

**1Q 2007 Results**

**Efes Breweries International N.V.**



**May 31<sup>st</sup> 2007**



# Forward-Looking Statements

This report may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward - looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

# Agenda

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

**Appendix**





## Synopsis of 1Q2007

- **Top line growth momentum**
  - 42% total volume growth to 2.3 mhl
  - 46% revenue growth to \$126 m
- **EBITDA more than doubled to \$16 m**
- **Focus on profitability improvement**
  - Scope for further optimization / restructuring of system





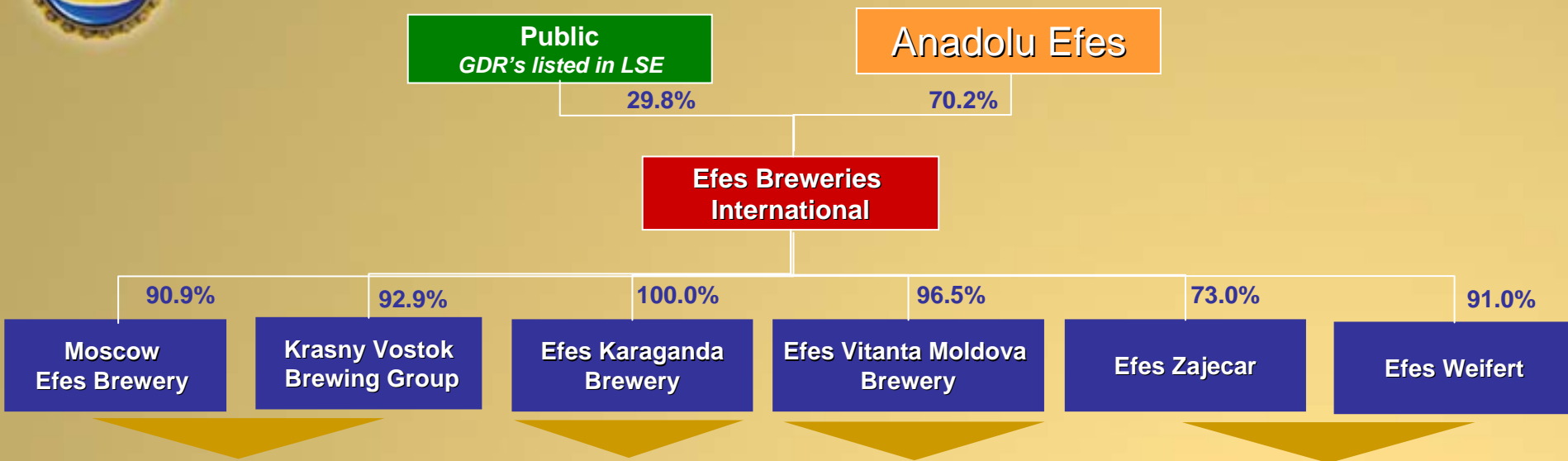
# Core Strengths Generated in Eurasia

4 Countries	
10 Breweries	
4 Malteries	
23.8 mhl capacity	
Russia	20.2 mhl
Kazakhstan	1.3 mhl
Moldova	0.9 mhl
Serbia	1.4 mhl





# Efes Breweries International N.V.



## RUSSIA

1Q2007

Market Share 9%

Position 4

Capacity (mhl) 20.2

## KAZAKHSTAN

1Q2007

21%

2

1.3

## MOLDOVA

1Q2007

67%

1

0.9

## SERBIA

1Q2007

11%

4

1.4

Source : A.C. Nielsen Jan-March 2007, A.C. Nielsen March 2007, MEMRB March 2007, AC Nielsen February 2007

# Agenda

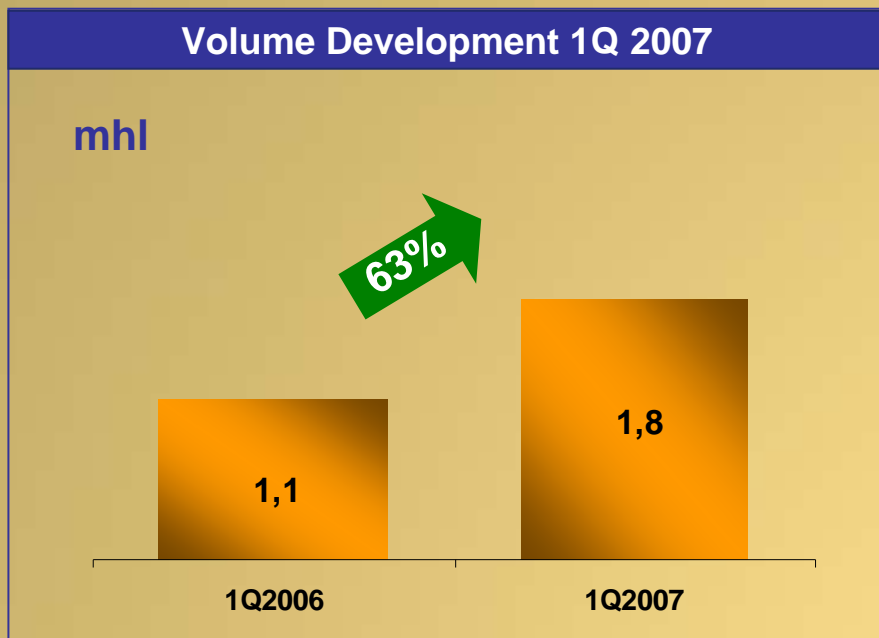
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# EBI Sales Volume Development Russia



- EBI is the #4 brewer in the market with a strong brand portfolio
  - Solidifying its position following the acquisition of the KV Group
- 63% volume growth in 1Q2007



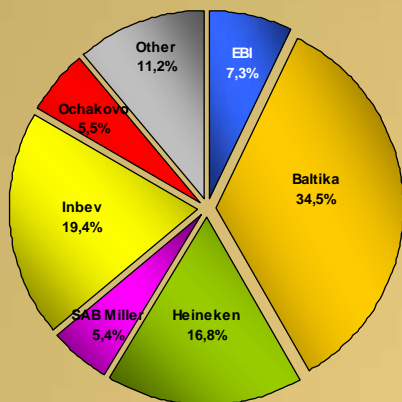




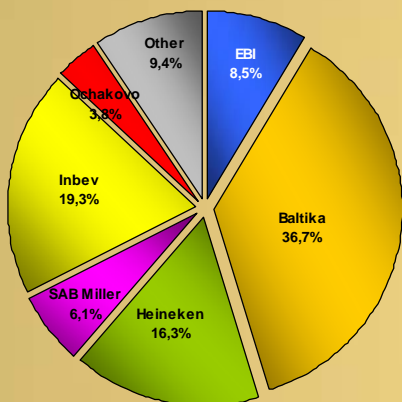
# EBI Market Position Russia



## 1Q 2006



## 1Q 2007\*



Source: AC Nielsen Jan-March 2007

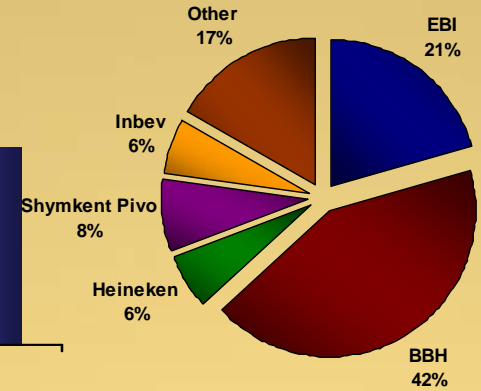
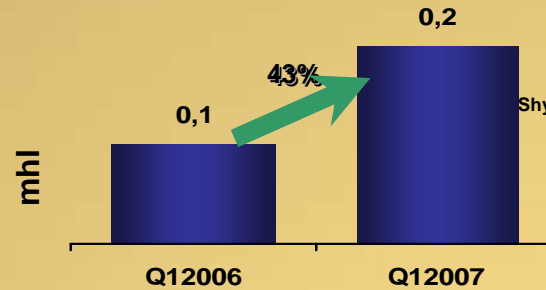
\*: Krasny Vostok brands included as of April 2006 in line with financial consolidation



# Other Markets

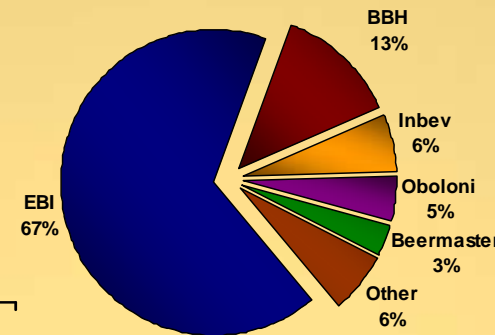
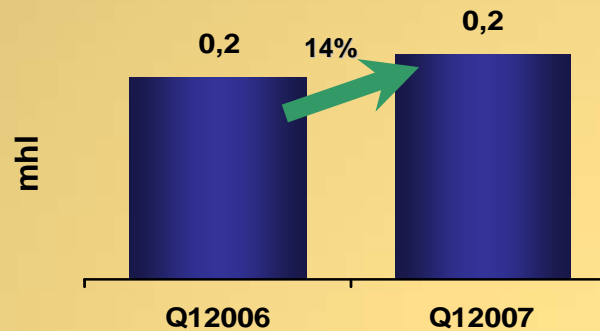
Kazakhstan

- ▶ #2 brewer
- ▶ Capacity up to 1.3 mhl in 2006 from 1.0 mhl in 2005
  - ▶ expected to increase to 2.1 mhl in 2007 summer season
- ▶ Market share up to 21% in 1Q2007 vs 19% in 1Q2006



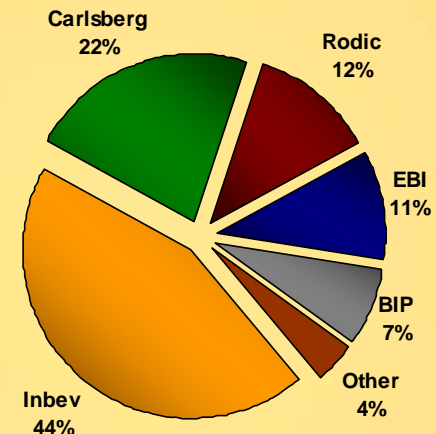
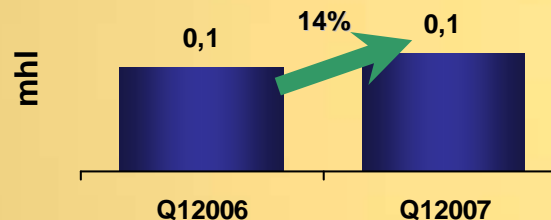
Moldova

- ▶ #1 brewer
- ▶ Brewing capacity of 0.9 mhl
- ▶ Beer only sales volume growth at 35% in 1Q2007
- ▶ Market share improved to 67% in 1Q2007
- ▶ Soft drink brands "Viva" and "Real" were sold to The Coca-Cola Company (Feb.2007)



Serbia

- ▶ #4 brewer
- ▶ Total capacity 1.4 mhl
  - ▶ Pancevo Brewery 0.4 mhl, acquired in 2003
  - ▶ Zajecar Brewery 1.0 mhl, acquired in 2004
- ▶ Changes to the business model to improve performance in 2007
- ▶ Recovering sales volume in 1Q2007 by 14%



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## Growth in Key Figures 1Q2007

	1Q2006	1Q2007	Growth (%)
<b>Total Sales Volume (mhl)</b>	1,6	2,3	42%
<b>Net Sales Revenue (million USD)</b>	87	126	46%
<b>Gross Profit (million USD)</b>	38	57	49%
<b>EBITDA (million USD)</b>	8	16	101%
<b>EBITDA Margin</b>	9%	12%	

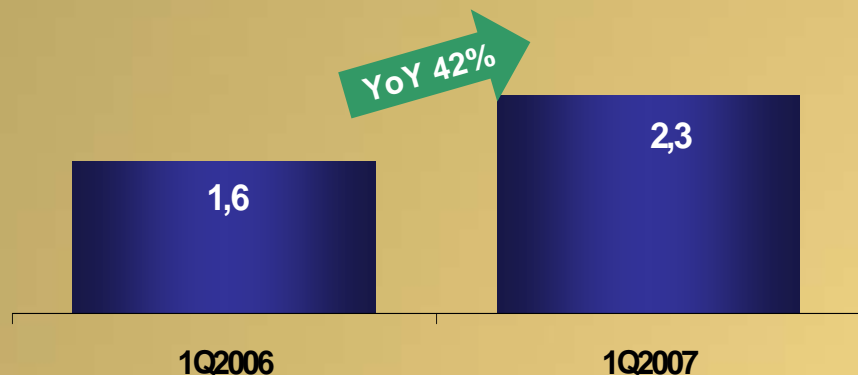
- 42% Sales volume growth
- 46% Revenue growth
- 49% Gross profit growth
  - Gross profit margin up to 45%
- 101% EBITDA growth
  - EBITDA margin up at 12%



# Financial Review – Operating Performance

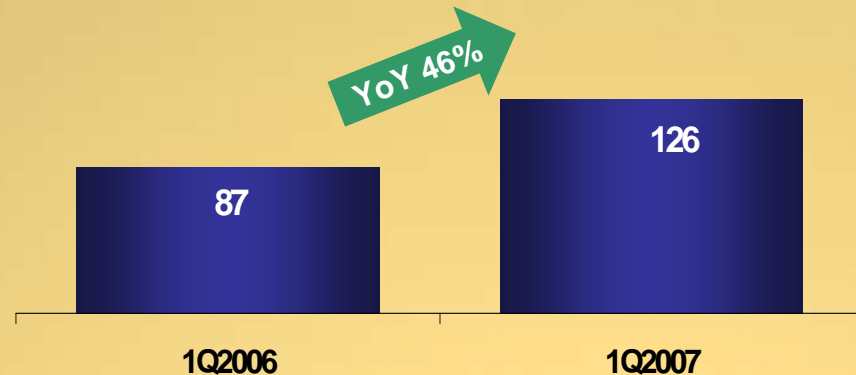
## Volume Development 1Q 2007

mhl

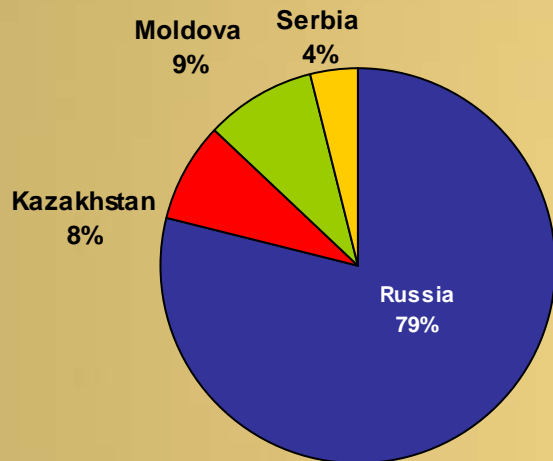


## Revenue Development 1Q 2007

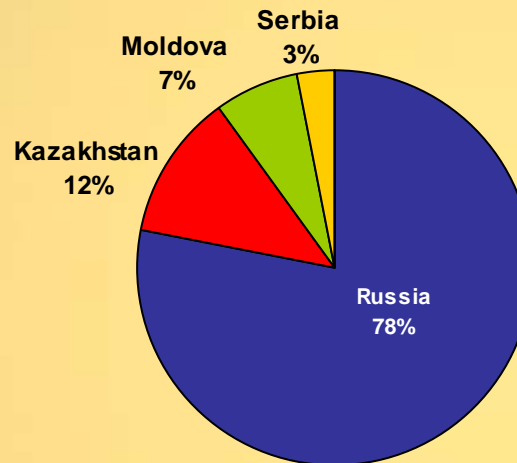
(US\$ millions)



## Geographical Sales Volume Breakdown 1Q 2007



## Revenue Breakdown 1Q 2007

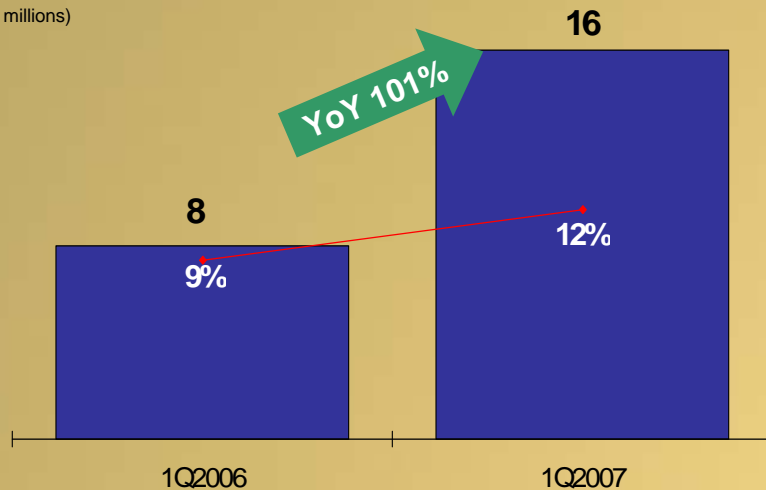




# Financial Review – Operating Performance

## EBITDA<sup>1</sup> Development

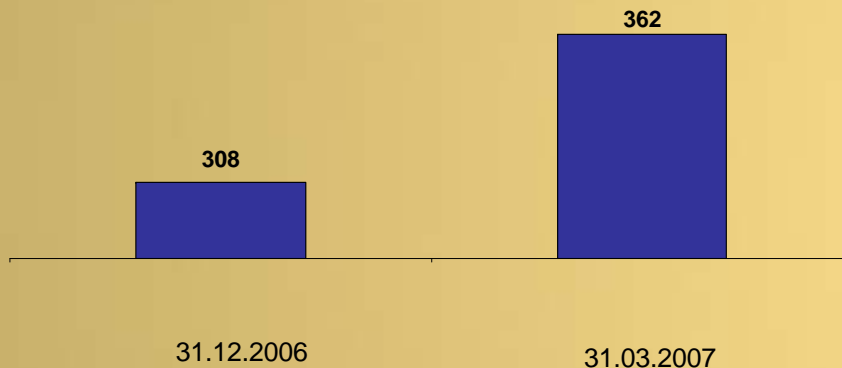
(US\$ millions)



(1) EBITDA here means earnings before interest (financial income/(expense) — net), tax, depreciation and amortisation, minus minority interest, and as applicable, minus gain on holding activities, plus loss on sale of PPE disposals, provisions, reserves and impairment.

- ▶ EBITDA margin at 12% in 1Q2007 vs. 9% in 1Q2006
- ▶ Net financial debt at \$362 m.
  - ▶ Primary source of debt
    - Syndicated loan for KV acquisition & minority buy-outs in Russia in 2006

## Net Financial Debt



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## The Key To Future Success For EBI

- Focus on profitability improvement
  - Launch of cost reduction project
  - Scope for further optimization / restructuring of system
- A thriving business in Russia
  - Brand rationalization
  - Improve brand recognition and distribution reach
- Change in business model to improve performance in Serbia
- Continuous focus on
  - Strong organic growth
  - Strategic expansion opportunities in existing and new compatible markets in Eurasia





# Appendix



**EFES BREWERIES INTERNATIONAL N.V.****CONSOLIDATED INCOME STATEMENT**

For the period ended March 31, 2007 and 2006

<i>(US\$ in thousands)</i>	<b>1Q 2007</b>	<b>1Q 2006</b>
Sales	<b>126.491</b>	86.800
Cost of sales	<b>(69.547)</b>	(48.668)
<b>Gross profit</b>	<b>56.944</b>	38.132
Selling and marketing expenses	<b>(38.478)</b>	(28.780)
General and administrative expenses	<b>(20.040)</b>	(12.199)
Other operating expense	<b>3.421</b>	(334)
<b>Profit from operations</b>	<b>1.847</b>	(3.181)
Financial income/(expense)	<b>(6.168)</b>	(1.949)
<b>Profit before tax</b>	<b>(4.321)</b>	(5.130)
Income tax	<b>5</b>	(1.061)
<b>Profit after tax</b>	<b>(4.316)</b>	(6.191)
Minority interest	<b>76</b>	708
<b>Net profit</b>	<b>(4.240)</b>	(5.483)
<b>EBITDA <sup>(1)</sup></b>	<b>15.667</b>	7.782
<b>VOLUME (mio hl)</b>	<b>2,29</b>	1,62

(1) EBITDA here means earnings before interest (financial income/(expense) — net), tax, depreciation and amortisation, minus minority interest, and as applicable, minus gain on holding activities, plus loss on sale of PPE disposals, provisions, reserves and impairment.

**EFES BREWERIES INTERNATIONAL N.V.****CONSOLIDATED BALANCE SHEET**

As of March 31, 2007 and December 31, 2006

<i>(US\$ in thousands)</i>	<b>31.03.2007</b>	31.12.2006
Cash and cash equivalents	<b>110.653</b>	163.861
Trade and other receivables	<b>52.362</b>	49.630
Due from related parties	<b>4.580</b>	3.475
Inventories	<b>116.793</b>	97.913
Prepayments and other current assets	<b>67.666</b>	56.422
<b>Total current assets</b>	<b>352.054</b>	371.301
Investments in securities	<b>1.580</b>	1.575
Property, plant and equipment	<b>643.891</b>	628.550
Intangible assets	<b>521.284</b>	514.969
Deferred tax assets	<b>11.513</b>	10.699
Prepayments and other non-current assets	<b>1.631</b>	2.246
<b>Total non-current assets</b>	<b>1.179.899</b>	1.158.039
<b>Total assets</b>	<b>1.531.953</b>	1.529.340
Trade and other payables	<b>241.191</b>	145.771
Due to related parties	<b>24.129</b>	22.148
Income tax payable	<b>1.838</b>	1.694
Short-term borrowings	<b>148.116</b>	138.156
Current portion of long-term borrowings	<b>15.329</b>	22.294
<b>Total current liabilities</b>	<b>430.603</b>	330.063
Long-term borrowings-net of current portion	<b>308.854</b>	311.108
Deferred tax liability	<b>11.300</b>	12.260
Other non-current liabilities	<b>587</b>	103.885
<b>Total non-current liabilities</b>	<b>320.741</b>	427.253
Minority interest	<b>9.150</b>	9.331
Total equity	<b>771.459</b>	762.693
<b>Total liabilities and equity</b>	<b>1.531.953</b>	1.529.340



**EFES BREWERIES INTERNATIONAL N.V.**  
**CONSOLIDATED CASH FLOW**

For the period ended March 31, 2007 and 2006

<i>(US\$ in thousands)</i>	<b>1Q 2007</b>	<b>1Q 2006</b>
Net profit before minority interest and income tax	<b>(4.321)</b>	(5.130)
Gain on sale of soft-drink trademarks	<b>(3.712)</b>	-
Depreciation and amortisation	<b>16.132</b>	10.682
Provisions, reserves and impairment	<b>1.302</b>	281
Other non-cash expense	<b>453</b>	321
Net interest expense	<b>7.183</b>	4.132
(Increase)/decrease in net working capital	<b>(8.050)</b>	8.948
Income taxes paid	<b>(526)</b>	(1.256)
<b>Net cash provided by operating activities</b>	<b>8.461</b>	17.978
Capex	<b>(26.205)</b>	(41.619)
Cash payments to acquire subsidiary and minority shares	<b>(33.516)</b>	(473.726)
Other investing activities	<b>6.091</b>	141
<b>Net cash used in investing activities</b>	<b>(53.630)</b>	(515.204)
Proceeds from/(repayments of) debt	<b>5.412</b>	480.243
Share issue	-	-
Net interest paid	<b>(13.510)</b>	(1.715)
<b>Net cash provided by financing activities</b>	<b>(8.098)</b>	478.528
Currency translation differences	<b>59</b>	(69)
Net increase in cash and cash equivalents	<b>(53.208)</b>	(18.767)
Cash and cash equivalents at beginning of year	<b>163.861</b>	96.860
<b>Cash and cash equivalents at end of period</b>	<b>110.653</b>	78.093