

(Convenience Translation of Financial Statements and Footnotes
Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

**Consolidated Financial Statements
As of December 31, 2015
With Independent Auditor's Report**



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Coca Cola İçecek A.Ş.;

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Coca Cola İçecek A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 31 December 2015 and the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standards that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the independent audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Coca Cola İçecek A.Ş. and its Subsidiaries as at 31 December 2015 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

5. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 2 March 2016.
6. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2015 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Burak Özpoyraz, SMMM
Partner

Istanbul, 2 March 2016

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Coca-Cola İçecek Anonim Şirketi

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Coca-Cola İçecek Anonim Şirketi
Consolidated Balance Sheet as at December 31, 2015
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Audited	
	Notes	December 31, 2015	December 31, 2014
ASSETS			
Current Assets		2.658.277	2.249.180
Cash and Cash Equivalents	6	1.002.214	756.968
Investments in Securities	7	148	2.971
Derivative Financial Instruments	8	260	2.440
Trade Receivables			
- Due from Related Parties	39	109.681	35.508
- Other trade receivables	11	448.217	386.541
Other Receivables	12	34.022	35.053
Inventories	15	620.807	575.687
Prepaid Expenses	13	140.577	202.005
Tax Related Current Assets		70.103	77.324
Other Current Assets	28	232.248	174.683
Non-Current Assets		6.287.541	4.952.680
Other Receivables		16.992	6.148
Property, Plant and Equipment	20	4.366.714	3.362.053
Intangible Assets			
- Goodwill	22	606.621	483.799
- Other Intangible Assets	21	1.154.210	925.343
Prepaid Expenses	13	140.781	175.337
Deferred Tax Assets	37	2.223	-
Total Assets		8.945.818	7.201.860
LIABILITIES			
Current Liabilities		1.521.963	1.443.236
Short-term Borrowings	9	252.757	515.335
Current Portion of Long-term Borrowings	9	310.240	113.251
Derivative Financial Instruments	8	11.279	388
Trade Payables			
- Due to Related Parties	39	156.218	111.207
- Other trade payables	11	517.299	446.375
Payables Related to Employee Benefits	26	21.883	19.525
Other Payables	12	173.861	148.594
Provision for Corporate Tax		526	1.983
Provision for Employee Benefits	26	47.819	63.632
Other Current Liabilities	28	30.081	22.946
Non-Current Liabilities		3.282.284	2.385.592
Long-term Borrowings	9	2.810.946	2.015.097
Trade Payables			
- Due to Related Parties	39	20.092	20.049
- Other Trade payables		1.213	1.749
Derivative Financial Instruments	8	98	-
Provision for Employee Benefits	26	52.433	50.619
Deferred Tax Liability	37	281.754	212.317
Other Non-Current Liabilities	28	115.748	85.761
EQUITY		4.141.571	3.373.032
Equity of the Parent		3.608.996	3.024.819
Share Capital	29	254.371	254.371
Share Capital Inflation Adjustment Differences		(8.559)	(8.559)
Share Premium		214.241	214.241
Value Increase Funds		9.782	9.782
Cash Flow Hedge Reserve	8	(8.894)	1.641
Non-Controlling Interest Put Option Liability Reserve		(6.453)	(442)
Actuarial Losses		(16.506)	(13.354)
Currency Translation Adjustment		1.269.372	682.434
Restricted Reserves Allocated from Net Profit	29	154.982	146.232
Accumulated Profit		1.629.501	1.423.042
Net Income		117.159	315.431
Non-Controlling Interest		532.575	348.213
Total Liabilities		8.945.818	7.201.860

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

(Convenience Translation of Financial Statements and Footnotes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Consolidated Statement of Income for the year ended December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Audited	
	Notes	December 31, 2015	December 31, 2014
Net Revenue	30	6.723.866	5.985.370
Cost of Sales (-)	30	(4.389.456)	(3.803.928)
Gross Profit from Operations		2.334.410	2.181.442
Distribution, Selling and Marketing Expenses (-)	31	(1.328.656)	(1.256.697)
General and Administration Expenses (-)	31	(337.294)	(288.754)
Other Operating Income	33	116.404	52.337
Other Operating Expense (-)	33	(153.004)	(59.792)
Profit From Operations		631.860	628.536
Loss from Investing Activities (-)	33	(74)	(387)
Gain / (Loss) from Associates	18	(916)	(949)
Profit Before Financial Income / (Expense)		630.870	627.200
Financial Income	34	355.107	450.073
Financial Expenses (-)	35	(782.031)	(644.327)
Profit Before Tax from Continuing Operations		203.946	432.946
Tax Expense of Continuing Operations			
Deferred Tax Expense	37	(23.172)	(12.742)
Current Period Tax Expense (-)	37	(54.121)	(73.000)
Net Income		126.653	347.204
Attributable to:			
Non-controlling interest		9.494	31.773
Equity holders of the parent	38	117.159	315.431
		126.653	347.204
Equity Holders Earnings Per Share from Continuing Operations (full TL)	38	0,0046	0,0124
Equity Holders Earnings Per Diluted Share from Continuing Operations (full TL)	38	0,0046	0,0124

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Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2015
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

	Audited	
	December 31, 2015	December 31, 2014
Net Income	126.653	347.204
Actuarial Losses (Note 26)	(3.152)	(4.452)
Other comprehensive income items, not to be reclassified to profit or loss subsequently	(3.152)	(4.452)
Cash flow hedge reserve (Note 8)	(13.169)	2.529
Deferred tax effect	2.634	(506)
Currency translation adjustment	658.174	209.079
Other comprehensive income items to be reclassified to profit or loss subsequently	647.639	211.102
Total of Other Comprehensive Income After Tax	771.140	553.854
Attributable to:		
Non-controlling interest	80.730	56.025
Equity holders of the parent	690.410	497.829

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Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Change in Shareholders' Equity for the year ended December 31, 2015
(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

					Other comprehensive income items								
					Subsequently not to be reclassified to profit or loss	Subsequently to be reclassified to profit or loss							
Consolidated Statement of Changes in Shareholders' Equity	Share Capital	Share Capital Inflation Adjustment Differences	Share Premium	Value Increase Funds	Actuarial Gains / (Losses)	Cash Flow Hedge Reserve	Option Liability Reserve for Non-Controlling Interest	Currency Translation Adjustment	Restricted Reserves	Accumulated Profit and Current Period Net Income / (Loss)	Total Equity of the Parent	Non-Controlling Interest	Total Equity
Balance at January 1, 2014	254.371	(8.559)	214.241	9.782	(8.902)	(382)	(37.897)	497.607	126.320	1.527.954	2.574.535	296.804	2.871.339
Other comprehensive gain / (loss)	-	-	-	-	(4.452)	2.023	-	184.827	-	-	182.398	24.252	206.650
Net income for the period	-	-	-	-	-	-	-	-	-	315.431	315.431	31.773	347.204
Total Comprehensive Income / (loss)	-	-	-	-	(4.452)	2.023	-	184.827	-	315.431	497.829	56.025	553.854
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	(85.000)	(85.000)	-	(85.000)
Transfer to reserves	-	-	-	-	-	-	-	-	19.912	(19.912)	-	-	-
Non-controlling interest share put option liability (Note 1)	-	-	-	-	-	-	37.455	-	-	-	37.455	(4.616)	32.839
Balance at December 31, 2014	254.371	(8.559)	214.241	9.782	(13.354)	1.641	(442)	682.434	146.232	1.738.473	3.024.819	348.213	3.373.032
Balance at January 1, 2015	254.371	(8.559)	214.241	9.782	(13.354)	1.641	(442)	682.434	146.232	1.738.473	3.024.819	348.213	3.373.032
Other comprehensive gain / (loss)	-	-	-	-	(3.152)	(10.535)	-	586.938	-	-	573.251	71.236	644.487
Net income for the period	-	-	-	-	-	-	-	-	-	117.159	117.159	9.494	126.653
Total Comprehensive Income / (loss)	-	-	-	-	(3.152)	(10.535)	-	586.938	-	117.159	690.410	80.730	771.140
Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	(100.222)	(100.222)	-	(100.222)
Transfer to reserves	-	-	-	-	-	-	-	-	8.750	(8.750)	-	-	-
Increase in capital of subsidiaries by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	105.838	105.838
Non-controlling interest share put option liability	-	-	-	-	-	-	(6.011)	-	-	-	(6.011)	(2.206)	(8.217)
Balance at December 31, 2015	254.371	(8.559)	214.241	9.782	(16.506)	(8.894)	(6.453)	1.269.372	154.982	1.746.660	3.608.996	532.575	4.141.571

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

Coca-Cola İçecek Anonim Şirketi**Consolidated Statement of Cash Flows for the year ended December 31, 2015**

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Audited	
	Notes	December 31, 2015	December 31, 2014
Cash flows from operating activities:			
Profit before tax		203.946	432.946
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	32	361.643	306.814
Loss / (gain) on sale of property, plant and equipment	33	74	387
Impairment loss / (reversal) in property, plant and equipment, net	20, 33	7.652	5.561
Net loss from sale of a subsidiary		-	82
Provision for employee termination benefits, management bonus and other accruals	26	54.502	58.984
Provision / (reversal) for inventories, net	15	5.225	(2.383)
Provision for doubtful receivable, net	11	1.688	939
(Gain) / loss from associates	18	916	949
Interest expense	35	172.786	145.571
Interest income	34	(39.027)	(41.846)
Foreign exchange loss / (gain), net		291.960	89.824
Net income adjusted for non-cash items		1.061.365	997.828
Trade, other receivables and due from related parties		(137.536)	(39.600)
Inventories		(50.345)	(111.818)
Other current assets		(3.770)	4.116
Other non-current assets		34.559	(61.648)
Trade, other payables and due to related parties		115.442	143.279
Interest paid		(167.461)	(145.626)
Interest received	34	39.027	41.846
Employee termination benefits, vacation pay, management bonus payments	26	(61.019)	(53.515)
Change in tax assets and liabilities		(1.682)	(81.768)
Provision for employee benefits		(8.275)	23.299
Other liabilities		54.183	31.642
Net cash generated from operating activities		874.488	748.035
Cash flows from investing activities:			
Purchase of property, plant and equipment and intangibles	20, 21	(828.681)	(737.547)
Proceeds from sale of property, plant and equipment		16.327	13.621
Investments in securities		2.823	560.014
Increase in capital of subsidiaries by non-controlling interest		105.838	-
Acquisition of minority share, net of cash acquired		-	(55.812)
Net cash generated / (used) in investing activities		(703.693)	(219.724)
Cash flows from financing activities:			
Proceeds from borrowings		942.514	350.711
Repayments of borrowings		(849.787)	(1.004.793)
Dividends paid	29	(100.222)	(85.000)
Net cash (used) / generated from financing activities		(7.495)	(739.082)
Effects of currency translation on cash and cash equivalents		62.661	24.710
Effects of currency translation intercompany borrowings		149.798	34.185
Currency translation adjustment		(130.513)	(7.926)
Net increase / (decrease) in cash and cash equivalents		245.246	(159.802)
Cash and cash equivalents at beginning of year	6	756.968	916.770
Cash and cash equivalents, period end		1.002.214	756.968

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

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements as at December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi ("CCI" - "the Company"), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company ("TCCC") trademarks. The Company has 9 (2014 - 9) production facilities in different regions of Turkey and operates 16 (2014 - 14) production facilities in countries other than Turkey. The registered office address of CCI is Esenkent Mah. Deniz Feneri Sok. No:4 Ümraniye İstanbul, Turkey. CCI is a listed company on the Borsa İstanbul A.Ş. ("BIST"), which is the new registered official title of İstanbul Stock Exchange ("ISE"), starting from April 2013. The American Depositary receipt issued under the Level I ADR program are traded over the counter in the United States, starting from July 2013. The sale of Capital Markets Board Tranche Issuance Certificated bonds to investors outside of Turkey has been completed as of October 1, 2013, and these bonds were admitted to Irish Stock Exchange.

The Group consists of the Company, its subsidiaries and joint ventures.

The consolidated financial statements of the Group were approved for issue by the Board of Directors on March 2, 2016, which were signed by the Audit Committee and Chief Financial Officer Nusret Orhun Kösterm. The General Assembly and the regulatory bodies have the right to make amendments on the financial statements after their issuance.

Shareholders of the Company

Anadolu Efes Biracılık ve Malt Sanayi A.Ş. is the ultimate controlling party of the Company. As of December 31, 2015 and 2014 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2015		December 31, 2014	
	Nominal Amount	Percentage	Nominal Amount	Percentage
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. ("Anadolu Efes")	102.047	40,12%	102.047	40,12%
The Coca-Cola Export Corporation ("TCCEC")	51.114	20,09%	51.114	20,09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ("Efpa")	25.788	10,14%	25.788	10,14%
Özgörkey Holding A.Ş.	9.392	3,69%	9.392	3,69%
Publicly Traded	66.030	25,96%	66.030	25,96%
	254.371	100,00%	254.371	100,00%
Restatement Effect	(8.559)	-	(8.559)	-
	245.812		245.812	

Özgörkey Holding A.Ş. shares with a nominal value of TL 3.033 has been listed to Central Registry Agency, with a sale purpose.

Nature of Activities of the Group

CCI and its subsidiary Coca-Cola Satış ve Dağıtım A.Ş. ("CCSD") are among the leading bottlers and distributors of alcohol-free beverages, operating in Turkey. The sole operation area of the Company is production, sales and distribution of sparkling and still beverages.

The Company has exclusive rights to produce, sell and distribute TCCC branded beverages including Coca-Cola, Coca-Cola Zero, Coca-Cola Light, Fanta, Sprite, Cappy, Sen Sun, Powerade and Fuse Tea in TCCC authorized packages throughout Turkey provided with Bottler's and Distribution Agreements signed between the Group with TCCEC and TCCC. Renewal periods of the signed Bottler's and Distribution Agreements varies between 2016 and 2018.

The Company has the exclusive right to produce, sell and distribute Burn and Gladiator branded energy drinks in authorized packages throughout Turkey according to the Bottlers Agreement signed between the Company and Monster Energy Company ("MEC") which has taken over TCCC's global energy drink portfolio and is partially owned by TCCC as well.

According to Sales and Distribution Agreement signed with Doğadan Gıda Ürünleri Sanayi ve Pazarlama A.Ş. ("Doğadan"), a subsidiary of TCCC, it's approved that sales and distribution of Doğadan products will be realized by CCSD throughout Turkey starting from September 2008.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements as at December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

The Company's international subsidiaries and joint ventures operating outside of Turkey are also engaged in the production, sales and distribution of sparkling and still beverages with TCCC trademarks.

Company's subsidiary Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye"), which was acquired by CCI on March 16, 2006, is engaged in the production and filling of natural spring water Damla, a registered trademark of CCI, with TCCC approved packages, in Turkey.

Group has the exclusive bottling and distribution rights in Turkey for Schweppes branded beverages under Bottler's and Distribution Agreement signed with Schweppes Holdings Limited. Special authorization for the Group operating countries, other than Turkey, may be granted from time to time.

Subsidiaries and Joint Ventures

As of December 31, 2015 and 2014 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

				Effective Shareholding and Voting Rights %	
		Place of Incorporation	Principal Activities	December 31, 2015	December 31, 2014
1)	Coca-Cola Satış ve Dağıtım Anonim Şirketi ("CCSD")	Turkey	Distribution and sales of Coca-Cola, Doğadan and Mahmudiye products	99,97%	99,97%
2)	Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye")	Turkey	Filling of natural spring water	100,00%	100,00%
3)	J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership ("Almaty CC")	Kazakhstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
4)	Azerbaijan Coca-Cola Bottlers Limited Liability Company ("Azerbaijan CC")	Azerbaijan	Production, distribution and sales of Coca-Cola products	99,87%	99,87%
5)	Coca-Cola Bishkek Bottlers Closed Joint Stock Company ("Bishkek CC")	Kyrgyzstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
6)	CCI International Holland B.V. ("CCI Holland")	Holland	Holding company	100,00%	100,00%
7)	Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership ("Tonus")	Kazakhstan	Holding company	100,00%	100,00%
8)	The Coca-Cola Bottling Company of Jordan Limited ("TCCBCJ")	Jordan	Production, distribution and sales of Coca-Cola products	90,00%	90,00%
9)	Turkmenistan Coca-Cola Bottlers ("Turkmenistan CC")	Turkmenistan	Production, distribution and sales of Coca-Cola products	59,50%	59,50%
10)	(CC) Company for Beverages Industry/Ltd. ("CCBIL")	Iraq	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
11)	Waha Beverages B.V. ("Waha B.V.")	Holland	Holding Company	80,03%	80,03%
12)	Coca-Cola Beverages Tajikistan Limited Liability Company ("Tajikistan CC")	Tajikistan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
13)	Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC ("Al Waha")	Iraq	Production, distribution and sales of Coca-Cola products	80,03%	80,03%
14)	Coca-Cola Beverages Pakistan Limited ("CCBPL") (Note 1)	Pakistan	Production, distribution and sales of Coca-Cola products	49,67%	49,56%

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements as at December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Joint Venture

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			December 31, 2015	December 31, 2014
Syrian Soft Drink Sales and Distribution L.L.C. ("SSDSD")	Syria	Distribution and sales of Coca-Cola products	50,00%	50,00%

Changes in Group Structure Realized in 2015

Ownership ratio of CCI in CCBPL increased to 49,67% from 49,56% in 2015, consequent to subscription of newly issued shares of CCBPL as a result of the capital increase.

Changes in Group Structure Realized in 2014

As announced on November 14, 2013, the purchase of remaining 15,00% shares in Al Waha by Waha B.V., a 76,40% subsidiary of Coca-Cola İçecek A.Ş. (CCI), has been completed as of January 14, 2014.

Total purchase price of USD 26 million was paid following finalization of the ongoing capital increase process in Waha B.V. in the Netherlands. Upon such capital increase, CCI's direct share in Waha B.V. increased to 80,03% from 76,40%, and accordingly CCI's indirect share in Al Waha increased to 80,03% from 64,94%.

After the increase of CCI's direct share in Waha B.V., gain on option liability reserve with a total amount of TL 37.455 was reflected to non-controlling interest share put option liability under consolidated statement of changes in shareholders' equity as of December 31, 2014.

Economic Conditions and Risk Factors of Subsidiaries and Joint Ventures in Foreign Countries

The countries, in which certain subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the subsidiaries' and joint ventures ability to operate commercially. Group Management closely monitors uncertainties and adverse changes to minimize the probable effects of such changes.

In this context, Risk Detection Committee; which was established under the arrangements, terms and principles of Turkish Commercial Code, Capital Market Legislation and Capital Markets Board's "Corporate Governance Principles" assess, manage and report Group risks. Some of the Group priority risks are defined as consumer shift to alternative beverages, security and safety of employees, volatile tax and regulatory environment, economic slowdown and exchange rate volatility and management of environmental effects and reputation. Group does not expect any adverse effect on the business related to any significant regulatory changes and/or legal arrangements by the authorities. All compliance efforts are in place and there is no legal dispute that may adversely affect the business.

Average Number of Employees

Category-based average number of employees working during the period is as follows (joint ventures are considered with full numbers for December 31, 2015 and 2014).

	December 31, 2015	December 31, 2014
Blue-collar	4.945	5.002
White-collar	5.408	5.764
Average number of employees	10.353	10.766

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements as at December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF PRESENTATION

Basis of Preparation

CCI and its subsidiaries that are incorporated in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the Capital Markets Board of Turkey ("CMB"), Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts which is issued by the Ministry of Finance. The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate.

The consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with CMB Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employee 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 included in Business Combination application, financial statements are prepared on a historical cost basis.

The consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the CMB (hereinafter will be referred to as "the CMB Accounting Standards") on June 13, 2013 which is published on Official Gazette numbered 28676.

In accordance with article 5 of the CMB Accounting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards of the POA and are presented in TL.

Summary of Significant Accounting Policies

The consolidated financial statements of the Group for the year ended December 31, 2015 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2014, except for the adoption of new and amended standards.

Standards, amendments and interpretations applicable as at 31 December 2015:

Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 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. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affecting following 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'
- Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
- IAS 39, Financial instruments – Recognition and measurement'

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(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF PRESENTATION (continued)

Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These 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'.

b) Standards, amendments and interpretations effective after 1 January 2016:

Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 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. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Amendments to IAS 16 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it 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. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, '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 IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

- IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
- IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
- IAS 19, 'Employee benefits' regarding discount rates.
- IAS 34, 'Interim financial reporting' regarding disclosure of information.

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2. BASIS OF PRESENTATION (continued)

Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Amendment to IFRS 10 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. The Group is in the process of assessing the impact of the new standard on the financial position of the Group.

IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Group is in the process of assessing the impact of the new standard on the financial position of the Group.

Functional and Presentation Currency

Functional and presentation currency of the Company is Turkish Lira (TL).

Functional Currencies of the Subsidiaries and Joint Ventures

	December 31, 2015		December 31, 2014	
	Local Currency	Functional Currency	Local Currency	Functional Currency
CCSD	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Mahmudiye	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Almaty CC	Kazakh Tenge	U.S. Dollars	Kazakh Tenge	U.S. Dollars
Tonus	Kazakh Tenge	U.S. Dollars	Kazakh Tenge	U.S. Dollars
Azerbaijan CC	Manat	U.S. Dollars	Manat	U.S. Dollars
Turkmenistan CC	Turkmen Manat	U.S. Dollars	Turkmen Manat	U.S. Dollars
Bishkek CC	Som	U.S. Dollars	Som	U.S. Dollars
TCCBCJ	Jordanian Dinar	U.S. Dollars	Jordanian Dinar	U.S. Dollars
CCBIL	Iraq Dinar	U.S. Dollars	Iraq Dinar	U.S. Dollars
SSDSD	Syrian Pound	U.S. Dollars	Syrian Pound	U.S. Dollars
CCBPL	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee
CCI Holland	Euro	U.S. Dollars	Euro	U.S. Dollars
Waha B.V.	Euro	U.S. Dollars	Euro	U.S. Dollars
Al Waha	Iraq Dinar	U.S. Dollars	Iraq Dinar	U.S. Dollars
Tajikistan CC	Somoni	U.S. Dollars	Somoni	U.S. Dollars

The multinational structure of foreign operations and realization of most of their operations in terms of U.S. Dollars ("USD") resulted in determination of the foreign subsidiaries' and joint ventures' functional currency as USD except Pakistan. The majority of the consolidated foreign subsidiaries and joint ventures are regarded as foreign operations since they are financially, economically and organizationally autonomous.

Since the functional and presentation currency of foreign subsidiaries and joint ventures are determined as USD in the consolidated financial statements, USD amounts presented in the balance sheet are translated into Turkish Lira at the official TL exchange rate for purchases of USD announced by the Central Bank of the Republic of Turkey on December 31, 2015, USD 1,00 (full) = TL 2,9076 (December 31, 2014; USD 1,00 (full) = TL 2,3189). Furthermore, USD amounts in the income statement have been translated into TL, at the average TL exchange rate for purchases of U.S. Dollars for the year ended December 31, 2015 is USD 1,00 (full) = TL 2,7191 (January 1, - December 31, 2014; USD 1,00 (full) = TL 2,1865).

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2. BASIS OF PRESENTATION (continued)

Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Estimation Uncertainty

Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of consolidated financial statements. Actual results can be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are as follows:

- a) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The details related with the defined benefit plans are stated in Note 26.
- b) Allowance for doubtful receivables are based on Group management's impairment tests. During these tests for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provisions for doubtful receivables are followed in the Note 11.
- c) The Group has made significant assumptions over the useful life of buildings, machinery and equipment based on the expertise of the technical departments (Note 20).
- d) Regarding the allowance for inventory obsolescence, the inventory is physically observed, the aging list is reviewed and according the expertise of the technical departments estimation on the remaining useful life of the items is made; allowance is calculated for the goods which are assessed as not usable. The net realizable value (NRV) of the inventory is calculated by using the sales price lists and average annual discount ratios, along with certain estimations on the selling and marketing expenses to be accumulated to sell the products (Note 15).
- e) The Group reviews the carrying values of property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount (net realizable value) of property, plant and equipment is the greater of net selling price and value in use (Note 20 and Note 21).
- f) The Group performs impairment test for intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2015, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is determined taking the value in use calculation as basis.

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2. BASIS OF PRESENTATION (continued)

During these 5-year period calculations, estimated free cash flow before tax from financial budgets that were approved by board of directors are used for 3-year period. Estimated free cash flows before tax after 3-year period are calculated by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product per capita and consumer price indices were derived from external sources. Main estimates such as raw material and finished good prices, working capital requirements and capital expenditures were based on Group's key assumptions and historical operating data. For the impairment test, between 0,86% - 3,0% varying rates for perpetuity growth rate and between 10,56% - 17,46% varying rates for weighted average cost of capital assumptions were used (Note 21 and Note 22).

g) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses.

h) In accordance with International Accounting Standards Interpretations Committee and Turkey Accounting Standards, Interpretation 12 "Consolidation - Special Purpose Entities", Group management defines Trust Co., which owns all immovable assets of Al Waha and leases all the ownership rights of this immovable assets to Al Waha with a special contract, as special purpose entity.

Basis of Consolidation and Interests in Joint Ventures

The consolidated financial statements comprise the financial statements of the parent company, CCI, its subsidiaries and joint ventures prepared as for the year ended December 31, 2015. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The consolidated financial statements cover CCI and the subsidiaries it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated balance sheet and consolidated income statement.

IFRS 11 "Joint Arrangements" is effective for annual periods beginning on or after 1 January 2013. This standard defines joint control with a realistic view, which is the contractually agreed sharing of control of an arrangement. There are two types of joint arrangements: joint operations and joint ventures. Among other changes introduced, under this new standard, proportionate consolidation is not permitted for joint ventures. With this amendment, joint ventures were accounted for under the equity method of accounting at the consolidated financial statements, starting from January 1, 2013. Investment in associates accounted for under the equity method of accounting is carried in the consolidated balance sheet at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATIONS AND ASSUMPTIONS

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short-term deposits with an original maturity of less than 3 months and cheques dated on or before the relevant period end which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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2. BASIS OF PRESENTATION (continued)

Investments in Securities

All investments in securities are measured at cost value that was paid to acquire the asset plus the expenses incurred during the acquisition and considered to reflect the fair value of the related investment.

After initial recognition, investments that are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized in other comprehensive income until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs.

Interest calculated on available-for-sale investments is calculated using the effective interest rate and is reported as interest income. Dividends collected are recorded as dividend income on the date of entitlement. For available-for-sale investments that are actively traded in organized financial markets, fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

Investments that are intended to be held to maturity, such as government bonds, are subsequently measured at amortized cost using the effective interest rate method, less any impairment loss. Amortized cost is calculated by taking into account any discount or premium on acquisition.

Short term deposits with an original maturity of more than 3 months classified under investments in securities.

Derivative financial instruments

The Company engages in commodity swap transactions in order to hedge price risk arising from fluctuations in the prices of required commodity for final production and forward currency purchase agreements in order to hedge foreign currency risk arising from the fact that prices of required commodity for final production are currency indexed.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For fair value hedges the change in the fair value of a hedging instrument is recognized in the consolidated income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated income statement as part of finance income and costs.

For cash flow hedges the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of consolidated income as part of financial income and costs.

Amounts recognized as other comprehensive income are transferred to the statement of consolidated income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecasted purchase occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the statement of consolidated income when a sale occurs.

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2. BASIS OF PRESENTATION (continued)

The Company has made aluminum swap contracts in order to offset the possible losses that may arise from anticipated purchases of cans which are subject to aluminum price volatility and designates these aluminum swap transactions as hedging instruments for cash flow hedge relation against highly probable future outflows as the hedged item. It has also made forward currency purchase agreements for resin purchases in order to offset the possible losses due to the fact that resin prices are denominated in foreign currency, designates these forward currency purchases as hedging instruments for cash flow hedge relation against highly probable future outflows arising from foreign currency denominated resin purchases as the hedged item (Note 8, Note 40, Note 41).

Other derivatives not designated for hedge accounting

Other derivatives not designated for hedge accounting are recognized initially at fair value; attributable transaction costs are recognized in statement of consolidated income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of such derivatives are recognized in the statement of consolidated income as part of finance income and costs.

Trade Receivables

Trade receivables, which generally have payment terms of 15 - 65 days, are recognized at original invoice amount less doubtful receivable. An estimate for doubtful receivable is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Provision for doubtful receivables is reflected as expense in the income statement. The provision is the amount that is proposed to compensate the losses that possibly occur due to economic conditions expected by the Group or the risks carried as a part of the nature of the account.

Related Parties

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) Parties are considered related to the Company if;
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Inventories

Inventories are valued at the lower of cost or net realizable value, less provision for obsolete and slow moving items. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes all costs incurred in bringing the product to its present location and condition, and is determined primarily based on weighted average cost method.

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2. BASIS OF PRESENTATION (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings and Leasehold Improvements	5 - 49 years
Machinery and Equipment	6 - 20 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Other Tangible Assets	5 - 12 years

Useful life of leasehold improvements is determined according to contract based lease period. Useful life of the investment is equal to the contract based remaining lease period of the leased asset.

Repair and maintenance costs for tangible assets are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the Group. All other costs are charged to the statements of income during the financial year in which they are incurred. All costs incurred for the construction of property, plant and equipment are capitalized and are not depreciated until the asset is ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount (net realizable value) of property, plant and equipment is the greater of net selling price and value in use. Value in use is assessed by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset. If the related asset is not a unit that generates cash inflows by itself, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

The increase in the carrying value of property, plant and equipment as a result of the impairment reversal is recognized in the income statement, by considering not to exceed the book value amount if the impairment losses were not reflected to financial statements in prior years (net book value after depreciation).

Intangible Assets

Intangible assets acquired separately are measured at initial acquisition cost. The cost of an intangible asset acquired in a business combination is recognized at fair value, if its fair value can be reliably measured. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives, except Bottlers and Distribution Agreements.

In the scope of consolidation, intangible assets identified during the acquisition and in the fair value financial statements of subsidiaries and joint venture which are operating in foreign countries, represent the "Bottlers and Distribution Agreements" that are signed with TCCC. Taking into consideration TCCC's ownership in the Company, contribution to development of long term strategic plans and business processes, and its working principles with other bottlers the Company management believes that no time constraint is required for bottling and distribution agreements as they will be extended without additional cost after expiration date. The intangible assets relating to the Bottlers and Distribution Agreements are therefore not amortized. Such intangible assets which are not amortized are annually reviewed for impairment or when events or changes in circumstances indicate that the carrying value may not be recoverable.

Water sources usage rights are amortized on a straight-line basis over their useful lives, which are between 9 and 40 years.

Other rights are amortized on a straight-line basis over their 2-15 years estimated useful lives.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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Notes to Consolidated Financial Statements as at December 31, 2015

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2. BASIS OF PRESENTATION (continued)

Business Combinations and Goodwill

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Accordingly, acquired assets and liabilities and contingent liabilities assumed are recognized at TFRS 3 fair values on the date of acquisition. Acquired company is consolidated starting from the date of acquisition.

If the fair values of the acquired identifiable assets, liabilities and contingent liabilities or cost of the acquisition are based on provisional assessment as at the balance sheet date, the Group made provisional accounting. Temporarily determined business combination accounting has to be completed within two months following the combination date and adjustment entries have to be made beginning from combination date.

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the acquired business, at the date of acquisition. Group do not amortize goodwill arising from the business combinations and annually review for impairment.

Any goodwill arising from the acquisition of a foreign operation and fair value adjustments to the carrying amounts of assets and liabilities are treated as assets and liabilities of the acquired foreign operation. Therefore these assets and liabilities are translated at the closing rate from their presentation currencies.

Recognition and Derecognition of Financial Assets and Liabilities

The Group recognizes a financial asset or financial liability in its consolidated balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of a financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of a financial asset. The Group derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Borrowings

All borrowings are initially recognized at cost.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Borrowing Costs

All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are being capitalized and other costs except them are being expensed after January 1, 2009. Before this date, borrowing costs were expensed as they incurred.

Leases (Group as a lessee)

a) Finance Lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Lease payments are presented under borrowings. Finance charges calculated over fixed interest rate are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

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2. BASIS OF PRESENTATION (continued)

b) Operating Lease

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Trade Payables

Trade payables which generally have 7 - 30 day terms are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, when they are billed to the Group.

Employee Benefits

Turkish Entities:

(a) Defined Benefit Plans

The reserve for employee termination benefits is provided for in accordance with TAS 19 "Employee Benefits" and is based on actuarial study. In the consolidated financial statements, the Group has reflected a liability calculated using the "Projected Unit Credit Method". According to the valuations made by qualified actuaries, all actuarial gains and losses are recognized in the income statement.

The employee termination benefits are discounted to the present value of the estimated future cash outflows using government bonds' rate of return on the balance sheet date.

The gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected to other comprehensive income. Actuarial assumptions used to determine net periodic pension costs are as follows as of balance sheet dates:

	December 31, 2015	December 31, 2014
Discount rate	%10,7	8,1%
Inflation	%7,8	6,3%
Rate of compensation increase	%7,8	6,3%

(b) Defined Contribution Plan

The Company pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. For the year ended December 31, 2015, contributions paid by the Group to the Social Security Institution of Turkey is amounting to TL 26.207 (December 31, 2014 - TL 26.095).

Foreign Subsidiaries

Subsidiaries and joint ventures in foreign countries pay contributions according to each country's local regulations and these payments are expensed as incurred. Both employee and employer make payments as social security contribution calculated on employee salary and these contributions reflected to employee expense when they accrued.

	Employee contribution rate	Employer contribution rate
Almaty CC	10%	11%
Azerbaijan CC	3%	22%
Bishkek CC	10%	17,25%
Turkmenistan CC	-	20%
Tajikistan CC	1%	25%
TCCBCJ	7%	13,25%
CCBIL	5%	12%
CCBPL	1% (on minimum wage)	5% (on minimum wage)

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(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF PRESENTATION (continued)

Also, CCBPL has gratuity fund provision as a defined benefit plan and calculated in accordance with TAS 19 "Employee Benefits" using actuarial works. Employee is eligible for gratuity after completing 3 years with the Company and can take his accrued gratuity amount at the time of separation from the Company or at retirement age. This provision is calculated by actuarial firm and the actuarial gain/loss accumulated on this provision is reflected to financial statements. The gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected to other comprehensive income.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements but only disclosed, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Revenue Recognition

Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Net sales is reflected after deducting sales discounts, VAT, sales taxes and taxes. Sales discounts consist of deductions from sales, the cost of free products and special consumption tax.

Interest Income

Income is recognized as the interest accrues.

Income Taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

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2. BASIS OF PRESENTATION (continued)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Foreign Currency Transactions

Each entity within the Group translates its foreign currency transactions and balances into its functional currency by applying the exchange rate between the functional currency and the foreign currency on the date of the transaction. Exchange rate differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized in the income statement in the period in which they arise.

Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period to the weighted average number of ordinary shares outstanding during the reporting periods. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources. The Company has no diluted instruments.

Subsequent Events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements and footnotes. Post period-end events that are not adjusting events are disclosed in the notes when material.

3. BUSINESS COMBINATIONS

None (December 31, 2014 - None).

4. INTERESTS IN JOINT VENTURES

None (December 31, 2014 - None).

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Notes to Consolidated Financial Statements as at December 31, 2015

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5. SEGMENT REPORTING

The Company produces segment reports for the chief operating decision maker (Board of Directors and Executive Management) in accordance with basis of preparation as explained in Note 2. Reported information is used for observing management's performance at operation segments and for deciding resource allocation.

Transfer prices between related parties are on an arm's length basis in a manner similar to transactions with third parties.

Group's subsidiaries and joint ventures presented under Note 1 and Group's segment reporting is as follows:

	December 31, 2015			
	Domestic	International	Elimination	Consolidated
Net Revenue	3.366.701	3.359.405	(2.240)	6.723.866
Cost of sales (-)	(2.046.176)	(2.345.110)	1.830	(4.389.456)
Gross profit	1.320.525	1.014.295	(410)	2.334.410
Operating expenses (-)	(1.020.933)	(680.874)	35.857	(1.665.950)
Other operating income / (expense), net	93.306	(37.034)	(92.872)	(36.600)
Profit / (loss) from operations	392.898	296.387	(57.425)	631.860
Gain from investing activities	4.036	1.120	(5.156)	-
Loss from investing activities (-)	(5.230)	-	5.156	(74)
Gain / (loss) from associates	-	(916)	-	(916)
Profit before financial income/(expense)	391.704	296.591	(57.425)	630.870
Financial income	351.914	31.909	(28.716)	355.107
Financial expense (-)	(694.674)	(116.073)	28.716	(782.031)
Profit / (loss) before tax	48.944	212.427	(57.425)	203.946
Tax income / (expense)	474	(73.853)	(3.914)	(77.293)
Net income / (loss)	49.418	138.574	(61.339)	126.653
Non-controlling interest	-	7.432	2.062	9.494
Equity holders of the parent	49.418	131.142	(63.401)	117.159
Purchase of property, plant, equipment and intangible asset	154.708	674.486	(513)	828.681
Depreciation and amortization expenses	125.394	237.038	(789)	361.643
Other non-cash items	6.465	52.509	(105)	58.869
Earnings before interest and tax (EBITDA)	523.563	586.136	(58.317)	1.051.382

	December 31, 2015			
	Domestic	International	Elimination	Consolidated
Total Assets	4.759.657	4.718.881	(532.720)	8.945.818
Total Liabilities	3.126.108	2.068.606	(390.467)	4.804.247

As of December 31, 2015, the portion of Almaty CC in the consolidated net revenue and total assets is 12% and 9% respectively.

As of December 31, 2015, the portion of CCBPL in the consolidated net revenue and total assets is 20% and 18% respectively.

As of December 31, 2014, the portion of Almaty CC in the consolidated net revenue and total assets is 11% and 9% respectively.

As of December 31, 2014, the portion of CCBPL in the consolidated net revenue and total assets is 18% and 17% respectively.

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(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

5. SEGMENT REPORTING (continued)

	December 31, 2014			
	Domestic	International	Elimination	Consolidated
Net Revenue	3.061.377	2.928.773	(4.780)	5.985.370
Cost of sales (-)	(1.841.451)	(1.966.827)	4.350	(3.803.928)
Gross profit	1.219.926	961.946	(430)	2.181.442
Operating expenses (-)	(977.634)	(589.131)	21.314	(1.545.451)
Other operating income / (expense), net	45.212	(2.217)	(50.450)	(7.455)
Profit / (loss) from operations	287.504	370.598	(29.566)	628.536
Gain from investing activities	1.443	-	(1.443)	-
Loss from investing activities (-)	(1.049)	(781)	1.443	(387)
Gain / (loss) from associates	-	(949)	-	(949)
Profit before financial income/(expense)	287.898	368.868	(29.566)	627.200
Financial income	463.153	9.914	(22.994)	450.073
Financial expense (-)	(587.927)	(79.394)	22.994	(644.327)
Profit / (loss) before tax	163.124	299.388	(29.566)	432.946
Tax income / (expense)	(18.997)	(63.857)	(2.888)	(85.742)
Net income / (loss)	144.127	235.531	(32.454)	347.204
Non-controlling interest	-	27.421	4.352	31.773
Equity holders of the parent	144.127	208.110	(36.806)	315.431
Purchase of property, plant, equipment and intangible asset	112.633	624.914	-	737.547
Depreciation and amortization expenses	116.278	191.313	(777)	306.814
Other non-cash items	9.022	19.349	(854)	27.517
Earnings before interest and tax (EBITDA)	413.198	579.530	(31.197)	961.531
	December 31, 2014			
	Domestic	International	Elimination	Consolidated
Total Assets	4.196.288	3.570.124	(564.552)	7.201.860
Total Liabilities	2.503.935	1.724.849	(399.956)	3.828.828

Company's "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit before financial income/(expense)" plus relevant non-cash expenses including depreciation and amortization, impairment loss, provision for employee benefits like retirement and vacation pay (provision for management bonus not included), other non-cash expense, minus relevant non-cash income including negative goodwill, value increase due to change in scope of consolidation and reversal for the impairment of fixed assets.

Effect of the CMB classification differences according to new illustrative financial statements and reporting guide as which; the effect of "foreign exchange gain / (loss) classified to "other operating income and expense" and "Gain / (loss) from associates" were excluded from the EBITDA calculation, for the consistency of the comparison. As of December 31, 2015 and 2014, reconciliation of EBITDA to Profit before financial income/(expense) is explained in the following table:

	December 31, 2015	December 31, 2014
Profit before financial income/(expense)	630.870	627.200
Depreciation and amortization	361.643	306.814
Provision for employee benefits	10.449	10.521
Provision / (Reversal) for the impairment of fixed assets (Note 20, Note 33)	7.652	5.561
Foreign exchange gain / (loss) under other operating income / (expense) (Note 33)	39.798	10.406
Gain / (loss) from associates (Note 18)	916	949
Other	54	80
EBITDA	1.051.382	961.531

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(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

6. CASH AND CASH EQUIVALENTS

	December 31, 2015	December 31, 2014
Cash on hand	2.724	4.143
Cash in banks		
-Time	905.612	691.749
-Demand	90.549	55.309
Cheques	3.329	5.767
	1.002.214	756.968

As of December 31, 2015 time deposits with maturities less than three months in foreign currencies equivalent to TL 524.309, existed for periods varying between 1 day to 78 days (December 31, 2014 – TL 348.453, 1 day to 76 days) and earned interest between 0,20% - 4,25% (December 31, 2014 - 0,20% - 5,00%).

As of December 31, 2015 time deposits in local currency amounting to TL 381.303 existed for periods varying between 4 days to 78 days (December 31, 2014 - TL 343.296 , 2 days to 57 days) and earned interest between 11,60% - 13,85% (December 31, 2014 - 10,15% - 12,00%).

As of December 31, 2015, there is TL 2.811 (December 31, 2014 - TL 2.115) of interest income accrual on time deposits with maturities less than 3 months. As of December 31, 2015 and 2014, the fair values of cash and cash equivalents are equal to book value.

7. INVESTMENTS IN SECURITIES

	December 31, 2015	December 31, 2014
Time deposits with maturities more than 3 months	148	2.971
	148	2.971

As of December 31, 2015 time deposits with maturities over 3 months are composed of KZT (December 31, 2014 AZM,181 days, 7,50%). As of December 31, 2015 this time deposit is made for period 206 days and earned interest is 2,00%.

As of December 31, 2015, there is TL 3 (December 31, 2014 – TL 14) of interest income accrual on time deposits with maturities over 3 months.

8. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2015 the Company has 8 aluminum swap transactions with a total nominal amount of TL 54.283 for 10.580 tones. The total of these aluminum swap contracts are designated as hedging instruments as of January 13, 2015, May 29, 2015, June 25, 2015 and July 27, 2015 in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk (Note 41).

As of December 31, 2015 the Company has FX forward transactions with a total nominal amount of TL 101.766, for 3 forward purchase contracts amounting to USD 35 million. The total of these FX forward contracts are designated as hedging instruments as of October 6, 2015, October 9, 2015 and November 12, 2015 in cash flow hedges related to forecasted cash flow, for the high probability purchases of can, exposed to foreign currency risk (Note 41).

The change in the fair value of hedges related to aluminum swap and forward are effective and recognized in consolidated other comprehensive income.

				December 31, 2015		December 31, 2014	
				Nominal Value	Fair Value Assets / (Liabilities)	Nominal Value	Fair Value Assets / (Liabilities)
Held for hedging:							
Commodity swap contracts	fair value			54.283	(7.812)	17.811	(388)
assets/(liabilities)							
Forward contracts assets	/(liabilities)			101.766	(3.305)	62.239	2.440
				156.049	(11.117)	80.050	2.052

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9. BORROWINGS

	December 31, 2015	December 31, 2014
Short-term borrowings	252.757	515.335
Current portion of long-term borrowings	310.240	113.251
Total short-term borrowings	562.997	628.586
Long-term borrowings	2.810.946	2.015.097
Total borrowings	3.373.943	2.643.683

As of December 31, 2015, there is interest expense accrual amounting to TL 20.092 on total amount of borrowings (December 31, 2014 - TL 17.463).

Short and long-term borrowings denominated in TL and foreign currencies as of December 31, 2015 and 2014 are as follows:

	December 31, 2015		December 31, 2014	
	Short-term	Long-term	Short-term	Long-term
USD	150.183	2.449.214	260.665	2.015.097
EUR	218.077	336.036	-	-
TL	3.966	-	19.105	-
Pakistan Rupee	184.772	-	343.378	-
Kazakh Tenge	129	25.696	-	-
Jordanian Dinar	5.870	-	5.438	-
	562.997	2.810.946	628.586	2.015.097

Range for the minimum and maximum effective interest rates on the balance sheet date are as follows:

	December 31, 2015	December 31, 2014
Short-term		
USD denominated borrowings	(3M Libor+2,00%)	(3M Libor+%1,35) - (1M Libor +%2,00)
Jordanian dinar denominated borrowings	(%8,8)	(%9,13)
Pakistan Rupee denominated borrowings	(1M Kibor+0,40%) - (3M Kibor+0,50%)	(1M Kibor+%0,40) - (3M Kibor+%0,50)
Long-term		
TL denominated borrowings	-	(%10,00)
USD denominated borrowings	(3M Libor+2,10%) - (4,75%)	(1M Libor+%1,40) - (%4,75)
EUR denominated borrowings	(3M Euribor+1,25%) - (6M Euribor+1,75%)	-
KZT denominated borrowings	(6,00%)	-

Repayment plans of long-term borrowings as of December 31, 2015 and 2014 are scheduled as follows (including current portion of long-term borrowings):

	December 31, 2015	December 31, 2014
2015	-	113.237
2016	310.240	62.101
2017	152.851	48.850
2018	1.887.374	1.440.369
2019	104.521	-
2020	318.051	185.512
2023	348.149	278.279
	3.121.186	2.128.348

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10. OTHER FINANCIAL LIABILITIES

None (December 31, 2014 - None).

11. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	December 31, 2015	December 31, 2014
Trade receivables	458.372	398.792
Cheques receivables	12.502	7.842
Less: Allowance for doubtful receivables	(22.657)	(20.093)
	448.217	386.541

As of December 31, 2015 and 2014 allowance for doubtful receivables movement is as following:

	December 31, 2015	December 31, 2014
Balance at January 1,	20.093	18.792
Current year provision	2.439	2.459
Reversals from provision	(751)	(1.520)
Write-offs from doubtful receivables	(759)	(184)
Currency translation difference	1.635	546
	22.657	20.093

As of December 31, 2015 and 2014 aging of receivables table is as following:

	Neither past due nor impaired	Past due receivables without provision					Total
		Up to 1 month	1-2 months	2-3 months	3-6 months	More than 6 months	
December 31, 2015							
Accounts receivable	390.053	30.296	7.007	2.783	486	5.090	435.715
Cheques receivables	12.502	-	-	-	-	-	12.502
Other	-	-	-	-	-	-	-
	402.555	30.296	7.007	2.783	486	5.090	448.217
December 31, 2014							
Accounts receivable	336.856	28.422	5.588	3.910	12	3.911	378.699
Cheques receivables	7.842	-	-	-	-	-	7.842
Other	-	-	-	-	-	-	-
	344.698	28.422	5.588	3.910	12	3.911	386.541

Trade Payables

	December 31, 2015	December 31, 2014
Suppliers	517.299	446.375
	517.299	446.375

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12. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	December 31, 2015	December 31, 2014
Due from personnel	6.393	6.556
Deposits and guarantees given	3.850	6.120
Receivable from tax office and other official receivables	16.606	15.041
Other	7.173	7.336
	34.022	35.053

Other Payables

	December 31, 2015	December 31, 2014
Deposits and guarantees	136.957	112.485
Taxes and duties payable	32.562	23.655
Other	4.342	12.454
	173.861	148.594

13. PREPAID EXPENSES

a) Short term prepaid expenses

	December 31, 2015	December 31, 2014
Prepaid marketing expenses	54.506	42.657
Prepaid insurance	11.620	11.842
Prepaid rent	7.083	4.606
Prepaid other expenses	7.214	6.351
Advances given	60.154	136.549
	140.577	202.005

b) Long term prepaid expenses

	December 31, 2015	December 31, 2014
Prepaid marketing expenses	97.158	86.821
Prepaid rent	30.572	15.061
Prepaid other expenses	666	797
Advances given	12.385	72.658
	140.781	175.337

14. RECEIVABLES AND PAYABLES RELATED TO FINANCE SECTOR

None (December 31, 2014 - None).

15. INVENTORIES

	December 31, 2015	December 31, 2014
Finished goods	139.648	114.504
Raw materials	324.103	306.282
Packaging materials	88.582	82.279
Goods in transit	61.546	60.680
Other materials	17.108	16.043
Less: reserve for obsolescence (-)	(10.180)	(4.101)
	620.807	575.687

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15. INVENTORIES (continued)

As of December 31, 2015 and 2014 reserve for obsolescence movement is as following, net loss recorded during year is TL 5.225 (December 31, 2014 net income is amounting to TL 2.383).

	December 31, 2015	December 31, 2014
Balance at January 1,	4.101	6.051
Current year provision - reversal, net	9.075	2.292
Inventories written off	(3.850)	(4.675)
Currency translation difference	854	433
	10.180	4.101

16. BIOLOGICAL ASSETS

None (December 31, 2014 - None).

17. RECEIVABLE AND PAYABLE FROM CONSTRUCTION CONTRACTS

None (December 31, 2014 - None).

18. INVESTMENT IN ASSOCIATES

Investment in associates, consolidated under the equity method of accounting, is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

As of December 31, 2015, the carrying value of SSDSD at the consolidated balance sheet with an amount of TL 983 loss was netted off with trade receivables from SSDSD at the consolidated financial statements (December 31, 2014 TL 1.004 loss).

As of December 31, 2015 and 2014 total assets, total liabilities, net sales and current period loss of SSDSD is as follows:

SSDSD	December 31, 2015	December 31, 2014
Total Assets	2.358	3.031
Total Liabilities	13.756	10.556
Equity	(11.398)	(7.525)

SSDSD	December 31, 2015	December 31, 2014
Revenue	3.035	7.145
Net Loss	(1.833)	(1.898)
Group's share in loss	(916)	(949)

19. INVESTMENT PROPERTY

None (December 31, 2014 - None).

(Convenience Translation of Financial Statements and Footnotes Originally Issued in Turkish)

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20. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Construction in Progress	Total
Net book value at December 31, 2013	701.082	1.093.677	53.543	25.780	639.998	2.610	267.239	2.783.929
Additions	15.023	155.398	11.873	9.512	139.906	9.014	390.905	731.631
Disposals, net	(226)	(589)	(996)	(55)	(12.142)	-	-	(14.008)
Transfers	39.852	177.117	305	1.875	44.962	641	(264.752)	-
Provision and reverse for impairment	-	42	103	-	(5.706)	-	-	(5.561)
Currency translation adjustment	35.763	73.637	4.270	810	32.634	-	17.489	164.603
Depreciation charge for the current year	(19.315)	(106.387)	(10.258)	(4.495)	(156.898)	(1.188)	-	(298.541)
Net book value at December 31, 2014	772.179	1.392.895	58.840	33.427	682.754	11.077	410.881	3.362.053
Net book value at December 31, 2014	772.179	1.392.895	58.840	33.427	682.754	11.077	410.881	3.362.053
Additions	42.978	138.484	14.784	7.265	180.279	252	434.240	818.282
Disposals, net	(198)	(2.218)	(1.576)	(58)	(12.312)	-	-	(16.362)
Transfers	249.771	369.399	215	2.187	67.094	-	(688.666)	-
Provision and reverse for impairment	-	(4.098)	-	-	(3.554)	-	-	(7.652)
Currency translation adjustment	132.350	248.833	12.139	3.337	89.529	-	76.491	562.679
Depreciation charge for the current year	(26.488)	(112.364)	(12.372)	(5.833)	(193.481)	(1.748)	-	(352.286)
Net book value at December 31, 2015	1.170.592	2.030.931	72.030	40.325	810.309	9.581	232.946	4.366.714
At December 31, 2014								
Cost	803.591	2.285.001	108.031	69.327	1.387.737	19.757	390.731	5.064.175
Accumulated depreciation	(161.557)	(1.055.610)	(63.164)	(39.395)	(771.440)	(8.762)	-	(2.099.928)
Accumulated provision for impairment	(9.306)	(48.061)	(551)	-	(19.121)	-	-	(77.039)
Currency translation adjustment	139.451	211.565	14.524	3.495	85.578	82	20.150	474.845
Net book value at December 31, 2014	772.179	1.392.895	58.840	33.427	682.754	11.077	410.881	3.362.053
At December 31, 2015								
Cost	1.096.142	2.790.666	121.454	78.721	1.622.798	20.009	136.305	5.866.095
Accumulated depreciation	(188.045)	(1.167.974)	(75.536)	(45.228)	(964.921)	(10.510)	-	(2.452.214)
Accumulated provision for impairment	(9.306)	(52.159)	(551)	-	(22.675)	-	-	(84.691)
Currency translation adjustment	271.801	460.398	26.663	6.832	175.107	82	96.641	1.037.524
Net book value at December 31, 2015	1.170.592	2.030.931	72.030	40.325	810.309	9.581	232.946	4.366.714

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20. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment Loss

As of December 31, 2015 the Group had provided impairment losses amounting to TL 7.818 (December 31, 2014 - TL 6.253) for property, plant and equipment that had greater carrying value than its estimated recoverable amount. This impairment had been provided for "Out of Use" tangible assets. As of December 31, 2015, TL 166 impairment losses provided at prior years were reversed (December 31, 2014 - TL 692) (Note 33).

For the year ended December 31, 2015, there is TL 5.846 capitalized borrowing costs on construction in progress (December 31, 2014 - 4.564).

Finance Leases

Property leased by the Group includes coolers, vehicles, buildings, machinery and equipment.

As of December 31, 2015 net book value of assets under finance leases included in property, plant and equipment is amounting to TL 1.488 (December 31, 2014 - TL 1.803).

21. INTANGIBLE ASSETS

	January 1, 2015	Additions/ (Amortization)	Disposals	Currency translation adjustment	December 31, 2015
Cost					
Water sources usage right	31.980	-	-	-	31.980
Bottlers and distribution agreements	888.612	-	-	226.070	1.114.682
Other Rights	46.984	10.399	(71)	2.699	60.011
Less: Accumulated amortization					
Water sources usage right	(21.441)	(3.582)	-	-	(25.023)
Other Rights	(20.792)	(5.775)	32	(905)	(27.440)
Net book value	925.343				1.154.210

	January 1, 2014	Additions/ (Amortization)	Disposals	Currency translation adjustment	December 31, 2014
Cost					
Water sources usage right	31.980	-	-	-	31.980
Bottlers and distribution agreements	817.820	-	-	70.792	888.612
Other Rights	40.877	5.916	(851)	1.042	46.984
Less: Accumulated amortization					
Water sources usage right	(17.859)	(3.582)	-	-	(21.441)
Other Rights	(16.627)	(4.691)	851	(325)	(20.792)
Net book value	856.191				925.343

There is no water sources usage right acquired through government incentive.

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22. GOODWILL

As of December 31, 2015 and 2014 movements of goodwill are as follows:

	January 1, 2015	Currency Translation Difference	December 31, 2015
Cost	497.662	122.822	620.484
Accumulated depreciation / Impairment reserve	(13.863)	-	(13.863)
Net book value	483.799	122.822	606.621

	January 1, 2014	Currency Translation Difference	December 31, 2014
Cost	459.148	38.514	497.662
Accumulated depreciation / Impairment reserve	(13.863)	-	(13.863)
Net book value	445.285	38.514	483.799

23. GOVERNMENT INCENTIVES

As of December 31, 2015, Group used incentives for Bursa mineral water, Elazığ, Köyceğiz, Çorlu, Ankara and Mersin production line investments with an amount of TL 107.922 (December 31, 2014 - TL 104.015) by generating tax advantage of TL 21.004 (December 31, 2014 - TL 20.032). As of December 31, 2015, the Company is in statutory loss for 2015, tax advantage is not calculated for this period and as of December 31, 2014, TL 656 of tax advantage for the related period were recognized in the financial statements.

24. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

CCI and its Subsidiaries in Turkey

Litigations against the Group

CCI and subsidiaries in Turkey are involved on an ongoing basis in litigation arising in the ordinary course of business as of December 31, 2015 with an amount of TL 7.545 (December 31, 2014 - TL 7.691). As of December 31, 2015, no court decision has been granted yet. The outcome of such litigation currently pending will not materially affect the Group's results of operation, financial condition or liquidity.

Guarantee Letters

As of December 31, 2015, the aggregate amount of letter of guarantees given are TL 325.660 (December 31, 2014 - TL 266.341).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of December 31, 2015 CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be USD 14,0 million (December 31, 2014 - USD 10,0 million).

In the opinion of management, the outcome of such litigation is currently pending and will not affect the Group's results of operation or financial condition.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements as at December 31, 2015****(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))****24. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)**Mortgages

As of December 31, 2015, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 10.238 (December 31, 2014 - TL 8.165) and TL 74.135 (December 31, 2014 – TL 61.599) respectively, for the credit lines obtained.

Letter of Credit

As of December 31, 2015, CCBPL obtained letter of credits amounting to USD 1.0 million and EUR 2.2 million respectively (December 31, 2014 - CCBPL USD 3,2 million and Azerbaijan CC EUR 10,8 million).

Guarantee Letters

As of December 31, 2015, amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 14.811 (December 31, 2014 - TL 6.309).

As of December 31, 2015, and 2014 total guarantees and pledges given by the Group are as follows:

December 31, 2015						
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	410.038	325.660	-	-	2.667.000	10.238
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	488.129	-	50.000	75.280	2.800.285	25.696
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees and pledges given						
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	898.167	325.660	50.000	75.280	5.467.285	35.934
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-
December 31, 2014						
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	336.087	265.346	181	204	2.667.000	8.165
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	291.721	-	60.737	-	6.486.963	1.092
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	627.808	265.346	60.918	204	9.153.963	9.257
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

Contingent liability related to letter of credits, guarantee letters and borrowings utilized under asset pledges are totally covered by the pledge amount in the related countries, and not separately disclosed under total guarantee and pledge position table.

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24. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Tax and Legal Matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

As per the change in governing law in Pakistan, "Capacity Tax" was started to be applied as of July 9, 2013, replacing "Sales and Excise Tax". CCBPL fulfilled all the obligations as per the new law and change in regulations.

As of May 2014, "Capacity Tax" application was cancelled by the constitutional court and the law has been reverted to "Sales and Excise Tax". After this withdrawal, CCBPL fulfilled all the obligations again according to "Sales and Excise Tax" system.

After the withdrawal, Federal tax office in Pakistan requested USD 33,5 million additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favorable.

25. COMMITMENTS

Murabaha

During 2012 CCBPL and Standard Chartered Bank ("Bank") has made murabaha facility agreement. Based on this agreement, the Bank and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2015 CCBPL has USD 18,0 million sugar and resin purchase commitment from the Bank until the end of September 2016 and expense accrual of USD 0,7 million (TL 1,9 million) payable for the profit share of the Bank was reflected in the financial statements.

Operating Leases

CCI and CCSD have signed various operating lease agreements for vehicles.

TL 19.298 of rent expense was reflected for the year ended December 31, 2015 (December 31, 2014 - TL 17.046) in the consolidated income statement due to the non-cancellable operating lease agreement for vehicles.

As of December 31, 2015 and 2014, future minimum lease payments under non-cancellable operating lease agreements are as follows:

	December 31, 2015	December 31, 2014
Less than 1 year	1.849	1.536
Next 1-5 years	21.477	20.790

26. EMPLOYEE BENEFITS

As of December 31, 2015 and 2014, payables related to employee benefits amounts to TL 21.883 and TL 19.525 respectively and are comprised of payables for wages and salaries, social security premiums and withholding taxes.

a) Short term employee benefits

	December 31, 2015	December 31, 2014
Management premium accrual	15.797	18.300
Vacation pay accrual	10.662	12.476
Wages and salaries	21.360	32.856
	47.819	63.632

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26. EMPLOYEE BENEFITS (continued)

As of December 31, 2015 and 2014, movements of the management premium accrual are as follows:

	December 31, 2015	December 31, 2014
Balance at January 1,	18.300	10.732
Payments made	(36.117)	(30.029)
Current year charge	30.776	36.132
Currency translation difference	2.838	1.465
	15.797	18.300

As of December 31, 2015 and 2014, movements of the vacation pay accrual are as follows:

	December 31, 2015	December 31, 2014
Balance at January 1,	12.476	13.871
Payments made	(2.605)	(2.049)
Reversals made	(2.444)	(1.436)
Current year charge	2.348	1.773
Currency translation difference	887	317
	10.662	12.476

b) Long term employee benefits

As of December 31, 2015 and 2014, details of long-term employee benefits are as follows:

	December 31, 2015	December 31, 2014
Employee termination benefits	51.230	49.152
Long term incentive plan accrual	1.203	1.467
	52.433	50.619

As of December 31, 2015 and 2014, the movements of long-term incentive plan provisions are as follows:

	December 31, 2015	December 31, 2014
Balance at January 1,	1.467	2.274
Payments made	(13.541)	(13.138)
Current year charge	13.277	12.331
	1.203	1.467

Employee Termination Benefits

In accordance with the existing social legislation, the Company and its subsidiaries operating in Turkey are required to make lump-sum payments to employees who have completed at least one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay and limited to a maximum of TL 3,71 as of December 31, 2015 (December 31, 2014 - TL 3,44) per year of employment at the rate of pay applicable on the date of retirement or termination.

Starting from January 1, 2016, retirement pay liability ceiling increased to TL 4,09.

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26. EMPLOYEE BENEFITS (continued)

The movement of the defined benefit obligation recognized in the consolidated balance sheet is as follows:

	December 31, 2015	December 31, 2014
At January 1,	49.152	42.312
Interest expense	5.235	3.427
Benefit payments	(8.756)	(8.299)
Current year service charge	5.310	6.757
Actuarial gain/(loss)	289	4.955
	51.230	49.152

In the scope of defined benefit plan, actuarial losses under short term employee benefits and employee termination benefits were reflected to consolidated comprehensive income statement as of 31 December, 2015 and 2014 with an amount of TL 3.152 and TL 4.452 respectively.

27. POST-RETIREMENT BENEFIT PLANS

None (December 31, 2014 - None).

28. OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES

a) Other current assets

	December 31, 2015	December 31, 2014
VAT receivables	228.197	173.438
Other	4.051	1.245
	232.248	174.683

b) Other current liabilities

	December 31, 2015	December 31, 2014
Advance received	12.660	12.425
Buying option of share from non-controlling interest	6.862	5.473
Other	10.559	5.048
	30.081	22.946

USD 2.360 thousand is the obligation resulted from the buying option of 12,5% Turkmenistan CC share from Day Investment Ltd. is translated to TL at the official exchange rate for purchases of USD announced by the Central Bank of Republic of Turkey and reflected under other current liabilities with TL equivalent of TL 6.862 as of December 31, 2015. The Share Purchase Agreement was signed with Day in 2011, however there has not yet been any share transfer carried out according to local Turkmenistan regulations and existing shareholder agreement requirements, and accordingly, no payment was made for the of share purchase.

c) Other non-current liabilities

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. in accordance with TAS 27 "Consolidated and Separate Financial Statements", which was recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability with an amount of TL 115.748 was calculated using discounted cash flow method based on the assumption that ER will exercise the option at the end of 2016 and recorded under "other non-current liabilities" account (December 31, 2014 - TL 85.761).

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29. EQUITY

Share Capital

	December 31, 2015	December 31, 2014
Common shares 1 Kr par value		
Authorized and issued (units)	25.437.078.200	25.437.078.200

Reserves

The legal reserves consist of first and second legal reserves in accordance with the TCC. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital. Under TCC, the legal reserves are only available for netting off losses unless they exceed 50% of the historical paid-in share capital otherwise they are not allowed to be used for other purposes.

Listed companies are subject to dividend requirements regulated by the CMB as follows:

In accordance with the Capital Markets Board decisions, the first dividend shall not be below 20% of the distributable profit after deducting the accumulated losses. Based on their decisions taken in the ordinary general boards, listed joint-stock companies have their right to distribute dividends in cash, in share certificates, in partial distribution within cash or share certificates while retaining a portion in the partnership.

Based on the CMB decision numbered 7/242 taken on February 25, 2005; distributable profit -calculated upon the regulations of CMB related with the dividend distribution- shall be fully distributed if the amount is adequate to be provided by the distributable profits with respect to the statutory books, otherwise, all of the net distributable amount in the statutory books shall be distributed. No profit distribution shall be made in the case of tax loss is met in either local books or the financial statements prepared in accordance with CMB regulations.

It was announced in the CMB decision dated January 9, 2009, number 1/6 that without considering the fact that a profit distribution has been declared in the general assemblies of the subsidiaries, joint ventures and associates, which are consolidated into the parent company's financial statements, the net income from these companies that are consolidated into the financial statements of the parent company can be considered when calculating the distributable amount, as long as the statutory reserves of these entities are sufficient for a such profit distribution. After completing these requirements, the parent company may distribute profit by considering the net income included in the consolidated financial statements prepared in accordance with Communiqué No. XI-29 of CMB.

In accordance with the CMB decision dated January 27, 2010, it's decided to remove the obligation related with the minimum dividend distribution rate for publicly traded companies.

According to Article 19 of the Capital Market Law numbered 6362 effective from 30 December 2012, listed companies shall distribute their profits as part of the profit distribution policies to be determined by their general assemblies and in accordance with the related regulations. Regarding the profit distribution policies of listed companies, the assembly may set different principles on the basis of similar companies.

No decision may be made to set aside profits for other reserves, to transfer profits to the following year, or to distribute a share from the profits to the members of the board of directors, officials, employees or workers unless the reserves required to be set aside as required by law and the profit share determined for shareholders in the main contract have been so set aside and unless the profit share determined is paid.

In listed companies, as of the date of dividend distribution, dividend distribution is held evenly to all current shares without considering their dates of issuance and acquisition.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source for capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. In case inflation adjustment to issued capital is used as dividend distribution in cash, it is subject to corporation tax.

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29. EQUITY (continued)

As of December 31, 2015 and 2014 breakdown of the equity of the Company in its tax books is as follows.

	December 31, 2015			December 31, 2014		
	Historical Amount	Inflation Restatement Differences	Restated Amount	Historical Amount	Inflation Restatement Differences	Restated Amount
Share Capital	254.371	(8.559)	245.812	254.371	(8.559)	245.812
Restricted reserves allocated from net profit	141.586	13.396	154.982	132.836	13.396	146.232
Extraordinary Reserves	527.518	9.551	537.069	513.734	9.551	523.285

Dividends

In accordance with the Ordinary General Assembly held on March 11, 2015, the Group paid TL 100.222 (TL 0,394 was paid per 100 shares, representing TL 1 nominal value) from net distributable profit cash dividends in May 2015 and the remainder of the net distributable profit was added to the extraordinary reserves. In year 2014 the Group paid dividend related with the fiscal year of 2013 to its shareholders with an amount of TL 85.000 (TL 0,334 (full) was paid per 100 shares, representing TL 1 nominal value).

There is not any privilege granted to shareholders related to dividend payments.

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30. CONTINUING OPERATIONS

a) Net Revenue

	December 31, 2015	December 31, 2014
Gross sales	10.238.819	8.986.441
Sales discounts	(3.098.677)	(2.610.947)
Other discounts	(416.276)	(390.124)
	6.723.866	5.985.370

b) Cost of Sales

	December 31, 2015	December 31, 2014
Raw material cost	3.737.084	3.228.975
Depreciation and amortization	189.319	162.725
Personnel expenses	172.028	156.699
Other expenses	291.025	255.529
	4.389.456	3.803.928

31. OPERATING EXPENSES

	December 31, 2015	December 31, 2014
a) Selling, distribution and marketing expenses		
Marketing and advertising expenses	468.591	456.954
Personnel expenses	304.667	308.798
Transportation expenses	247.830	230.486
Depreciation on property, plant and equipment	148.375	126.540
Maintenance expenses	31.037	23.291
Utilities and communication expenses	28.075	32.832
Rent expenses	33.047	26.304
Other	67.034	51.492
	1.328.656	1.256.697
b) General administrative expenses		
Personnel expenses	182.181	159.228
Depreciation on property, plant and equipment	21.083	15.112
Consulting and legal fees	22.602	23.744
Utilities and communication expenses	12.376	12.097
Provision for doubtful receivables (Note 11)	2.439	2.459
Repair and maintenance expenses	4.497	3.732
Rent expense	24.361	19.947
Other	67.755	52.435
	337.294	288.754

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32. EXPENSES BY NATURE

	December 31, 2015	December 31, 2014
a) Depreciation and amortization expenses		
Property, plant and equipment		
Cost of sales	185.540	158.950
Selling, distribution, marketing and general administrative expenses	163.842	137.154
Inventory	2.274	1.960
Other operating expense	592	477
Intangible assets		
Cost of sales	3.779	3.775
Selling, distribution, marketing and general administrative expenses	5.616	4.498
	361.643	306.814
b) Employee Benefits		
Personnel expenses		
Wages and salaries	558.161	517.387
Social security premium expenses	41.400	42.745
Employee termination benefits	10.545	10.184
Other	48.770	54.409
	658.876	624.725

33. OTHER INCOME / EXPENSE

a) Other operating income/expense

	December 31, 2015	December 31, 2014
Other income		
Gain on sale of scrap materials	12.957	12.424
Impairment reversal in property, plant and equipment (Note 20)	166	692
Insurance compensation income	1.118	570
Foreign exchange gains	81.875	22.933
Other income	20.288	15.718
	116.404	52.337
Other expense		
Provision for the impairment of fixed assets (Note 20)	(7.818)	(6.253)
Donations	(538)	(4.090)
Foreign exchange loss	(121.673)	(33.339)
Other expenses	(22.975)	(16.110)
	(153.004)	(59.792)

b) As of December 31, 2015 and 2014, loss from investing activities comprised of loss on disposal of property, plant and equipment with an amount of TL 74 and TL 387 respectively.

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34. FINANCIAL INCOME

	December 31, 2015	December 31, 2014
Interest income	39.027	41.846
Foreign exchange gain	315.897	405.663
Gain on derivative transactions	183	2.564
	355.107	450.073

35. FINANCIAL EXPENSES

	December 31, 2015	December 31, 2014
Interest expense	(172.786)	(145.571)
Foreign exchange loss	(607.890)	(498.756)
Loss on derivative transactions	(1.355)	-
	(782.031)	(644.327)

As of December 31, 2015 and 2014 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	December 31, 2015	December 31, 2014
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(504.451)	(167.635)

36. NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUING OPERATIONS

None (December 31, 2014 - None).

37. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES

General information

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries 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.

In Turkey, corporate tax rate is 20% (December 31, 2014 - 20%). Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the fourth month. The tax legislation provides for a provisional tax of 20% (2014 - 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 year. 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.

The reconciliation of current period tax charge for the years ended December 31, 2015 and 2014 is as follows:

	December 31, 2015	December 31, 2014
Income before tax and non-controlling interest	203.946	432.946
Provision for corporate tax	(40.789)	(86.589)
Effect of difference in the tax rate from subsidiaries	8.770	3.486
Deductions after non-deductible expenses	(1.126)	(891)
Unused investment incentive	972	6.038
Deferred tax effect of translation on non-monetary items	(27.110)	(4.540)
Other	(18.010)	(3.246)
Total tax charge	(77.293)	(85.742)

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37. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES (continued)

The breakdown of current period tax charge for the years ended December 31, 2015 and 2014 is as follows:

	December 31, 2015	December 31, 2014
Deferred tax expense	(23.172)	(12.742)
Current period tax expense	(54.121)	(73.000)
Total tax charge	(77.293)	(85.742)

Different corporate tax rates of foreign subsidiaries are as follows:

	December 31, 2015	December 31, 2014
Kazakhstan	20%	20%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Turkmenistan	8%	8%
Tajikistan	15%	15%
Jordan	14%	14%
Iraq	15%	15%
Pakistan	33%	34%

Because of the international nature of the Group's activities and the fact that the Group transacts more of its business in U.S. Dollars than in any other currency, the functional currency of the Group's foreign subsidiaries is U.S. Dollars. except Pakistan.

For the consolidated financial statements, subsidiaries financial statements have been translated from U.S. Dollars into TL and the "translation differences" arising from such translation have been recorded in equity, under Currency Translation Adjustment. Since it's not planned to sell any subsidiary share, these translation differences will not be reversed in the foreseeable future and not subject to deferred tax calculation in accordance with TAS 12, Income Taxes.

The list of temporary differences and the resulting deferred tax liabilities, as of December 31, 2015 and 2014 using the prevailing effective statutory tax rate is as follows:

	December 31, 2015		December 31, 2014	
	Cumulative Temporary Difference	Deferred Tax Assets/ (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets/ (Liabilities)
Tangible and intangible assets	(1.809.344)	(458.427)	(1.285.873)	(335.682)
Borrowings	(22.081)	(4.416)	(22.399)	(4.480)
Employee termination, other employee benefits and other payable accruals	65.719	13.029	69.280	13.761
Unused investment incentive (Not 23)	107.922	21.004	104.015	20.032
Tax loss carried forward	382.892	118.603	216.906	74.559
Trade receivables, payables and other	86.542	17.068	45.755	9.796
Derivative financial instruments	10.683	2.137	(2.052)	(410)
Inventory	55.507	11.471	49.816	10.107
	(1.122.160)	(279.531)	(824.552)	(212.317)
Deferred tax asset		183.312		128.255
Deferred tax liability		(462.843)		(340.572)
Deferred tax liability, net		(279.531)		(212.317)

Carried forward tax losses of Pakistan which were formed by the depreciation expenses according to local tax regulations are subject to deferred tax. In accordance with the local tax regulations in Pakistan, these tax losses has an exception of normal time limit (6 years) and can be carried forward with an indefinite life.

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37. INCOME TAXES, DEFERRED TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2015 and 2014, the movement of net deferred tax liability is as follows:

	December 31, 2015	December 31, 2014
Balance at January 1,	212.317	185.596
Deferred tax expense / (income)	23.172	12.742
Tax expense recognized in comprehensive income	(3.422)	(607)
Currency translation adjustment	47.464	14.586
	279.531	212.317

38. EARNINGS / (LOSSES) PER SHARE

Basic earnings / (losses) per share is calculated by dividing net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the related period. The company has no diluted instruments. As of December 31, 2015 and 2014 earnings / (losses) per share is as follows:

	December 31, 2015	December 31, 2014
Net Income for the period	117.159	315.431
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200
Earnings Per Share (Full TL)	0,0046	0,0124

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39. RELATED PARTY BALANCES AND TRANSACTIONS

The Group has various transactions with related parties in normal course of the business. The most significant transactions with related parties are as follows:

	December 31, 2015				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Amounts owed by related parties	Amounts owed to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	81.822	34.334	38.929	1.827	-
Beverage Partners Worldwide (2)	-	-	-	-	-
The Coca-Cola Company (1)	114.803	1.337.681	68.171	123.279	20.092
Özgörkey Holding Group Companies (1)	520	14.733	-	1.382	-
Efes Karaganda Brewery J.S.C. (1)	-	759	-	26	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	2.602	-	76	-	-
Doğadan (2)	8.642	109.144	-	29.401	-
Day Trade (2)	-	-	2.505	303	-
National Beverage Co. (3)	2.222	3.467	-	-	-
Total	210.611	1.500.118	109.681	156.218	20.092
	December 31, 2014				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Amounts owed by related parties	Amounts owed to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	9.241	37.074	123	7.188	-
Beverage Partners Worldwide (2)	-	-	34	-	-
The Coca-Cola Company (1)	90.532	1.170.785	32.320	85.282	20.049
Özgörkey Holding Group Companies (1)	243	12.487	-	918	-
Efes Karaganda Brewery J.S.C. (1)	-	726	-	88	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	5.665	-	1.037	-	-
Doğadan (2)	10.086	97.325	-	17.487	-
Day Trade (2)	-	-	1.994	244	-
National Beverage Co. (3)	2.895	2.086	-	-	-
Total	118.662	1.320.483	35.508	111.207	20.049

(1) Shareholder of the Company, subsidiaries and joint ventures of the shareholder

(2) Related parties of the shareholder

(3) Other shareholders of the joint ventures and subsidiaries

(4) Investment in associate consolidated under equity method of accounting

As of December 31, 2015, Group has deposits in Alternatifbank A.Ş. (subsidiary of the shareholder) amounting to TL 620 (December 31, 2014 - TL 191.348).

As of December 31, 2015 and 2014 purchases from related parties and significant portion of other expenses consist of services obtained, fixed asset, raw material purchases and toll production.

As of December 31, 2015 and 2014 sales to related parties and other revenues consist of sale of finished goods and support charges of promotional expenses reflected to related parties.

As of December 31, 2015 and 2014, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	December 31, 2015		December 31, 2014	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	371	12.317	403	10.053
Other long-term benefits	-	3.436	-	3.490
	371	15.753	403	13.543
Number of top executives	4	12	4	9

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40. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, credit risk and commodity price risk. The Group management reviews and agrees policies for managing each of these risks which are summarized below. The Group also monitors the market price risk arising from all financial instruments.

(a) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders and may decide on issue of new shares or sell assets to decrease net financial debt.

As of December 31, 2015 and December 31, 2014 debt to equity ratio, obtained by dividing the total net debt to share capital is as follows:

Net debt is the financial borrowings less cash and cash equivalents and short-term financial assets.

	December 31, 2015	December 31, 2014
Financial borrowings	3.373.943	2.643.683
Less: Cash and cash equivalents and short-term financial assets	(1.002.362)	(759.939)
Net debt	2.371.581	1.883.744
Total share capital	254.371	254.371
Net debt / Total equity ratio	9,32	7,41

(b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by balancing the interest rate of assets and liabilities or derivative financial instruments.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

As of December 31, 2015, if variable interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit / (loss) before tax and non-controlling interest for March 31, 2016, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	December 31, 2015	December 31, 2014
Increase / decrease of 1% interest in USD denominated borrowing interest rate	588	1.061
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	943	-
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	359	619
Increase / decrease of 1% interest in JOD denominated borrowing interest rate	15	-
Total	1.905	1.680

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40. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

As of December 31, 2015 and 2014, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Risk	December 31,2015	December 31,2014
Fixed Interest Rate Financial Instruments		
Financial assets at fair value through profit or loss	905.760	694.720
Financial Liabilities	2.374.665	1.873.394
Floating Interest Rate Financial Instruments		
Financial Liabilities	999.278	770.289

(c) Foreign Currency Risk

The Group is exposed to exchange rate fluctuations due to the nature of its business. This risk occurs due to purchases, sales, demand / time deposits and bank borrowings of the Group, which are denominated in currencies other than the functional currency. The Group manages its foreign currency risk by balancing the amount of foreign currency denominated assets and liabilities.

	December 31,2015	December 31,2014
Total export	40.640	30.069
Total import	1.273.061	1.319.979

Foreign Currency Position

As of December 31, 2015 and 2014, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

Foreign Currency Position Table						
December 31, 2015						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	45.835	850	2.471	-	-	43.364
2a. Monetary Financial Assets (Cash and cash equivalents included)	554.925	179.860	522.962	1.862	5.917	26.046
2b. Non - monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	61.846	156	455	595	1.893	59.498
4. Current Assets (1+2+3)	662.606	180.866	525.888	2.457	7.810	128.908
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non - monetary Financial Assets	-	-	-	-	-	-
7. Other	1.391	24	68	318	1.012	311
8. Non - Current Assets (5+6+7)	1.391	24	68	318	1.012	311
9. Total Assets (4+8)	663.997	180.890	525.956	2.775	8.822	129.219
10. Trade Payables and Due to Related Parties	85.886	1.490	4.332	8.546	27.175	54.379
11. Short - term Borrowings and Current Portion of Long - term Borrowings	351.685	45.906	133.476	68.628	218.078	131
12a. Monetary Other Liabilities	41.099	2.359	6.862	-	-	34.237
12b. Non - monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	478.670	49.755	144.670	77.174	245.253	88.747
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long - Term Borrowings	2.282.341	660.548	1.920.610	105.656	336.037	25.694
16 a. Monetary Other Liabilities	116.038	39.909	116.038	-	-	-
16 b. Non - monetary Other Liabilities	-	-	-	-	-	-
17. Non - Current Liabilities (14+15+16)	2.398.379	700.457	2.036.648	105.656	336.037	25.694
18. Total Liabilities (13+17)	2.877.049	750.212	2.181.318	182.830	581.290	114.441
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	101.766	35.000	101.766	-	-	-
19a. Total Hedged Assets	101.766	35.000	101.766	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(2.111.286)	(534.322)	(1.553.596)	(180.055)	(572.468)	14.778
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.276.289)	(569.502)	(1.655.885)	(180.968)	(575.373)	(45.031)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.305)	(1.137)	(3.305)	-	-	-

As of the reporting date, intercompany principal loan receivables with an amount of USD 181,8 million from the subsidiaries of the Company which have been provided to finance their ongoing investment activities and working capital requirements was netted on foreign currency position and on foreign currency position sensitivity analysis (As of December 31, 2014, USD 223,8 million)

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40. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Foreign Currency Position Table						
December 31, 2014						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	54.202	891	2.068	-	-	52.134
2a. Monetary Financial Assets (Cash and cash equivalents included)	355.920	145.799	338.094	196	553	17.273
2b. Non - monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	56.475	-	-	64	185	56.290
4. Current Assets (1+2+3)	466.597	146.690	340.162	260	738	125.697
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non - monetary Financial Assets	-	-	-	-	-	-
7. Other	38.226	-	-	11.056	31.170	7.056
8. Non - Current Assets (5+6+7)	38.226	-	-	11.056	31.170	7.056
9. Total Assets (4+8)	504.823	146.690	340.162	11.316	31.908	132.753
10. Trade Payables and Due to Related Parties	116.463	2.811	6.520	12.160	34.324	75.619
11. Short - term Borrowings and Current Portion of Long - term Borrowings	254.041	109.552	254.041	-	-	-
12a. Monetary Other Liabilities	22.299	2.360	5.473	-	-	16.826
12b. Non - monetary Other Liabilities	3.193	-	-	-	-	3.193
13. Current Liabilities (10+11+12)	395.996	114.723	266.034	12.160	34.324	95.638
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. Long - Term Borrowings	1.482.753	639.421	1.482.753	-	-	-
16 a. Monetary Other Liabilities	85.760	36.983	85.760	-	-	-
16 b. Non - monetary Other Liabilities	-	-	-	-	-	-
17. Non - Current Liabilities (14+15+16)	1.568.513	676.404	1.568.513	-	-	-
18. Total Liabilities (13+17)	1.964.509	791.127	1.834.547	12.160	34.324	95.638
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	62.239	26.840	62.239	-	-	-
19a. Total Hedged Assets	62.239	26.840	62.239	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(1.397.447)	(617.597)	(1.432.146)	(844)	(2.416)	37.115
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.551.194)	(644.437)	(1.494.385)	(11.964)	(33.771)	(23.038)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	2.440	1.052	2.440	-	-	-

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, Euro and other foreign currency denominated exchange rates against TL by 10%, with all other variables held constant.

Foreign Currency Position Sensitivity Analysis				
December 31, 2015				
	Income / (Loss)	Income / (Loss)	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in the USD against TL by 10%:				
1- USD denominated net asset / (liability)	(165.536)	165.536	(149.439)	149.439
2- USD denominated hedging instruments(-)	10.177	(10.177)	6.224	(6.224)
3- Net effect in USD (1+2)	(155.359)	155.359	(143.215)	143.215
Increase / decrease in the Euro against TL by 10%:				
4- Euro denominated net asset / (liability)	(57.247)	57.247	(242)	242
5- Euro denominated hedging instruments(-)	-	-	-	-
6- Net effect in Euro (4+5)	(57.247)	57.247	(242)	242
Increase / decrease in the other foreign currencies against TL by 10%:				
7- Other foreign currency denominated net asset / (liability)	1.478	(1.478)	3.712	(3.712)
8- Other foreign currency hedging instruments(-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	1.478	(1.478)	3.712	(3.712)
TOTAL (3+6+9)	(211.128)	211.128	(139.745)	139.745

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40. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)**(d) Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Group to significant concentration of credit risk consist principally of cash and cash equivalents and trade receivables. Maximum credit risk on the Group is limited to the amounts disclosed on the financial statements.

The Group maintains cash and cash equivalents with various financial institutions. It is the Group's policy to limit exposure to any one institution and revalue the credibility of the related financial institutions continuously.

The credit risk associated with trade receivables is partially limited due to a large customer base and due to management's limitation on the extension of credit to customers. The Group generally requires collateral to extend credit to its customers excluding its distributors.

Credit risk exposure from financial instruments as of December 31, 2015 and 2014 are as follows:

December 31, 2015	Receivables		Advances Given	Bank Deposits
	Trade Receivables and Due from Related Parties	Other Receivables		
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	557.898	51.014	72.183	999.638
- Maximum risk secured by guarantee	474.728	-	13.273	-
A. Net book value of financial assets neither overdue nor impaired	512.229	51.014	72.183	999.638
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	45.669	-	-	-
-Under guarantee	31.431	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	22.657	-	-	-
- Impairment (-)	(22.657)	-	-	-
- Net value under guarantee	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

December 31, 2014	Receivables		Advances Given	Bank Deposits
	Trade Receivables and Due from Related Parties	Other Receivables		
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	422.049	41.201	209.207	755.796
- Maximum risk secured by guarantee	351.377	-	-	-
A. Net book value of financial assets neither overdue nor impaired	380.207	41.201	209.207	755.796
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	41.842	-	-	-
-Under guarantee	10.355	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	20.093	-	-	-
- Impairment (-)	(20.093)	-	-	-
- Net value under guarantee	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

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40. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)**(e) Liquidity Risk**

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions, bond issues, cash and short term deposits.

The maturity breakdown of financial assets and liabilities has been indicated by considering the period from the balance sheet date to maturity date. Those financial assets and liabilities which have no maturities have been classified under "1 to 5 years".

The table below summarizes the maturity profile of the Group's financial and liabilities at December 31, 2015 and 2014.

December 31, 2015		Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Maturities according to agreement	Book Value					
Financial liabilities	3.373.943	3.772.585	14.807	650.651	2.719.485	387.642
Trade payables	518.512	518.512	510.846	6.453	1.213	-
Due to related parties	176.310	176.310	156.218	-	20.092	-
Other non-current liabilities	115.748	115.748	-	-	115.748	-
Non-derivative financial liabilities	4.184.513	4.583.155	681.871	657.104	2.856.538	387.642

		Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Expected maturities	Book Value					
Other Payables	173.861	173.861	173.861	-	-	-
Non-derivative financial liabilities	173.861	173.861	173.861	-	-	-

December 31, 2014		Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Maturities according to agreement	Book Value					
Financial liabilities	2.643.683	3.031.665	6.588	661.157	1.833.829	530.091
Trade payables	448.124	448.124	410.984	35.391	1.749	-
Due to related parties	131.256	131.256	111.207	-	20.049	-
Other non-current liabilities	85.761	85.761	-	-	85.761	-
Non-derivative financial liabilities	3.308.824	3.696.806	528.779	696.548	1.941.388	530.091

		Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Expected maturities	Book Value					
Other Payables	148.594	148.594	148.594	-	-	-
Non-derivative financial liabilities	148.594	148.594	148.594	-	-	-

(f) Commodity Price Risk

The Company may be affected by the volatility of certain commodities such as sugar, aluminum and resin. As its operating activities require the ongoing purchase of these commodities, the Company's management has a risk management strategy regarding commodity price risk and its mitigation.

Based on a 12-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminum) swap contracts. For the purchases of can exposed to foreign currency risk, the Company has forward transactions (Note 8).

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41. FINANCIAL INSTRUMENTS

Fair Values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and best evidenced by a quoted market price, if one exists.

Foreign currency-denominated financial assets and liabilities are revalued at the exchange rates prevailing at the balance sheet dates.

The following methods and assumptions were used in the estimation of the fair value of the Group's financial instrument:

Financial Assets – The fair values of certain financial assets carried at cost, including cash and cash equivalents and held to maturity investments plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial Liabilities – The fair values of trade payables and other monetary liabilities are estimated to approximate carrying value due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The carrying values of trade payable are estimated to be their fair values due to their short term nature.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

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

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

Level 3: Valuation techniques does not contains observable market inputs

December 31, 2015	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	260	-
Total assets	-	260	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	11.377	-
Buying option of share from non-controlling interest	-	-	115.748
Total liabilities	-	11.377	115.748
December 31, 2014	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	2.440	-
Total assets	-	2.440	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	388	-
Buying option of share from non-controlling interest	-	-	85.761
Total liabilities	-	388	85.761

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Notes to Consolidated Financial Statements as at December 31, 2015

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

41. FINANCIAL INSTRUMENTS (continued)

Derivative Financial Instruments

As of December 31, 2015 the Company has 8 aluminum swap transactions with a total nominal amount of TL 54.283 for 10.580 tones. The total of these aluminum swap contracts are designated as hedging instruments as of January 13, 2015, May 29, 2015, June 25, 2015 and July 27, 2015 in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk (Note 8, Note 40) (December 31, 2014 - 4 aluminum swap transactions with a total nominal amount of TL 17.811 for 4.000 tones).

As of December 31, 2015 the Company has FX forward transactions with a total nominal amount of TL 101.766, for 3 forward purchase contracts amounting to USD 35 million. The total of these FX forward contracts are designated as hedging instruments as of October 6, 2015, October 9, 2015 and November 12, 2015 in cash flow hedges related to forecasted cash flow, for the high probability purchases of can, exposed to foreign currency risk (Note 8, Note 40) (December 31, 2014 - Total nominal amount of TL 62.239, for 6 forward purchase contracts amounting to USD 26,8 million).

42. SUBSEQUENT EVENTS

None.