

**CONVENIENCE TRANSLATION OF CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.  
AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2018**

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2018

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**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY****CONDENSED CONSOLIDATED FINANCIAL POSITION AT 31 MARCH 2018***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Current Period Unaudited 31 March 2018</i>	<i>Prior Period Audited 31 December 2017</i>
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Current assets</b>		<b>1.089.326</b>	<b>1.137.565</b>
Cash and cash equivalents		217.265	344.292
Financial investments		258.919	248.003
- Financial assets at fair value through profit or loss	11	258.752	247.836
- Financial assets available for sale	11	167	167
Trade receivables		447.381	433.209
- Due from related parties	3	83	135
- Due from third parties		447.298	433.074
Other receivables		6.556	761
- Due from third parties		6.556	761
Inventories		145.268	102.231
Prepaid expenses		13.937	9.069
- Prepaid expenses from third parties		13.937	9.069
<b>Non-current assets</b>		<b>611.696</b>	<b>523.875</b>
Other receivables		121	171
- Due from third parties		121	171
Investment properties	4	1.411	1.439
Property, plant and equipment	5	493.512	430.123
- Land		1.755	1.755
- Land improvements		5.422	5.474
- Buildings		38.184	37.668
- Plant, machinery and equipment		175.206	177.920
- Motor vehicles		8.746	8.491
- Furniture and fixtures		182.882	167.033
- Construction in progress		81.317	31.782
Intangible assets	6	5.703	6.454
- Other rights		5.703	6.454
Deferred tax assets	9	18.569	17.673
Prepaid expenses		92.380	68.015
- Prepaid expenses from third parties		92.380	68.015
<b>TOTAL ASSETS</b>		<b>1.701.022</b>	<b>1.661.440</b>

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

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY****CONDENSED CONSOLIDATED FINANCIAL POSITION AT 31 MARCH 2018***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<b><i>Current Period Unaudited 31 March 2018</i></b>	<b><i>Prior Period Audited 31 December 2017</i></b>
	<b>Notes</b>		
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>572.311</b>	<b>595.704</b>
Trade payables		150.001	166.378
- Due to related parties	3	2.545	3.742
- Due to third parties		147.456	162.636
Other payables		35.258	37.161
- Due to third parties		35.258	37.161
Deferred income		234	404
- Deferred income due to third parties		234	404
Current income tax liability	9	17.940	21.401
Short term provisions		90.363	98.478
- Provision for employee benefits		20.916	38.737
- Other short term provisions		69.447	59.741
Other current liabilities		278.515	271.882
- Current liabilities due to third parties		278.515	271.882
<b>Non-current liabilities</b>		<b>31.020</b>	<b>28.256</b>
Long term provisions		16.681	15.952
- Provision for employee benefits		16.681	15.952
Deferred tax liability	9	14.339	12.304
<b>TOTAL LIABILITIES</b>		<b>603.331</b>	<b>623.960</b>
<b>EQUITY</b>		<b>1.097.691</b>	<b>1.037.480</b>
<b>Equity attributable to equity holders of the Group</b>		<b>1.097.691</b>	<b>1.037.480</b>
Share capital	8	322.508	322.508
Adjustment to share capital	8	277.613	277.613
Share premium (discount)	8	154	154
Items that will not be reclassified to profits (losses)		(3.114)	(2.714)
- Revaluation of defined employee benefits (losses) plans		(3.114)	(2.714)
Restricted reserves appropriated from profits		877	877
- Legal reserves	8	877	877
Accumulated profits or losses	8	439.042	131.266
Net profit or loss for the period		60.611	307.776
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.701.022</b>	<b>1.661.440</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY- 31 MARCH 2018

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

Notes	Current Period <i>Unaudited</i> 1 January- 31 March 2018	Prior Period <i>Unaudited</i> 1 January- 31 March 2017
<b>Profit or Loss</b>		
Revenue	284.912	227.715
Cost of sales	(128.611)	(99.855)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>	<b>156.301</b>	<b>127.860</b>
<b>GROSS PROFIT (LOSS)</b>	<b>156.301</b>	<b>127.860</b>
General administrative expenses	(18.215)	(11.573)
Marketing, selling and distribution expenses	(78.717)	(59.615)
Other income from operating activities	6.975	4.355
Other expense from operating activities	(6.903)	(7.449)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>59.441</b>	<b>53.578</b>
Income from investing activities	26.330	30.988
Expense from investing activities	(1.994)	(15.649)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)</b>	<b>83.777</b>	<b>68.917</b>
Finance expenses	(2.966)	(2.662)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>	<b>80.811</b>	<b>66.255</b>
Tax (expense) income, continuing operations	(20.200)	(9.977)
- Current period tax (expense) income	9 (18.961)	(5.726)
- Deferred tax (expense) income	9 (1.239)	(4.251)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>60.611</b>	<b>56.278</b>
<b>PROFIT (LOSS)</b>	<b>60.611</b>	<b>56.278</b>
<b>Profit (loss), attributable to</b>		
Non-controlling interests	-	-
Equity holders of the Group	60.611	56.278
	<b>60.611</b>	<b>56.278</b>
<b>Earnings per share for net profit attributable to the equity holders of the parent company (full TL)</b>	<b>10 0,19</b>	<b>0,17</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or (loss)	<b>(400)</b>	<b>(41)</b>
- Gains (losses) on remeasurements of defined benefit plans	(500)	(51)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	100	10
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	100	10
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(400)</b>	<b>(41)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>60.211</b>	<b>56.237</b>
<b>Allocation of comprehensive income:</b>		
Non-controlling interests	-	-
Equity holders of the Group	60.211	56.237
	<b>60.211</b>	<b>56.237</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY- 31 MARCH 2018

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

<i>Unaudited</i>	Share Capital	Adjustment to Share Capital	Share Premium /(Discounts)	Items That Will Not Be Reclassified To Profit or Loss	Restricted Reserves	Accumulated Profits/ Losses		Equity Holders of the Group	Total Equity
				Revaluation of Defined Emp. Benefits/(Losses)		Accumulated Profits/ (Losses)	Net Profit/(Loss) for the Period		
<b>Prior Period</b>									
<b>1 January –31 March 2017</b>									
<b>Balances at beginning</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(1.679)</b>	<b>-</b>	<b>(88.445)</b>	<b>236.890</b>	<b>747.041</b>	<b>747.041</b>
Transfers	-	-	-	-	-	236.890	(236.890)	-	-
Total comprehensive income (loss)	-	-	-	(41)	-	-	56.278	56.237	56.237
- Profit (loss) for the period	-	-	-	-	-	-	56.278	56.278	56.278
- Other comprehensive income (loss)	-	-	-	(41)	-	-	-	(41)	(41)
<b>Balances at closing</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(1.720)</b>	<b>-</b>	<b>148.445</b>	<b>56.278</b>	<b>803.278</b>	<b>803.278</b>
<b>Unaudited</b>									
<b>Current Period</b>									
<b>1 January – 31 March 2018</b>									
<b>Balances at beginning</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(2.714)</b>	<b>877</b>	<b>131.266</b>	<b>307.776</b>	<b>1.037.480</b>	<b>1.037.480</b>
Transfers	-	-	-	-	-	307.776	(307.776)	-	-
Total comprehensive income (loss)	-	-	-	(400)	-	-	60.611	60.211	60.211
- Profit (loss) for the period	-	-	-	-	-	-	60.611	60.611	60.611
- Other comprehensive income (loss)	-	-	-	(400)	-	-	-	(400)	(400)
<b>Balances at closing</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(3.114)</b>	<b>877</b>	<b>439.042</b>	<b>60.611</b>	<b>1.097.691</b>	<b>1.097.691</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY- 31 MARCH 2018

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

Notes	Current Period <i>Unaudited</i> 1 January- 31 March 2018	Prior Period <i>Unaudited</i> 1 January- 31 March 2017
<b>Cash Flows Provided From Operating Activities:</b>		
Profit (Loss) for the period	<b>60.611</b>	<b>56.278</b>
- Profit (Loss) for the period from continuing operations	60.611	56.278
<b>Adjustments to Reconcile Net Profit (Loss) For The Period:</b>		
Adjustments for depreciation and amortisation expense	27.526	20.427
Adjustments for impairment loss (reversal)	1.813	349
Adjustments for impairment loss (reversal) of receivables	1.866	1.469
Adjustments for impairment loss (reversal) of inventory	(53)	(1.120)
Adjustments for provisions	15.839	10.836
Adjustments for (reversal of) provision related to employee benefits	6.133	5.659
Adjustments for (reversal of) provision related with legal case	390	389
Adjustments for (reversal of) other provisions	9.316	4.788
Adjustments for interest (income) expenses	(8.484)	(7.094)
Adjustments for interest income	(8.949)	(7.717)
Unearned finance income due to sales	316	1.223
Unincurred finance expense due to purchases	149	(600)
Adjustments for fair value losses (gains)	959	(104)
Adjustments for fair value losses (gains) of financial assets	959	(104)
Adjustments for taxation (income) expense	20.200	9.977
Adjustments for losses (gains) on sale of fixed assets	(322)	(386)
Adjustments for losses (gains) on sale of tangible assets	(322)	(386)
Adjustments for unrealised foreign exchange losses (gains)	(15.756)	(7.107)
<b>Changes in Working Capital:</b>		
Adjustments for decrease (increase) in trade receivables	(16.187)	(18.731)
Decrease (increase) in trade receivables from related party	52	(5)
Decrease (increase) in trade receivables from third party	(16.239)	(18.726)
Adjustments for decrease (increase) in other receivables	(5.745)	595
Decrease (increase) in other receivables from third party	(5.745)	595
Adjustments for decrease (increase) in inventories	(42.984)	(5.630)
Decrease (increase) in prepaid expenses	(29.233)	37
Adjustments for increase (decrease) in trade payables	(16.693)	(16.218)
Increase (decrease) in trade payables to related parties	(1.197)	(427)
Increase (decrease) in trade payables to third party	(15.496)	(15.791)
Adjustments for increase (decrease) in other payables	(1.903)	955
Increase (decrease) in other receivables from third party	(1.903)	955
Increase (decrease) in deferred income	(170)	262
Adjustments for increase (decrease) in working capital	6.633	(17.908)
Increase (decrease) in other liabilities	6.633	(17.908)
	<b>(3.896)</b>	<b>26.538</b>
Provisions paid related to employee benefits	(23.725)	(20.494)
Income taxes return (paid)	(22.422)	(16.989)
<b>Net Cash Used In Operating Activities</b>	<b>(50.043)</b>	<b>(10.945)</b>

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

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 1 JANUARY- 31 MARCH 2018***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

	<b>Notes</b>	<b>Current Period Unaudited 1 January- 31 March 2018</b>	<b>Prior Period Unaudited 1 January- 31 March 2017</b>
<b>Cash Flow From Investing Activities:</b>			
Cash inflow from sale of tangible and intangible assets		1.035	484
Cash inflow from sale of tangible assets		945	484
Cash inflow from sale of intangible assets		90	-
Cash outflow from purchase of tangible and intangible assets		(90.849)	(50.309)
Cash outflow from purchase of tangible assets	5	(90.743)	(50.183)
Cash outflow from purchase of intangible assets	6	(106)	(126)
Interest received		8.949	7.717
Cash inflow from sale of equity or debt instruments of other companies	11	115.967	54.671
Cash outflow from acquisition of equity or debt instruments of other companies	11	(116.248)	(103.683)
<b>Net Cash Used In Investing Activities</b>		<b>(81.146)</b>	<b>(91.120)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents Before Currency Translation Differences</b>		<b>(131.189)</b>	<b>(102.065)</b>
Effect of currency translation differences on cash and cash equivalents		4.162	3.090
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>		<b>(127.027)</b>	<b>(98.975)</b>
Cash and cash equivalents at the beginning of the period		344.292	297.196
<b>Cash and Cash Equivalents at the end of the Period</b>		<b>217.265</b>	<b>198.221</b>

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



# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

(Amounts expressed in thousands of 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 2018, the shares traded on BIST are 4,31% (31 December 2017: 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 2018 is 1.298 (31 December 2017: 1.211).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.  
Kemalpaşa Caddesi No: 258  
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% (31 December 2017: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

#### Approval of the condensed consolidated financial statements for issue:

The condensed 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 10 May 2018. The General Assembly of the Company and/or governmental authorities are entitled to modify the condensed consolidated financial statements as enclosed herein.

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

#### 2.1 Basis of presentation

##### a) Declaration of conformity to Turkish Accounting Standards (“TAS”)

The accompanying consolidated 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/ Turkey Financial Reporting Standards (“TAS”/ “TFRS”) and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“KGK”) under Article 5 of the Communiqué.

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018 *(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)*

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

Condensed consolidated 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 and 15 July 2016.

In compliance with the TAS 34, entities have preference in presenting their consolidated interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed format.

Group’s condensed interim financial statements do not include all disclosure and notes that should be included at year end financial statements. Therefore the condensed interim financial statements should be examined together with the financial statements of 31 December 2017.

The Group and its subsidiary operating in Turkey maintains its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code(“TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The condensed consolidated financial statements, except for financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL.

#### **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 condensed 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 condensed 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:

- 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.



## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The details of the Company’s subsidiary as at 31 March 2018 and 31 December 2017 are as follows:

<u>Subsidiary</u>	<u>Location of incorporation</u>	<u>Participation rate (%)</u>	<u>Voting power (%)</u>	<u>Core business</u>
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 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.

Non controlling interests are not separately reported in the materiality principle of the accounting.

#### e) Comparatives and restatement of prior year consolidated financial statements

In order to allow the determination of the financial position and performance of the Group's consolidated financial statements are prepared in comparison with the previous period. When it is necessary, comparative figures are reclassified to comply with the presentation of the consolidated financial statements for the period and significant differences are disclosed.

#### **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.

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

##### 2.2.3 Standards, amendments and interpretations applicable as at 31 March 2018:

TFRS 9	<i>Financial instruments</i> <sup>1</sup>
TFRS 15	<i>Revenue from contracts with customers</i> <sup>1</sup>
Amendments to TFRS 15	<i>Revenue from contracts with customers</i> <sup>1</sup>
Amendments to TFRS 4	<i>Insurance contracts</i> <sup>1</sup>
Annual improvements 2014-2016	<i>TFRS 1, TFRS 7, TFRS 10, TAS 19, TAS 28</i> <sup>1</sup>
Amendments to TAS 40	<i>Investment property</i> <sup>1</sup>
Amendments to TFRS 2	<i>Share based payments</i> <sup>1</sup>
IFRIC 22	<i>Foreign currency transactions and advance consideration</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

##### 2.2.4 Standards, amendments and interpretations that are issued but not effective as at 31 March 2018:

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

TAS 19	<i>Employee benefits</i> <sup>1</sup>
Amendments to TFRS 9	<i>Financial instruments</i> <sup>1</sup>
Amendments to TAS 28	<i>Investments in associates and joint venture</i> <sup>1</sup>
TFRS 17	<i>Insurance contracts</i> <sup>2</sup>
TFRS 16	<i>Leases</i> <sup>1</sup>
Annual improvements 2015-2017	<i>TFRS 3, TFRS 11, TAS 12, TAS 23</i> <sup>1</sup>
IFRIC 23	<i>Uncertainty over income tax treatments</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

The Group will consider the effects of the aforementioned changes to the Group’s operations and apply if necessary. The effects of the above mentioned changes in standards and comments are being evaluated.

#### 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 2017. The condensed consolidated financial statements for the period between 1 January - 31 March 2018 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2017.

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

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### NOTE 3 - RELATED PARTY DISCLOSURES

#### a) Due from related parties:

TL 83 (31 December 2017: TL 135).

#### b) Due to related parties:

	31 March 2018	31 December 2017
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	1.530	1.235
United Romanian Breweries Bereprod S.R.L. (“URBB”)	968	2.484
Other	47	23
	<b>2.545</b>	<b>3.742</b>

#### c) Product and service sales:

TL 79 (1 January - 31 March 2017: None).

#### d) Product and service purchases:

	1 January- 31 March 2018	1 January- 31 March 2017
Desa Enerji	4.171	3.069
URBB	2.416	328
Other	13	-
	<b>6.600</b>	<b>3.397</b>

The Group purchases electricity and hot water from Desa Enerji.

#### 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 2018	1 January - 31 March 2017
Short-term employee benefits	2.600	2.564
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	19	20
	<b>2.619</b>	<b>2.584</b>

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

### NOTE 4 - INVESTMENT PROPERTIES

	1 January 2018	Additions	Disposals	Transfers	31 March 2018
<u>Buildings and land improvements:</u>					
Cost	3.445	-	-	-	3.445
Accumulated depreciation	(2.006)	(28)	-	-	(2.034)
<b>Net book value</b>	<b>1.439</b>				<b>1.411</b>

	1 January 2017	Additions	Disposals	Transfers	31 March 2017
<u>Buildings and land improvements:</u>					
Cost	3.445	-	-	-	3.445
Accumulated depreciation	(1.892)	(29)	-	-	(1.921)
<b>Net book value</b>	<b>1.553</b>				<b>1.524</b>

Total rental income from the investment property amounts to TL 46 between 1 January- 31 March 2018 (1 January- 31 March 2017: TL 25). There are no operating expenses arising from the investment property.

As at 31 March 2018, the fair value of Group’s investment properties, of which is carried at cost less accumulated depreciation, have been arrived at on the basis of valuations carried out on 13 May 2016 for the commercial property unit located in İzmir and 20 May 2016 for the commercial property unit located in Ankara by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş..

Details of the Group’s investment properties and information about the fair value hierarchy as at 31 March 2018 are as follows:

		<u>Fair values as at 31 March 2018</u>			
		31 March 2018	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property	unit				
located in Ankara		4.220	-	4.220	-
Commercial property	unit				
located in İzmir		2.350	-	2.350	-

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

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### NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January - 31 March 2018 were as follows:

	1 January 2018	Additions	Disposals	Transfers(*)	31 March 2018
<b>Cost:</b>					
Land	1.755	-	-	-	1.755
Land improvements	15.408	13	-	-	15.421
Buildings	95.807	35	-	1.388	97.230
Plant, machinery and equipment	472.683	-	(6.139)	1.255	467.799
Furniture and fixtures	376.198	34.374	(2.183)	3.296	411.685
Motor vehicles	12.503	672	-	-	13.175
Construction in progress	31.782	55.649	-	(6.114)	81.317
	<b>1.006.136</b>	<b>90.743</b>	<b>(8.322)</b>	<b>(175)</b>	<b>1.088.382</b>
<b>Accumulated depreciation:</b>					
Land improvements	(9.934)	(65)	-	-	(9.999)
Buildings	(58.139)	(907)	-	-	(59.046)
Plant, machinery and equipment	(294.763)	(3.969)	6.139	-	(292.593)
Furniture and fixtures	(209.165)	(21.198)	1.560	-	(228.803)
Motor vehicles	(4.012)	(417)	-	-	(4.429)
	<b>(576.013)</b>	<b>(26.556)</b>	<b>7.699</b>	<b>-</b>	<b>(594.870)</b>
<b>Net book value</b>	<b>430.123</b>				<b>493.512</b>

(\*) Note 6.

Movements of property, plant and equipment between 1 January - 31 March 2017 were as follows:

	1 January 2017	Additions	Disposals	Transfers	31 March 2017
<b>Cost:</b>					
Land	1.755	-	-	-	1.755
Land improvements	13.686	-	-	-	13.686
Buildings	85.696	-	-	2.522	88.218
Plant, machinery and equipment	409.292	1.648	-	635	411.575
Furniture and fixtures	340.846	24.611	(8.147)	1.443	358.753
Motor vehicles	9.379	1.191	-	-	10.570
Construction in progress	23.656	22.733	-	(4.600)	41.789
	<b>884.310</b>	<b>50.183</b>	<b>(8.147)</b>	<b>-</b>	<b>926.346</b>
<b>Accumulated depreciation:</b>					
Land improvements	(9.697)	(57)	-	-	(9.754)
Buildings	(54.944)	(744)	-	-	(55.688)
Plant, machinery and equipment	(280.635)	(3.314)	-	-	(283.949)
Furniture and fixtures	(194.332)	(15.296)	8.049	-	(201.579)
Motor vehicles	(3.224)	(311)	-	-	(3.535)
	<b>(542.832)</b>	<b>(19.722)</b>	<b>8.049</b>	<b>-</b>	<b>(554.505)</b>
<b>Net book value</b>	<b>341.478</b>				<b>371.841</b>

Current period depreciation and amortisation expenses of TL 18.113 (1 January- 31 March 2017: TL 13.715) have been charged to cost of production, TL 7.874 (1 January- 31 March 2017: TL 5.621) to marketing, selling and distribution costs and TL 1.539 (1 January- 31 March 2017: 1.091) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 31 March 2018 and 2017.



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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

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### NOTE 6 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods ended 31 March 2018 and 2017 were as follows:

	1 January 2018	Additions	Disposals	Transfers(*)	31 March 2018
Rights	23.291	106	(95)	175	23.477
Accumulated amortisation	(16.837)	(942)	5	-	(17.774)
<b>Net book value</b>	<b>6.454</b>				<b>5.703</b>

  

	1 January 2017	Additions	Disposals	Transfers	31 March 2017
Rights	18.404	126	-	-	18.530
Accumulated amortisation	(13.622)	(676)	-	-	(14.298)
<b>Net book value</b>	<b>4.782</b>				<b>4.232</b>

(\*) Note 5.

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

### NOTE 7 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group management has filed legal actions for the cancellation and return of the excise tax and value added tax which was paid previously for September 2005 and January 2006. 39 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 2018, the total value of legal actions is amounted to TL 3.208 (31 December 2017: TL 3.208) in relation to those legal actions not finalized yet.

As at 31 March 2018, the Group has letters of guarantee given amounting to TL 9.735 (31 December 2017: TL 10.000). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	31 March 2018	31 December 2017
A. Total value of GPM provided in favour of the Company itself	9.735	10.000
i. TL	9.735	10.000
B. Total value of GPM provided in favour of the subsidiary	198.012	183.477
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	-	-
	<b>207.747</b>	<b>193.477</b>

The ratio of total value of other GPM to equity is 0% at 31 March 2018 (31 December 2017: 0%).

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

### 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 2018 and 31 December 2017 is as follows:

	31 March 2018	31 December 2017
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

The compositions of the Company’s share capital at 31 March 2018 and 31 December 2017 were as follows:

	31 March 2018		31 December 2017	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	<b>322.508</b>		<b>322.508</b>	

There are 32.250.825.300 (31 December 2017: 32.250.825.300) units of shares with a face value of full TL 0,01 each at 31 March 2018. There are no privileged stocks.

	Historical value	Restated value	Adjustment to share capital
Share capital	322.508	600.121	277.613

#### b) Other equity items:

	31 March 2018	31 December 2017
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	877	877
Share premium	154	154
	<b>278.644</b>	<b>278.644</b>

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 profits and losses:

As at 31 March 2018, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 439.042 (31 December 2017: TL 131.266).

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018

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

##### Current income tax liability:

	31 March 2018	31 December 2017
Provision for corporate tax expense	18.961	74.786
Less: Prepaid taxes	(1.021)	(53.385)
<b>Current income tax liability</b>	<b>17.940</b>	<b>21.401</b>

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 condensed consolidated financial statements, have been calculated on a separate-entity basis.

In accordance with the Law on the Amendment of Certain Tax Acts, published in the Official Gazette dated 5 December 2017, the corporate tax rate of all companies has been increased from 20% to 22% for the years 2018, 2019 and 2020 (31 December 2017: 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 corporate tax quarterly at the rate of 22% (31 December 2017: 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.

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real estate, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized. Accordingly, the Company expects the sale of real estate in the years 2018, 2019 and 2020 the corporate tax and deferred tax calculations calculated for the earnings gained were calculated as 22% of the remaining 50%, 20% of the remaining 50% for 2021 and later periods.

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% (31 December 2017: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Taxation on income for the period ended 31 March 2018 and 2017 is as follows:

	1 January- 31 March 2018	1 January - 31 March 2017
Current corporate tax expense	(18.961)	(5.726)
Deferred tax expense	(1.239)	(4.251)
	<b>(20.200)</b>	<b>(9.977)</b>

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**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 2018 and 2017 is as follows:

	<b>1 January- 31 March 2018</b>	<b>1 January - 31 March 2017</b>
<b>Income before tax</b>	<b>80.811</b>	<b>66.255</b>
Tax calculated at tax rates applicable	(17.778)	(13.251)
Expenses not deductible for tax purposes	(1.422)	(923)
Other adjustments not subject to tax	(542)	4.136
Exemptions	(458)	61
<b>Tax expense</b>	<b>(20.200)</b>	<b>(9.977)</b>

**Deferred taxes:**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed 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. Deferred taxes and liabilities are calculated on temporary differences that are expected in 2018, 2019 and 2020 under the liability method using the principal enacted rate of 22% and %20 is used for cancellation of temporary differences in 2021 and subsequent periods (31 December 2017: 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 2018 and 31 December 2017, using enacted tax rates at the financial position dates, was as follows:

	<b>31 March 2018</b>		<b>31 December 2017</b>	
	<b>Cumulative temporary differences</b>	<b>Deferred tax (liability)/ asset</b>	<b>Cumulative temporary differences</b>	<b>Deferred tax (liability)/ asset</b>
Property, plant and equipment and intangible fixed assets	7.317	(1.487)	11.538	(2.331)
Inventory	(4.051)	891	(3.011)	662
Provision for employment termination benefits	(16.681)	3.361	(15.952)	3.216
Provision for vacation pay obligation and other provisions	(20.916)	4.602	(38.737)	8.522
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(18.313)	4.029	(16.522)	3.635
Other- net	35.753	(7.859)	41.037	(9.028)
		<b>4.230</b>		<b>5.369</b>

Thereof:

	<b>31 March 2018</b>	<b>31 December 2017</b>
Subsidiaries with net deferred income tax assets	18.569	17.673
Subsidiaries with net deferred income tax liabilities	(14.339)	(12.304)
	<b>4.230</b>	<b>5.369</b>

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

Movement of deferred tax assets for periods ended 31 March 2018 and 2017 are as follows:

	<b>2018</b>	<b>2017</b>
<b>1 January</b>	<b>5.369</b>	<b>8.334</b>
Profit or loss effect	(1.239)	(4.251)
Other comprehensive income effect	100	10
<b>31 March</b>	<b>4.230</b>	<b>4.093</b>

#### 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 period.

		<b>1 January- 31 March 2018</b>	<b>1 January - 31 March 2017</b>
Net profit for the period	A	60.611	56.278
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300
Gain per share with a 0,01 full TL face value	A/B	<b>0,19</b>	<b>0,17</b>

There are no differences between basic and diluted gain per share for the periods ended 31 March 2018 and 2017.

#### NOTE 11 – FINANCIAL INVESTMENTS

	<b>31 March 2018</b>	<b>31 December 2017</b>
Financial assets at fair value through profit or loss	258.752	247.836
Available-for-sale financial assets	167	167
	<b>258.919</b>	<b>248.003</b>

#### Fair values as at 31 March 2018

	31 March 2018	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	258.752	258.752	-	-
Available-for-sale financial assets	167	-	-	167

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### NOTE 11 – FINANCIAL INVESTMENTS (Continued)

#### a) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading and stated below:

	31 March 2018	31 December 2017
Private sector bonds and bills	152.886	164.349
Certificates of deposits	105.866	83.487
	<b>258.752</b>	<b>247.836</b>

The financial assets which are acquired principally for the purpose of selling in the short term and classified as financial assets at fair value through profit or loss, consist of financial instruments that are traded in active markets and measured at their fair values derived from their quoted prices as of 31 March 2018.

Private sector bonds and bills, and certificates of deposits are dominated in USD and weighted average interest rates are 2,85% and 2,00%, respectively. (31 December 2017: 2,42% and 1,53%).

Movements of financial assets at fair value through profit or loss are as follows:

	2018	2017
<b>1 January</b>	<b>247.836</b>	<b>166.323</b>
Purchase of financial investments	116.248	103.683
Sale of financial investments	(115.967)	(54.671)
Fair value (decrease)/ increase of financial investments	(959)	104
Foreign exchange gain- net	11.594	4.017
<b>31 March</b>	<b>258.752</b>	<b>219.456</b>

#### b) Available-for-sale financial assets:

	31 March 2018		31 December 2017	
	Amount	Share (%)	Amount	Share (%)
Çamlı Yem Besicilik Sanayi ve Tic. A.Ş.	167	0,19	167	0,19
Desa Enerji	-	4,04	-	4,04
Bintur Turizm ve Catering Hizmetleri Tic. A.Ş.	-	4,66	-	4,66
	<b>167</b>		<b>167</b>	

Available-for-sale investments of the Group are stated at their costs less impairment losses amounted to TL 3.889 (31 December 2017: TL 3.889) since they are not traded in active markets and their fair values could not be calculated reliably.

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**NOTE 12 - FOREIGN CURRENCY POSITION**

**Foreign Currency Position Schedule**

	31 March 2018				31 December 2017			
	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)
1. Trade Receivables	2.450	555	53	-	1.438	301	67	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	378.816	93.703	1.802	21	329.804	87.430	2	18
2b. Non-Monetary Financial Assets	620	9	120	-	372	4	79	-
3. Other	-	-	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>381.886</b>	<b>94.267</b>	<b>1.975</b>	<b>21</b>	<b>331.614</b>	<b>87.735</b>	<b>148</b>	<b>18</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	24.077	2	4.945	-	26.888	2	5.953	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>24.077</b>	<b>2</b>	<b>4.945</b>	<b>-</b>	<b>26.888</b>	<b>2</b>	<b>5.953</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>405.963</b>	<b>94.269</b>	<b>6.920</b>	<b>21</b>	<b>358.502</b>	<b>87.737</b>	<b>6.101</b>	<b>18</b>
10. Trade Payables	(34.386)	(996)	(6.256)	(3)	(27.450)	(1.802)	(4.531)	(193)
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	(404)	(107)	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(34.386)</b>	<b>(996)</b>	<b>(6.256)</b>	<b>(3)</b>	<b>(27.854)</b>	<b>(1.909)</b>	<b>(4.531)</b>	<b>(193)</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>(34.386)</b>	<b>(996)</b>	<b>(6.256)</b>	<b>(3)</b>	<b>(27.854)</b>	<b>(1.909)</b>	<b>(4.531)</b>	<b>(193)</b>
<b>19. Net Asset/(Liability) Position of Off-Financial Position</b>								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
<b>19a. Net Asset/(Liability) Position of Off-Financial Position</b>								
Derivative Instruments	-	-	-	-	-	-	-	-
<b>19b. Amount of Liability Nature Off-Financial Position</b>								
Derivative Instruments	-	-	-	-	-	-	-	-
<b>20. Net Foreign Asset/(Liability) Position (9-18+19)</b>	<b>371.577</b>	<b>93.273</b>	<b>664</b>	<b>18</b>	<b>330.648</b>	<b>85.828</b>	<b>1.570</b>	<b>(175)</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of</b>								
Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	346.880	93.262	(4.401)	18	303.792	85.929	(4.462)	(175)
<b>22. Total Fair Value of Financial Instruments Used for</b>								
Foreign Currency Hedging	-	-	-	-	-	-	-	-
<b>23. Amount of foreign currency denominated assets hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of foreign currency denominated liabilities hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2018**

*(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)*

**NOTE 12 - FOREIGN CURRENCY POSITION (Continued)**

**31 March 2018:**

	<b>Profit/ Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD- net	36.828	(36.828)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect- net (1+2)</b>	<b>36.828</b>	<b>(36.828)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro- net	(2.142)	2.142
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect- net (4+5)</b>	<b>(2.142)</b>	<b>2.142</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies- net	2	(2)
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect- net (7+8)</b>	<b>2</b>	<b>(2)</b>
<b>TOTAL (3+6+9)</b>	<b>34.688</b>	<b>(34.688)</b>

**31 December 2017:**

	<b>Profit/ Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD- net	32.412	(32.412)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect- net (1+2)</b>	<b>32.412</b>	<b>(32.412)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro- net	(2.015)	2.015
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect- net (4+5)</b>	<b>(2.015)</b>	<b>2.015</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies- net	(18)	18
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect- net (7+8)</b>	<b>(18)</b>	<b>18</b>
<b>TOTAL (3+6+9)</b>	<b>30.379</b>	<b>(30.379)</b>



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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2018 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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### NOTE 13 - FINANCIAL INSTRUMENTS

#### Classes of financial instruments and their fair values:

#### 31 March 2018:

	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>					
Cash and cash equivalents	217.265	-	-	217.265	
Trade receivables	447.381	-	-	447.381	
Financial investments	-	-	258.752	258.752	11
<b><u>Financial liabilities</u></b>					
Trade payables	-	150.001	-	150.001	

#### 31 December 2017:

	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>					
Cash and cash equivalents	344.292	-	-	344.292	
Trade receivables	433.209	-	-	433.209	
Financial investments	-	-	247.836	247.836	11
<b><u>Financial liabilities</u></b>					
Trade payables	-	166.378	-	166.378	

The Group management believes that the book values of financial instruments reflect their corresponding fair values.

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