

**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 - 30 SEPTEMBER 2017**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2017

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TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 SEPTEMBER 2017***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Current Period Unaudited 30 September 2017</i>	<i>Prior Period Audited 31 December 2016</i>
	Notes		
ASSETS			
Current assets		1.079.512	917.424
Cash and cash equivalents		358.975	297.196
Financial investments		205.710	166.490
- Financial assets at fair value through profit or loss	12	205.543	166.323
- Financial assets available for sale	12	167	167
Trade receivables	4	422.787	341.129
- Due from related parties	3	135	92
- Due from third parties		422.652	341.037
Other receivables		1.141	1.107
- Due from third parties		1.141	1.107
Inventories		82.057	98.149
Prepaid expenses		8.842	13.353
- Prepaid expenses from third parties		8.842	13.353
Non-current assets		490.565	368.134
Other receivables		171	171
- Due from third parties		171	171
Investment properties	5	1.467	1.553
Property, plant and equipments	6	417.179	341.478
- Land		1.755	1.755
- Land Improvements		4.190	3.989
- Buildings		34.812	30.752
- Machinery and equipments		165.832	128.657
- Motor vehicles		7.195	6.155
- Furniture and fixtures		184.286	146.514
- Construction in progress		19.109	23.656
Intangible assets	7	5.037	4.782
- Rights		5.037	4.782
Deferred tax assets	10	15.218	16.366
Prepaid expenses		51.493	3.784
- Prepaid expenses from third parties		51.493	3.784
TOTAL ASSETS		1.570.077	1.285.558

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 SEPTEMBER 2017

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

	<i>Notes</i>	<i>Current Period Unaudited 30 September 2017</i>	<i>Prior Period Audited 31 December 2016</i>
LIABILITIES			
Current liabilities		597.083	517.611
Trade payables	4	117.455	118.778
- Due to related parties	3	3.628	1.569
- Due to third parties		113.827	117.209
Other payables		60.868	53.656
- Due to third parties		60.868	53.656
Deferred income		1.617	820
- Deferred income due to third parties		1.617	820
Current income tax liability	10	22.083	19.778
Short term provisions		108.587	93.718
- Provision for employee benefits		22.140	32.190
- Other short term provisions	8	86.447	61.528
Other current liabilities		286.473	230.861
- Current liabilities due to third parties		286.473	230.861
Non-current liabilities		26.122	20.906
Long term provisions		14.829	12.874
- Provision for employee benefits		14.829	12.874
Deferred tax liability	10	11.293	8.032
TOTAL LIABILITIES		623.205	538.517
EQUITY		946.872	747.041
Equity attributable to equity holders of the Group		946.872	747.041
Share capital	9	322.508	322.508
Adjustment to share capital	9	277.613	277.613
Share premium (discounts)	9	154	154
Items that will not be reclassified to profits (losses)		(2.224)	(1.679)
- Revaluation of defined employee benefits (losses) plans		(2.224)	(1.679)
Restricted reserves appropriated from profits		877	-
- Legal reserves	9	877	-
Accumulated profits or losses	9	131.266	(88.445)
Net profit or loss for the period		216.678	236.890
TOTAL EQUITY AND LIABILITIES		1.570.077	1.285.558

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 SEPTEMBER 2017

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

Notes	<i>Unaudited Current Period 1 January- 30 September 2017</i>	<i>Unaudited Current Period 1 July- 30 September 2017</i>	<i>Unaudited Prior Period 1 January- 30 September 2016</i>	<i>Unaudited Prior Period 1 July- 30 September 2016</i>
Profit or Loss				
Revenue	871.842	336.580	717.866	288.762
Cost of sales	(367.967)	(139.575)	(302.280)	(116.268)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS	503.875	197.005	415.586	172.494
GROSS PROFIT (LOSS)	503.875	197.005	415.586	172.494
General administrative expenses	(37.996)	(12.572)	(30.708)	(9.895)
Marketing, selling and distribution expenses	(216.640)	(77.136)	(161.629)	(56.171)
Other income from operating activities	8.070	1.789	6.410	2.221
Other expense from operating activities	(12.865)	(1.402)	(16.523)	(5.667)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	244.444	107.684	213.136	102.982
Income from investing activities	66.360	23.281	41.922	16.238
Expense from investing activities	(34.939)	(7.924)	(14.258)	(3.545)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)	275.865	123.041	240.800	115.675
Financial expenses	(8.146)	(3.067)	(7.457)	(2.662)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	267.719	119.974	233.343	113.013
Tax (expense) income, continuing operations	(51.041)	(23.986)	(52.400)	(23.553)
- Current period tax (expense) income	10 (46.496)	(24.270)	(45.601)	(22.570)
- Deferred tax (expense) income	10 (4.545)	284	(6.799)	(983)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	216.678	95.988	180.943	89.460
PROFIT (LOSS)	216.678	95.988	180.943	89.460
Profit (loss), attributable to				
Non-controlling interests	-	-	-	-
Equity holders of the Group	216.678	95.988	180.943	89.460
	216.678	95.988	180.943	89.460
Earnings per share for net profit attributable to the equity holders of the parent company (full TL) 11	0,67	0,30	0,56	0,28
Other comprehensive income:				
Items that will not be reclassified to profit or loss	(545)	138	158	575
- Gains (losses) on remeasurements of defined benefit plans	(681)	173	198	719
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	136	(35)	(40)	(144)
-Taxes relating to remeasurements of defined benefit plans	136	(35)	(40)	(144)
OTHER COMPREHENSIVE INCOME (LOSS)	(545)	138	158	575
TOTAL COMPREHENSIVE INCOME (LOSS)	216.133	96.126	181.101	90.035
Allocation of comprehensive income:				
Non-controlling interests	-	-	-	-
Equity holders of the Group	216.133	96.126	181.101	90.035
	216.133	96.126	181.101	90.035

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 SEPTEMBER 2017

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

<i>Unaudited</i>	Share Capital	Adjustment to Share Capital	Share Premium /(Discounts)	<i>Items That Will Not Be Reclassified To Profit or Loss</i>	Restricted Reserves	<i>Accumulated Profits/ Losses</i>		Equity Holders of the Group	Total Equity
				Revaluation of Defined Emp. Benefits/(Losses)		Accumulated Profits/ (Losses)	Net Profit/(Loss) for the Period		
Prior Period									
1 January – 30 September 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 (loss)	-	-	-	158	-	-	180.943	181.101	181.101
- Profit (loss) for the period	-	-	-	-	-	-	180.943	180.943	180.943
- Other comprehensive income (loss)	-	-	-	158	-	-	-	158	158
Balanaces at closing	322.508	277.613	154	(2.169)	-	(88.445)	180.943	690.604	690.604
Unaudited									
Current Period									
1 January – 30 September 2017									
Balanaces at beginning	322.508	277.613	154	(1.679)	-	(88.445)	236.890	747.041	747.041
Transfers	-	-	-	-	-	236.890	(236.890)	-	-
Dividends	-	-	-	-	877	(17.179)	-	(16.302)	(16.302)
Total comprehensive income (loss)	-	-	-	(545)	-	-	216.678	216.133	216.133
- Profit (loss) for the period	-	-	-	-	-	-	216.678	216.678	216.678
- Other comprehensive income (loss)	-	-	-	(545)	-	-	-	(545)	(545)
Balanaces at closing	322.508	277.613	154	(2.224)	877	131.266	216.678	946.872	946.872

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 SEPTEMBER 2017

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

Notes	<i>Current Period Unaudited 1 January- 30 September 2017</i>	<i>Prior Period Unaudited 1 January- 30 September 2016</i>
Cash Flows Provided From Operating Activities:		
Profit (loss) for the period	216.678	180.943
- Profit (loss) for the period from continuing operations	216.678	180.943
Adjustments To Reconcile Net Profit (Loss) For The Period:	131.562	96.775
Adjustments for depreciation and amortisation expense 5-6-7	66.428	53.331
Adjustments for impairment loss (reversal)	3.016	4.046
Adjustments for impairment loss (reversal) of receivables 4	3.845	3.688
Adjustments for impairment loss (reversal) of inventory	(829)	358
Adjustments for provisions	37.253	15.288
Adjustments for (reversal of) provision related to employee benefits	12.334	9.632
Adjustments for (reversal of) provision related with legal case	1.165	1.165
Adjustments for (reversal of) other provisions	23.754	4.491
Adjustments for interest (income) expenses	(22.703)	(21.469)
Adjustments for interest income	(24.664)	(21.794)
Unearned finance income due to sales	2.110	(152)
Unincurred finance expense due to purchases	(149)	477
Adjustments for fair value losses (gains)	(410)	(514)
Adjustments for fair value losses (gains) of financial assets	(410)	(514)
Adjustments for taxation (income) expense 10	51.041	52.400
Adjustments for losses (gains) on sale of fixed assets	(1.246)	(1.643)
Adjustments for losses (gains) on sale of tangible assets	(1.246)	(1.643)
Other adjustments for non-cash items	-	(1.067)
Adjustments for unrealised foreign exchange losses	(1.817)	(3.597)
Changes In Working Capital:	(51.477)	(56.620)
Adjustments for decrease (increase) in trade receivables	(87.613)	(97.571)
Decrease (increase) in trade receivables from related party 3	(43)	(327)
Decrease (increase) in trade receivables from third party 4	(87.570)	(97.244)
Adjustments for decrease (increase) in other receivables	(34)	(720)
Decrease (increase) in other receivables from third party	(34)	(720)
Adjustments for decrease (increase) in inventories	16.921	(14.661)
Decrease (increase) in prepaid expenses	(43.198)	(1.490)
Adjustments for increase (decrease) in trade payables	(1.174)	5.175
Increase (decrease) in trade payables to related parties 3	2.059	(1.634)
Increase (decrease) in trade payables to third party 4	(3.233)	6.809
Adjustments for increase (decrease) in other payables	7.212	7.436
Increase (decrease) in other receivables from third party	7.212	7.436
Increase (decrease) in deferred income	797	(660)
Adjustments for increase (decrease) in working capital	55.612	45.871
Increase (decrease) in other liabilities	55.612	45.871
	296.763	221.098
Provisions paid related to employee benefits	(21.110)	(14.121)
Other provisions paid	-	(11)
Income taxes returns (paid)	(44.191)	(32.937)
Net Cash Generated From Operating Activities	231.462	174.029

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 SEPTEMBER 2017

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

	Notes	<i>Current Period Unaudited 1 January- 30 September 2017</i>	<i>Prior Period Unaudited 1 January- 30 September 2016</i>
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		2.279	4.212
Cash inflow from sale of tangible assets		2.279	4.212
Cash outflow from purchase of tangible and intangible assets		(143.331)	(99.097)
Cash outflow from purchase of tangible assets	6	(140.760)	(98.843)
Cash outflow from purchase of intangible assets	7	(2.571)	(254)
Interest received		24.664	21.794
Cash inflow from sale of equity or debt instruments of other companies		169.261	44.374
Cash outflow from acquisition of equity or debt instruments of other companies		(207.691)	(181.281)
Net Cash Used In Investing Activities		(154.818)	(209.998)
Cash Flow From Financing Activities:			
Dividends Paid		(16.302)	-
Net Cash Used In Financing Activities		(16.302)	-
Net Increase (Decrease) In Cash and Cash Equivalents Before Currency Translation Differences		60.342	(35.969)
Effect of currency translation differences on cash and cash equivalents		1.437	(1.388)
Net Increase (Decrease) In Cash and Cash Equivalents		61.779	(37.357)
Cash and cash equivalents at the beginning of the period		297.196	312.923
Cash and Cash Equivalents at the end of the Period		358.975	275.566

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 SEPTEMBER 2017

(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 September 2017, the shares traded on BIST are 4,31% (31 December 2016: 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 September 2017 is 1.196 (31 December 2016: 1.018).

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 2016: 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 9 November 2017. 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 (“KGG”) 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 SEPTEMBER 2017

(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 2016.

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 SEPTEMBER 2017

(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 September 2017 and 31 December 2016 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.

2.2 New and Revised Turkish Accounting Standards

2.2.1 Amendments to TAS affecting amounts reported and/or disclosures in the condensed consolidated financial statements

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 SEPTEMBER 2017

(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 applied in 2017 with no material effect on the condensed consolidated financial statements

Amendments to TAS 7	<i>Statement of cash flows¹</i>
Amendments to TAS 12	<i>Income taxes¹</i>
Annual improvements to 2014-2016 cycle	<i>TFRS 1², TFRS 7², TFRS 10², TAS 19², TAS 28², TFRS 12¹</i>

¹ Effective for annual periods beginning on or after 1 January 2017.

² Effective for annual periods beginning on or after 1 January 2018.

2.2.3 New and revised TAS in issue but not yet effective

The Group has not applied the following new and revised TAS that have been issued but are not yet effective as of 30 September 2017:

TFRS 9	<i>Financial Instruments¹</i>
TFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to TFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to TFRS 4	<i>Insurance contracts¹</i>
Amendments to TAS 40	<i>Investment property¹</i>
TFRS 2	<i>Share based payments¹</i>
TFRS 16	<i>Leases²</i>
TFRS 17	<i>Insurance contracts³</i>
IFRIC 22	<i>Foreign currency transactions and advance consideration¹</i>
IFRIC 23	<i>Uncertainty over income tax treatments²</i>

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after 1 January 2021.

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 2016. The condensed consolidated financial statements for the period between 1 January - 30 September 2017 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2016.

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 SEPTEMBER 2017

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NOTE 3 - RELATED PARTY DISCLOSURES

a) Trade receivables due from related parties:

TL 135 (31 December 2016: TL 92).

b) Trade payables due to related parties:

	30 September 2017	31 December 2016
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	1.498	1.375
Other	2.130	194
	3.628	1.569

c) Product and service sales:

None (1 January - 30 September 2016: TL 2.251).

d) Product and service purchases:

	1 January- 30 September 2017	1 July - 30 September 2017	1 January- 30 September 2016	1 July - 30 September 2016
Desa Enerji	10.933	3.959	10.388	3.826
Other	5.257	2.502	10.066	4.823
	16.190	6.461	20.454	8.649

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 September 2017	1 July - 30 September 2017	1 January- 30 September 2016	1 July - 30 September 2016
Short-term employee benefits	7.058	2.519	6.404	2.503
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	45	16	77	11
	7.103	2.535	6.481	2.514

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 September 2017	31 December 2016
Customer current accounts	369.617	307.527
Credit card receivables	49.178	37.059
Notes receivables and customer cheques	46.768	33.407
Due from related parties (Note 3)	135	92
	465.698	378.085
Less: Provision for doubtful receivables	(37.794)	(33.949)
Unincurred finance income	(5.117)	(3.007)
	422.787	341.129

The effective weighted average interest rate applied to TL denominated receivables is 11,19% p.a. as of 30 September 2017 (31 December 2016: 8,11% p.a.). Trade receivables are all short term with a weighted average maturity of one month (31 December 2016: one month).

Movements in the provision for doubtful receivables are as follows:

	2017	2016
1 January	(33.949)	(29.338)
Reversals of current period provision	301	328
Charged to the consolidated statement of profit or loss and other comprehensive income	(4.146)	(4.016)
30 September	(37.794)	(33.026)

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 September 2017	31 December 2016
Supplier current accounts	99.194	108.046
Due to related parties (Note 3)	3.628	1.569
Accrued expenses	15.032	9.413
Less: Unearned finance expense	(399)	(250)
	117.455	118.778

The effective weighted average interest rate on TL denominated payables is 11,19% p.a. as of 30 September 2017 (31 December 2016: 8,10% p.a.). Short term payables have a weighted average maturity of one month (31 December 2016: one month).

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NOTE 5 - INVESTMENT PROPERTIES

	1 January 2017	Additions	Disposals	Transfers	30 September 2017
<u>Buildings and land improvements:</u>					
Cost	3.445	-	-	-	3.445
Accumulated depreciation	(1.892)	(86)	-	-	(1.978)
Net book value	1.553				1.467

	1 January 2016	Correction	Additions	Disposals	Transfers	30 September 2016
<u>Buildings and land improvements:</u>						
Cost	3.297	148	-	-	-	3.445
Accumulated depreciation	(1.701)	(77)	(85)	-	-	(1.863)
Net book value	1.596					1.582

Total rental income from the investment property amounts to TL 76 between 1 January- 30 September 2017 (1 January- 30 September 2016: TL 115). There are no operating expenses arising from the investment property.

As at 30 September 2017, the fair value of Group's investment properties, of which is carried at cost less accumulated depreciation, have been determined by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş..

Details of the Group's investment properties and information about the fair value hierarchy as at 30 September 2017 are as follows:

Fair values as at 30 September 2017

	30 September 2017	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 EQUIPMENTS

Movements of property, plant and equipments between 1 January and 30 September 2017 were as follows:

	1 January 2017	Additions	Disposals	Transfers	30 September 2017
Cost:					
Land	1.755	-	-	-	1.755
Land improvements	13.686	25	-	351	14.062
Buildings	85.696	341	-	6.076	92.113
Machinery and equipments	409.292	2.229	(139)	45.487	456.869
Furniture and fixtures	340.846	85.756	(26.348)	2.900	403.154
Motor vehicles	9.379	2.142	(668)	-	10.853
Construction in progress	23.656	50.267	-	(54.814)	19.109
	884.310	140.760	(27.155)	-	997.915
Accumulated depreciation:					
Land improvements	(9.697)	(175)	-	-	(9.872)
Buildings	(54.944)	(2.357)	-	-	(57.301)
Machinery and equipments	(280.635)	(10.541)	139	-	(291.037)
Furniture and fixtures	(194.332)	(49.966)	25.430	-	(218.868)
Motor vehicles	(3.224)	(987)	553	-	(3.658)
	(542.832)	(64.026)	26.122	-	(580.736)
Net book value	341.478				417.179

Movements of property, plant and equipments between 1 January and 30 September 2016 were as follows:

	1 January 2016	Correction	Additions	Disposals	Transfers	30 September 2016
Cost:						
Land	1.701	62	-	(8)	-	1.755
Land improvements	12.180	418	615	-	-	13.213
Buildings	75.461	2.839	291	(1)	342	78.932
Machinery and equipments	358.855	11.313	1.265	(9.368)	37.120	399.185
Furniture and fixtures	278.517	21.197	53.808	(27.529)	2.952	328.945
Motor vehicles	5.343	45	1.086	(117)	-	6.357
Construction in progress	9.623	-	41.778	-	(40.414)	10.987
	741.680	35.874	98.843	(37.023)	-	839.374
Accumulated depreciation:						
Land improvements	(9.032)	(410)	(191)	-	-	(9.633)
Buildings	(50.227)	(2.206)	(1.851)	-	-	(54.284)
Machinery and equipments	(267.671)	(11.001)	(8.038)	8.952	-	(277.758)
Furniture and fixtures	(151.100)	(21.217)	(41.149)	25.395	-	(188.071)
Motor vehicles	(2.884)	(44)	(500)	107	-	(3.321)
	(480.914)	(34.878)	(51.729)	34.454	-	(533.067)
Net book value	260.766					306.307

Current year depreciation and amortisation expenses of TL 44.002 (1 January- 30 September 2016: TL 36.041) have been charged to cost of production, TL 18.812 (1 January- 30 September 2016: TL 14.767) to marketing, selling and distribution costs and TL 3.614 (1 January- 30 September 2016: TL 2.523) to general administrative expenses.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENTS (Continued)

Net book value of returnable bottles and crates classified under "Furniture and fixtures" amounts to TL 96.362 as at 30 September 2017 (31 December 2016: TL 81.391).

The Group does not have any financial leasing liability as of 30 September 2017 (31 December 2016: None).

NOTE 7 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods ended 30 September 2017 and 2016 were as follows:

	1 January 2017	Additions	Disposals	Transfers	30 September 2017
Rights	18.305	2.571	-	-	20.876
Accumulated amortisation	(13.523)	(2.316)	-	-	(15.839)
Net book value	4.782				5.037

	1 January 2016	Correction	Additions	Disposals	Transfers	30 September 2016
Rights	16.229	99	254	-	-	16.582
Accumulated amortisation	(11.431)	(99)	(1.517)	-	-	(13.047)
Net book value	4.798					3.535

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 September 2017	31 December 2016
Provision for sales discounts	51.518	27.280
Provision for excise duty (*)	31.943	30.778
Provision for legal cases fee	834	834
Other	2.152	2.636
	86.447	61.528

(*) The Group management has allocated a provision of TL 31.943 (31 December 2016: TL 30.778) (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.

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

	2017	2016
1 January	30.778	29.219
Charge for the period	1.165	1.165
30 September	31.943	30.384

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

b) Contingent assets and 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. 38 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 September 2017, the total value of legal actions is amounted to TL 7.173 (31 December 2016: TL 7.173) in relation to those legal actions not finalized yet.

As at 30 September 2017, the Group has bank letters of guarantee given amounting to TL 9.523 (31 December 2016: TL 9.087). The schedule for guarantee, pledge and mortgage ("GPM") given by the Group is as follows:

	30 September 2017	31 December 2016
A. Total value of GPM provided in favour of the Company itself	9.523	9.087
i. TL	9.523	9.087
B. Total value of GPM provided in favour of the subsidiary	180.949	180.716
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	-	-
	190.472	189.803

The ratio of total value of other GPM to equity is 0% at 30 September 2017 (31 December 2016: 0%).

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 September 2017 and 31 December 2016 is as follows:

	30 September 2017	31 December 2016
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 September 2017 and 31 December 2016 were as follows:

	30 September 2017		31 December 2016	
	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 2016: 32.250.825.300) units of shares with a face value of full TL 0,01 each at 30 September 2017. There are no privileged stocks.

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NOTE 9 - CAPITAL, RESERVES AND OTHER SHARE CAPITAL RESERVES (Continued)

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

b) Other equity items:

	30 September 2017	31 December 2016
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	877	-
Share premium	154	154
	278.644	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 profits or losses:

As at 30 September 2017, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 131.266 (31 December 2016: accumulated loss TL 88.445).

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

Current income tax liability:

	30 September 2017	31 December 2016
Provision for corporate tax expense	50.628	63.358
Less: Prepaid taxes	(28.545)	(43.580)
Current income tax liability	22.083	19.778

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 2016: 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 2016: 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.

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

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

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2016: 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 January- 30 September 2017 and 2016 is as follows:

	1 January- 30 September 2017	1 July - 30 September 2017	1 January- 30 September 2016	1 July - 30 September 2016
Current tax expense (*)	(46.496)	(24.270)	(45.601)	(22.570)
Deferred tax (expense)/ income	(4.545)	284	(6.799)	(983)
	(51.041)	(23.986)	(52.400)	(23.553)

(*) As of 30 September 2017, the adjustment amounting to TL 4.132 arising from the difference between the provisions booked as per the best estimate of Group management and the actual tax calculations determined in the following periods has been taken into consideration.

Reconciliation of the taxation on income for the period ended 30 September 2017 and 2016 is as follows:

	1 January- 30 September 2017	1 January - 30 September 2016
Income before tax	267.719	233.343
Tax calculated at tax rates applicable	(53.544)	(46.669)
Expenses not deductible for tax purposes	(2.337)	(3.553)
Exemptions	123	19
Other adjustments not subject to tax	4.717	(2.197)
Tax expense	(51.041)	(52.400)

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 2016: 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.

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 September 2017 and 31 December 2016, using enacted tax rates at the financial position dates, was as follows:

	30 September 2017		31 December 2016	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipments and intangible fixed assets	37.544	(7.544)	32.882	(6.612)
Inventory	(4.990)	998	(2.045)	409
Provision for employment termination benefits	(14.829)	2.991	(12.874)	2.575
Provision for vacation pay obligation and other provisions	(22.140)	4.428	(32.190)	6.438
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(18.675)	3.735	(15.723)	3.145
Other	6.874	(1.376)	(8.429)	1.686
		3.925		8.334

Thereof:

	30 September 2017	31 December 2016
Subsidiaries with net deferred income tax assets	15.218	16.366
Subsidiaries with net deferred income tax liabilities	(11.293)	(8.032)
	3.925	8.334

Movement of deferred tax assets for periods ended 30 September 2017 and 2016 are as follows:

	2017	2016
1 January	8.334	11.133
Profit or loss effect	(4.545)	(6.799)
Other comprehensive income effect	136	(40)
30 September	3.925	4.294

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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 September 2017	1 July - 30 September 2017	1 January- 30 September 2016	1 July- 30 September 2016
Net income for the period	A	216.678	95.988	180.943	89.460
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	0,67	0,30	0,56	0,28

There are no differences between basic and diluted gain per share for the periods ended 30 September 2017 and 2016.

NOTE 12 - FINANCIAL INVESTMENTS

	30 September 2017	31 December 2016
Financial assets at fair value through profit or loss	205.543	166.323
Available-for-sale financial assets	167	167
	205.710	166.490

	Fair values as at 30 September 2017			
	30 September 2017	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	205.543	205.543	-	-
Available-for-sale financial assets	167	-	-	167

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 September 2017	31 December 2016
Private sector bonds and bills	145.033	113.699
Certificates of deposits	60.510	52.624
	205.543	166.323

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 September 2017.

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NOTE 12 - FINANCIAL INVESTMENTS (Continued)

Private sector bonds and bills, and certificates of deposits are dominated in USD and weighted average annual interest rates are 2,22% and 1,22%, respectively (31 December 2016: 1,99% and 1,04%).

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

	2017
1 January	166.323
Purchase of financial investments	207.691
Sale of financial investments	(169.261)
Fair value increase of financial investments	410
Foreign exchange gain- net	380
30 September	205.543

b) Available-for-sale financial assets:

	<u>30 September 2017</u>		<u>31 December 2016</u>	
	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 September 2017				31 December 2016			
	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)
1. Trade Receivables	1.959	391	136	-	955	226	43	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	292.230	82.261	4	14	208.213	59.156	4	16
2b. Non-Monetary Financial Assets	154	26	13	7	9.270	8	2.491	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	294.343	82.678	153	21	218.438	59.390	2.538	16
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	4.698	2	1.119	-	3.773	1	1.016	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	4.698	2	1.119	-	3.773	1	1.016	-
9. Total Assets (4+8)	299.041	82.680	1.272	21	222.211	59.391	3.554	16
10. Trade Payables	(14.436)	(188)	(3.284)	-	(19.893)	(1.048)	(4.368)	-
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	(1.616)	(455)	-	-	(833)	(233)	-	(13)
13. Short Term Liabilities (10+11+12)	(16.052)	(643)	(3.284)	-	(20.726)	(1.281)	(4.368)	(13)
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)	(16.052)	(643)	(3.284)	-	(20.726)	(1.281)	(4.368)	(13)
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)	282.989	82.037	(2.012)	21	201.485	58.110	(814)	3
21. Net Foreign Currency Asset/(Liability) Position of								
Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	279.753	82.464	(3.144)	14	189.275	58.334	(4.321)	16
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 SEPTEMBER 2017**

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

NOTE 13 - FOREIGN CURRENCY POSITION (Continued)

30 September 2017:

	Profit/ Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	29.292	(29.292)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	29.292	(29.292)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(1.318)	1.318
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	(1.318)	1.318
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	1	(1)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	1	(1)
TOTAL (3+6+9)	27.975	(27.975)

31 December 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	20.529	(20.529)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	20.529	(20.529)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(1.603)	1.603
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	(1.603)	1.603
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	2	(2)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	2	(2)
TOTAL (3+6+9)	18.928	(18.928)

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 September 2017 and 31 December 2016.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2017 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 September 2017:

	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	358.975	-	-	358.975	-
Trade receivables	422.787	-	-	422.787	4
Financial investments	-	-	205.543	205.543	12
<u>Financial liabilities</u>					
Trade payables	-	117.455	-	117.455	4

31 December 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	297.196	-	-	297.196	-
Trade receivables	341.129	-	-	341.129	4
Financial investments	-	-	166.323	166.323	12
<u>Financial liabilities</u>					
Trade payables	-	118.778	-	118.778	4

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

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