

YAZICILAR HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

To the Board of Directors of Yazıcılar Holding A.Ş.

Introduction

1. We have reviewed the accompanying condensed consolidated balance sheet of Yazıcılar Holding A.Ş. and its subsidiaries (collectively referred to as the "Group") as at 30 June 2014 and the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying condensed consolidated interim financial information of Yazıcılar Holding A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Burak Özpoyraz, SMMM
Partner

Istanbul, 19 August 2014

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as of June 30, 2014

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2014 AND DECEMBER 31, 2013

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

	Notes	Reviewed June 30, 2014	Audited December 31, 2013
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	2.029.816	1.720.417
Financial Instruments		1.128.650	1.187.152
Trade Receivables		10.708	10.617
- Due From Related Parties	21.2	26.408	15.876
- Trade Receivables, Third Parties		407.614	169.177
Other Receivables			
- Other Receivables, Third Parties		104.082	71.430
Derivative Financial Instruments		12.398	16.468
Inventories		233.596	157.984
Prepaid Expenses		43.930	27.965
Current Income Tax Assets	20.1	6.644	6.340
Other Current Assets		55.786	57.408
Non-Current Assets		5.024.083	4.692.781
Financial Instruments		6.456	6.459
Other Receivables			
- Other Receivables, Third Parties		3.205	3.398
Derivative Financial Instruments		3.375	9.943
Investments Accounted Through Equity Method	8	3.396.104	3.364.440
Investment Property		85.551	62.799
Property, Plant and Equipment	9	1.432.588	1.119.897
Intangible Assets	10	18.236	15.884
Prepaid Expenses		18.052	28.653
Deferred Tax Assets	20.2	15.370	9.246
Other Non-Current Assets		45.146	72.062
TOTAL ASSETS		7.053.899	6.413.198

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2014 AND DECEMBER 31, 2013

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

	Notes	Reviewed June 30, 2014	Audited December 31, 2013
LIABILITIES			
Current Liabilities			
Short-Term Borrowings	7	1.221.070	721.635
Current Portion of Long-Term Borrowings	7	528.268	337.678
Trade Payables			
- Due to Related Parties	21.3	362.169	141.766
- Trade Payables, Third Parties		1.119	1.509
Other Payables		213.688	175.399
- Due to Related Parties	21.4	2.205	4.582
- Other Payables, Third Parties		26.899	31.968
Derivative Financial Instruments		-	233
Income Tax Payable	20.1	8.996	11.662
Short-Term Provisions			
- Short-term Provisions For The Employee Benefits	11.1	18.391	10.318
- Other Short-term Provisions	11.2	2.018	1.994
Other Current Liabilities		57.317	4.526
Non-Current Liabilities			
Long-Term Borrowings	7	872.439	752.981
Other Payables		819.917	699.938
- Other Payables, Third Parties		425	412
Long-Term Provisions			
- Long-term Provisions For The Employee Benefits	11.1	19.450	19.551
Deferred Tax Liability	20.2	30.918	32.034
Other Non-Current Liabilities		1.729	1.046
EQUITY			
Equity Attributable to Equity Holders of the Parent			
Paid-in Share Capital	13	4.960.390	4.938.582
Share Premium		4.105.174	4.110.416
Other Comprehensive Income/Expense Not To Be Classified to Profit or Loss		160.000	160.000
- Revaluation and Remeasurement Loss		9.474	9.474
Other Comprehensive Income/Expense To Be Classified to Profit or Loss		(2.877)	(2.881)
- Currency Translation Differences		188.326	279.998
- Hedge Gain / Loss		(7)	(84)
- Revaluation and Reclassification Gain / Loss	13	(2.635)	(6.958)
Other Reserves		(65.213)	(65.213)
Restricted Reserves Allocated from Net Profit	13	28.732	25.303
Retained Earnings	13	3.688.546	2.519.664
Net Income		100.828	1.191.113
Non-Controlling Interest		855.216	828.166
TOTAL LIABILITIES AND EQUITY		7.053.899	6.413.198

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2014 AND 2013

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

	Notes	Reviewed		Reviewed	
		January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
CONTINUING OPERATIONS					
Revenue		905.218	513.749	795.121	454.063
Cost of Sales (-)		(697.092)	(395.859)	(626.665)	(359.103)
GROSS PROFIT		208.126	117.890	168.456	94.960
General Administrative Expenses (-)	14	(81.072)	(39.856)	(74.229)	(39.495)
Marketing Expenses (-)	14	(60.429)	(30.264)	(52.667)	(28.021)
Research and Development Expenses (-)	14	(620)	(346)	(636)	(315)
Other Operating Income	15.1	6.492	4.224	3.101	1.989
Other Operating Expenses (-)	15.2	(12.813)	(5.493)	(8.235)	(4.627)
Gain/ (Loss) from Investments Accounted Through Equity Method		86.951	106.702	804.671	36.655
OPERATING INCOME		146.635	152.857	840.461	61.146
Income from Investing Activities	16.1	7.501	5.984	28.729	25.610
Expenses from Investing Activities (-)	16.2	(1.796)	(333)	(3.139)	(2.556)
OPERATING INCOME BEFORE FINANCIAL EXPENSE		152.340	158.508	866.051	84.200
Financial Income	17	144.376	56.869	29.494	18.082
Financial Expenses (-)	18	(153.847)	(82.788)	(57.249)	(39.195)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		142.869	132.589	838.296	63.087
Tax Expense from Continuing Operations		(8.183)	(3.428)	(8.509)	(7.246)
- Current Period Tax Expense (-)	20.3	(15.593)	(4.274)	(11.927)	(7.126)
- Deferred Tax Income	20.3	7.410	846	3.418	(120)
NET INCOME FOR THE PERIOD FOR CONTINUING OPERATIONS		134.686	129.161	829.787	55.841
Net Income for the Period for Non-Current Assets Held for Sale	19	-	-	48.745	13.176
NET INCOME		134.686	129.161	878.532	69.017
Attributable to:					
- Non-Controlling Interests		33.858	23.813	92.934	24.471
- Equity Holders of the Parent		100.828	105.348	785.598	44.546
Earnings per share (full TRL)		0,63	0,66	4,91	0,28
Earnings per share from continuing operations (full TRL)		0,63	0,66	4,73	0,23
Earnings per share from assets held for sale (full TRL)		-	-	0,18	0,05

As the details are stated in Note 8.1 there is an one-off income amounting to TRL 769.410 in the "Gain/(Loss) from Investments Accounted Through Equity Method" account which amounts to TRL 804.671 as of June 30, 2013.

If this one-off income has not been included in accordance with International Financial Reporting Standards, the Group would have TRL 109.122 net income for the period ended June 30, 2013 and net income attributable to equity holders of the parent would be TRL 65.813.

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2014 AND 2013

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

	Reviewed January 1- June 30, 2014	April 1- June 30, 2014	Reviewed January 1- June 30, 2013	April 1- June 30, 2013
NET INCOME FOR THE PERIOD	134.686	129.161	878.532	69.017
OTHER COMPREHENSIVE INCOME				
Items Not To Be Reclassified To Profit or Loss				
Remeasurement Gain / (Loss) from Defined Benefit Plans	685	156	190	(284)
Shares of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified To Profit or Loss	(333)	(145)	(393)	(220)
Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss				
- Deferred Tax Expense (-) / Income	(137)	(31)	(38)	57
Items To Be Reclassified To Profit or Loss				
Currency Translation Differences	(3.767)	(5.672)	7.970	7.524
Available for Sales Financial Investments Revaluation and Classification Loss/Gain	-	-	(27.349)	(13.352)
Share Of Other Comprehensive Income Of Investments Accounted Through Equity Method To Be Classified To Profit Or Loss	(90.042)	(2.101)	57.980	61.815
Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss				
- Deferred Tax Income	-	-	1.367	667
OTHER COMPREHENSIVE EXPENSE	(93.594)	(7.793)	39.727	56.207
TOTAL COMPREHENSIVE (EXPENSE) / INCOME	41.092	121.368	918.259	125.224
Attributable to:				
- Non-Controlling Interest	27.532	21.914	89.355	26.337
- Equity Holders of the Parent	13.560	99.454	828.904	98.887

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2014 AND 2013**

(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				
	Paid-in Capital	Share Premium	Revaluation and Remeasurement Gain / Loss	Currency Translation Differences	Hedge Gain / Loss	Revaluation and Reclassification Gain / Loss	Other Reserves	Restricted Reserves Allocated from Net Income	Retained Earnings	Net Income / (Loss)	Attributable to Equity Holders of the Parent	Non- Controlling Interest	Equity
Balances as of January 1, 2013 (restated)	160.000	9.474	(3.532)	44.252	31	21.293	(2.947)	21.832	1.653.739	909.396	2.813.538	662.062	3.475.600
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	3.471	905.925	(909.396)	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5	5
Dividend distributed	-	-	-	-	-	-	-	-	(40.000)	-	(40.000)	(5.498)	(45.498)
Change in share of investments accounted through equity method	-	-	550	(21.682)	(31)	1.141	-	-	-	-	(20.022)	(1.380)	(21.402)
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	-	-	-	-	-	(49)	(49)
Change in non-controlling interests due to change in scope of consolidation of the associate	-	-	-	-	-	-	(62.265)	-	-	-	(62.265)	(4.293)	(66.558)
Total comprehensive income	-	-	(663)	57.345	(177)	(13.199)	-	-	-	785.598	828.904	89.355	918.259
Balances as of June 30, 2013	160.000	9.474	(3.645)	79.915	(177)	9.235	(65.212)	25.303	2.519.664	785.598	3.520.155	740.202	4.260.357
Balances as of January 1, 2014	160.000	9.474	(2.881)	279.998	(84)	(6.958)	(65.213)	25.303	2.519.664	1.191.113	4.110.416	828.166	4.938.582
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	3.429	1.187.684	(1.191.113)	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1.442	1.442
Dividend distributed	-	-	-	-	-	-	-	-	(20.000)	-	(20.000)	(8.624)	(28.624)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	1.198	-	1.198	6.700	7.898
Total comprehensive income / (expense)	-	-	4	(91.672)	77	4.323	-	-	-	100.828	13.560	27.532	41.092
Balances as of June 30, 2014	160.000	9.474	(2.877)	188.326	(7)	(2.635)	(65.213)	28.732	3.688.546	100.828	4.105.174	855.216	4.960.390

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ**INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2014 AND 2013**

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

	Notes	Reviewed January 1- June 30, 2014	Reviewed January 1- June 30, 2013
Cash flow from operating activities			
Income before tax from continuing operations		142.869	838.296
Adjustments			
Gain from disposal of property, plant and equipment, and intangible assets		(16.971)	(28.682)
Depreciation and amortization		39.962	33.251
Provision for impairment in doubtful receivables	15.2	569	78
Warranty provision / (reversal)	11.2	24	(25)
Provision for vacation pay liability		1.398	1.745
Provision for employee termination benefits		3.239	2.784
Provision for bonus		6.675	6.175
Other provisions		(1.026)	3.391
Provision for inventories / (reversal)		1.332	(300)
Foreign exchange expense / (income)		(2.928)	19.856
Interest expenses		35.445	17.409
Gain from financial instruments		(321)	-
Gain from investments accounted through equity method		(86.951)	(804.671)
Change in derivative financial instruments – receivables		10.638	(7.208)
Change in derivative financial instruments – liabilities		(233)	(1.064)
Other non-cash expense		(429)	2.087
Operating profit before changes in operating assets and liabilities		133.292	83.122
Change in trade and other receivables and due from related parties		(249.538)	(213.730)
Change in inventories		(76.944)	(2.549)
Change in other assets		(57.529)	(56.734)
Change in trade and other payables and due to related parties		83.940	133.413
Purchases of motor vehicles for motor vehicle leasing business		(274.163)	(112.567)
Proceeds from resale of motor vehicles for motor vehicle leasing business		72.910	28.716
Dividend received		25.052	81.939
Employee termination benefits paid		(2.655)	(1.651)
Taxes paid	20.1	(19.777)	(1.537)
Net cash used in operating activities		(365.412)	(61.578)
Net cash used in operating activities of assets held for sale		-	(567.264)
Cash flows used in investing activities			
Change in financial investments (net)		1.259	(14.035)
Purchase of property, plant and equipment, intangible asset and investment property		(178.865)	(97.385)
Proceeds from sale of property, plant and equipment, and intangible asset		10.374	35.565
Purchase of financial assets and participation in capital increase		(10.180)	(12.457)
Gain on sale of a share to non-controlling interests		7.978	-
Net cash used in investing activities		(169.434)	(88.312)
Net cash used in investing activities of assets held for sale		-	(10.526)
Cash flows provided by financing activities			
Dividend paid to non-controlling shareholders		(8.624)	(5.498)
Capital increase of non-controlling shareholders		1.442	5
Dividend paid		(20.000)	(40.000)
Proceeds from borrowings from banks and other institutions		4.750.971	6.144.883
Repayments of borrowings and interest from banks and other institutions		(4.215.512)	(5.865.516)
Interest paid (-)		(33.813)	(14.473)
Net cash provided by financing activities		474.464	219.401
Net cash provided by financing activities of assets held for sale		-	516.198
Currency translation on cash and cash transaction		1.880	3.841
Net increase / (decrease) in cash and cash equivalents		(58.502)	11.760
Cash and cash equivalents classified to assets held for sale		-	(436.946)
Cash and cash equivalent at the beginning of the period	6	1.187.152	630.962
Total cash and cash equivalent at the end of the period		1.128.650	205.776
Interest income		27.751	5.561
Dividend income		184	26

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2014

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Anadolu Endüstri Holding (AEH) in which it has 68,00% stake. Certain shares of the Company are listed on the

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka

The interim condensed consolidated financial statements as of June 30, 2014 are authorized for issue by the Finance Manager Yusuf Ovnamak on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the statutory financial statements after the consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the “Group” henceforth for the purposes of the interim condensed consolidated financial statements.

The Group is organized and primarily managed in three principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, motor vehicle lease); retailing (stationery, chain restaurant management, information technologies and tourism) and other (trade, asset management, real estate, energy).

The average number of personnel of the Group for the period ended on June 30, 2014 is 6.487 (December 31, 2013: 6.447).

List of Shareholders

As of June 30, 2014 and December 31, 2013 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

	June 30, 2014		December 31, 2013	
	Paid-in share capital	%	Paid-in share capital	%
	61.116	38,20	61.116	38,20
	53.687	33,55	53.687	33,55
Publicly traded (*)	45.197	28,25	45.197	28,25
Total paid-in share capital	160.000	100,00	160.000	100,00

(*) As of June 30, 2014 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by in share capital).

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2014

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

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

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2014 and December 31, 2013 are as follows:

	Place of incorporation	Principal activities	Segment	Effective rate and voting rights %	
				June 30, 2014	December 31, 2013
				68,00	68,00
			Automotive	68,00	68,00
	Turkey	vehicles and motor vehicle lease Production of industrial engines, sale of tractors	Automotive	67,93	67,93
Motor)				68,00	67,38
Anadolu Elektronik Aletler Pazarlama ve Ticaret	Turkey	Inactive	Automotive	34,65	34,65
(2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	38,68	38,68
		imported stationery products	Retailing	49,76	49,76
		facilities	Retailing	68,00	67,92
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	65,68	65,68
Anadolu Endüstri Holding Handels GmbH (AEH Handels)	Germany	Provides market research services for the products in abroad	Other	68,00	68,00
(McDonald's)	Turkey	Restaurant chain management	Retailing	68,00	68,00
				68,00	68,00
				67,99	67,99
		Industrial and commercial operations in automotive sector	Other	68,00	68,00
		Import, distribution and marketing of Geely motor vehicles, sale of Cooper Tires, Starfire and Avon tires	Automotive	67,97	67,97
(Anadolu Termik)	Turkey	Production of electricity (Investment in progress)	Other	68,00	68,00
Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity (Investment in progress)	Other	68,00	68,00
(Anelsan) (4)	Turkey	Insurance agency	Other	68,00	68,00
		In liquidation process	Retailing	48,94	48,94
Kafkasya) (6)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities (Investment in progress)	Other	63,85	68,00
(Antek Teknoloji)	Turkey	Inactive	Automotive	67,97	67,97
Georgian Urban Energy LLC (GUE)	Georgia	Production and sale of electricity (Investment in progress)	Other	61,20	61,20
				68,00	67,99
				68,00	-
	Turkey	Inactive	Other	68,00	-

(1) Shares of Adel are quoted on BIST.

Çelik Motor and Anadolu Motor in Efestur amounting to 0,25%, 0,50% and 0,25% respectively have been transferred to AEH at February 17, 2014. As a result, the Company's shareholding rate in Efestur increased from 67,92% to 68,00%.

(6) AEH's share in Anadolu Kafkasya amounting to 6,10% has been sold to Paravani Energy B.V. at January 31, 2014. Also, as a part of Anadolu Group's shareholding structure simplification process, Anadolu Group Companies have transferred their shares in Anadolu Kafkasya to AEH. As a result of these transactions the Company has 63,85% stake at Anadolu Kafkasya.

AEH at February 24, 2014, as a result of the transfer the Company's shareholding rate has increased to 68,00%.

As a result of the transfer the Company's shareholding rate has increased to 68,00%.

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

Associates

The associates included in consolidation by equity method and its shareholding percentages at June 30, 2014 and December 31, 2013 are as follows:

	Country	Main activities	Effective rate and voting rights %	
			June 30, 2014	December 31, 2013
			27,66	27,66
			17,00	17,00

(*) Shares of Anadolu Efes and ABank are currently quoted on the BIST.

Joint Ventures

The investments in joint ventures accounted through equity method and their shareholding percentages at June 30, 2014 and December 31, 2013 are as follows:

	Country	Main activities	Effective rate and voting rights %	
			June 30, 2014	December 31, 2013
(Anadolu Isuzu) (*)	Turkey	Manufacturing and selling of Isuzu brand vehicles	37,56	37,56
	Turkey	Production and marketing of Komili and Madra brands	37,57	37,57
Faber-Castell Anadolu LLC	Russia	Trading of all kinds of stationery	22,67 19,34	22,67 19,34

(*) Shares of Anadolu Isuzu are currently quoted on the BIST.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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 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 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 for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities, financial statements are prepared on historical cost basis.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after June 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

Basis of Preparation of Financial Statements (cont'd)

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 in accordance with TAS 34, "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 12, 22).

Financial Reporting in Hyperinflationary Economies

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the interim condensed consolidated financial statements of the Group have been prepared accordingly.

Functional and Presentation Currency

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The interim condensed consolidated financial statements are presented in 'TRL', which is the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the interim income statement within 'financial income or expense'. All other foreign exchange gains and losses are presented in the interim income statement within 'Other operating income/expense'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in other comprehensive income.

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

Basis of Preparation of Financial Statements (cont'd)

Functional and local currencies of foreign subsidiaries are as follows:

		June 30, 2014	December 31, 2013
	Local Currency	Functional Currency	Functional Currency
AEH Handles	EUR	EUR	EUR
Oyex	EUR	EUR	EUR
GUE	Georgian Lari (GEL)	GEL	GEL

Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended June 30, 2014 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2013, except the issues mentioned below. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013.

Comparative Information and Restatement of Prior Period Financial Statements

The interim condensed 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. Comparative figures have been reclassified to conform to changes in presentation in the current period consolidated financial statements. The amount, the reason and the nature of the reclassifications are stated below:

Change in control of CCI and CCBPL in Anadolu Efes, an associate of the Company, was accounted in accordance with IFRS 3 “Business combinations”, consequently CCI and CCBPL has been included in full consolidation starting from 1 January 2013. Since fair value accounting of these purchase transactions were in progress as of June 30, 2013, goodwill accounting which was provisionally recorded to June 30, 2013 interim financial statements is restated and fair value accounting is reflected to prior period financial statements in accordance with IFRS 3 “Business Combinations”. Restatements in interim consolidated balance sheet as of June 30, 2013 are summarized below;

Interim consolidated balance sheet as of June 30, 2013	Reported	Change	Restated
Investments Accounted Through Equity Method	2.839.227	270	2.839.497
Currency Translation Differences	79.750	165	79.915
Hedge Gain / Loss	(353)	176	(177)
Revaluation and Remeasurement Gain / Loss	9.323	(88)	9.235
Equity Attributable to Equity Holders of the Parent	3.519.902	253	3.520.155
Non-Controlling Interest	740.185	17	740.202
Equity	4.260.087	270	4.260.357

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

Seasonality of Operations

Due to higher consumption of beer and soft drinks during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, an associate of the Company, may include the effects of the seasonal variations. Therefore, the results of “Investments accounted through equity method” account for the first six months up to June 30, 2014 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Changes in Accounting Policies

New standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at June 30, 2014 are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and IFRIC interpretations summarized below.

New standards, amendments and IFRIC/TFRICS applicable in annual periods beginning on or after June 30, 2014:

- Amendment to IAS 32, ‘Financial instruments: Presentation’, on offsetting financial assets and financial liabilities, is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet..
- Amendments to IFRS 10, 12 and IAS 27, “Consolidated financial statements”: ‘exceptions for the consolidation of subsidiaries’; is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics.
- Amendment to IAS 36, “Impairment of assets” on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendment to IAS 39 “Financial Instruments: Recognition and Measurement” - “Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- IFRIC 21, 'Levies' is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

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

New and amended standards and interpretations issued as of June 30, 2014 but not effective:

- Amendment to IAS 19 regarding defined benefit plans; is effective for annual periods beginning on or after July 1, 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:
 - IFRS 2, ‘Share-based payment’
 - IFRS 3, ‘Business Combinations’
 - IFRS 8, ‘Operating segments’
 - IFRS 13, ‘Fair value measurement’
 - IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
 - IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’
 - IAS 39, ‘Financial instruments – Recognition and measurement’.
- Annual improvements 2013; is effective for annual periods beginning on or after July 1, 2014. The amendments include changes from the 2011-12-13 cycle of the annual improvements project that affect 4 standards:
 - IFRS 1, ‘First time adoption’
 - IFRS 3, ‘Business combinations’
 - IFRS 13, ‘Fair value measurement’ and
 - IAS 40, ‘Investment property’.
- Amendment to IFRS 11, “‘Joint Arrangements’”, is effective for annual periods beginning on or after 1 July 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 and IAS 38, “‘Tangible Assets ’”, “‘Intangible Assets’”, is effective for annual periods beginning on or after 1 July 2016. In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- IFRS14, “‘Regulatory deferral accounts’”, is effective for annual periods beginning on or after 1 July 2016. ‘Regulatory deferral accounts’ permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS/IFRS. However, to enhance comparability with entities that already apply TFRS/IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendment to IFRS 15,“‘Revenue from contracts with customers’”, is effective for annual periods beginning on or after 1 July 2017. the International Accounting Standards Board (IASB) and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to clarify the principles for recognising revenue and to develop a common revenue standard for IFRS and

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

New and amended standards and interpretations issued as of 30 June 2014 but not effective (cont'd)

- US GAAP. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new model employs an asset and liability approach, rather than current revenue guidance focuses on an 'earnings process'.
- Amendment to IFRS 15, "Revenue from contracts with customers", is effective for annual periods beginning on or after 1 July 2017. the International Accounting Standards Board (IASB) and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to clarify the principles for recognising revenue and to develop a common revenue standard for IFRS and US GAAP. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new model employs an asset and liability approach, rather than current revenue guidance focuses on an 'earnings process'.
- Amendment to IFRS 9, "Financial instruments" - classification and measurement; is effective for annual periods beginning on or after 1 January 2018. This standard on classification and measurement of financial assets and financial liabilities will replace TAS/IAS 39, "financial instruments: Recognition and measurement". TFRS/IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS/IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.
- Amendments to TFRS/IFRS 9, "Financial instruments", regarding general hedge, is effective for annual periods beginning on or after 1 January 2018. These amendments to TFRS/IFRS 9, "Financial instruments", bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of June 30, 2014

None.

Transactions for the year of 2013

None.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - JOINT VENTURES

Joint Ventures

Entity	Principle activities	Country	June 30, 2014			December 31, 2013		
			Carrying value	Effective rate and voting rights %	Group's share of income/ (loss)	Carrying value	Effective rate and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	122.339	37,56	6.548	140.910	37,56	76.358

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NOTE 4 - JOINT VENTURES (cont'd)

Summary financial information of the Group's investment in other joint ventures is as follows:

	June 30, 2014		December 31, 2013	
Other joint ventures				
Total assets		474.116		460.295
Total liabilities		332.194		351.946
Net assets		141.922		108.349
Group's interest in net assets		47.963		36.657

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Other joint ventures				
Revenue	15.693	11.961	3.519	2.297
Net (loss) / income for the period	4.717	9.010	(2.118)	(2.994)
Group's share in net income / (loss) of the joint ventures	1.308	2.894	(934)	(378)

NOTE 5 - SEGMENT REPORTING

The Group is organized and primarily managed in three principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, motor vehicle lease); retailing (stationery, chain restaurant management, information technologies and tourism) and other (trade, asset management, real estate, energy).

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

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NOTE 5 - SEGMENT REPORTING (cont'd)

January 1-June 30, 2014	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	414.940	446.239	44.039	-	905.218
Inter-segment sales	2.299	6.094	4.818	(13.211)	-
Total Sales	417.239	452.333	48.857	(13.211)	905.218
GROSS PROFIT	82.665	108.609	27.993	(11.141)	208.126
General administrative expenses (-)	(18.624)	(28.384)	(44.425)	10.361	(81.072)
Marketing expenses (-)	(26.680)	(33.344)	(1.016)	611	(60.429)
Research and development expenses (-)	(686)	-	-	66	(620)
Other operating income	3.385	1.336	1.689	82	6.492
Other operating expenses (-)	(2.175)	(9.641)	(1.035)	38	(12.813)
Gain/ (Loss) from the investments accounted through equity method (*)	-	(832)	-	87.783	86.951
OPERATING INCOME / (LOSS)	37.885	37.744	(16.794)	87.800	146.635
Income from investing activities	766	3.341	3.629	(235)	7.501
Expenses from investing activities (-)	(87)	(1.111)	(41)	(557)	(1.796)
OPERATING INCOME / (LOSS) BEFORE FINANCIAL EXPENSE	38.564	39.974	(13.206)	87.008	152.340
Financial income	16.361	2.786	125.279	(50)	144.376
Financial expenses (-)	(31.032)	(9.631)	(113.241)	57	(153.847)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	23.893	33.129	(1.168)	87.015	142.869
Tax Expense from Continuing Operations	(5.663)	(5.939)	3.420	(1)	(8.183)
- Current period tax expense (-)	(934)	(11.991)	(2.669)	1	(15.593)
- Deferred tax income / (expense)	(4.729)	6.052	6.089	(2)	7.410
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	18.230	27.190	2.252	87.014	134.686
Attributable to:	18.230	27.190	2.252	87.014	134.686
- Non-controlling interest	(177)	-	(588)	34.623	33.858
- Equity holders of the parent	18.407	27.190	2.840	52.391	100.828
Total Assets	1.353.666	718.537	2.998.466	1.983.230	7.053.899
Investments accounted through equity method	-	1.421	-	3.394.683	3.396.104
Total Liabilities	1.084.879	453.636	565.639	(10.645)	2.093.509
Property, plant and equipment and intangible asset purchases (**)	298.575	46.979	107.474	-	453.028
Depreciation and amortization (**)	24.880	12.504	2.590	(12)	39.962

(**) the investments accounted through equity method'; expense recognized from Faber Castel Anadolu LLC amounting to TRL 832 is recorded in "retailing" segment.
 (***) TRL 22.933 of the property, plant and equipment and intangible asset purchases and TRL 181 of the depreciation and amortization belong to Investment Properties.

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NOTE 5 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2014	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	245.909	245.257	22.583	-	513.749
Inter-segment sales	1.138	2.611	2.408	(6.157)	-
Total Sales	247.047	247.868	24.991	(6.157)	513.749
GROSS PROFIT	45.167	65.010	13.867	(6.154)	117.890
General administrative expenses (-)	(9.374)	(14.540)	(21.957)	6.015	(39.856)
Marketing expenses (-)	(14.326)	(15.602)	(496)	160	(30.264)
Research and development expenses (-)	(376)	-	-	30	(346)
Other operating income	2.424	692	961	147	4.224
Other operating expense (-)	(596)	(4.686)	(180)	(31)	(5.493)
Gain/Loss from the investments accounted through equity method	-	(367)	-	107.069	106.702
OPERATING PROFIT / LOSS	22.919	30.507	(7.805)	107.236	152.857
Income from investing activities	512	3.224	494	1.754	5.984
Expense from investing activities (-)	(54)	(263)	(19)	3	(333)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE	23.377	33.468	(7.330)	108.993	158.508
Financial income	12.565	(38)	44.342	-	56.869
Financial expense (-)	(12.295)	(5.262)	(65.238)	7	(82.788)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	23.647	28.168	(28.226)	109.000	132.589
Tax Income/(Expense) from Continuing Operations	(5.121)	(3.071)	4.765	(1)	(3.428)
- Current period tax expense (-)	(717)	(7.004)	3.446	1	(4.274)
- Deferred tax income / (expense)	(4.404)	3.933	1.319	(2)	846
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	18.526	25.097	(23.461)	108.999	129.161
Attributable to:	18.526	25.097	(23.461)	108.999	129.161
- Non-controlling interest	(25)	-	(365)	24.203	23.813
- Equity holders of the parent	18.551	25.097	(23.096)	84.796	105.348
Property, plant and equipment and intangible asset purchases	190.191	23.706	55.512	-	269.409
Depreciation and amortization	12.580	6.297	1.287	(2)	20.162

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NOTE 5 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2013	Automotive	Retailing	Other	Unallocated	Assets held for sale	Consolidated
Sales	380.691	371.102	43.328	-	-	795.121
Inter-segment sales	3.184	6.446	6.483	(16.113)	-	-
Total Sales	383.875	377.548	49.811	(16.113)	-	795.121
GROSS PROFIT	69.982	86.637	26.677	(14.840)	-	168.456
General administrative expenses (-)	(16.812)	(29.280)	(37.167)	9.030	-	(74.229)
Marketing expenses (-)	(23.773)	(29.349)	(487)	942	-	(52.667)
Research and development expenses (-)	(704)	-	-	68	-	(636)
Other operating income	1.534	522	876	169	-	3.101
Other operating expenses (-)	(807)	(6.002)	(712)	(714)	-	(8.235)
Gain/(Loss) from the investments accounted through equity method (*)	-	(688)	-	805.359	-	804.671
OPERATING INCOME /(LOSS)	29.420	21.840	(10.813)	800.014	-	840.461
Income from investing activities	112	24.596	3.921	100	-	28.729
Expenses from investing activities (-)	(582)	(109)	(2.448)	-	-	(3.139)
OPERATING INCOME / (LOSS) BEFORE FINANCIAL EXPENSE	28.950	46.327	(9.340)	800.114	-	866.051
Financial income	21.688	476	8.895	(1.565)	-	29.494
Financial expenses (-)	(46.438)	(4.656)	(6.622)	467	-	(57.249)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	4.200	42.147	(7.067)	799.016	-	838.296
Tax Expense from Continuing Operations	(4.340)	(4.818)	652	(3)	-	(8.509)
- Current period tax expense (-)	(575)	(10.340)	(1.012)	-	-	(11.927)
- Deferred tax income / (expense)	(3.765)	5.522	1.664	(3)	-	3.418
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	(140)	37.329	(6.415)	799.013	-	829.787
NET INCOME FOR THE PERIOD FROM ASSETS HELD FOR SALE	-	-	-	-	48.745	48.745
Attributable to:	(140)	37.329	(6.415)	799.013	48.745	878.532
- Non-controlling interest	(77)	-	(156)	73.053	20.114	92.934
- Equity holders of the parent	(63)	37.329	(6.259)	725.960	28.631	785.598
Total Assets	886.880	553.592	2.088.215	1.206.866	8.774.475	13.510.028
Investments accounted through equity method	-	1.065	-	2.838.432	-	2.839.497
Total Liabilities	634.821	306.543	358.233	(41.634)	7.991.708	9.249.671
Property, plant and equipment and intangible asset purchases	117.806	29.608	62.538	-	-	209.952
Depreciation and amortization	21.756	10.445	1.061	(11)	-	33.251

from the investments accounted through equity method'; and expense recognized from Faber Castel Anadolu LLC amounting to TRL 688 is recorded in "retailing" segment.

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NOTE 5 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2013	Automotive	Retailing	Other	Unallocated	Assets held for sale	Consolidated
Sales	225.551	206.833	21.679	-	-	454.063
Inter-segment sales	1.633	3.113	3.235	(7.981)	-	-
Total Sales	227.184	209.946	24.914	(7.981)	-	454.063
GROSS PROFIT	39.058	51.300	12.577	(7.975)	-	94.960
General administrative expenses (-)	(8.661)	(15.290)	(19.916)	4.372	-	(39.495)
Marketing expenses (-)	(12.150)	(16.145)	(224)	498	-	(28.021)
Research and development expenses (-)	(345)	-	-	30	-	(315)
Other operating income	690	370	592	337	-	1.989
Other operating expense (-)	(412)	(3.102)	(398)	(715)	-	(4.627)
Gain/Loss from the investments accounted through equity method	-	(178)	-	36.833	-	36.655
OPERATING PROFIT / LOSS	18.180	16.955	(7.369)	33.380	-	61.146
Income from investing activities	43	23.100	2.064	403	-	25.610
Expense from investing activities (-)	(222)	(2)	(2.332)	-	-	(2.556)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE	18.001	40.053	(7.637)	33.783	-	84.200
Financial income	13.846	296	4.787	(847)	-	18.082
Financial expense (-)	(31.728)	(3.070)	(4.629)	232	-	(39.195)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	119	37.279	(7.479)	33.168	-	63.087
Tax Income/(Expense) from Continuing Operations	(4.784)	(3.375)	914	(1)	-	(7.246)
- Current period tax expense (-)	(394)	(6.339)	(393)	-	-	(7.126)
- Deferred tax income / (expense)	(4.390)	2.964	1.307	(1)	-	(120)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	(4.665)	33.904	(6.565)	33.167	-	55.841
NET INCOME FOR THE PERIOD FOR ASSETS HELD FOR SALE	-	-	-	-	13.176	13.176
Attributable to:	(4.665)	33.904	(6.565)	33.167	13.176	69.017
- Non-controlling interest	(44)	-	(67)	19.044	5.538	24.471
- Equity holders of the parent	(4.621)	33.904	(6.498)	14.123	7.638	44.546
Property, plant and equipment and intangible asset purchases	79.670	18.282	49.793	-	-	147.745
Depreciation and amortization	11.010	5.731	719	-	-	17.460

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NOTE 5 - SEGMENT REPORTING (cont'd)

Substantially all of the consolidated revenue is obtained from operations located in Turkey.

Associates: The Group's effective shareholding rate for Anadolu Efes is 27, 66% (December 31, 2013: 27,66%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, for the periods ended June 30, 2014 and June 30, 2013 are reflected in "gain/loss from the investments accounted through equity method" line of the consolidated income statement as loss amounting to TRL 64.086 and gain amounting to TRL 801.523 respectively. Group has 17,00% shareholding rate at ABank (December 31, 2013: 17,00%). The result of ABank's operations for the period ended June 30, 2014 is reflected in "gain/loss from the investments accounted through equity method" line of the consolidated income statement as gain amounting to TRL 15.436 (June 30, 2013: None).

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	June 30, 2014	December 31, 2013
Cash	1.856	1.895
Banks	1.123.262	1.182.814
-Time deposits	1.070.374	1.111.121
-Demand deposits	52.888	71.693
Other cash and cash equivalents	3.532	2.443
Cash and cash equivalents in the consolidated cash flow statement	1.128.650	1.187.152

cash and cash equivalents held by AEH, a subsidiary of the Company, is TRL 891.996 (December 31, 2013: TRL 73.031 and TRL 954.128).

NOTE 7 - BORROWINGS

	June 30, 2014	December 31, 2013
Bank borrowings	528.268	337.678
Current portion of long term borrowings	311.409	140.991
Bonds issued (*)	50.000	-
Interest expense accruals of bonds issued (*)	760	775
Short term borrowings	890.437	479.444
Bank borrowings	819.917	649.938
Bonds issued (*)	-	50.000
Long term borrowings	819.917	699.938
Total borrowings	1.710.354	1.179.382

(*) Çelik Motor, a subsidiary of the Company, has issued a bond to qualified investors without public offering at April 22, 2013, with 728 days maturity and fixed coupon payment in every 6 months. The carrying amount of the bonds amounts to TRL 50.760 as of June 30, 2014 (December 31, 2013: TRL 50.775).

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NOTE 7 - BORROWINGS (cont'd)

As of June 30, 2014, the Group does not have any secured bank borrowings (December 31, 2013: None).

	June 30, 2014			December 31, 2013		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Short term						
Borrowing in Turkish Lira	438.839	5,3% - 14,3%	-	201.660	5,3% - 12,9%	-
Borrowing in foreign currency (EUR)	316.838	1,4% - 6,3%	Libor + (3,2%)	205.411	2,5% - 6,3%	Libor + (3,2%)
Borrowing in foreign currency (USD)	84.760	2,6% - 6,1%	Libor + (2,5% - 3,5%)	72.373	2,6% - 6,1%	Libor + (2,5% - 4,2%)
Bonds issued in Turkish Lira	50.000	3,9%	-	-	-	-
	890.437			479.444		
Long term						
Borrowing in Turkish Lira	82.048	8,6% - 12,5%	-	94.611	8,6% - 12,8%	-
Borrowing in foreign currency (EUR)	348.999	3,2% - 4,9%	Libor + (3,2%)	251.891	3,0% - 6,3%	Libor + (3,2%)
Borrowing in foreign currency (USD)	388.870	4%	Libor + (3,0% - 4,4%)	303.436	5,6% - 6,1%	Libor + (3,5% - 3,9%)
Bonds issued in Turkish Lira	-	-	-	50.000	3,9%	-
	819.917			699.938		
	1.710.354			1.179.382		

Repayments schedules of long-term borrowings are as follows:

	June 30, 2014	December 31, 2013
2015	66.256	125.374
2016	332.602	297.054
2017	138.893	28.264
2018	30.789	28.254
2019 and thereafter	251.377	220.992
	819.917	699.938

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	June 30, 2014	December 31, 2013
Investment in associates	3.189.975	3.150.635
Interest in joint ventures (Note 4)	206.129	213.805
	3.396.104	3.364.440

8.1 Associates

Entity	Principle Activities	Country of business	June 30, 2014			December 31, 2013		
			Carrying value	Effective rate and voting rights %	Group's share of income/(loss)	Carrying value	Effective rate and voting rights %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	2.832.781	27,66	64.086	2.861.949	27,66	771.457
ABank (*)	Banking services	Turkey	357.194	17,00	15.436	288.686	17,00	1.264
			3.189.975		79.522	3.150.635		772.721

(*) Shares of Anadolu Efes and ABank are currently quoted on the BIST.

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

8.1 Associates (cont'd)

Summary financial information of Anadolu Efes , the Group's associate is as follows:

<i>Summary balance sheet:</i>	Anadolu Efes	Anadolu Efes
	June 30, 2014	December 31, 2013
Current Assets	5.037.802	4.959.127
Non-Current Assets	17.175.461	17.407.857
Total Assets	22.213.263	22.366.984
Short-Term Borrowings	724.424	1.740.442
Other Current Liabilities	2.331.476	1.406.860
Long-Term Borrowings	3.522.726	3.535.490
Other Non-Current Liabilities	2.173.613	2.222.266
Total Liabilities	8.752.239	8.905.058
Net Assets	13.461.024	13.461.926
Attributable to:		
Non-controlling interests	3.988.013	3.890.275
Net assets of the equity holders of the parent	9.473.011	9.571.651
Group's share in net assets	2.832.781	2.861.949

Summary Income Statement:

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Revenue	5.144.584	3.128.177	4.563.472	2.865.366
Net income	345.837	446.684	2.912.600	193.467
Non-controlling interests	129.111	130.321	202.001	74.701
Equity holders of the parent	216.726	316.363	2.710.599	118.766
Group's share in net income	64.086	93.549	801.523	35.119
- Non-controlling interests	4.133	6.033	51.697	2.266
- Equity holders of the parent	59.953	87.516	749.826	32.853

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

8.1 Associates (cont'd)

The movement of carrying value of the associate, Anadolu Efes in the interim condensed consolidated financial statements as of June 30, 2014 and June 30, 2013 is as follows:

	June 30, 2014	June 30, 2013
Balance at January 1	2.861.949	2.013.618
Group's share in net income / (loss) (*)	64.086	801.523
Group's share in currency translation differences	(95.361)	56.425
Group's share in revaluation funds	2.336	2.131
Disposals from other reserves	-	(66.558)
Dividends received	-	(81.939)
Cash flow hedge reserve	83	(190)
Effect of change in subsidiary's consolidation scope (*)	-	(21.402)
Group's share in remeasurement funds	(312)	(788)
Balance at the end of the period	2.832.781	2.702.820

(*) Anadolu Efes, an associate of the Group, and the Coca Cola Export Corporation (TCCEC) which owns the 20,09%

Efes and TCCEC have decided to modify provisions of CCI's Articles of Association in particular those described as "major decisions". As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholders Agreement. In addition to this, it was decided to amend CCBPL's (Coca-Cola

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

8.1 Associates (cont'd)

Summary financial information of ABank, the Group's associate is as follows:

<i>Summary balance sheet:</i>	ABank	ABank
	June 30, 2014	December 31, 2013
Total Assets	11.149.950	10.848.655
Total Liabilities	10.276.184	10.249.829
Net assets	873.766	598.826

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

8.2 Joint Ventures

Entity	Principle activities	Country	June 30, 2014			December 31, 2013		
			Carrying value	Effective rate and voting rights %	Group's share of income/ (loss)	Carrying value	Effective rate and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	122.339	37,56	6.548	140.910	37,56	76.358
	Production and marketing of olive, sun flower and corn oils	Turkey	35.827	37,57	(427)	36.238	37,57	(676)
	Madra brands	Turkey	46.542	22,67	2.140	35.909	22,67	(5.760)
D Tes	Wholesale of electricity	Turkey	-	-	-	-	-	(5)
Faber-Castell Anadolu LLC	Trading of all kinds of stationery	Russia	1.421	19,34	(832)	748	19,34	(1.402)
			206.129		7.429	213.805		68.515

(*) Shares of Anadolu Isuzu are quoted on the BIST.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on June 30, 2014 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									
At January 1, 2014	19.572	49.724	230.157	650.252	43.501	2.670	117.911	311.034	1.424.821
Additions	141	47	8.748	277.003	3.731	74	2.417	135.779	427.940
Disposals (-)	(36)	-	(5.110)	(81.224)	(430)	-	(2.065)	-	(88.865)
Currency translation differences	(64)	(26)	(154)	(13)	(28)	-	-	(8.189)	(8.474)
Transfers (**)	-	-	4.966	398	385	-	3.013	(10.643)	(1.881)
June 30, 2014	19.613	49.745	238.607	846.416	47.159	2.744	121.276	427.981	1.753.541
Accumulated depreciation									
At January 1, 2014	3.223	17.479	142.024	77.212	21.463	1.951	41.572	-	304.924
Depreciation charge for the period	195	659	7.071	23.517	2.523	91	4.041	-	38.097
Disposals (-)	-	-	(1.047)	(20.047)	(193)	-	(675)	-	(21.962)
Currency translation differences	(10)	(57)	(28)	(7)	(4)	-	-	-	(106)
June 30, 2014	3.408	18.081	148.020	80.675	23.789	2.042	44.938	-	320.953
Net carrying amount	16.205	31.664	90.587	765.741	23.370	702	76.338	427.981	1.432.588

(*) The carrying amount of motor vehicles in motor vehicle leasing business at June 30, 2014 is TRL 756.996.

(**) Property, plant and equipment amounting to TRL 1.881 has been transferred to rights under intangible assets.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the period ended on June 30, 2013 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									
At January 1, 2013	53.901	77.327	241.924	428.836	53.384	14.734	129.117	99.810	1.099.033
Additions	63	23	6.198	113.505	2.820	-	1.662	83.295	207.566
Disposals (-)	(71)	(9.489)	(5.041)	(35.630)	(742)	-	(2.792)	(856)	(54.621)
Currency translation differences	199	79	454	58	61	-	-	10.937	11.788
Transfers to assets held for sale (-)	(408)	(415)	(27.224)	(639)	(19.495)	(12.075)	(37.460)	-	(97.716)
Transfers (**)	-	-	2.108	513	225	-	3.292	(7.391)	(1.253)
June 30, 2013	53.684	67.525	218.419	506.643	36.253	2.659	93.819	185.795	1.164.797
Accumulated depreciation									
At January 1, 2013	2.814	21.969	162.429	56.628	30.473	13.165	65.133	-	352.611
Depreciation charge for the period	184	886	5.967	20.692	1.512	96	3.029	-	32.366
Disposals (-)	(6)	(2.340)	(3.667)	(9.219)	(426)	-	(1.854)	-	(17.512)
Transfers to assets held for sale (-)	-	(46)	(25.025)	(629)	(10.682)	(11.404)	(27.403)	-	(75.189)
Currency translation differences	23	52	24	15	13	-	-	-	127
June 30, 2013	3.015	20.521	139.728	67.487	20.890	1.857	38.905	-	292.403
Net carrying amount	50.669	47.004	78.691	439.156	15.363	802	54.914	185.795	872.394

(*) The carrying amount of motor vehicles in motor vehicle leasing business at June 30, 2013 is TRL 433.839

(**) Property, plant and equipment amounting to TRL 1.253 has been transferred to rights under intangible assets.

Property, Plant and Equipment (PP&E) held under finance lease

The carrying amount of PP&E held under finance leases at June 30, 2013 is TRL 17.433. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as collaterals by the finance lease company.

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NOTE 10 - INTANGIBLE ASSETS

Movements of intangible assets for the period ended on June 30, 2014 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2014	24.465	5.541	1.051	2.819	33.876
Additions	1.318	-	-	837	2.155
Transfers (Note 9)	1.881	-	-	-	1.881
June 30, 2014	27.664	5.541	1.051	3.656	37.912
Accumulated amortization					
January 1, 2014	11.411	5.532	449	600	17.992
Amortization charge for the period	1.185	-	31	468	1.684
June 30, 2014	12.596	5.532	480	1.068	19.676
Net carrying amount	15.068	9	571	2.588	18.236

Movements of intangible assets for the period ended on June 30, 2013 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2013	74.553	5.541	1.051	2.286	83.431
Additions	2.338	-	-	48	2.386
Disposals (-)	(55)	-	-	-	(55)
Transfers to assets held for sale (-)	(52.008)	-	-	(1.619)	(53.627)
Transfers (Note 9)	1.253	-	-	-	1.253
June 30, 2013	26.081	5.541	1.051	715	33.388
Accumulated amortization					
January 1, 2013	42.699	5.532	396	1.468	50.095
Amortization charge for the period	829	-	25	31	885
Disposals (-)	(53)	-	-	-	(53)
Transfers to assets held for sale (-)	(32.005)	-	-	(1.179)	(33.184)
June 30, 2013	11.470	5.532	421	320	17.743
Net carrying amount	14.611	9	630	395	15.645

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NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

11.1 Provision for Employee Benefits

The provisions for employee benefits as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Short-term	18.391	10.318
Provision for bonus	11.942	5.267
Provision for vacation pay liability	6.449	5.051
Long-term	19.450	19.551
Provision for employee termination benefits	19.450	19.551
	37.841	29.869

11.2 Other Provisions

The provisions as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Provision for litigations	1.338	1.338
Warranty provisions (*)	680	656
	2.018	1.994

(*) Warranty provisions are resulting from sales of Anadolu Motor which is a subsidiary of the Company. Çelik Motor a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company.

As of June 30, 2014, the Group has no long term provisions (December 31, 2013: None).

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NOTE 12 - COMMITMENTS

As of June 30, 2014 and December 31, 2013 letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

30.06.2014	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	221.157	53.918	76.785	1.450
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	58.360	24.214	16.081	-
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	-	-	-	-
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	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	279.517	78.132	92.866	1.450
31.12.2013	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	144.148	47.250	42.100	2.399
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	58.535	24.214	16.081	-
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	-	-	-	-
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	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	202.683	71.464	58.181	2.399

As of June 30, 2014, the ratio of other GPMs over the Company's equity is 0%. (December 31, 2013: 0%).

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

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NOTE 12 - COMMITMENTS (cont'd)

The Group's letter of guarantees, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 176.885, TRL 809, TRL 27.347 and TRL 2.073, respectively (December 31, 2013: TRL 186.483, TRL 952, TRL 26.921 and TRL 2.693).

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.

AEH, one of the subsidiaries of 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.

AEH, which is a subsidiary of the Company, is a guarantor of the long term loan that GUE, which is a subsidiary of the Company, borrowed for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia amounting to USD 115.500.000, for the period until start of electricity production. "Total amount of GPMs given in favor of subsidiaries included in full consolidation" stated in the table of the letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation consists of guarantee amounting to TRL 34.146 (December 31, 2013 : TRL 34.321)

Çelik Motor, the subsidiary, operates in the motor vehicle leasing business for the various rental periods.

AEH, the subsidiary of the Company, has acted as a guarantor in the proportion of its capital (33%), to its joint venture

MW hydro power plant under construction in Giresun.

Based on the Subscription and Shareholders Agreement, AEH, one of the subsidiaries of the Company, has granted a

it is granted to the other shareholder of the joint venture, such put option is considered as derivative instrument with respect to IAS 39.

The Turkish Radio and Television Corporation (TRT) General Directorate has made total of 9 notifications to Anadolu Elektronik, a subsidiary of the Company, in 2013 for bandrole payments made between 2005-2010. The fees of the notifications include default interests, administrative fine and principal that amounts to TRL 16.673. In January 2014, Anadolu Elektronik has litigated against and since there is a high possibility of a favorable case result, there are not any provisions booked in the consolidated financial statements for the related notifications.

NOTE 13 - EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

	June 30, 2014		December 31, 2013	
	Paid-in share capital	%	Paid-in share capital	%
	61.116	38,20	61.116	38,20
	53.687	33,55	53.687	33,55
Publicly traded (*)	45.197	28,25	45.197	28,25
Total paid-in share capital - historical	160.000	100,00	160.000	100,00
Inflation adjustment to share capital	-		-	
Total share capital	160.000		160.000	

(*) As of June 30, 2014 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil capital).

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NOTE 13 – EQUITY (cont'd)

Shared Capital / Adjustments to Share Capital and Equity Instruments (cont'd)

Movement of paid in share capital as at June 30, 2014 and December 31, 2013 is as follows (historical amounts):

	June 30, 2014		December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at January 1	160.000.000	160.000	160.000.000	160.000
-Inflation adjustment to share capital	-	-	-	-
Balance at the end of the period	160.000.000	160.000	160.000.000	160.000

nomination rights granted to Class A and Class B shares (1 + 3) which it owns, it is entitled to appoint four of the six directors to the Company's board of directors. Namely;

matters except for the election of directors. Classes B, C and D consist of registered shares and are owned by the

Families and publicly traded shares are included in Class A.

Class	Number of shares	Percentage of capital %	Number of members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
	160.000.000	100,00	6

Restricted Reserves Allocated from Net Profit, Revaluation and Remeasurement (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.

As a result of the decision of CMB on January 27, 2010, there are no obligations for the minimum dividend payments subject to public incorporated companies whose shares are traded in the stock exchange.

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NOTE 13 - EQUITY (cont'd)

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

Inflation adjustment to shareholders' equity and extraordinary reserves can be netted-off against prior years' losses, used as an internal source in capital increase and 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.

	June 30, 2014	December 31, 2013
Revaluation and remeasurement (loss) / gain	(2.635)	(6.958)
-Available for sale financial assets	(2.635)	(6.958)

	June 30, 2014	December 31, 2013
Restricted reserves allocated from net profit	28.732	25.303

Retained Earnings

As of June 30, 2014 and December 31, 2013 the summary of equity reserves, extraordinary reserves, other profit reserves, and retained earnings are as follows:

	June 30, 2014	December 31, 2013
Equity reserves	1.166	1.166
Extraordinary reserves	216.094	170.950
Other profit reserves	2.558	2.558
Retained earnings	3.468.728	2.344.990
	3.688.546	2.519.664

Non-Controlling Interest

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

NOTE 14 - OPERATING EXPENSES

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
General administrative expenses	81.072	39.856	74.229	39.495
Marketing expenses	60.429	30.264	52.667	28.021
Research and development expenses	620	346	636	315
	142.121	70.466	127.532	67.831

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NOTE 15 - OTHER OPERATING INCOME/EXPENSES

15.1 Other Operating Income

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Insurance compensation income	2.276	2.071	642	249
Building service income	1.047	545	-	-
Foreign exchange gains arising from trading activities	651	253	623	524
Reversal of provision	496	461	58	39
Commission income	103	21	273	25
Other	1.919	873	1.505	1.152
	6.492	4.224	3.101	1.989

15.2 Other Operating Expenses

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Rediscount expense from trading activities	5.608	1.218	2.888	1.255
Donation	1.459	919	1.650	1.075
Foreign exchange losses arising from trading activities	1.112	630	666	447
Restaurant closing expenses	694	657	248	68
Provision for doubtful receivables	569	452	78	11
Other	3.371	1.617	2.705	1.771
	12.813	5.493	8.235	4.627

NOTE 16 – INCOME/EXPENSES FROM INVESTING ACTIVITIES

16.1 Income from Investing Activities

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Gain on sale of property, plant and equipment	3.640	3.451	26.290	24.005
Rent income	2.150	1.011	679	449
Gain on revaluation of marketable securities	999	810	475	227
Gain on sale of marketable securities	382	382	1.259	903
Dividend income	184	184	26	26
Other	146	146	-	-
	7.501	5.984	28.729	25.610

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NOTE 16 – INCOME/EXPENSES FROM INVESTING ACTIVITIES (cont'd)

16.2 Expenses from Investing Activities

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Loss on sale of property, plant and equipment	1.762	314	2.505	2.038
Loss on sale of marketable securities	34	19	634	518
	1.796	333	3.139	2.556

NOTE 17 - FINANCIAL INCOME

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Foreign exchange gain	113.460	41.704	23.933	15.307
Interest income	27.751	12.756	5.561	2.775
Derivative transactions income	3.165	2.409	-	-
	144.376	56.869	29.494	18.082

NOTE 18 - FINANCIAL EXPENSES

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Foreign exchange loss	116.572	61.880	35.514	27.351
Interest expense	35.468	20.034	19.546	10.436
Other expense	1.807	874	2.189	1.408
	153.847	82.788	57.249	39.195

NOTE 19 - NON-CURRENT ASSETS HELD FOR SALE

The sale transaction of 70,84% shares of ABank, which was a subsidiary of the Company, to CBQ has been completed as of July 18, 2013 and sale of 95,8% share of ALease, which was a subsidiary of the Company, to ABank has been completed as of November 8, 2013. ABank and ALease are classified as non-current assets held for sale in accordance with IFRS 5 in the interim consolidated income statement for the period ended June 30, 2013.

1 January – 30 June 2013	ABank	ALease	Total
Interest and Other Income	415.966	18.069	434.035
Interest and Other Expense	(173.445)	-	(173.445)
Other expense, net	(182.424)	(27.417)	(209.841)
Eliminations			7.237
Income before tax from assets held for sale	60.097	(9.348)	57.986
Tax (expense) / income	(11.656)	2.415	(9.241)
Net income from assets held for sale	48.441	(6.933)	48.745

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NOTE 19 - NON-CURRENT ASSETS HELD FOR SALE (cont'd)

1 April – 30 June 2013	ABank	ALease	Total
Interest and Other Income	206.548	9.506	216.054
Interest and Other Expense	(84.044)	-	(84.044)
Other expense, net	(100.543)	(18.883)	(119.426)
Eliminations			3.481
Income before tax from assets held for sale	21.961	(9.377)	16.065
Tax (expense) / income	(5.136)	2.247	(2.889)
Net income from assets held for sale	16.825	(7.130)	13.176

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 corporation tax rate for the fiscal year is 20% in Turkey (2013: 20%). 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 20% (2013: 20%) 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.

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.

20.1 Current Income Tax Assets and Tax Provision

	June 30, 2014	December 31, 2013
Current Income Tax Assets	6.644	6.340
Income tax payable (-)	(8.996)	(11.662)
Total tax liability	(2.352)	(5.322)

	June 30, 2014	June 30, 2013
Balance at January 1	(5.322)	1.664
Income tax expense (-)	(15.593)	(11.927)
Prepaid tax	19.777	1.537
Transfer to assets held for sale	-	4.766
Other	(1.214)	(1.797)
Balance at the end of the period	(2.352)	(5.757)

20.2 Deferred Tax Assets and Liabilities

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

	June 30, 2014	December 31, 2013
Deferred tax asset	15.370	9.246
Deferred tax liability (-)	(30.918)	(32.034)
Total deferred tax (liability) / asset, net	(15.548)	(22.788)

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

20.2 Deferred Tax Assets and Liabilities (cont'd)

Movement of net deferred tax liability as of the period ended on June 30, 2014 is as follows:

	Balance December 31,2013	Recorded to income statement	Balance June 30, 2014
Property, plant and equipment, and intangibles	(35.687)	(9.854)	(45.541)
Tax loss carried forward	15.857	5.723	21.580
Employee termination benefit	3.879	(10)	3.869
Financial leases	(10)	10	-
Investment incentive	279	14	293
Provision for doubtful receivables	335	206	541
Hedge accounting	(5.282)	2.725	(2.557)
Other	(2.159)	8.426	6.267
Net deferred tax (liability)/asset	(22.788)	7.240	(15.548)
Currency translation difference	-	33	-
Revaluation and remeasurement (loss) / gain	-	137	-
	(22.788)	7.410	(15.548)

The movement of net deferred tax liability as of the period ended on June 30, 2013 is as follows:

	Balance December 31, 2012	Transfers to assets held for sale	Recorded to income statement	Balance June 30, 2013
Property, plant and equipment, and intangibles	(41.236)	870	(3.886)	(44.252)
Tax loss carried forward	15.480	-	2.641	18.121
Employee termination benefit	3.847	20	322	4.189
Financial leases	(1.045)	-	1.045	-
Investment incentive	14.799	(14.539)	7	267
Loan loss provision	13.822	(13.864)	564	522
Other	21.508	(20.175)	2.916	4.249
Net deferred tax (liability)/asset	27.175	(47.688)	3.609	(16.904)
Currency translation difference	-	-	(134)	-
Revaluation and remeasurement (loss) / gain	-	-	(57)	-
	27.175	-	3.418	(16.904)

As of June 30, 2014, carry forward tax losses for which no deferred taxes calculated amounting to TRL 34.104 (December 31, 2013: TRL 38.479).

20.3 Tax Expense

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Income tax expense (-)	(15.593)	(4.274)	(11.927)	(7.126)
Deferred tax income / (expense)	7.410	846	3.418	(120)
	(8.183)	(3.428)	(8.509)	(7.246)

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NOTE 21 - RELATED PARTY BALANCES AND TRANSACTIONS

21.1 Balances with Related Parties

Bank Balances with Related Parties

	June 30, 2014	December 31, 2013
ABank (1)	284.078	67.433
	284.078	67.433

As of June 30, 2014 time deposits in ABank have less than 3 months term and weighted average interest rate for TRL denominated time deposits is 10,40%, for USD denominated time deposits the rate is 2,58%, for EUR denominated time deposits, the rate is 0,13%.

As of June 30, 2014 loans given by ABank to the Group amount to TRL 2.077 (December 31, 2013:None).

21.2 Due from Related Parties

	June 30, 2014	December 31, 2013
	5.789	4.241
	4.711	611
CJSC Moscow Efes Brewery (Russia) (3)	4.327	1.744
JSC Efes Kazakhstan Brewery (Kazakhstan) (3)	2.696	309
Anadolu Efes (1)	2.595	565
	1.256	655
PJSC Efes Ukrayna (3)	1.046	614
Anadolu Isuzu (2)	731	1.172
Efes Vitanta Moldova Brewery JSC (Moldova) (3)	697	155
	412	743
	383	1.755
ABank (1)	117	252
Other	1.648	3.060
	26.408	15.876

As of June 30, 2014 there is no amount in long term portion of due from related parties (December 31, 2013: None).

- (1) An associate
- (2) A joint venture
- (3) A Company controlled by an associate
- (4) Shareholder of the Company
- (5) Other

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

21.3 Due To Related Parties

	June 30, 2014	December 31, 2013
ALease (3)	992	1.239
Anadolu Isuzu (2)	38	136
Efpa (3)	19	12
	4	9
Other	66	113
	1.119	1.509

There is no long term amount of due to related parties as of June 30, 2014 (December 31, 2013: None).

21.4 Other Payables, Due To Related Parties

	June 30, 2014	December 31, 2013
Efpa (3)	1.906	4.582
Anadolu Isuzu (2)	141	-
	114	-
Other	44	-
	2.205	4.582

21.5 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured and interest free. Their settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended June 30, 2014, the Group has not recorded any provisions for doubtful receivables, relating to amounts owned by related parties (December 31, 2013: 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 June 30, 2014 and June 30, 2013 are as follows:

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Sales of goods and services, net				
Anadolu Efes (1)	14.695	5.814	16.366	8.910
Efpa (3)	14.008	7.793	19.377	13.024
Efes Breweries International N.V. (3)	13.986	7.251	13.589	6.543
	10.437	4.613	9.603	5.100
Anadolu Isuzu (2)	6.067	3.405	5.437	3.154
ABank (1)	4.977	3.285	-	-
Tarbes (3)	2.038	1.279	2.932	1.456
	1.070	513	1.413	496
	891	445	749	375
Other	6.756	3.480	3.918	2.444
	74.925	37.878	73.384	41.502

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Other

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

21.5 Related Party Transactions (cont'd)

	January 1- June 30, 2014	April 1- June 30, 2014	January 1- June 30, 2013	April 1- June 30, 2013
Purchases of goods and other charges				

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

Other

The Company and its subsidiaries other than McDonald's and Hamburger are obligated to donate 1% - 5% of their

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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)

30.06. 2014	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	9.083	1.596	1.969	-	-
2a. Monetary financial assets (cash and cash equivalents included)	1.003.419	448.726	17.415	64	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	14.741	1.570	3.913	25	79
4. Current assets (1+2+3)	1.027.243	451.892	23.297	89	79
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	3.375	-	1.167	-	-
8. Non - current assets (5+6+7)	3.375	-	1.167	-	-
9. Total assets (4+8)	1.030.618	451.892	24.464	89	79
10. Trade payables	4.935	2.180	101	4	-
11. Short - term borrowings and current portion of long - term borrowings	401.598	39.917	109.560	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	406.533	42.097	109.661	4	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	737.869	183.136	120.682	-	-
16a. Monetary other liabilities	251	83	26	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	738.120	183.219	120.708	-	-
18. Total liabilities (13+17)	1.144.653	225.316	230.369	4	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)					
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(114.035)	226.576	(205.905)	85	79
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(132.151)	225.006	(210.985)	60	-
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	18.437	3.416	3.719	-	21
24. Import	315.903	22.209	90.333	-	21

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(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)

31.12. 2013	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	4.800	612	1.190	-	-
2a. Monetary financial assets (cash and cash equivalents included)	1.013.795	458.477	12.009	1	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	16.468	-	5.608	-	-
4. Current assets (1+2+3)	1.035.063	459.089	18.807	1	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	9.943	-	3.386	-	-
8. Non - current assets (5+6+7)	9.943	-	3.386	-	-
9. Total assets (4+8)	1.045.006	459.089	22.193	1	-
10. Trade payables	7.699	3.574	23	1	-
11. Short - term borrowings and current portion of long - term borrowings	277.784	33.909	69.951	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	285.483	37.483	69.974	1	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	555.327	142.171	85.779	-	-
16 a. Monetary other liabilities	-	-	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	555.327	142.171	85.779	-	-
18. Total liabilities (13+17)	840.810	179.654	155.753	1	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	204.196	279.435	(133.560)	-	-
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	177.785	279.435	(142.554)	-	-
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	24.652	3.898	6.841	-	-
24. Import	578.499	33.538	203.884	154	7.331

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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		
June 30, 2014		
	Income / (loss)	Income / (loss)
	Increase of the	Decrease of the
	foreign currency	foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	48.111	(48.111)
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	48.111	(48.111)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(59.546)	59.546
5- Euro denominated hedging instruments(-)	1.279	(1.279)
6- Net effect in Euro (4+5)	(58.267)	58.267
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	31	(31)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	31	(31)
TOTAL (3+6+9)	(10.125)	10.125

Foreign currency position sensitivity analysis		
December 31, 2013		
	Income / (loss)	Income / (loss)
	Increase of the	Decrease of the
	foreign currency	foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	59.640	(59.640)
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	59.640	(59.640)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(39.220)	39.220
5- Euro denominated hedging instruments(-)	2.641	(2.641)
6- Net effect in Euro (4+5)	(36.579)	36.579
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	-	-
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	-	-
TOTAL (3+6+9)	23.061	(23.061)

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NOTE 23 - SUBSEQUENT EVENTS

has become “a single shareholder corporation” was registered on August 5, 2014 and was published on no.8628 Trade Registry on August 11, 2014.

registered on August 11, 2014 as the only shareholder with a capital of TRL 400.

was registered on August 11, 2014 as the only shareholder with a capital of TRL 250.

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