

Efes Breweries International N.V. (EBI) FY2008 Results

**Conference Call Presentation
06.04.2009**

Alejandro Jimenez

CEO & Chairman of the Board of Management

Can aka

Member of the Board of Management



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.



**General Overview &
Operating Performance**
by
Alejandro Jimenez

Operational Snapshot

2008 Performance



	2007	2008	Growth (%)
Total Sales Volume (mhl)	13.32	14.05	5.5%
Net Sales (million USD)	836.2	1038.0	24.1%
Gross Profit (million USD)	374.1	424.3	13.4%
Gross Profit margin (%)	44.7%	40.9%	(-387 bps)
EBITDA (million USD)	156.0	153.5	-1.6%
EBITDA margin (%)	18.7%	14.8%	(-387 bps)

- ✓ Solid volume growth outperforming all of our operating markets despite deteriorating consumer demand
- ✓ Revenue growth significantly ahead of volume growth, mainly due to;
 - local currency price increases,
 - strengthening of local currencies versus USD
- ✓ On an organic basis (excluding the revenue of Serbia and Georgia) revenue growth was 20.8%
- ✓ Impact on profitability due to;
 - global commodities inflation and adverse macro economic conditions
 - increased volatility and slowing consumer demand in our operating markets
- ✓ Contraction in EBITDA margin is totally attributable to the decline in gross profit margin

Macroeconomic & Industrial Snapshot

2008



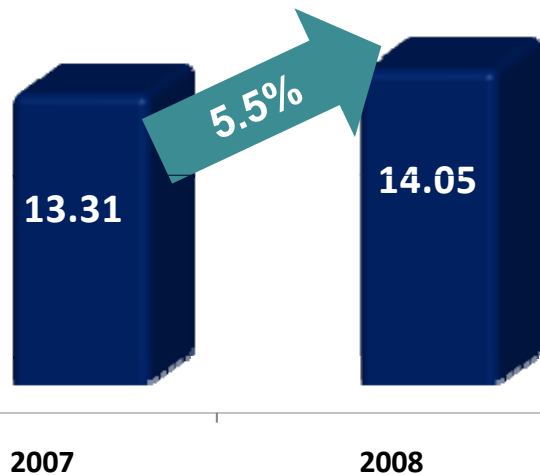
- Increase in Cost of Sales
 - raw materials (resin, aluminum, glass, malt & malting barley, hops)
 - energy
 - labor
- Increase in excise taxes on beer
 - ca. 32% increase in Russia
- Macroeconomic challenges
 - Increased inflation
 - Russia CPI 13.3% in 2008; Food Inflation 16.5%
 - Kazakhstan CPI 9.5% in 2008; Food Inflation 10.8%
 - Decline in consumer confidence
 - Russian consumer sentiment index down by more than 20% since its peak in 1Q2008.
 - Decline in purchasing power
 - Russian real disposable income down by 11.6%, real wages down 4.6% in 2008 y-o-y
 - Kazakhstan real wages down 0.6% y-o-y
 - Decline in GDP growth
 - Russian GDP growth slowed down to 5.6% from 8.1% a year ago
 - Kazakhstan GDP growth 3.2% in 2008 vs. 8.5% in 2007
- Poor weather in the region

Solid Volume Growth in a Challenging Year



Volume Development

mhl



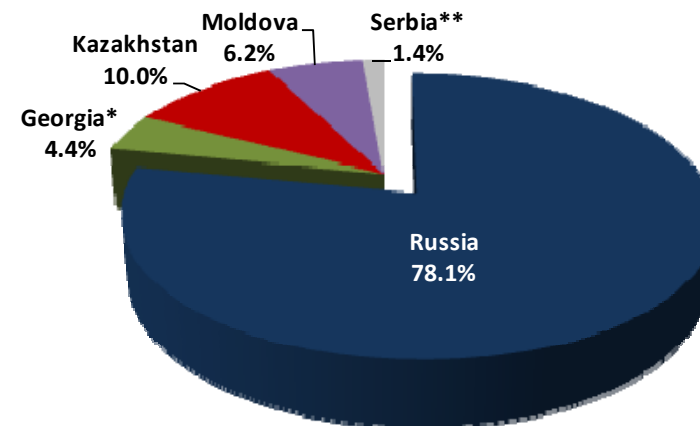
- Consolidated Sales volume up 5.5% in 2008 compared to the same period of previous year
- Organic⁽¹⁾ growth at 4.6%

(1) By excluding i) the sales volume of JSC Lomisi in Georgia, which EBI acquired in February 2008 and started full consolidation starting from March 1st 2008, ii) the 2007 sales volume of Efes Serbia, which is excluded from EBI's financials after the end of 1H2008 iii) the sales volume of "Viva" and "Real" brands in Moldova, which were sold to The Coca-Cola Company in February 2007.

Breakdown of Sales Volume

• EBI was able to manage volume and top line growth in a very challenging environment;

- Slower disposable income growth
- Slowing consumer demand
- Increased inflation rate
- Poor weather conditions
- A strong base effect



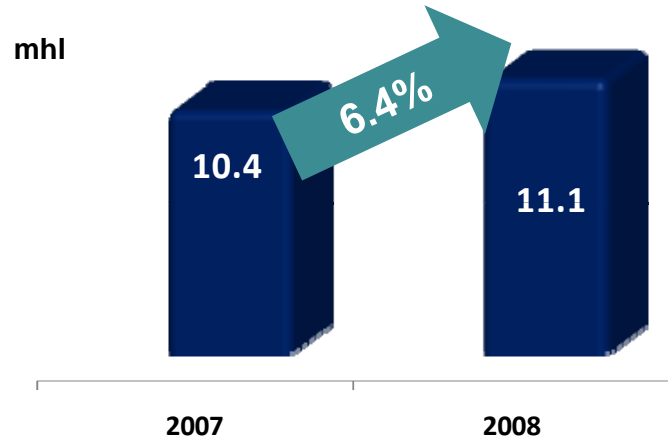
Numbers may not add up to 100 due to rounding.

* Consolidated starting from March 2008, inclusive
 ** Consolidated until 30.06.2008

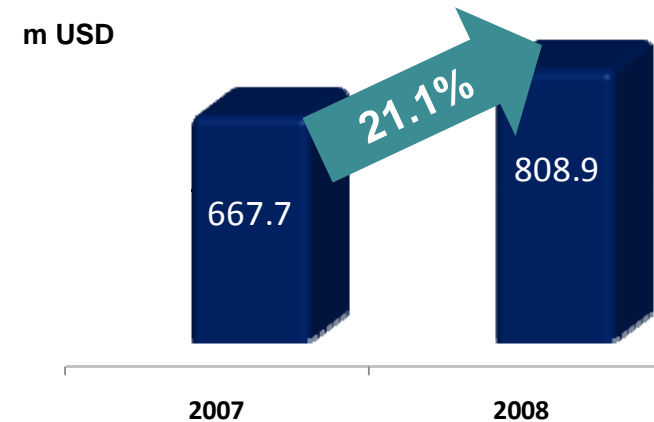
Fastest Growing Brewer in Russia



Volume Development



Revenue Development

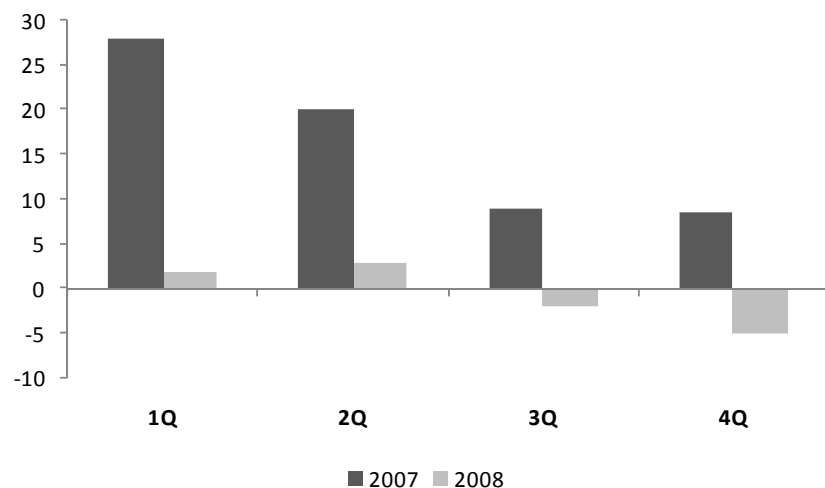


- Sales volume up 6.4% in 2008 vs. 1% decline in beer market
- Revenue growth ahead of volume growth through;
 - 16.5% local currency price increase
 - lower average Ruble/USD exchange rate

Russian Beer Market



Market Growth Slowing...



EBI Market Share Growing...

	2007	2008
BBH	38.2	39.8
INBEV	18.7	17.1
HEINEKEN	15.8	15.6
EBI	9.1	9.3
SAB MILLER	5.8	6.6
OTHERS	12.4	11.6

The Nielsen Company, Total National Urban, December 2008

- Once again outperformed the market in 2008 through;
 - Increased penetration
 - Innovations
 - brand extentions
 - new packages
 - Market share gains
 - 30 bps increase in market share

New Introductions & Innovations



STARY MELNIK

*Shaped can
Iz Bochonka Mild
Football beer*



EFES FUSION

Russia's first two malts blended beer



BELY MEDVED

*2.5 lt PET
Non-filtered*



GOLD RED SPECIAL

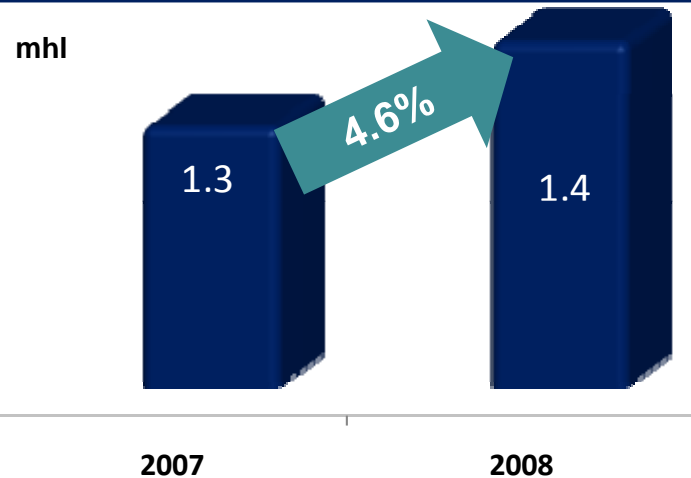
First semi-dark beer in PET launch in Russia



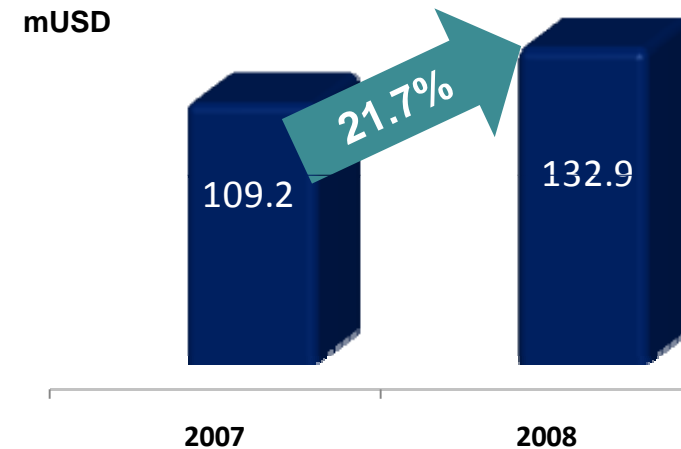
Stronger Position in Kazakhstan



Volume Development



Revenue Development



- Slowdown in beer market: 5% decline in 2008 vs. 16% growth in 2007
- EBI outperformed the market significantly by growing 4.6% y-o-y
 - market share increased organically by 300 bps
- Revenue growth of 21.7%, significantly ahead of sales volume
 - 16.6% local currency price increase
 - stronger Tenge vs. USD
- Collaboration with Heineken completed in 4th quarter
 - combined geographical strengths and distribution systems leading to improved route-to-market execution
 - stronger brand portfolio
 - over 30% market share on a proforma basis

Market Share Development

	2007	2008
BBH	46.0	48.0
EBI	25.4	28.1
SHYMKENTPIVO	6.6	5.9
INBEV	5.2	5.0
HEINEKEN	4.8	2.8
OTHERS	12.0	10.2

New Introductions & Innovations



Karagandinskoe Kruzha Svezhego
first draft beer in bottle in Kazakhstan



Bavaria
local production



Gold Mine Beer



Stary Melnik
new label designs

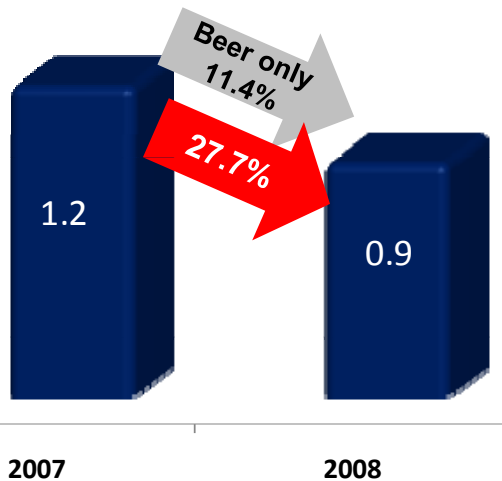


Moldova



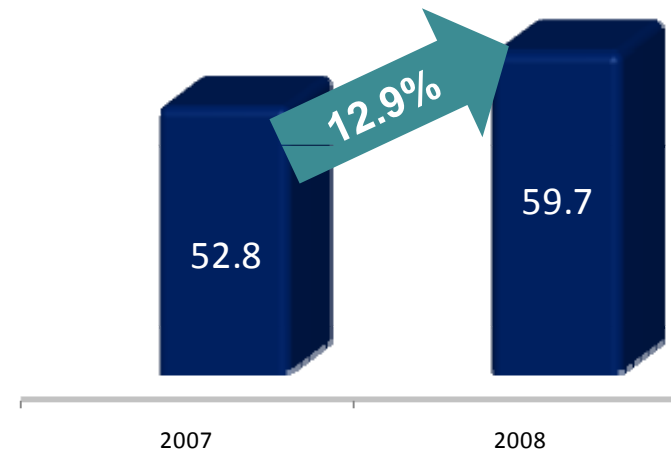
Volume Development

mhl



Revenue Development

mUSD



Market Share Development

	2007	2008
EBI	70.9	71.9
BBH	16.2	16.7
INBEV	5.3	4.7
BEERMASTER	2.1	3.1
OBOLONI	3.4	2.1
OTHERS	2.0	1.5

- Total sales volume down by 27.7% in 2008, as a result of;
 - strong base effect
 - sale of soft drink brands to TCCC in February 2007
- Beer only sales volume down by 11.4%, due to;
 - challenging economic environment
 - cycling of a strong base
- Market position maintained
- Net Sales revenue up by 12.9% over 2007 due to;
 - local currency price increases ahead of consumer inflation
 - strength of Lei against USD



Overview-Georgia



- ✓ EBI entered the Georgian beer market by the acquisition of the leading brewer in the market, JSC Lomisi (“Lomisi”), in February 2008 and included this operation in its financials starting from March 2008
- ✓ Between March-December 2008 EBI generated 0.6 mhl sales volume in Georgia
- ✓ Military conflict impacted volume performance in the peak season (Aug 2008)
- ✓ Market share increased to 47% from 42% at YE2007



Financial Overview

by

Can Çaka



Старый Мельник

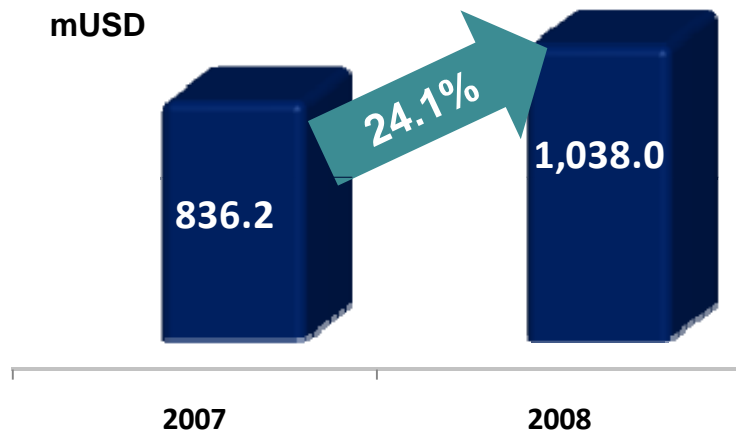
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МЕРНОЕ УПОТРЕБЛЕНИЕ ПИВА ВРЕДИТ ЗД

Revenue Growth ahead of Volume Growth



Sales Revenue Development

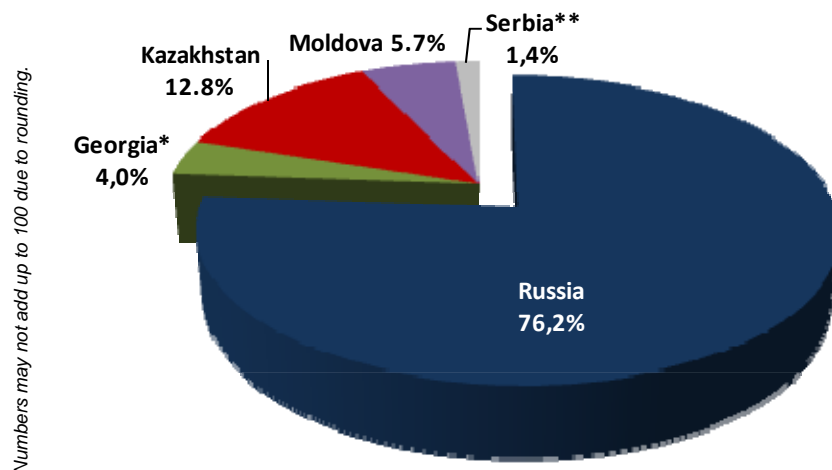


✓ Consolidated net sales revenue up by 24.1% in 2008 versus 2007;

- Organic* growth of 20.8%

* by excluding the revenues of Georgia and Serbia

Breakdown of Sales Revenue



✓ Net revenue per hl increased by 17.7% due to;

- Local currency price increases
- Strength of local currencies versus USD

*Consolidated starting from March 2008, inclusive

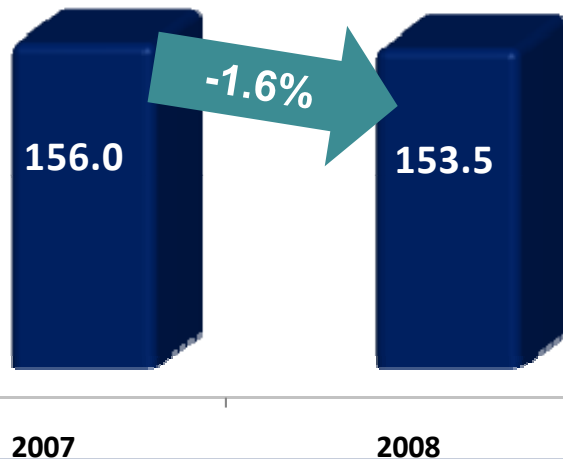
** Consolidated until 30.06.2008

EBITDA Development – Margin Contraction

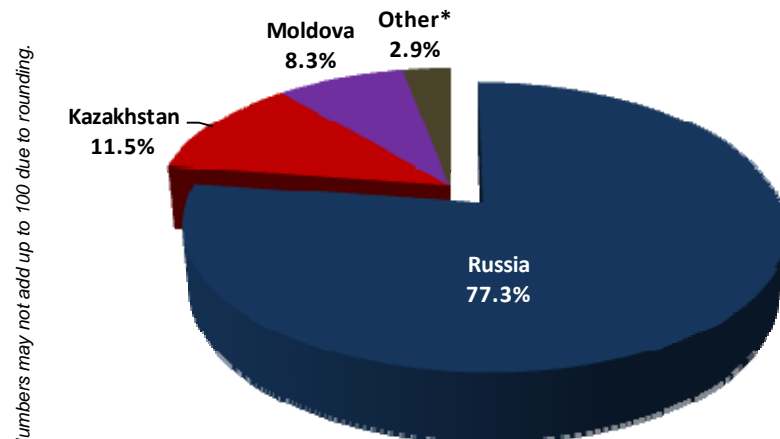


EBITDA

mUSD



Breakdown of EBITDA



Numbers may not add up to 100 due to rounding.

*Other includes consolidation of Georgia starting from March, consolidation of Serbia until 30.06.2008 and headquarter adjustments

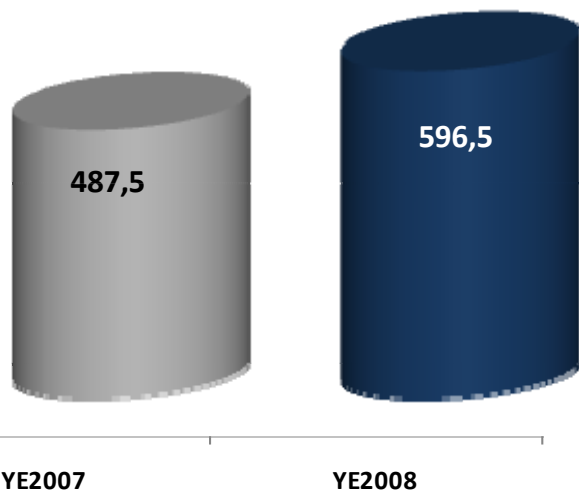
- **Cost of sales/hl up by 25.9%, due to**
 - commodity price inflation
 - slowing sales volume growth in the second half of the year
 - labor inflation
- **Operating expenses as a percentage of net sales revenue decreased despite**
 - high level of oil prices in the period
 - higher transportation tariffs
- **EBIT also positively impacted by the net other operating income stemming from our business combinations in Kazakhstan & Serbia.**
- **EBITDA down by 1.6% in 2008**
- **EBITDA margin down to 14.8% in 2008 from 18.7% in 2007**

Consolidated Net Financial Debt & Financing

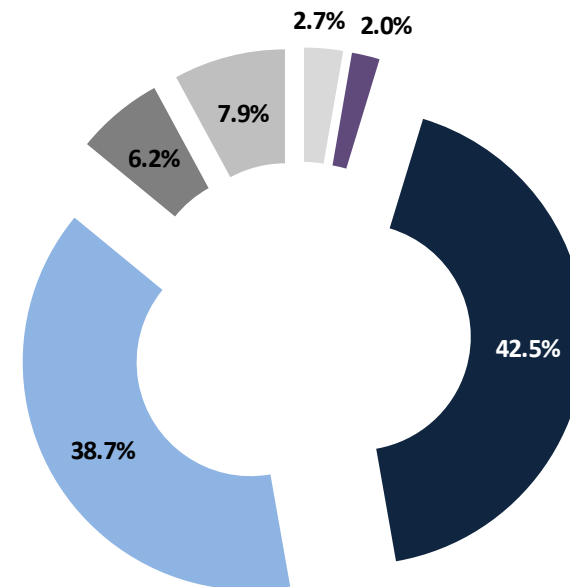


Net Financial Debt

mUSD



Maturity Breakdown



■ 1-3 mo ■ 3-6 mo ■ 6-12 mo ■ 1-3 yrs ■ 3-5 yrs ■ over 5 yrs

**excluding back to backs*

- Consolidated gross debt at US\$ 817.3 million in 2008
- Cash & cash equivalents at US\$ 220.8 million
- Increase in indebtedness due to;
 - acquisition of Lomisi
 - increased working capital needs due to increased inventory, impacted by higher commodity prices
 - capital expenditure of US\$ 171.4 million

2009 Outlook *by* Alejandro Jimenez



2009 Outlook

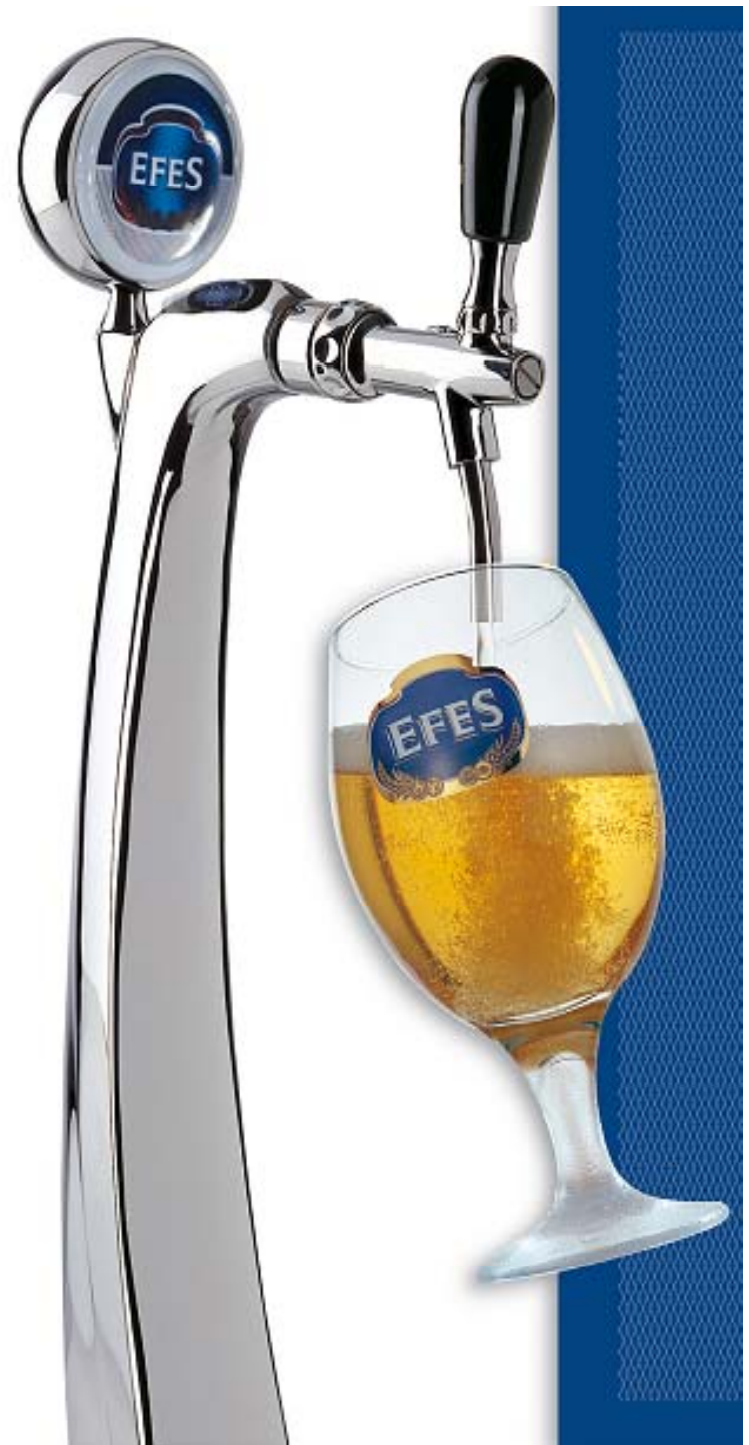


- We will **CONTINUE** to;
 - Outgrow the markets we operate in
 - Gain market share
- We will **MAINTAIN** our consumer focused approach;
 - Price increases below inflation in a challenging environment
 - Innovations to satisfy our consumers
- We will be **FOCUSED** on;
 - Improved profitability
 - Reduced debt
 - Lower capex
 - Tighter working capital management
 - Positive FREE CASH FLOW
- We are **WELL** positioned to;
 - Enjoy lower commodity prices
 - Limit capital expenditures to a minimum level

QUESTIONS PLEASE.....



APPENDIX



EFES BREWERIES INTERNATIONAL N.V.
CONSOLIDATED INCOME STATEMENT

For the period ended December 31, 2008 and 2007

(US\$ in thousands)	YTD Q4 2008	YTD Q4 2007
Sales	1.038.046	836.235
Cost of sales	(613.752)	(462.100)
Gross profit	424.294	374.135
Selling and marketing expenses	(258.363)	(210.909)
General and administrative expenses	(114.888)	(94.819)
Other operating income/(expense)	22.602	12.144
Profit from operations	73.645	80.551
Financial income/(expense)	(145.820)	(28.924)
Share of net loss of associates	(5.010)	-
Profit before tax	(77.185)	51.627
Income tax	18.347	(14.280)
Profit after tax	(58.838)	37.347
Net profit	(58.838)	37.347
Attributable to:		
-Equity holders of the parent	(57.386)	37.470
-Minority interests	(1.452)	(123)
	(58.838)	37.347
EBITDA ⁽¹⁾	153.481	156.012
VOLUME (mio hl)	14,05	13,32

(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, 2008 and December 31, 2007

(US\$ in thousands)	2008	2007
Cash and cash equivalents	220.827	58.526
Trade and other receivables	88.078	88.140
Due from related parties	4.195	8.161
Inventories	166.385	171.903
Prepayments and other current assets	43.419	59.840
Total current assets	522.904	386.570
Investments in securities	1.525	1.521
Investment in associates	35.004	-
Property, plant and equipment	710.311	742.628
Intangible assets	474.397	536.949
Deferred tax assets	24.758	13.806
Prepayments and other non-current assets	423	2.942
Total non-current assets	1.246.418	1.297.846
Total assets	1.769.322	1.684.416
Trade and other payables	189.193	225.773
Due to related parties	21.459	23.339
Income tax payable	502	5.008
Short-term borrowings	123.613	188.609
Current portion of long-term borrowings	307.409	14.822
Total current liabilities	642.176	457.551
Long-term borrowings-net of current portion	386.301	342.598
Deferred tax liability	2.775	10.912
Other non-current liabilities	30	346
Total non-current liabilities	389.106	353.856
Minority interest	22.280	9.572
Equity attributable to equity holders of the parent	715.760	863.437
Total liabilities and equity	1.769.322	1.684.416

EFES BREWERIES INTERNATIONAL N.V.
CONSOLIDATED CASH FLOW

For the period ended December 31, 2008 and 2007

(US\$ in thousands)	YTD Q4 2008	YTD Q4 2007
Net (loss) / profit before minority interest and income tax	(77.185)	51.627
Gain on holding activities	(25.713)	-
Gain on sale of soft-drink trademarks	-	(3.712)
Depreciation and amortisation	95.467	74.273
Provisions, reserves and impairment	7.635	(1)
Share of net loss of associates	5.010	-
Other non-cash expense	3.706	2.430
Net interest expense	40.410	31.747
(Increase)/decrease in net working capital	8.967	(124.538)
Unrealized foreign exchange loss/(gain) on loans	59.559	(4.756)
Net interest paid	(39.033)	(39.903)
Income taxes paid	(11.019)	(18.680)
Net cash provided by operating activities	67.804	(31.513)
Purchase of property plant and equipment	(171.409)	(127.655)
Cash payments to acquire subsidiary and minority shares	(87.874)	(36.660)
Proceeds from sales of PPE ,soft-drink trademarks and other	9.270	9.277
Proceeds from sale subsidiaries, net of cash	56.747	-
Capital contribution in associates	(2.682)	-
Net cash used in investing activities	(195.948)	(155.038)
Proceeds from/(repayments of) debt	272.599	64.012
Dividends paid to minority shareholders	(37)	(404)
Net cash provided by financing activities	272.562	63.608
Currency translation differences	17.883	17.608
Net increase in cash and cash equivalents	162.301	(105.335)
Cash and cash equivalents at beginning of year	58.526	163.861
Cash and cash equivalents at end of period	220.827	58.526