



EFES BREWERIES INTERNATIONAL N.V.

YTDQ1 2005 Results
24 May 2005

Investor Presentation





Summary of Key Developments

1. **EBI Overview**
2. **Operational Highlights**
3. **Financial Highlights**
4. **Conclusion**

Appendix



Summary of Key Developments



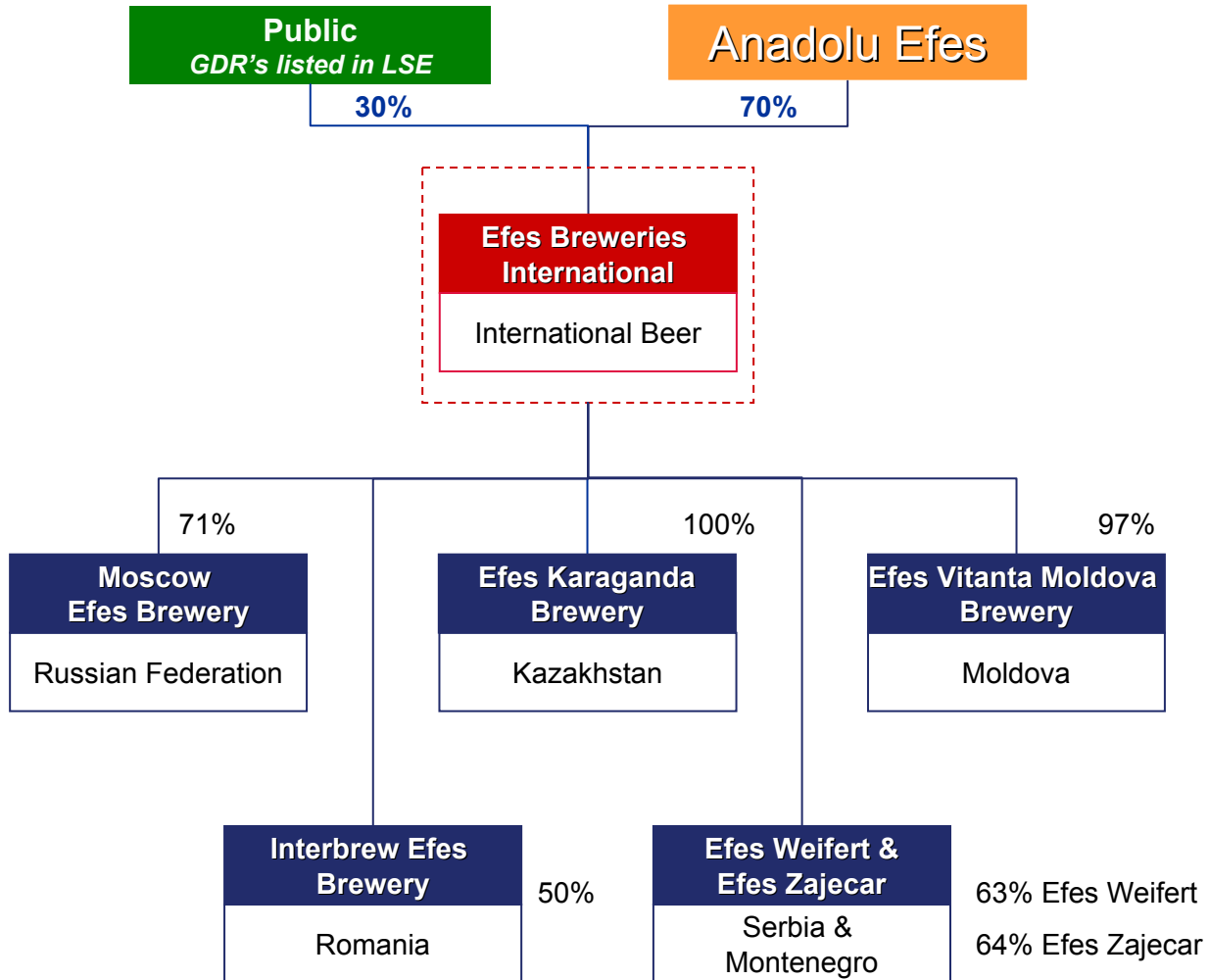
- ▶ **All figures are either in line or better off, compared to business plan**
- ▶ **Top-line growth in YTD Q12005 vs YTD Q12004**
 - 19% overall volume growth, 19% sales growth
- ▶ **Slight reduction in Gross Profit Margin due to**
 - Composition change – increased share of PET especially in Russia
 - impact of increased resin prices in cost of sales
 - Seasonal negative impact of capacity utilization rate
- ▶ **Seasonal reduction in EBITDA due to**
 - Shift in seasonality of selling, marketing, advertising expenses
 - Launches of new brands - Zlatopramen in Russian Federation and Pils Plus in Serbia & Montenegro
 - Restructuring of sales & distribution system
- ▶ **Continued out-performance compared to the market**
 - 18% volume growth in Russian Federation vs. estimated 3% market growth in YTD Q12005
- ▶ **8% overall value share in YTD Q12005 in Russian Federation**
 - Stary Melnik; best selling brand in Moscow, 4th in Russian Federation, by value
- ▶ **New organisational changes**
 - Mr. Ahmet Boyacıoğlu; new Chairman of the Board of Management starting May 27th
 - Mr. Semih Maviş; new CEO starting June 1st
 - Mr. Osman Mut; new General Director – Developing Beer Operations
 - Mr. Tuğrul Ağırbaş; new GM Efes Russia starting June 1st

1. EBI Overview





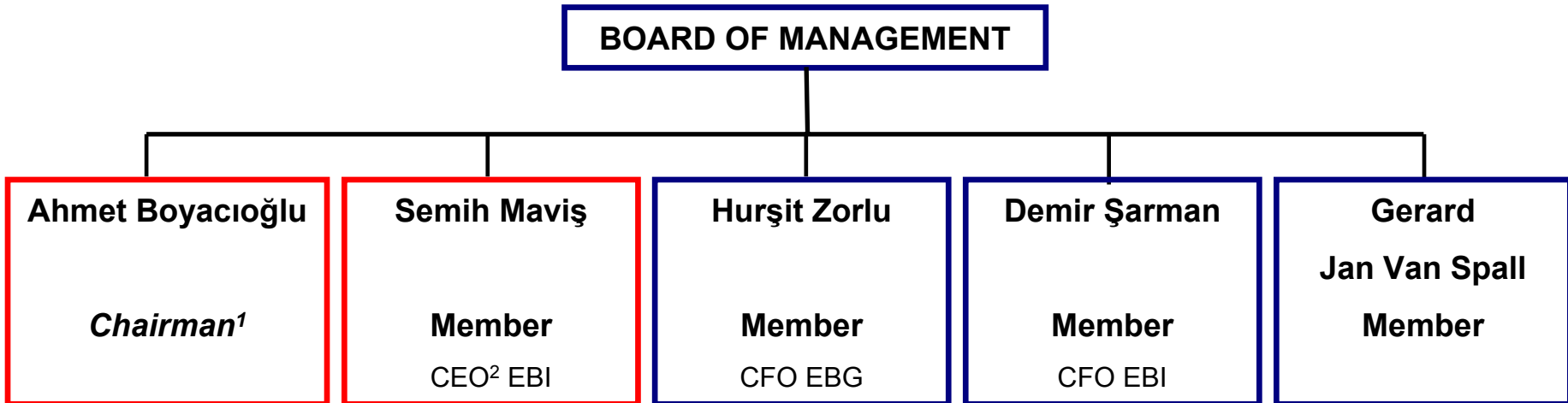
Group Structure



Source: Company information.



► New organisational changes in EBI



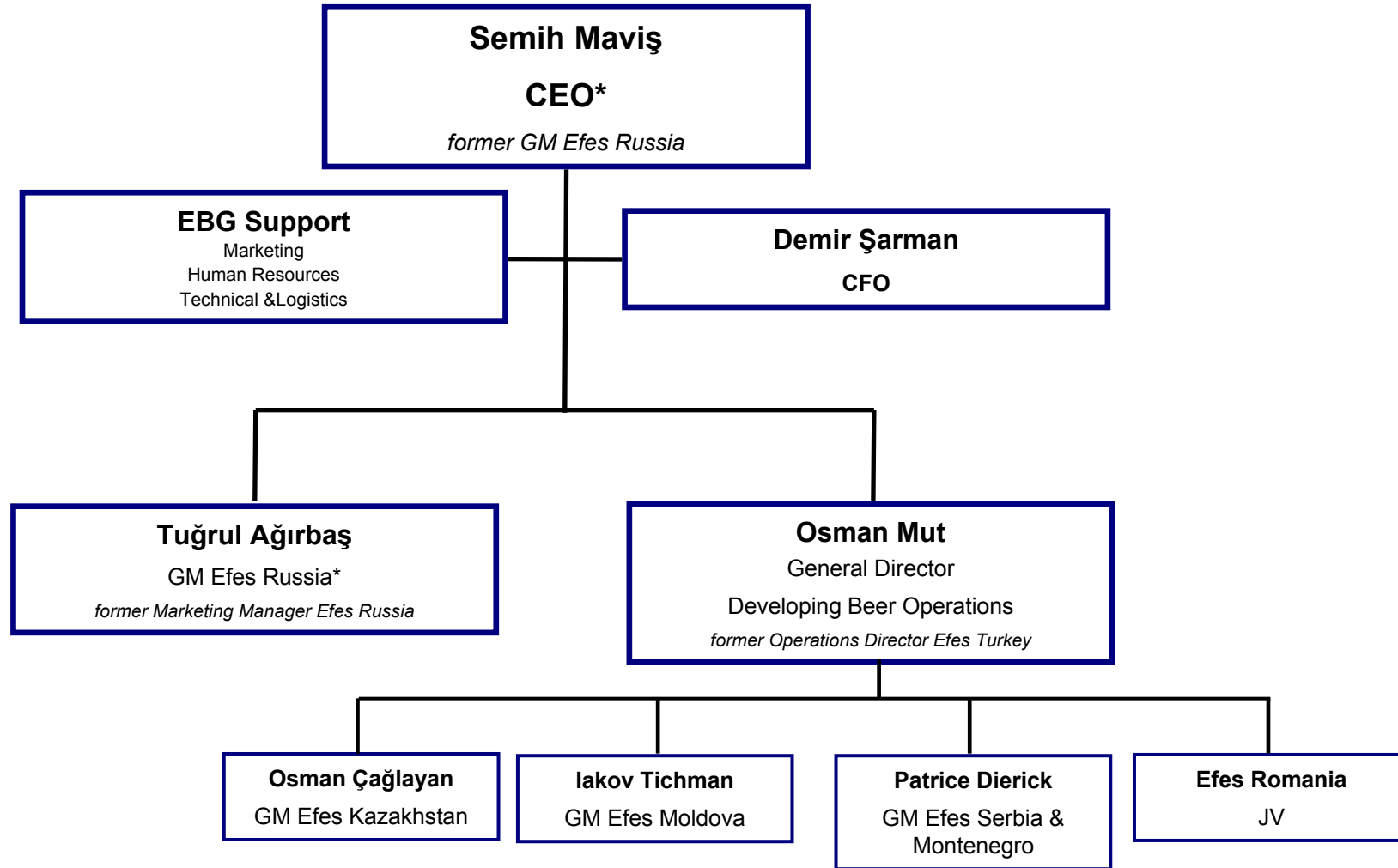
- former Strategy & Business Development President – EBG
- over 30 years of experience in brewing industry
- former GM Efes Russia

¹Effective May 27th, 2005

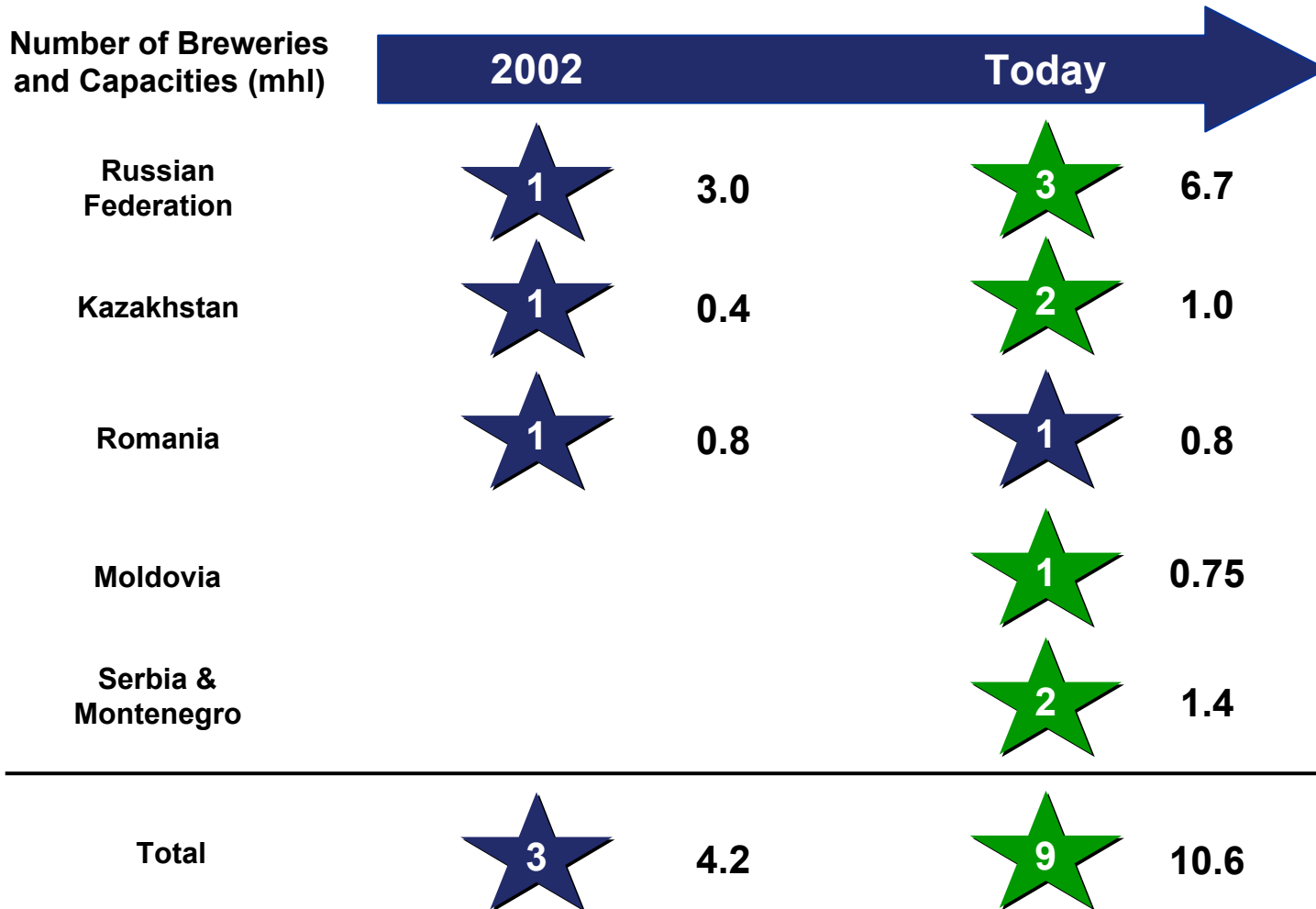
²Effective June 1st, 2005



► New organisational changes in EBI



*Effective June 1st, 2005



Note: Does not include Efes Ukraine where commercial activities are ceased.



Leading Brewer in CIS, SEE & Central Asia



Source: Company information.



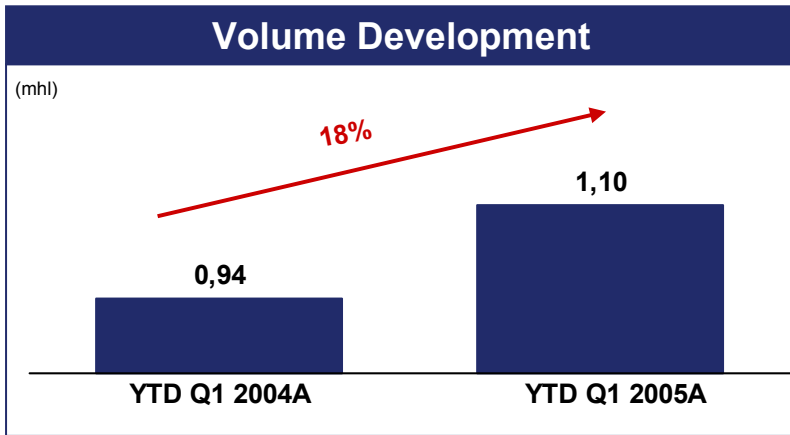
Positioning and Key Brands



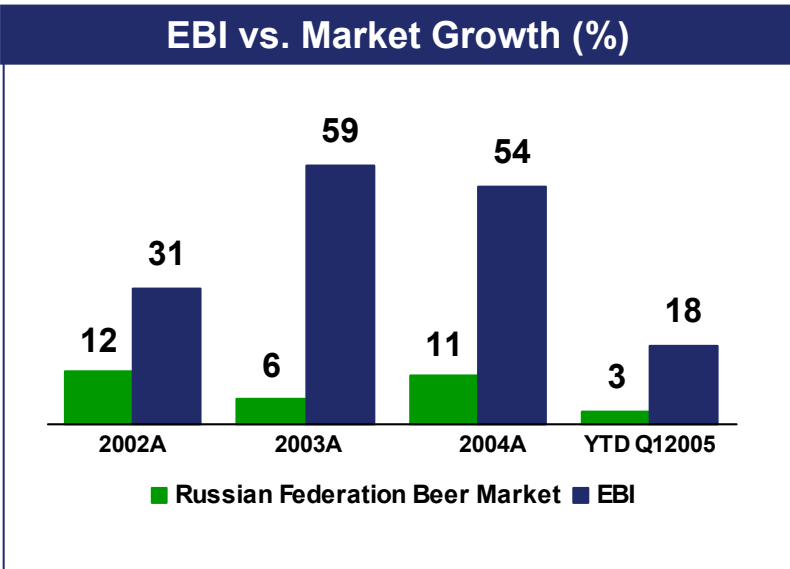
Premium	   		 			
	Licensed Licensed Licensed Licensed	Licensed	Import Import	Import	Licensed	
Mid-priced	 					
	Local Local	Local	Local			
Mid-priced			 	 		
	Bely Medved	Karagandinskoe	Arc Chisinau	Weifert Pils Plus	Caraiman	

2. Operational Highlights

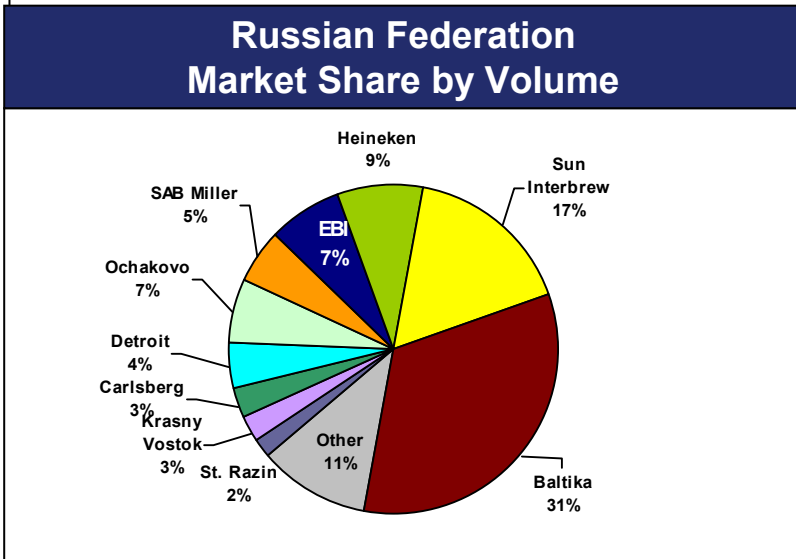
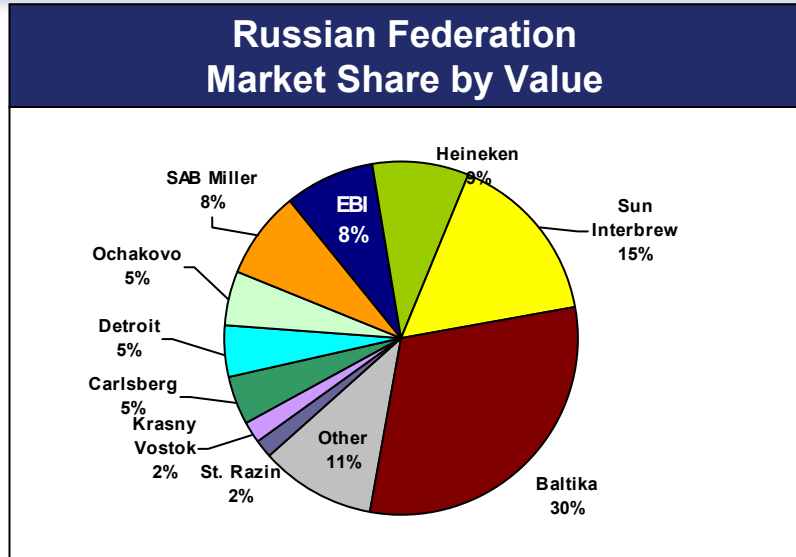




Source: Company information.



Note: Russian Federation beer market growth of 3% in YTD Q12005 is an estimated figure.
Source : Company information, Canadean Global Beer Report 2003

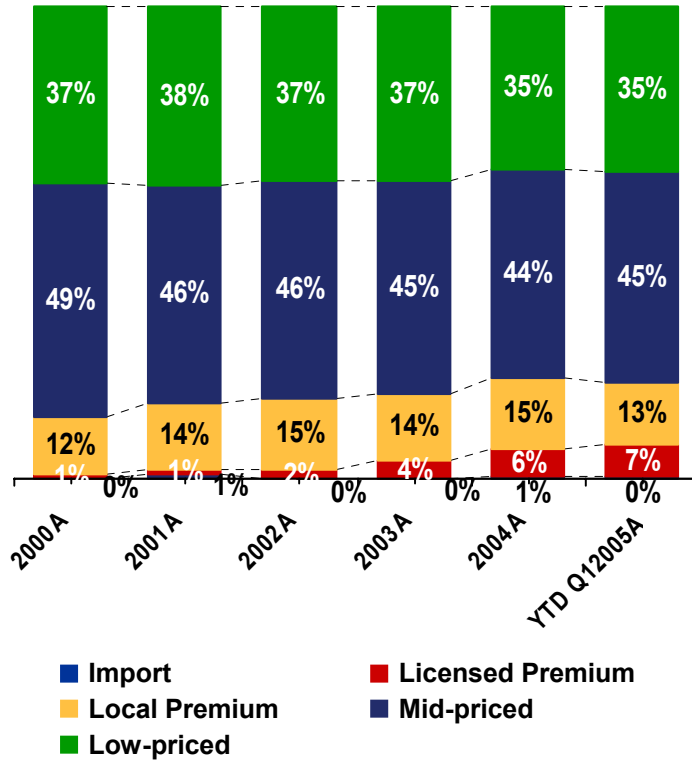


Source: AC Nielsen YTD March 2005.



Segments in Russian Federation

(mhl)



Source: AC Nielsen YTD March 2005.

Brands

- ▶ **Import:** Budweiser, Corona, Grolsch, Paulaner
- ▶ **Licensed Premium:** Efes Pilsener, Warsteiner, Zlatopramen, Amsterdam Navigator, Bavaria, Carlsberg, Heineken, Holsten, Kozel, Löwenbrau, Miller, Pilsener Urquell Staropramen, Stella Artois, Tuborg, Gösser, Foster's, Beck's
- ▶ **Local Premium:** Stary Melnik, Sokol, Bochkarev, Nevskoe, Parnas, Sib. Korona, Solodov, Stolichnoe, Zolotaya Bochka
- ▶ **Mid-priced:** Beliy Medved, Baltika, Klinskoe, Krasniy Vostok, Ochakovo, Patra, Pit, Stepan Razin, Tolstiak
- ▶ **Low-priced:** Arsenalnoe, Badaevskoe, Volzhanin, Yachmennoe, Yarpivo, Zhigulevskoe

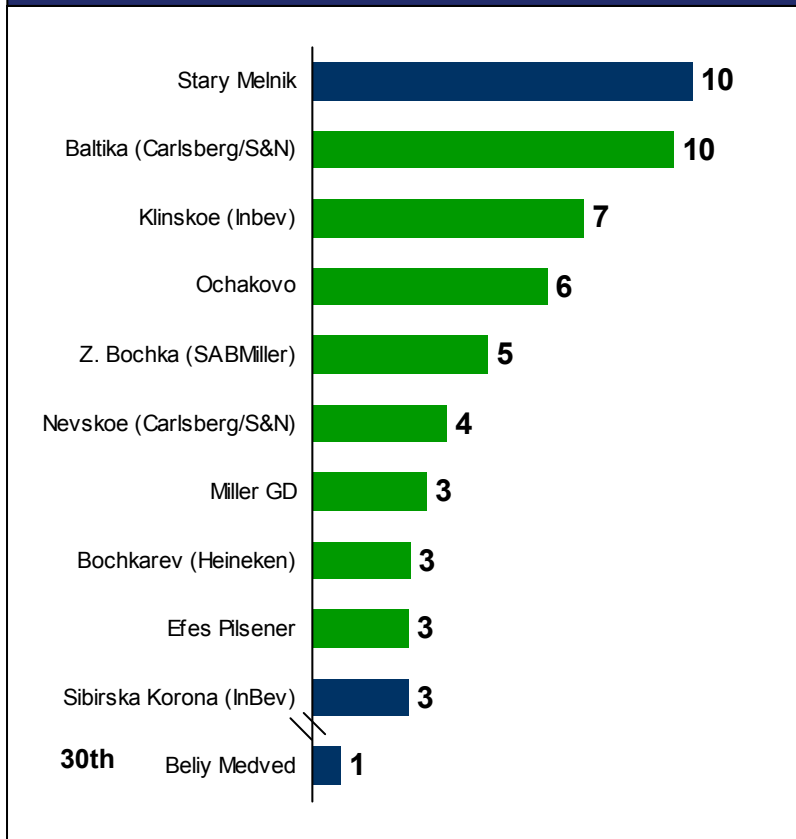




Russian Federation – Top 10 Brands

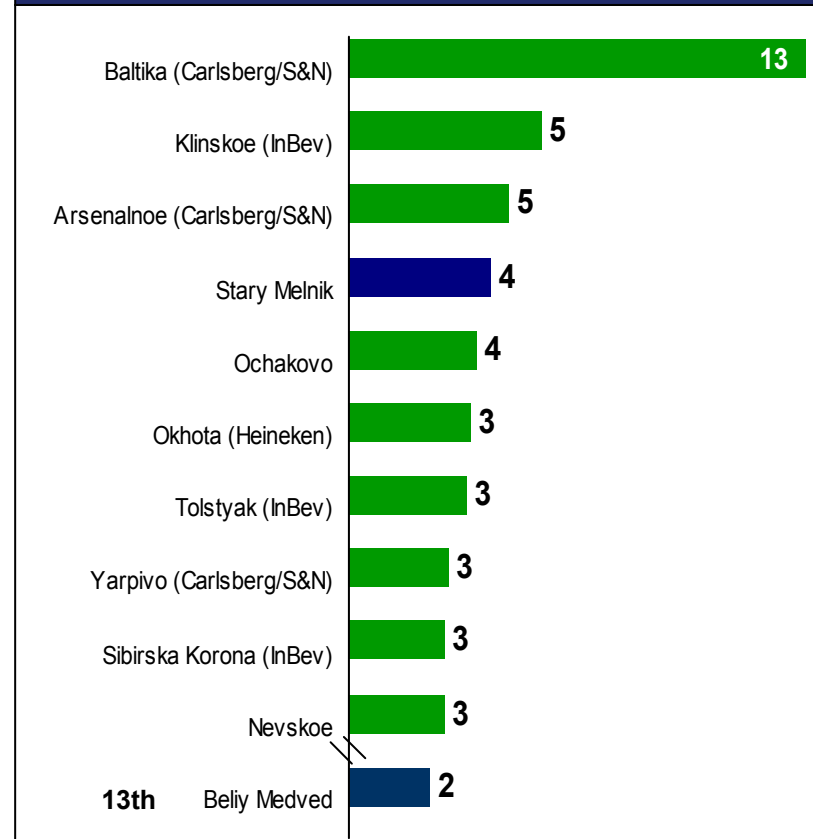


Moscow YTD March 2005 Brand Market Share by Value (%)

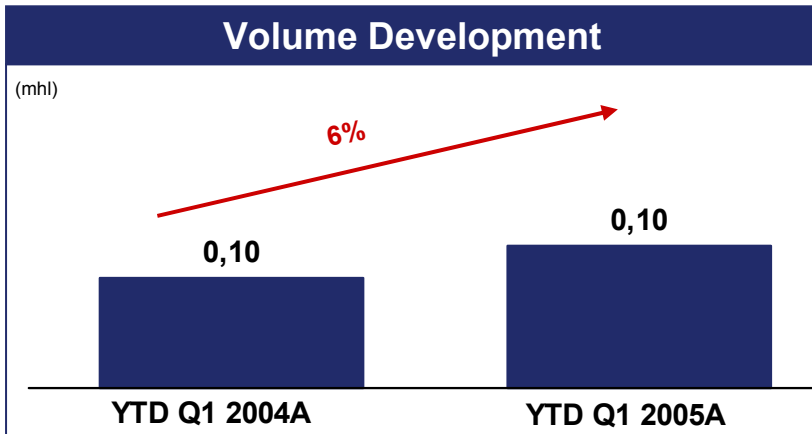


Source: AC Nielsen YTD March 2005.

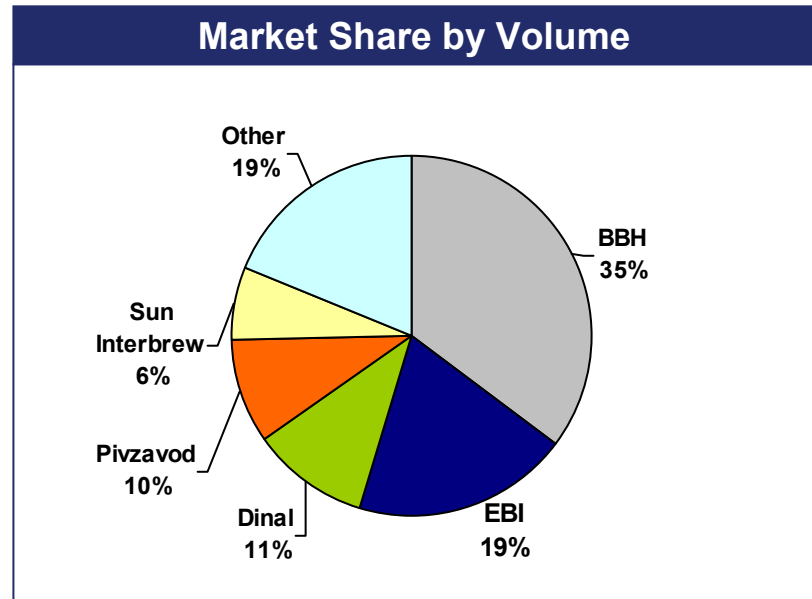
Russian Federation YTD March 2005 Brand Market Share by Value (%)



Source: AC Nielsen YTD March 2005.

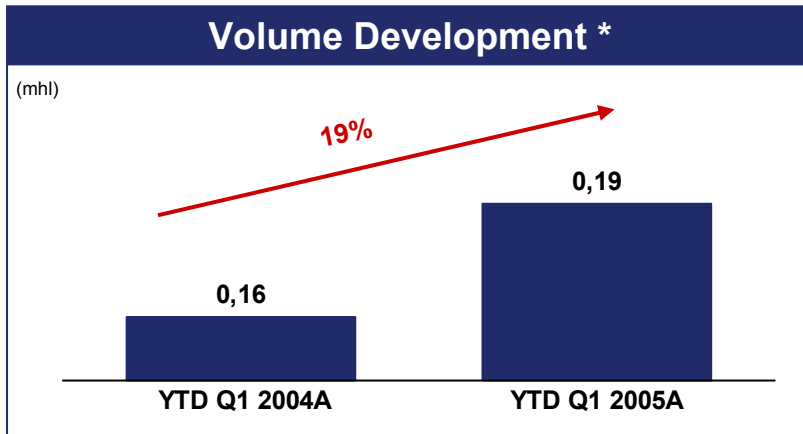


Source: Company information.

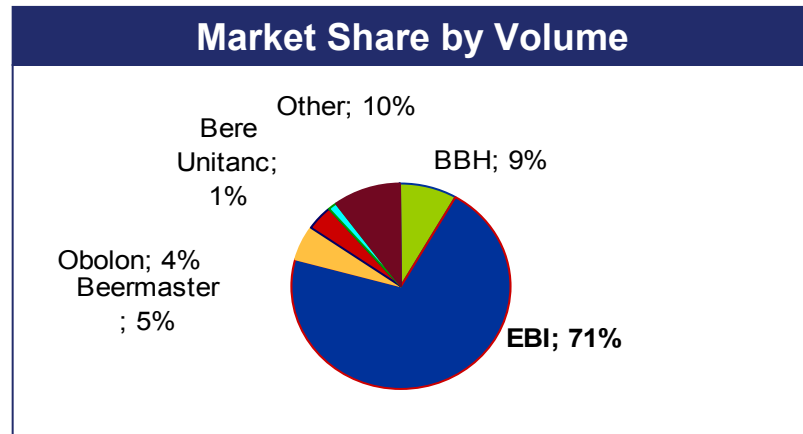


Source: ACNielsen YTD March 2005.

- ▶ EBI is #2 brewer
- ▶ Sales volume up by 6% to 0.102 mhl in YTD Q12005 from 0.097 mhl in YTD Q12004
- ▶ Superior logistical advantage
 - 2 modern breweries (total brewing capacity 1.0mhl)
 - 1 in-house maltery (6,500 tons capacity)
- ▶ Synergies through Coca-Cola distribution network

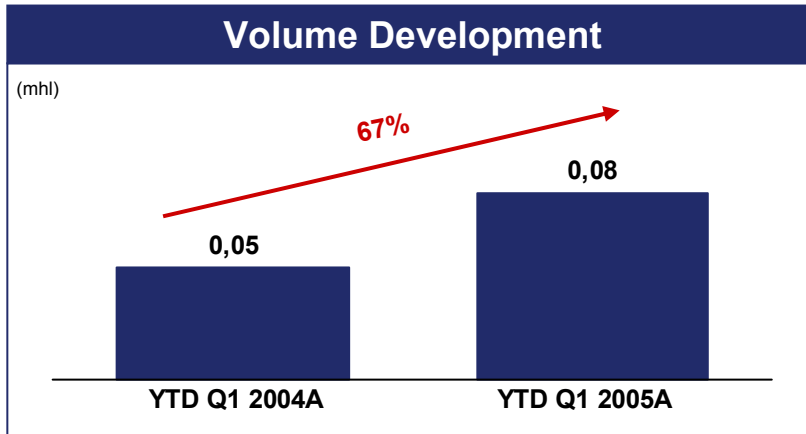


* : Includes both beer & soft drinks.
Source: Company information.

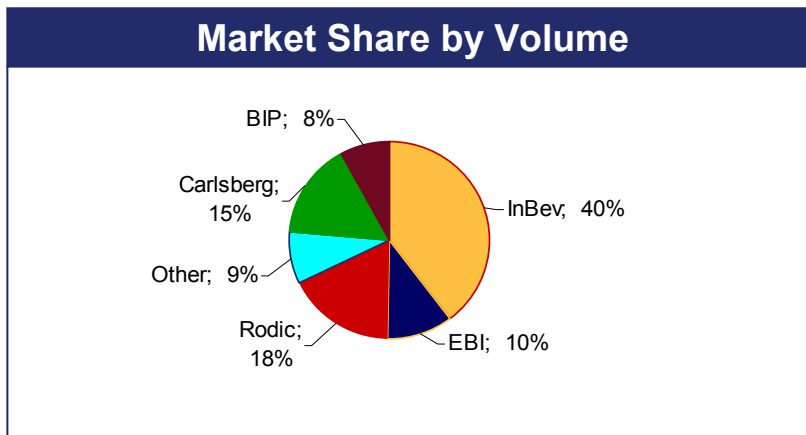


Source: MEMRB YTD March 2005.

- ▶ Sales volume at 0.19 mhl; up by 19% in YTD Q12005 vs YTD Q12004
- ▶ EBI is #1 brewer with 71% market share by volume
 - “Vitanta Premium” – only Premium beer produced in Moldova
- ▶ Brewing capacity of 0.75mhl
- ▶ Additional soft drink business
 - Leading CSD market with 47% share by volume
 - Bottling capacity of 0.40mhl
- ▶ Focus on marketing, branding and re-launch of existing beer and soft drink brands



Source: Company information

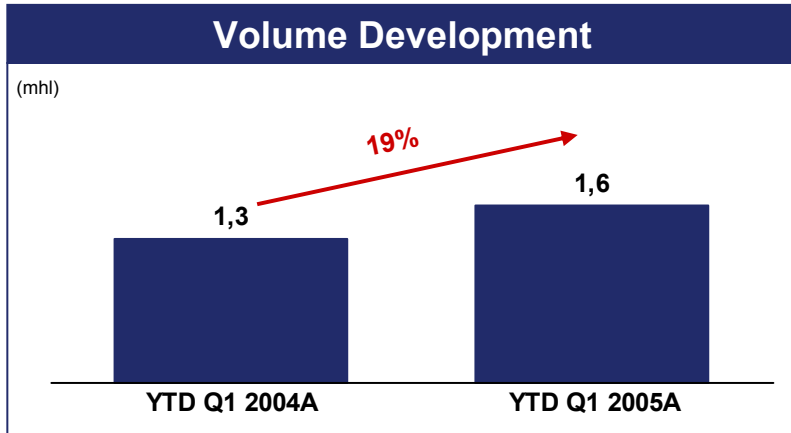


Source: Business Association of Serbia & Montenegro Brewers and Malt Producers_ YTD April 2005.

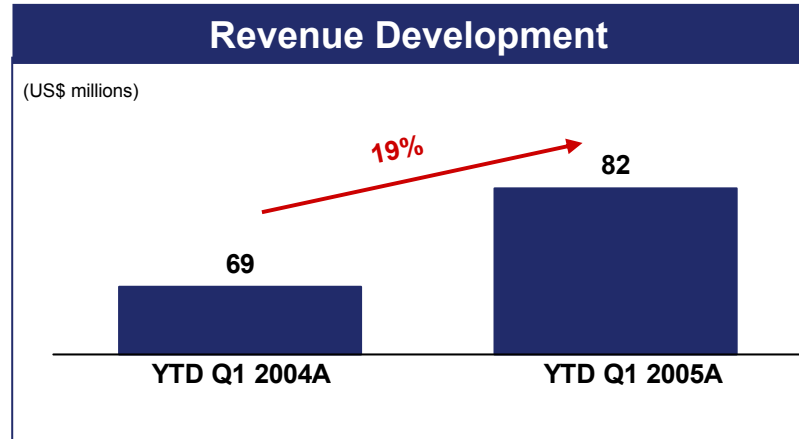
- ▶ Market entry by international players in 2003
 - EBI (Weifert brand), Carlsberg and InBev
- ▶ In 2003 acquired brewery near Belgrade
 - Annual capacity 0.4mhl
- ▶ Acquisition of 2nd brewery in Zajecar in 2004
 - Annual capacity 1.0mhl
- ▶ Growth drivers
 - Re-launch of Weifert & Pils Plus brands
 - Improving nationwide distribution

3. Financial Highlights

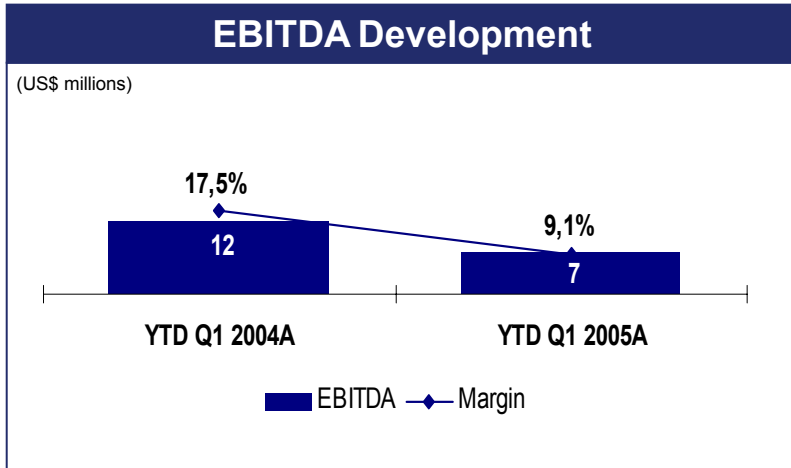




Source: Company information.



Source: Management accounts



Source: Management accounts

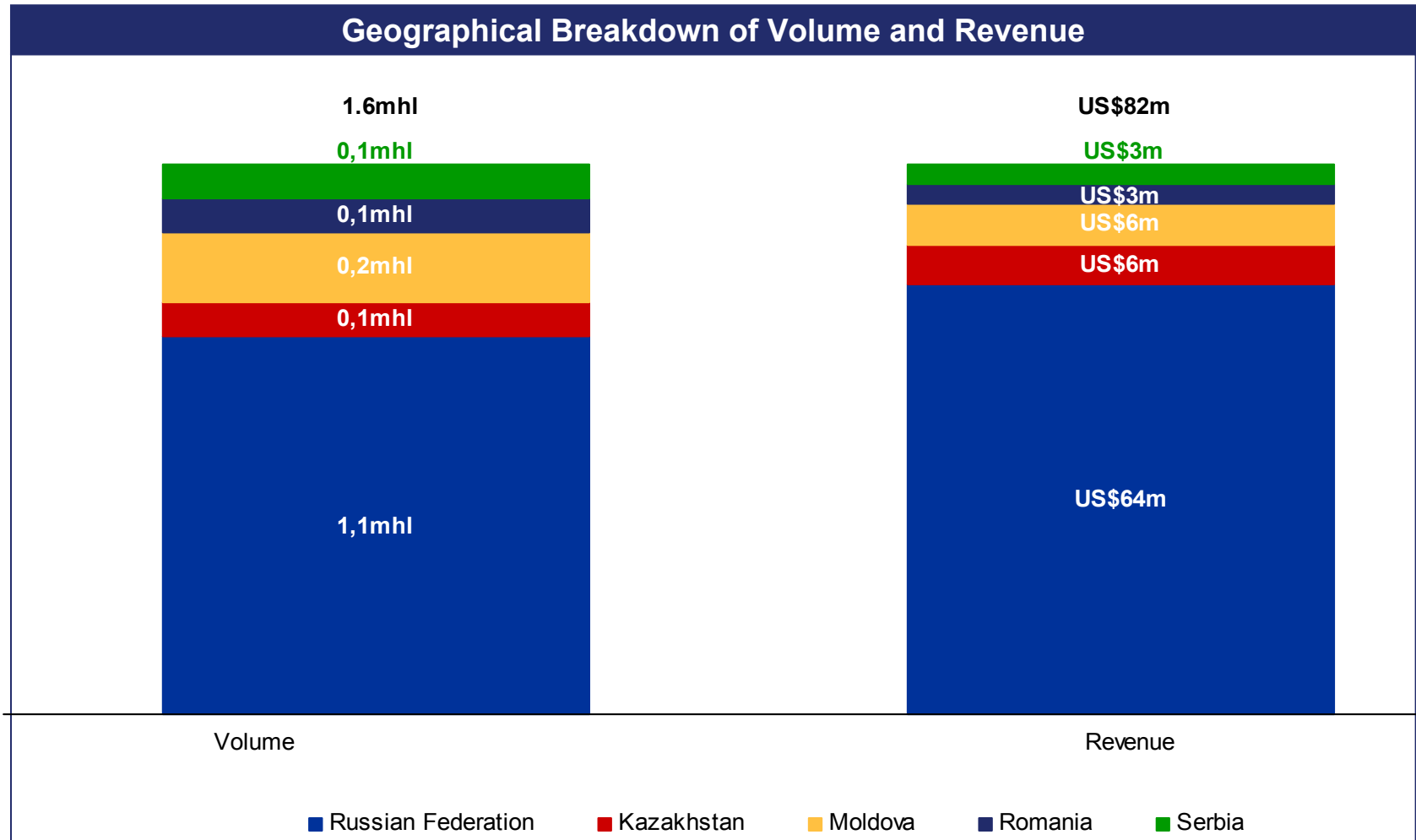
- ▶ Sales volume at 1.6 mhl up 19% in YTD Q12005 vs YTD Q12004
- ▶ Consolidated Revenue up by 19% in YTD Q12005 vs YTD Q12004, in line with volume growth, at US\$82 million
- ▶ Reduction in EBITDA due to seasonal impact



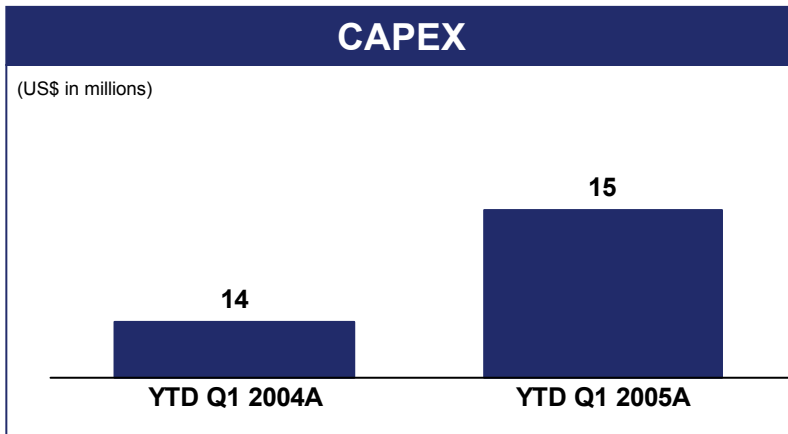
- ▶ **Slight contraction in Gross Profit margin due to**
 - Change in product composition - increased PET share (Russian Federation)
 - Impact of increased resin prices in cost of sales
 - Seasonal negative affects – will normalize in FY2005
 - Capacity increase in Russian Federation
 - Acquisition in Serbia & Montenegro
- ▶ **Decline in Profit from Operations due to**
 - Seasonal shift of marketing and advertising expenses – will normalize in FY2005
 - New advertising campaigns for all brands launched in Russian Federation following regulational changes
 - Disproportionate share of annual marketing and advertising expenses realised within Q12005
 - New brand launches - will normalize in FY2005
 - Zlatopramen (Russian Federation)
 - Pils Plus (Serbia & Montenegro)
 - Restructuring of sales and distribution system in Russian Federation – higher impact in Q12005
- ▶ **Impact on EBITDA due to seasonal nature of expectations**
 - Full year expectation maintained in line with volume growth expectations



YTD Q12005 Contribution by Geography



Note: Romania represents 50% of total figures in Romania.
Source: Company Information



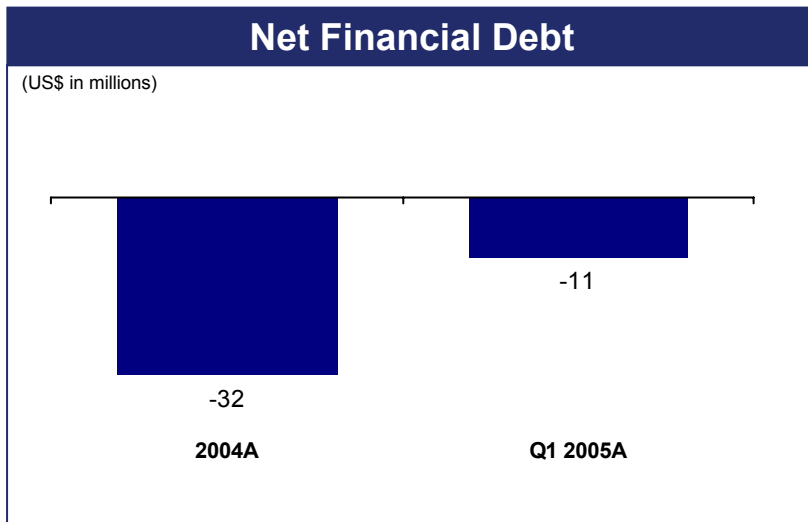
Source: Management accounts

Capex in 2005

- ▶ Ongoing capacity expansion in Ufa Brewery (+0.8 mhl) (Russian Federation) and in Vitanta Brewery (Moldova)
- ▶ Upgrade of Zajecar Brewery (Serbia & Montenegro)

Capex in 2004

- ▶ Capacity expansion of Moscow brewery (+1.5mhl)
- ▶ Upgrade of existing breweries in Moldova and Serbia & Montenegro



Source: Management accounts

Net Financial Debt

- ▶ Decrease in net cash position in Q1 2005 vs 2004, due to funding of the expansions



4. Conclusions





Key Messages



- ▶ **Annual EBITDA to normalize in FY2005 vs Q12005**
 - EBITDA 2005E around US\$115 million
- ▶ **Strong positions in attractive markets**
 - #4 in Russian Federation
 - #1 in Moldova
 - #2 in Kazakhstan
- ▶ **Present in key and fast-growing emerging markets in CIS, SEE & Central Asia**
 - Russian Federation – 81 mhl / 5% per capita consumption growth (2004 - 2009E)
 - Kazakhstan – 3.2 mhl / 8% per capita consumption growth (2004 - 2009E)
- ▶ **Positioned in the most attractive beer segments**
 - Most profitable
 - Fastest growing
- ▶ **Focus on profitable growth with proven track record**
 - Organic growth
 - Tactical and strategic acquisitions
- ▶ **Proven management team**

Positioned to take advantage of growth in target markets



Continue to pursue profitable growth

Focus on higher value segments

Leverage effective capital expenditure model

- ▶ **Ongoing review of greenfield / brownfield opportunities in existing territories**
- ▶ **Tactical and strategic expansion into new high-growth territories**
- ▶ **Capitalise on shift in consumer demand to premium beer**
- ▶ **Invest in brands**



APPENDIX





Consolidated Income Statement

For the period ended March 31, 2005 and 2004

<i>(US\$ in thousands)</i>	YTD Q1 2004	YTD Q1 2005
Sales	68,516	81,674
Cost of sales	(36,830)	(46,805)
Gross profit	31,686	34,869
Selling and marketing expenses	(17,876)	(25,948)
General and administrative expenses	(11,485)	(11,342)
Profit from operations	2,325	(2,421)
Financial income/(expense)	1,167	(4,308)
Other (expense)/income	441	(237)
Gain on net monetary position	-	-
Profit before tax	3,933	(6,966)
Income tax	(665)	(1,948)
Profit after tax	3,268	(8,914)
Minority interest	(237)	1,795
Net profit	3,031	(7,119)

Source: Management accounts.



Consolidated Balance Sheet

As of March 31, 2005 and December 31, 2004

<i>(US\$ in thousands)</i>	2004 A	Q1 2005
Cash and cash equivalents	134,668	120,342
Trade and other receivables	28,366	27,541
Due from related parties	3,384	3,629
Inventories	47,999	55,952
Prepayments and other current assets	19,613	29,023
Total current assets	234,030	236,487
Investments in securities	1,756	1,754
Property, plant and equipment	315,910	316,444
Intangible assets	69,164	68,667
Deferred tax assets	5,765	4,378
Prepayments and other non-current assets	3,816	2,125
Total non-current assets	396,411	393,368
Total assets	630,441	629,855
Trade and other payables	44,483	48,584
Due to related parties	13,478	15,328
Income tax payable	567	654
Short-term borrowings	30,154	42,370
Current portion of long-term borrowings	19,284	19,029
Total current liabilities	107,966	125,965
Long-term borrowings-net of current portion	53,471	48,418
Deferred tax liability	12,900	13,071
Other non-current liabilities	1,596	1,419
Total non-current liabilities	67,967	62,908
Minority interest	73,144	70,651
Total equity	381,364	370,331
Total liabilities and equity	630,441	629,855

Source: Management accounts.



Consolidated Cash Flow



For the period ended March 31, 2005 and 2004

<i>(US\$ in thousands)</i>	YTD Q1 2004	YTD Q1 2005
Net profit before minority interest and income tax	3,933	(6,966)
Depreciation and amortisation	7,944	9,350
Provisions, reserves and impairment	1,259	738
Other non-cash expense	232	(808)
Net interest expense	1,456	716
(Increase)/decrease in net working capital	(1,296)	(9,881)
Net interest paid	(1,594)	(1,071)
Income taxes paid	(824)	(486)
Net cash provided by operating activities	11,110	(8,408)
Capex	(13,895)	(14,742)
Other investing activities	837	136
Net cash used in investing activities	(13,058)	(14,606)
Proceeds from/(repayments of) debt	1,087	7,908
Net cash provided by financing activities	1,087	7,908
Currency translation differences	(1,762)	780
Net increase in cash and cash equivalents	(2,623)	(14,326)
Cash and cash equivalents at beginning of year	32,677	134,668
Cash and cash equivalents at end of period	30,054	120,342

Source: Management accounts.