
ANADOLU EFES BEER OPERATIONS

1H2013 Results Conference Call Presentation

Alejandro Jimenez
EFES BEER GROUP PRESIDENT

Onur Çevikel
CFO

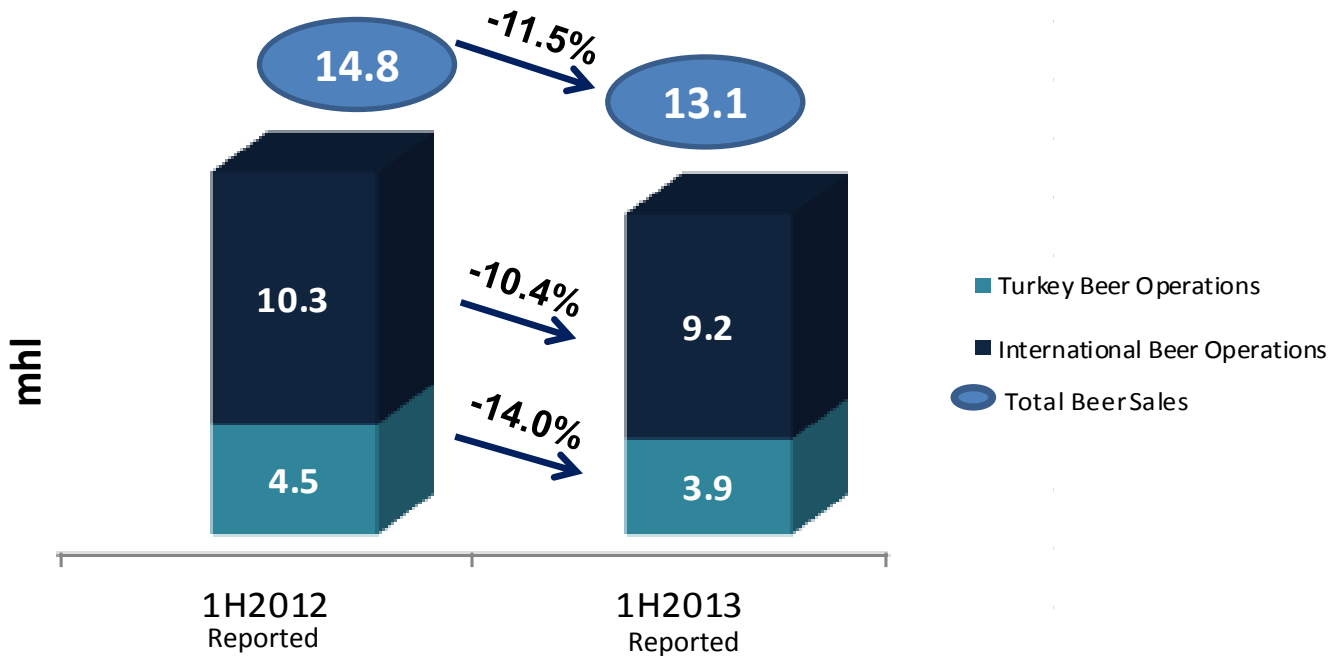
This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject 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

Total Beer Volume Development - Reported

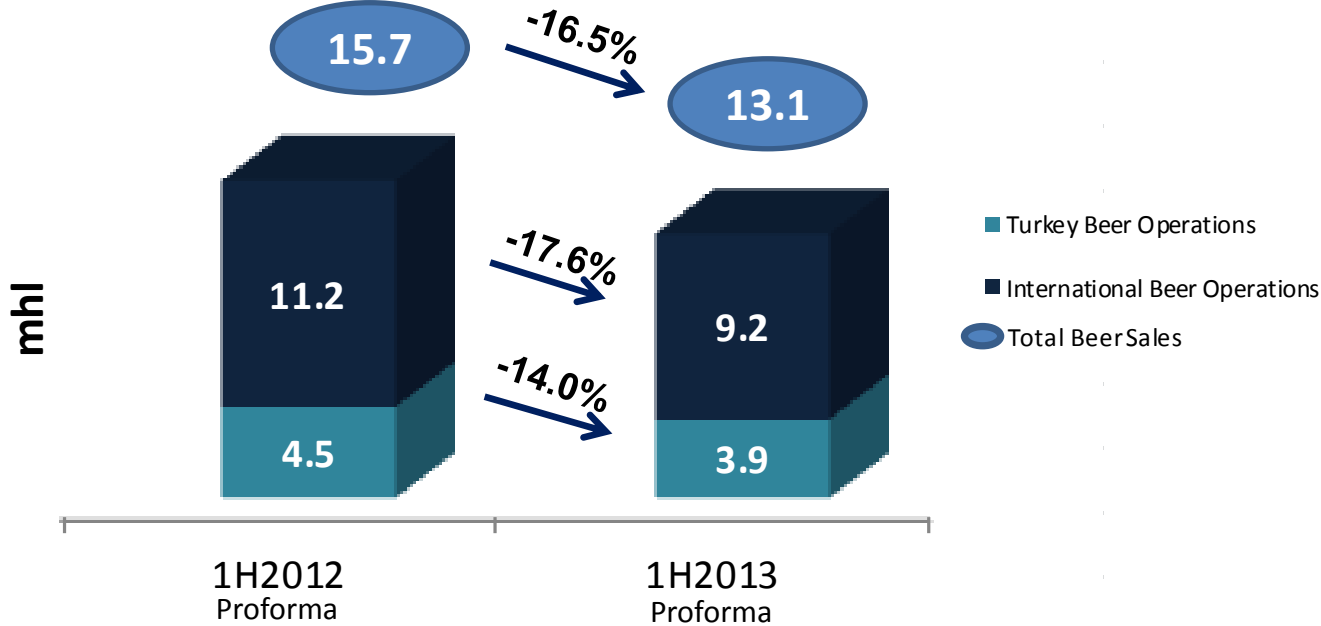


Total reported beer sales volume declined by 14.8% in 2Q2013 vs. 2Q2012, leading to an 11.5% fall in 1H2013 vs. 1H2012;

- Turkey beer> down by 14.0% y-o-y to 3.9 mhl in 1H2013
- International beer> down by 10.4% y-o-y to 9.2 mhl in 1H2013

Beer Sales Volume Development

Total Beer Volume Development - Proforma

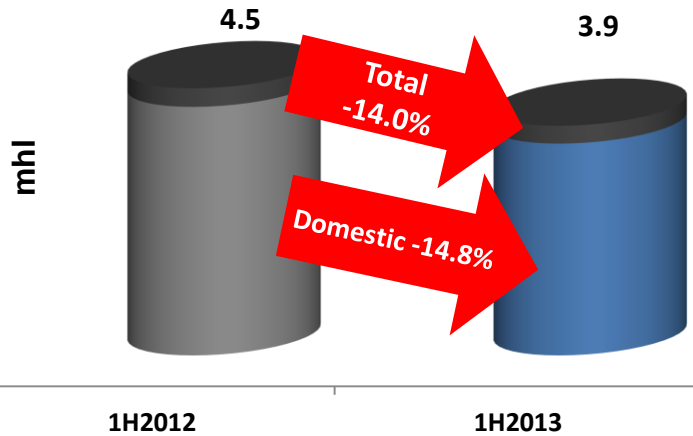


Total beer sales volume declined by 14.8% in 2Q2013 vs. 2Q2012 on an operating proforma basis, leading to a 16.5% fall in 1H2013 vs. 1H2012;

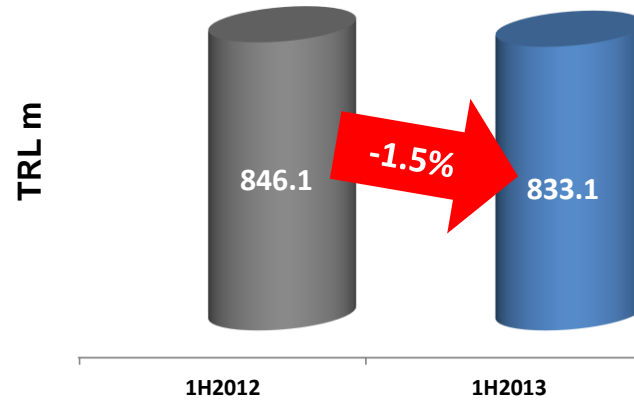
- Turkey beer> down by 14.0% y-o-y to 3.9 mhl in 1H2013
- International beer> down organically by 17.6% y-o-y to 9.2mhl in 1H2013

TURKEY BEER OPERATIONS

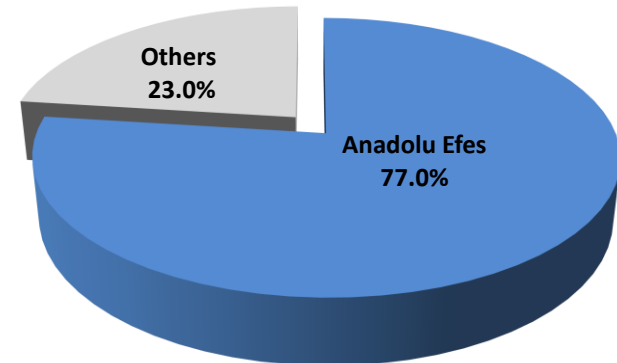
Volume Development



Sales Revenue Development



Market Share by Volume-1H2013

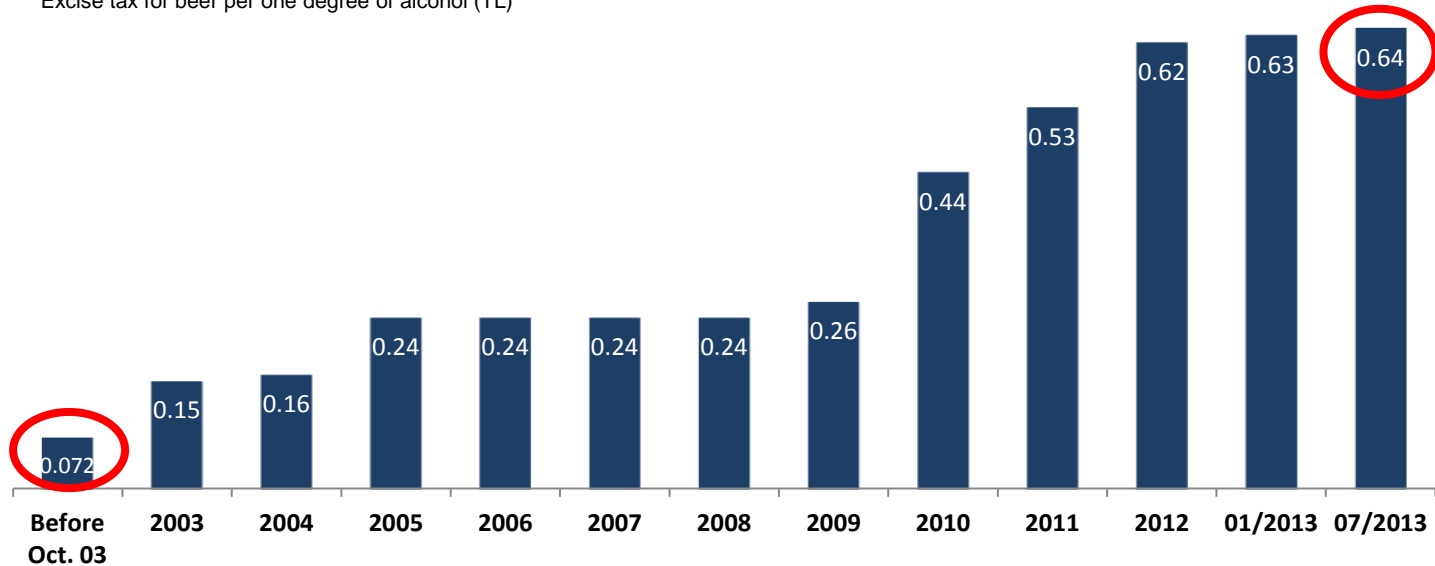


New product launches along with improved availability of our products via investments in both on & off-premise channels and successful trade executions in 1H2013 contributed to sales volumes. However, total sales volumes declined by 14.0% y-o-y in 1H2013 due to ;

- Higher prices
- Competition
- Destocking effect
- High base of 1H2012
- Developments in Turkey starting from late-May

Excise Tax Increases in Turkey in 2013

*Excise tax for beer per one degree of alcohol (TL)



- Although the excise taxes increased significantly over the years, the rate of increase decelerated in 2013...
- Excise tax on beer increased by two times in 2013; 1.6% in January & 1.6% in July in line with inflation, while both rises were reflected to prices via average price increases of 2.7% in January & 2.6% in July...

What is New in Regulatory Environment in Turkey?

| | Will be effective in... |
|---|---------------------------|
| Ban on all kinds of advertisement, promotional activities and events of alcoholic products | Already implemented |
| Ban on sale of alcoholic beverages within 100 m distance to places of worship and educational institutions – exemption granted to the existing points of sale (on&off premise) and to future license applications of on-premise outlets holding a tourism license | Already implemented |
| Ban on sales in gas stations | Already implemented |
| Ban on retail sales of alcohol between hours 22:00-6:00 | 90 days (Sept 9th, 2013) |
| Redesign of the off-premise outlets so that the alcoholic beverages can not be seen from outside | 90 days (Sept 9th, 2013) |
| Written warnings on alcohol beverage packagings | June 11th, 2014 |
| Ban on outdoor signs of alcohol brands in on and off-premise outlets | 1 year (June 10th, 2014) |
| Ban on logos and/or brand names of alcoholic beverages on coolers | 3 years (June 10th, 2016) |

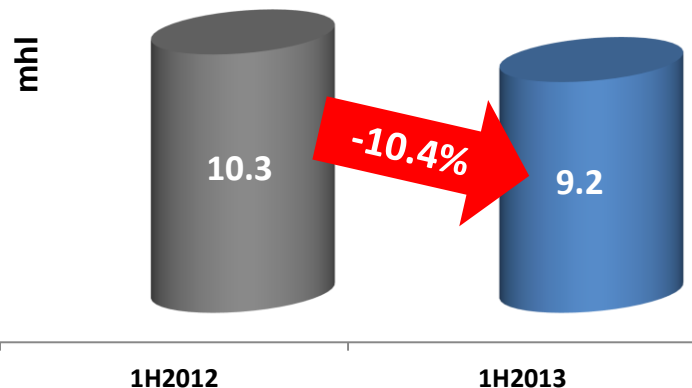
What are the implications of these regulatory changes?

- 2013 will be a tough year for our Turkey beer operations mainly due to changes in the regulatory environment. We have reflected these changes into our 2013 revised guidance...
- We will be making sure that both we and the consumers will adapt to these changes as soon as possible. In that respect;
 - Maintaining the communication with customers will be critical
 - Current momentum in market investments will continue

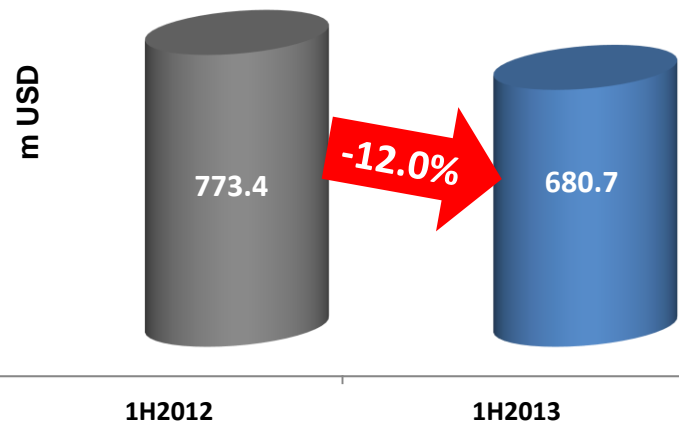
We have been facing increasing regulatory restrictions and tax burdens in our home market for a long time. However, we have built the capacity to demonstrate resilience against the changes of industry forces as well as the capability to get adapted to changing regulatory environments...

INTERNATIONAL BEER OPERATIONS

Volume Development-Reported



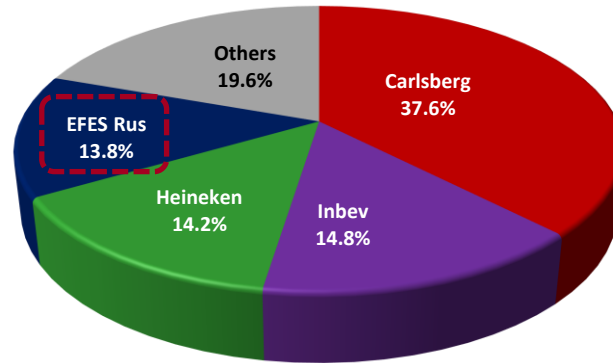
Sales Revenue Development-Reported



- Consolidated sales volume of EBI reported at 9.2 mhl in 1H2013, down 10.4% y-o-y
- On an operating proforma basis, consolidated sales volumes fell organically by 17.6% in 1H2013 vs. 1H2012; while the decline in volumes was mainly driven by Russian operations due to:
 - Higher price level
 - Tightened regulatory environment
 - High base impact of 1H2012 with the contribution of Holsten brand
 - Destocking
 - Availability related issues mostly in key accounts

Market Share Development in Russia

Market Share by Volume – Russia



Nielsen, National Urban Russia (over 10 th. inhab) Retail YTD June 2013

*Shares of Carlsberg and INBEV include Ukrainian brands

- According to Nielsen, beer market sales volumes in Urban Russia¹ decreased by;
 - 7.3% in 1Q2013 versus 1Q2012
 - 12.3% in 2Q2013 versus 2Q2012
- 9.9% in 1H2013 versus 1H2012
- According to Nielsen, EFES RUS' market share² declined to 13.8% in 1H2013 compared to 14.0% in 1Q2013

¹ Nielsen, National Urban Russia (over 10 th. inhab) Retail YTD June 2013

Softer Industrial Volumes in Russia in 2013

The declining trend in Russian Beer market led by;

- I. Regulatory issues
 - ✓ Kiosk ban
 - ✓ Restrictions on beer selling hours
 - ✓ Higher excise taxes
 - ✓ Ban on consumption in public places
- II. Pricing environment as price competition has intensified particularly in modern trade
- III. Lower than expected economic growth since the beginning of the year

Financial Overview

by Onur Çevikel

TURKEY

Operational Snapshot-1H2013 Performance

| | 1H2012 | 1H2013 | Growth (%) |
|-----------------------------------|--------|--------|------------|
| Total Sales Volume (mhl) | 4.5 | 3.9 | -14.0% |
| Net Sales (million TRL) | 846.1 | 833.1 | -1.5% |
| Gross Profit (million TRL) | 590.3 | 590.2 | 0.0% |
| Gross Profit margin (%) | 69.8% | 70.8% | 107 bps |
| EBITDA (million TRL) | 318.7 | 254.9 | -20.0% |
| EBITDA margin (%) | 37.7% | 30.6% | -707 bps |

✓ Due to higher sales prices, the contraction in sales revenues was milder, compared to the fall in sales volume, with 5.9% y-o-y to TRL478.7 m in 2Q2013, leading to a sales revenues of TRL833.1 m in 1H2013 with a slight decline of 1.5% vs. 1H2012.

✓ Gross margin rose 37 bps to 71.0% in 2Q2013 over 2Q2012, with a gross profit of TRL340.0 m versus TRL359.6 m in the same time period, due to price increases more than covering cost inflation on a per hectoliter basis. Consequently, gross profit in 1H2013 was flattish at TRL 590.2 m with a gross margin of 70.8%, up from 69.8% in the same period of 2012.

✓ Despite a higher gross margin, operating expenses increased by 14.9% y-o-y in 2Q2013 to TRL214.6 m due to the ongoing new openings in both on and off premise channels in addition to higher sales and marketing expenditures. This has led to a 27.4% y-o-y decline in operating profit from TRL172.8 m to TRL125.4 m in the same time period, with an operating margin of 26.2% in 2Q2013 down 776bps. Accordingly, due to a 17.6% rise in operating expenses, operating profit in 1H2013 decreased by 22.0% from TRL262.5 m to TRL204.7 m with a margin decline of 645 bps to 24.6%.

✓ EBITDA decreased to TRL152.9 m in 2Q2013 with a margin decline of 757 bps to 31.9%. Therefore, EBITDA in 1H2013 was down by 20.0% vs. 1H2012 and EBITDA margin declined to 30.6% in 1H2013 from 37.7% in 1H2012.

TURKEY BEER OPERATIONS

Free Cash Flow

(m TRL)

| | 1H2012 | 1H2013 |
|--|---------------|---------------|
| Operating Profit | 264.2 | 204.8 |
| Depreciation & Amortization | 43.7 | 49.7 |
| Other non-cash items | 10.7 | 0.5 |
| EBITDA | 318.7 | 254.9 |
| <i>Change in Inventory</i> | 9.9 | 37.6 |
| <i>Change in Trade Receivables</i> | -294.3 | -259.3 |
| <i>Change in Trade Payables</i> | 69.0 | 79.4 |
| <i>Change in Other Assets/Liabilities</i> | 36.0 | -39.8 |
| Change in Working Capital | -179.3 | -182.0 |
| Income Taxes & Employee Benefits Paid | -36.9 | -26.2 |
| CAPEX, net | -63.8 | -105.6 |
| Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases) | -45.0 | -226.1 |
| Net Financial Income | 20.2 | 9.5 |
| FCF | 13.9 | -275.5 |
| FCF excluding minority buy-out and other investing activities | 59.0 | (49.4) |

EFES BREWERIES INTERNATIONAL

Operational Snapshot-1H2013 Performance

| | 1H2012 (Reported) | 1H2013 (Reported) | Growth (%) | 1H2012 (Proforma) | 1H2013 (Proforma) | Organic Growth (%) |
|----------------------------|-------------------|-------------------|------------|-------------------|-------------------|--------------------|
| Total Sales Volume (mhl) | 10.3 | 9.2 | -10.4% | 11.2 | 9.2 | -17.6% |
| Net Sales (million USD) | 773.4 | 680.7 | -12.0% | 852.5 | 680.7 | -20.2% |
| Gross Profit (million USD) | 358.5 | 279.4 | -22.1% | 396.7 | 279.4 | -29.6% |
| Gross Profit margin (%) | 46.4% | 41.0% | -532 bps | 46.5% | 41.0% | -549 bps |
| EBITDA BNRI (million USD) | 124.3 | 79.9 | -35.7% | 126.8 | 79.9 | -37.0% |
| EBITDA BNRI margin (%) | 16.1% | 11.7% | -434 bps | 14.9% | 11.7% | -314 bps |

On an operating proforma basis;

- ✓ Despite the local price increases made, sales revenues fell organically by 16.7% y-o-y and 20.2% y-o-y in 2Q2013 and 1H2013 respectively, indicating slightly higher declines than volume slippage in both periods mainly due to the phased reflection of higher excise taxes into the prices in Russia.
- ✓ Mainly due to lower volumes leading to higher fixed costs on a per liter basis as well as the negative impact of excise tax hike that took some time to reflect into prices, gross profit declined by 24.8% to USD194.2 m in 2Q2013, with a gross margin of 43.9%, down more than 4pp. Likewise, in 1H2013, gross profit was USD279.4 m vs. USD396.7 m in 1H2012, indicating a gross margin of 41.0% versus 46.5% in the same time period.
- ✓ The operating loss (BNRI) in 1Q2013 turned out to be an operating profit (BNRI) of USD36.0 m in 2Q2013, leading to an operating loss (BNRI) of USD2.1 m in 1H2013. Lower operating expenses both in absolute terms and as a percentage of net sales revenues helped a lower decline in operating margin (BNRI) compared to the fall in gross margin in 2Q2013.
- ✓ EBI's EBITDA (BNRI) fell by 2.8% to USD77.9 m in 2Q2013, indicating a 17.6% EBITDA (BNRI) margin in the same time period. Consequently, EBITDA (BNRI) was USD79.9 million in the first half of 2013, down 37.0% compared to the first half of the previous year.

EFES BREWERIES INTERNATIONAL

Free Cash Flow

(m USD)

| <i>Reported</i> | 1H2012 | 1H2013 |
|--|--------------|---------------|
| Operating Profit | 49.8 | -5.7 |
| Depreciation & Amortization | 69.8 | 79.0 |
| Other non-cash items | 1.5 | 4.0 |
| EBITDA | 121.1 | 77.3 |
| <i>Change in Inventory</i> | <i>-4.1</i> | <i>-8.8</i> |
| <i>Change in Trade Receivables</i> | <i>-50.5</i> | <i>-58.0</i> |
| <i>Change in Trade Payables</i> | <i>148.6</i> | <i>121.6</i> |
| <i>Change in Other Assets/ Liabilities</i> | <i>-8.1</i> | <i>-8.9</i> |
| Change in Working Capital | 85.9 | 45.8 |
| Income Taxes & Employee Benefits Paid | -2.1 | -8.3 |
| CAPEX, net | -68.3 | -87.3 |
| Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases) | -41.4 | -165.4 |
| Net Financial Income | -2.1 | -4.2 |
| FCF | 93.0 | -142.0 |
| FCF excluding minority buy-out and other investing activities | 134.4 | 23.4 |

Net Financial Debt & Financing

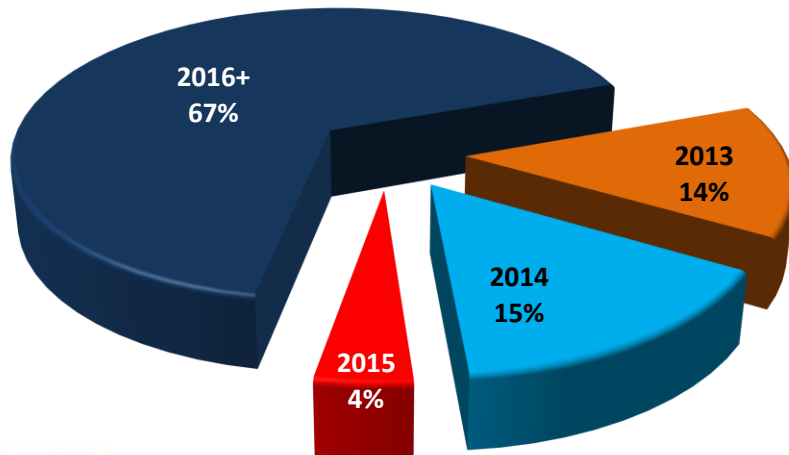
Turkey Beer Operations

- Consolidated gross debt at 1,418.4 m TRL
- Cash & cash equivalents at 251.8 m TRL - Net debt position of 1,166.6 m TRL

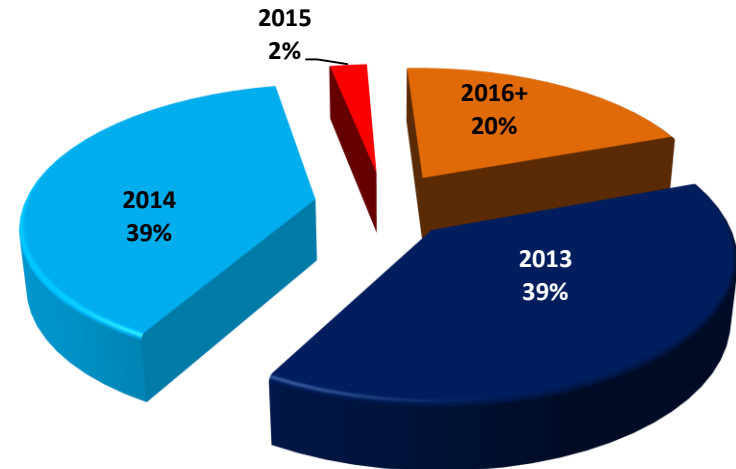
Efes Breweries International

- Consolidated gross debt at US\$ 213.5 m
- Cash & cash equivalents at US\$ 156.7 m - Net debt position at US\$ 56.8 m

Turkey Beer - Debt Maturity Breakdown



EBI - Debt Maturity Breakdown



CLOSING REMARKS

by **Alejandro Jimenez**

TURKEY BEER OPERATIONS' FY2013 OUTLOOK

- We expect Turkish beer market to decline at a rate of mid-single digit, reflecting the expected impact of the changes in the regulatory environment as well as the latest developments in Turkey starting from late-May and higher prices.
 - Our beer sales in Turkey is expected to decline at a rate of high-single digits
- Sales revenues are expected to grow at a rate of low-to-mid single digits, contributed by higher sales prices.
- Price increases are expected to cover the negative impact of the higher input prices, i.e. barley prices. In absolute terms, higher gross profitability is expected with flattish margin.
- The ratio of operating expenses to net sales is expected to remain high due mainly to the continued investments in on and off trade. Consequently, EBITDA is expected to be lower in absolute terms with lower EBITDA margin at high twenties.

INTERNATIONAL BEER OPERATIONS' FY2013 OUTLOOK

- Russian beer market is expected to decline at a rate of mid-single digits in 2013, mainly due to the negative impact of the regulatory changes, pricing environment and deceleration in economic growth.
- Flattish volumes forecasted for other CIS countries.
- On a reported basis, our sales volumes are expected to be flat.
 - On an operating proforma basis, our sales volumes are expected to decline at a rate of mid-single digits.
- On a reported basis, sales revenues are expected to decline at a rate of mid-single digits.
 - On an operating proforma basis, sales revenues are expected to decline at a rate of high-single digits due to phased reflection of higher excise taxes into prices as well as the change in channel mix.
- On a reported basis, gross profit is expected to decline at a rate of low-teens with around 4pps lower gross margin.
 - On an operating proforma basis, gross profit is expected to decline at a rate of high-teens with around 4pps lower gross margin.
- On a reported basis, operating profit (BNRI) is expected to be lower in absolute terms with ca. 4pps decline in operating profit (BNRI) margin.
 - On an operating proforma basis, operating profit (BNRI) is expected to be lower in absolute terms, leading to more than 4pps lower operating profit margin (BNRI) in line with the decline in gross margin.
- On a reported basis, EBITDA (BNRI) is expected to decline at a rate of mid-to-high teens, indicating ca. 2pps lower EBITDA (BNRI) margin.
 - On an operating proforma basis, EBITDA (BNRI) is expected to decline at a rate of low-to-mid twenties, leading to more than 2pps lower margin.
- For 2013, the expected cost synergies are estimated to be around USD70 million.

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? QUESTIONS PLEASE ?