

**CONVENIENCE TRANSLATION OF THE REVIEW REPORT
AND 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 - 30 JUNE 2016 TOGETHER
WITH LIMITED REVIEW REPORT**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD 1 JANUARY - 30 JUNE 2016

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TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2016***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Current Period Reviewed 30 June 2016</i>	<i>Prior Period Audited 31 December 2015</i>
	Notes		
ASSETS			
Current assets		742.935	628.702
Cash and cash equivalents		200.342	312.923
Financial investments		116.219	167
- Financial assets at fair value through profit or loss	12	116.052	-
- Financial assets available for sale	12	167	167
Trade receivables	4	332.067	256.206
- Due from related parties	3	331	220
- Due from third parties		331.736	255.986
Other receivables		1.021	369
- Due from third parties		1.021	369
Inventories		83.985	47.674
Prepaid expenses		9.301	11.363
- Prepaid expenses from third parties		9.301	11.363
Non-current assets		316.976	282.690
Other receivables		169	151
- Due from third parties		169	151
Investment properties	5	1.541	1.596
Property, plant and equipment	6	296.673	260.766
- Land		1.694	1.701
- Land Improvements		3.525	3.148
- Buildings		24.285	25.234
- Machinery and equipment		89.838	91.184
- Motor vehicles		3.197	2.459
- Furniture and fixtures		139.206	127.417
- Construction in progress		34.928	9.623
Intangible assets	7	3.776	4.798
- Rights		3.776	4.798
Deferred tax assets	10	11.847	14.166
Prepaid expenses		2.970	1.213
- Prepaid expenses from third parties		2.970	1.213
TOTAL ASSETS		1.059.911	911.392

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

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2016***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Current Period Reviewed 30 June 2016</i>	<i>Prior Period Audited 31 December 2015</i>
	Notes		
LIABILITIES			
Current liabilities		439.334	386.438
Trade payables	4	105.560	83.465
- Due to related parties	3	3.561	3.549
- Due to third parties		101.999	79.916
Other payables		48.540	41.978
- Due to third parties		48.540	41.978
Deferred income		865	1.136
- Deferred income due to third parties		865	1.136
Current income tax liability	10	18.069	11.989
Short term provisions		72.976	77.373
- Provision for employee benefits		12.022	21.066
- Other short term provisions	8	60.954	56.307
Other current liabilities		193.324	170.497
- Current liabilities due to third parties		193.324	170.497
Non-current liabilities		20.008	15.451
Long term provisions		13.582	12.418
- Provision for employee benefits		13.582	12.418
Deferred tax liability	10	6.426	3.033
TOTAL LIABILITIES		459.342	401.889
EQUITY		600.569	509.503
Equity attributable to equity holders of the Group		600.569	509.503
Share capital	9	322.508	322.508
Adjustment to share capital	9	277.613	277.613
Share premium	9	154	154
Items that will not be reclassified to profit or loss		(2.744)	(2.327)
- Revaluation of defined employee benefit/loss plans		(2.744)	(2.327)
Accumulated profit/ losses	9	(88.445)	(246.197)
Net profit/ loss for the period		91.483	157.752
TOTAL EQUITY AND LIABILITIES		1.059.911	911.392

The accompanying notes are an 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- 30 JUNE 2016

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

Notes	<i>Reviewed Current Period 1 January- 30 June 2016</i>	<i>Not Reviewed Current Period 1 April- 30 June 2016</i>	<i>Reviewed Prior Period 1 January- 30 June 2015</i>	<i>Not Reviewed Prior Period 1 April- 30 June 2015</i>
Profit or Loss				
Revenue	429.104	239.443	326.546	179.566
Cost of sales	(186.012)	(103.631)	(141.295)	(79.117)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS	243.092	135.812	185.251	100.449
GROSS PROFIT (LOSS)	243.092	135.812	185.251	100.449
General administrative expenses	(20.813)	(9.447)	(16.974)	(8.484)
Marketing, selling and distribution expenses	(105.458)	(57.342)	(85.489)	(48.325)
Other income from operating activities	4.189	1.704	5.357	2.965
Other expense from operating activities	(10.856)	(8.061)	(7.227)	(4.431)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	110.154	62.666	80.918	42.174
Income from investing activities	25.684	15.642	18.568	6.652
Expense from investing activities	(10.713)	(4.842)	(1.416)	(786)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)	125.125	73.466	98.070	48.040
Financial expenses	(4.795)	(3.175)	(2.005)	(1.250)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	120.330	70.291	96.065	46.790
Tax (expense) income, continuing operations	(28.847)	(16.287)	(20.632)	(9.829)
- Current period tax (expense) income	10 (23.031)	(13.305)	(18.837)	(9.831)
- Deferred tax (expense) income	10 (5.816)	(2.982)	(1.795)	2
PROFIT (LOSS) FROM CONTINUING OPERATIONS	91.483	54.004	75.433	36.961
PROFIT (LOSS)	91.483	54.004	75.433	36.961
Profit (loss), attributable to				
Non-controlling interests	-	-	-	-
Equity holders of the Group	91.483	54.004	75.433	36.961
	91.483	54.004	75.433	36.961
Earnings per share for net profit attributable to the equity holders of the parent company (full TL) 11	0,28	0,17	0,23	0,11
Other comprehensive income:				
Items that will not be reclassified to profit or (loss)	(417)	(417)	(158)	(50)
- Gains (losses) on remeasurements of defined benefit plans	(521)	(521)	(198)	(62)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	104	104	40	12
- Taxes relating to remeasurements of defined benefit plans	104	104	40	12
OTHER COMPREHENSIVE INCOME (LOSS)	(417)	(417)	(158)	(50)
TOTAL COMPREHENSIVE INCOME	91.066	53.587	75.275	36.911
Allocation of comprehensive income:				
Non-controlling interests	-	-	-	-
Equity holders of the Group	91.066	53.587	75.275	36.911
	91.066	53.587	75.275	36.911

The accompanying notes are an 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 1 JANUARY- 30 JUNE 2016

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

<i>Reviewed</i>	Share Capital	Adjustment to Share Capital	Share Premium	<i>Items That Will Not Be Reclassified To Profit or Loss</i>	<i>Accumulated Losses</i>		Equity Holders of the Group	Total Equity
				Revaluation of Defined Emp. Benefits/(Loss)	Accumulated Profit/ Losses	Net Profit/Loss for the Period		
Prior Period								
1 January – 30 June 2015								
Balanaces at beginning	322.508	277.613	154	(653)	(366.199)	120.002	353.425	353.425
Transfers	-	-	-	-	120.002	(120.002)	-	-
Total comprehensive income	-	-	-	(158)	-	75.433	75.275	75.275
- Profit for the period	-	-	-	-	-	75.433	75.433	75.433
- Other comprehensive income/ (expense)	-	-	-	(158)	-	-	(158)	(158)
Balanaces at closing	322.508	277.613	154	(811)	(246.197)	75.433	428.700	428.700
Reviewed								
Current Period								
1 January – 30 June 2016								
Balanaces at beginning	322.508	277.613	154	(2.327)	(246.197)	157.752	509.503	509.503
Transfers	-	-	-	-	157.752	(157.752)	-	-
Total comprehensive income	-	-	-	(417)	-	91.483	91.066	91.066
- Profit for the period	-	-	-	-	-	91.483	91.483	91.483
- Other comprehensive income/ (expense)	-	-	-	(417)	-	-	(417)	(417)
Balanaces at closing	322.508	277.613	154	(2.744)	(88.445)	91.483	600.569	600.569

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

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2016

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

Notes	<i>Current Period Reviewed 1 January- 30 June 2016</i>	<i>Prior Period Reviewed 1 January- 30 June 2015</i>
Cash flows provided from operating activities:		
Net profit for the period	91.483	75.433
- Profit for the period from continuing operations	91.483	75.433
Adjustments to reconcile net profit for the period:		
Adjustments for depreciation and amortisation expense	5-6-7 34.169	26.218
Adjustments for impairment	3.152	1.855
Adjustments for impairment of receivables	4 2.714	1.747
Adjustments for impairment of inventory	438	108
Adjustments for provisions	10.165	4.165
Adjustments to provision for employee benefits	5.515	5.726
Adjustments to provision for legal case	8 6.783	775
Adjustments to reversal of provisions	(2.133)	(2.336)
Adjustments for interest income	(13.420)	(6.470)
Adjustments for interest income	(13.701)	(6.991)
Unincurred finance income due to sales	4 304	521
Unearned finance expense due to purchases	4 (23)	-
Adjustments for fair value gain/ loss	(455)	-
Adjustments for fair value gain of financial assets	12 (455)	-
Adjustments for taxation	10 28.847	20.632
Adjustments for gain on sale of fixed assets	(1.130)	(72)
Gain on sale of tangible assets	(1.130)	(72)
Adjustments for other items causing impact on cash flows from investing or financing operations	12 (599)	-
	152.212	121.761
Changes in working capital:		
Adjustments for increase in trade receivables	(78.879)	(68.619)
(Increase)/ decrease in trade receivables from related party	3 (111)	47
Increase in trade receivables from third party	4 (78.768)	(68.666)
Adjustments for (increase)/ decrease in other receivables	(670)	299
(Increase)/ decrease in other receivables from third party	(670)	299
Adjustments for increase in inventories	(36.749)	(17.374)
Decrease/ (increase) in prepaid expenses	305	(569)
Adjustments for increase in trade payables	22.118	9.850
Increase/ (decrease) in trade payables to related parties	3 12	(353)
Increase in trade payables to third party	4 22.106	10.203
Adjustments for increase in other payables	6.562	5.521
Increase in other receivables from third party	6.562	5.521
Decrease in deferred income	(271)	-
Adjustments for increase in working capital	22.827	19.441
Increase in other liabilities	22.827	19.441
Provisions paid related to employee benefits	(13.916)	(10.599)
Other provisions paid	(3)	-
Tax paid	10 (16.951)	(19.031)
	56.585	40.680

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

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2016***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

	<i>Notes</i>	<i>Current Period Reviewed 1 January- 30 June 2016</i>	<i>Prior Period Reviewed 1 January- 30 June 2015</i>
Cash flow from investing activities:			
Cash inflow from sale of tangible and intangible assets		2.726	385
Cash inflow from sale of tangible assets		2.726	385
Cash outflow from purchase of tangible and intangible assets		(70.595)	(45.290)
Cash outflow from purchase of tangible assets	6	(70.595)	(45.154)
Cash outflow from purchase of intangible assets	7	-	(136)
Interest received		13.701	6.681
Cash inflow from sale of equity or debt instruments of other companies	12	14.371	-
Cash outflow from acquisition of equity or debt instruments of other companies	12	(129.369)	-
Net cash used in investing activities		(169.166)	(38.224)
Net cash used in financing activities		-	-
(Decrease) / increase in cash and cash equivalents		(112.581)	2.456
Cash and cash equivalents at the beginning of the period		312.923	184.264
Cash and cash equivalents at the end of the period		200.342	186.720

The accompanying notes are an 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 - 30 JUNE 2016

(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 30 June 2016, the shares traded on BIST are 4,31% (31 December 2015: 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 9).

The average number of employees in the Company and Tuborg Pazarlama A.Ş. (together will be referred as the “Group”) as at 30 June 2016 is 998 (31 December 2015: 765).

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 it produces to its subsidiary, Tuborg Pazarlama A.Ş. (“Tuborg Pazarlama” or “Subsidiary”), in which it holds a share of 99,99% (31 December 2015: 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 19 August 2016. The General Assembly of the Company and/or governmental authorities are entitled to modify condensed the 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 condensed 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 condensed 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 - 30 JUNE 2016

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

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.

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 2015.

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 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 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 - 30 JUNE 2016

(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 30 June 2016 and 31 December 2015 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.

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. The Group has made certain reclassifications in its prior period financial statements and such reclassifications have no effect on equity, accumulated losses and net profit for the period.

- Companies do not declare consolidated tax return in Turkey. Therefore, due to the principle of presenting deferred tax position separately for the subsidiaries subject to consolidation, net deferred tax asset amounting to TL 11.133 in consolidated financial position of 31 December 2015 is shown in gross amounts as deferred tax asset of TL 14.166 and deferred tax liability of TL 3.033.
- Foreign exchange gain and foreign exchange loss resulting from bank deposits denominated in foreign currencies amounting to TL 11.151 and TL 1.134, respectively in 30 June 2015 that was originally presented at other operating income and other operating expenses in prior period consolidated financial statement, have been reclassified under income from investment activities and expense from investment activities in the current period, respectively.

2.2 New and Revised Turkish Accounting Standards

2.2.1 New and Revised TASs affecting presentation and disclosure only

None.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2016

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

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

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 2016 with no material effect on the condensed consolidated financial statements

Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture: Bearer Plants</i> ¹
Amendments to TFRS 11 and TFRS 1 Annual Improvements to 2011-2013 Cycle	<i>Accounting for Acquisition of Interests in Joint operations</i> ¹
Amendments to TAS 1 Annual Improvements to 2012-2014 Cycle	<i>TFRS 1</i> ²
Amendments to TAS 27	<i>Disclosure Initiative</i> ²
Amendments to TFRS 10 and TAS 28	<i>TFRS 5, TFRS 7, TAS 34, TAS 19</i> ²
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Equity Method in Separate Financial Statements</i> ²
TFRS 14	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
	<i>Investment Entities: Applying the Consolidation Exception</i> ²
	<i>Regulatory Deferral Accounts</i> ²

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

2.2.4 Standards and amendments to existing standards that are not yet effective as of 31 March 2016 and have not been early adopted by the Group:

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

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>
TAS 7	<i>Financial Instruments: Disclosures</i>
TAS 12	<i>Income taxes</i>
TFRS 2	<i>Shared based payments</i>
TFRS 15	<i>Revenue from contracts with customers</i>
TFRS 16	<i>Leases</i>

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 2015. The condensed consolidated financial statements for the period between 1 January - 30 June 2016 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2015.

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 - 30 JUNE 2016

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

NOTE 3 - RELATED PARTY DISCLOSURES

a) Due from related parties:

TL 331 (31 December 2015: TL 220).

b) Due to related parties:

	30 June 2016	31 December 2015
United Romanian Breweries Bereprod S.R.L. ("URBB")	2.200	2.124
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	1.324	1.342
Other	37	83
	3.561	3.549

c) Product and service sales:

TL 1.092 (1 January - 30 June 2015: TL 210).

d) Product and service purchases:

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Desa Enerji	6.562	3.414	6.438	3.756
URBB	5.202	2.374	58	32
Other	41	41	5	5
	11.805	5.829	6.501	3.793

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- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Short-term employee benefits	3.901	2.290	3.480	2.022
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	507	35	352	25
	4.408	2.325	3.832	2.047

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 June 2016	31 December 2015
Customer current accounts	289.661	214.455
Notes receivables and customer cheques	42.999	29.234
Credit card receivables	34.523	44.726
Due from related parties (Note 3)	331	220
	367.514	288.635
Less: Provision for doubtful receivables	(32.052)	(29.338)
Unincurred finance income	(3.395)	(3.091)
	332.067	256.206

The effective weighted average interest rate applied to TL denominated receivables is 8,92% p.a. as of 30 June 2016 (31 December 2015: 10,99% p.a.). Trade receivables are all short term with a weighted average maturity of one month (31 December 2015: one month).

Movements in the provision for doubtful receivables are as follows:

	2016	2015
1 January	(29.338)	(26.254)
Reversals of current period provision	280	82
Charged to the consolidated statement of profit or loss and other comprehensive income	(2.994)	(1.829)
30 June	(32.052)	(28.001)

Trade receivables are assessed by Group management on the basis of past experiences and required provision for impairment is booked. In relation to the calculation of such provision, guarantees received from customers are considered. Therefore, considering the past experiences the Group management believes that there is no additional doubtful risk for the collection of receivables.

b) Short-term trade payables:

	30 June 2016	31 December 2015
Supplier current accounts	93.419	72.116
Due to related parties (Note 3)	3.561	3.549
Accrued expenses	9.020	8.217
Less: Unearned finance expense	(440)	(417)
	105.560	83.465

The effective weighted average interest rate on TL denominated payables is 8,93% p.a. as of 30 June 2016 (31 December 2015: 10,93% p.a.). Short term payables have a weighted average maturity of one month (31 December 2015: one month).

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NOTE 5 - INVESTMENT PROPERTIES

	1 January 2016	Additions	Disposals	Transfers	30 June 2016
<u>Buildings and land improvements:</u>					
Cost	3.297	-	-	-	3.297
Accumulated depreciation	(1.701)	(55)	-	-	(1.756)
Net book value	1.596				1.541

	1 January 2015	Additions	Disposals	Transfers	30 June 2015
<u>Buildings and land improvements:</u>					
Cost	3.297	-	-	-	3.297
Accumulated depreciation	(1.593)	(54)	-	-	(1.647)
Net book value	1.704				1.650

Total rental income from the investment property amounts to TL 77 between 1 January- 30 June 2016 (1 January- 30 June 2015: TL 72). There are no operating expenses arising from the investment property.

As at 30 June 2016, 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. ("TSKB"), independent valuers not related to the Group. TSKB has the appropriate qualifications from CMB and has recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties and cost approach regarding building and land improvements. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2016 are as follows:

Fair values as at 30 June 2016

	30 June 2016	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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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 30 June 2016 were as follows:

	1 January 2016	Additions	Disposals	Transfers	30 June 2016
Cost:					
Land	1.701	-	(7)	-	1.694
Land improvements	12.180	498	-	-	12.678
Buildings	75.461	254	-	-	75.715
Machinery and equipment	358.855	851	(7.113)	3.322	355.915
Furniture and fixtures	278.517	37.290	(17.986)	2.006	299.827
Motor vehicles	5.343	1.069	(113)	-	6.299
Construction in progress	9.623	30.633	-	(5.328)	34.928
	741.680	70.595	(25.219)	-	787.056
Accumulated depreciation:					
Land improvements	(9.032)	(121)	-	-	(9.153)
Buildings	(50.227)	(1.203)	-	-	(51.430)
Machinery and equipment	(267.671)	(5.103)	6.697	-	(266.077)
Furniture and fixtures	(151.100)	(26.341)	16.820	-	(160.621)
Motor vehicles	(2.884)	(324)	106	-	(3.102)
	(480.914)	(33.092)	23.623	-	(490.383)
Net book value	260.766				296.673

Movements of property, plant and equipment between 1 January and 30 June 2015 were as follows:

	1 January 2015	Additions	Disposals	Transfers(*)	30 June 2015
Cost:					
Land	1.701	-	-	-	1.701
Land improvements	10.509	2	-	640	11.151
Buildings	71.633	19	(3)	1.061	72.710
Machinery and equipment	322.816	75	(75)	22.448	345.264
Furniture and fixtures	233.921	28.057	(10.574)	3.780	255.184
Motor vehicles	4.401	1.008	-	-	5.409
Construction in progress	24.001	15.993	(24)	(29.379)	10.591
	668.982	45.154	(10.676)	(1.450)	702.010
Accumulated depreciation:					
Land improvements	(8.804)	(117)	-	-	(8.921)
Buildings	(48.053)	(1.067)	-	-	(49.120)
Machinery and equipment	(258.663)	(4.232)	75	-	(262.820)
Furniture and fixtures	(131.131)	(19.996)	10.288	-	(140.839)
Motor vehicles	(2.372)	(281)	-	-	(2.653)
	(449.023)	(25.693)	10.363	-	(464.353)
Net book value	219.959				237.657

(*) Note 7.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Current year depreciation and amortisation expenses of TL 23.016 (1 January- 30 June 2015: TL 17.430) have been charged to cost of production, TL 9.524 (1 January- 30 June 2015: TL 7.855) to marketing, selling and distribution costs and TL 1.629 (1 January- 30 June 2015: TL 933) to general administrative expenses.

Net book value of returnable bottles and crates classified under "Furniture and fixtures" amounts to TL 75.830 at 30 June 2016 (31 December 2015: TL 75.207).

The Group does not have any financial leasing liability as of 30 June 2016 (31 December 2015: None).

NOTE 7 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods ended 30 June 2016 and 2015 were as follows:

	1 January 2016	Additions	Disposals	Transfers	30 June 2016
Rights	16.229	-	-	-	16.229
Accumulated amortisation	(11.431)	(1.022)	-	-	(12.453)
Net book value	4.798				3.776

	1 January 2015	Additions	Disposals	Transfers(*)	30 June 2015
Rights	11.853	136	-	1.450	13.439
Accumulated amortisation	(10.181)	(471)	-	-	(10.652)
Net book value	1.672				2.787

(*) Note 6.

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

NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short-term provisions:

	30 June 2016	31 December 2015
Provision for excise duty (*)	29.994	29.219
Provision for sales discounts	22.192	23.165
Provision for legal cases (**)	6.008	-
Provision for legal cases fee	842	845
Other	1.918	3.078
	60.954	56.307

(*) The Group management has allocated a provision of TL 29.994 (31 December 2015: TL 29.219) (for the principal of excise tax and its overdue charge) for the difference between the excise tax published in the Official Gazette dated 26 August 2005 and in the list no. 3 attached to the Excise Tax Act published in the Official Gazette dated 31 December 2004.

(**) On the tax inspection reports related to the financial periods of 2008, 2009, 2010 and 2011, it was claimed in prior years 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.

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NOTE 8 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)

As a result, tax office had notified a tax principal of TL 7.4 million for VAT and TL 11.2 million tax fine amounting to a total of TL 18.6 million. In relation to the lawsuit for the periods of 2008 and 2009 which amounts to tax principal of TL 3.9 million and tax fine of 5.8 million, a favorable decision by the tax court has been formally notified on 3 February 2016. On the other hand, lawsuit for the periods of 2011 which amount to tax principal of TL 1.9 million and tax fine of 2.8 million, unfavorable decision by the tax court has been formally notified on 16 May 2016. While, requiring provision amounting to TL 6.008 million including interest charge has been provided to condensed consolidated financial statements.

Movements of provision for excise duty in the current period are as follows:

	2016	2015
1 January	29.219	27.660
Charge for the period	775	775
30 June	29.994	28.435

b) Contingent assets and liabilities:

In relation to the issue carried to tax courts detailed in Note 8.a, with respect to the periods of 2008 and 2009 that was determined in favor of the Company in the first degree court and the period of 2010 that is pending for the time being, the Group management evaluated that the future outflow of resources from the Company is not probable considering that these capital advances were added to the paid-in capital in 2012 together with favorable court decisions and similar cases. In this respect, it is considered that provision for the periods of 2008, 2009 and 2010 to be provided to condensed consolidated financial statements has not arisen.

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 2004, May 2005, September 2005, and January 2006. 36 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 30 June 2016, the total value of legal actions is amounted to TL 7.173 (31 December 2015: TL 7.900) in relation to those legal actions not finalized yet.

As at 30 June 2016, the Group has bank letters of guarantee given amounting to TL 8.112 (31 December 2015: TL 7.746). The schedule for guarantee, pledge and mortgage ("GPM") given by the Group is as follows:

	30 June 2016	31 December 2015
A. Total value of GPM provided in favour of the Company itself	8.112	7.746
i. TL	8.112	7.746
B. Total value of GPM provided in favour of the subsidiary	173.376	119.537
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	-	-
	181.488	127.283

The ratio of total value of other GPM to equity is 0% at 30 June 2016 (31 December 2015: 0%).

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NOTE 9 - 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 30 June 2016 and 31 December 2015 is as follows:

	30 June 2016	31 December 2015
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 30 June 2016 and 31 December 2015 were as follows:

	30 June 2016		31 December 2015	
	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
	322.508		322.508	

There are 32.250.825.300 (31 December 2015: 32.250.825.300) units of shares with a face value of full 0,01 TL each at 30 June 2016. 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:

	30 June 2016	31 December 2015
Adjustment to share capital	277.613	277.613
Share premium	154	154
	277.767	277.767

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% p.a, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% p.a. 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 30 June 2016, accumulated losses in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 88.445 (31 December 2015: TL 246.197).

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NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current income tax liability:

	30 June 2016	31 December 2015
Provision for corporate tax expense	23.301	42.830
Less: Prepaid taxes	(4.962)	(30.841)
Current income tax liability	18.069	11.989

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.

Corporation tax is payable at a rate of 20% (31 December 2015: 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% (31 December 2015: 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.

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 2015: 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 1 June - 30 June 2016 and 2015 is as follows:

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Current corporate tax expense	(23.031)	(13.305)	(18.837)	(9.831)
Deferred tax expense	(5.816)	(2.982)	(1.795)	2
	(28.847)	(16.287)	(20.632)	(9.829)

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NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Reconciliation of the taxation on income for the period ended 30 June 2016 and 2015 is as follows:

	1 January- 30 June 2016	1 January - 30 June 2015
Income before tax	120.330	96.065
Tax calculated at tax rates applicable	(24.066)	(19.213)
Expenses not deductible for tax purposes	(2.163)	(3.228)
Exemptions	19	47
Other adjustments not subject to tax	(2.637)	1.762
Tax expense	(28.847)	(20.632)

Deferred taxes:

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 2015: 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 30 June 2016 and 31 December 2015, using enacted tax rates at the financial position dates, was as follows:

	<u>30 June 2016</u>		<u>31 December 2015</u>	
	Cumulative temporary differences	Deferred tax (liability)/ asset	Cumulative temporary differences	Deferred tax (liability)/ asset
Property, plant and equipment and intangible fixed assets	22.509	(4.546)	23.045	(4.654)
Inventory	(3.215)	643	(1.300)	260
Provision for employment termination benefits	(13.582)	2.742	(12.418)	2.509
Provision for vacation pay obligation and other provisions	(12.022)	2.404	(21.066)	4.212
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(14.963)	2.993	(12.562)	2.513
Other	(2.465)	492	(27.985)	5.600
		5.421		11.133

Thereof:

	30 June 2016	31 December 2015
Subsidiaries with net deferred income tax assets	11.847	14.166
Subsidiaries with net deferred income tax liabilities	(6.426)	(3.033)
	5.421	11.133

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NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Movement of deferred tax assets for periods ended 30 June 2016 and 2015 are as follows:

	2016	2015
1 January	11.133	9.011
Profit or loss effect	(5.816)	(1.795)
Other comprehensive income effect	104	40
30 June	5.421	7.256

NOTE 11 - 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- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Net income for the period	A	91.483	54.004	75.433	36.961
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300	32.250.825.300	32.250.825.300
Gain per share with a 0,01 full TL face value	A/B	0,28	0,17	0,23	0,11

There are no differences between basic and diluted gain per share for the periods ended 30 June 2016 and 2015.

NOTE 12 - FINANCIAL INVESTMENTS

	30 June 2016	31 December 2015
Financial assets at fair value through profit or loss	116.052	-
Available-for-sale financial assets	167	167
	116.219	167

Fair values as at 30 June 2016

	<u>30 June 2016</u>	<u>Level 1 TL</u>	<u>Level 2 TL</u>	<u>Level 3 TL</u>
Financial assets at fair value through profit or loss	116.052	116.052	-	-
Available-for-sale financial assets	167	-	-	167

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NOTE 12 - 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:

	30 June 2016	31 December 2015
Private sector bonds and bills	72.335	-
Certificates of deposits	43.717	-
	116.052	-

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 30 June 2016.

Private sector bonds and bills, and certificates of deposits are dominated in USD and weighted average annual interest rates are 1,61% and 0,93%, respectively (2015: None).

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

	2016
1 January	-
Purchase of financial investments	129.369
Sale of financial investments	(14.371)
Fair value increase of financial investments	455
Foreign exchange gain- net	599
30 June	116.052

b) Available-for-sale financial assets:

	30 June 2016		31 December 2015	
	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
	167		167	

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NOTE 13 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	30 June 2016				31 December 2015			
	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)
1. Trade Receivables	5.117	1.619	135	-	2.557	841	35	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	133.350	42.635	3.113	6	117.611	40.443	4	6
2b. Non-Monetary Financial Assets	105	1	32	-	8.388	3	2.637	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	138.572	44.255	3.280	6	128.556	41.287	2.676	6
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	6.827	5	1.694	1.384	1.198	-	362	48
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	6.827	5	1.694	1.384	1.198	-	362	48
9. Total Assets (4+8)	145.399	44.260	4.974	1.390	129.754	41.287	3.038	54
10. Trade Payables	(10.942)	(283)	(3.147)	(39)	(12.419)	(882)	(3.059)	(134)
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	(864)	(299)	-	-	(1.125)	(387)	-	-
13. Short Term Liabilities (10+11+12)	(11.806)	(582)	(3.147)	(39)	(13.544)	(1.269)	(3.059)	(134)
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)	(11.806)	(582)	(3.147)	(39)	(13.544)	(1.269)	(3.059)	(134)
19. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9+18+19)	133.593	43.678	1.827	1.351	116.210	40.018	(21)	(80)
21. Net Foreign Currency Asset/(Liability) Position of								
Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	127.525	43.971	101	(33)	107.749	40.402	(3.020)	(128)
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	-	-	-	-	-	-	-	-

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 30 JUNE 2016

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

NOTE 13 - FOREIGN CURRENCY POSITION (Continued)

30 June 2016:

	Profit/ Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	12.723	(12.723)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	12.723	(12.723)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	32	(32)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	32	(32)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	(3)	3
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	(3)	3
TOTAL (3+6+9)	12.752	(12.752)

31 December 2015:

	Profit/ Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	11.747	(11.747)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	11.747	(11.747)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(960)	960
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	(960)	960
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	(13)	13
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	(13)	13
TOTAL (3+6+9)	10.774	(10.774)

Gains and losses on foreign currency does not affect the Group's equity except from the effect on net profit for the period (31 December 2015: None).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2016

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

NOTE 14 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 June 2016:

	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	200.342	-	-	200.342	
Trade receivables	332.067	-	-	332.067	4
Financial investments	-	-	116.052	116.052	12
<u>Financial liabilities</u>					
Trade payables	-	105.560	-	105.560	4

31 December 2015:

	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	312.923	-	-	312.923	
Trade receivables	256.206	-	-	256.206	4
<u>Financial liabilities</u>					
Trade payables	-	83.465	-	83.465	4

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

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