

**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 2018**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2018

TABLE OF CONTENTS		PAGE
CONDENSED CONSOLIDATED FINANCIAL POSITION		1-2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....		3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		5-6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....		7-25
NOTE 1	ORGANISATION AND NATURE OF OPERATIONS	7
NOTE 2	BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-11
NOTE 3	RELATED PARTY DISCLOSURES	11-12
NOTE 4	TRADE RECEIVABLE AND PAYABLES	13
NOTE 5	INVESTMENT PROPERTIES	14
NOTE 6	PROPERTY, PLANT AND EQUIPMENTS	15
NOTE 7	INTANGIBLE ASSETS	16
NOTE 8	PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES	16-17
NOTE 9	CAPITAL, RESERVES AND OTHER SHARE CAPITAL RESERVES	17-18
NOTE 10	TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	18-20
NOTE 11	EARNINGS PER SHARE	21
NOTE 12	FINANCIAL INVESTMENTS.....	21-22
NOTE 13	FOREIGN CURRENCY POSITION.....	23-24
NOTE 14	FINANCIAL INSTRUMENTS.....	25

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED FINANCIAL POSITION AS AT 30 SEPTEMBER 2018***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Current Period Unaudited 30 September 2018</i>	<i>Prior Period Audited 31 December 2017</i>
	Notes		
ASSETS			
Current assets		1.499.033	1.137.565
Cash and cash equivalents		168.119	344.292
Financial investments		423.957	248.003
- Financial assets at fair value through profit or loss	12	423.790	247.836
- Financial assets available for sale	12	167	167
Trade receivables	4	655.789	433.209
- Due from related parties	3	-	135
- Due from third parties		655.789	433.074
Other receivables		1.128	761
- Due from third parties		1.128	761
Inventories		223.634	102.231
Prepaid expenses		26.406	9.069
- Prepaid expenses from third parties		26.406	9.069
Non-current assets		746.221	523.875
Other receivables		272	171
- Due from third parties		272	171
Investment properties	5	1.354	1.439
Property, plant and equipments	6	646.705	430.123
- Land		13.831	1.755
- Land Improvements		6.177	5.474
- Buildings		49.859	37.668
- Machinery and equipments		297.239	177.920
- Motor vehicles		8.786	8.491
- Furniture and fixtures		243.718	167.033
- Construction in progress		27.095	31.782
Intangible assets	7	4.289	6.454
- Rights		4.289	6.454
Deferred tax assets	10	18.228	17.673
Prepaid expenses		75.373	68.015
- Prepaid expenses from third parties		75.373	68.015
TOTAL ASSETS		2.245.254	1.661.440

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 2018

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

	<i>Notes</i>	<i>Current Period Unaudited 30 September 2018</i>	<i>Prior Period Audited 31 December 2017</i>
LIABILITIES			
Current liabilities		855.938	595.704
Trade payables	4	235.898	166.378
- Due to related parties	3	7.907	3.742
- Due to third parties		227.991	162.636
Other payables		38.204	37.161
- Due to third parties		38.204	37.161
Deferred income		546	404
- Deferred income due to third parties		546	404
Current income tax liability	10	54.591	21.401
Short term provisions		105.850	98.478
- Provision for employee benefits		27.520	38.737
- Other short term provisions	8	78.330	59.741
Other current liabilities		420.849	271.882
- Current liabilities due to third parties		420.849	271.882
Non-current liabilities		36.591	28.256
Long term provisions		17.949	15.952
- Provision for employee benefits		17.949	15.952
Deferred tax liability	10	18.642	12.304
TOTAL LIABILITIES		892.529	623.960
EQUITY		1.352.725	1.037.480
Equity attributable to equity holders of the Group		1.352.725	1.037.480
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)		(3.402)	(2.714)
- Revaluation of defined employee benefits (losses) plans		(3.402)	(2.714)
Restricted reserves appropriated from profits		18.642	877
- Legal reserves	9	18.642	877
Accumulated profits or losses	9	362.420	131.266
Net profit or loss for the period		374.790	307.776
TOTAL EQUITY AND LIABILITIES		2.245.254	1.661.440

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 2018

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

Notes	<i>Unaudited Current Period 1 January- 30 September 2018</i>	<i>Unaudited Current Period 1 July- 30 September 2018</i>	<i>Unaudited Prior Period 1 January- 30 September 2017</i>	<i>Unaudited Prior Period 1 July- 30 September 2017</i>
Profit or Loss				
Revenue	1.181.430	526.570	871.842	336.580
Cost of sales	(549.151)	(242.350)	(367.967)	(139.575)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS	632.279	284.220	503.875	197.005
GROSS PROFIT (LOSS)	632.279	284.220	503.875	197.005
General administrative expenses	(47.766)	(15.592)	(37.996)	(12.572)
Marketing, selling and distribution expenses	(294.996)	(111.400)	(216.640)	(77.136)
Other income from operating activities	55.470	34.269	8.070	1.789
Other expense from operating activities	(62.680)	(33.757)	(12.865)	(1.402)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	282.307	157.740	244.444	107.684
Income from investing activities	259.172	165.824	66.360	23.281
Expense from investing activities	(45.960)	(41.652)	(34.939)	(7.924)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)	495.519	281.912	275.865	123.041
Financial expenses	(12.285)	(5.146)	(8.146)	(3.067)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	483.234	276.766	267.719	119.974
Tax (expense) income, continuing operations	(108.444)	(60.107)	(51.041)	(23.986)
- Current period tax (expense) income	10 (102.489)	(54.768)	(46.496)	(24.270)
- Deferred tax (expense) income	10 (5.955)	(5.339)	(4.545)	284
PROFIT (LOSS) FROM CONTINUING OPERATIONS	374.790	216.659	216.678	95.988
PROFIT (LOSS)	374.790	216.659	216.678	95.988
Profit (loss), attributable to				
Non-controlling interests	-	-	-	-
Equity holders of the Group	374.790	216.659	216.678	95.988
	374.790	216.659	216.678	95.988
Earnings per share for net profit attributable to the equity holders of the parent company (full TL) 11				
	1,16	0,67	0,67	0,30
Other comprehensive income:				
Items that will not be reclassified to profit or loss	(688)	161	(545)	138
- Gains (losses) on remeasurements of defined benefit plans	(860)	201	(681)	173
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	172	(40)	136	(35)
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	172	(40)	136	(35)
OTHER COMPREHENSIVE INCOME (LOSS)	(688)	161	(545)	138
TOTAL COMPREHENSIVE INCOME (LOSS)	374.102	216.820	216.133	96.126
Allocation of comprehensive income:				
Non-controlling interests	-	-	-	-
Equity holders of the Group	374.102	216.820	216.133	96.126
	374.102	216.820	216.133	96.126

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 2018

(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 2017									
Balances at beginning	322.508	277.613	154	(1.679)	-	(88.445)	236.890	747.041	747.041
Transfers	-	-	-	-	859	236.031	(236.890)	-	-
Dividends	-	-	-	-	18	(16.320)	-	(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)
Balances at closing	322.508	277.613	154	(2.224)	877	131.266	216.678	946.872	946.872
Unaudited									
Current Period									
1 January – 30 September 2018									
Balances at beginning	322.508	277.613	154	(2.714)	877	131.266	307.776	1.037.480	1.037.480
Transfers	-	-	-	-	13.492	294.284	(307.776)	-	-
Dividends	-	-	-	-	4.273	(63.130)	-	(58.857)	(58.857)
Total comprehensive income (loss)	-	-	-	(688)	-	-	374.790	374.102	374.102
- Profit (loss) for the period	-	-	-	-	-	-	374.790	374.790	374.790
- Other comprehensive income (loss)	-	-	-	(688)	-	-	-	(688)	(688)
Balances at closing	322.508	277.613	154	(3.402)	18.642	362.420	374.790	1.352.725	1.352.725

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 2018

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

	Notes	<i>Current Period Unaudited 1 January- 30 September 2018</i>	<i>Prior Period Unaudited 1 January- 30 September 2017</i>
Cash Flows Provided From Operating Activities:			
Profit (loss) for the period		374.790	216.678
- Profit (loss) for the period from continuing operations		374.790	216.678
Adjustments To Reconcile Net Profit (Loss) For The Period:		43.034	131.562
Adjustments for depreciation and amortisation expense	5-6-7	95.673	66.428
Adjustments for impairment loss (reversal)		6.741	3.016
Adjustments for impairment loss (reversal) of receivables	4	6.780	3.845
Adjustments for impairment loss (reversal) of inventory		(39)	(829)
Adjustments for provisions		33.334	37.253
Adjustments for (reversal of) provision related to employee benefits		14.745	12.334
Adjustments for (reversal of) provision related with legal case		1.213	1.165
Adjustments for (reversal of) other provisions		17.376	23.754
Adjustments for interest (income) expenses		(21.620)	(22.703)
Adjustments for interest income		(25.219)	(24.664)
Unearned finance income due to sales		(222)	2.110
Unincurred finance expense due to purchases		3.821	(149)
Adjustments for fair value losses (gains)		1.515	(410)
Adjustments for fair value losses (gains) of financial assets	12	1.515	(410)
Adjustments for taxation (income) expense	10	108.444	51.041
Adjustments for losses (gains) on sale of fixed assets		(2.100)	(1.246)
Adjustments for losses (gains) on sale of tangible assets		(2.100)	(1.246)
Adjustments for unrealised foreign exchange losses		(178.953)	(1.817)
Changes In Working Capital:		(159.814)	(51.477)
Adjustments for decrease (increase) in trade receivables		(233.181)	(87.613)
Decrease (increase) in trade receivables from related party	3	135	(43)
Decrease (increase) in trade receivables from third party	4	(233.316)	(87.570)
Adjustments for decrease (increase) in other receivables		(468)	(34)
Decrease (increase) in other receivables from third party		(468)	(34)
Adjustments for decrease (increase) in inventories		(121.364)	16.921
Decrease (increase) in prepaid expenses		(24.695)	(43.198)
Adjustments for increase (decrease) in trade payables		69.742	(1.174)
Increase (decrease) in trade payables to related parties	3	4.165	2.059
Increase (decrease) in trade payables to third party	4	65.577	(3.233)
Adjustments for increase (decrease) in other payables		1.043	7.212
Increase (decrease) in other receivables from third party		1.043	7.212
Increase (decrease) in deferred income		142	797
Adjustments for increase (decrease) in working capital		148.967	55.612
Increase (decrease) in other liabilities		148.967	55.612
		258.010	296.763
Provisions paid related to employee benefits		(24.825)	(21.110)
Income taxes returns (paid)		(69.299)	(44.191)
Net Cash Generated From Operating Activities		163.886	231.462

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 2018

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

	Notes	<i>Current Period Unaudited 1 January- 30 September 2018</i>	<i>Prior Period Unaudited 1 January- 30 September 2017</i>
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		3.990	2.279
Cash inflow from sale of tangible assets		3.900	2.279
Cash inflow from sale of intangible assets		90	-
Cash outflow from purchase of tangible and intangible assets		(311.895)	(143.331)
Cash outflow from purchase of tangible assets	6	(311.512)	(140.760)
Cash outflow from purchase of intangible assets	7	(383)	(2.571)
Interest received		25.219	24.664
Cash inflow from sale of equity or debt instruments of other companies	12	562.710	169.261
Cash outflow from acquisition of equity or debt instruments of other companies	12	(596.583)	(207.691)
Net Cash Used In Investing Activities		(316.559)	(154.818)
Cash Flow From Financing Activities:			
Dividends Paid	3	(58.857)	(16.302)
Net Cash Used In Financing Activities		(58.857)	(16.302)
Net Increase (Decrease) In Cash and Cash Equivalents Before Currency Translation Differences		(211.530)	60.342
Effect of currency translation differences on cash and cash equivalents		35.357	1.437
Net Increase (Decrease) In Cash and Cash Equivalents		(176.173)	61.779
Cash and cash equivalents at the beginning of the period		344.292	297.196
Cash and Cash Equivalents at the end of the Period		168.119	358.975

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 2018

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

The Company is registered in the Turkish Capital Markets Board (“CMB”) and its shares have been traded on the Istanbul Stock Exchange Market (“BIST”) since 1989. As at 30 September 2018, the shares traded on BIST are 4,31% (31 December 2017: 4,31%) of the total shares. The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 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 2018 is 1.347 (31 December 2017: 1.211).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.
Kemalpaşa Caddesi No: 258
Işıkkent 35070
İzmir

Subsidiary

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

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

The Company sells almost all of the beer it produces to its subsidiary, Tuborg Pazarlama A.Ş. (“Tuborg Pazarlama” or “Subsidiary”), in which it holds a share of 99,99% (31 December 2017: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

Approval of the condensed consolidated financial statements for issue:

The condensed consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 9 November 2018. 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 SEPTEMBER 2018

(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 2017.

The Group and its subsidiary operating in Turkey maintains its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The 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 2018

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

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

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

The details of the Company's subsidiary as at 30 September 2018 and 31 December 2017 are as follows:

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

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

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

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

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

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

e) Comparatives and restatement of prior year consolidated financial statements

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

2.2 New and Revised Turkish Accounting Standards

2.2.1 New and Revised TASs affecting presentation and disclosure only

None.

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

None.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2018

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

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

2.2.3 Standards, amendments and interpretations applicable as at 30 September 2018

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>
Amendments to TFRS 2	<i>Share based payments¹</i>
Annual improvements 2014-2016	<i>TFRS 1, TFRS 7, TAS 19, TFRS 10, TAS 28¹</i>
IFRIC 22	<i>Foreign currency transactions and advance consideration¹</i>

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

The Group has adopted the new standards and amendments above, and the new standards and amendments have had no significant effect on the current and comparative periods. Therefore, the comparative financial statement of the prior period have not been restated in accordance with the materiality principle.

Transition to IFRS 9 "Financial instruments"

The Group has applied TFRS 9 "Financial instruments" standard with the amendments including the classification, measurement, and the expected credit risk model as of 1 January 2018. The Group has accounted the effect of transition based on the simplified approach, therefore, prior year financial statements are not restated and these financial statements are presented in accordance with TMS 39. Cumulative effect of the first time adoption has not made any material changes that has to be recognized in retained earnings as of 1 January 2018.

Changes regarding the classification of financial assets and liabilities in terms of TFRS 9 are summarised below. Related changes in classification do not result in changes in measurement of the financial assets and liabilities.

Financial Assets	Prior classification under TAS 39	New classification under IFRS 9
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Other receivables	Loans and receivables	Amortised cost
Financial Liabilities	Prior classification under TAS 39	New classification under IFRS 9
Borrowings	Amortised cost	Amortised cost
Finance leases	Amortised cost	Amortised cost
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Trade payables	Amortised cost	Amortised cost

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 2018

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

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

Transition to IFRS 15 "Revenue from Contracts with Customers"

IFRS 15, Revenue from Contracts with Customers; effective from annual periods beginning on or after 1 January 2018 and this standard replaces the guidance in IAS 18. There isn't any material impact expected on the financial position or performance of the Group related to this standard.

2.2.4 Standards, amendments and interpretations that are issued but not effective as at 30 September 2018

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

Amendments to TAS 28	<i>Investments in associates and joint venture¹</i>
Amendments to TFRS 9	<i>Financial instruments¹</i>
TFRS 16	<i>Leases¹</i>
TAS 19	<i>Employee benefits¹</i>
Annual improvements 2015-2017	<i>TFRS 3, TFRS 11, TAS 12, TAS 23¹</i>
IFRIC 23	<i>Uncertainty over income tax treatments¹</i>
TFRS 17	<i>Insurance contracts²</i>

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

² Effective for annual periods beginning on or after 1 January 2021.

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

2.3 Summary of Significant Accounting Policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 1 January - 31 December 2017. The condensed consolidated financial statements for the period between 1 January - 30 September 2018 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2017.

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

NOTE 3 - RELATED PARTY DISCLOSURES

a) Trade receivables due from related parties:

None (31 December 2017: TL 135).

b) Trade payables due to related parties:

	30 September 2018	31 December 2017
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	4.137	1.235
Other	3.770	2.507
	7.907	3.742

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 2018

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

c) Product and service sales:

TL 512 (1 January - 30 September 2017: None).

d) Product and service purchases:

	1 January- 30 September 2018	1 July - 30 September 2018	1 January- 30 September 2017	1 July - 30 September 2017
Desa Enerji	17.860	8.684	10.933	3.959
Other	13.074	6.356	5.257	2.502
	30.934	15.040	16.190	6.461

The Group purchases electricity and hot water from Desa Enerji.

e) Dividends to related parties- gross:

	30 September 2018	31 December 2017
IBBL	56.318	15.599
Other	2.539	703
	58.857	16.302

It has been decided to distribute gross dividends amounting to TL 58.857 (31 December 2017: TL 16.302) at General Assembly Meeting of 2017 held on 19 June 2018.

f) 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 2018	1 July - 30 September 2018	1 January- 30 September 2017	1 July - 30 September 2017
Short-term employee benefits	9.254	3.603	7.058	2.519
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	90	16	45	16
	9.344	3.619	7.103	2.535

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 2018

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

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 September 2018	31 December 2017
Customer current accounts	590.943	378.839
Credit card receivables	55.355	54.103
Notes receivables and customer cheques	62.323	42.363
Due from related parties (Note 3)	-	135
	708.621	475.440
Less: Provision for doubtful receivables	(42.968)	(36.188)
Unincurred finance expense	(9.864)	(6.043)
	655.789	433.209

The effective weighted average interest rate applied to TL denominated receivables is 26,03% p.a. as of 30 September 2018 (31 December 2017: 11,73% p.a.). Trade receivables are all short term with a weighted average maturity of one month (31 December 2017: one month).

Movements in the provision for doubtful receivables are as follows:

	2018	2017
1 January	(36.188)	(33.949)
Reversals of current period provision	562	301
Charged to the consolidated statement of profit or loss and other comprehensive income	(7.342)	(4.146)
30 September	(42.968)	(37.794)

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 2018	31 December 2017
Supplier current accounts	206.492	150.723
Due to related parties (Note 3)	7.907	3.742
Accrued expenses	23.254	13.446
Less: Unearned finance income	(1.755)	(1.533)
	235.898	166.378

The effective weighted average interest rate on TL denominated payables is 25,54% p.a. as of 30 September 2018 (31 December 2017: 12,45% p.a.). Short term payables have a weighted average maturity of one month (31 December 2017: one month).

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 2018

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

NOTE 5 - INVESTMENT PROPERTIES

	1 January 2018	Additions	Disposals	Transfers	30 September 2018
<u>Buildings and land improvements:</u>					
Cost	3.445	-	-	-	3.445
Accumulated depreciation	(2.006)	(85)	-	-	(2.091)
Net book value	1.439				1.354

	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

Total rental income from the investment property amounts to TL 146 between 1 January- 30 September 2018 (1 January- 30 September 2017: TL 76). There are no operating expenses arising from the investment property.

As at 30 September 2018, 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 2018 are as follows:

	<u>Fair values as at 30 September 2018</u>			
	30 September 2018	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property unit located in Ankara	4.220	-	4.220	-
Commercial property unit located in İzmir	2.350	-	2.350	-

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 2018

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENTS

Movements of property, plant and equipments between 1 January and 30 September 2018 were as follows:

	1 January 2018	Additions	Disposals	Transfers(*)	30 September 2018
Cost:					
Land	1.755	12.076	-	-	13.831
Land improvements	15.408	260	-	642	16.310
Buildings	95.807	234	(273)	15.061	110.829
Machinery and equipments	472.683	12.193	(6.301)	121.391	599.966
Furniture and fixtures	376.198	147.553	(9.390)	5.004	519.365
Motor vehicles	12.503	1.610	(46)	-	14.067
Construction in progress	31.782	137.586	-	(142.273)	27.095
	1.006.136	311.512	(16.010)	(175)	1.301.463
Accumulated depreciation:					
Land improvements	(9.934)	(199)	-	-	(10.133)
Buildings	(58.139)	(2.999)	168	-	(60.970)
Machinery and equipments	(294.763)	(14.257)	6.293	-	(302.727)
Furniture and fixtures	(209.165)	(74.185)	7.703	-	(275.647)
Motor vehicles	(4.012)	(1.315)	46	-	(5.281)
	(576.013)	(92.955)	14.210	-	(654.758)
Net book value	430.123				646.705

(*) Note 7.

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

Current year depreciation and amortisation expenses of TL 63.461 (1 January- 30 September 2017: TL 44.002) have been charged to cost of production, TL 27.734 (1 January- 30 September 2017: TL 18.812) to marketing, selling and distribution costs and TL 4.478 (1 January- 30 September 2017: TL 3.614) to general administrative expenses. The Group does not have any financial leasing liability as of 30 September 2018 (31 December 2017: 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 2018

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

NOTE 7 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods ended 30 September 2018 and 2017 were as follows:

	1 January 2018	Additions	Disposals	Transfers(*)	30 September 2018
Rights	23.291	383	(95)	175	23.754
Accumulated amortisation	(16.837)	(2.633)	5	-	(19.465)
Net book value	6.454				4.289

(*) Note 6.

	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

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 2018	31 December 2017
Provision for sales discounts	39.993	21.572
Provision for excise duty (*)	33.550	32.337
Other	4.787	5.832
	78.330	59.741

(*) The Group management has allocated a provision of TL 33.550 (31 December 2017: TL 32.337) (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:

	2018	2017
1 January	32.337	30.778
Charge for the period	1.213	1.165
30 September	33.550	31.943

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 2018

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

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 January 2006. 39 of those legal actions filed for the cancellation and return of the excise tax and VAT were concluded against Türk Tuborg while the jurisdiction is continued for the others. As at 30 September 2018, the total value of legal actions is amounted to TL 3.208 (31 December 2017: TL 3.208) in relation to those legal actions not finalized yet.

As at 30 September 2018, the Group has bank letters of guarantee given amounting to TL 4.759 (31 December 2017: TL 10.000). The schedule for guarantee, pledge and mortgage ("GPM") given by the Group is as follows:

	30 September 2018	31 December 2017
A. Total value of GPM provided in favour of the Company itself	4.759	10.000
i. TL	4.759	10.000
B. Total value of GPM provided in favour of the subsidiary	221.487	183.477
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	226.246	193.477

The ratio of total value of other GPM to equity is 0% at 30 September 2018 (31 December 2017: 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 2018 and 31 December 2017 is as follows:

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

The compositions of the Company's share capital at 30 September 2018 and 31 December 2017 were as follows:

	30 September 2018		31 December 2017	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd.	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	322.508		322.508	

There are 32.250.825.300 (31 December 2017: 32.250.825.300) units of shares with a face value of full TL 0,01 each at 30 September 2018. There are no privileged stocks.

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 2018

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

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 2018	31 December 2017
Adjustment to share capital		277.613	277.613
Restricted reserves appropriated from profits		18.642	877
Share premium		154	154
		296.409	278.644

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:

As at 30 September 2018, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 362.420 (31 December 2017: TL 131.266).

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

Current income tax liability:

	30 September 2018	31 December 2017
Provision for corporate tax expense	102.489	74.786
Less: Prepaid taxes	(47.898)	(53.385)
Current income tax liability	54.591	21.401

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

In accordance with the Law on the Amendment of Certain Tax Acts, published in the Official Gazette dated 5 December 2017, the corporate tax rate of all companies has been increased from 20% to 22% for the years 2018, 2019 and 2020 (31 December 2017: 20%). On the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed. Corporations are required to pay advance corporate tax quarterly at the rate of 22% (31 December 2017: 20%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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 2018

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

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

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

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

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2017: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Taxation on income for the period ended 1 January- 30 September 2018 and 2017 is as follows:

	1 January- 30 September 2018	1 July - 30 September 2018	1 January- 30 September 2017	1 July - 30 September 2017
Current tax expense	(102.489)	(54.768)	(46.496)	(24.270)
Deferred tax (expense)/ income	(5.955)	(5.339)	(4.545)	284
	(108.444)	(60.107)	(51.041)	(23.986)

Reconciliation of the taxation on income for the period ended 30 September 2018 and 2017 is as follows:

	1 January- 30 September 2018	1 January - 30 September 2017
Income before tax	483.234	267.719
Tax calculated at tax rates applicable	(106.311)	(53.544)
Expenses not deductible for tax purposes	(2.688)	(2.337)
Exemptions	936	123
Other adjustments not subject to tax	(381)	4.717
Tax expense	(108.444)	(51.041)

Deferred taxes:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed consolidated financial statements and the statutory tax financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate. Deferred taxes and liabilities are calculated on temporary differences that are expected in 2018, 2019 and 2020 under the liability method using the principal enacted rate of 22% and %20 is used for cancellation of temporary differences in 2021 and subsequent periods (31 December 2017: 20%).

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 2018**

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

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

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 September 2018 and 31 December 2017, using enacted tax rates at the financial position dates, was as follows:

	30 September 2018		31 December 2017	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipments and intangible fixed assets	16.220	(3.267)	11.538	(2.331)
Inventory	(5.711)	1.256	(3.011)	662
Provision for employment termination benefits	(17.949)	3.615	(15.952)	3.216
Provision for vacation pay obligation and other provisions	(27.520)	6.055	(38.737)	8.522
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(22.630)	4.979	(16.522)	3.635
Other- net	62.455	(13.745)	41.037	(9.028)
		(414)		5.369

Thereof:

	30 September 2018	31 December 2017
Subsidiaries with net deferred income tax assets	18.228	17.673
Subsidiaries with net deferred income tax liabilities	(18.642)	(12.304)
	(414)	5.369

Movement of deferred tax assets for periods ended 30 September 2018 and 2017 are as follows:

	2018	2017
1 January	5.369	8.334
Profit or loss effect	(5.955)	(4.545)
Other comprehensive income effect	172	136
30 September	(414)	3.925

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 2018

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

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 2018	1 July - 30 September 2018	1 January- 30 September 2017	1 July- 30 September 2017
Net income for the period	A	374.790	216.659	216.678	95.988
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 (full TL)	A/B	1,16	0,67	0,67	0,30

There are no differences between basic and diluted gain per share for the periods ended 30 September 2018 and 2017.

NOTE 12 - FINANCIAL INVESTMENTS

	30 September 2018	31 December 2017
Financial assets at fair value through profit or loss	423.790	247.836
Available-for-sale financial assets	167	167
	423.957	248.003

Fair values as at 30 September 2018

	30 September 2018	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	423.790	423.790	-	-
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 2018	31 December 2017
Private sector bonds and bills	227.363	164.349
Certificates of deposits	196.427	83.487
	423.790	247.836

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 2018.

Private sector bonds and bills, and certificates of deposits are dominated in USD and weighted average annual interest rates are 3,40% and 2,30%, respectively (31 December 2017: 2,42% and 1,53%).

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 2018

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

NOTE 12 - FINANCIAL INVESTMENTS (Continued)

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

	2018	2017
1 January	247.836	166.323
Purchase of financial investments	596.583	207.691
Sale of financial investments	(562.710)	(169.261)
Fair value (decrease)/ increase of financial investments	(1.515)	410
Foreign exchange gain	143.596	380
30 September	423.790	205.543

b) Available-for-sale financial assets:

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

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 2018

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

NOTE 13 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	30 September 2018				31 December 2017			
	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)	TL Equivalent	USD (thousands)	Euro (thousands)	Other (TL Equivalent)
1. Trade Receivables	7.084	1.099	72	-	1.438	301	67	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	514.482	85.147	627	76	329.804	87.430	2	18
2b. Non-Monetary Financial Assets	848	29	97	-	372	4	79	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	522.414	86.275	796	76	331.614	87.735	148	18
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	1.688	1	242	-	26.888	2	5.953	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	1.688	1	242	-	26.888	2	5.953	-
9. Total Assets (4+8)	524.102	86.276	1.038	76	358.502	87.737	6.101	18
10. Trade Payables	(62.230)	(200)	(8.778)	(20)	(27.450)	(1.802)	(4.531)	(193)
11. Financial Liabilities	-	-	-	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	(545)	(91)	-	-	(404)	(107)	-	-
13. Short Term Liabilities (10+11+12)	(62.775)	(291)	(8.778)	(20)	(27.854)	(1.909)	(4.531)	(193)
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)	(62.775)	(291)	(8.778)	(20)	(27.854)	(1.909)	(4.531)	(193)
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)	461.327	85.985	(7.740)	56	330.648	85.828	1.570	(175)
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	459.336	86.046	(8.079)	56	303.792	85.929	(4.462)	(175)
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	-	-	-	-	-	-	-	-

As of 30 September 2018, the figures regarding the export and import realized are TL 71.685 and TL 316.308, respectively (30 September 2017: TL 42.729 and TL 147.150).

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 2018**

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

NOTE 13 - FOREIGN CURRENCY POSITION (Continued)

30 September 2018:

	Profit/ Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	51.543	(51.543)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	51.543	(51.543)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	(5.615)	5.615
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	(5.615)	5.615
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	6	(6)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	6	(6)
TOTAL (3+6+9)	45.934	(45.934)

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

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 September 2018 and 31 December 2017.

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 2018 (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 2018:

	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	168.119	-	-	168.119	-
Trade receivables	655.789	-	-	655.789	4
Financial investments	-	-	423.790	423.790	12
<u>Financial liabilities</u>					
Trade payables	-	235.898	-	235.898	4

31 December 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	344.292	-	-	344.292	-
Trade receivables	433.209	-	-	433.209	4
Financial investments	-	-	247.836	247.836	12
<u>Financial liabilities</u>					
Trade payables	-	166.378	-	166.378	4

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

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