

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2019**

(ORIGINALLY ISSUED IN TURKISH)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at March 31, 2019

TABLE OF CONTENTS

	<u>Page</u>
Interim Condensed Consolidated Statements of Financial Position.....	1-2
Interim Condensed Consolidated Statements of Profit or Loss.....	3
Interim Condensed Consolidated Statements of Other Comprehensive Income	4
Interim Condensed Consolidated Statements of Changes in Equity	5
Interim Condensed Consolidated Statements of Cash Flows.....	6
Explanatory Notes to the Interim Condensed Consolidated Financial Statements	7-54
Note 1 Organization and Nature of Activities of the Group	7-10
Note 2 Basis of Presentation of Interim Condensed Consolidated Financial Statements.....	10-18
Note 3 Business Combinations	19-20
Note 4 Segment Reporting.....	21-23
Note 5 Cash and Cash Equivalents	24
Note 6 Borrowings	25-26
Note 7 Investments Accounted Through Equity Method	27-30
Note 8 Property, Plant and Equipment.....	31-32
Note 9 Intangible Assets	33
Note 10 Goodwill.....	34
Note 11 Other Assets and Liabilities.....	34-35
Note 12 Deferred Income.....	36
Note 13 Provisions, Contingent Assets and Liabilities	36
Note 14 Commitments	37-38
Note 15 Equity	39-40
Note 16 Income / Expenses from Operating Activities.....	41
Note 17 Income / Expenses from Investing Activities	41
Note 18 Finance Income	42
Note 19 Finance Expense.....	42
Note 20 Tax Assets and Liabilities	42-45
Note 21 Related Party Balances and Transactions	45-47
Note 22 Nature and Level of Risks Arising from Financial Instruments	48-53
Note 23 Events After the Reporting Period.....	54

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2019
AND DECEMBER 31, 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

ASSETS	Notes	Unreviewed	Audited
		March 31, 2019	Restated (Note 2) December 31, 2018
Cash and Cash Equivalents	5	5.669.890	5.282.990
Financial Investments		79.300	40.361
Trade Receivables		3.281.534	3.019.073
- Due from Related Parties	21.1	294.155	273.929
- Trade Receivables, Third Parties		2.987.379	2.745.144
Other Receivables		128.658	139.535
- Due from Related Parties	21.1	2.298	20.595
- Other Receivables, Third Parties		126.360	118.940
Derivative Financial Assets		100.765	102.996
Inventories		3.337.167	3.131.137
Prepaid Expenses		717.271	566.525
Current Income Tax Assets	20.1	194.106	189.152
Other Current Assets	11.1	969.304	952.145
TOTAL CURRENT ASSETS		14.477.995	13.423.914
Financial Investments		367	367
Trade Receivables		1.428	1.437
- Trade Receivables, Third Parties		1.428	1.437
Other Receivables		64.709	56.768
- Due from Related Parties	21.1	5.469	-
- Other Receivables, Third Parties		59.240	56.768
Derivative Financial Assets		49.668	83.181
Investments Accounted Through Equity Method	7	1.799.829	1.920.877
Investment Property		311.000	296.443
Property, Plant and Equipment	8	12.446.692	11.738.915
Right of Use Assets		651.262	-
Intangible Assets		18.467.209	17.111.143
- Goodwill	10	2.895.152	2.552.368
- Other Intangible Assets	9	15.572.057	14.558.775
Prepaid Expenses		473.483	425.205
Deferred Tax Assets	20.2	1.105.326	956.572
Other Non-Current Assets	11.2	1.255.395	1.402.606
TOTAL NON-CURRENT ASSETS		36.626.368	33.993.514
TOTAL ASSETS		51.104.363	47.417.428

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2019
AND DECEMBER 31, 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Unreviewed	Audited
		March 31, 2019	December 31, 2018 Restated (Note 2)
LIABILITIES			
Short-Term Borrowings	6	3.504.126	3.184.503
Current Portion of Long-Term Borrowings	6	4.385.843	3.756.799
- Bank Loans		4.150.977	3.643.106
- Lease Liabilities		234.866	113.693
Trade Payables		5.064.938	4.161.193
- Due to Related Parties	21.2	74.998	7.347
- Trade Payables, Third Parties		4.989.940	4.153.846
Employee Benefit Obligations	13.1	123.820	114.858
Other Payables		1.341.343	1.515.495
- Other Payables, Third Parties		1.341.343	1.515.495
Derivative Financial Liabilities		12.051	41.037
Deferred Income	12.1	242.841	481.421
Income Tax Payable	20.1	10.975	18.036
Short-Term Provisions		313.317	242.946
- Short-Term Provisions for the Employee Benefits	13.2	178.132	130.899
- Other Short-Term Provisions		135.185	112.047
Other Current Liabilities	11.3	95.875	36.532
TOTAL CURRENT LIABILITIES		15.095.129	13.552.820
Long-Term Borrowings	6	9.662.617	8.712.404
- Bank Loans		8.994.826	8.549.418
- Lease Liabilities		667.791	162.986
Trade Payables		68.660	44.207
- Trade Payables, Third Parties		68.660	44.207
Other Payables		389.374	392.368
- Other Payables, Third Parties		389.374	392.368
Derivative Financial Assets		1.132	3.356
Deferred Income	12.2	38.377	27.580
Long-Term Provisions		195.019	192.358
- Long-Term Provisions for the Employee Benefits	13.2	195.019	192.358
Deferred Tax Liability	20.2	2.955.671	2.762.447
Other Non-Current Liabilities	11.4	269.742	270.308
TOTAL NON-CURRENT LIABILITIES		13.580.592	12.405.028
TOTAL LIABILITIES		28.675.721	25.957.848
EQUITY			
Equity Attributable to Equity Holders of the Parent		5.058.567	5.046.470
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		1.200.135	1.200.135
Effects of Business Combinations Under Common Control		(7.145)	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		2.242	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified		93.665	73.528
- Revaluation and Remeasurement Gain (Loss)		93.665	73.528
- Gains (Losses) on Remeasurements Defined Benefit Plans		(21.236)	(20.538)
- Income (Loss) on Remeasurements of Defined Benefit Plans		114.901	94.066
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		1.651.787	1.258.524
- Currency Translation Differences		2.326.059	1.789.301
- Gains (Losses) on Hedge		(674.272)	(530.777)
Restricted Reserves Allocated From Net Profit	15	615.970	909.511
Retained Earnings	15	1.593.236	2.467.846
Net Profit or Loss		(400.629)	(1.168.151)
Non-Controlling Interests		17.370.075	16.413.110
TOTAL EQUITY		22.428.642	21.459.580
TOTAL LIABILITIES AND EQUITY		51.104.363	47.417.428

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2019 AND 2018

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

		Unreviewed	
		Restated (Note 2)	
	Notes	January 1 - March 31, 2019	January 1 - March 31, 2018
Revenue		5.347.123	3.868.865
Cost of Sales		(3.906.925)	(2.686.822)
GROSS PROFIT (LOSS)		1.440.198	1.182.043
General Administrative Expenses		(437.798)	(337.823)
Marketing Expenses		(987.686)	(680.190)
Research and Development Expenses		(1.212)	(1.255)
Other Operating Income	16.1	168.478	76.719
Other Operating Expenses	16.2	(139.005)	(118.658)
Gain (Loss) from Investments Accounted Through Equity Method	7	(152.396)	(142.810)
OPERATING PROFIT (LOSS)		(109.421)	(21.974)
Income from Investing Activities	17.1	29.266	4.305
Expenses from Investing Activities	17.2	(35.705)	(8.904)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		(115.860)	(26.573)
Financial Income	18	311.691	411.530
Financial Expenses	19	(813.304)	(872.576)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(617.473)	(487.619)
Tax (Expense) Income from Continuing Operations		(50.060)	30.713
- Current Period Tax (Expense) Income	20.3	(86.302)	(71.530)
- Deferred Tax (Expense) Income	20.3	36.242	102.243
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(667.533)	(456.906)
Attributable to:			
- Non-controlling Interests		(266.904)	(94.558)
- Equity Holders of the Parent		(400.629)	(362.348)
Earnings (Loss) per share (full TRL)		(1,65)	(1,49)
- Earnings (Loss) per share from continuing operations (full TRL)		(1,65)	(1,49)

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 AND 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Unreviewed	
	Restated (Note 2)	
	January 1- March 31, 2019	January 1- March 31, 2018
NET PROFIT (LOSS)	(667.533)	(456.906)
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	19.968	(836)
- Remeasurement Gain (Loss) from Defined Benefit Plans	(1.081)	(1.045)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified to Profit or Loss	(2)	-
- Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss	26.712	-
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	(5.661)	209
- Deferred Tax (Expense) Income	(5.661)	209
Items To Be Reclassified To Profit or Loss	1.616.965	550.203
- Currency Translation Differences	1.898.353	585.633
- Other Comprehensive Income (Loss) on Cash Flow Hedge	(10.358)	37.588
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 22)	(360.589)	(88.500)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	10.053	3.665
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	79.506	11.817
- Deferred Tax (Expense)/ Income	79.506	11.817
OTHER COMPREHENSIVE INCOME (LOSS)	1.636.933	549.367
TOTAL COMPREHENSIVE INCOME (LOSS)	969.400	92.461
Attributable to:		
- Non-controlling Interest	956.629	286.116
- Equity Holders of the Parent	12.771	(193.655)

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2019 AND 2018
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

						Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss		Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss		Retained Earnings					Equity
	Paid-in Capital	Inflation Adjustments on Capital	Share Premium/Discount	Effects of Business Combinations Under Common Control	Put Option Revaluation Fund Related With Non-Controlling Interests	Profit / Loss on Remeasurements of Defined Benefit Plans	Other Revaluation and Remeasurement Gain (Loss) (**)	Currency Translation Differences	Gain / Loss on Hedge	Restricted Reserves Allocated from Net Profit	Retained Earnings	Net Profit/ Loss	Attributable to Equity Holders of the Parent	Non-Controlling Interests	
Balances as of January 1, 2018	243.535	65.771	1.319.349	(7.145)	8.728	(16.875)	-	1.101.588	12.385	909.511	2.244.351	(130.050)	5.751.148	11.675.914	17.427.062
Transfers	-	-	-	-	-	-	-	-	-	-	(130.050)	130.050	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(519)	-	191.517	(22.305)	-	-	(362.348)	(193.655)	286.116	92.461
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(362.348)	(362.348)	(94.558)	(456.906)
Other Comprehensive Income (Expense)	-	-	-	-	-	(519)	-	191.517	(22.305)	-	-	-	168.693	380.674	549.367
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	233	233
Acquisition or Disposal of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	4.144.054	4.144.054
Increase/decrease through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	355.061	-	355.061	(355.061)	-
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	210	-	-	-	-	-	-	-	210	(210)	-
Balances as of March 31, 2018 (Restated (Note 2))	243.535	65.771	1.319.349	(7.145)	8.938	(17.394)	-	1.293.105	(9.920)	909.511	2.469.362	(362.348)	5.912.764	15.751.046	21.663.810
Balances as of January 1, 2019	243.535	65.771	1.200.135	(7.145)	2.916	(20.538)	94.066	1.789.301	(530.777)	909.511	2.467.846	(1.168.151)	5.046.470	16.413.110	21.459.580
Transfers	-	-	-	-	-	-	-	-	-	(293.541)	(874.610)	1.168.151	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(698)	20.835	536.758	(143.495)	-	-	(400.629)	12.771	956.629	969.400
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(400.629)	(400.629)	(266.904)	(667.533)
Other Comprehensive Income (Expense)	-	-	-	-	-	(698)	20.835	536.758	(143.495)	-	-	-	413.400	1.223.533	1.636.933
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	(674)	-	-	-	-	-	-	-	(674)	336	(338)
Balances as of March 31, 2019	243.535	65.771	1.200.135	(7.145)	2.242	(21.236)	114.901	2.326.059	(674.272)	615.970	1.593.236	(400.629)	5.058.567	17.370.075	22.428.642

(*) Balances in the increase (decrease) due to other changes line consists of the share of put option revaluation fund related with non-controlling interests of Anadolu Efes, a subsidiary of the Group.

(**) The balance consists of the increase due to revaluation of the assets used in renting activities.

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR
THE THREE MONTHS PERIODS ENDED MARCH 31, 2019 AND 2018**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Unreviewed	
		January 1- March 31, 2019	January 1- March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		618.706	304.680
Profit / (Loss)		(667.533)	(456.906)
Adjustments to Reconcile Profit (Loss)		1.243.846	1.023.438
Adjustments for Depreciation and Amortisation Expense		506.950	279.973
Adjustments for Impairment Loss (Reversal of Impairment Loss)		35.476	10.453
- Adjustments for Impairment Loss (Reversal) of Receivables		822	1.796
- Adjustments for Impairment Loss (Reversal) of Inventories		17.027	1.831
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	17.2	1.570	6.826
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Asset	17.2	16.057	-
Adjustments for Provisions		52.191	28.859
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		36.643	26.682
- Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		68	1.728
- Adjustments for (Reversal of) Warranty Provisions		3.380	(206)
- Adjustments for (Reversal of) Other Provisions		12.100	655
Adjustments for Interest (Income) and Expenses		319.147	148.203
Adjustments for Unrealised Foreign Exchange Differences		155.941	486.734
Adjustments for Fair Value (Gains) Losses		(16.300)	-
- Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(16.300)	-
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	7	152.396	142.810
Adjustments for Tax (Income) Expense	20.3	50.060	(30.713)
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		(11.613)	(1.076)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	17.1,17.2	(11.613)	(1.076)
Other Adjustments to Reconcile Profit (Loss)		(402)	(41.805)
Adjustments for Working Capital		116.734	(207.721)
Decrease (Increase) in Financial Investments		1.678	2.518
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(267.023)	(242.348)
Adjustments for Decrease (Increase) in Other Operating Receivables		10.703	30.159
Adjustments for Decrease (Increase) in Inventories		(219.019)	(563.394)
Adjustments for Increase (Decrease) in Trade Accounts Payables		860.397	515.524
Adjustments for Increase (Decrease) in Other Operating Payables		(134.017)	(19.555)
Increase (Decrease) in Deferred Income		(227.783)	72.129
Other Adjustments for Increase (Decrease) in Working Capital		91.798	(2.754)
- Decrease (Increase) in Other Assets Related with Operations		47.720	24.890
- Increase (Decrease) in Other Liabilities Related with Operations		44.078	(27.644)
Cash Flows from Operations		693.047	358.811
Payments Related with Provisions for Employee Benefits		(17.641)	(12.472)
Payments Related with Other Provisions		(3.749)	(278)
Income Taxes Refund (Paid)		(52.951)	(41.381)
CASH FLOWS FROM INVESTING ACTIVITIES		(376.287)	(241.392)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(21.200)	(21.250)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		40.783	6.973
Purchase of Property, Plant, Equipment and Intangible Assets		(355.253)	(325.817)
Other Cash Inflows (Outflows)		(40.617)	98.702
CASH FLOWS FROM FINANCING ACTIVITIES		109.747	10.304
Proceeds from Issuing Shares or Other Equity Instruments		-	233
Proceeds from Borrowings		3.052.971	2.998.648
Repayments of Borrowings		(2.592.183)	(2.880.915)
Payments of Lease Liabilities		(90.186)	(9.534)
Proceeds (Repayments) from Future Contracts, Forward Contracts, Option Contracts and Swap Contracts		22.884	17.339
Interest Paid		(358.917)	(188.936)
Interest Received		75.178	73.469
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		352.166	73.592
Effect of Exchange Rate Changes on Cash and Cash Equivalents		37.668	41.803
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		389.834	115.395
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	5.269.086	5.789.520
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		5.658.920	5.904.915

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

AG Anadolu Grubu Holding A.Ş. is a holding company, which is managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages its subsidiaries.

14,16% of shares of AG Anadolu Grubu Holding A.Ş. (“Company” or “AGHOL”) are traded in Borsa İstanbul A.Ş. (“BİST”).

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka E Blok Ümraniye, İstanbul, Turkey.

The interim condensed consolidated financial statements as of March 31, 2019 are authorized for issue by the Board of Directors on May 10, 2019 and are approved by the Finance President Onur Çevikel and the Finance Coordinator Volkan Harmandar on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the “Group” for the purpose of the consolidated financial statements.

The Group is organized and primarily managed in five principal segments: Beer, soft drinks, automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting), retailing (stationery, chain restaurant management and tourism) and other (production and sale of electricity, information technology, trade and real estate).

The average number of personnel of the Group for the period ended at March 31, 2019 is 24.007 (December 31, 2018: 24.922).

List of Shareholders

As of March 31, 2019 and December 31, 2018 the shareholders and shareholding rates are as follows:

	March 31, 2019		December 31, 2018	
	Paid Capital	(%)	Paid Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş. (*)	118.474	48,65	118.474	48,65
Other Yazıcı Family Members (*)	47.287	19,41	47.287	19,41
Özilhan Family (*)	24.293	9,98	24.293	9,98
Süleyman Kamil Yazıcı and his Family (*) (***)	19.000	7,80	19.000	7,80
Publicly traded (**)	34.480	14,16	34.480	14,16
Other	1	0,00	1	0,00
Paid-in share capital - historical	243.535	100,00	243.535	100,00
Inflation adjustment on capital	65.771		65.771	
Total share capital	309.306		309.306	

(*) As of March 31, 2019, 28,65% of AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TRL 69.767 and all of the shares of Other Yazıcı Family Members, Özilhan Family, Süleyman Kamil Yazıcı and his Family and other are publicly issued and 10,32% of them amounting TRL 24.105 are traded on the stock exchange.

(**) The shares only consist of the shares traded on the stock exchange which do not belong to family members.

(***) TRL 218 of TRL 19.000 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş.. Anadolu Ecopack Üretim ve Pazarlama A.Ş.’s 100,00% shares belong to Süleyman Kamil Yazıcı and his Family.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at March 31, 2019 and December 31, 2018 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				March 31, 2019	December 31, 2018
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	Production and sales of Isuzu branded commercial vehicles	Automotive	55,40	55,40
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	43,05	43,05
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	100,00	100,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	100,00	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	100,00	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Inactive	Automotive	51,00	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	56,89	56,89
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü)	Turkey	Distribution of the products of Adel and other imported stationery products	Retailing	73,17	73,17
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Retailing	100,00	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	99,38	99,38
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	100,00	100,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	Retailing	100,00	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	100,00	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	100,00	100,00
Anadolu Termik Santralleri Elektrik Üretim A.Ş. (Anadolu Termik) (3)	Turkey	Inactive	Other	-	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Other	100,00	100,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	100,00	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Other	75,68	75,68
Georgia Urban Enerji Ltd. (GUE)	Georgia	Production and sale of electricity	Other	68,11	68,11
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul)	Turkey	Purchase, sale, rental and management of real estate	Other	100,00	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	100,00	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Other	100,00	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Production and sale of electricity (Investment in progress)	Other	75,68	75,68
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik)	Turkey	Retailing	Other	100,00	100,00

(1) Shares of Anadolu Isuzu, Anadolu Efes and Adel are quoted in BİST.

(2) The Company has control over Anadolu Efes although the Company holds less than 50 percent of its shares. In concluding to have control over Anadolu Efes, the Company management considers the number of Board members representing AGHOL in the Board of Directors of Anadolu Efes, the Company's participation in policy-making processes, including participation in decisions about dividends or other distributions, the transactions between AGHOL and Anadolu Efes. The managerial personnel of AGHOL provide internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes.

(3) The merger of AGHOL with its 100% owned inactive subsidiary, Anadolu Termik Santralleri Elektrik Üretim A.Ş., through facilitated merger has been registered on February 21, 2019 by İstanbul Registry of Commerce and merger was realized.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries (cont'd)

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				March 31, 2019	December 31, 2018
Ant Sınai ve Tic. Ürünleri Paz. A.Ş. (6)	Turkey	Purchase and sale of spare parts	Automotive	55,40	55,40
Efes Breweries International N.V. (EBI) (7)	The Netherlands	Holding company that facilitates investments in breweries	Beer	43,05	43,05
AB InBev Efes B.V. (7)	The Netherlands	Investment Company	Beer	21,53	21,53
JSC Moscow-Efes Brewery (Efes Moscow) (4) (7) (8)	Russia	Production and marketing of beer	Beer	-	21,53
LLC Vostok Solod (7)	Russia	Production of malt	Beer	21,53	21,53
LLC Efes Solod (7)	Russia	Production of malt	Beer	21,53	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (7) (8)	Germany	Investment company	Beer	21,53	21,53
JSC AB InBev Efes (4) (7) (8)	Russia	Production and marketing of beer	Beer	21,53	21,53
LLC Inbev Trade (7)	Russia	Production of malt	Beer	21,53	21,53
PJSC Sun InBev Ukraine (7) (8)	Ukraine	Production and marketing of beer	Beer	21,24	21,22
Bevmar GmbH (7) (8)	Germany	Investment Company	Beer	21,53	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (7)	Kazakhstan	Production and marketing beer	Beer	43,05	43,05
International Beers Trading LLP (IBT) (7)	Kazakhstan	Marketing of beer	Beer	43,05	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (7)	Moldova	Production of beer and low alcoholic drinks	Beer	41,70	41,70
JSC Lomisi (Efes Georgia) (7)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	43,05	43,05
PJSC Efes Ukraine (Efes Ukraine) (7)	Ukraine	Production and marketing of beer	Beer	43,02	43,02
Efes Trade BY FLLC (Efes Belarus) (7)	Belarus	Market development	Beer	43,05	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (7)	The Netherlands	Leasing of intellectual property and similar products	Beer	43,05	43,05
LLC Efes Ukraine (7)	Ukraine	Selling and distribution of beer	Beer	43,05	43,05
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (7)	Turkey	Marketing and distribution company of Anadolu Efes	Beer	43,05	43,05
Cypex Co. Ltd. (Cypex) (7)	Northern Cyprus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Deutschland GmbH (Efes Germany) (7)	Germany	Marketing and distribution of beer	Beer	43,05	43,05
Coca-Cola İçecek A.Ş. (CCİ) (5) (7)	Turkey	Production of Coca-Cola products	Soft-drinks	21,64	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (7)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft-drinks	21,63	21,63
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) (7)	Turkey	Filling and selling of natural spring water	Soft-drinks	21,64	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (7)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	21,64	21,64
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) (7)	Kazakhstan	Investment company of CCİ	Soft-drinks	21,64	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) (7)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,61	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (7)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
CCI International Holland B.V. (CCI Holland) (7)	The Netherlands	Investment company of CCİ	Soft-drinks	21,64	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (7)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (7)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	19,47	19,47
Coca-Cola Beverages Pakistan Ltd (CCBPL) (7)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	10,75	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (7)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	12,87	12,87
Waha Beverages B.V. (7)	The Netherlands	Investment company of CCİ	Soft-drinks	17,32	17,32
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (7)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	17,32	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (7)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64

(4) As of 1 March 2019, Efes Moscow and JSC Sun Inbev were merged under JSC Sun Inbev. As a result of the merger, the company's name changed as JSC AB Inbev Efes.

(5) CCİ shares are quoted in BIST.

(6) Subsidiary of Anadolu Isuzu.

(7) Subsidiary of Anadolu Efes.

(8) Companies which AB Inbev Efes B.V. directly participates in connection with the business combination explained in Note 3.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

Joint Ventures

The joint ventures included in consolidation by equity method and its shareholding percentages at March 31, 2019 and December 31, 2018 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			March 31, 2019	December 31, 2018
Migros Ticaret A.Ş. (Migros) (*)	Turkey	Sales of food and beverage and durable goods	50,00	50,00
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini)	Turkey	Tractor production	50,00	50,00
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	33,33	33,33
LLC Faber-Castell Anadolu	Russia	Trading of all kinds of stationery	28,44	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	17,09	17,09
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	10,82	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	Turkey	Development, production and trade of all kinds of electrical motor vehicles	19,00	19,00

(*) Shares of Migros are currently quoted in BİST.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The financial statements and disclosures have been prepared in accordance with the resolution of CMB dated June 7, 2013 relating to financial statements presentations.

The Group companies, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with the principles CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting of deferred taxes, accounting of employment termination benefits on an actuarial basis and accruals for various expenses. These consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at March 31, 2019 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. In order to be consistent with the current period presentation, the reclassifications on the consolidated financial statements for the periods ended March 31, 2018 and December 31, 2018 are as follows:

- a) Management of Anadolu Isuzu, a subsidiary of the Group has determined that the foreign exchange rates used in one of the 2018 Export sales project were incorrectly recognized based on the evaluations made in 2019. Anadolu Isuzu management has evaluated the effects of these errors on the consolidated financial statements and the errors identified as a result of these evaluations have been corrected retrospectively. Accordingly, the consolidated statement of financial position as of December 31, 2018 has been restated as follows;
- Inventories – decrease in the amount of TRL 3.873
 - Prepaid expenses – decrease in the amount of TRL 2.327
 - Deferred income – increase in the amount of TRL 2.316
 - Trade payables – increase in the amount of TRL 4.932
 - Deferred tax liability – decrease in the amount of TRL 167
 - Net income - equity holders of the parent– decrease in the amount of TRL 7.359
 - Net income - non-controlling interests – decrease in the amount of TRL 5.924
- b) Within the scope of TFRS 15 “Revenue from Costumer Contracts” standard, marketing activity participation fees are classified to sales discount due to the fact that related expenses are realized by the customer which was previously recognized in sales and marketing expense. In this context, so as to being consistent with current period presentation as of March 31, 2018, the amount of TRL 32.357 marketing activity participation fee is classified from sales and marketing expenses to sales discount.
- c) Within the scope of TFRS 15 “Revenue from Costumer Contracts” standard, services rendered from customers are classified to sales discount due to the fact that related expenses are realized by the customer which was previously recognized in sales and marketing expense. In this context, so as to being consistent with current period presentation as of March 31, 2018, the amount of TRL 22.432 TL service fees, received from customer are restated to sales discount from sales and marketing expense by classification.
- d) In the scope of TFRS 3 “Business Combinations”, it is permitted to finalize fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired companies in a time period of one year. Fair value appraisal process has been finalized as of March 31, 2019 for the business combination recognized as of March 31, 2018. Accordingly, consolidated financial statements as of December 31, 2018 which has been prepared by recognizing provisional goodwill has been restated. According to the restatement, fair value of the “Inventory”, “Property, Plant and Equipment”, “Intangible Assets”, “Deferred Tax Asset”, “Other Liabilities” and “Deferred Tax Liabilities” has been changed. The abovementioned items and “Currency Translation Differences”, “Current Period Net Profit or Losses” and “Non-Controlling Interests” has been restated in the consolidated financial statements as of December 31, 2018. The fair value of the net assets of the acquired companies derived from the financial statements as of the acquisition date and the reconciliation of goodwill is presented in “Note 3 – Business Combinations”.
- e) The consolidated income statement of Migros, a joint venture of the Group for the period ended March 31, 2018 is restated by increasing TL 1.257 Thousand in marketing expenses and TL 3.987 Thousand in general administrative expenses, in order to present accurately the periodical accruals of the yearly expense provisions which are netted at the period ends. As a result of the restatement, as of March 31, 2018, there has been a decrease of TRL 2.622 from the “Gain (Loss) from Investments Accounted Through Equity Method”.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Beer and Soft Drinks segment for the first three months up to March 31, 2019 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out "dealer fairs" for the sales of the brands produced and imported in February. At these sales campaigns and dealer fairs, cheques are received in the amount of orders from the customers and the received orders are met in the first half of the year.

New standards and interpretations

New and amended IFRS Standards that are effective as of January 1, 2019

IFRS 16	Leases
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

IFRS 16, “Leases”; The Group has adopted the new standard as at 1 January 2019 for the first time, in line with the transition provisions of the standard.

Impacts of the first time adoption of IFRS 16 on the condensed interim consolidated financial statements of the Group are as below:

IFRS 16 Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

New standards and interpretations (cont'd)

IFRS 16 Leases (cont'd)

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- a) amount of the initial measurement of the lease liability;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

New standards and interpretations (cont'd)

TFRS 16 Leases (cont'd)

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option..

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of the standard and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

New standards and interpretations (cont'd)

First adoption to TFRS 16

The Group has adopted TFRS 16 “Lease” from January 1, 2019 with simplified approach. The Group has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach. With this method, use of rights are measured based on the leasing debts (which are adjusted according to leasing costs paid in cash or accrued) in the transition period.

The amount of the right of use assets are as follows:

	March 31, 2019	December 31, 2018
Balance at January 1	617.404	-
Additions	56.087	-
Depreciation charge	(35.786)	-
Disposals, net	(1.404)	-
Currency translation differences, net	14.961	-
Balance at the end of the period	651.262	-

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019.

Finance leases

The main differences between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. On initial application the Group will present equipment previously included in property, plant and equipment within the line item for right-of-use assets and the lease liability, previously presented within borrowing, will be presented in a separate line for lease liabilities.

Based on an analysis of the finance leases as at March 31, 2019 and on the basis of the facts and circumstances that exist at that date, there isn’t any material impact on the Group’s consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

New and amended IFRS Standards that are effective as of January 1, 2019 (cont'd)

First adoption to TFRS 16 (cont'd)

The effects of TFRS 16 on the condensed consolidated statement of financial position as of March 31, 2019 are as follows:

	March 31, 2019		
	Without TFRS 16 effects	TFRS 16 effects	With TFRS 16 effects
Current Assets	14.475.697	2.298	14.477.995
Trade receivables	3.281.534	-	3.281.534
Other receivables		2.298	2.298
Prepaid expenses	717.271	-	717.271
Other components of current assets	10.476.892	-	10.476.892
Non-current Assets	36.003.021	623.347	36.626.368
Other receivables	-	5.469	5.469
Right of use assets	-	651.262	651.262
Prepaid expenses	481.934	(8.451)	473.483
Investments accounted through equity	1.826.632	(26.803)	1.799.829
Deferred tax asset	1.103.456	1.870	1.105.326
Other components of non-current assets	32.590.999	-	32.590.999
TOTAL ASSETS	50.478.718	625.645	51.104.363
Current Liabilities	14.958.992	136.137	15.095.129
Current portion of non-current borrowings	4.249.706	136.137	4.385.843
Other components of current liabilities	10.709.286	-	10.709.286
Non-current Liabilities	13.056.767	523.825	13.580.592
Long-term borrowings	9.141.152	521.465	9.662.617
Deferred tax liabilities	2.953.311	2.360	2.955.671
Other components of non-current liabilities	962.304	-	962.304
TOTAL EQUITY	22.462.959	(34.317)	22.428.642
Equity Attributable to Equity Holders of the Parent	5.089.690	(31.123)	5.058.567
Prior Years' Profits or Losses	1.593.236	-	1.593.236
Current Period Net Profit or Losses	(367.768)	(32.861)	(400.629)
Currency Translation Differences	2.324.321	1.738	2.326.059
Other components of equity	1.539.901	-	1.539.901
Non-Controlling Interests	17.373.269	(3.194)	17.370.075
TOTAL LIABILITIES	50.478.718	625.645	51.104.363

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and amended IFRS Standards that are effective as of January 1, 2019 (cont'd)

First adoption to TFRS 16 (cont'd)

The effects of TFRS 16 on the interim condensed consolidated profit or loss statement for the three-month period ended as of March 31, 2019 are as follows:

	1 January - 31 March 2019		
	Without TFRS 16 effects	TFRS 16 effects	With TFRS 16 effects
Revenue	5.347.123	-	5.347.123
Cost of Sales (-)	(3.916.906)	9.981	(3.906.925)
GROSS PROFIT (LOSS)	1.430.217	9.981	1.440.198
General Administrative Expenses (-)	(442.054)	4.256	(437.798)
Marketing Expenses (-)	(988.433)	747	(987.686)
Research and Development Expenses (-)	(1.212)	-	(1.212)
Other Operating Income	168.478	-	168.478
Other Operating Expenses (-)	(139.005)	-	(139.005)
Gain (Loss) from Investments Accounted Through Equity Method	(125.593)	(26.803)	(152.396)
(LOSS) FROM OPERATING ACTIVITIES	(97.602)	(11.819)	(109.421)
Income from Investing Activities	29.266	-	29.266
Expense from Investing Activities (-)	(35.705)	-	(35.705)
(LOSS) BEFORE FINANCING INCOME (EXPENSE)	(104.041)	(11.819)	(115.860)
Financial Income	311.304	387	311.691
Financial Expenses (-)	(786.769)	(26.535)	(813.304)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(579.506)	(37.967)	(617.473)
Tax (Expense) Income, Continuing Operations	(49.575)	(485)	(50.060)
- Current Period Tax (Expense) (-)	(86.302)	-	(86.302)
- Deferred Tax (Expense) Income	36.727	(485)	36.242
NET INCOME (LOSS)	(629.081)	(38.452)	(667.533)
Profit/(Loss) Attributable to			
- Non-Controlling Interest	(261.313)	(5.591)	(266.904)
- Equity Holders of the Parent	(367.768)	(32.861)	(400.629)
EBITDA	495.409	50.775	546.184

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and amended IFRS Standards that are effective as of January 1, 2019 (cont'd)

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

IFRS Interpretation 23 Uncertainty over Income Tax Treatments

This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position).

Annual Improvements to IFRS Standards 2015–2017 Cycle

Annual Improvements to IFRS Standards 2015–2017 Cycle include amendments to IFRS 3 Business Combinations and IFRS 11 Joint Arrangements in when a party that participates in, but does not have joint control of, IAS 12 Income Taxes; income tax consequences of dividends in profit or loss, and IAS 23 Borrowing Costs in capitalized borrowing costs.

Other than IFRS 16, these standards, amendments and improvements have no impact on the consolidated financial position and performance of the Group.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of March 31, 2019

None.

Transactions for the year of 2018

On March 29, 2018 after the required approvals from the legal authorities related with the alliance with Anheuser Busch InBev SA / NV (AB InBev), EBI's all beer operations in Russia, whose 100% shares are owned by Anadolu Efes, the subsidiary of the Group and AB InBev's all beer operations in Russia and Ukraine, has been merged under AB InBev Efes BV (AB InBev Efes) as 50%-50% ownership of Anadolu Efes and AB InBev. After this business combination, Anadolu Efes's Russian business and AB InBev's Russian and Ukrainian businesses started to operate together.

In August 2017, AB InBev Efes B.V. established in Netherlands by EBI with 100% ownership in order to facilitate the business combination. Thereafter, AB InBev has made an in kind capital contribution to AB InBev Efes with JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH entities' 100,00%, 98,34% and 100,00% shares respectively on March 29, 2018. At the same time, EBI has made an in kind capital contribution to AB InBev Efes with 100% shares of Efes Moscow and Euro-Asien on March 29, 2018. Moreover, AB InBev and EBI have made cash capital increase in AB InBev Efes with a total amount of USD 500 Thousand. After the cash and in kind capital contributions made by AB InBev and EBI, their ownership in AB InBev Efes become 50%-50%.

As a result of this merger, ABI InBev Efes's direct effective shareholding and voting rights have been 100,00%, 98,34% and 100,00% on JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH respectively (Anadolu Efes' share 50,00%, 49,17% and 50,00%). In accordance with the clauses of the shareholders agreement between EBI and AB InBev, EBI has acquired the control on JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. Accordingly; JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH have been consolidated in consolidated financial statements of the Group for the period ended March 31, 2019.

Additionally, as a result of this merger ABI InBev Efes's direct effective shareholding and voting rights have been 100% in Efes Moscow and Euro-Asien. Accordingly, Anadolu Efes' share in these subsidiaries have been changed to 50,00% with retained control (Before this merger, the effective shareholding and voting rights were 100% for these two companies). In accordance with TFRS 10, as a result of the change in effective shareholding rates in Efes Moscow and Euro-Asien with retained control, TRL 586.736 amount has been booked as " Retained Earnings " under equity attributable to equity holders of the parent in consolidated interim financial statements of Anadolu Efes (The Group's share amounts to TRL 252.590).

Based upon the valuation report, the value of the assets that AB InBev has contributed in kind in AB InBev Efes as capital has been booked as USD 1.049.170 Thousand in the financial statements of AB InBev Efes (equivalent of TRL 4.143.067). Additionally, AB InBev has made a cash capital contribution to AB InBev Efes amounting to USD 250 Thousand as mentioned above (equivalent of TRL 987).

Based upon the valuation report, the value of the assets that EBI has contributed in kind in AB InBev Efes as capital has been booked as USD 1.049.990 Thousand in the financial statements of AB InBev Efes (equivalent of TRL 4.146.305). Additionally, EBI has made a cash capital contribution to AB InBev Efes amounting to USD 250 Thousand as mentioned above (equivalent of TRL 987).

After this merger, 50% of JSC Sun InBev's shareholder loan amounting to TRL 595.553 is taken over by the EBI. 50% of Efes Russia's the shareholder loan amounting to TRL 327.097 is taken over by Brandbev S.A.R.L which is an ABI InBev Group company.

In June 2018, AB Inbev made a cash payment of USD 39,4 Million to EBI regarding to the commitments determined within the scope of this business combination (equivalent of TRL 179.856).

If the financial statements of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH had been consolidated since January 1, 2018, the contribution to consolidated net revenue by the acquired companies would have been TRL 402.544 (Consolidated Net Revenue would be TRL 4.271.409 for the three months period ended March 31, 2018).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for the year of 2018 (cont'd)

The carrying value of the net assets of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH derived from the financial statements as of the acquisition date are as follows:

	Fair Value			
	Consolidated (JSC Sun InBev, PJSC Sun InBev Ukraine, Bevmar GmbH)	JSC Sun InBev	PJSC Sun InBev Ukraine	Bevmar GmbH
Cash and Cash Equivalents	13.758	11.773	1.985	-
Trade and Other Receivables	231.333	203.884	27.449	-
Due from Related Parties	26.259	24.183	4.703	277.237
Inventories	341.926	274.353	67.573	-
Other Current Assets	48.660	25.439	23.222	-
Tangible Assets	1.736.920	1.463.742	273.178	-
Intangible Assets	3.096.306	2.955.590	140.715	-
Other Non - Current Assets	281	252	29	-
Deferred Tax Assets	138.702	89.633	49.069	-
Financial Liabilities to Related Parties	(596.047)	(873.201)	-	-
Financial Liabilities to Third Parties	(120.293)	-	(119.938)	(355)
Trade payables	(748.718)	(560.950)	(187.768)	-
Due to Related Parties	(194.070)	(129.307)	(67.230)	(243)
Other Liabilities	(258.256)	(197.636)	(60.621)	-
Deferred Tax Liabilities	(611.217)	(586.280)	(24.936)	-
Carrying Value of Net Assets Acquired	3.105.544	2.701.475	127.430	276.639
As result of merger, AB InBev Efes's shareholding rights on companies		100,00%	98,34%	100,00%
Anadolu Efes' share in Net Assets	3.103.427	2.701.475	125.314	276.638
Total consideration	4.143.067			
Shareholder loans transferred, net	(134.229)			
Cash inflows due to commitments determined within the scope of the business combination	(179.856)			
Impaired assets due to a business combination	(239.588)			
Anadolu Efes' share in Net Assets	3.103.427			
Goodwill arising from acquisition (Note 10)	485.967			

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 4 - SEGMENT REPORTING

The management monitors the operating results of its five business units separately for the purpose of making decisions about the resource allocation and performance assessment. The five operating segments are: beer, soft-drinks, automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting); retailing (stationery, chain restaurant management and tourism) and other (production and sale of electricity, information technologies, trade and real estate).

Since segment reporting and information used in the Group management reporting is consistent with consolidated balance sheet and consolidated statement of profit or loss the Group does not need to perform reconciliation between the consolidated statement of profit or loss, consolidated balance sheet and the segment reporting disclosure.

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 4- SEGMENT REPORTING (cont'd)

March 31, 2019	Beer	Soft-Drinks	Automotive	Retailing	Other	Eliminations and Adjustments	Consolidated	Migros	Pro forma Consolidated with Migros (**)
Sales	1.739.734	2.228.966	810.874	317.462	250.175	(88)	5.347.123	4.922.670	10.089.955
Inter-segment sales	-	-	13.360	6.438	38.091	(57.889)	-	-	-
Total Sales	1.739.734	2.228.966	824.234	323.900	288.266	(57.977)	5.347.123	4.922.670	10.089.955
GROSS PROFIT(LOSS)	521.642	698.272	139.282	77.179	43.188	(39.365)	1.440.198	1.355.782	2.781.617
Operating expenses	(763.192)	(541.254)	(76.392)	(46.459)	(39.788)	40.389	(1.426.696)	(1.113.787)	(2.533.754)
Other operating income (expenses), net	56.918	(16.276)	3.010	(7.521)	(2.368)	(4.290)	29.473	(99.534)	(70.224)
Gain (loss) from the investments accounted through equity method (*)	(18.434)	(98)	(4.671)	-	(129.193)	-	(152.396)	-	(34.384)
OPERATING INCOME (LOSS)	(203.066)	140.644	61.229	23.199	(128.161)	(3.266)	(109.421)	142.461	143.255
Income (expense) from investing activities, net	(11.811)	462	371	171	1.490	2.878	(6.439)	(4.728)	(11.166)
Financial income (expense), net	(88.998)	(116.909)	(171.767)	(36.136)	(90.006)	2.203	(501.613)	(359.830)	(861.442)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(303.875)	24.197	(110.167)	(12.766)	(216.677)	1.815	(617.473)	(222.097)	(729.353)
Tax (expense) income from continuing operations, net	13.274	(67.441)	(1.751)	203	17.983	(12.328)	(50.060)	(8.719)	(57.737)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(290.601)	(43.244)	(111.918)	(12.563)	(198.694)	(10.513)	(667.533)	(230.816)	(787.090)
Attributable to:									
- Non-controlling interest	(114.836)	(40.649)	(14)	-	(293)	(111.112)	(266.904)	38	(386.461)
- Equity holders of the parent	(175.765)	(2.595)	(111.904)	(12.563)	(198.401)	100.599	(400.629)	(230.854)	(400.629)
Total Assets	20.359.760	15.472.142	3.430.253	1.035.808	5.530.493	5.275.907	51.104.363	13.598.148	62.989.714
Total Liabilities	10.757.694	8.726.054	3.523.046	828.726	3.894.875	945.326	28.675.721	13.186.833	41.639.862
Net debt	2.135.038	2.978.107	2.412.739	289.857	3.085.004	(6)	10.900.739	3.116.197	14.016.934
Purchases of tangible & intangible assets, assets used in renting activities and investment property (***)	156.200	178.964	18.490	3.966	257	(13)	357.864	42.150	400.014
EBITDA	71.659	321.294	92.507	54.638	11.417	(5.331)	546.184	489.655	1.028.042
- Depreciation and amortization (***)	283.612	163.530	23.276	29.251	9.347	(2.066)	506.950	209.214	716.164
- Provision for employee termination benefits	3.587	4.908	1.661	2.088	307	(7)	12.544	19.926	32.470
- Provision for vacation pay liability	12.155	5.280	805	100	731	1	19.072	18.520	37.592
- Other	(43.063)	6.834	865	-	-	7	(35.357)	99.534	64.177

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 18.434 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 98 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 4.671 is recorded under 'automotive' segment; loss recognized from Aslancık amounting TRL 11.712, income recognized from TOGG amounting TRL 531 and loss recognized from Migros amounting TRL 118.012 are recorded under 'other' segment.

(**) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros" in connection with the management of Migros has expired on April 30, 2019 and the Group will start to fully consolidate Migros in financial statements. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of March 31, 2019.

(***) TRL 95 of the tangible and intangible assets purchase and TRL 2.245 of the depreciation and amortization belong to investment properties.

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 4 - SEGMENT REPORTING (cont'd)

March 31, 2018	Beer	Soft-Drinks	Automotive	Retailing	Other	Eliminations and Adjustments	Consolidated	Migros	Pro forma Consolidated with Migros (**)
Sales	880.391	1.833.347	818.149	302.717	38.720	(4.459)	3.868.865	3.940.136	7.698.039
Inter-segment sales	(4.291)	(57)	10.410	6.252	30.206	(42.520)	-	-	-
Total Sales	876.100	1.833.290	828.559	308.969	68.926	(46.979)	3.868.865	3.940.136	7.698.039
GROSS PROFIT(LOSS)	368.154	581.676	156.332	66.605	43.513	(34.237)	1.182.043	998.498	2.169.583
Operating expenses	(456.887)	(443.648)	(73.461)	(40.845)	(37.562)	33.135	(1.019.268)	(889.201)	(1.903.228)
Other operating income (expenses), net	8.543	10.243	(32.996)	(10.621)	(14.538)	(2.570)	(41.939)	(59.662)	(101.714)
Gain (loss) from the investments accounted through equity method (*)	(8.964)	(73)	(1.171)	(296)	(132.306)	-	(142.810)	-	(18.294)
OPERATING INCOME (LOSS)	(89.154)	148.198	48.704	14.843	(140.893)	(3.672)	(21.974)	49.635	146.347
Income (expense) from investing activities, net	(2.387)	(2.779)	157	(846)	1.261	(5)	(4.599)	(3.319)	(7.908)
Financial income (expense), net	(21.868)	(176.438)	(155.159)	(8.753)	(98.831)	3	(461.046)	(283.020)	(744.067)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(113.409)	(31.019)	(106.298)	5.244	(238.463)	(3.674)	(487.619)	(236.704)	(605.628)
Tax (expense) income from continuing operations, net	31.449	(32.225)	12.397	(3.880)	22.369	603	30.713	(9.183)	21.998
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(81.960)	(63.244)	(93.901)	1.364	(216.094)	(3.071)	(456.906)	(245.887)	(583.630)
Attributable to:									
- Non-controlling interest	(114)	(17.253)	6	-	3.241	(80.438)	(94.558)	(2.219)	(221.282)
- Equity holders of the parent	(81.846)	(45.991)	(93.907)	1.364	(219.335)	77.367	(362.348)	(243.668)	(362.348)
Total Assets	15.759.199	14.549.942	4.210.484	710.293	5.241.087	5.013.169	45.484.174	9.791.287	53.083.177
Total Liabilities	6.492.662	8.957.720	3.903.655	469.702	2.850.165	1.146.460	23.820.364	8.508.010	32.053.768
Net debt	1.781.984	2.274.641	2.821.847	247.465	2.201.312	-	9.327.249	2.738.198	12.065.448
Purchases of tangible & intangible assets, assets used in renting activities and investment property (***)	123.543	175.761	133.946	10.371	955	(927)	443.649	77.409	521.058
EBITDA	32.851	282.070	79.301	29.628	(634)	(661)	422.555	205.785	622.510
- Depreciation and amortization (***)	106.094	128.950	27.163	7.758	7.000	3.008	279.973	69.585	349.558
- Provision for employee termination benefits	1.449	3.728	1.607	1.340	303	63	8.490	18.730	27.220
- Provision for vacation pay liability	6.119	3.254	502	5.391	650	7	15.923	8.173	24.096
- Other	(621)	(2.133)	154	-	-	(67)	(2.667)	59.662	56.995

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 8.964 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 73 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 1.171 is recorded under 'automotive' segment; loss recognized from Aslancık amounting TRL 7.790 and loss recognized from Migros amounting TRL 124.516 are recorded under 'other' segment; loss recognized from LLC Faber -Castell Anadolu amounting TRL 296 is recorded under 'retailing' segment.

(**) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros" in connection with the management of Migros has expired on April 30, and the Group will start to consolidate Migros in financial statements. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of March 31, 2018.

(***) TRL 10 of the tangible and intangible assets purchase and TRL 2.159 of the depreciation and amortization belong to investment properties.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	March 31, 2019	December 31, 2018
Cash	13.880	5.317
Time deposit	4.475.534	4.226.317
Demand deposit	1.095.083	811.176
Other cash and cash equivalents (*)	74.423	226.276
Cash and cash equivalents in the consolidated cash flow statement	5.658.920	5.269.086
Interest income accruals	10.970	13.904
	5.669.890	5.282.990

(*) Other liquid assets consist of credit card receivables with less than 3 months maturity, checks in collection and direct billing system (DBS) balances.

As of March 31, 2019, cash and cash equivalents of AGHOL amount to TRL 333.955 (December 31, 2018: TRL 110.235).

As of March 31, 2019, there is no cash deposit pledged as collateral or no restricted deposit by the Group (December 31, 2018: None).

As of March 31, 2019, the Group has designated its bank deposits amounting to TRL 1.276.501, equivalent of USD 203.545 Thousand and EUR 20.711 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2018: TRL 1.100.668, equivalent of USD 195.145 Thousand, EUR 12.281 Thousand).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 6 – BORROWINGS

	March 31, 2019	December 31, 2018
Bank borrowings	3.399.065	3.184.503
Current portion of long term borrowings	4.150.977	3.643.106
Lease liabilities	234.866	113.693
Factoring payables	105.061	-
Short term borrowings	7.889.969	6.941.302
Bank borrowings	8.994.826	8.549.418
Lease liabilities	667.791	162.986
Long term borrowings	9.662.617	8.712.404
Total borrowings	17.552.586	15.653.706

As of March 31, 2019 AGHOL's total bank borrowings amount to TRL 1.933.728 (December 31, 2018: TRL 1.644.887).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group. As of March 31, 2019 and 2018 performance criterias have been fulfilled.

Lessee - Finance Lease

The properties acquired by the Group through financial leasing consist of land, buildings, machinery and equipment, motor vehicles and furniture and fixtures.

Net book value of property, plant and equipment obtained by financial leasing of the Group is TRL 41.651 (December 31, 2018: TRL 43.225). Sale and leaseback process have been applied for the property, plant and equipment amounting TRL 40.757 (December 31, 2018: TRL 42.289) acquired by financial leasing. The Group has continued to record these tangible assets based on previous net book values assuming no leaseback transactions.

The movement of bank loans as of March 31, 2019 and 2018 is as follows:

	March 31, 2019	March 31, 2018
Opening balance	15.653.706	14.112.520
Interest expense	358.757	211.854
Interest paid	(349.885)	(182.688)
Proceeds from borrowings	3.052.971	2.998.648
Repayments of borrowings	(2.592.183)	(2.880.915)
Foreign exchange gain (loss), net	538.140	599.187
Classification to lease liabilities item under TFRS 16	(276.679)	(276.027)
Currency translation differences	260.019	83.243
Capitalised interest	5.083	16.736
Addition through business combination	-	418.275
Shareholder loans transferred as a result of business combination	-	163.549
Closing balance	16.649.929	15.264.382

As of March 31, 2019, net interest on cross currency swap contracts is TRL 17.280 (March 31, 2018: TRL 22.368).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 6 - BORROWINGS (cont'd)

Short term	March 31, 2019			December 31, 2018		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	2.590.120	11,7% - 35,3%	-	2.515.681	11,7% - 37,5%	-
Borrowing in foreign currency (EUR)	3.117.062	0,7% - 8,0%	Euribor + (1,4% - 5,1%)	3.030.888	1,0% - 8,0%	Euribor + (0,9% - 5,1%)
Borrowing in foreign currency (USD)	938.712	3,0% - 6,8%	Libor + (3,2% - 5,8%)	608.226	3,0% - 5,0%	Libor + (1,0% - 5,8%)
Borrowing in foreign currency (Other)	904.148	6,0% - 20,0%	Kibor + (-0,1% - 0,5%) & Mosprime + (2,6%)	672.814	6,0% - 21,5%	Kibor + (-0,1% - 0,5%) & Mosprime + (2,6%)
Factoring payables in Turkish Lira	105.061	24,9% - 29,8%	-	-	-	-
	7.655.103			6.827.609		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	787.237	11,7% - 29,0%	-	759.919	11,7% - 29,0%	-
Borrowing in foreign currency (EUR)	1.592.248	3,8% - 6,0%	Euribor + (1,5% - 5,1%)	1.368.410	1,5% - 5,0%	Euribor + (1,6% - 5,1%)
Borrowing in foreign currency (USD)	6.613.671	3,4% - 4,4%	Libor + (3,9% - 5,0%)	6.416.056	3,4% - 4,4%	Libor + (3,9% - 5,0%)
Borrowing in foreign currency (Other)	1.670	6,0%	-	5.033	6,0%	-
	8.994.826			8.549.418		
	16.649.929			15.377.027		

Repayments schedules of long-term borrowings are as follows:

	March 31, 2019	December 31, 2018
1-2 years	1.002.003	1.191.615
2-3 years	950.812	767.128
3-4 years	3.093.090	2.811.293
4-5 years	902.520	860.074
5 years and more	3.046.401	2.919.308
	8.994.826	8.549.418

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

Entity	Principle activities	Country	March 31, 2019		December 31, 2018	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Migros (*)	Sales of food and drinks along with durable goods	Turkey	1.776.658	50,00	1.884.617	50,00
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini)	Tractor production	Turkey	5.750	50,00	10.421	50,00
Aslancık LLC Faber-Castell Anadolu	Production of electricity	Turkey	(44.588)	33,33	(54.073)	33,33
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Trading of all kind of stationery	Russia	-	28,44	-	28,44
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	52.761	17,09	71.195	17,09
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
	Development, production and trade of all kind of electrical motor vehicles	Turkey	9.248	19,00	8.717	19,00
			1.799.829		1.920.877	

Entity	January 1 - March 31, 2019		January 1 - March 31, 2018	
	Group's interest in net income/ (loss)			
Migros (*)		(118.012)		(124.516)
Anadolu Landini		(4.671)		(1.171)
Aslancık		(11.712)		(7.790)
LLC Faber-Castell Anadolu		-		(296)
Anadolu Etap		(18.434)		(8.964)
SSDSD		(98)		(73)
TOGG		531		-
		(152.396)	(142.810)	

(*) Shares of Migros are currently quoted in BİST.

Summary financial information of the Group's investment in joint venture Anadolu Landini is as follows:

	March 31, 2019	December 31, 2018
Anadolu Landini		
Total Assets	189.699	194.532
Total Liabilities	179.349	173.691
Net Assets	10.350	20.841
Group's share in net assets	5.750	10.421
	March 31, 2019	March 31, 2018
Revenue	3.285	28.388
Net loss	(9.342)	(2.341)
Group's share in net loss	(4.671)	(1.171)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's investment in joint venture Migros is as follows:

	March 31, 2019	December 31, 2018
Migros		
Current Assets	4.431.057	4.474.261
Non-Current Assets	9.167.091	6.410.600
Total Assets	13.598.148	10.884.861
Short-Term Borrowings	971.494	1.229.090
Other Current Liabilities	5.723.799	5.445.829
Long-Term Borrowings	3.776.951	3.341.007
Other Non-Current Liabilities	2.714.589	233.845
Total Liabilities	13.186.833	10.249.771
Net Assets	411.315	635.090
Attributable to:		
Non-controlling interests	1.671	2.186
Net assets of the equity holders of the parent	409.644	632.904
Group's share in net assets	1.776.658	1.884.617
	March 31, 2019	March 31, 2018
Revenue	4.922.670	3.940.136
Net loss	(230.816)	(245.887)
Non-controlling interests	38	(2.219)
Equity holders of the parent	(230.854)	(243.668)
Acquisition accounting and fair value adjustments	(5.170)	(5.364)
Net loss per consolidation	(236.024)	(249.032)
Group's share in net loss	(118.012)	(124.516)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

The movement of carrying value of the joint venture Migros in the interim condensed consolidated financial statements as of March 31, 2019 and 2018 is as follows:

	March 31, 2019	March 31, 2018
Balance at the beginning of the period	1.884.617	2.297.857
Group's share in net loss	(118.012)	(124.516)
Group's share in currency translation differences	10.053	3.664
Balance at the end of the period	1.776.658	2.177.005

Summary financial information of the Group's investment in joint venture Aslancık is as follows:

	March 31, 2019	December 31, 2018
Aslancık		
Total Assets	608.844	595.008
Total Liabilities	610.993	625.619
Net Assets	(2.149)	(30.611)
Fair value adjustment	(131.625)	(131.625)
Net assets included in consolidation	(133.774)	(162.236)
Group's share in net assets	(44.588)	(54.073)
	March 31, 2019	March 31, 2018
Revenue	29.679	18.378
Net loss	(35.138)	(23.373)
Group's share in net loss of the joint venture	(11.712)	(7.790)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's investment in joint venture LLC Faber-Castell Anadolu is as follows:

	March 31, 2019	December 31, 2018
LLC Faber-Castell Anadolu		
Total Assets	10.267	16.874
Total Liabilities	16.773	17.990
Net Assets	(6.506)	(1.116)
Group's share in net assets (*)	-	-

	March 31, 2019	March 31, 2018
Revenue	2.032	4.259
Net loss	(1.257)	(593)
Group's share in net loss of the joint venture	-	(296)

(*) Group's interest in Faber Castell Anadolu LLC, a joint venture of the Group, is calculated as negative balance, therefore share in net assets of investments accounted through equity method is adjusted in an amount that make balance of Faber Castell Anadolu LLC equal to zero.

Summary financial information of the Group's investment in joint venture Anadolu Etap is as follows:

	March 31, 2019	December 31, 2018
Anadolu Etap		
Total Assets	1.339.631	1.240.684
Total Liabilities	1.206.729	1.061.349
Net Assets	132.902	179.335
Group's share in net assets	52.761	71.195

	March 31, 2019	March 31, 2018
Net loss	(46.434)	(26.892)
Group's share in net loss of the joint venture	(18.434)	(8.964)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on March 31, 2019 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2019	802.465	4.086.837	10.081.766	241.907	1.553.979	2.873.073	182.773	526.981	20.349.781
Additions	305	484	34.076	2.190	46.003	120.947	172	138.502	342.679
Disposals (-)	(4.501)	(1.425)	(58.108)	(12.515)	(5.099)	(31.152)	(3.510)	(186)	(116.496)
Currency translation differences	35.169	314.711	826.711	17.344	11.944	174.879	260	41.021	1.422.039
Transfers	9.107	31.744	102.995	-	9.186	58.986	271	(209.408)	2.881
March 31, 2019	842.545	4.432.351	10.987.440	248.926	1.616.013	3.196.733	179.966	496.910	22.000.884
Accumulated depreciation									
January 1, 2019	129.928	958.590	4.761.117	135.695	1.057.100	1.462.140	103.575	2.721	8.610.866
Depreciation charge for the period	2.826	37.613	219.589	5.963	44.669	126.639	2.612	-	439.911
Disposals (-)	-	(483)	(43.021)	(7.324)	(4.735)	(28.630)	(3.089)	-	(87.282)
Currency translation differences	9.501	63.927	398.307	11.792	5.199	98.204	261	-	587.191
Transfers	-	(177)	167	-	-	1.946	-	-	1.936
Impairment / (impairment reversal), net	-	-	(471)	-	-	2.041	-	-	1.570
March 31, 2019	142.255	1.059.470	5.335.688	146.126	1.102.233	1.662.340	103.359	2.721	9.554.192
Net carrying amount	700.290	3.372.881	5.651.752	102.800	513.780	1.534.393	76.607	494.189	12.446.692

As at March 31, 2019, there are mortgages on PP&E amounting TRL 127.368 (December 31, 2018: TRL 120.149) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at March 31, 2019, TRL 542.913 of the PP&E is pledged (December 31, 2018: TRL 515.268) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

Çelik Motor and Adel, subsidiaries of the Group, have signed a sales and lease back agreement for property, plant and equipment amounting TRL 40.757 and continued to record these PP&Es by previous net book values assuming no leaseback transactions (December 31, 2018: TRL 42.289).

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the period ended on March 31, 2018 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2018	716.373	3.119.270	7.260.781	204.012	1.371.923	2.005.359	174.083	178.397	15.030.198
Additions	65	766	28.280	4.478	64.387	99.041	1.138	115.488	313.643
Addition through business combination	1.435	234.872	358.533	-	14.648	214.256	379	95.624	919.747
Disposals (-)	(288)	(133)	(28.308)	(2.345)	(3.647)	(36.452)	(1.235)	-	(72.408)
Currency translation differences	18.139	149.323	294.398	11.423	3.903	73.278	80	11.118	561.662
Transfers	105	2.501	18.027	1.411	1.136	23.518	-	(47.201)	(503)
March 31, 2018	735.829	3.506.599	7.931.711	218.979	1.452.350	2.379.000	174.445	353.426	16.752.339
Accumulated depreciation									
January 1, 2018	105.376	726.389	3.625.166	105.658	964.496	1.050.731	93.073	2.721	6.673.610
Depreciation charge for the period	2.787	23.404	102.400	6.618	39.501	71.801	4.034	-	250.545
Disposals (-)	-	(55)	(26.644)	(1.932)	(3.253)	(34.481)	(309)	-	(66.674)
Currency translation differences	3.452	27.847	155.311	7.177	2.388	46.769	79	-	243.023
Impairment / (impairment reversal), net	-	-	1.335	-	-	968	-	4.523	6.826
March 31, 2018	111.615	777.585	3.857.568	117.521	1.003.132	1.135.788	96.877	7.244	7.107.330
Net carrying amount	624.214	2.729.014	4.074.143	101.458	449.218	1.243.212	77.568	346.182	9.645.009

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 9 - INTANGIBLE ASSETS

Movements of intangible assets for the period ended on March 31, 2019 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2019	9.226.672	4.486.108	963.295	601.652	15.277.727
Additions	-	-	-	12.479	12.479
Currency translation differences	294.526	614.396	119.154	31.807	1.059.883
Transfers	-	-	-	17.227	17.227
March 31, 2019	9.521.198	5.100.504	1.082.449	663.165	16.367.316
Accumulated amortization					
January 1, 2019	-	308.509	111.704	298.739	718.952
Amortization charge for the period	-	6	-	17.996	18.002
Currency translation differences	-	9	7.218	16.851	24.078
Transfers	-	-	-	18.170	18.170
Impairment	-	16.057	-	-	16.057
March 31, 2019	-	324.581	118.922	351.756	795.259
Net carrying amount	9.521.198	4.775.923	963.527	311.409	15.572.057

Movements of intangible assets for the period ended on March 31, 2018 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2018	8.378.797	1.352.039	587.423	432.923	10.751.182
Additions	-	-	-	11.315	11.315
Addition through business combination	-	-	-	68.380	68.380
Disposals (-)	-	-	-	(223)	(223)
Currency translation differences	188.388	71.880	34.071	7.726	302.065
Transfers	-	-	-	503	503
March 31, 2018	8.567.185	1.423.919	621.494	520.624	11.133.222
Accumulated amortization					
January 1, 2018	-	19.224	-	227.073	246.297
Amortization charge for the period	-	6	-	12.527	12.533
Disposals (-)	-	-	-	(224)	(224)
Currency translation differences	-	7	-	4.701	4.708
March 31, 2018	-	19.237	-	244.077	263.314
Net carrying amount	8.567.185	1.404.682	621.494	276.547	10.869.908

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 10 - GOODWILL

Movements of the goodwill for the periods ended March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
At January 1	2.552.368	1.834.897
Addition through business combination (Note 3)	-	485.967
Currency translation differences	342.784	49.632
Balance at the end of the period	2.895.152	2.370.496

NOTE 11 - OTHER ASSETS AND LIABILITIES

11.1 Other Current Assets

	March 31, 2019	December 31, 2018
Assets used in renting activities	301.772	328.683
VAT receivable	526.104	549.577
Other current assets from related parties (Anadolu Efes Spor Kulübü)	67.800	-
Other current assets	73.628	73.885
	969.304	952.145

Movements of current assets used in renting activities for periods ended March 31, 2019 and 2018 are as follows:

Current Assets Used in Renting Activities

	March 31, 2019	March 31, 2018
Cost		
Balance at January 1	332.136	420.586
Additions	1.812	42.612
Disposals	(206.881)	(233.777)
Transfers	170.499	127.106
Increases due to revaluation	9.725	-
Balance at the end of the period	307.291	356.527
Accumulated depreciation		
Balance at January 1	3.453	6.492
Depreciation charge for the period (*)	24	24
Disposals	(14.599)	(15.288)
Transfers	16.641	12.186
Balance at the end of the period	5.519	3.414
Net carrying amount	301.772	353.113

(*) All depreciation expenses are included in the cost of sales.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 11 - OTHER ASSETS AND LIABILITIES (cont'd)

11.2 Other Non-Current Assets

	March 31, 2019	December 31, 2018
Assets used in renting activities	1.154.900	1.302.368
VAT receivable and other taxes	71.875	81.584
Other non-current assets	28.620	18.654
	1.255.395	1.402.606

Movements of non-current assets used in renting activities for periods ended March 31, 2019 and 2018 are as follows:

Non-Current Assets Used in Renting Activities

	March 31, 2019	March 31, 2018
Cost		
Balance at January 1	1.391.698	1.795.616
Additions	799	76.069
Transfers (Note 11.1)	(170.499)	(127.106)
Increases due to revaluation	16.987	-
Balance at the end of the period	1.238.985	1.744.579
Accumulated depreciation		
Balance at January 1	89.330	80.365
Depreciation charge for the period (*)	11.396	17.598
Transfers (Note 11.1)	(16.641)	(12.186)
Balance at the end of the period	84.085	85.777
Net carrying amount	1.154.900	1.658.802

(*) All depreciation expenses are included in the cost of sales.

11.3 Other Current Liabilities

	March 31, 2019	December 31, 2018
Other payables	82.592	24.116
Put option liability (Note 14)	13.283	12.416
	95.875	36.532

11.4 Other Non-Current Liabilities

	March 31, 2019	December 31, 2018
Put option liability (Note 14)	211.852	198.020
Deferred VAT and other taxes	55.830	63.933
Other	2.060	8.355
	269.742	270.308

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 12 - DEFERRED INCOME

12.1 Short-term Deferred Income

	March 31, 2019	December 31, 2018
Advances taken (*)	184.624	394.592
Other deferred income	58.217	86.829
	242.841	481.421

(*) TRL 129.857 of the advances taken received all in cash is the balance due to pre-sale related to the ongoing housing project that AND Kartal Gayrimenkul, a subsidiary of the Group which operates in real estate, located in Kartal province in İstanbul (December 31, 2018: TRL 323.474).

12.2 Long-term Deferred Income

	March 31, 2019	December 31, 2018
Other deferred income	38.377	27.580
	38.377	27.580

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

13.1 Employee Benefits Obligations

	March 31, 2019	December 31, 2018
Social security and withholding tax liabilities	64.008	72.070
Payables to personnel	59.812	42.788
	123.820	114.858

13.2 Short Term Provision for Employee Benefits

The provisions for employee benefits as of March 31, 2019 and December 31, 2018 are as follows:

	March 31, 2019	December 31, 2018
Short-term	178.132	130.899
Provision for bonus	70.759	47.531
Provision for vacation pay liability	68.616	47.866
Other short-term employee benefits	37.601	34.848
Other	679	-
Provision for employee termination benefits	477	654
Long-term	195.019	192.358
Provision for employee termination benefits	185.335	182.070
Provision for incentive plan	9.684	10.288
	373.151	323.257

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 14 - COMMITMENTS

As of March 31, 2019 and December 31, 2018 letter of guarantees, pledges and mortgages (GPMs) are as follows:

March 31, 2019	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company								
A. Total amount of GPMs given on behalf of the Company's legal personality	1.849.777	339.045	179.725	45.104	28	52.045	2.667.000	91.278
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	937.908	6.360	58.500	77.878	-	-	3.578.770	16.759
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Total amount of other GPM's	249.474	19.457	23.704	15.288	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	249.474	19.457	23.704	15.288	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
	3.037.159	364.862	261.929	138.270	28	52.045	6.245.770	108.037
December 31, 2018	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company								
A. Total amount of GPMs given on behalf of the Company's legal personality	1.649.692	313.751	181.375	30.877	27	42.879	2.667.000	86.307
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	930.515	6.360	58.500	85.121	-	-	2.222.331	18.987
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Total amount of other GPM's	231.419	14.559	23.704	15.288	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	231.419	14.559	23.704	15.288	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
	2.811.626	334.670	263.579	131.286	27	42.879	4.889.331	105.294

As of March 31, 2019, the ratio of other GPMs over the Group's equity is 1,1%. (December 31, 2018: 1,1%).

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of March 31, 2019, CCBPL has USD 2,2 Million sugar purchase commitment to the Banks until the end of April 2019, has USD 19,2 Million sugar purchase commitment to the Banks until the end of December 2019, has USD 16,8 Million resin purchase commitment to the Banks until the end of November 2019 and USD 30,4 Million sugar purchase commitment to the Banks until the end of March 2020.

ABH has service agreement liabilities for 1 to 5 years with its customers.

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

The Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 14 – COMMITMENTS (cont'd)

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of March 31, 2019, the remaining amount of the related loan is USD 95.950 Thousand.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of March 31, 2019, the balance of the loan is USD 71.111 Thousand and the warranty per the Group is USD 23.704 Thousand (December 31, 2018: USD 71.111 Thousand). The Company, has acted as a guarantor in the proportion of its capital (33,33%) to Aslancık's finance loan amounting to EUR 23.364 Thousand. As of March 31, 2019, the balance of the loan is EUR 23.364 Thousand and the warranty per the Group is EUR 7.788 Thousand.

As of March 31, 2019 the obligation of TRL 13.283 (Note 11.3) results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd. (Day), with a consideration of USD 2.360 Thousand amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TL amount is reflected under other current liabilities. The Share Purchase Agreement was signed with Day Investment Ltd. in 2011 however, there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment has been made for the of share purchase (December 31, 2018: TRL 12.416) (Note 11.3).

According to the put option signed with European Refreshments (“ER”), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCİ will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group’s consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TRL 211.852 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2018: TRL 198.020).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of March 31, 2019, there are no defaulting installments (December 31, 2018: None).

In line with Kartal Gayrimenkul’s preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of March 31, 2019, penalty amount that Kartal Gayrimenkul has paid is TRL 40 for delay (December 31, 2018: None).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of March 31, 2019 and December 31, 2018, the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the period ended March 31, 2019 and December 31, 2018 are as follows (the amounts are historical):

	March 31, 2019		December 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	243.534.518	243.535	243.534.518	243.535
Balance at the end of the period	243.534.518	243.535	243.534.518	243.535

AGHOL's common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG Sinai Yatırım ve Yönetim A.Ş.. Class A shares are all bearer type shares; belonging to AG Sinai Yatırım ve Yönetim A.Ş. and also Yazıcılar Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sinai Yatırım ve Yönetim A.Ş. (Management Company) which is an associate of İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. by 50% share each is a management company established to manage AGHOL and the subsidiaries of AGHOL. AG Sinai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı Family and İzzet Özilhan Family through equal shareholding and equal representation principle.

Class	Number of shares	Percentage of capital (%)	Number of members on Board
A (Bearer)	194.827.614	80,00	-
B (Registered)	48.706.904	20,00	6
	243.534.518	100,00	

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Quoted companies are subject to dividend requirements regulated by the Capital Markets Board of Turkey. Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué shall be subject to distributable dividend computations.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 15 – EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain (cont'd)

Companies distribute dividend within the framework of profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Companies pay dividends specified in their articles of incorporation or profit distribution policies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

	March 31, 2019	December 31, 2018
Restricted reserves allocated from net profit	615.970	909.511
- Legal reserves	89.844	89.844
- Gain on sales of real estate and associates (*)	526.126	819.667

(*) The Group's gain from sale of real estate and associates amounting TRL 526.126 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of March 31, 2019 and December 31, 2018 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	March 31, 2019	December 31, 2018
Equity reserves	2.422	2.422
Extraordinary reserves	1.600.425	1.600.425
Other profit reserves	5.119	5.119
Retained earnings	(14.730)	859.880
	1.593.236	2.467.846

Non-Controlling Interest

Non-controlling interests are separately classified in the interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

	March 31, 2019	March 31, 2018
Foreign exchange gains arising from trading activities	101.885	28.529
Rediscount gain from trading activities	10.371	10.646
Income from scrap and other materials	7.993	8.062
Rent income	7.264	3.819
Insurance compensation income	515	300
Other	40.450	25.363
	168.478	76.719

16.2 Other Operating Expenses

	March 31, 2019	March 31, 2018
Foreign exchange losses arising from trading activities	65.992	44.645
Provision for inventory impairment	20.626	2.744
Rediscount loss from trading activities	18.967	15.025
Provision for doubtful receivables	4.270	2.658
Depreciation and amortization expense on tangible and intangible assets	1.474	1.131
Donations	177	39.931
Other	27.499	12.524
	139.005	118.658

NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

	March 31, 2019	March 31, 2018
Gain on sale of property, plant and equipment	29.164	3.154
Rent income	102	1.151
	29.266	4.305

17.2 Expenses from Investing Activities

	March 31, 2019	March 31, 2018
Loss on sale of tangible & intangible assets	17.551	2.078
Provision for impairment on tangible assets (Note 9)	16.057	-
Provision for impairment on intangible assets (Note 8)	1.570	6.826
Other	527	-
	35.705	8.904

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 18 - FINANCIAL INCOME

	March 31, 2019	March 31, 2018
Foreign exchange gain	226.915	340.312
Interest income	84.403	70.658
Interest income from subleases	373	-
Derivative transactions income	-	560
	311.691	411.530

NOTE 19 - FINANCIAL EXPENSES

	March 31, 2019	March 31, 2018
Interest expense	370.620	217.654
Foreign exchange loss	365.631	643.992
Loss on derivative transactions	28.002	560
Interest expense from leases	25.157	-
Other expense	23.894	10.370
	813.304	872.576

NOTE 20 - TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporate tax rate for the fiscal year is 22% in Turkey (2018: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 22% (2018: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Amendment of Certain Taxes and Laws and Other Acts", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of March 31, 2019 are calculated with 22% tax rate for the temporary differences which will be realized in 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.1 Current Income Tax Assets and Tax Provision

	March 31, 2019	December 31, 2018
Current income tax assets	194.106	189.152
Income tax payable (-)	(10.975)	(18.036)
Net tax (liability) / asset	183.131	171.116

20.2 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	March 31, 2019	December 31, 2018
Deferred tax asset	1.105.326	956.572
Deferred tax liability (-)	(2.955.671)	(2.762.447)
Total deferred tax asset/(liability), net	(1.850.345)	(1.805.875)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.2 Deferred Tax Assets and Liabilities (cont'd)

Movement of net deferred tax liabilities as of the period ended on March 31, 2019 is as follows:

	Balance December 31, 2018	Recorded to profit or loss	Balance March 31, 2019
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.201.112)	(151.807)	(3.352.919)
Tax losses carried forward	1.003.545	204.595	1.208.140
Employee termination benefit and other employee benefits	55.761	(3.832)	51.929
Inventories	81.304	(44.752)	36.552
Investment incentive	65.913	10.247	76.160
Other provisions and accruals	195.498	(78.730)	116.768
Derivative financial instruments	(14.983)	14.954	(29)
Other	8.199	4.855	13.054
Net deferred tax liability	(1.805.875)	(44.470)	(1.850.345)
Currency translation difference	-	147.120	-
Recognised in other comprehensive income	-	(66.408)	-
	(1.805.875)	36.242	(1.850.345)

The movement of net deferred tax liabilities as of the period ended on March 31, 2018 is as follows:

	Balance December 31, 2017	Recorded to profit or loss	Balance March 31, 2018
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(2.180.213)	1.473	(2.178.740)
Tax losses carried forward	646.038	360.580	1.006.618
Employee termination benefit and other employee benefits	36.566	10.539	47.105
Inventories	73.861	(2.037)	71.824
Investment incentive	51.827	1.641	53.468
Other provisions and accruals	28.873	61.383	90.256
Derivative financial instruments	(28.448)	(11.051)	(39.499)
Other	7.573	589	8.162
Net deferred tax liability	(1.363.923)	423.117	(940.806)
Addition through business combination	-	(335.419)	-
Currency translation difference	-	26.571	-
Recognised in other comprehensive income	-	(12.026)	-
	(1.363.923)	102.243	(940.806)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.3 Tax Expense

	March 31, 2019	March 31, 2018
Current period tax expense (-)	(86.302)	(71.530)
Deferred tax income	36.242	102.243
	(50.060)	30.713

NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS

21.1 Trade Receivables and Other Receivables from Related Parties

	March 31, 2019	December 31, 2018
Migros Group Companies (1) (*)	230.707	207.907
Anadolu Landini (1)	47.825	52.243
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (4)	2.666	1.371
LLC Faber-Castell Anadolu (Russia) (1)	1.073	1.917
Other	11.884	10.491
	294.155	273.929

(*) Migros Group Companies consist of Migros, Kipa Ticaret A.Ş. which merged with Migros as of August 31, 2018, Sanal Merkez Ticaret A.Ş., Ramstore Kazakhstan LLC, Ramstore Macedonia DOO and Ramstore Bulgaria E.A.D..

As of March 31, 2019 there is no amount in long term portion of trade receivables from related parties (December 31, 2018: None).

As of March 31, 2019 there are other short term receivables from related parties amounting TRL 2.298 (December 31, 2018: TRL 20.595).

As of March 31, 2019 there are other long term receivables from related parties amounting TRL 5.469 (December 31, 2018: None).

21.2 Trade Payables to Related Parties

	March 31, 2019	December 31, 2018
Anadolu Efes Spor Kulübü (4)	67.989	-
Anadolu Landini (1)	6.280	6.142
Migros Group Companies (1)	380	651
Other	349	554
	74.998	7.347

As of March 31, 2019 there is no long term trade payables due to related parties (December 31, 2018: None).

- (1) A joint venture
(2) A Company controlled by a joint venture
(3) Shareholder of the Company
(4) Other

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

21.3 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There has been no guarantees given or received for any related party receivables or payables. For the period ended March 31, 2019, the Group has not provided for any doubtful receivables, relating to amounts due from related parties (December 31, 2018: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
Sales of goods and services, net		
Migros Group Companies (1)	177.192	110.519
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün. San. Ve Tic. A.Ş. (1)	1.396	1.441
Anadolu Efes Spor Kulübü (4)	579	831
Anadolu Landini (1)	378	8.806
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (4)	94	57
Other	922	535
	180.561	122.189

	March 31, 2019	March 31, 2018
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (4)	28.993	13.009
Migros Group Companies (1)	1.247	550
Anadolu Eğitim ve Sosyal Yardım Vakfı (4)	100	39.863
Other	330	480
	30.670	53.902

	March 31, 2019	March 31, 2018
Various sales included in other income (includes dividends received)		
Anadolu Landini (1)	3.461	1.250
Migros Group Companies (1)	73	103
Other	695	26
	4.229	1.379

- (1) A joint venture
(2) A Company controlled by a joint venture
(3) Shareholder of the Company
(4) Other

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

21.3 Related Party Transactions (cont'd)

Compensation of Key Management Personnel of the Group

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries. Benefits provided to senior managers include benefits such as wages, seniority, notice and leave.

The details of benefits provided to the key management personnel for the periods ended on March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
Short term benefits provided to key management personnel	22.302	14.794
Post-employment benefits	1.138	303
Total gain	23.440	15.097
Social Security employer share	540	301

Other

The Company and its subsidiaries other than McDonald's donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of March 31, 2019, donations amount to TRL 100 (December 31, 2018: TRL 42.973).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

Fair Value Hedge Accounting

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques not containing observable market inputs

	March 31, 2019	Level 1	Level 2	Level 3
Derivative financial assets	150.433	-	150.433	-
Derivative financial liabilities	13.183	-	13.183	-
Put option liability	225.135	13.283	-	211.852
	December 31, 2018	Level 1	Level 2	Level 3
Derivative financial assets	186.177	-	186.177	-
Derivative financial liabilities	44.393	-	44.393	-
Put option liability	210.436	12.416	-	198.020

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at December 31, 2018	Average exchange buying rate in the period	Exchange buying rate at March 31, 2019
USD/TRL	Turkey	5,2609	5,3629	5,6284
EUR/TRL	Turkey	6,0280	6,0928	6,3188

Foreign currency risk arises from the EUR and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Anadolu Efes, a subsidiary of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. Anadolu Efes's foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. Çelik Motor, a subsidiary of the Group, hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument).

Efes Breweries International NV, the subsidiary of the Group, has a cross currency swap agreement on April 12, 2018 in order to hedge foreign currency risk arising from Russian Ruble receivables arising from shareholder loans which was taken over following the business combination mentioned in Note 3 amounting to TRL 386.753.

CCI, the subsidiary of the Group, has a cross currency swap contract with a total amount of USD 150 Million (nominal amount: TRL 274.260) signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term (December 31, 2018: TRL 219.135).

The Company has signed a cross currency swap contract with a total amount of EUR 80 Million (nominal amount: TRL 483.415) due on May 12, 2021, for the probability of arising exchange rate exposure in the long term (December 31, 2018: EUR 25 Million).

As of March 31, 2019, CCBPL has FX forward transactions with a total nominal amount of TRL 98.878, for 2 forward purchase contracts amounting to CNY 118 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

March 31, 2019	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	175.225	6.191	8.107	89.156
2a. Monetary financial assets (cash and cash equivalents included)	2.503.500	337.476	90.871	29.854
2b. Non - monetary financial assets	14.097	-	2.231	-
3. Other	51.461	1.380	4.642	14.362
4. Current assets (1+2+3)	2.744.283	345.047	105.851	133.372
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	5.852	195	749	22
8. Non - current assets (5+6+7)	5.852	195	749	22
9. Total assets (4+8)	2.750.135	345.242	106.600	133.394
10. Trade payables	824.173	80.426	28.865	189.111
11. Short - term borrowings and current portion of long - term borrowings	3.853.880	124.232	499.249	-
12a. Monetary other liabilities	14.594	298	1.025	6.440
12b. Non - monetary other liabilities	19.535	2.487	779	615
13. Current liabilities (10+11+12)	4.712.182	207.443	529.918	196.166
14. Trade payables	-	-	-	-
15. Long - term borrowings	8.323.403	1.177.948	268.000	-
16a. Monetary other liabilities	124	22	-	-
16b. Non - monetary other liabilities	212.171	37.640	50	-
17. Non - current liabilities (14+15+16)	8.535.698	1.215.610	268.050	-
18. Total liabilities (13+17)	13.247.880	1.423.053	797.968	196.166
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	6.774.118	772.729	383.758	-
19a. Total hedged assets	6.822.241	781.279	383.758	-
19b. Total hedged liabilities	48.123	8.550	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(3.723.627)	(305.082)	(307.610)	(62.772)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(10.337.449)	(1.039.259)	(698.161)	(76.541)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2018	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	207.232	13.633	15.825	40.116
2a. Monetary financial assets (cash and cash equivalents included)	1.931.627	311.073	34.710	85.871
2b. Non - monetary financial assets	10.362	-	1.719	-
3. Other	34.318	1.187	3.547	6.693
4. Current assets (1+2+3)	2.183.539	325.893	55.801	132.680
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	4.564	201	580	10
8. Non - current assets (5+6+7)	4.564	201	580	10
9. Total assets (4+8)	2.188.103	326.094	56.381	132.690
10. Trade payables	894.599	105.085	34.098	136.216
11. Short - term borrowings and current portion of long - term borrowings	3.669.836	116.730	506.922	-
12a. Monetary other liabilities	5.565	199	750	-
12b. Non - monetary other liabilities	16.655	2.454	373	1.499
13. Current liabilities (10+11+12)	4.586.655	224.468	542.143	137.715
14. Trade payables	5.338	-	885	3
15. Long - term borrowings	7.978.335	1.239.021	242.198	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	198.023	37.641	-	-
17. Non - current liabilities (14+15+16)	8.181.696	1.276.662	243.083	3
18. Total liabilities (13+17)	12.768.351	1.501.130	785.226	137.718
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	6.089.083	761.079	345.906	-
19a. Total hedged assets	6.195.353	781.279	345.906	-
19b. Total hedged liabilities	106.270	20.200	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(4.491.165)	(413.957)	(382.939)	(5.028)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(10.414.814)	(1.136.329)	(734.318)	(10.232)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

Information related to export and import as of March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
Total Export Amount	303.680	236.655
Total Import Amount	1.081.796	977.497

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign currency position sensitivity analysis		
March 31, 2019 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(606.635)	606.635
2- USD denominated hedging instruments(-)	434.923	(434.923)
3- Net effect in USD (1+2)	(171.712)	171.712
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(436.861)	436.861
5- Euro denominated hedging instruments(-)	242.489	(242.489)
6- Net effect in Euro (4+5)	(194.372)	194.372
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(6.277)	6.277
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(6.277)	6.277
TOTAL (3+6+9)	(372.361)	372.361

Foreign currency position sensitivity analysis		
March 31, 2018 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(492.036)	492.036
2- USD denominated hedging instruments(-)	62.393	(62.393)
3- Net effect in USD (1+2)	(429.643)	429.643
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(480.532)	480.532
5- Euro denominated hedging instruments(-)	60.802	(60.802)
6- Net effect in Euro (4+5)	(419.730)	419.730
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(11.208)	11.208
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(11.208)	11.208
TOTAL (3+6+9)	(860.581)	860.581

(*) Monetary assets and liabilities eliminated during the consolidation are not included.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of the Group, designated denominated bond issued amounting to USD 500 Million as of January 1, 2018 and EUR 100 Million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

As of April 1, 2018, CCI, the subsidiary of the Group, designated USD 281 Million out of USD denominated bond issued amounting to USD 500 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The Company designated loans amounting to EUR 253 Million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries). As a result of change in the Company's risk policy EUR 100 Million of EUR 253 Million loans has been discontinued from hedging net investments in foreign operations as of December 5, 2018. It is decided to designate different derivate financial instruments for the related EUR 100 Million.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 360.589 (TRL 282.147 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December, 31 2018: TRL 1.520.855 (TRL 1.192.092 - including deferred tax effect)).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT
MARCH 31, 2019**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 23 - EVENTS AFTER THE REPORTING PERIOD

- 1) In the General Assembly Meeting of the Company dated May 6, 2019 it has been decided to distribute profit share of TRL 25.000 for the period January-December 2018 to be paid starting from June 12, 2019 in cash.
- 2) In accordance with the General Assembly Meeting of Anadolu Efes, a subsidiary of the Company held on April 30, 2019, it has been decided to distribute profit share of TRL 255.067 for the period January-December 2018 from share issue premium starting from June 10, 2019.
- 3) In accordance with the General Assembly Meeting of CCI, a subsidiary of the Group held at April 29, 2019, it has been decided to distribute profit share amounting TRL 300.158 for the period January-December 2018, as TRL 101.000 of this amount will be paid from 2018 net income, and TRL 199.158 will be paid from extraordinary reserves to shareholders starting from May 31, 2019.
- 4) The capital of Faber Castell Anadolu, a joint venture of the Company was increased by Ruble 155.000.000. All the shareholders participated in the increase in proportion to their shares and on April 4, 2019, Adel paid Ruble 77.500.000 in cash.
- 5) In line with our strategy of evaluating the assets in our portfolio with maximum efficiency, it has been decided that an investment bank or a securities firm will be authorized to work on strategic options regarding McDonald's and conduct talks with the third parties in this regard. Any material developments in due course will be announced to public.

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