

# Anadolu Efes BEER OPERATIONS

9M2011 Results Conference Call Presentation



**Alejandro Jimenez**  
EFES BEER GROUP PRESIDENT

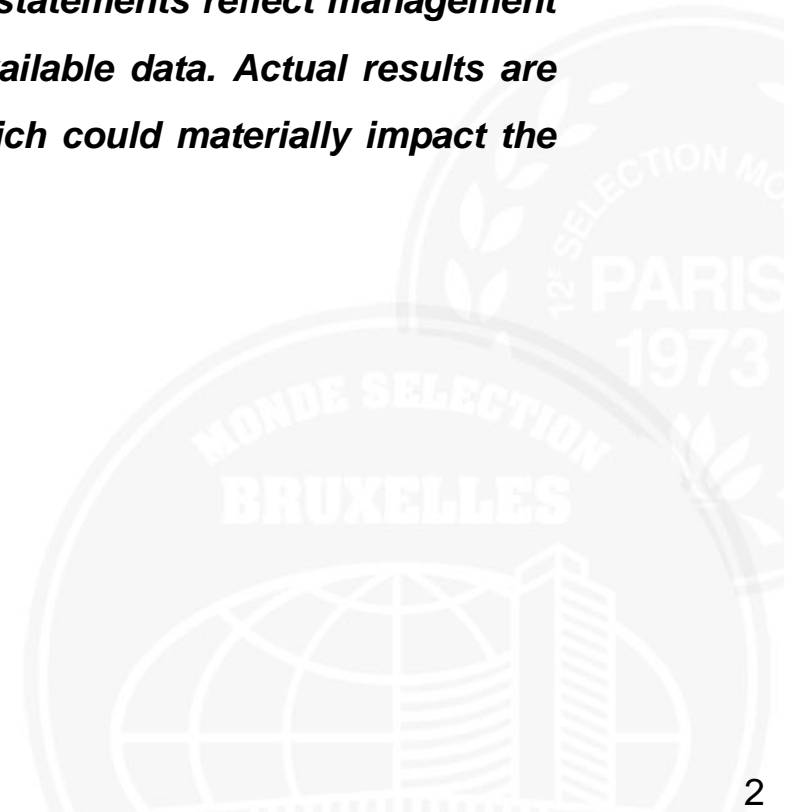
**Can Çaka**  
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04.11.2011



## Forward-Looking Statements

*This presentation 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.*



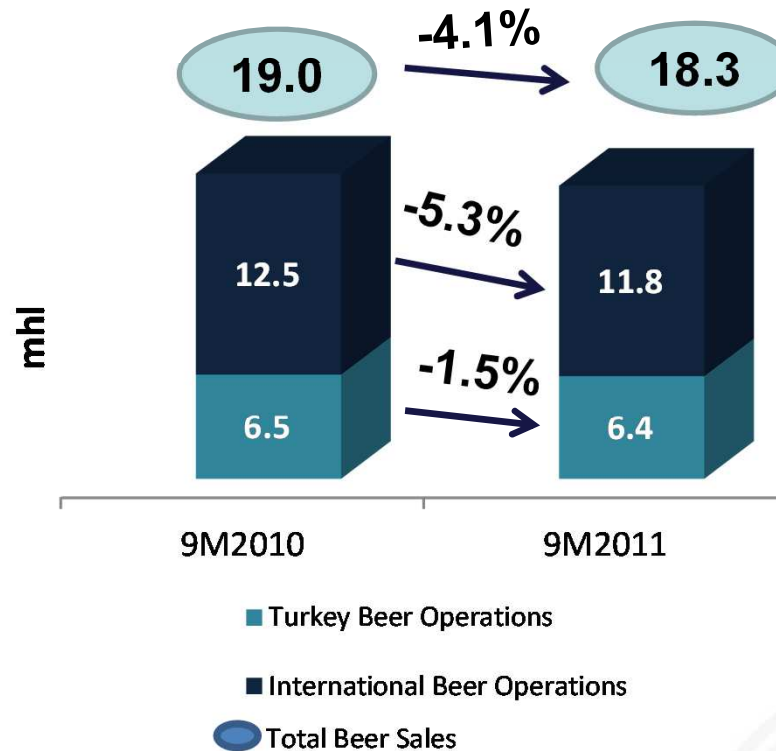


**General Overview & Operating Performance**

*by* **Alejandro Jimenez**

# Beer Sales Volume Development-9M2011

## Total Beer Volume Development



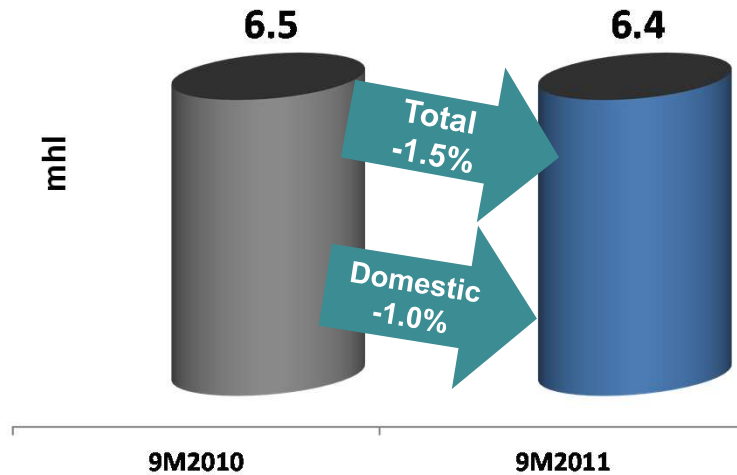
Total beer sales volume declined by 7.5% to 6.5 mhl in 3Q2011 vs. 3Q2010;

- ✓ Sales volume in Turkey beer operations rose by 1.4% to 2.2 mhl
- ✓ Sales volume in international beer operations was down by 11.4% to 4.3 mhl

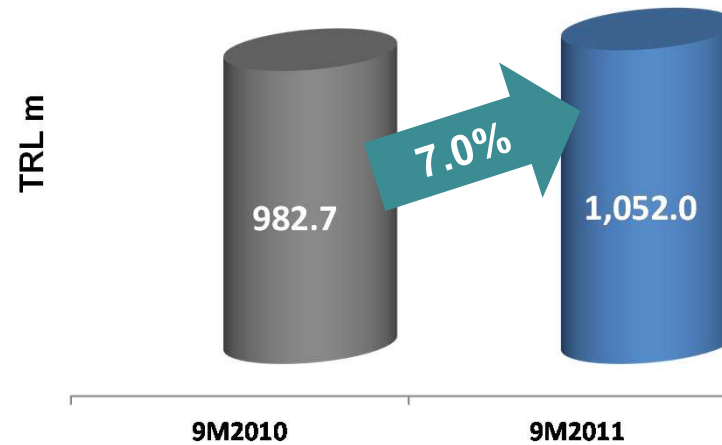
# TURKEY

## Sales Volume increased in 3Q2011 vs. 3Q2010

### Volume Development



### Sales Revenue Development

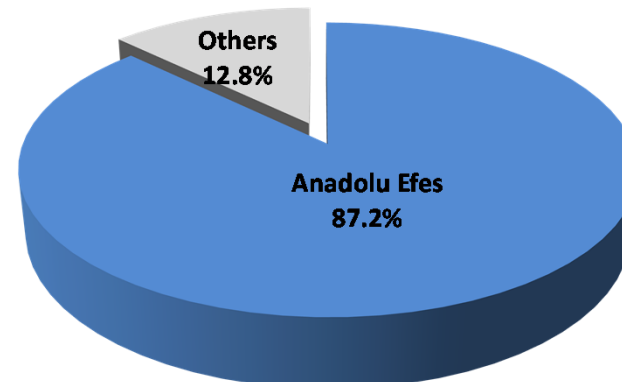


➤ Turkey beer operations' total sales volume rose by 1.4% in 3Q2011 y-o-y.

➤ After two quarters of decline in volumes, Turkey beer volumes recovered in 3Q2011 compared to 3Q2010 contributed by;

- better weather conditions in 3Q2011 vs. previous quarters
- acceptance of new price points
- better political sentiment in export markets

### Market Share by Volume-9M2011

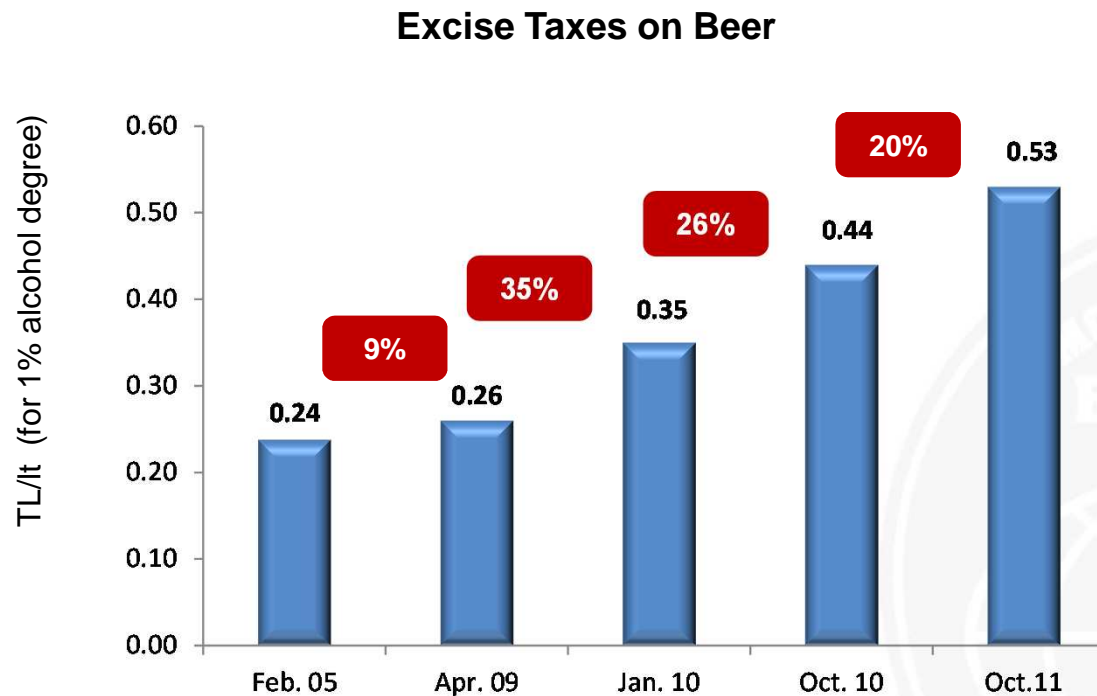


The Nielsen Company, YTD September 2011



## Recent Developments: Excise Tax Increase

- Excise tax on beer increased further by 20%, from TRL 0.44/lt to TRL 0.53/lt for 1% alcohol degree, effective as of October 13, 2011
  - Required price increase of ca. 12% to fully cover the tax increase
- Simultaneously, we increased our average price by 14% on October 14, 2011

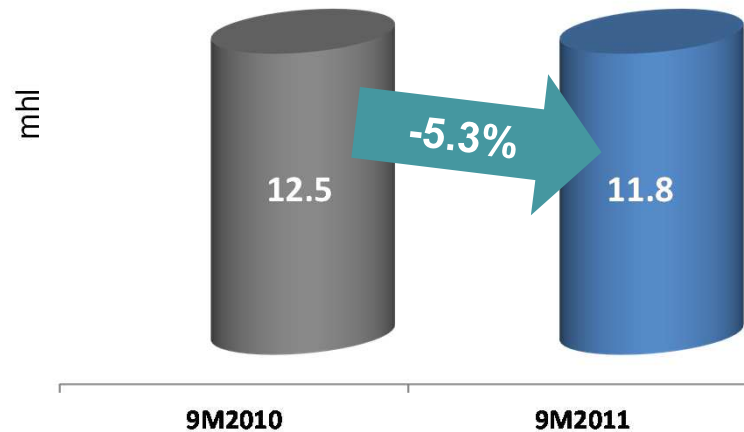




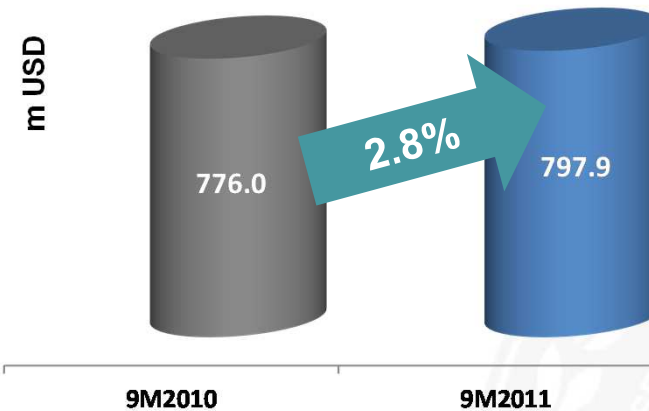
# INTERNATIONAL OPERATIONS

## Continued Weakness in Sales Volumes in 3Q2011

### Volume Development



### Sales Revenue Development



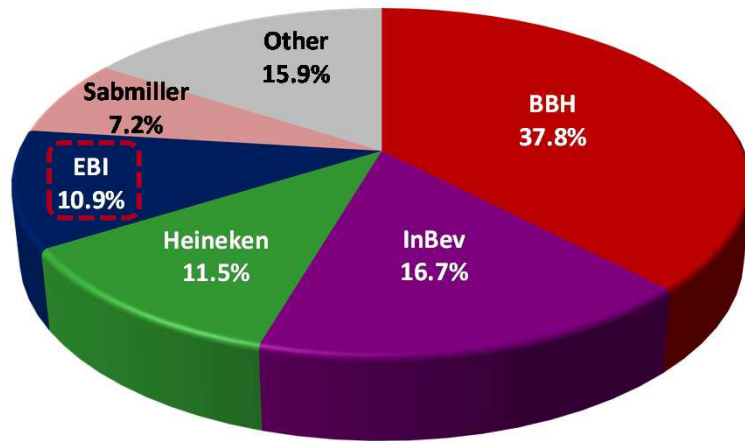
EBI's consolidated sales volume fell by 11.4% in 3Q2011 y-o-y due to;

- continued weakness in Russian beer volumes
- high base of 3Q2010 contributed by exceptionally hot weather conditions in July and August



# Market Share Developments in 3Q2011

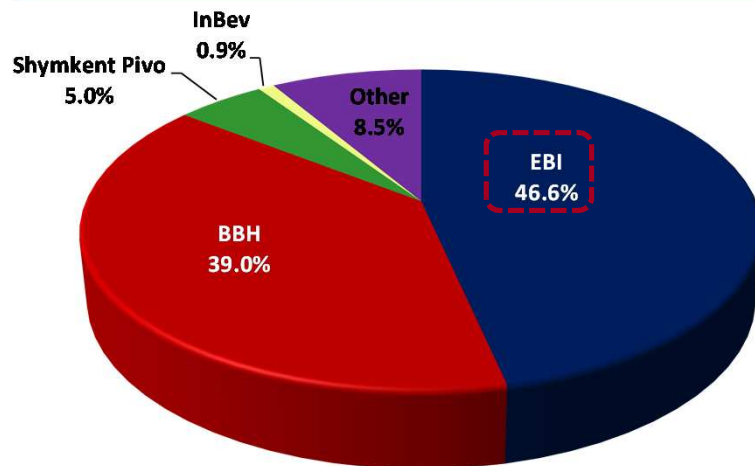
## Market Share by Volume – Russia



\* BALTIKA and INBEV breweries shares include Ukrainian brands

The Nielsen Company, National Urban Russia  
YTD September 2011

## Market Share by Volume – Kazakhstan



Numbers may not add up to 100 due to rounding.

The Nielsen Company, YTD September 2011

According to the Nielsen Company, beer market sales volumes in Urban Russia declined by;

- 7% in the third quarter of 2011 versus the same period of 2010
- 3% in the nine month period of 2011 versus the same period of 2010
- Our market share in Russia remained almost flat at 10.9% in 9M2011<sup>1</sup>, compared to both 9M2010 and 1H2011
- In all operating markets, we either maintained or improved our market share



The logo for EFES is centered on the page. It features the word "EFES" in a bold, white, serif font with a blue outline and a drop shadow. The text is enclosed within a golden, three-dimensional oval frame that has a red inner border and a white highlight on its top edge, giving it a metallic, ribbon-like appearance. The background is a vibrant blue with a pattern of water droplets and abstract, curved lines.

# EFES

**Financial Overview**

*by* **Can aka**



# TURKEY

## Operational Snapshot-9M2011 Performance

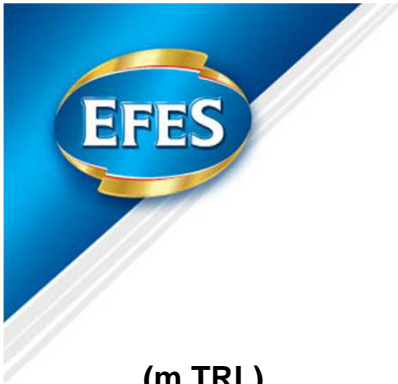
	9M2010	9M2011	Growth (%)
<b>Total Sales Volume (mhl)</b>	6.5	6.4	-1.5%
<b>Net Sales (million TRL)</b>	982.7	1,052.0	7.0%
<b>Gross Profit (million TRL)</b>	677.0	732.9	8.3%
<b>Gross Profit margin (%)</b>	68.9%	69.7%	78 bps
<b>EBITDA (million TRL)</b>	404.2	412.1	1.9%
<b>EBITDA margin (%)</b>	41.1%	39.2%	-196 bps

✓Due to higher volumes and higher unit sales price, sales revenues advanced by 13.0% to TRL 344.9 mn in 3Q2011 vs. 3Q2010, leading to a total sales revenues of TRL 1,052.0 mn in 9M2011, up 7.0% y-o-y.

✓In 3Q2011, while gross profit of Turkey beer operations rose by 13.8% to TRL 236.4 mn vs. 3Q2010, gross margin enlarged by 52 bps to 68.5% supported by mild input cost inflation. This has led to a 8.3% increase in gross profit to TRL 732.9 mn in 9M2011 vs. 9M2010, indicating a gross margin of 69.7%.

✓Operating profit was TRL 98.5 mn, down 7.7%, despite higher gross profit in 3Q2011 in absolute terms, mainly due to comparatively higher operating expenses in the period. Consequently, operating profit was TRL 345.5 mn in 9M2011, up 1.0% y-o-y, with an operating margin of 32.8% vs. 34.8% in 9M2010.

✓In 3Q2011, Turkey beer operations' EBITDA declined by 5.6% in absolute terms to TRL 119.2 mn, with a 678 bps lower EBITDA margin of 34.6% vs. 3Q2010. Hence, EBITDA of Turkey beer operations rose by 1.9% to TRL 412.1 mn in 9M2011 y-o-y, while EBITDA margin depressed by 196 bps to 39.2%.



# TURKEY BEER OPERATIONS

## Free Cash Flow

(m TRL)

	9M2010	9M2011
<b>Operating Profit</b>	<b>341.9</b>	<b>345.5</b>
Depreciation & Amortization	55.8	59.5
Other non-cash items	6.5	7.1
<b>EBITDA</b>	<b>404.2</b>	<b>412.1</b>
<i>Change in Inventory</i>	<i>(12.3)</i>	<i>(39.4)</i>
<i>Change in Trade Receivables</i>	<i>(90.8)</i>	<i>(56.2)</i>
<i>Change in Trade Payables</i>	<i>(9.1)</i>	15.7
<i>Change in Other Assets/Liabilities</i>	50.8	57.9
<b>Change in Working Capital</b>	<b>(61.4)</b>	<b>(22.0)</b>
<b>Income Taxes &amp; Employee Benefits Paid</b>	<b>(65.3)</b>	<b>(77.1)</b>
<b>CAPEX, net</b>	<b>(70.7)</b>	<b>(63.8)</b>
<b>Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)</b>	<b>(303.0)</b>	<b>(199.0)</b>
<b>Net Financial Income (Including interest)</b>	<b>10.1</b>	<b>43.1</b>
<b>FCF</b>	<b>(86.0)</b>	<b>93.3</b>
<b>FCF excluding minority buy-out and other investing activities</b>	<b>217.0</b>	<b>292.3</b>



# EFES BREWERIES INTERNATIONAL

## Operational Snapshot-9M2011 Performance

	9M2010	9M2011	Growth (%)
<b>Total Sales Volume (mhl)</b>	12.5	11.8	-5.3%
<b>Net Sales (million USD)</b>	776.0	797.9	2.8%
<b>Gross Profit (million USD)</b>	378.1	343.3	-9.2%
<b>Gross Profit margin (%)</b>	48.7%	43.0%	-570 bps
<b>EBITDA (million USD)</b>	174.5	134.4	-23.0%
<b>EBITDA margin (%)</b>	22.5%	16.8%	-565 bps

✓Despite continued softness in sales volumes in 3Q2011, both price increases and favorable F/X rates have led to a 8.6% higher average sales price in 9M2011 y-o-y. Accordingly, international beer operations reported net sales revenues of USD 797.9 mn in 9M2011, up 2.8% y-o-y.

✓Due to higher commodity prices and excise taxes in addition to heavy price competition in Russia, gross margin declined by more than 8 pp to 42.3% in 3Q2011 vs. 3Q2010 and international beer operations reported a gross profit of USD 124.9 mn, down 18.9%. Therefore, gross profit receded by 9.2% y-o-y in 9M2011 to USD 343.3 mn with a margin decline of 570 bps to 43.0%.

✓Operating profit was USD 30.3 mn in 3Q2011, with almost 10 pp decline in operating margin to 10.2% due to the very low base of 3Q2010 in operating expenses. Hence, in 9M2011, operating profit was USD 54.4 mn, down by 45.9% y-o-y, with an operating margin of 6.8%.

✓EBITDA was USD 56.6 mn in 3Q2011, indicating a EBITDA margin of 19.2%. Again due to the high base of 3Q2010, decline in EBITDA margin was more than 8 pp, leading to an EBITDA of USD 134.4 mn in 9M2011, down by 23.0%, with an EBITDA margin of 16.8%.



# EFES BREWERIES INTERNATIONAL

## Free Cash Flow

(m USD)

	9M2010	9M2011
<b>Operating Profit</b>	<b>100.6</b>	<b>54.4</b>
Depreciation & Amortization	73.5	80.3
Other non-cash items	0.4	-0.3
<b>EBITDA</b>	<b>174.5</b>	<b>134.4</b>
<i>Change in Inventory</i>	14.2	3.8
<i>Change in Trade Receivables</i>	-2.2	-18.6
<i>Change in Trade Payables</i>	60.8	-1.3
<i>Change in Other Assets/ Liabilities</i>	0.2	11.3
<b>Change in Working Capital</b>	<b>73.0</b>	<b>-4.9</b>
<b>Income Taxes &amp; Employee Benefits Paid</b>	<b>-4.4</b>	<b>-8.0</b>
<b>CAPEX, net</b>	<b>-74.0</b>	<b>-107.6</b>
<b>Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)</b>	<b>6.3</b>	<b>-7.5</b>
<b>Net Financial Expense (Including interest)</b>	<b>-12.1</b>	<b>-17.6</b>
<b>FCF</b>	<b>163.4</b>	<b>-11.2</b>
<b>FCF excluding capital increase in subsidiaries by minority shareholders</b>	<b>157.0</b>	<b>-3.6</b>



# Net Financial Debt & Financing

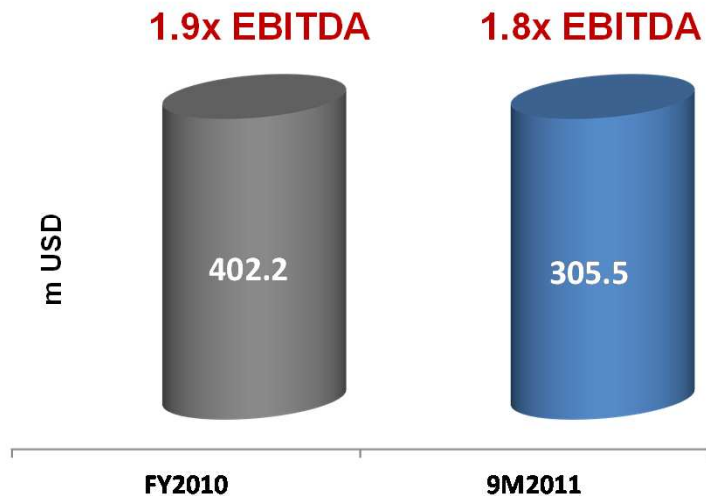
## Turkey Beer Operations

- Cash & cash equivalents at 304.7 m TRL - Net debt position of 28.5 m TRL

## Efes Breweries International

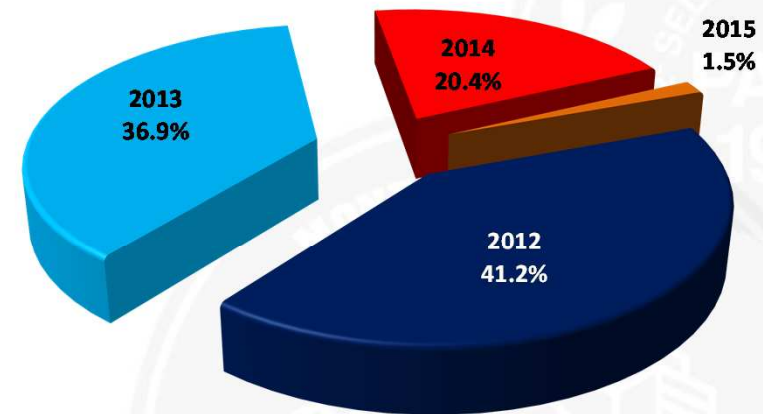
- Consolidated gross debt at US\$ 518.2 m
- Cash & cash equivalents at US\$ 212.7 m - Net debt position at US\$ 305.5 m

### EBI-Net Financial Debt\*



\*excluding put options

### EBI-Maturity Breakdown



Numbers may not add up to 100 due to rounding.

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**EFES**

**CLOSING REMARKS**

*by* **Alejandro Jimenez**

## Strategic Alliance with SABMiller - I

- SABMiller to transfer its Russian and Ukrainian beer businesses to Anadolu Efes
- Anadolu Efes to transfer a 24% equity stake to SABMiller by way of a capital increase
- Anadolu Group will control 42.81% of Anadolu Efes's enlarged share capital while pursuant to a shareholders' agreement, the Anadolu Group will maintain control of Anadolu Efes
- The transaction is subject to confirmatory due diligence, execution of legally binding documentation, regulatory approvals and approval by Anadolu Efes's shareholders in General Assembly of the increase in Anadolu Efes's share capital
- The strategic alliance will result in the enlarged Anadolu Efes strengthening its leading position across the Territory
- The combined Russian business will have a strong number 2 position in value share terms
- Expected cost synergies of at least USD120 mn per year and additional revenue synergy opportunities
- Anadolu Efes and SABMiller to share best practice and Anadolu Efes to develop SABMiller's international brands in the Territory



## Strategic Alliance with SABMiller - II

**In the year ended 31 March 2011, SABMiller's Russia and Ukraine subsidiaries reported;**

- beer volumes of 6.9 mhl
- net sales of USD678 mn
- USD149 mn EBITDA

### **Russia**

- 7.2% and 10.2% market share in volume and value terms respectively
- total annual brewing capacity of 10.0 mhl

### **Ukraine**

- 6.2% market share in volume terms
- total annual brewing capacity of 1.7 mhl

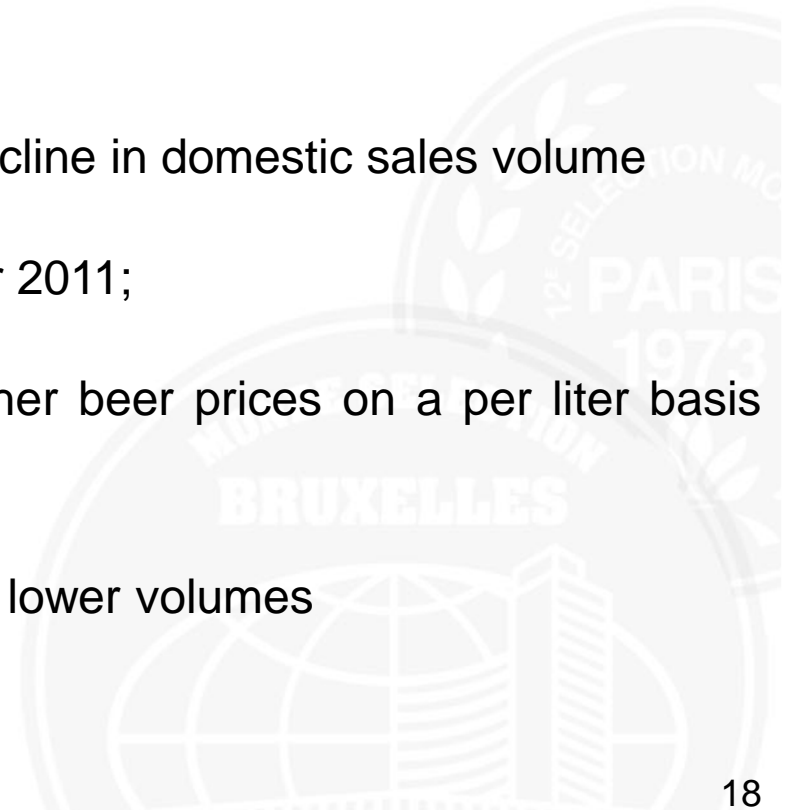




# FY2011 OUTLOOK

## TURKEY BEER OPERATIONS

- We more than covered the most recent excise tax hike of 20% effective as of October 13 through a simultaneously introduced average price increase of 14%
- As the last quarter contribute a small portion in total sales volumes, we do not see a major change for our 2011 full-year guidance
- We maintain our guidance of low-single digit decline in domestic sales volume
- We also stick to our previous margin outlook for 2011;
  - Flat gross profit margin supported by higher beer prices on a per liter basis and moderate increases in input costs
  - Slight contraction in EBITDA margin led by lower volumes



# FY2011 OUTLOOK

## INTERNATIONAL BEER OPERATIONS

- Beer demand came under pressure in our largest market Russia since the beginning of 2011 mainly due to;
  - higher price points
  - unfavorable weather conditions during the season
- We expect the Russian beer market to continue to be weaker in the remaining part of 2011, leading to a low single digit decline in Russian beer market and mid single digit decline in our international beer volumes in 2011
- Although we still expect net sales revenues in international operations to grow in absolute terms, our gross profit and EBITDA is set to decline, both in absolute terms and margins, due to;
  - cost pressures
  - higher excise taxes
  - phased pricing
  - continued discounts
- As a result, we maintain our estimate for the second half of the year which points out a slightly higher decline in gross and EBITDA margins compared to the first half of the year and we expect a performance in line with this forecast in the last quarter

The logo for EFES, featuring the word "EFES" in a bold, white, serif font with a blue outline. The text is centered within a golden, three-dimensional oval frame that has a red inner border and a white outer border. The background is a vibrant blue with a pattern of water droplets and a faint, stylized image of a water bottle.

**? QUESTIONS PLEASE ?**

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**EFES**

**APPENDIX**

<b>TURKEY BEER OPERATIONS</b>			
<b>Highlighted Income Statement Items For the Nine-Month Period Ended 30.09.2010 and 30.09.2011</b>			
<b>Prepared In Accordance with IFRS as per CMB Regulations</b>			
<b>(million TRY)</b>			
	2010/9	2011/9	
Sales Volume (million hectolitres)	6.5	6.4	
<b>SALES</b>	<b>982.7</b>	<b>1,052.0</b>	
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>677.0</b>	<b>732.9</b>	
<b>PROFIT FROM OPERATIONS</b>	<b>341.9</b>	<b>345.5</b>	
Financial Income / Expense	17.8	(9.7)	
<b>CONTINUING OPERATIONS PROFIT BEFORE TAX</b>	<b>359.7</b>	<b>335.8</b>	
Provision for Taxes	(64.9)	(66.8)	
<b>PROFIT FOR THE PERIOD</b>	<b>294.8</b>	<b>268.9</b>	
<b>EBITDA</b>	<b>404.2</b>	<b>412.1</b>	

Note : EBITDA comprises of Profit from Operations (excluding other operating income/expense arising from Anadolu Efes' holding nature), depreciation and other relevant non-cash items up to Profit From Operations.

<b>TURKEY BEER OPERATIONS</b>			
<b>Highlighted Balance Sheet Items as of 30.09.2011 and 31.12.2010</b>			
<b>Prepared In Accordance with IFRS as per CMB Regulations</b>			
<b>(million TRY)</b>			
	2010/12	2011/9	
Cash, Cash equivalents and Financial Investments	580.6	304.7	
Trade Receivables	277.1	344.6	
Inventories	96.0	135.4	
Other Assets	22.9	27.9	
<b>Total Current Assets</b>	<b>992.4</b>	<b>817.4</b>	
Investments	1,587.7	1,777.9	
Property, Plant and Equipment	375.3	385.3	
Other Assets	35.9	62.2	
<b>Total Non-Current Assets</b>	<b>2,010.2</b>	<b>2,241.8</b>	
<b>Total Assets</b>	<b>3,002.6</b>	<b>3,059.1</b>	
Trade Payables	53.0	68.9	
Other Liabilities	206.5	268.1	
Short-term Borrowings	325.1	136.4	
<b>Total Current Liabilities</b>	<b>587.8</b>	<b>476.3</b>	
Long-term Borrowings	77.3	196.8	
Other Liabilities	186.6	216.0	
<b>Total Non-Current Liabilities</b>	<b>263.9</b>	<b>412.9</b>	
<b>Shareholders' Equity</b>	<b>2,150.9</b>	<b>2,170.0</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,002.6</b>	<b>3,059.1</b>	

Note: Anadolu Efes subsidiaries, excluding brewing and malt production subsidiaries in Turkey, are stated on cost basis in order to provide more comprehensive presentation.

**INTERNATIONAL BEER OPERATIONS (EBI)**  
**Highlighted Income Statement Items For the Nine-Month Period Ended 30.09.2010 and 30.09.2011**  
**Prepared In Accordance with IFRS**  
(million USD)

	2010/9	2011/9
Volume (million hectoliters)	12.5	11.8
<b>NET SALES</b>	<b>776.0</b>	<b>797.9</b>
<b>GROSS PROFIT</b>	<b>378.1</b>	<b>343.3</b>
<b>PROFIT FROM OPERATIONS</b>	<b>100.6</b>	<b>54.4</b>
Financial Income / (Expense)	(10.6)	(26.2)
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>86.6</b>	<b>25.0</b>
Income Tax	(17.6)	(5.2)
<b>(LOSS)/PROFIT AFTER TAX</b>	<b>69.1</b>	<b>19.8</b>
Attributable to		
Minority Interest	8.0	9.2
Equity Holders of the Parent Company	61.0	10.6
<b>EBITDA</b>	<b>174.5</b>	<b>134.4</b>

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

Note 2: Figures for EBI are obtained from consolidated financial statements prepared in accordance with IFRS.

	2010/12	2011/9
<b>INTERNATIONAL BEER OPERATIONS (EBI)</b>		
<b>Highlighted Balance Sheet Items as of 30.09.2011 and 31.12.2010</b>		
<b>Prepared In Accordance with IFRS</b>		
(million USD)		
Cash and Cash Equivalents	66.0	212.7
Trade Receivables	55.8	74.7
Inventories	164.7	161.9
Other Current Assets	27.6	18.2
<b>Total Current Assets</b>	<b>314.3</b>	<b>467.8</b>
Property, Plant and Equipment	680.1	686.6
Intangible Assets (including goodwill)	454.1	441.6
Investments in Associates	13.9	10.9
Other Non-Current Assets	22.1	21.8
<b>Total Non-Current Assets</b>	<b>1,170.1</b>	<b>1,160.9</b>
<b>Total Assets</b>	<b>1,484.5</b>	<b>1,628.8</b>
Trade Payables, Due to Related Parties and Other Payables	246.0	247.4
Short-term Borrowings (including current portion of long-term debt and lease obligations)	225.8	213.9
<b>Total Current Liabilities</b>	<b>471.7</b>	<b>461.3</b>
Long-term Borrowings (including lease obligations)	242.4	304.3
Other Non-Current Liabilities	12.9	9.1
<b>Total Non-Current Liabilities</b>	<b>255.3</b>	<b>313.3</b>
<b>Total Equity</b>	<b>757.4</b>	<b>854.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,484.5</b>	<b>1,628.8</b>

Note 1: Figures for EBI are obtained from consolidated financial statements prepared in accordance with IFRS.