COCA-COLA İÇECEK A.Ş.
INTERIM REPORT

as of June 30, 2017

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW REPORT ON SEMI-ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

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

1. We have been assigned to the review whether the financial information in the semi-annual report of Coca Cola İçecek A.Ş. and its subsidiaries (collectively referred to as the "Group") prepared as at 30 June 2017 is consistent with the reviewed interim condensed consolidated financial statements. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements on which we have expressed our conclusion dated 7 August 2017.

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the semi-annual report is not consistent, in all material respects, with the condensed consolidated interim financial information and the information presented in the explanatory notes to condensed consolidated interim financial information.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Burak Özpoyraz, SMMM
Partner

Istanbul, 7 August 2017

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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COMMENTS FROM THE CEO, BURAK BAŞARIR

"I am pleased to report solid results for the first half of 2017.

In Turkey, our pricing strategy and successful commercial execution supported our overall profitability. We continued to progress in reshaping our portfolio towards a more favourable mix with a higher share of immediate consumption packages and accelerated growth in high margin subcategories.

In our International operations, Pakistan benefited from a supportive macroeconomic environment while cycling a very high base. We continue to focus on effective discount management and disciplined productivity initiatives to drive sustainable growth. Iraq posted volume growth despite challenging macroeconomic and security conditions.

Central Asia performed better than our plans despite challenges in Turkmenistan. Improving market execution and effective consumer promotions contributed to robust performance in the region.

The first half performance reconfirms the strength of our business model and allows us to maintain our full year guidance. We are committed to delivering profitable growth with strong free cash flow for the remainder of the year. We were recently accorded the highest credit rating among all Turkish companies which will further support us as we expand across our geographies. "

ABOUT CCI

Coca-Cola İçecek (CCI) is the fifth-largest bottler in the global Coca-Cola system in terms of sales volume. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company (TCCC) across Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria and Tajikistan.

CCI employs close to 10,000 people and has a total of 25 plants, offering a wide range of beverages to a consumer base of 380 million people. In addition to sparkling beverages, the product portfolio includes juice, water, sports and energy drinks, tea and iced teas.

CCI's shares are traded on Borsa Istanbul (BIST) under "CCOLA.IS", American depositary receipts (ADR) are traded over the counter in the United States under "COLAY", Eurobond is traded on Irish Stock Exchange under "CCOLAT" tickers

SHAREHOLDING STRUCTURE

Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	40.12%
The Coca-Cola Export Corporation	20.09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş.	10.14%
Özgörkey Holding A.Ş.	2.91%
Publicly-traded	26.74%
	100.00%

The Articles of Association of our Company do not stipulate any privileges for the exercise of voting rights.

DEVELOPMENTS DURING THE PERIOD

CCI announced its withdrawal decision from CCBA transaction on 4 April 2017

CCI has completed a comprehensive evaluation of a transaction to acquire a stake in Coca-Cola Beverages Africa (CCBA) from The Coca-Cola Company (TCCC). We have concluded that other, as-yet-undefined, future regional opportunities would potentially be a better strategic fit. Consequently, CCI will continue to engage with TCCC to identify appropriate territorial expansion opportunities in other geographies but will not be submitting an offer for CCBA.

Credit Rating

Fitch Ratings has upgraded Coca-Cola Icecek A.S.'s (CCI) Long Term Foreign Currency (FC) Issuer Default Rating (IDR) and senior unsecured rating to 'BBB' from 'BBB-'. The Long-Term Local Currency (LC) IDR is affirmed at 'BBB'. The IDR Outlooks are Stable.

The Long-Term FC and LC IDRs have been taken up one notch to reflect the operational and strategic relationship with The Coca-Cola Company (TCCC) and Fitch's view of diminished transfer and convertibility risks. The implied support by TCCC is reflected by Fitch in its LC IDR which has been rated 'BBB' with Stable Outlook since 2009. Becoming the highest rated Corporate by Fitch in Turkey, CCI's 'BBB' rating is now two-notches above the sovereign rating and one-notch above the Country Ceiling.

SUBSEQUENT EVENTS

Debt Instrument Issuance

Our Company has been evaluating various long-term debt instruments to refinance its existing bonds maturing in 2018, as well as to finance new borrowing needs.

In this context, Coca-Cola İçecek A.Ş. Board of Directors has authorized management, by resolution dated July 26, 2017, to take the necessary actions including the application to the Capital Markets Board of Turkey ("CMB") to issue bonds abroad within a period of 1 year from the date of approval of Capital Markets Board, up to an amount of USD 1,000,000,000 or equivalent of the same, in foreign currency or Turkish Lira, with varying maturities and tranches, with terms and conditions to be determined in accordance with market conditions as at the date of issuance.

Accordingly, a mandate letter has been signed with Citibank International plc., HSBC Bank plc., J.P. Morgan Securities plc., MUFG Securities EMEA plc. and BNP Paribas for the purpose of issuance of such bonds.

In addition, today, an application has been filed with the Capital Markets Board pursuant to Capital Markets Law numbered 6362 and the Communique with Series: VII, Number: 128.8, for the approval of the issuance and the sales of these bonds.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Corporate Governance Principles Compliance Report is updated once a year as a part of the annual report. Interim report includes only the essential changing parts.

Investor Relations Department

CCI has an Investor Relations Department reporting directly to the Chief Financial Officer (CFO), managing the relations of the company with its shareholders.

The individuals in charge of investor relations are as follows:

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Questions directed to the Investor Relations Department are answered in accordance with CCI Disclosure Policy. During 2Q17, CCI management and the Investor Relations Department attended 4 investor conferences and roadshows and organized 8 conference calls and met with 123 investors/analysts from 95 companies and investment funds at its headquarters, investors/analysts' offices, investor conferences or teleconferences.

General Assembly Meetings

The annual ordinary General Assembly of CCI was held on April 10, 2017 at the headquarters of the Company with a quorum of 81.8% constituted by the total present 20,808,329,331.20 shares out of 25,437,078,200. CCI's domestic and foreign shareholders attended the General Assembly in person or by proxy. The shareholders were informed through invitation letters, sent on March 16, 2017, about the day, hour, venue and agenda of the meeting.

The day, hour, venue and agenda of the meeting was announced on the Turkish Commercial Registry Journal no 9286, dated March 17, 2017, and Sozcu newspaper, dated March 17, 2017, as well as on CCI's web site at www.cci.com.tr.

General Assembly Informative Document was prepared and published on company website before the meeting and it was printed and delivered to the General Assembly participants. The proxy forms for attendance by proxy is also available on our website to ease the process of attendance.

No media representatives were present during the General Assembly Meeting. Nonetheless, a Corporate Governance Rating Agency representative was present as a guest at the meeting. A presentation regarding the developments in 2017 was given to participants. In the General Assembly, shareholders used their rights to ask questions and those questions were answered. The Shareholders had no request relating to any agenda items.

The shareholders were informed about CCI's donation made to foundations that are exempted from tax as a separate agenda in the general assembly.

Minutes of the General Assembly Meeting and list of attendees are published both in English and in Turkish on company web site.

Dividend Distribution

According to the decision taken in the Ordinary General Assembly of CCI dated April 10, 2017, a total TL 50,111,044.00 gross dividend was paid starting from May 22, 2017. As the fiscal year 2016 ended with a loss, this amount was from extraordinary reserves for the year 2012, after legal liabilities are deducted.

A gross dividend of TL 0,197 will be paid per 100 shares, representing TL 1 nominal value. Turkey based full and limited corporate tax payers, who receive dividends through an established business or a representative office in Turkey received a net amount of TL 0,197 per 100 shares, and other shareholders will receive a net amount of TL 0,16745.

Structure and Composition of the Board of Directors

CCI has a Board of Directors consisting of 12 members, 4 of whom are independent. The Board Members, elected to the Board of Directors for 1 year at the Ordinary General Assembly Meeting which was held on April 10, 2017 to officiate until the Ordinary General Assembly Meeting is as follows:

Tuncay Özilhan	Chairman	(Non-executive)
Galya Fani Molinas	Vice Chairman	(Non-executive)
Talip Altuğ Aksoy	Member	(Non-executive)
Kamilhan Süleyman Yazıcı	Member	(Non-executive)
Salih Metin Ecevit	Member	(Non-executive)
Mehmet Cem Kozlu	Member	(Non-executive)
Ahmet Boyacıoğlu	Member	(Non-executive)
Mehmet Hurşit Zorlu	Member	(Non-executive)
Ahmet Cemal Dördüncü	Member	(Independent)
Hamit Sedat Eratalar	Member	(Independent)
Mehmet Mete Başol	Member	(Independent)
İzzet Karaca	Member	(Independent)

In 2Q17, there arose no situation which revoked the independence of independent members of the Board of Directors.

Working Principles of the Board of Directors

The rate of participation of Board Members in the meetings during the 2Q17 has been 96% and Board Members aim attending every meeting and present an opinion. When there are dissenting opinions on reasonable and detailed grounds regarding the questions asked or different opinions expressed by Board Members, these are recorded in the meeting minutes.

Number, Structure and Independence of the Committees established under the Board

There are three committees active under CCI's Board of Directors: Audit Committee, Corporate Governance Committee and Risk Detection Committee. The members of the Committees established under the Board are as below:

	Independent Member	Executive Member
Audit Committee		
M. Mete Başol - Chairman	Yes	No
H. Sedat Eratalar – Member	Yes	No
Corporate Governance Committee		
İzzet Karaca – Chairman	Yes	No
M. Mete Başol - Member	Yes	No
M. Hurşit Zorlu - Member	No	No
R. Yılmaz Argüden - Member	No	No
Deniz Can Yucel - Member	No	Yes
Risk Detection Committee		
Ahmet Cemal Dördüncü - Chairman	Yes	No
İzzet Karaca – Member	Yes	No

In the first six months period the committees met at the following dates:

CORPORATE GOVERNANCE COMMITTEE
21.02.2017
30.05.2017
25.07.2017
RISK DETECTION COMMITTEE
30.05.2017
25.07.2017
AUDIT COMMITTEE
17.02.2017
29.05.2017

ADDITIONAL INFORMATION RELATED TO OPERATIONS

Information regarding privileged shares and voting rights

The Articles of Association of our Company do not stipulate any privileges for the exercise of voting rights.

CCI's Articles of Association do not restrict the transfer of Class C shares. However, there are certain stipulations for the transfer of Class A and Class B shares.

Class A and Class B shares have certain privileged rights with respect to management. CCI has a Board of Directors consisting of 12 members, 7 of whom are nominated by Class A shareholders and 1 of whom is nominated by Class B Shareholders. The remaining 4 Directors are independent.

Information on the acquisition of own shares

CCI did not acquire its own shares in 1H17.

Research and development activities

There are no any research and development activities and cost during the period. Research and development activities are conducted by The Coca-Cola Company (TCCC), and CCI benefits from the transfer of TCCC's information and know-how.

Dividend Right

Dividend Policy was submitted to the information of General Assembly on April 15, 2014 and published both in the annual report and on the website.

Dividend Distribution Policy
Our Company carries out dividend distributions pursuant to the provisions of Turkish Commercial Code, Capital Markets Regulations, Tax Regulations and other relevant regulations as well as in accordance with the article on dividend distribution of our Company's Articles of Association. Our Company targets to distribute an amount not to be more than 50% of the distributable profit as cash and/or bonus shares each year. This dividend distribution policy is subject to the investment and other funding needs that may be required for the long term growth of the Company and any special cases that may arise due to the extraordinary developments in the economic conditions. The Board of Directors adopts a resolution on dividend distribution for each accounting period and submits it for the approval of the General Assembly. Dividend distribution commences on the date to be determined by the General

Assembly which shall not be later than the end of the year during which the General Assembly Meeting is held. The Company may consider making advance dividend payment or paying out the dividends in equal or variable installments. Without prejudice to the investment plans and operational requirements, the Board of Directors may propose a dividend distribution at a rate to be higher than the upper limit determined subject to the approval of the General Assembly.

Share groups do not have any privileges with respect to dividends.

Issuance of Capital Market Instruments

There is no any capital market instrument issuance during the period.

Information about the Company's capital and equity structure

Shareholders equity as of 30.06.2017 is TL 4.41 bn and the issued capital is TL 254.37 mn. This is indicator for our strong equity structure.

Measures taken to improve the Company's financial structure

Our Company utilizes long term loans to finance its investments as well as medium and short term loans to finance its working capital requirements. For a sustainable, healthy financing structure, our main priorities are to diversify the funding sources, to achieve optimum maturity of the funding need, to mitigate the foreign exchange risk diversifying the currencies, to keep good relationships with the financial institutions while closely monitoring the market.

Labor movements, labor agreements, and benefits provided to laborers

Average number of personnel employed during the period is 8,638 (31 December 2016: 9,335).

Starting from workforce planning, all human resources processes such as recruitment, performance management, talent management, training and development, compensation and benefit management are based on ensuring, encouraging and rewarding continuous development and superior performance.

The remuneration policy which was prepared to identify the remuneration system and practices applicable to and the other rights and benefits to the board members and top management, is published on our web site.

SHAREHOLDERS’ INFORMATION

Number of Shares: 25,437,078,200 (Nominal value of 100 shares is TL 1.)
IPO date: May 12, 2006
Free-float rate 26.74%

Share Performance in 2Q17

Apr. 1 – Jun. 30, 2017	Minimum	Maximum	Average	Jun. 30, 2017
Share price (TL)	34.2	41.9	36.7	40.4
Market Cap. (USD million)	2,329	3,035	2,608	2,929

Independent Auditors:
PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Credit Rating:
Foreign Currency Senior Unsecured rating and IDR, ‘BBB’, Stable Outlook
Local Currency Senior Unsecured and IDR, ‘BBB’, Stable Outlook
Senior Unsecured Rating, ‘BBB’, Stable Outlook
(Fitch Rating, July 7, 2017)

Long-term Issuer Rating, “Baa3”, Negative Outlook
(Moody’s Rating, March 22, 2017)

Corporate Governance Rating:
Corporate Governance Rating of 94.52 out of 100 (SAHA Corporate Governance and Credit Rating Services Inc, July 1, 2017)

Contact:
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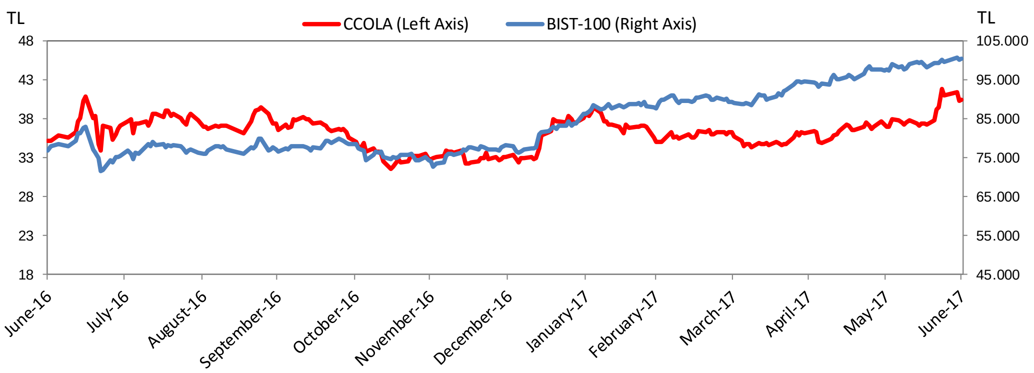
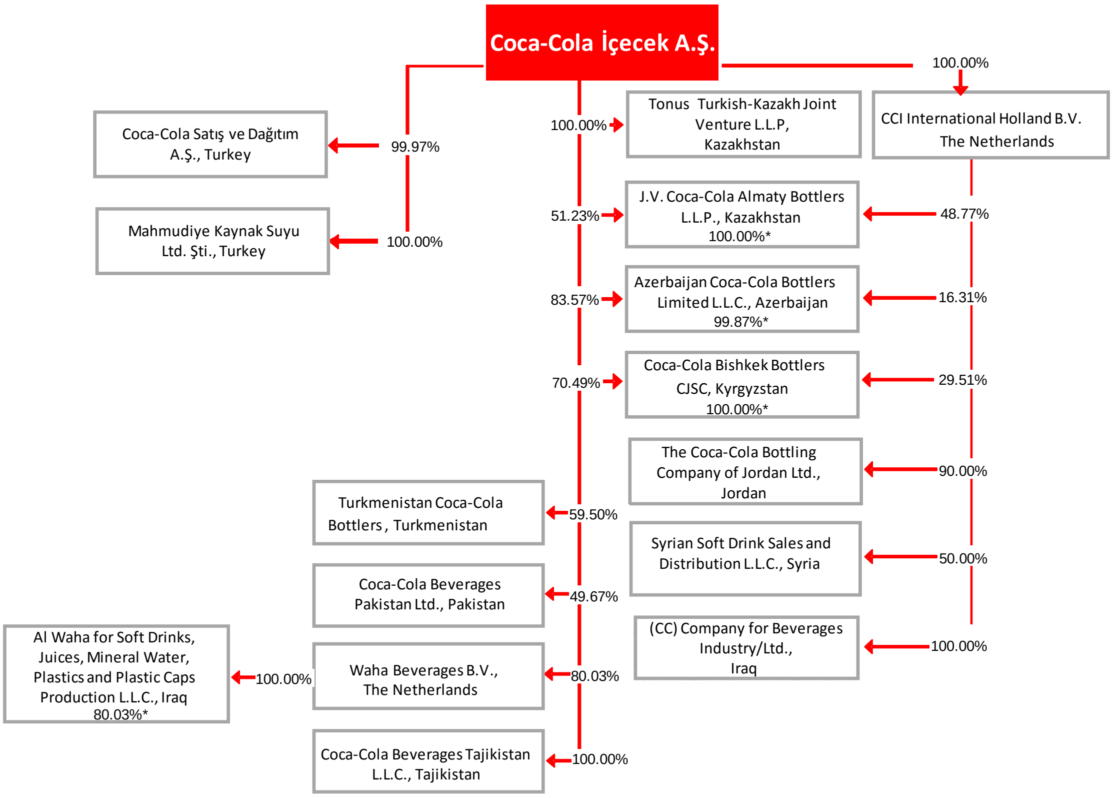
Share Performance



SUBSIDIARIES



* Direct and indirect

FINANCIAL PERFORMANCE REVIEW

Earnings Release

Istanbul, 7 August 2017

Follow tomorrow's live event

1H17 Results Webcast; 16:00 Istanbul / 14:00 London / 09:00 New York

Click here to access webcast

2Q17 Highlights

- Net sales revenue up by 20%
- FX-neutral net sales revenue up by 7%
- EBIT margin up by 20 bps to 14.5%
- Net income up by 56%

Key P&L Numbers and Margins

Consolidated (million TL)	1H17	1H16	Change %	2Q17	2Q16	Change %
Volume (million uc)	606	582	4.1%	373	360	3.5%
Net Sales	4,115	3,430	20.0%	2,559	2,129	20.2%
Gross Profit	1,401	1,220	14.8%	920	803	14.5%
EBIT	439	350	25.6%	370	305	21.3%
EBIT (Exc. other)	427	355	20.1%	370	311	19.2%
EBITDA	690	577	19.6%	497	422	17.8%
EBITDA (Exc. other)	685	571	20.1%	497	418	19.0%
Profit / (Loss) Before Tax	272	266	2.2%	330	242	36.1%
Net Income/(Loss)	145	178	(18.2%)	231	148	56.2%
Gross Profit Margin	34.0%	35.6%		35.9%	37.7%	
EBIT Margin	10.7%	10.2%		14.5%	14.3%	
EBIT Margin (Exc. other)	10.4%	10.4%		14.5%	14.6%	
EBITDA Margin	16.8%	16.8%		19.4%	19.8%	
EBITDA Margin (Exc. other)	16.7%	16.6%		19.4%	19.6%	
Net Income / (Loss) Margin	3.5%	5.2%		9.0%	7.0%	

Turkey (million TL)	1H17	1H16	Change %	2Q17	2Q16	Change %
Volume (million uc)	300	292	2.8%	181	176	2.9%
Net Sales	1,886	1,782	5.9%	1,175	1,099	7.0%
Gross Profit	747	710	5.2%	466	437	6.6%
EBIT	308	248	24.4%	182	129	41.4%
EBIT (Exc. other)	186	169	10.3%	143	115	25.0%
EBITDA	392	323	21.5%	226	166	36.4%
EBITDA (Exc. other)	271	245	10.7%	186	152	21.9%
Net Income/(Loss)	235	187	25.4%	192	65	193.9%
Gross Profit Margin	39.6%	39.8%		39.6%	39.8%	
EBIT Margin	16.3%	13.9%		15.5%	11.7%	
EBIT Margin (Exc. other)	9.9%	9.5%		12.2%	10.4%	
EBITDA Margin	20.8%	18.1%		19.2%	15.1%	
EBITDA Margin (Exc. other)	14.4%	13.7%		15.8%	13.9%	
Net Income / (Loss) Margin	12.4%	10.5%		16.4%	6.0%	

International (million TL)	1H17	1H16	Change %	2Q17	2Q16	Change %
Volume (million uc)	305	290	5.4%	191	184	4.1%
Net Sales	2,230	1,649	35.2%	1,385	1,031	34.4%
Gross Profit	654	510	28.2%	454	366	24.0%
EBIT	232	164	41.6%	221	181	22.1%
EBIT (Exc. other)	220	168	31.2%	218	186	16.7%
EBITDA	399	318	25.7%	305	262	16.0%
EBITDA (Exc. other)	394	307	28.1%	302	256	18.1%
Net Income/(Loss)	21	55	(62.5%)	77	89	(13.5%)
Gross Profit Margin	29.3%	30.9%		32.8%	35.5%	
EBIT Margin	10.4%	10.0%		16.0%	17.6%	
EBIT Margin (Exc. other)	9.9%	10.2%		15.7%	18.1%	
EBITDA Margin	17.9%	19.3%		22.0%	25.5%	
EBITDA Margin (Exc. other)	17.7%	18.6%		21.8%	24.8%	
Net Income / (Loss) Margin	0.9%	3.3%		5.6%	8.7%	

Operational Overview

Sales Volume

Consolidated:

Volumes increased by 3.5% in 2Q17. The share of Turkey within the total remained flat at 49%, compared to 2Q16.

Sparkling growth was almost flat, as growth in International operations offset the contraction in Turkey. The Stills category (excluding Water) was up by 5.5%, supported by solid growth in International operations. Water was down by 4.7%, reflecting lower volumes in Turkey. In 1H17, Sparkling made up 70% of total volume compared to 71% in 1H16.

	Growth				Breakdown	
	2Q17	**2Q16**	**1H17**	**1H16**	**1H17**	**1H16**
Sparkling	0.2%	7.6%	2.9%	3.6%	70%	71%
Stills (excluding Water)	5.5%	(7.8%)	(1.1%)	(3.0%)	6%	6%
Water	(4.7%)	(2.8%)	(7.4%)	7.2%	13%	15%
Tea (NRTD)	52.7%	5.8%	39.6%	2.9%	11%	8%
Total	3.5%	4.9%	4.1%	3.6%	100%	100%

Turkey:

Turkey delivered 2.9% volume growth, led by strong Ice Tea and NRTD Tea.

The Sparkling category declined by 5.0%, offsetting the 7.1% growth in 1Q17, which was mainly driven by future consumption (FC) packages ahead of the price increases at the end of March. Coupled with lower volumes in future consumption packages, higher number of rainy days and lower than average temperatures in 2Q17, Sparkling volume in 1H17 slightly contracted by 0.8%. On the other hand, our commercial initiatives to drive revenue are delivering results. The launch of 330 ml sleek cans in 1Q17 supported immediate consumption (IC) volume growth of 10.8%. Despite the contraction in Sparkling volume, transactions grew by 3%, driven by IC packages.

Stills category volume increased by 2.8%, led by 18.7% growth in Ice Tea, while Water and Juice categories contracted. IC packages outperformed FC packages in the Water category, in line with our strategy to focus on more profitable packages. Despite the contraction in the overall Juice category in 2Q17, higher margin products within this category posted double digit growth, in line with our focus on increasing category profitability. In 1H17, Stills contracted by 5.1%, reflecting lower Water and Juice volumes.

The non-ready-to-drink (NRTD) Tea category posted 52.3% volume growth. This high growth was mainly due to a new listing in one of our largest customers.

International:

International operations delivered 4.1% volume growth, with Pakistan and Central Asia the main contributors to the growth.

- Following 9.4% growth in 1Q17, Pakistan grew by 3.7% in 2Q17, cycling 28.1% in 2Q16. A supportive macroeconomic environment, coupled with successful consumer activities, contributed to overall volume growth of 5.6% in 1H17. Focusing on discount management and disciplined productivity initiatives, we continue to target sustainable top line growth in this key market.
- In the midst of challenging macroeconomic and security conditions, Iraq posted 2.2% growth in 2Q17, supported by successful promotions and new flavours in the Sparkling category, as well as improved execution and penetration.

Central Asia continued its recovery, posting 6.0% growth, fueled by effective consumer promotions, strengthened market execution and the rollout of the One Brand Strategy. Our leadership ratio increased in all our markets in the region. Kazakhstan and Azerbaijan, our largest markets, both registered double digit growth.

- Kazakhstan delivered 16.6% volume growth, supported by continuing economic recovery and a stronger currency. The launch of 1.75 lt packs in flavoured Sparklings continued to support double digit growth in the category. Water also contributed with more than 40% growth, led by successful marketing campaigns.
- In Azerbaijan, volume grew by 21.8%, cycling the low base of 2Q16. All categories posted solid growth on the back of successful promotions and improving macroeconomics.
- Turkmenistan continued to underperform due to ongoing macroeconomic challenges, registering a 42.3% volume contraction. We have taken various counter-measures to secure raw materials and in April we launched an affordable Pet 300 entry pack.

Financial Overview

- **Net sales revenue (NSR)** increased by 20.2% in 2Q17, reflecting positive pricing and volume impact as well as the positive FX conversion impact of International operations. On an FX-neutral[(1)] basis, consolidated NSR growth was 7.2% in 2Q17.

	Net Sales Revenue (NSR) (TL mn)				NSR per uc (TL)			
	2Q17	Y-o-Y Change	1H17	Y-o-Y Change	2Q17	Y-o-Y Change	1H17	Y-o-Y Change
Turkey	1,175	7.0%	1,886	5.9%	6.48	4.0%	6.28	3.0%
International	1,385	34.4%	2,230	35.2%	7.24	29.1%	7.30	28.4%
International (FX Neutral)	1,107	7.4%	1,770	7.4%	5.79	3.2%	5.80	1.9%
Consolidated	2,559	20.2%	4,115	20.0%	6.87	16.2%	6.80	15.3%
Consolidated (FX Neutral)	2,282	7.2%	3,656	6.6%	6.12	3.7%	6.04	2.5%

(1) FX-Neutral: Using constant FX rates when converting country P&L's back to TL.

- In Turkey, NSR grew by 7.0%, mainly driven by positive packaging mix, price increases and successful promotion management in the Sparkling category. NSR per unit case accelerated by 4.0% in 2Q17, following 1.4% in 1Q17.

- In our international operations, NSR increased by 34.4%, implying 7.4% growth on an FX-neutral basis. Volume and positive pricing in Central Asia and Pakistan helped topline growth in international operations with NSR per unit case increasing by 3.2%, on an FX-neutral basis.

- **Gross margin** contracted by 180 bps to 35.9%. Increasing share of International operations from 46% in 2Q16 to 49% in 2Q17, had a dilutive impact given relatively lower gross margin in this segment. Cost per unit case increased by 19.5% in 2Q17 (5.9% on an FX-neutral basis) in international operations due to higher raw material prices. In 2Q17, international operations also cycled a high base of gross margin in 2016, mainly stemming from Pakistan.

- **EBIT margin** improved by 20 bps to 14.5%, on the back of lower operating expenses in Turkey. Turkey's EBIT margin showed improvement partly due to the phasing of marketing expenses. On the other hand, EBIT margin contracted in International operations, mainly due to lower gross profitability.

- **EBITDA margin** declined by 40 bps to 19.4% in 2Q17, despite the expansion in EBIT, due to lower non-cash expenses in the quarter. EBITDA margin remained flat at 16.8% in 1H17.

- **Net income** increased 56% to TL 231.3 m, due to lower FX losses on the back of appreciation of the TL against the USD and higher operating profitability in 2Q17.

- Non-controlling interest (minority interest) declined by 15.6% in 2Q17, mostly reflecting the impact of Pakistan. Effective tax rate remained almost flat at 15% in 2Q17. The effective tax rate may vary quarterly depending on the different tax rates, mix of taxable profits by country, non-deductible expenses, tax incentives and other one-off items.

Financial Overview

- **Free cash flow** increased to TL 126 m in 1H17, 20.3% more than 1H16, stemming from higher cash from operating activities and lower capital expenditures. Of the total capital expenditure of TL 258 m, 43% was related to Turkey while 57% related to International.

- **Consolidated debt** remained almost flat at USD 1,079 bn as of 1H17 end, compared to year-end 2016. Consolidated cash was USD 413 m, USD 7 m lower than year-end 2016.

- As of 30 June 2017, 75% of the consolidated financial debt was in USD, 23% in EUR, with the remaining 2% in TL, Pakistan Rupee, Jordanian Dinar and Kazakh Tenge.

- The average maturity of the consolidated debt portfolio was 2.3 years and the maturity profile was as follows:

Maturity Date	2017	2018	2019	2020	2021	2022	2023	2024
% of total debt	3%	67%	4%	11%	1%	1%	12%	1%

- As of 30 June 2017, consolidated net debt was USD 666 m, bringing the Net Debt/ EBITDA* ratio to 1.94x.

Financial Leverage Ratios	1H17	2016	1H16
Net Debt / EBITDA	1.94	2.10	2.09
Debt Ratio (Total Fin. Debt / Total Assets)	34%	36%	34%
Fin. Debt-to-Equity Ratio	74%	75%	74%

*12 Months Trailing EBITDA

Accounting Principles

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. 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").

As of June 30, 2017, the list of CCI's subsidiaries and joint ventures are as follows:

Subsidiaries and Joint Ventures	Country	Consolidation Method
Coca-Cola Satış ve Dağıtım A.Ş.	Turkey	Full Consolidation
Mahmudiye Kaynak Suyu Limited Şirketi	Turkey	Full Consolidation
J.V. Coca-Cola Almaty Bottlers LLP	Kazakhstan	Full Consolidation
Azerbaijan Coca-Cola Bottlers LLC	Azerbaijan	Full Consolidation
Coca-Cola Bishkek Bottlers Closed J. S. Co.	Kyrgyzstan	Full Consolidation
CCI International Holland B.V.	Holland	Full Consolidation
Tonus Turkish-Kazakh Joint Venture LLP	Kazakhstan	Full Consolidation
The Coca-Cola Bottling Company of Jordan Ltd.	Jordan	Full Consolidation
Turkmenistan Coca-Cola Bottlers	Turkmenistan	Full Consolidation
(CC) Company for Beverage Industry/Ltd.	Iraq	Full Consolidation
Waha Beverages B.V.	Holland	Full Consolidation
Coca-Cola Beverages Tajikistan LLC	Tajikistan	Full Consolidation
Al Waha for Soft Drinks, Juices, Min.Water, Plastics and Plastic Caps Prod. LLC	Iraq	Full Consolidation
Coca-Cola Beverages Pakistan Ltd.	Pakistan	Full Consolidation
Syrian Soft Drink Sales and Distribution LLC	Syria	Equity Method

EBITDA Reconciliation

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

The EBITDA calculation, comparatively restated according to classification change of provision or reversal for the impairment of fixed assets, was made consistent with the illustrative financial statements and reporting guide of CMB. As June 30, 2017 and 2016, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

EBITDA (TLm)	1H17	1H16
Profit / (loss) from operations	439	350
Depreciation and amortization	247	205
Provision for employee benefits	11	10
Foreign exchange gain / (loss) under other operating income / (expense)	(7)	12
EBITDA	**690**	**577**

Functional and Presentation Currency

The majority of the consolidated foreign subsidiaries and joint venture are regarded as foreign operations since they are financially, economically and organizationally autonomous. In accordance with “IAS 21 The Effects of Changes in Foreign Exchange Rates”, there has been a change in the functional currency of the foreign subsidiaries and joint venture from US Dollars ("USD") to the foreign subsidiaries' and joint ventures' local currencies effective from January 1, 2017. This was done considering the multinational structure of foreign operations and realization of most of their operations, by assessing the currency of the primary economic environment of foreign operations, the currency that influences sales prices for goods and services, the currency in which receipts from operating activities are usually retained and the currency that mainly influences costs and other expenses for providing goods and services. The group has applied the change in functional currency prospectively, in accordance with the requirements of IFRS and the relevant Accounting Standards. All assets and liabilities are converted into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost.

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

Functional Currencies of the Subsidiaries and Joint Ventures

	June 30, 2017		December 31, 2016	
	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**	**Kazakh Tenge**	Kazakh Tenge	U.S. Dollars
Tonus	**Kazakh Tenge**	**Kazakh Tenge**	Kazakh Tenge	U.S. Dollars
Azerbaijan CC	**Manat**	**Manat**	Manat	U.S. Dollars
Turkmenistan CC	**Turkmen Manat**	**Turkmen Manat**	Turkmen Manat	U.S. Dollars
Bishkek CC	**Som**	**Som**	Som	U.S. Dollars
TCCBCJ	**Jordanian Dinar**	**Jordanian Dinar**	Jordanian Dinar	U.S. Dollars
CCBIL	**Iraq Dinar**	**Iraq Dinar**	Iraq Dinar	U.S. Dollars
SSDSD	**Syrian Pound**	**Syrian Pound**	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**	**Iraq Dinar**	Iraq Dinar	U.S. Dollars
Tajikistan CC	**Somoni**	**Somoni**	Somoni	U.S. Dollars

Financial Income / (Expense) Breakdown

Financial Income / (Expense) (TL m)	**1H17**	**1H16**	**2Q17**	**2Q16**
Interest income	25	19	10	8
Interest expense (-)	(92)	(76)	(44)	(36)
Other financial FX gain / (loss)	(15)	(23)	(48)	12
FX gain / (loss) - Borrowings	(80)	3	44	(41)
Financial Income / (Expense) Net	**(162)**	**(77)**	**(38)**	**(57)**

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey are used by the Group's subsidiaries in Turkey. USD amounts presented in the balance sheet are translated into TL with the official TL exchange rate for purchases of USD on June 30, 2017, USD 1,00 (full) = TL 3,5071 (December 31, 2016; USD 1,00 (full) = TL 3,5192). Furthermore, USD amounts in the income statement have been translated into TL, at the average TL exchange rate for purchases of USD for the period ended June 30, 2017 USD 1,00 (full) = TL 3,6356 (January 1 - June 30, 2016; USD 1,00 (full) = TL 2,9181).

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

2017 Guidance maintained

- CCI expects:
    - Turkey volume to grow at low single digits,
    - International volume to grow at high-single digits
    - Consolidated volume to grow at mid-single digits in 2017.
- Net sales revenue growth is expected to be ahead of volume growth while EBITDA margin is expected to remain flat or expand slightly compared to 2016.
- In addition, we expect Net Debt / EBITDA to be below 2x and capex/sales ratio to be around 8%. We plan to complete 2017 with positive free cash flow.

The business outlook of the Company is subject to the risks which are stated in the annual report and financial reports.

Note:

Beginning in 2018, our half-year volume announcement will be included with the earnings release, as the period between the volume announcement and the earnings release has been tightened.

CCI Consolidated Income Statement

	Reviewed					
	1 January - 30 June			1 April - 30 June		
(TL m)	**2017**	**2016**	**Change (%)**	**2017**	**2016**	**Change (%)**
Sales Volume (UC millions)	**606**	**582**	**4.1%**	**373**	**360**	**3.5%**
Revenue	4,115	3,430	20.0%	2,559	2,129	20.2%
Cost of Sales	(2,714)	(2,210)	22.8%	(1,640)	(1,326)	23.6%
Gross Profit From Operations	**1,401**	**1,220**	**14.8%**	**920**	**803**	**14.5%**
Distribution, Selling and Marketing Expenses	(791)	(699)	13.2%	(458)	(406)	13.0%
General and Administrative Expenses	(183)	(166)	10.2%	(91)	(86)	5.4%
Other Operating Income	94	46	105.0%	73	18	306.7%
Other Operating Expense	(81)	(51)	58.8%	(73)	(24)	210.1%
Profit / (Loss) from Operations	**439**	**350**	**25.6%**	**370**	**305**	**21.3%**
Gain / (Loss) From Investing Activities	(6)	(7)	(12.0%)	(2)	(6)	(58.0%)
Gain / (Loss) from Associates	(0)	(0)	73.3%	(0)	(0)	11.8%
Profit / (Loss) Before Financial Income / (Expense)	**433**	**343**	**26.4%**	**367**	**299**	**22.9%**
Financial Income	122	95	29.2%	17	0	3654.7%
Financial Expenses	(284)	(172)	65.4%	(54)	(57)	(5.0%)
Profit / (Loss) Before Tax	**272**	**266**	**2.2%**	**330**	**242**	**36.1%**
Deferred Tax Income / (Expense)	(35)	(1)	2307.3%	(13)	4	(396.4%)
Current Period Tax Expense	(60)	(53)	13.2%	(37)	(41)	(9.2%)
Net Income / (Loss) Before Minority	**176**	**211**	**(16.4%)**	**280**	**206**	**36.0%**
Minority Interest	(31)	(34)	(7.5%)	(49)	(58)	(15.6%)
Net Income / (Loss) After Minority	**145**	**178**	**(18.2%)**	**231**	**148**	**56.2%**
EBITDA	**690**	**577**	**19.6%**	**497**	**422**	**17.8%**

Turkey Income Statement

	Reviewed					
	1 January - 30 June			1 April - 30 June		
(TL m)	2017	2016	Change (%)	2017	2016	Change (%)
Sales Volume (UC millions)	**300**	**292**	**2.8%**	**181**	**176**	**2.9%**
Revenue	1,886	1,782	5.9%	1,175	1,099	7.0%
Cost of Sales	(1,139)	(1,072)	6.3%	(709)	(662)	7.2%
Gross Profit From Operations	**747**	**710**	**5.2%**	**466**	**437**	**6.6%**
Distribution, Selling and Marketing Expenses	(461)	(445)	3.4%	(272)	(271)	0.5%
General and Administrative Expenses	(100)	(96)	4.6%	(50)	(51)	(2.6%)
Other Operating Income	149	87	71.2%	65	20	226.6%
Other Operating Expense	(28)	(9)	221.1%	(26)	(5)	382.8%
Profit / (Loss) from Operations	**308**	**248**	**24.4%**	**182**	**129**	**41.4%**
Gain / (Loss) From Investing Activities	0	1	(40.6%)	2	0	595.5%
Gain / (Loss) from Associates	0	0	n/a	0	0	n/a
Profit / (Loss) Before Financial Income / (Expense)	**308**	**248**	**24.2%**	**185**	**129**	**42.7%**
Financial Income	102	96	6.3%	14	(3)	(625.4%)
Financial Expenses	(153)	(131)	17.3%	25	(45)	(155.2%)
Profit / (Loss) Before Tax	**256**	**213**	**20.4%**	**224**	**81**	**175.1%**
Deferred Tax Income / (Expense)	(9)	2	(555.0%)	(18)	7	(378.8%)
Current Period Tax Expense	(13)	(28)	(51.8%)	(13)	(23)	(41.4%)
Net Income / (Loss) Before Minority	**235**	**187**	**25.4%**	**192**	**65**	**193.9%**
Minority Interest	0	0	n/a	0	0	n/a
Net Income / (Loss) After Minority	**235**	**187**	**25.4%**	**192**	**65**	**193.9%**
EBITDA	**392**	**323**	**21.5%**	**226**	**166**	**36.4%**

International Income Statement

	Reviewed					
	1 January - 30 June			1 April - 30 June		
(TL m)	**2017**	**2016**	**Change (%)**	**2017**	**2016**	**Change (%)**
Sales Volume (UC millions)	**305**	**290**	**5.4%**	**191**	**184**	**4.1%**
Revenue	2,230	1,649	35.2%	1,385	1,031	34.4%
Cost of Sales	(1,576)	(1,139)	38.4%	(931)	(665)	40.1%
Gross Profit From Operations	**654**	**510**	**28.2%**	**454**	**366**	**24.0%**
Distribution, Selling and Marketing Expenses	(331)	(254)	30.3%	(186)	(135)	38.0%
General and Administrative Expenses	(103)	(89)	16.4%	(50)	(45)	12.1%
Other Operating Income	66	38	71.2%	51	12	315.1%
Other Operating Expense	(53)	(42)	27.2%	(47)	(17)	169.6%
Profit / (Loss) from Operations	**232**	**164**	**41.6%**	**221**	**181**	**22.1%**
Gain / (Loss) From Investing Activities	(6)	(8)	(14.6%)	(5)	(6)	(25.4%)
Gain / (Loss) from Associates	(0)	(0)	73.3%	(0)	(0)	11.8%
Profit / (Loss) Before Financial Income / (Expense)	**226**	**156**	**44.6%**	**217**	**175**	**23.8%**
Financial Income	36	13	170.2%	10	10	(2.2%)
Financial Expenses	(146)	(55)	165.1%	(87)	(19)	356.5%
Profit / (Loss) Before Tax	**116**	**115**	**1.4%**	**140**	**166**	**(15.9%)**
Deferred Tax Income / (Expense)	(27)	(3)	720.0%	6	(2)	(352.4%)
Current Period Tax Expense	(35)	(23)	53.4%	(19)	(17)	8.8%
Net Income / (Loss) Before Minority	**54**	**88**	**(38.5%)**	**127**	**147**	**(13.6%)**
Minority Interest	(34)	(34)	0.7%	(50)	(58)	(13.7%)
Net Income / (Loss) After Minority	**21**	**55**	**(62.5%)**	**77**	**89**	**(13.5%)**
EBITDA	**399**	**318**	**25.7%**	**305**	**262**	**16.0%**

CCI Summary Consolidated Balance Sheet

(TL m)	Reviewed 30 June 2017	Audited 31 December 2016
Current Assets	**3,808**	**3,133**
Cash and Cash Equivalents	1,449	1,466
Investments in Securities	0	11
Derivative Financial Instruments	2	1
Trade Receivables	978	528
Due from related parties	124	77
Other Receivables	49	41
Inventories	738	521
Prepaid Expenses	193	148
Tax Related Current Assets	61	102
Other Current Assets	214	238
Non-Current Assets	**7,363**	**7,323**
Other Receivables	11	11
Property, Plant and Equipment	5,102	5,085
Intangible Assets	1,404	1,406
Goodwill	669	671
Prepaid Expenses	177	142
Deferred Tax Asset	0	7
Total Assets	**11,171**	**10,456**

(TL m)	Reviewed 30 June 2017	Audited 31 December 2016
Current Liabilities	**2,508**	**1,498**
Short-term Borrowings	58	109
Current Portion of Long-term Borrowings	770	256
Trade Payables	1,011	593
Due to Related Parties	235	181
Payables Related to Employee Benefits	23	32
Other Payables	269	212
Provision for Corporate Tax	15	0
Provision for Employee Benefits	82	82
Other Current Liabilities	45	33
Non-Current Liabilities	**3,547**	**3,961**
Long-term Borrowings	2,957	3,405
Trade Payables & Due to Related Parties	27	26
Provision for Employee Benefits	75	65
Deferred Tax Liability	377	354
Other Non-Current Liabilities	111	111
Equity of the Parent	**4,411**	**4,305**
Minority Interest	705	692
Total Liabilities	**11,171**	**10,456**

CCI Summary Consolidated Cash Flow

(TL m)	Reviewed Period-End	
	30-Jun-17	30-Jun-16
Cash Flow From Operating Activities		
IBT Adjusted for Non-cash items	740	582
Interest Paid	(88)	(78)
Interest Received	25	19
Change in Tax Assets and Liabilities	(2)	0
Employee Termination Benefits, Vacation Pay, Management Bonus payments	(44)	(10)
Operating Cash Flow	**631**	**513**
Change in Operating Assets & Liabilities	(247)	(133)
Net Cash Provided by Operating Activities	**384**	**379**
Purchase of Property, Plant & Equipment	(258)	(274)
Free Cash Flow	**126**	**105**
Other Net Cash Provided by/(Used in) Investing Activities	16	6
Change in ST & LT Loans	(46)	(215)
Dividends paid	(50)	(30)
Cash flow hedge reserve	(38)	3
Net Cash Provided by/(Used in) Financing Activities	(134)	(242)
Currency translation on cash & cash equivalents	(12)	(6)
Currency translation on intercompany borrowings	(3)	(3)
Currency Translation Differences	(11)	14
Net Change in Cash & Cash Equivalents	(17)	(125)
Cash & Cash equivalents at the beginning of the period	1,466	1,002
Cash & Cash equivalents at the end of the period	**1,449**	**877**