

# Anadolu Efes BEER OPERATIONS

1Q2011 Results Conference Call Presentation



**Alejandro Jimenez**  
EFES BEER GROUP PRESIDENT

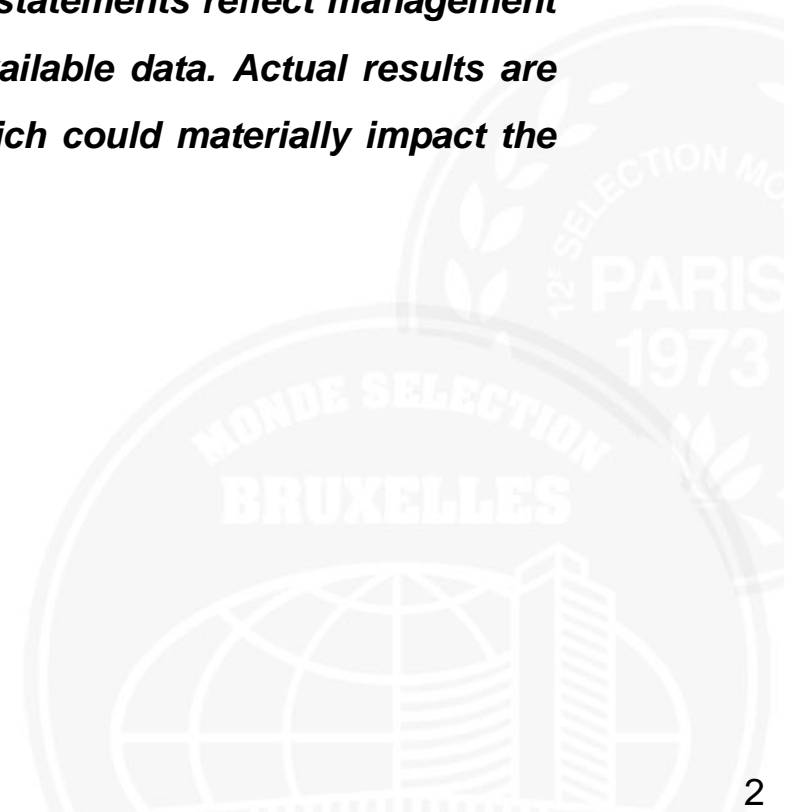
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11.05.2011



## 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.*



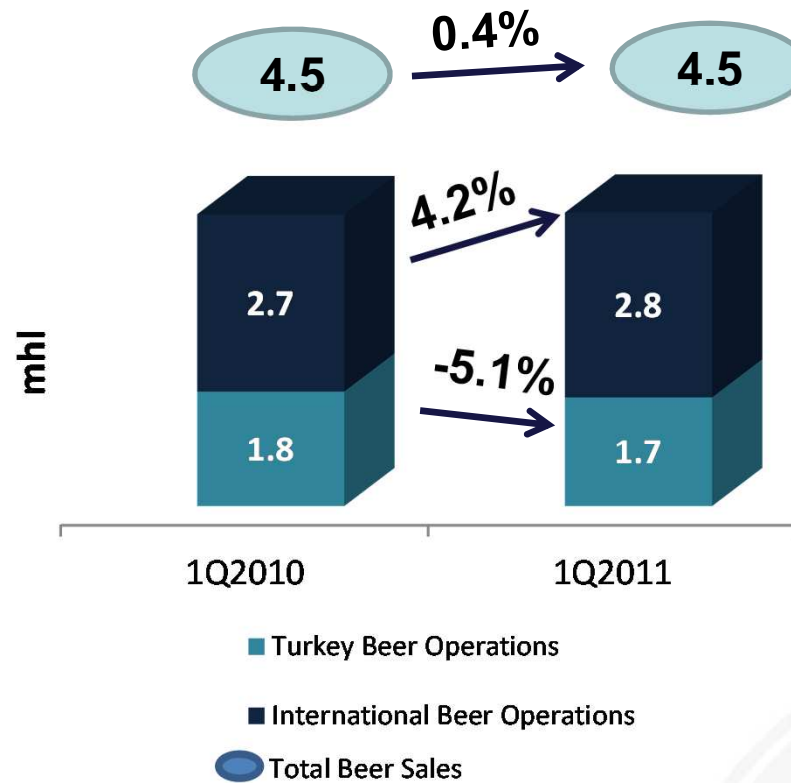


**General Overview & Operating Performance**

*by* **Alejandro Jimenez**

# Beer Sales Volume Development-1Q2011

## Total Beer Volume Development



Total beer sales volume remained almost flat at 4.5 mhl in 1Q2011;

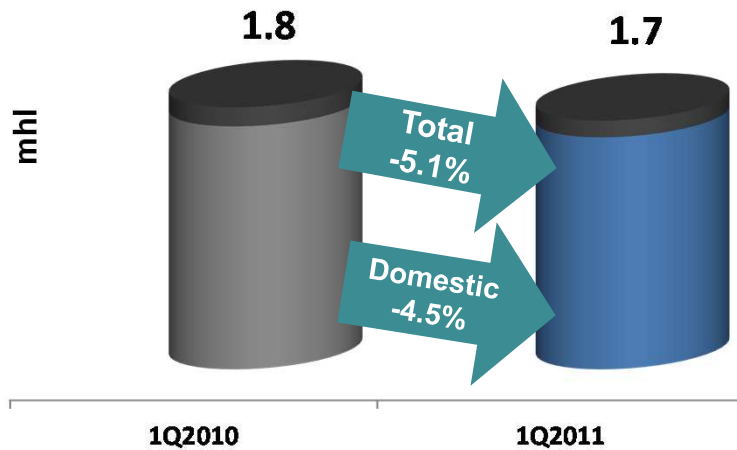
- ✓ Sales volume in Turkey beer operations declined by 5.1% to 1.7 mhl
- ✓ Sales volume in international beer operations increased by 4.2% to 2.8 mhl



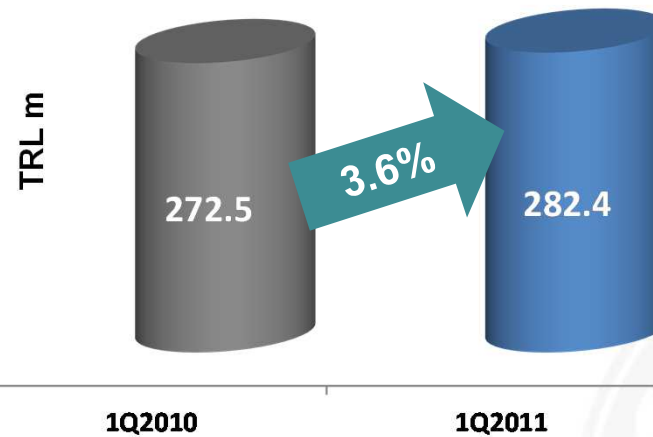
# TURKEY

## Softer volumes in 1Q2011 as expected

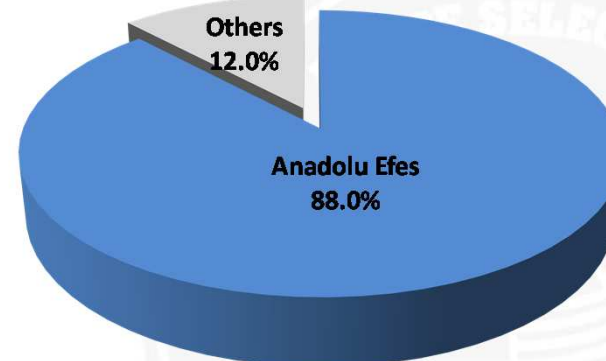
### Volume Development



### Sales Revenue Development



### Market Share by Volume-1Q2011



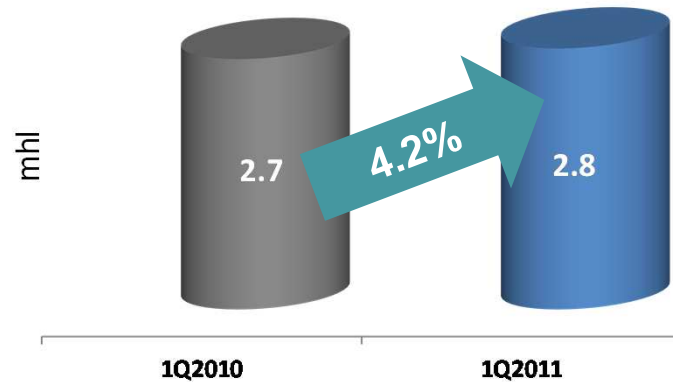
Total sales volumes declined by 5.1% in 1Q2011, due to;

- higher beer prices in Turkey
- lower export volumes impacted by the political unrest in some export markets

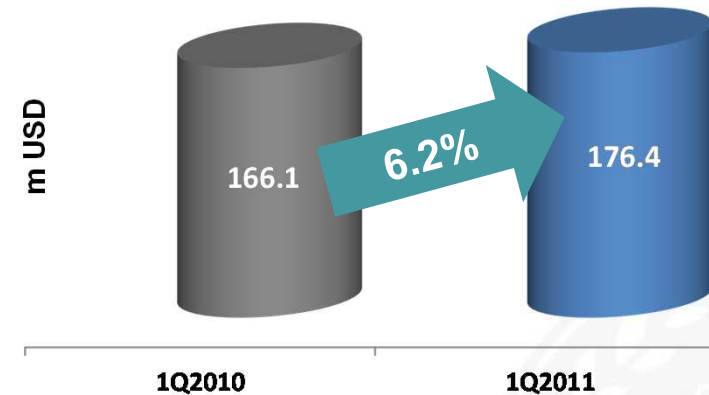
# INTERNATIONAL OPERATIONS

## Volume Growth Continued in the First Quarter

### Volume Development



### Sales Revenue Development



- Consolidated sales volume grew by 4.2% despite;
  - high base of last year
  - softer demand in Russia due to the negative impact of higher beer prices

However, strong sales performances achieved in other operating markets more than eliminated flattish sales volumes in Russia and growth trend maintained

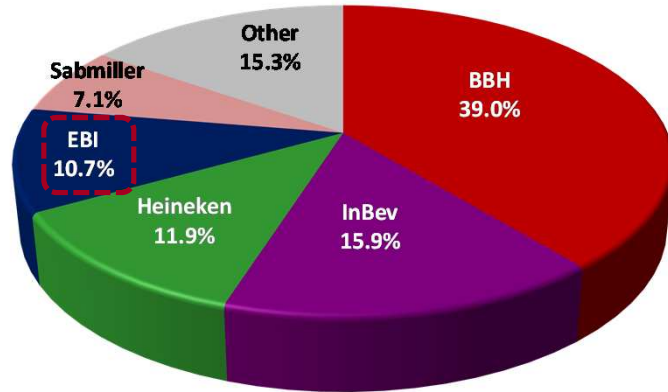
- Consolidated net sales revenues growth outpaced volume growth in 1Q2011, contributed by the price increases;

➤ In Russia, we increased our prices in April on top of a price increase done in November 2010, cumulating to more than 6%



# Market Positions Further Strengthened in International Operations

## Market Share by Volume – Russia



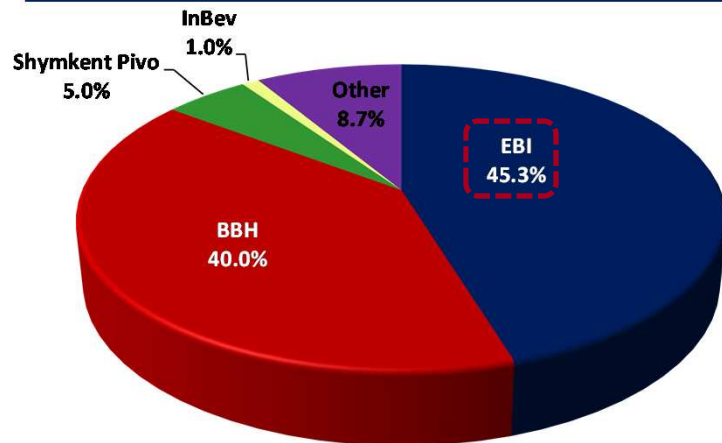
\* BALTIKA and INBEV breweries shares include Ukrainian brands

The Nielsen Company, YTD March 2011

•Our understanding is that Russian beer market declined by low single digits during 1Q2011 vs. 1Q2010.

•According to Federal State Statistics Service (Rosstat), beer retail sales fell by 4.2% in 1Q2011 compared to 1Q2010

## Market Share by Volume – Kazakhstan



Numbers may not add up to 100 due to rounding.

The Nielsen Company, YTD March 2011

• EBI continued to outperform the operating markets in the first quarter of 2011 as well

•We are in the number one position in all of the operating markets, except for Russia and these leadership positions further strengthened in the first quarter of 2011

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.

# EFES

**Financial Overview**

*by* **Can aka**





# TURKEY

## Operational Snapshot-1Q2011 Performance

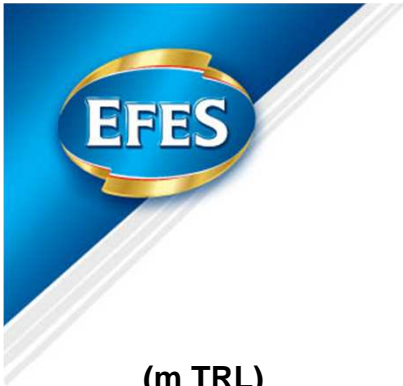
	1Q2010	1Q2011	Growth (%)
<b>Total Sales Volume (mhl)</b>	1.8	1.7	-5.1%
<b>Net Sales (million TRL)</b>	272.5	282.4	3.6%
<b>Gross Profit (million TRL)</b>	187.1	198.8	6.3%
<b>Gross Profit margin (%)</b>	68.7%	70.4%	175 bps
<b>EBITDA (million TRL)</b>	104.0	107.6	3.4%
<b>EBITDA margin (%)</b>	38.2%	38.1%	-7 bps

✓ Despite softer sales volumes, sales revenues grew by 3.6% y-o-y to TRL 282.4 million contributed by higher per unit sales prices.

✓ Gross margin rose by 175 bps to 70.4% in 1Q2011 vs. 1Q2010, contributed by moderate rises in input prices, leading to a gross profit rise of 6.3% to TRL 198.8 million in the same time period.

✓ Turkey beer operations' operating profit reached TRL 84.3 million in 1Q2011, up by 2.3% y-o-y. However, operating expenses to net sales ratio rose due to lower volumes, leading to a slight decline of 38 bps in operating margin to 29.9% in the period.

✓ Turkey beer operations recorded an EBITDA of TRL 107.6 million in 1Q2011, up by 3.4%. As a result, EBITDA margin remained almost flat at 38.1% in 1Q2011 vs. 1Q2010.



# TURKEY BEER OPERATIONS

## Free Cash Flow

(m TRL)

	1Q2010	1Q2011
<b>Operating Profit</b>	<b>82.4</b>	<b>84.3</b>
Depreciation & Amortization	18.2	19.4
Other non-cash items	3.4	3.9
<b>EBITDA</b>	<b>104.0</b>	<b>107.6</b>
<i>Change in Inventory</i>	2.5	(8.4)
<i>Change in Trade Receivables</i>	(70.9)	(20.7)
<i>Change in Trade Payables</i>	0.1	2.7
<i>Change in Other Assets/Liabilities</i>	33.2	6.5
<b>Change in Working Capital</b>	<b>(35.0)</b>	<b>(32.9)</b>
<b>Income Taxes &amp; Employee Benefits Paid</b>	<b>(15.3)</b>	<b>(16.0)</b>
<b>CAPEX, net</b>	<b>(21.9)</b>	<b>(15.0)</b>
<b>Minority Buy-Out and Other Investing Activities</b>	<b>(296.2)</b>	<b>(5.3)</b>
<b>Net Financial Income (Including interest)</b>	<b>6.3</b>	<b>6.2</b>
<b>FCF</b>	<b>(258.2)</b>	<b>44.5</b>
<b>FCF excluding minority buy-out and other investing activities</b>	<b>38.1</b>	<b>49.8</b>



# EFES BREWERIES INTERNATIONAL

## Operational Snapshot-1Q2011 Performance

	1Q2010	1Q2011	Growth (%)
<b>Total Sales Volume (mhl)</b>	2.7	2.8	4.2%
<b>Net Sales (million USD)</b>	166.1	176.4	6.2%
<b>Gross Profit (million USD)</b>	72.7	73.8	1.4%
<b>Gross Profit margin (%)</b>	43.8%	41.8%	-197 bps
<b>EBITDA (million USD)</b>	25.6	19.2	-25.0%
<b>EBITDA margin (%)</b>	15.4%	10.9%	-453 bps

✓ Net sales revenues growth outpaced the volume growth with a rise of 6.2% y-o-y to USD 176.4 million in 1Q2011, contributed by the price increases.

✓ Margins were under pressure due to higher commodity prices, i.e. barley and oil prices and a shift in sales mix.

✓ Gross margin retreated by 197 bps to 41.8% in 1Q2011 vs. 1Q2010 despite a 1.4% growth in gross profit on an absolute basis to USD 73.8 million.

✓ Despite higher gross profits in absolute terms, EBI reported an operating loss of USD 7.8 million in 1Q2011 mainly due to significantly higher operating expenses. Operating expenses excl. other operating income/expense rose by 13.8% to USD 84.0 million contributed by higher transportation costs due to increased volumes and rise in oil prices in 1Q2011 versus 1Q2010, higher payroll related taxes and contributions in Russia and further appreciation of local currencies.

✓ EBI generated an EBITDA of USD 19.2 million in 1Q2011, indicating a decline of 25.0% vs 1Q2010, with a 453 bps fall in EBITDA margin to 10.9%.



# EFES BREWERIES INTERNATIONAL

## Free Cash Flow

(m USD)

	1Q2010	1Q2011
<b>Operating Profit</b>	<b>-0.8</b>	<b>-7.8</b>
Depreciation & Amortization	24.7	26.5
Other non-cash items	1.6	0.5
<b>EBITDA</b>	<b>25.6</b>	<b>19.2</b>
<i>Change in Inventory</i>	<i>-6.0</i>	<i>-51.9</i>
<i>Change in Trade Receivables</i>	<i>-1.9</i>	<i>-20.2</i>
<i>Change in Trade Payables</i>	<i>36.6</i>	<i>50.1</i>
<i>Change in Other Assets/ Liabilities</i>	<i>-5.4</i>	<i>-13.9</i>
<b>Change in Working Capital</b>	<b>23.3</b>	<b>-35.9</b>
<b>Income Taxes &amp; Employee Benefits Paid</b>	<b>-0.3</b>	<b>-2.2</b>
<b>CAPEX, net</b>	<b>-20.5</b>	<b>-47.2</b>
<b>Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)</b>	<b>17.5</b>	<b>0.0</b>
<b>Net Financial Expense (Including interest)</b>	<b>-1.5</b>	<b>-3.4</b>
<b>FCF</b>	<b>44.2</b>	<b>-69.5</b>
<b>FCF excluding capital increase in subsidiaries by minority shareholders</b>	<b>26.6</b>	<b>-69.5</b>



# Net Financial Debt & Financing

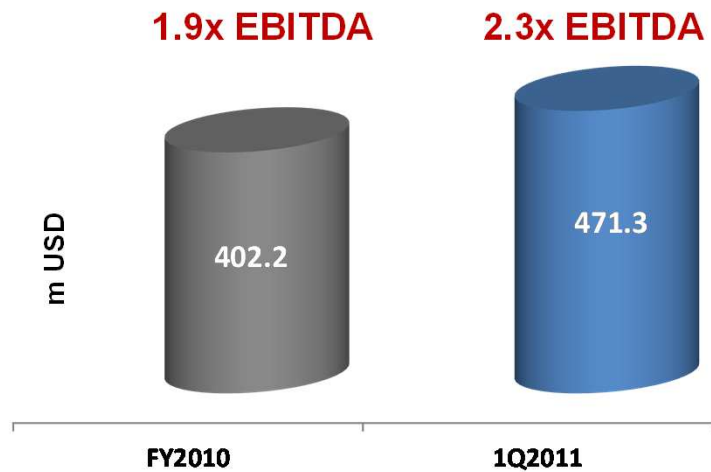
## Turkey Beer Operations

- Cash & cash equivalents at 580.3 m TRL - Net cash position of 209.7 m TRL

## Efes Breweries International

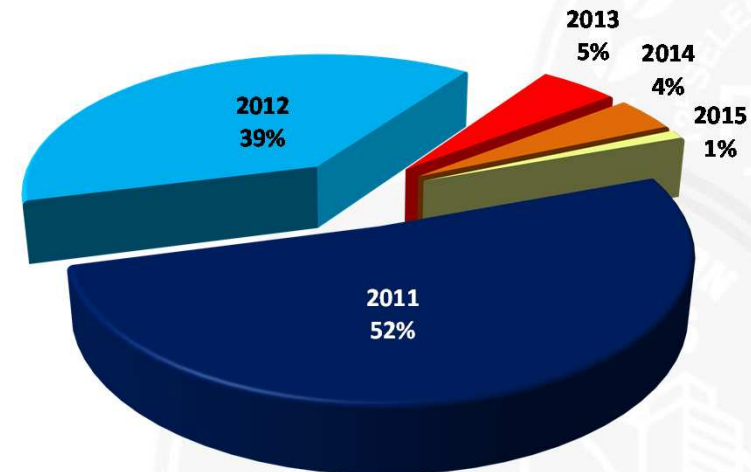
- Consolidated gross debt at US\$ 510.9 m
- Cash & cash equivalents at US\$ 39.6 m - Net debt position at US\$ 471.3 m

### EBI-Net Financial Debt\*



\*excluding put options

### EBI-Maturity Breakdown



Numbers may not add up to 100 due to rounding.

The EFES logo is centered on the slide. 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 ribbon that forms an oval shape around the letters. The background is a vibrant blue with a pattern of water droplets and abstract, curved lines.

**EFES**

**CLOSING REMARKS**

*by* **Alejandro Jimenez**

## FY2011 OUTLOOK

- 1Q2011 was in line with our expectations
- We maintain our previously provided full year guidance for Turkey Beer Operations;
  - low-single digit decline in domestic sales volume
  - gross margin to remain flat with a slight contraction in EBITDA margin
- As 1Q is not an indicator for the full year performance, we will provide a specific guidance after seeing 2Q in International Beer Operations as we previously stated in our FY2010 results announcement.
- We are still confident to overperform the market and keep the impact of existing challenges in operating markets on margins limited.



**? QUESTIONS PLEASE ?**



The EFES logo 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 ribbon that forms an oval shape around the letters. The background is a vibrant blue with a pattern of water droplets and a faint, stylized image of a water bottle.

**APPENDIX**

<b>TURKEY BEER OPERATIONS</b>			
<b>Highlighted Income Statement Items For the Three-Month Period Ended 31.03.2010 and 31.03.2011</b>			
<b>Prepared In Accordance with IFRS as per CMB Regulations</b>			
	(million TRY)		
	2010/3	2011/3	
Sales Volume (million hectolitres)	1.8	1.7	
<b>SALES</b>			
<b>GROSS PROFIT FROM OPERATIONS</b>	272.5	282.4	
<b>PROFIT FROM OPERATIONS</b>	187.1	198.8	
Financial Income / Expense	82.4	84.3	
	6.5	6.8	
<b>CONTINUING OPERATIONS PROFIT BEFORE TAX</b>	88.9	91.1	
Provision for Taxes	(15.8)	(21.5)	
<b>PROFIT FOR THE PERIOD</b>	73.2	69.6	
<b>EBITDA</b>	104.0	107.6	

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 31.03.2011 and 31.12.2010</b>			
<b>Prepared In Accordance with IFRS as per CMB Regulations</b>			
	(million TRY)		
	2010/12	2011/3	
Cash, Cash equivalents and Investment in Securities	580.6	580.3	
Trade Receivables	277.1	297.8	
Inventories	96.0	104.4	
Other Assets	22.9	29.9	
<b>Total Current Assets</b>	992.4	1,028.2	
Investments	1,587.7	1,587.2	
Property, Plant and Equipment	375.3	374.5	
Other Assets	35.9	41.3	
<b>Total Non-Current Assets</b>	2,010.2	2,017.7	
<b>Total Assets</b>	3,002.6	3,045.9	
Trade Payables	53.0	53.1	
Other Liabilities	206.5	219.9	
Short-term Borrowings	325.1	370.5	
<b>Total Current Liabilities</b>	584.6	643.5	
Long-term Borrowings	77.3	0.0	
Other Liabilities	186.6	191.5	
<b>Total Non-Current Liabilities</b>	263.9	191.5	
<b>Shareholders' Equity</b>	2,150.9	2,205.2	
<b>Total Liabilities and Shareholders' Equity</b>	3,002.6	3,045.9	

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

<b>INTERNATIONAL BEER OPERATIONS (EBI)</b>		
<b>Highlighted Income Statement Items For the Three-Month Period Ended 31.03.2010 and 31.03.2011</b>		
<b>Prepared In Accordance with IFRS</b>		
<b>(million USD)</b>		
	<b>2010/3</b>	<b>2011/3</b>
Volume (million hectoliters)	2.7	2.8
<b>NET SALES</b>	<b>166.1</b>	<b>176.4</b>
<b>GROSS PROFIT</b>	<b>72.7</b>	<b>73.8</b>
<b>PROFIT FROM OPERATIONS</b>	<b>(0.8)</b>	<b>(7.8)</b>
Financial Income / (Expense)	8.3	7.5
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>5.6</b>	<b>(1.6)</b>
Income Tax	(2.0)	(2.2)
<b>(LOSS)/PROFIT AFTER TAX</b>	<b>3.6</b>	<b>(3.8)</b>
Attributable to		
Minority Interest	0.5	1.4
Equity Holders of the Parent Company	3.1	(5.2)
<b>EBITDA</b>	<b>25.6</b>	<b>19.2</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.

<b>INTERNATIONAL BEER OPERATIONS (EBI)</b>		
<b>Highlighted Balance Sheet Items as of 31.03.2011 and 31.12.2010</b>		
<b>Prepared In Accordance with IFRS</b>		
<b>(million USD)</b>		
	<b>2010/12</b>	<b>2011/3</b>
Cash and Cash Equivalents	66.0	39.6
Trade Receivables	55.8	75.4
Inventories	164.7	216.6
Other Current Assets	27.6	41.4
<b>Total Current Assets</b>	<b>314.3</b>	<b>374.3</b>
Property, Plant and Equipment	680.1	739.9
Intangible Assets (including goodwill)	454.1	484.4
Investments in Associates	13.9	13.3
Other Non-Current Assets	22.1	23.4
<b>Total Non-Current Assets</b>	<b>1,170.1</b>	<b>1,261.1</b>
<b>Total Assets</b>	<b>1,484.5</b>	<b>1,635.3</b>
Trade Payables, Due to Related Parties and Other Payables	246.0	296.2
Short-term Borrowings (including current portion of long-term debt and lease obligations)	225.8	268.9
<b>Total Current Liabilities</b>	<b>471.7</b>	<b>565.1</b>
Long-term Borrowings (including lease obligations)	242.4	242.0
Other Non-Current Liabilities	12.9	16.3
<b>Total Non-Current Liabilities</b>	<b>255.3</b>	<b>258.3</b>
<b>Total Equity</b>	<b>757.4</b>	<b>812.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,484.5</b>	<b>1,635.3</b>

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