)	(3.819.851)
Employment termination benefits paid		(170.856)	(130.591)
Prepaid taxes		(4.017.791)	-
Net cash generated from operating activities		**28.721.216**	**2.700.182**
Cash flow from investing activities:			
Purchases of property, plant and equipment and intangible assets	5-6	(20.162.422)	(10.885.199)
Proceeds from sales of property, plant and equipment		515.044	376.526
Interest received		1.266.120	212.580
Net cash used in investing activities		**(18.381.258)**	**(10.296.093)**
Cash flow from financing activities:			
Proceeds from bank loans		-	67.740.299
Repayment of bank loans		-	(67.740.299)
Interest paid		-	(63.401)
Net cash used in financing activities		**-**	**(63.401)**
Increase/ (decrease) in cash and cash equivalents		**10.339.958**	**(7.659.312)**
Cash and cash equivalents at the beginning of the period		53.750.789	15.233.056
Cash and cash equivalents at the end of the period		**64.090.747**	**7.573.744**

The accompanying notes are integral part of these condensed consolidated financial statements.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Türk Tuborg Bira ve Malt Sanayii A.Ş. ("Türk Tuborg" or the "Company") was incorporated in İzmir in 1969. The Company is engaged in production, sales and distribution of beer and malt to the domestic and international markets.

The Company is registered in the Turkish Capital Markets Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange Market ("BIST") since 1989. As at 31 March 2014, the shares traded on BIST are 4,31% (2013: 4,31%) of the total shares. The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd ("IBBL") with a share of 95,69% (Note 8).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, ("Group") as at 31 March 2014 is 664 (2013: 630).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.
Kemalpaşa Caddesi No: 52
Işıkkent 35070
İzmir

Subsidiary

The details of the subsidiary of the Company is as follows:

	Listed entity	Nature of operations	Core business
Tuborg Pazarlama A.Ş.	No	Selling and distribution	Selling and distribution of beer

The Company sells almost all of the beer which it produces to its subsidiary, Tuborg Pazarlama A.Ş. ("Tuborg Pazarlama" or "Subsidiary"), in which it holds a share of 99,99% (2013: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

Approval of the consolidated financial statements for issue:

The consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 12 May 2014. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Declaration of conformity to Turkish Accounting Standards ("TAS")

The Company and its Turkish subsidiary maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué. In addition, financial statements and its notes are also presented in accordance with the model requirements as announced by the CMB's statement issued on 7 June 2013.

The Group has prepared its condensed consolidated financial statements ended 31 March 2014 in accordance with "Interim Financial Reporting Standard" (TAS 34).

The consolidated financial statements are based on historical cost convention and prepared in terms of Turkish Lira ("TL"). In determination of historical cost, fair value of the cash consideration of the payment is taken into account.

b) Presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is the parent Company's functional and presentation currency.

c) Adjustment of financial statements in hyperinflationary economies

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the Turkish Accounting Standards. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", has not been applied in the consolidated financial statements for the accounting year commencing from 1 January 2005.

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company;

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The details of the Company's subsidiary as at 31 March 2014 and 31 December 2013 are as follows:

Subsidiary	Location of incorporation	Participation rate (%)	Voting power (%)	Core business
Tuborg Pazarlama A.Ş.	Turkey	99,99%	99,99%	Selling and distribution of beer

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) Comparatives and restatement of prior year consolidated financial statements

In the current period, the Group has made the following reclassifications to the prior period condensed statement of profit or loss and other comprehensive income in order to comply with the formats announced by the CMB on 7 June 2013. The nature and amount of the classifications are explained below:

- "Interest income" amounting to TL 212.580 in 31 March 2013 that was originally presented under "Financial Income" in prior period condensed consolidated financial statement, have been reclassified under "Income From Investing Activities" in the current period.

- "Loss on sales of property, plant and equipment" amounting to TL 21.381 in 31 March 2013 that was originally presented under "Other Operating Expenses" in prior period condensed consolidated financial statement, have been reclassified under "Expense From Investing Activities" in the current period.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- "Gain from sales of property, plant and equipment" and "rent income" amounting to a total of TL 343.083 in 31 March 2013 that was originally presented under "Other Operating Income" in prior period condensed consolidated financial statement, have been reclassified under "Income From Investing Activities" in the current period.
- "Foreign Exchange Loss" and other financial expenses amounting to TL 506.044 in 31 March 2013 that was originally presented under "Financial Expenses" in prior period condensed consolidated financial statement, have been reclassified under "Other expenses from operating activities" in the current period.
- "Foreign Exchange gain" and other financial income amounting to TL 277.672 in 31 March 2013 that was originally presented under "Financial Income" in prior period condensed consolidated financial statement, have been reclassified under "Other income from operating activities" in the current period.

2.2 Amendments to Turkish Accounting Standards

2.2.1 New and Revised TASs affecting presentation and disclosure only

None.

2.2.2 New and Revised TASs affecting the reported financial performance and/ or financial position

None.

2.2.3 New and Revised TASs applied in 2014 with no material effect on the condesed consolidated financial statements

Amendments to TFRS 10, 11, TAS 27	*Investment Entities*[1]
Amendments to TAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to TAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to TAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*[1]
IFRIC 21	*Levies*[1]

[1] Effective for annual periods beginning on or after 1 January 2014.

2.2.4 New and Revised TFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	*Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Mandatory Effective Date of IFRS 9 and Transition Disclosures*
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Annual Improvements to 2010-2012 Cycle	*IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24* [1]
Annual Improvements to 2011-2013 Cycle	*IFRS 1, IFRS 3, IFRS 13, IAS 40* [1]
IFRS 14	*Regulatory Deferral Accounts* [2]

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 1 January - 31 December 2013. The condensed consolidated financial statements for the period between 1 January - 31 March 2014 should be read in conjunction with the annual consolidated financial statements for the year ended1 January - 31 December 2013.

The Group is not subject to seasonality or cyclicality of interim operations that might have a significant effect on condensed consolidated financial statements.

NOTE 3 - RELATED PARTY DISCLOSURES

a) Due from related parties:

TL 358.747 (31 December 2013: None).

b) Due to related parties:

	31 March 2014	31 December 2013
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	912.007	1.188.944
Other	146	146
	912.153	**1.189.090**

c) Product and service sales:

TL 452.348 (1 January - 31 March 2013: TL 106.770).

d) Product and service purchases:

	1 January- 31 March 2014	1 January- 31 March 2013
Desa Enerji	2.172.999	2.277.275
Other	26.795	250.845
	2.199.794	**2.528.120**

The Group purchases electricity and hot water from Desa Enerji.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

e) Key management compensation:

Key management includes general manager, assistant general managers and directors. The compensation paid or payable to key management for employee service is shown below:

	1 January- 31 March 2014	**1 January - 31 March 2013**
Short-term employee benefits	1.696.037	1.322.502
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	290.245	236.201
	1.986.282	**1.558.703**

NOTE 4 - INVESTMENT PROPERTIES

	1 January 2014	**Additions**	**Disposals**	**Transfers**	**31 March 2014**
Buildings and land improvements:					
Cost	3.297.370	-	-	-	3.297.370
Accumulated depreciation	(1.483.754)	(27.267)	-	-	(1.511.021)
Net book value	**1.813.616**				**1.786.349**

	1 January 2013	**Additions**	**Disposals**	**Transfers**	**31 March 2013**
Buildings and land improvements:					
Cost	2.368.069	-	-	-	2.368.069
Accumulated depreciation	(832.603)	(15.651)	-	-	(848.254)
Net book value	**1.535.466**				**1.519.815**

Total rental income from the investment property amounts to TL 32.708 between 1 January- 31 March 2014 (1 January- 31 March 2013: TL 72.477).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 31 March 2014 were as follows:

	1 January 2014 Opening	Additions	Disposals	Transfers	31 March 2014 Closing
Cost:					
Land	1.633.957	-	-	-	1.633.957
Buildings and land improvements	77.447.417	7.235	-	-	77.454.652
Machinery and equipment	297.879.109	11.423	-	18.877.793	316.768.325
Furniture and fixtures and returnable bottles and crates	196.800.531	12.768.728	(5.013.037)	1.008.181	205.564.403
Motor vehicles	3.494.060	809.393	-	-	4.303.453
Construction in progress	24.653.368	6.529.376	-	(19.885.974)	11.296.770
	601.908.442	**20.126.155**	**(5.013.037)**	**-**	**617.021.560**
Accumulated depreciation:					
Buildings and land improvements	(54.627.495)	(551.339)	-	-	(55.178.834)
Machinery and equipment	(251.181.442)	(1.758.843)	-	-	(252.940.285)
Furniture and fixtures and returnable bottles and crates	(125.879.060)	(6.897.802)	4.980.429	-	(127.796.433)
Motor vehicles	(1.900.901)	(108.604)	-	-	(2.009.505)
	(433.588.898)	**(9.316.588)**	**4.980.429**	**-**	**(437.925.057)**
Net book value	**168.319.544**				**179.096.503**

Movements of property, plant and equipment between 1 January and 31 March 2013 were as follows:

	1 January 2013 Opening	Additions	Disposals	Transfers	31 March 2013 Closing
Cost:					
Land	1.762.446	-	-	-	1.762.446
Buildings and land improvements	77.307.715	-	-	-	77.307.715
Machinery and equipment	290.250.361	19.665	-	-	290.270.026
Furniture and fixtures and returnable bottles and crates	162.214.940	10.310.739	(3.106.334)	84.948	169.504.293
Motor vehicles	3.162.668	85.912	-	-	3.248.580
Construction in progress	2.687.438	468.883	(8.000)	(84.948)	3.063.373
	537.385.568	**10.885.199**	**(3.114.334)**	**-**	**545.156.433**
Accumulated depreciation:					
Buildings and land improvements	(53.028.049)	(540.796)	-	-	(53.568.845)
Machinery and equipment	(245.439.212)	(1.419.453)	-	-	(246.858.665)
Furniture and fixtures and returnable bottles and crates	(106.364.510)	(5.134.194)	2.987.033	-	(108.511.671)
Motor vehicles	(1.640.805)	(79.750)	-	-	(1.720.555)
	(406.472.576)	**(7.174.193)**	**2.987.033**	**-**	**(410.659.736)**
Net book value	**130.912.992**				**134.496.697**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Current year depreciation and amortisation expenses of TL 6.721.855 (1 January- 31 March 2013: TL 4.650.897) have been charged to cost of production, TL 2.452.835 (1 January- 31 March 2013: TL 2.460.903) to marketing, selling and distribution costs and TL 228.685 (1 January- 31 March 2013: 217.214) to general administrative expenses.

Net book value of returnable bottles and crates classified under "Furniture and fixtures and returnable bottles and crates" amounts to TL 45.980.036 at 31 March 2014 (31 December 2013: TL 38.595.222).

Net book value of financial leased assets:

	Machinery and equipment	Total
31 March 2014	7.607	**7.607**
31 December 2013	30.611	**30.611**

The Group does not have any financial leasing liability as of 31 March 2014 (31 December 2013: None).

NOTE 6 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods ended 31 March 2014 and 2013 were as follows:

	1 January 2014 Opening	Additions	Disposals	Transfers	31 March 2014 Closing
Rights	10.214.704	36.267	-	-	10.250.971
Accumulated amortisation	(9.883.617)	(59.520)	-	-	(9.943.137)
Net book value	**331.087**				**307.834**

	1 January 2013 Opening	Additions	Disposals	Transfers	31 March 2013 Closing
Rights	10.186.788	-	-	-	10.186.788
Accumulated amortisation	(9.443.744)	(139.170)	-	-	(9.582.914)
Net book value	**743.044**				**603.874**

Rights are mainly composed of computer software. There were not any internally generated intangible assets.

NOTE 7 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Based on the tax inspection reports related to the financial periods of 2008 and 2009, it was claimed in 2013 that the capital advances, which were paid in cash to the Company's bank account by the Company's former majority shareholder and then added to paid-in capital account during the capital increase process in 2012, should have been treated as payables until it is added to paid-in capital; based on such so-called payable, even if no interest charge was calculated, VAT on the imputed cost of such interest should have been taken into consideration. As a result, tax office has notified a tax principal of TL 3.9 million for VAT and TL 5.8 million tax fine amounting to a total of TL 9.7 million. Considering that these capital advances were added to the paid-in capital in 2012 and that recent similar tax assessments made by the tax authorities were later decided in favour of companies at the exercise of jurisdiction, the Group management evaluated that the future outflow of resources from the Company is not probable and concluded that any situation requiring a provision to be provided to consolidated financial statements has not arisen. The Company is initiating all legal processes against such tax assessment and the legal process is continuing as of the date of the approval of the Group's condensed consolidated financial statements.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)

The Group has filed legal actions for the cancellation and return of the excise tax and value added tax which was paid previously for the period of June-December 2004, the period of February-May 2005, the period of June-August 2005, August 26-31, 2005, September 2005, December 23-31, 2005, January 2006, and February 1-13, 2006. 20 of those legal actions filed for the cancellation and return of the excise tax and VAT were concluded against Türk Tuborg while the jurisdiction is continued for the others. As at 31 March 2014, the total value of legal actions is amounted to TL 109.741.203 (31 December 2013: TL 109.741.203) in relation to those legal actions not finalised yet.

As at 31 March 2014, the Group has bank letters of guarantee given amounting to TL 6.649.679 (31 December 2013: TL 6.115.953). The schedule for guarantee, pledge and mortgage ("GPM") given by the Group is as follows:

	31 March 2014	31 December 2013
A. Total value of GPM provided in favour of the Company itself	6.649.679	6.115.953
i. TL	6.649.679	6.115.953
ii. Euro	-	-
B. Total value of GPM provided in favour of the subsidiary	78.153.153	78.153.153
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	84.802.832	**84.269.106**

The ratio of total value of other GPM to equity is 0% at 31 March 2014 (31 December 2013: 0%).

NOTE 8 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of 1 TL. The Company's historical authorized registered share capital at 31 March 2014 and 31 December 2013 is as follows:

	31 March 2014	31 December 2013
Registered share capital (historical values)	500.000.000	500.000.000
Share capital with a nominal value	322.508.253	322.508.253

The compositions of the Company's share capital at 31 March 2014 and 31 December 2013 were as follows:

	31 March 2014		31 December 2013	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd	308.597.141	95,69	308.597.141	95,69
Public quotation	13.911.112	4,31	13.911.112	4,31
	322.508.253		**322.508.253**	

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES (Continued)

There are 32.250.825.300 (31 December 2013: 32.250.825.300) units of shares with a face value of 0,01 TL each at 31 March 2014. There are no privileged stocks.

	Historical value	Restated value	Adjustment to share capital
Share capital	322.508.253	600.121.214	277.612.961

b) Restricted reserves:

	31 March 2014	31 December 2013
Share premium	153.768	153.768
Adjustment to share capital	277.612.961	277.612.961
	277.766.729	**277.766.729**

The Company does not have any legal reserve in statutory financial statements at 31 March 2014, which is subject to profit distribution.

The legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital.

Other equity items shall be carried at the amounts in accordance with the Turkish Accounting Standards.

c) Accumulated losses:

As at 31 March 2014, accumulated losses in condensed consolidated balance sheet of the Group prepared in accordance with Turkish Accounting Standards amount to TL 366.198.518 (31 December 2013: TL 449.719.831).

NOTE 9- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current income tax liability:

	31 March 2014	31 December 2013
Provision for corporate tax expense	21.233.342	15.799.004
Less: Prepaid taxes	(13.783.958)	(9.766.167)
Current income tax liability	**7.449.384**	**6.032.837**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Corporation tax is payable at a rate of 20% (2013: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed. Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2013: 20%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to examine tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (2013: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No:193 with the effect of Article 5 of Law No:6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carryforward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

The additional paragraph to Provisional Article 69 included in accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/9 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

Taxation on income for the period ended 31 March 2014 and 2013 is as follows:

	1 January- 31 March 2014	**1 January - 31 March 2013**
Current corporate tax expense	(5.434.338)	(931.980)
Deferred tax income/ (expense)	291.629	(2.471.196)
	(5.142.709)	**(3.403.176)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Reconciliation of the taxation on income for the period ended 31 March 2014 and 2013 is as follows:

	1 January- 31 March 2014	1 January - 31 March 2013
Income before tax	**24.016.598**	**16.365.378**
Tax calculated at tax rates applicable	(4.803.320)	(3.273.076)
Expenses not deductible for tax purposes	(2.212.176)	(538.722)
Exemptions	160.356	-
Other adjustments not subject to tax	1.712.431	408.622
Tax expense	**(5.142.709)**	**(3.403.176)**

<u>Deferred taxes:</u>

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the consolidated financial statements and the statutory tax financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate of 20% (31 December 2013: 20%).

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not net off against subsidiaries that have deferred tax liabilities position and disclosed separately.

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 31 March 2014 and 31 December 2013, using enacted tax rates at the balance sheet dates, was as follows:

	31 March 2014		31 December 2013	
	Cumulative temporary differences	Deferred tax (liability)/ asset	Cumulative temporary differences	Deferred tax (liability)/ asset
Property, plant and equipment and intangible fixed assets	731.491	(190.842)	(20.084)	(40.528)
Inventory	(1.227.101)	245.420	(1.432.620)	286.524
Provision for employment termination benefits	(7.671.386)	1.535.684	(7.459.526)	1.491.905
Provision for vacation pay obligation and other provisions	(7.628.965)	1.525.793	(12.698.734)	2.539.746
Investment allowance	(16.558.626)	33.117	(14.839.203)	29.678
Provision for impairment of financial invesments	(3.462.874)	692.575	(3.462.874)	692.575
Provision for doubtful receivables	(8.856.305)	1.771.261	(8.640.790)	1.728.158
Other	(11.844.920)	2.368.984	(4.749.426)	949.885
		7.981.992		**7.677.943**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Movement of deferred tax assets for periods ended 31 March 2014 and 2013 are as follows:

	2014	**2013**
1 January	**7.677.943**	**10.365.610**
Profit or loss effect	291.629	(2.471.196)
Other comprehensive income effect	12.420	-
31 March	**7.981.992**	**7.894.414**

NOTE 10 - EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit for the current period by the weighted average number of ordinary shares in issue during the year.

	1 January- 31 March 2014	**1 January - 31 March 2013**
Net profit for the period	18.873.889	12.962.202
Weighted number of ordinary shares	32.250.825.300	32.250.825.300
Gain per share with a 0,01 TL face value	**0,06**	**0,04**

There are no differences between basic and diluted gain per share for the periods ended 31 March.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	31 March 2014				**31 December 2013**			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	2.215.777	929.466	60.000	-	4.027.640	1.678.039	151.950	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	11.256.131	5.093.041	33.779	1.810	238.760	104.008	3.240	7.261
2b. Non-Monetary Financial Assets	1.700.353	8.390	302.230	773.115	3.780.083	169.493	1.162.810	3.743
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**15.172.261**	**6.030.897**	**396.009**	**774.925**	**8.046.483**	**1.951.540**	**1.318.000**	**11.004**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	553.914	-	184.196	-	588.043	-	200.253	-
7. Other	1.112	508	-	-	3.246	1.521	-	-
8. Non-Current Assets (5+6+7)	**555.026**	**508**	**184.196**	**-**	**591.289**	**1.521**	**200.253**	**-**
9. Total Assets (4+8)	**15.727.287**	**6.031.405**	**580.205**	**774.925**	**8.637.772**	**1.953.061**	**1.518.253**	**11.004**
10. Trade Payables	(5.619.659)	(458.951)	(1.524.695)	(29.585)	(8.070.869)	(775.006)	(2.093.627)	(268.838)
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	(5.053.060)	(2.307.544)	-	-	(3.579.023)	(1.676.907)	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	(52.410)	(24.556)	-	-
13. Short Term Liabilities (10+11+12)	**(10.672.719)**	**(2.766.495)**	**(1.524.695)**	**(29.585)**	**(11.702.302)**	**(2.476.469)**	**(2.093.627)**	**(268.838)**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
18. Total Liabilities (13+17)	**(10.672.719)**	**(2.766.495)**	**(1.524.695)**	**(29.585)**	**(11.702.302)**	**(2.476.469)**	**(2.093.627)**	**(268.838)**
19. Net Asset/(Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9-18+19)	**5.054.568**	**3.264.910**	**(944.490)**	**745.340**	**(3.064.530)**	**(523.408)**	**(575.374)**	**(257.834)**
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	**2.799.189**	**3.256.012**	**(1.430.916)**	**(27.775)**	**(7.383.492)**	**(669.866)**	**(1.938.437)**	**(261.577)**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-
23. Amount of foreign currency denominated assets hedged	-	-	-	-	-	-	-	-
24. Amount of foreign currency denominated liabilities hedged	-	-	-	-	-	-	-	-

NOTE 11 - FOREIGN CURRENCY POSITION (Continued)

31 March 2014:	**Profit/ Loss**	
	Appreciation of foreign currency	**Depreciation of foreign currency**
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	713.002	(713.002)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	**713.002**	**(713.002)**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(430.305)	430.305
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	**(430.305)**	**430.305**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	(2.778)	2.778
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	**(2.778)**	**2.778**
TOTAL (3+6+9)	**279.919**	**(279.919)**

31 December 2013:	**Profit/ Loss**	
	Appreciation of foreign currency	**Depreciation of foreign currency**
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	(142.970)	142.970
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	**(142.970)**	**142.970**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(569.222)	569.222
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	**(569.222)**	**569.222**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	(26.157)	26.157
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	**(26.157)**	**26.157**
TOTAL (3+6+9)	**(738.349)**	**738.349**

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