



**Efes Breweries International N.V.**



**Deutsche Bank  
Consumer and Pharmacy  
Conference**

**Moscow, April 24<sup>th</sup> 2008**

# Forward-Looking Statements

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**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.**



# Investment Highlights

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- **Presence in high growth markets**
- **Strong positions in a wide geography**
- **Strong brand recognition and extensive distribution network**
- **Proven management team with successful track record**
- **Expertise in managing organic growth and integrating acquisitions**



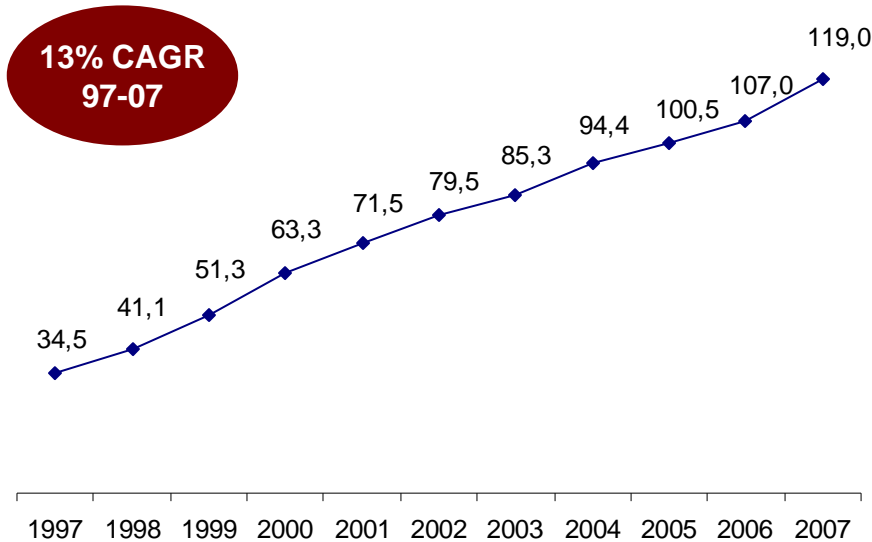
# Core Strengths Generated in Eurasia



# Market Dynamics

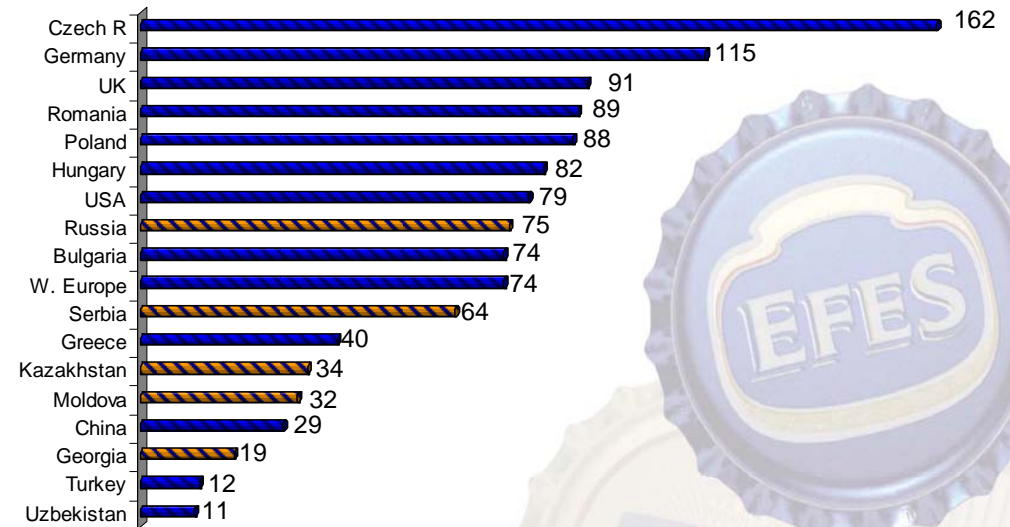


## Total Consumption (EBI's Current Markets)



Source: Canadean Global Beer Trends, 2007

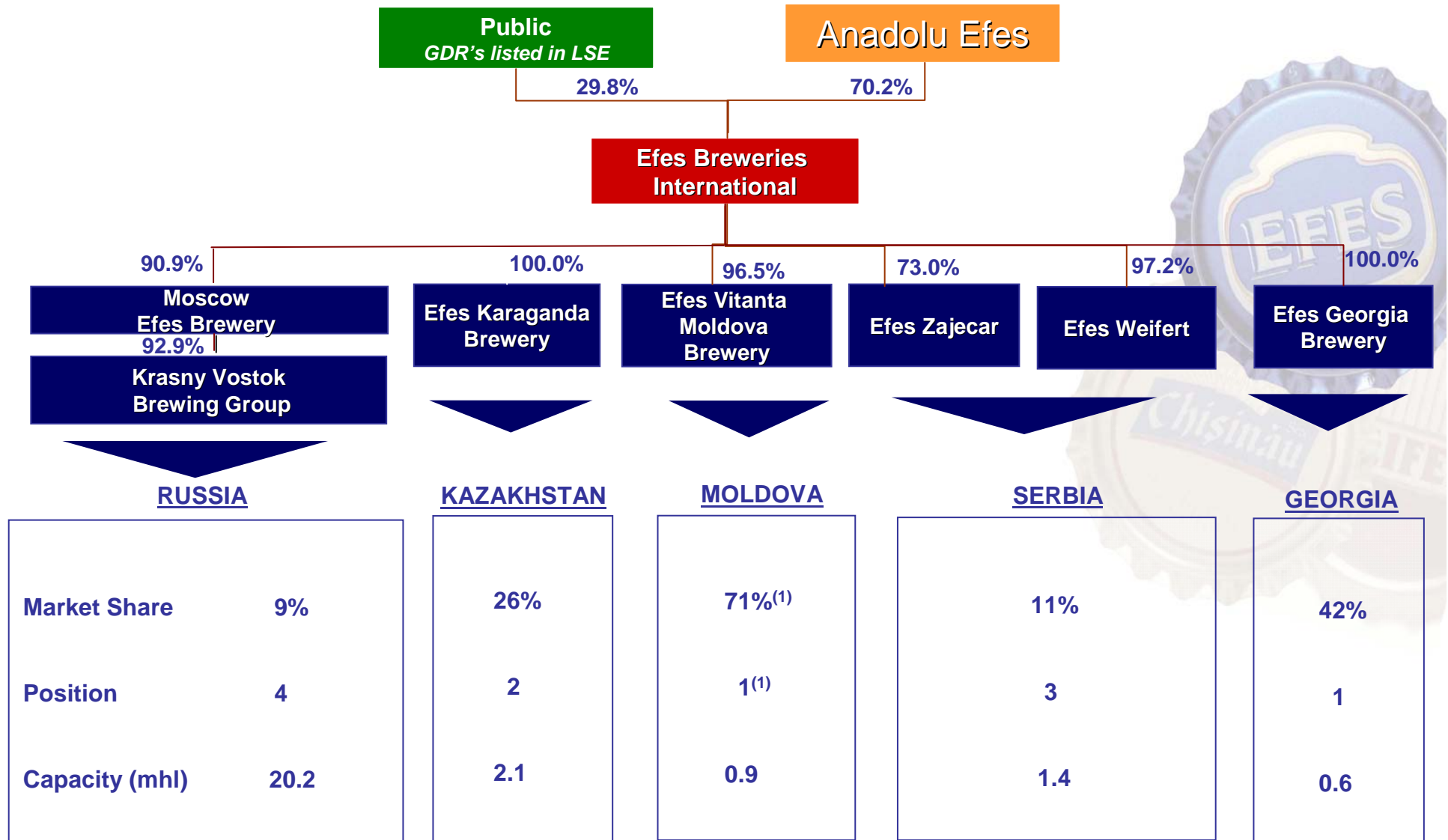
## Per Capita Beer Consumption



Source: Canadean Global Beer Trends, 2007, Company Estimates

- Operating territories delivering significant total consumption growth historically
  - 13% CAGR in the last 10 years
- Notwithstanding the substantial growth, relatively low per capita consumption in operating markets
  - Suggesting potential for future market growth
- Shifting consumer preferences towards Western life style
- Increasing supply of quality products
- Growing economies

# Efes Breweries International N.V. Company Structure

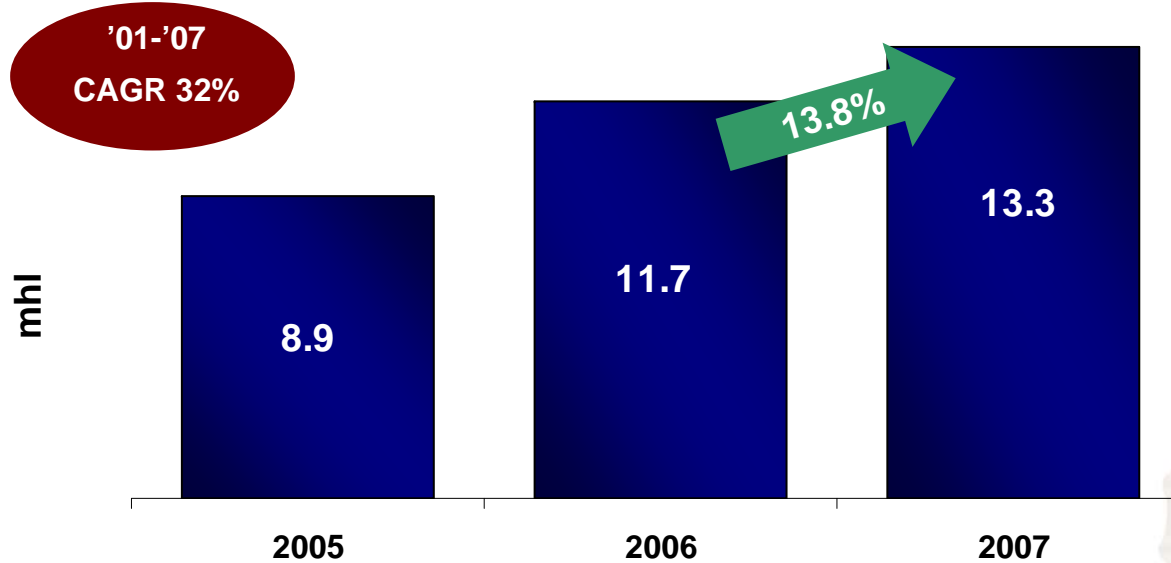


Source : A.C. Nielsen December 2007, (1) MEMRB December 2007

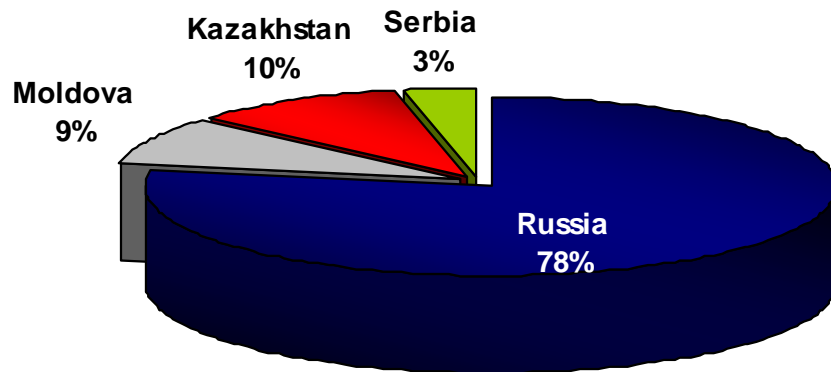
# Substantial Sales Volume Growth



## Sales Volume Development



## Geographical Breakdown of Sales Volume\*- FY2007



▪ Substantial sales volume growth at 13.8% in 2007

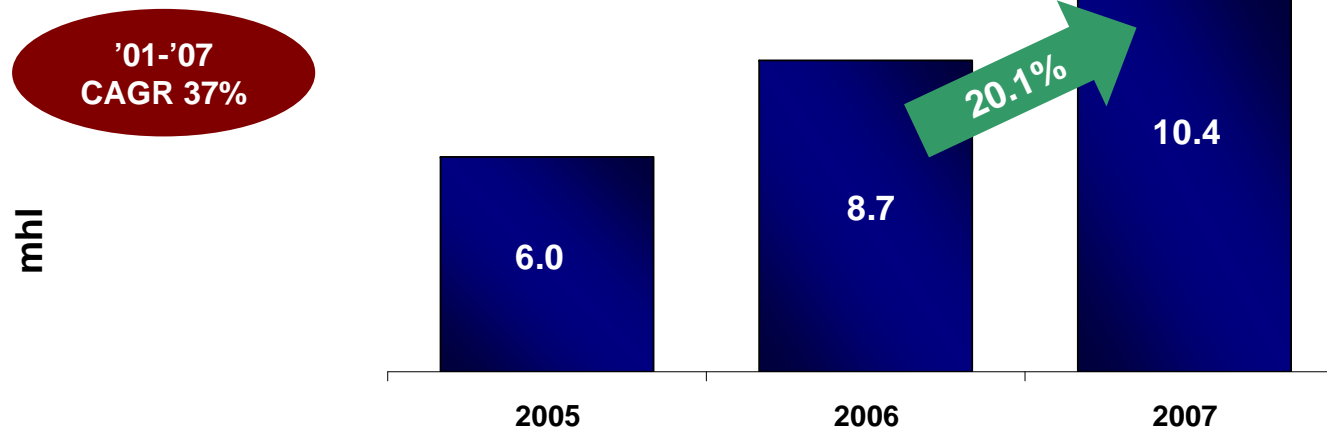
▪ like-for-like growth at 17.0% (excluding Efes Romania in 2006 and including KV Group sales volume for the first two months of 2006)

\*Includes consolidation adjustments

# Overview-Russia



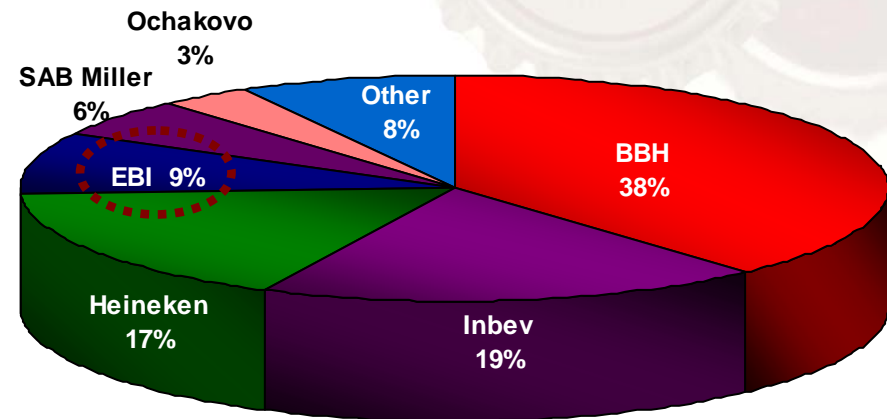
## Volume Development\*



\*Sales volume pre consolidation adjustments

- **20.1% volume growth in 2007**
  - 17.1% like-for-like growth (including KV Group sales volume for the first two months of 2006)
  - A head of estimated market growth of 16.0%
- Solid position following the acquisition of the KV Group

## Market Share by Volume



Source: AC Nielsen December 2007



# Market Dynamics / Favourable Logistics - Russia



- ▲ brewery
- maltery
- ◆ PET pre-form production



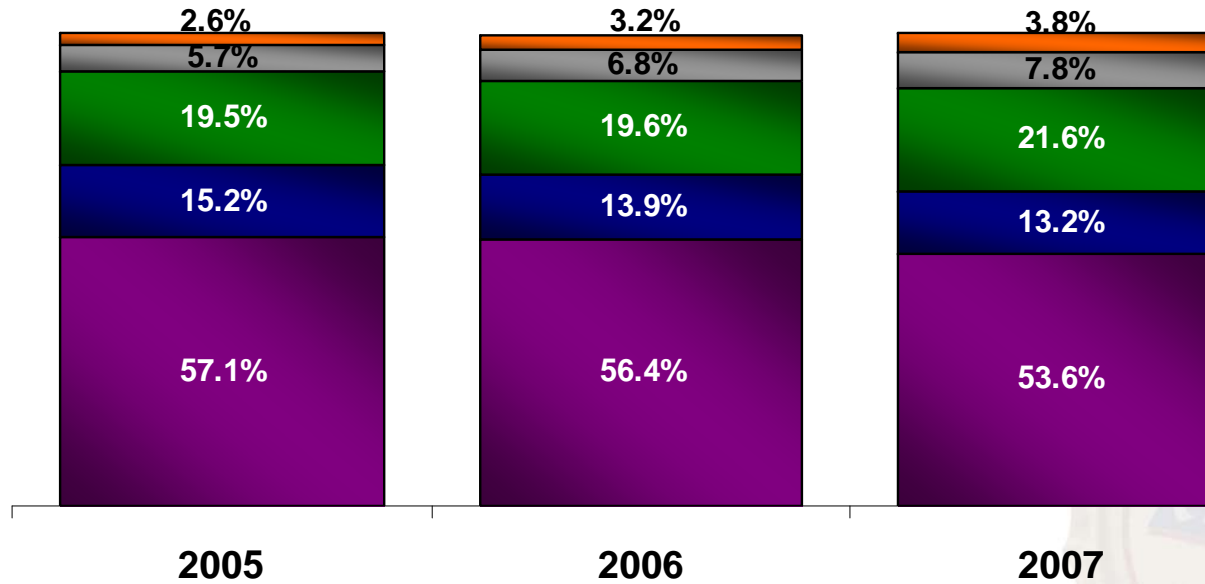
- Production Platform
- 5 breweries – 20.2 mhl total brewing capacity
- 4 malteries – 139,000 tons total production capacity
- 1 PET pre-form production facility

- Market Dynamics
- Local production by global players
- Changing consumer preferences and an increasing switch from high alcohol substitutes
- Favorable government regulations, promoting a switch from high alcoholic products to low alcoholic products
- High concentration and substantial barriers to entry: five largest players account for 90% of the market

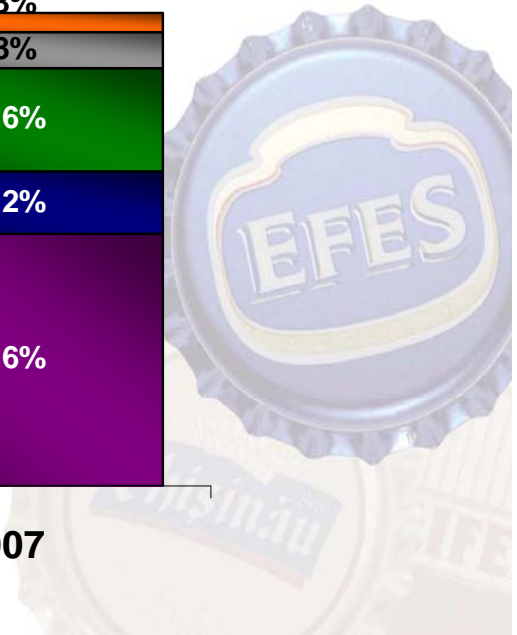
# Active in all Segments-Russia



Source: AC Nielsen YTD Dec. 2007



The numbers may not add up to 100 due to rounding

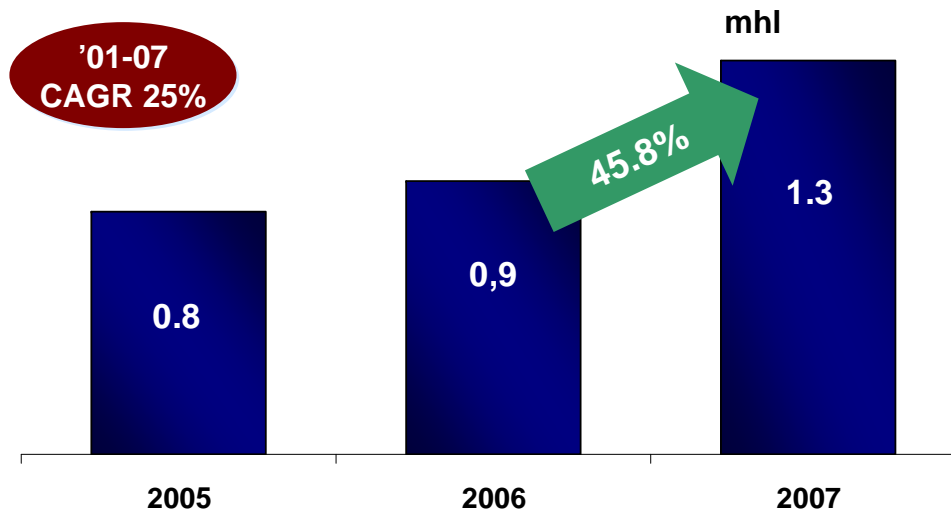


| Super Premium | Premium | Upper Mainstream | Lower Mainstream | Economy |
|---------------|---------|------------------|------------------|---------|
|               |         |                  |                  |         |

# Overview-Kazakhstan

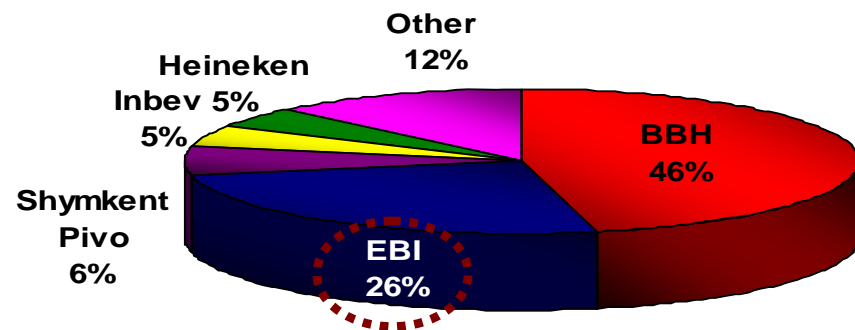


## Volume Development



- #2 brewer
- Capacity up to 2.1 mhl in 2007 from 1.3 mhl in YE2006
- Market share up to 26% in December 2007 vs 18% YE2006

## Market Share by Volume



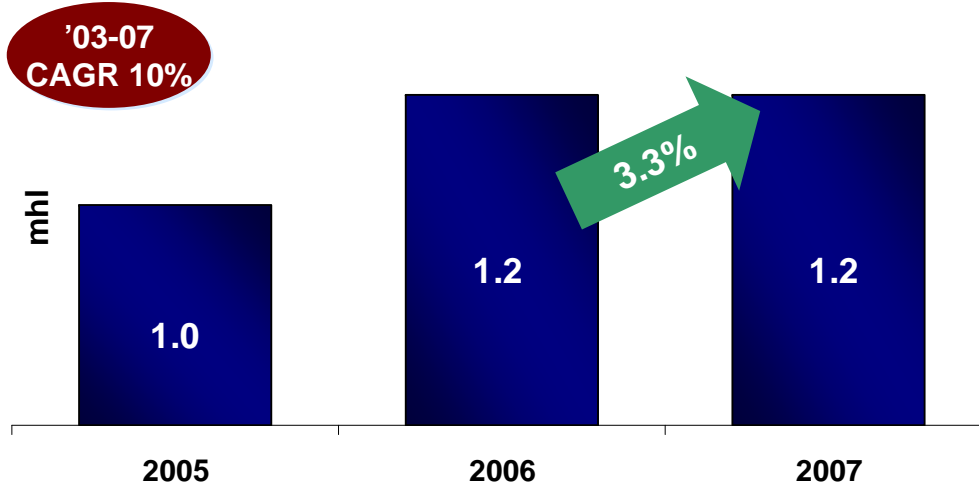
## Brand Portfolio



# Overview-Moldova



## Volume Development



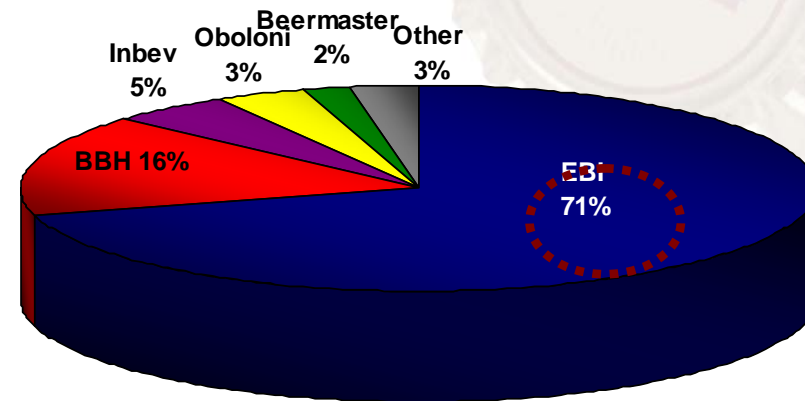
- #1 brewer
- Brewing capacity of 0.9 mhl
- Beer only sales volume growth at 14.0% as of end of 2007
- Market share up to 71% in December 2007 vs 66% in YE2006

## Brand Portfolio



Warsteiner Efes Sokol Vitanta Stary Melnik Chisinau

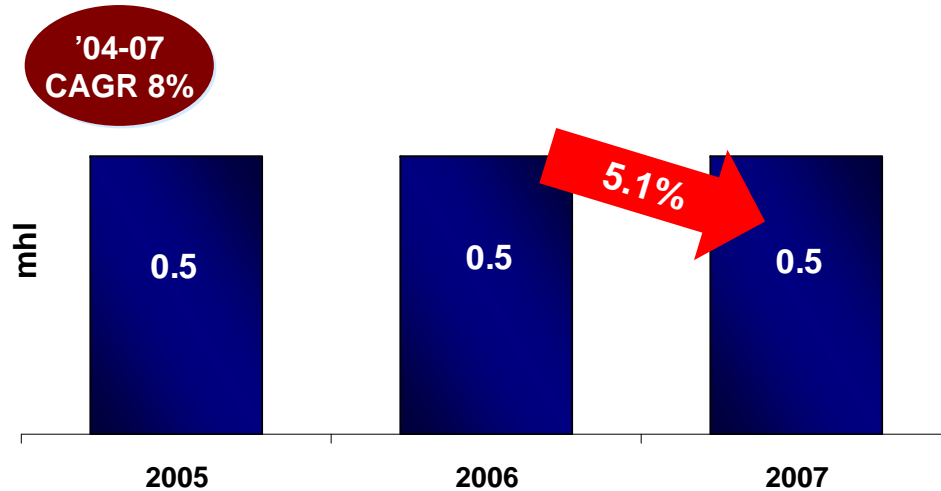
## Market Share by Volume



# Overview-Serbia

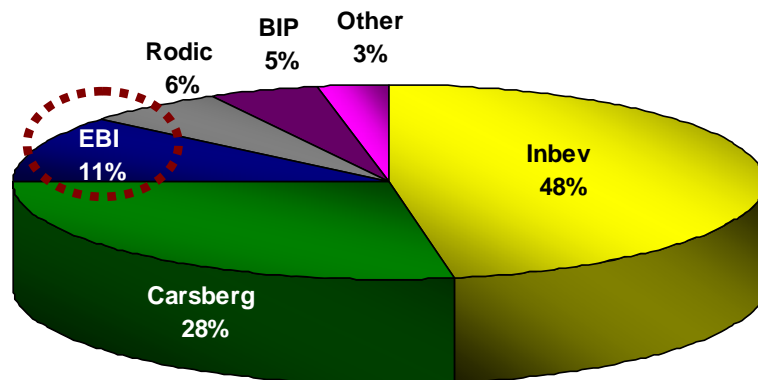


## Volume Development



- #3 brewer
- Total capacity 1.4 mhl
  - Pancevo Brewery 0.4 mhl
  - Zajecar Brewery 1.0 mhl

## Market Share by Volume



## Brand Portfolio



Efes

MGD

Weifert

Pils Plus

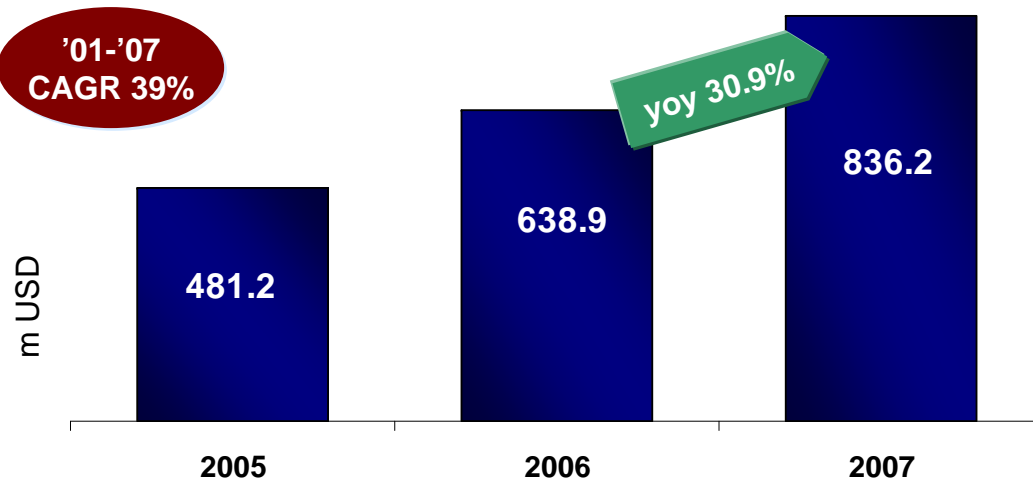
Zajecarsko

Standard

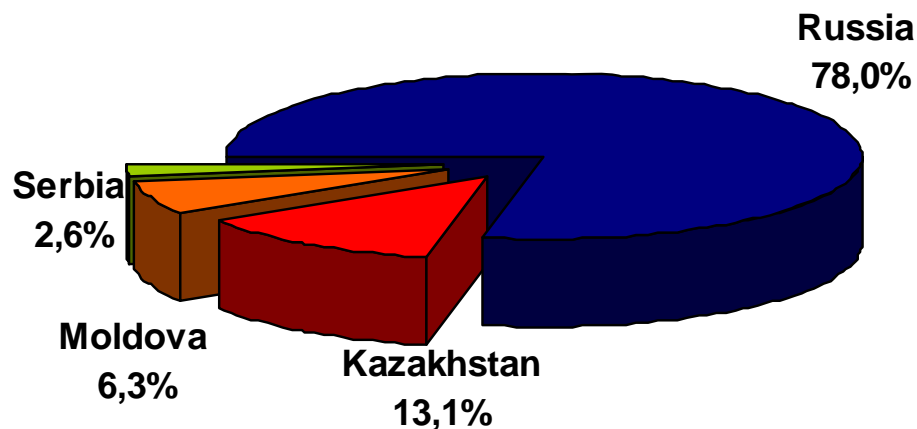
# Financial Highlights – Operating Performance



## Revenue Development



## Revenue Breakdown\*



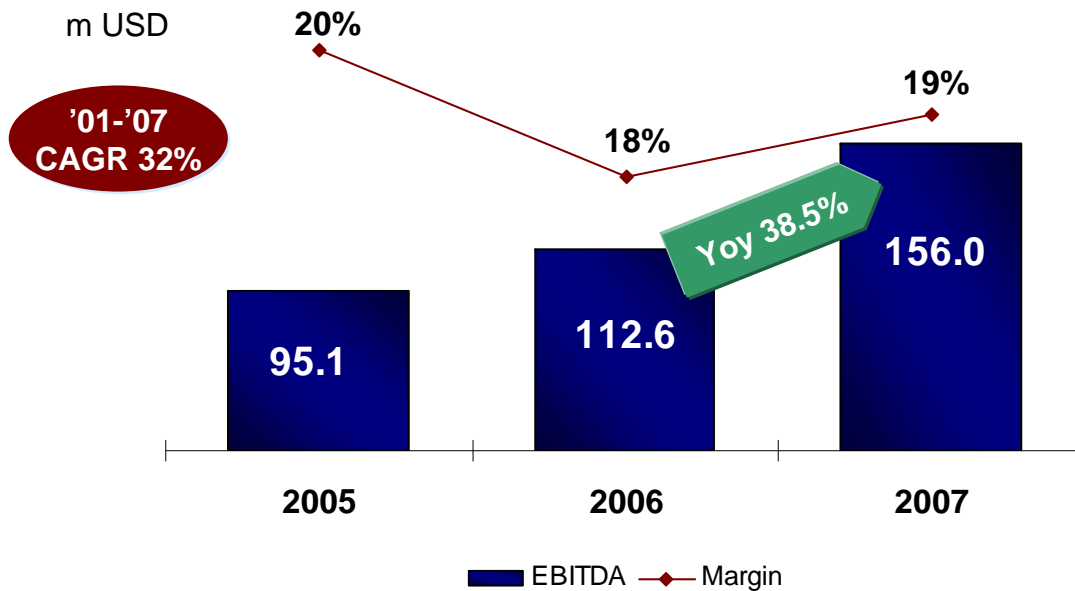
- Consolidated revenue up 30.9% in 2007, ahead of volume growth as a result of;
  - local currency price increases
  - positive mix effect due to the switch from returnable bottles to non-returnable bottles in Kazakhstan in 2007;
  - decreased sale of lower priced soft drink products in EBI's total sales in Moldova; and
  - positive foreign currency impact

\*Includes consolidation adjustments

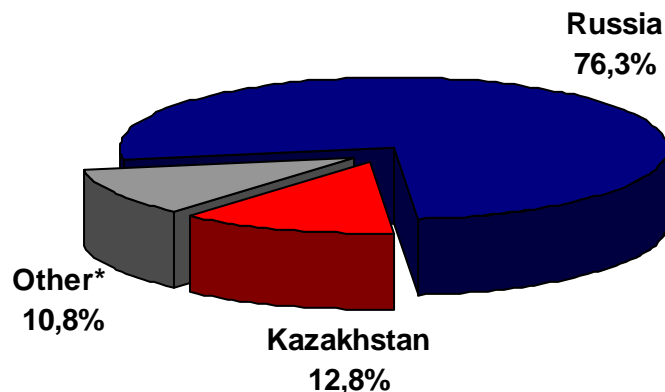
# Financial Highlights – Operating Performance



## EBITDA Development



## EBITDA Breakdown\*



\*Other includes Moldova, Serbia and Headquarter adjustments

• Consolidated EBITDA up 38.5% in FY2007 with 110 bps improved in EBITDA margin to 18.7% in spite of;

- deterioration in gross profit margin as a result of increased raw material prices
- negative packaging mix effect in Kazakhstan

Through;

- further streamlining of business after KV Group acquisition in 2006
- Optimization of cross brewing

# Recent Updates



**EBI and Heineken established a Joint Venture to invest in the Uzbek beer market (January 2008)**

- Intended acquisition of breweries
- EBI has 60% share in the JV with management control
- Heineken has 40% share in the JV.

**EBI and Heineken's intended collaboration in the Kazakh and Serbian beer markets (January 2008).**

- EBI's acquisition of Heineken's business in Kazakhstan and Heineken's acquisition of EBI's business in Serbia
- Each party will own 28% share in other party's combined business in the respective markets.
- Combined entities will have;
  - #2 position in Kazakhstan with a 31% combined market share and 2.5 mhl capacity
  - #3 position in Serbia with a proforma 17% combined market share (including intended acquisition of "Rodic" by Heineken) and 2.9 mhl capacity.

**EBI's acquisition of 100.0% of "Lomisi" in Georgia (February 2008).**

- Leader in the Georgian beer market with an estimated market share of 42% by volume in 2007
- 0.55 mhl brewing capacity.



# Outlook



- **Continuous focus on**
  - ▶ Strong organic growth
  - ▶ Strategic expansion opportunities in existing and new compatible markets in Eurasia
- **Revenue growth ahead of volume growth**
- **The impact of the increase in the raw material and packaging costs to be apparent at the gross profit line, while expected to be mitigated by;**
  - ▶ price increases ahead of inflation
  - ▶ increasing operational efficiencies, which are expected to be derived primarily from
    - the optimization of marketing expenses due to now completed brand rationalization in Russia
    - economies of scale
- **Absolute EBITDA growth year-on-year, yet certain deterioration at margin**



# APPENDIX



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

For the period ended December 31, 2007 and 2006



| <i>(US\$ in thousands)</i>          | <b>YTD Q4 2007</b> | <b>YTD Q4 2006</b> |
|-------------------------------------|--------------------|--------------------|
| Sales                               | <b>836.235</b>     | 638.929            |
| Cost of sales                       | <b>(462.100)</b>   | (328.843)          |
| <b>Gross profit</b>                 | <b>374.135</b>     | 310.086            |
| Selling and marketing expenses      | <b>(209.214)</b>   | (180.613)          |
| General and administrative expenses | <b>(94.819)</b>    | (73.801)           |
| Other operating income/(expense)    | <b>10.449</b>      | (287)              |
| <b>Profit from operations</b>       | <b>80.551</b>      | 55.385             |
| Financial income/(expense)          | <b>(28.924)</b>    | (26.554)           |
| <b>Profit before tax</b>            | <b>51.627</b>      | 28.831             |
| Income tax                          | <b>(14.280)</b>    | (7.419)            |
| <b>Profit after tax</b>             | <b>37.347</b>      | 21.412             |
| Minority interest                   | <b>123</b>         | (804)              |
| <b>Net profit</b>                   | <b>37.470</b>      | 20.608             |
| <b>EBITDA <sup>(1)</sup></b>        | <b>156.012</b>     | 112.635            |
| <b>VOLUME (mio hl)</b>              | <b>13,32</b>       | 11,70              |

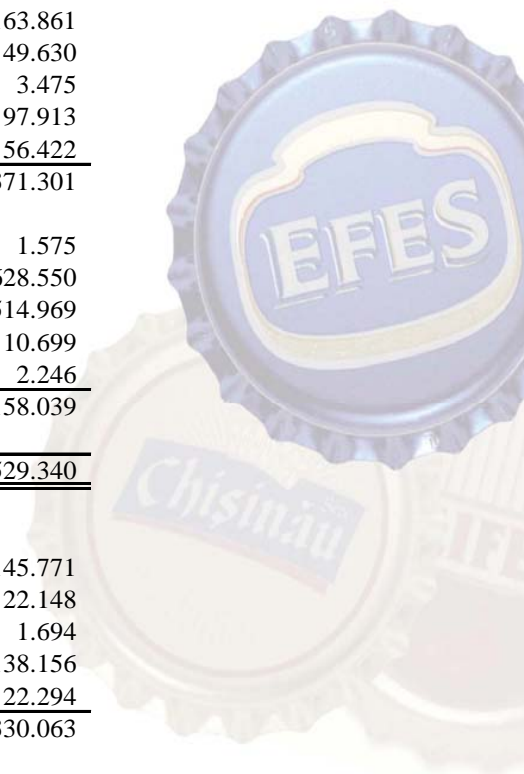
(1) EBITDA here means earnings before interest (financial income/(expense) — net), tax, depreciation and amortisation, minus minority interest, and as applicable, minus gain on holding activities, plus loss on sale of PPE disposals, provisions, reserves and impairment.

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

As of December 31, 2007 and December 31, 2006



| <i>(US\$ in thousands)</i>                  | <b>2007</b>      | <b>2006</b> |
|---|------------------|-------------|
| Cash and cash equivalents                   | <b>58.526</b>    | 163.861     |
| Trade and other receivables                 | <b>88.140</b>    | 49.630      |
| Due from related parties                    | <b>8.161</b>     | 3.475       |
| Inventories                                 | <b>188.041</b>   | 97.913      |
| Prepayments and other current assets        | <b>59.840</b>    | 56.422      |
| <b>Total current assets</b>                 | <b>402.708</b>   | 371.301     |
| Investments in securities                   | <b>1.521</b>     | 1.575       |
| Property, plant and equipment               | <b>726.490</b>   | 628.550     |
| Intangible assets                           | <b>536.949</b>   | 514.969     |
| Deferred tax assets                         | <b>13.806</b>    | 10.699      |
| Prepayments and other non-current assets    | <b>2.942</b>     | 2.246       |
| <b>Total non-current assets</b>             | <b>1.281.708</b> | 1.158.039   |
| <b>Total assets</b>                         | <b>1.684.416</b> | 1.529.340   |
| Trade and other payables                    | <b>225.773</b>   | 145.771     |
| Due to related parties                      | <b>23.339</b>    | 22.148      |
| Income tax payable                          | <b>5.008</b>     | 1.694       |
| Short-term borrowings                       | <b>188.609</b>   | 138.156     |
| Current portion of long-term borrowings     | <b>14.822</b>    | 22.294      |
| <b>Total current liabilities</b>            | <b>457.551</b>   | 330.063     |
| Long-term borrowings-net of current portion | <b>342.598</b>   | 311.108     |
| Deferred tax liability                      | <b>10.912</b>    | 12.260      |
| Other non-current liabilities               | <b>346</b>       | 103.885     |
| <b>Total non-current liabilities</b>        | <b>353.856</b>   | 427.253     |
| Minority interest                           | <b>9.572</b>     | 9.331       |
| Total equity                                | <b>863.437</b>   | 762.693     |
| <b>Total liabilities and equity</b>         | <b>1.684.416</b> | 1.529.340   |



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

For the period ended December 31, 2007 and 2006



| <i>(US\$ in thousands)</i>                                  | <b>YTD Q4 2007</b> | <b>YTD Q4 2006</b> |
|---|--------------------|--------------------|
| Net profit before minority interest and income tax          | <b>51.627</b>      | 28.831             |
| Gain on sale of soft-drink trademarks                       | <b>(3.712)</b>     | -                  |
| Gain on sale of joint venture                               | -                  | (1.779)            |
| Depreciation and amortisation                               | <b>72.578</b>      | 57.082             |
| Provisions, reserves and impairment                         | <b>1.745</b>       | 1.134              |
| Other non-cash expense                                      | <b>2.379</b>       | 1.021              |
| Net interest expense  | <b>31.747</b>      | 32.730             |
| (Increase)/decrease in net working capital                  | <b>(124.538)</b>   | (22.421)           |
| Net interest paid   | <b>(39.903)</b>    | (25.323)           |
| Income taxes paid   | <b>(18.680)</b>    | (10.920)           |
| <b>Net cash provided by operating activities</b>            | <b>(26.757)</b>    | 60.355             |
| Capex   | <b>(127.655)</b>   | (124.193)          |
| Cash payments to acquire subsidiary and minority shares     | <b>(36.660)</b>    | (486.665)          |
| Proceeds from sales of PPE ,soft-drink trademarks and other | <b>8.873</b>       | 2.592              |
| Disposal of joint venture                                   | -                  | 26.706             |
| <b>Net cash used in investing activities</b>                | <b>(155.442)</b>   | (581.560)          |
| Proceeds from/(repayments of) debt                          | <b>64.012</b>      | 285.902            |
| <b>Net cash provided by financing activities</b>            | <b>64.012</b>      | 584.161            |
| Currency translation differences                            | <b>12.852</b>      | 4.045              |
| Net increase in cash and cash equivalents                   | <b>(105.335)</b>   | 67.001             |
| 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>58.526</b>      | 163.861            |

