
ANADOLU EFES

FY2013 Results Conference Call Presentation

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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* Damian Gammell**

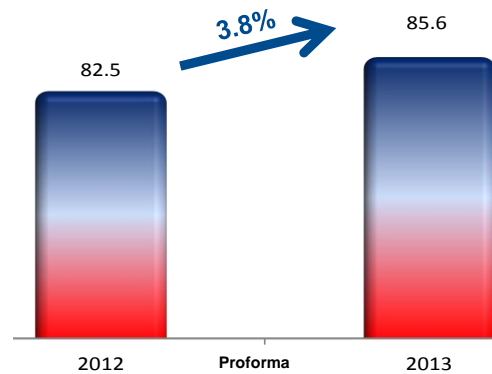
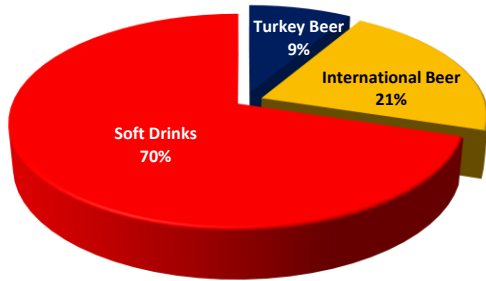
Our Group Strategy

- ✓ New organizational structure in line with the group strategy
- ✓ Maintain our focus on beer and soft drinks brands
- ✓ Leverage strategic alliances to expand into new markets, categories and brands
- ✓ Operate through two distinct operating companies to maintain focus, build capability and support investment
- ✓ In our core beer markets, restore margin and share in Russia and Turkey through cost reduction, premium brand focus and optimizing route to market
- ✓ In our CCI markets, drive sparkling category in Turkey, expand margins in Pakistan and Iraq, deliver a full beverage portfolio
- ✓ Improve balance sheet health, FCF, working capital management and a diverse funding strategy

Consolidated Performance

FY2013

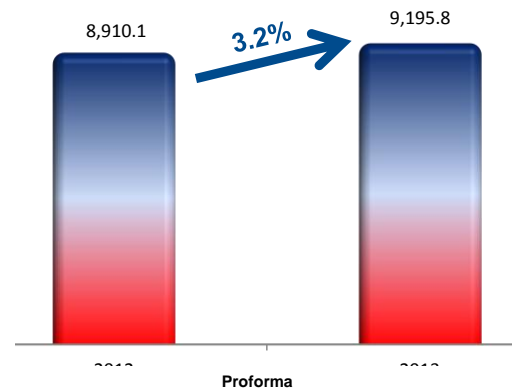
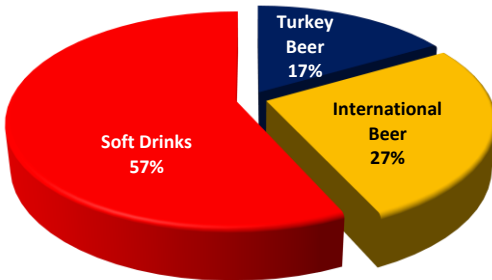
Volume*



- Consolidated volumes increased by 3.8 % on a proforma basis

FY2013

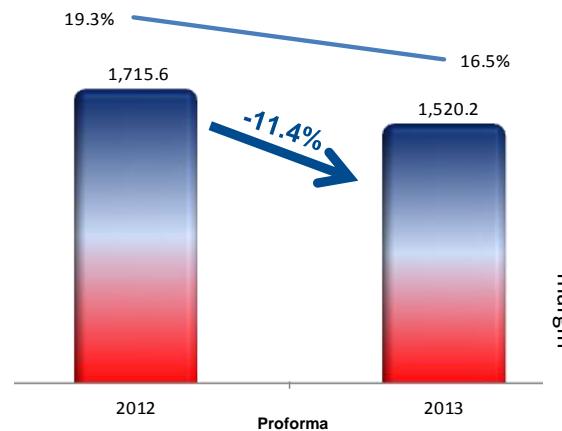
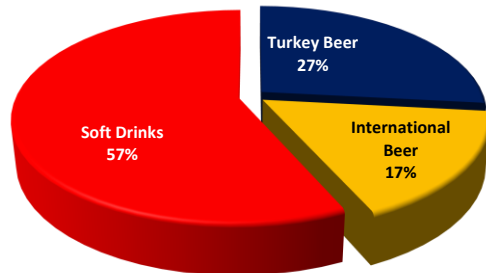
Revenue*



- Consolidated revenue increased by 3.2 % on a proforma basis

FY2013

EBITDA (BNRI)*



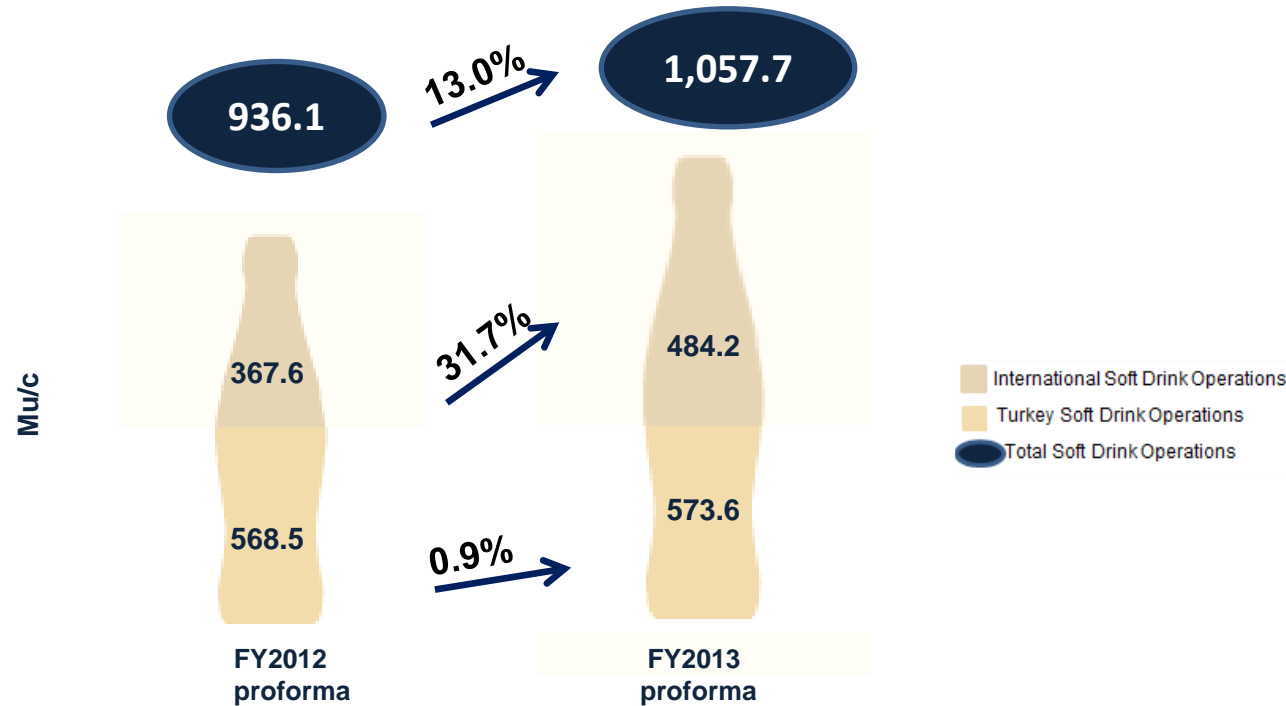
- EBITDA margin at 16.5% in FY2013

*On a combined basis

** Numbers may not add up to 100% due to rounding

Soft Drinks Volume Development

Soft Drinks Volume Development - Proforma



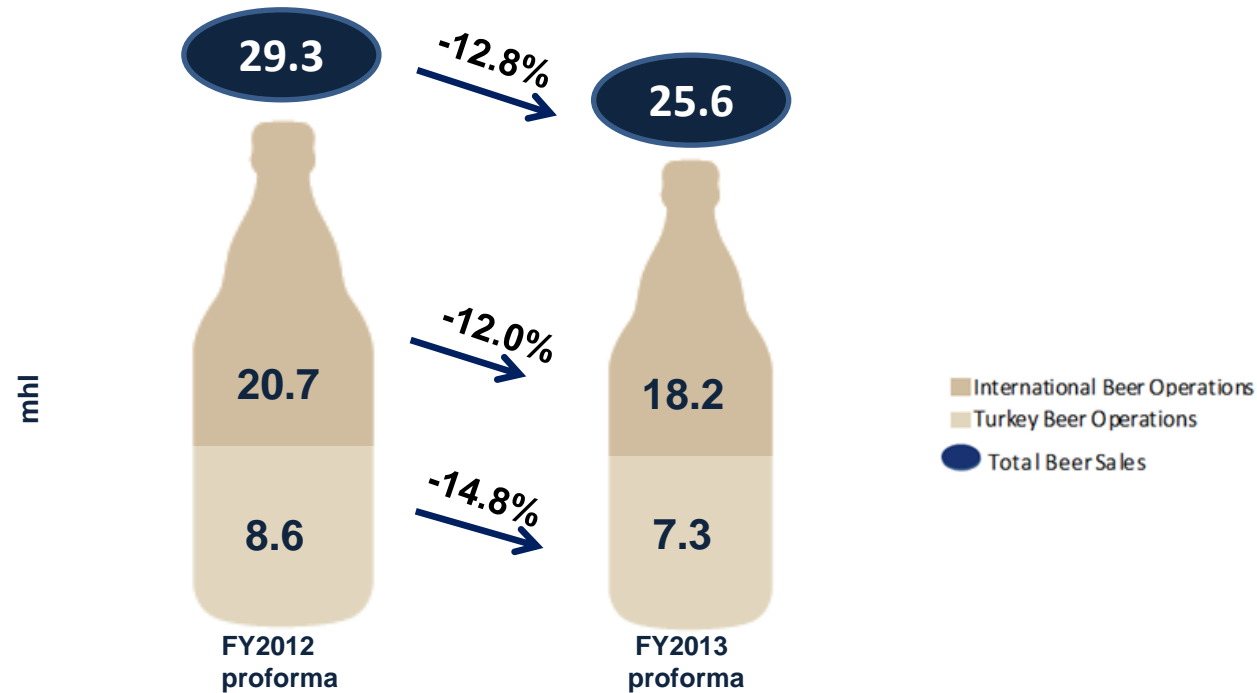
Total volumes> up by 13.0% y-o-y to 1,057.7 mu/c in FY2013

Turkey volumes> up by 0.9% y-o-y to 573.6 mu/c in FY2013

International volumes> up by 31.7% y-o-y to 484.2 mu/c in FY2013

Beer Sales Volume Development

Total Beer Volume Development - Proforma



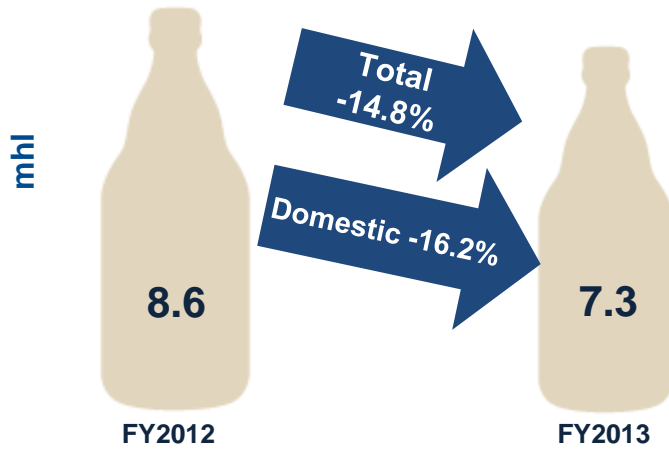
Total beer> down by 12.8% y-o-y to 25.6 mhl in FY2013

Turkey beer> down by 14.8% y-o-y to 7.3mhl in FY2013

International beer> down by 12.0% y-o-y to 18.2mhl in FY2013

Turkey Beer Operations

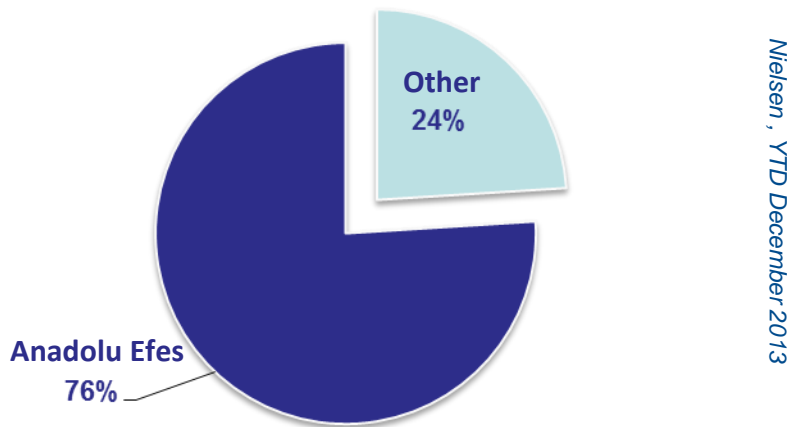
Volume Development



In FY2013, volumes were under pressure due to:

- Higher prices to reflect excise tax increases
- Regulatory changes
- Competition
- Destocking effect in 4Q2013 vs 4Q2012

Market Share by Volume-FY2013



Brands

- Efes Malt, Bomonti
- Premiumization strategy

Execution

- Ekomini Project
- Cooler placements
- On-trade outlet development

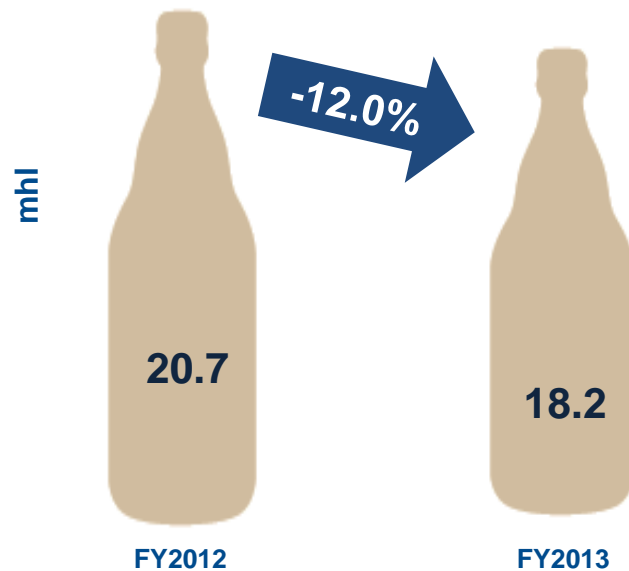
Efficiency

- Minimize opex
- Cost reduction initiatives
- Procurement initiatives

Relationship

- Strong focus on building people capability & engagement

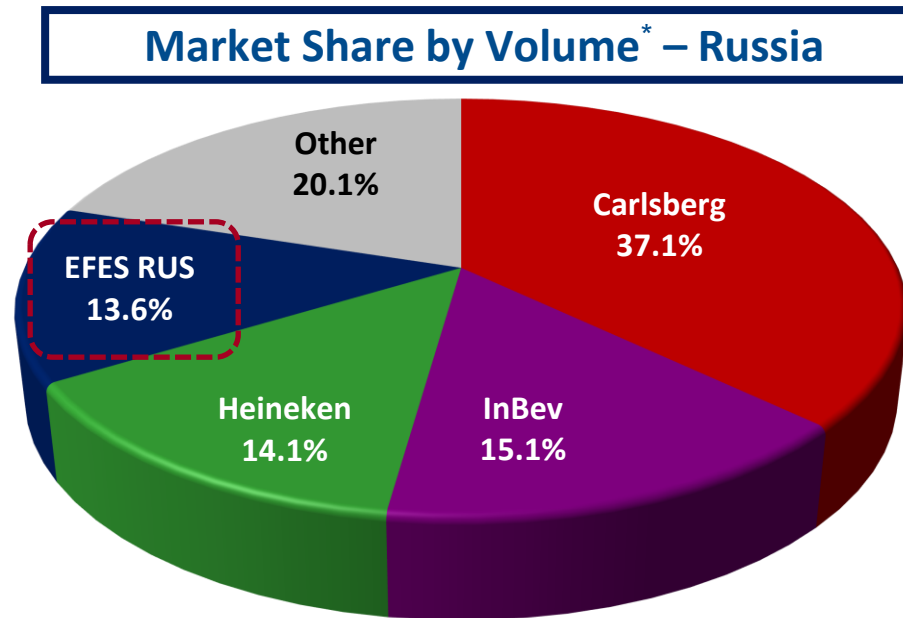
Volume Development-Proforma



Softer volume performance in EBI was led by Russian operations. Main reasons being;

- Tightened regulatory environment
- Higher prices due to excise tax increases
- Lower stocks with distributors in 4Q2013 vs 4Q2012

Market Share Development in Russia



Shares of Carlsberg and INBEV include Ukrainian brands

- According to Nielsen, EFES RUS' market share* was 13.6% in FY2013
- Beer market sales volumes in Russia** down 10% in FY2013 versus FY2012

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

** Company estimate

Opportunities in the world's 4th largest beer market

Brands

- Kozel leading the premium segment
- Relaunches of Zolotoya Bochka, Stariy Melnik, Bely Medved
- New package launches for Gold Mine

Execution

- Resumed shipments to key accounts
- Increasing distribution in modern trade

Efficiency

- Network optimization program initiated
- Moscow plant closure
- Rostov plant closure
- Procurement initiatives
- Right-sizing of head count

Relationship

- Integration was completed
- Strong focus on building people capability & engagement

PREMIUM

Redd's
Miller
Essa
V. Kozel
Bavaria

UPPER MAINSTR.

Zolotoya Bochka
Stariy Melnik
Stariy Melnik Iz Bochonka
Efes Pilsener

LOWER MAINSTR.

Bely Medved
Gold Mine Beer

Highly attractive, valuable and balanced portfolio in Russia...

- 2013 was another challenging year for beer operations
- In the short-term, we remain cautious for the beer markets that we are operating
- In beer business, headwinds are slowing us down but we are taking short-term required actions while executing our long-term strategy;

Brands

-Focus on brands, portfolio optimization, new brand launches

Execution

-RTM & supply chain optimization

Efficiency

-Rightsizing of the beer business

Relationship

- Strong focus on building people capability & engagement

- Improve balance sheet health
- Maintain financially conservative stance
- Financial and organizational capability remain a core focus

Financial Overview
by Onur Çevikel

ANADOLU EFES CONSOLIDATED Operational Snapshot-FY2013 Performance

	FY2012	FY2013	Growth (%)
Total Sales Volume (mhl)	82.5	85.6	3.8%
Net Sales (million TRL)	8,910.1	9,195.8	3.2%
Gross Profit (million TRL)	4,092.4	3,995.7	-2.4%
Gross Profit margin (%)	45.9%	43.5%	-248 bps
EBITDA (million TRL)	1,715.6	1,520.2	-11.4%
EBITDA margin (%)	19.3%	16.5%	-272 bps

TURKEY Operational Snapshot-FY2013 Performance

	FY2012	FY2013	Growth (%)
Total Sales Volume (mhl)	8.6	7.3	-14.8%
Net Sales (million TRL)	1,604.7	1,517.5	-5.4%
Gross Profit (million TRL)	1,106.5	1,055.3	-4.6%
Gross Profit margin (%)	69.0%	69.5%	58 bps
EBITDA (million TRL)	550.5	419.7	-23.8%
EBITDA margin (%)	34.3%	27.7%	-665 bps

TURKEY BEER OPERATIONS

Free Cash Flow

(m TRL)

	FY2012	FY2013
EBITDA	550.5	419.7
<i>Change in Inventory</i>	-55.4	19.2
<i>Change in Trade Receivables</i>	-162.5	73.5
<i>Change in Trade Payables</i>	12.7	-6.6
<i>Change in Other Assets/Liabilities</i>	-34.7	-150.5
Change in Working Capital	-239.9	-64.4
Income Taxes & Employee Benefits Paid	-92.1	-43.8
CAPEX, net	-111.3	-157.8
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-509.4	-289.7
Net Financial Income	6.4	19.4
FCF	-395.7	-116.6
FCF excluding minority buy-out and other investing activities	113.7	173.1

EFES BREWERIES INTERNATIONAL

Operational Snapshot-FY2013 Performance

	FY2012 (Proforma)	FY2013 (Proforma)	Organic Growth (%)
Total Sales Volume (mhl)	20.7	18.2	-12.0%
Net Sales (million USD)	1,585.1	1,300.5	-18.0%
Gross Profit (million USD)	725.1	516.3	-28.8%
Gross Profit margin (%)	45.7%	39.7%	-604 bps
EBITDA BNRI (million USD)	268.2	140.1	-47.7%
EBITDA BNRI margin (%)	16.9%	10.8%	-614 bps

EFES BREWERIES INTERNATIONAL

Free Cash Flow

(m USD)

<i>Reported</i>	FY2012	FY2013
EBITDA	237.7	126.7
<i>Change in Inventory</i>	-9.1	36.0
<i>Change in Trade Receivables</i>	12.6	-5.4
<i>Change in Trade Payables</i>	36.6	15.0
<i>Change in Other Assets/ Liabilities</i>	2.2	-5.3
Change in Working Capital	42.3	40.3
Income Taxes & Employee Benefits Paid	-30.3	-27.7
CAPEX, net	-118.7	-154.5
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-37.6	-169.5
Net Financial Income	-4.5	-6.2
FCF	89.0	-190.9
FCF excluding minority buy-out and other investing activities	126.5	-21.3

Net Financial Debt & Financing

Anadolu Efes Consolidated

Consolidated gross debt at 5,275.9 m TRL

Cash & cash equivalents at 2,309.4 m TRL - Net debt position of 2,966.6 m TRL

Turkey Beer Operations

Consolidated gross debt at 1,755.2 m TRL

Cash & cash equivalents at 461.0 m TRL - Net debt position of 1,294.1 m TRL

Efes Breweries International

Consolidated gross debt at US\$ 201.5 m

Cash & cash equivalents at US\$ 160.8 m - Net debt position at USD 40.8 m

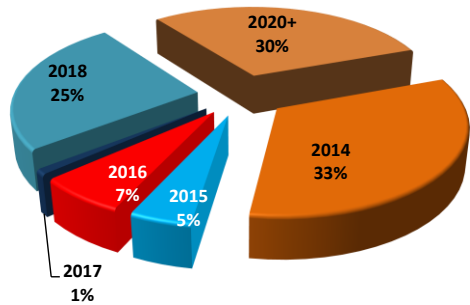
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Consolidated gross debt at 3,086.2 m TRL

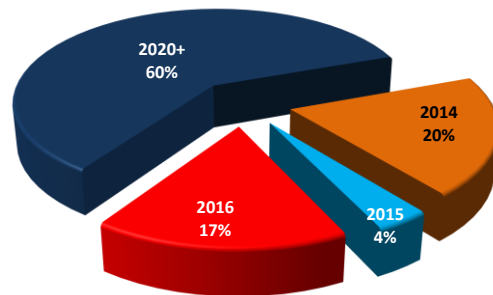
Cash & cash equivalents at 1,479.8 m TRL - Net debt position at 1,606.5 m TRL

Debt Maturity Breakdown

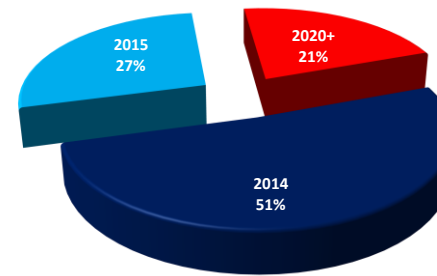
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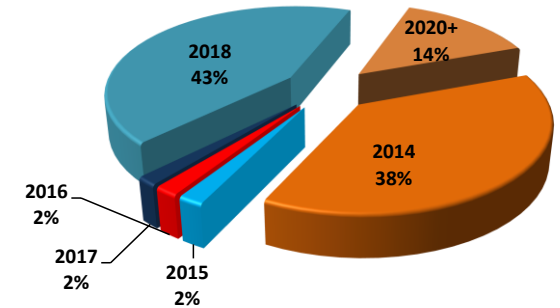
Turkey Beer



EBI



CCI



CLOSING REMARKS

by Damian Gammell

- ✓ Management change

Turkey;

- ✓ TL's depreciation
- ✓ Excise tax increase of 15.6% in January
- ✓ Simultaneous 10.3% rise in average sales price
- ✓ Efes Malt refillable launched in January

Other beer operations;

- ✓ Network optimization programme initiated in Russia
- ✓ Devaluation in Kazakhstan

Brands

- It's all about the consumer and delivering choice, innovation and brand love

Execution

- Great distribution and activation at the point of sale

Efficiency

- Lean and efficient organisation throughout the supply chain and RTM

Relationship

- with our employees, governments, suppliers, customers...

Beer Group's Strategy for 2014 - 2016

- ✓ Expand our brand and package portfolio in the premium and mainstream segments in all countries
 - ✓ Leverage our SABMiller alliance to provide global and regional brand power
 - ✓ Reduce the cost base through capacity reduction, procurement savings and opex reduction in Russia and Turkey
 - ✓ Improve customer service and loyalty through store by store execution solutions and great service
 - ✓ Protect category availability through innovative retail solutions, experiential marketing and a proactive strategy with regulators
 - ✓ Develop profitable new markets for our brands like Ukraine, Central Asia
-

Key Enablers For 2014-2016

-The best brands

Efes Pilsen	Kozel
Bomonti	Kruzhka Svezhego
Efes Malt	Beliy Medved
Miller	Stary Melnik
Chisinau	

-Lean and efficient manufacturing



-Strong route to market



-Market leading capabilities in marketing and sales



-Superior customer relationship



-Healthy balance sheet

	Net Debt / EBITDA
Anadolu Efes Consolidated	2.0

-Working with best people



FY2014 OUTLOOK
by Damian Gammell

Anadolu Efes consolidated;

- sales volumes to grow at a rate of mid-single digit
- sales revenue growth to outperform the rise in sales volumes
- EBITDA (BNRI) growth to outpace the revenue growth, indicating a margin expansion led by improved margins in both operations, especially in beer business

In our beer operations;

- 2014 to continue to be challenging
- cycling the full impact of the regulations from 2013 in Turkey
- total beer volumes to decline at a rate of low-single digit
 - In line with the markets, own volumes in Turkey and Russia to fall by mid-to-high single digit, while other markets forecasted to perform better
- in addition to the reflection of the excise tax rises, pricing to be in line with inflation across our beer markets
- cost reductions coupled with a low COGS inflation will support EBITDA growing ahead of revenues and an absolute margin expansion in our beer operations
 - margin expansion will be reflected both in Turkey and Russia

? QUESTIONS PLEASE ?