

# ANADOLU EFES

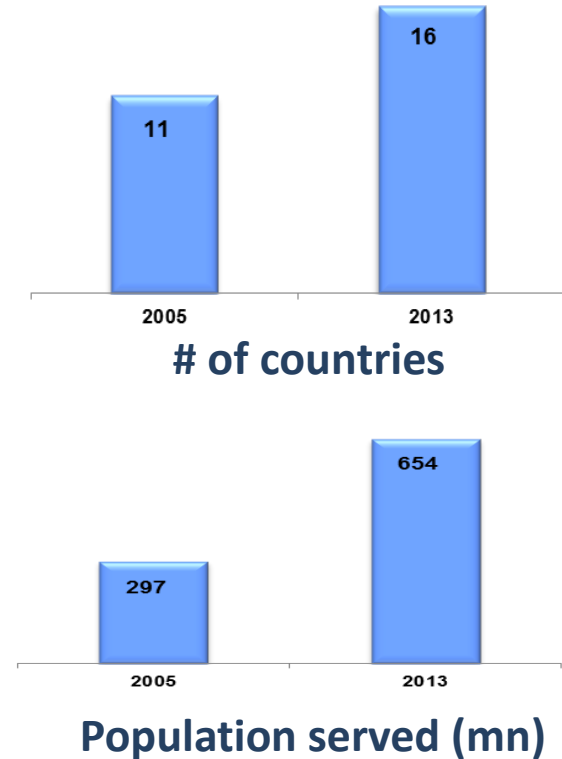
## INVESTOR PRESENTATION

# Forward-Looking Statements

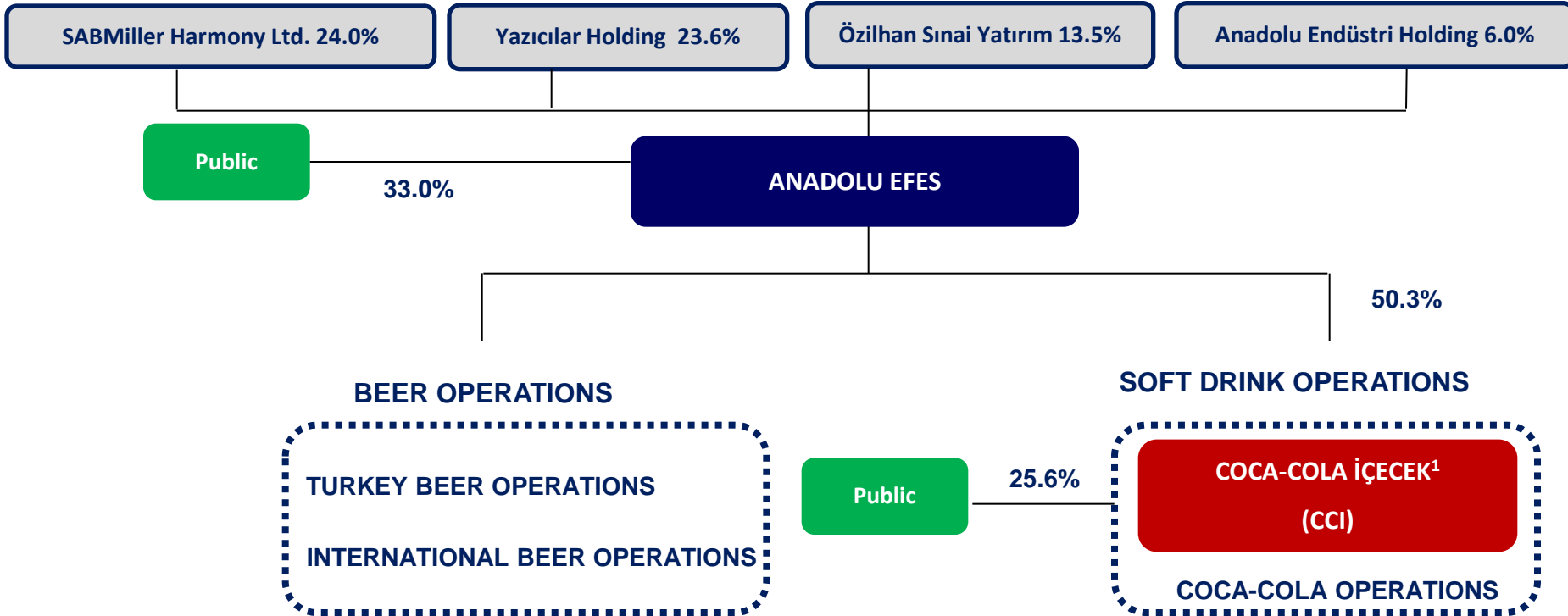
*This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.*

# A Total Beverage Company Refreshing 660mn Consumers With A Strong History of Growth...

- A world class brand portfolio
- In markets with low per capita consumption
  - Turkey: 11 litres of beer, 45 litres of sparkling beverages per capita
  - Kazakhstan: 30 litres of beer, 34 litres of sparkling beverages per capita
  - Pakistan: 15 litres of sparkling beverages per capita
- To a diverse and exciting region with strong GDP growth
  - Refreshing around 660mn consumers in Turkey, CIS and Middle East
- Through an experienced and financially strong organisation
- Supported through world alliances



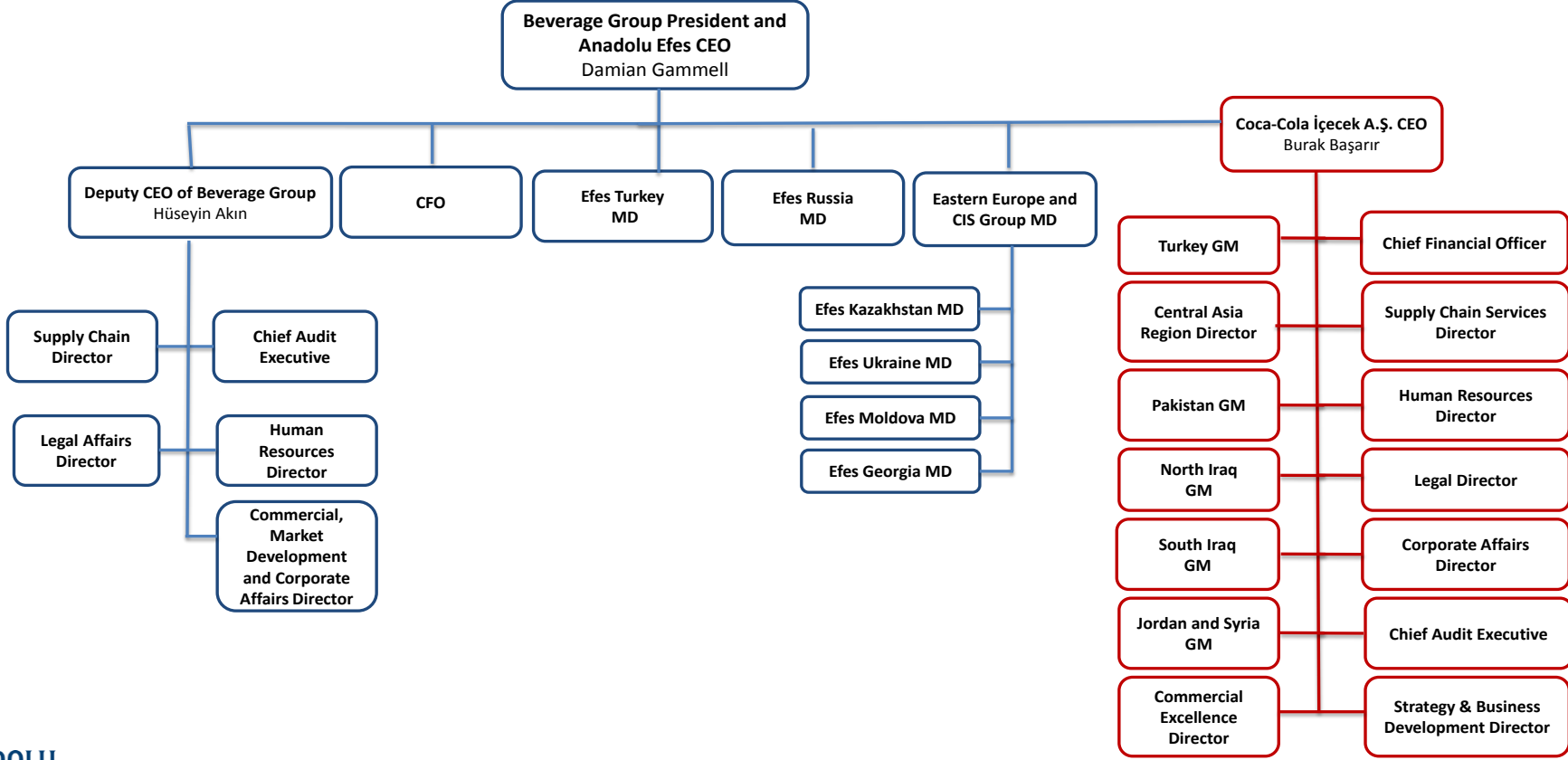
# Anadolu Efes' Structure



(1) 20% held by TCCEC (The Coca-Cola Export Corporation) and 4% by Özgörkey Holding.

\* Only the major subsidiaries of the Group are presented

# Operating Model



# Where do we operate

Refreshing around 660mn consumers in markets with low per capita consumption...



# Our Group Strategy

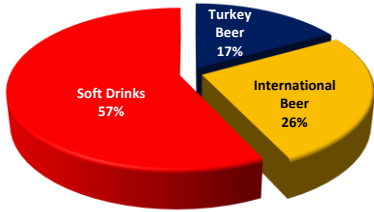
- ✓ Maintain our focus on beer and soft drinks brands
- ✓ Leverage strategic alliances to expand into new markets, categories and brands
- ✓ Operate through two distinct operating companies to maintain focus, build capability and support investment
- ✓ In our core beer markets, restore margin and share 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 Financial Performance- 1Q2014

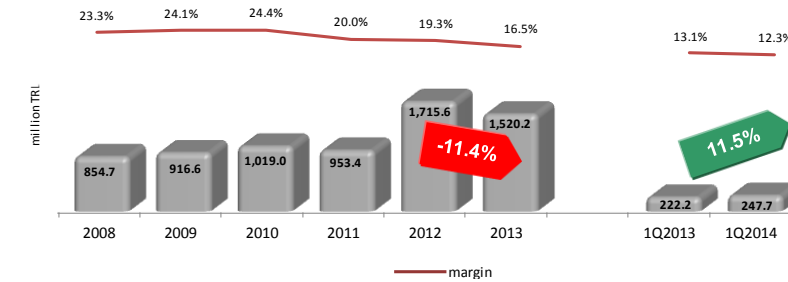
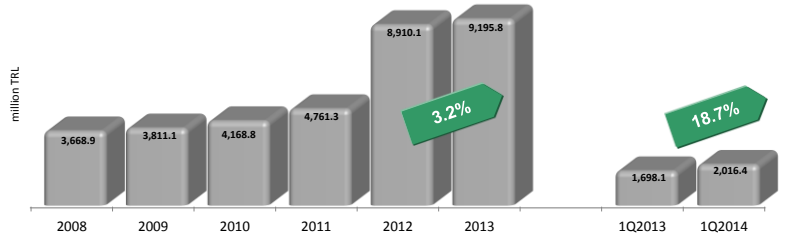
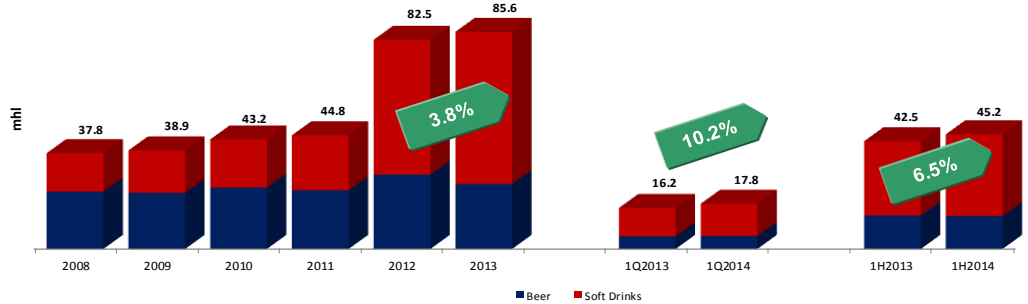
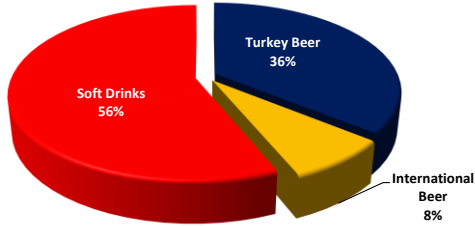
Volume\*  
(1H2014)



Revenue\*  
1Q2014



EBITDA\*(BNRI)\*\*  
1Q2014



\*On a combined basis  
Numbers may not add up to 100% due to rounding  
\*\*Non-recurring items amounted to TL.4.0 million in 1Q2014



# Beer Operations

# The Leading Brewer in CIS and Turkey

Europe's 5th largest and the World's 10th largest brewer in terms of sales volume\* with No.1 position in most of the markets in which we operate

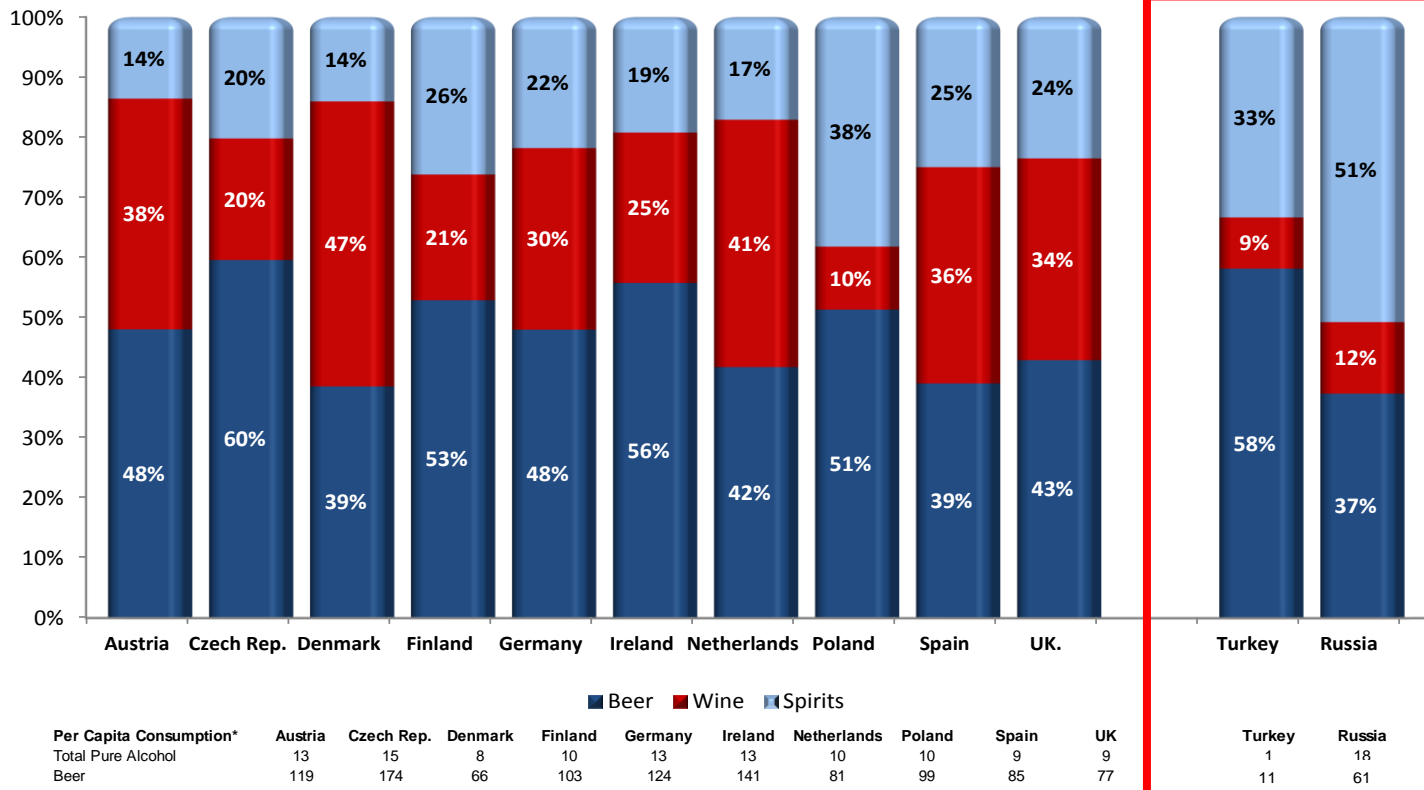
- Largest brewer by sales volume in Turkey<sup>(1)</sup>, Kazakhstan<sup>(1)</sup>, Moldova<sup>(2)</sup>, Georgia<sup>(3)</sup>
- 3rd largest brewer by sales volume & 2nd largest by value in Russia<sup>(1)</sup>, the World's 4th largest beer market<sup>(4)</sup>
- 4th largest brewer by sales volume in Ukraine<sup>(1)</sup>



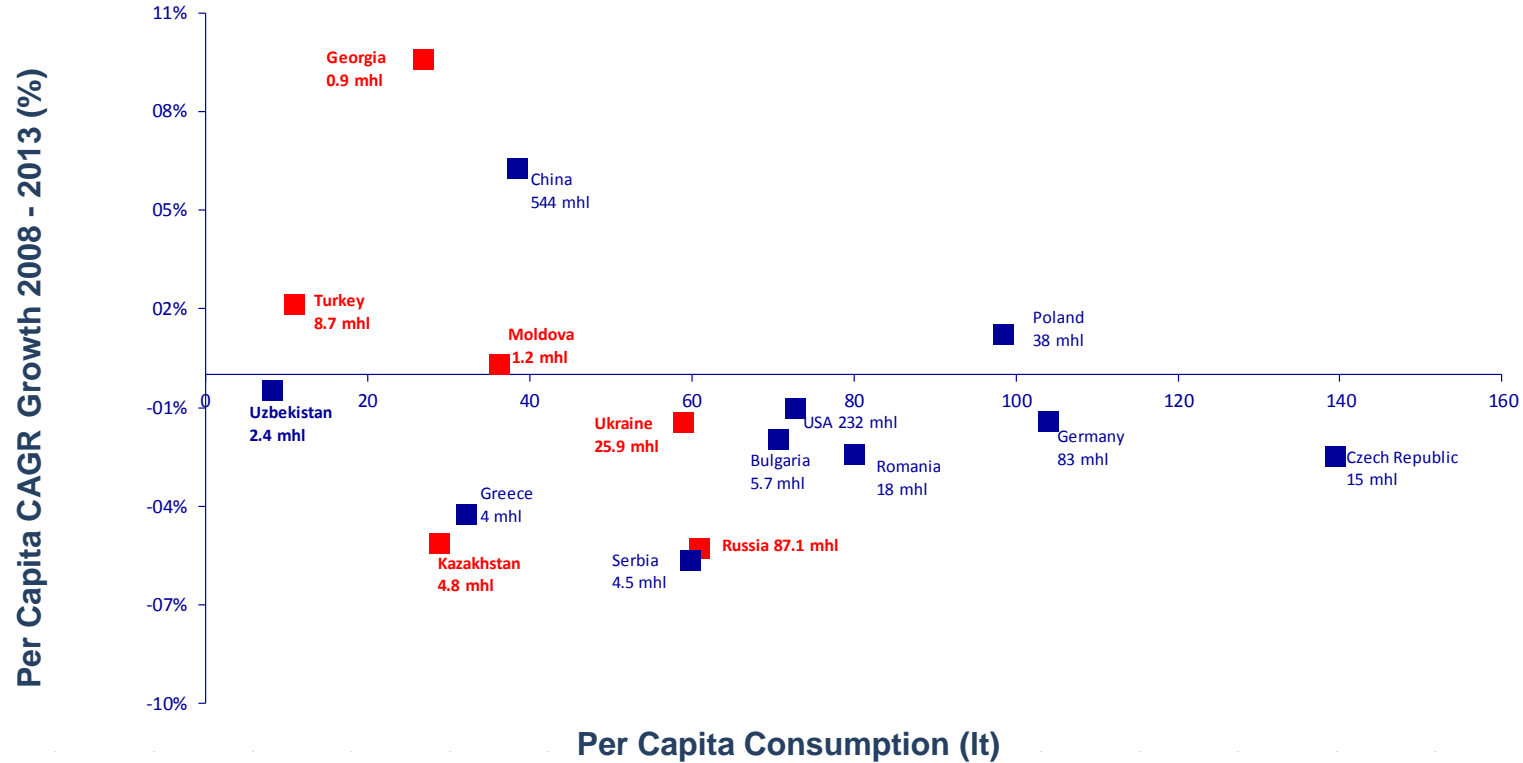
\* Company estimate

Sources: (1) Nielsen, (2) Retail Zoom Moldova, (3) GAMMA Retail Audit, (4) Canadean Global Beer Trends 2013

# Breakdown Of Pure Alcohol Consumption



# Total Beer Market Size & Per Capita Beer Consumption in Operating Markets & in Some Selected Countries



# Long Term Beer Group Strategy

## 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  
Bomonti  
Efes Malt  
Miller  
Chisinau

Kozel  
Kruzhka Svezhego  
Beliy Medved  
Stary Melnik

## -Strong route to market



## -Superior customer relationship



## -Lean and efficient manufacturing



## -Market leading capabilities in marketing and sales



## -Healthy balance sheet

	Net Debt / EBITDA
Anadolu Efes Consolidated	2.1

## -Working with best people

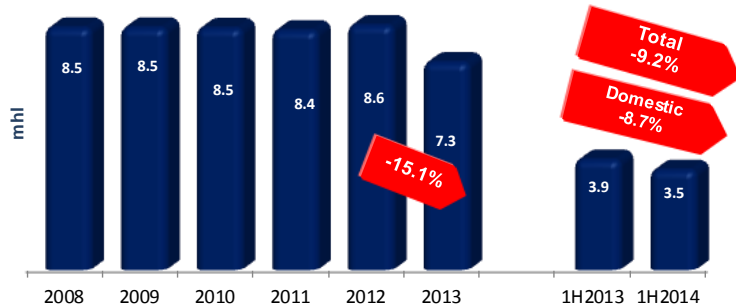


# Turkey Beer Operations



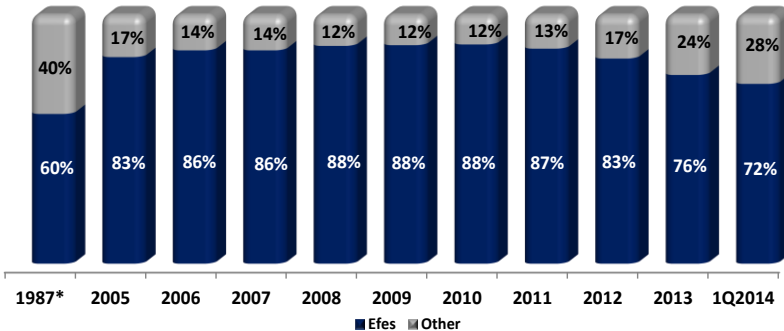
# Developments in Turkey Beer Operations

## Historical Volume Performance\*



\*Sales volume including exports

## Market Share Development



■ Efes ■ Other

Source: Nielsen \* Company estimate

- Negative impact of regulatory changes & higher prices continued in 2Q2014, but at a descending rate despite;
  - adverse weather conditions in June
  - destocking
  - Ramadan
  
- Our performance in 2Q2014 was still better than our estimates

# Historical Volume and Sales Price Development



# Turkey Beer Operation's Strategy

## Brands

- Efes Malt, Bomonti
- Premiumization strategy

## Execution

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

## Efficiency

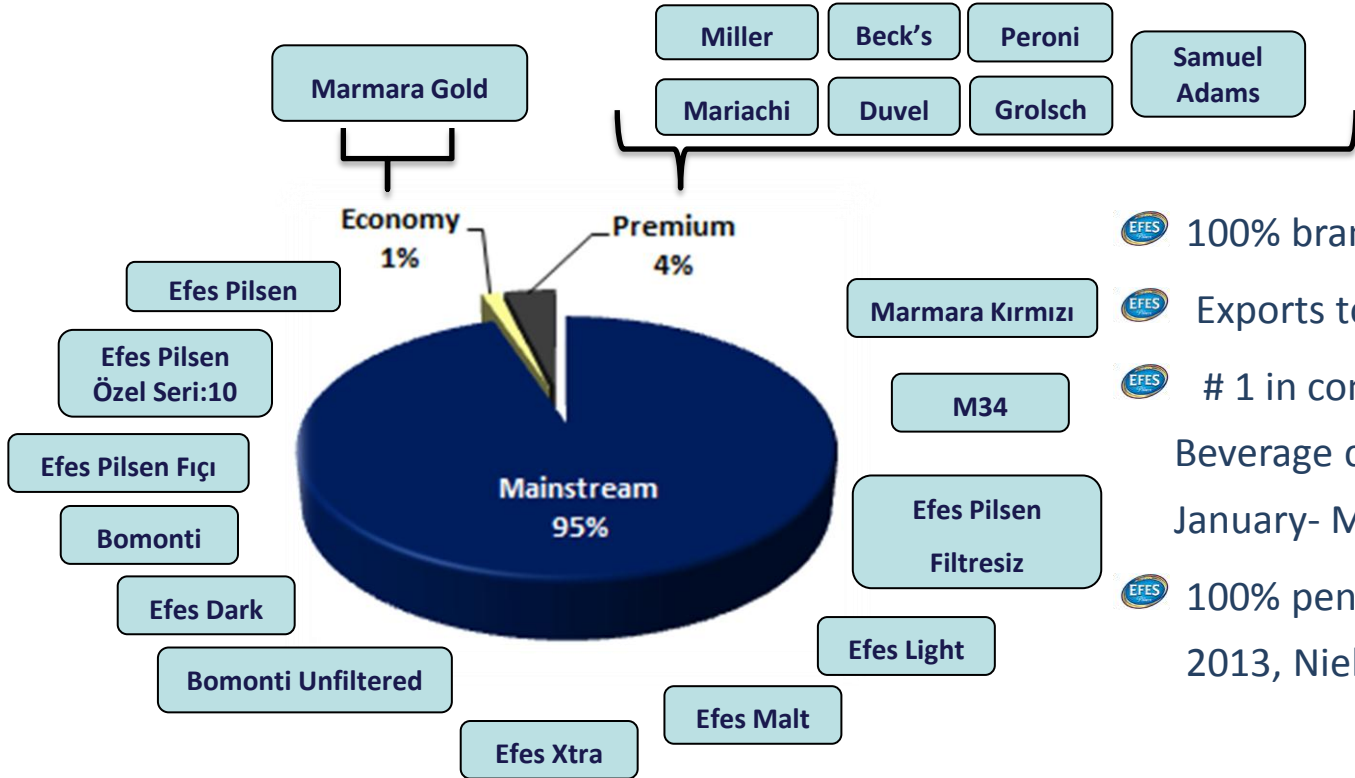
- Minimize opex
- Cost reduction initiatives
- Procurement initiatives

## Relationship

- Strong focus on building people capability and engagement

# Focus on Brands

Through a portfolio for all occasions...



-  100% brand awareness for Efes
-  Exports to more than 70 countries
-  # 1 in consumer spending in Food & Beverage category – 8.6% as of January- March 2014 (Nielsen)
-  100% penetration in Turkey (March 2013, Nielsen)

# Efficiency & Relationship

## EFFICIENCY

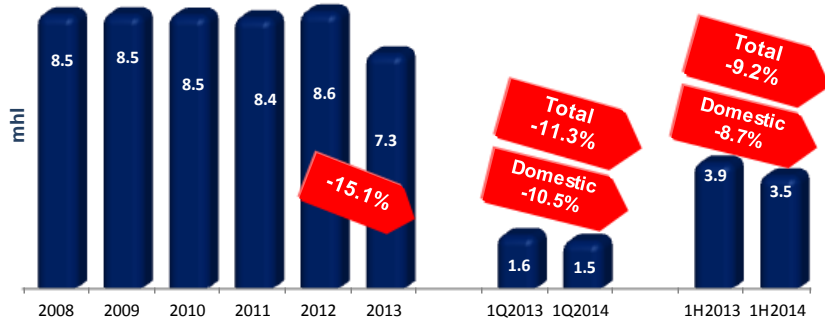
- ✓ Minimize costs through procurement savings
- ✓ Minimize opex
- ✓ RTM optimization

## RELATIONSHIP

- ✓ Proactive relationships with governments
- ✓ Working with best people
- ✓ Win-win relationship with suppliers and business partners
- ✓ Increase cooperation with strategic partners
- ✓ Transparent and proactive relationship with shareholders

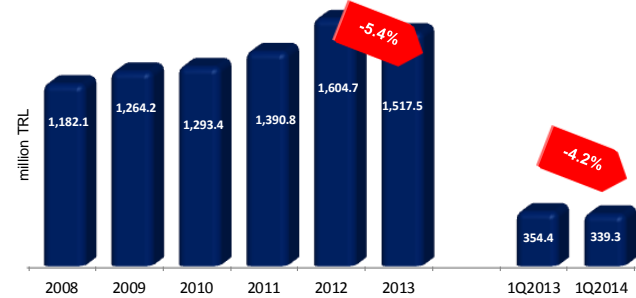
# Turkey Beer Financial Performance

## Volume\*

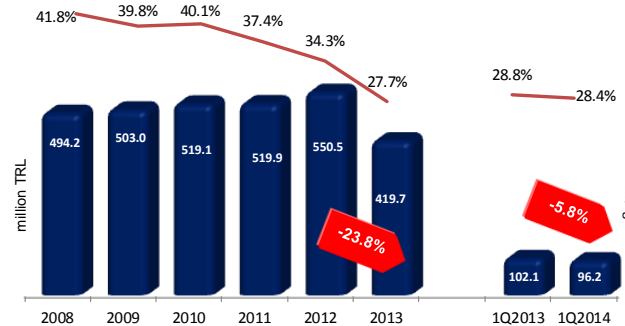


\*Sales volume including exports

## Revenue



## EBITDA



# International Beer Operations

# International Beer Operations

## Strong presence in the CIS region with operations in 5 countries

- Largest brewer by sales volume in Kazakhstan<sup>(1)</sup>, Moldova<sup>(2)</sup>, Georgia<sup>(3)</sup>
- 3rd largest brewer by sales volume & 2nd largest by value in Russia<sup>(1)</sup>, the World's 4th largest beer market<sup>(4)</sup>
- 4th largest brewer by sales volume in Ukraine<sup>(1)</sup>

## Acquisition of SAB's beer operations in Russia and Ukraine in 2012

## Merger process was completed and network optimization programme was initiated in Russia in 2013

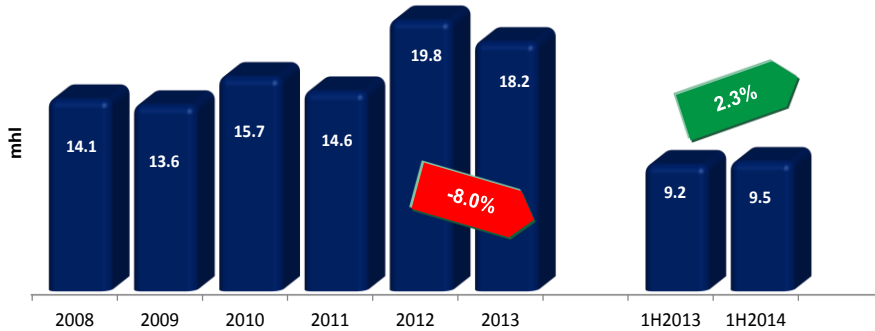


Sources: (1) Nielsen, (2) Retail Zoom Moldova, (3) GAMMA Retail Audit, (4) Canadean Global Beer Trends 2013

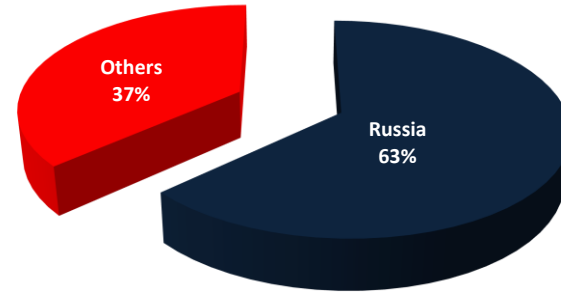


# Significant challenges in Russia

## Volume Development of EBI



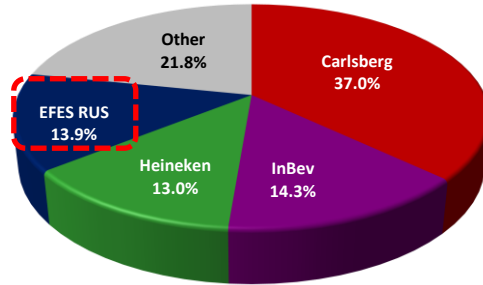
## Breakdown of Sales Volume 1H2014



- In Russia, volume performance continued to be better than our expectations in 2Q2014
- On a consolidated basis, we still performed better than our expectation despite several political & economic challenges in some operating countries like Kazakhstan and Ukraine

# Challenging operating environment in Russia

## Market Share by Volume\* – 1Q2014



\* Shares of Carlsberg and INBEV include Ukrainian brands

\*\* Efes Rus share is calculated as sum of Efes Russia and SABMiller shares  
Numbers may not add up to 100 due to rounding.

- According to Nielsen, EFES RUS' market share\* was 13.9% in 1Q2014 up from 13.4% in 1Q2013
- Beer market sales volumes in Russia\*\* down by mid-single digit decline in 1Q2014 versus 1Q2013

\* Nielsen, National Urban Russia (over 10 th. inhab) Retail YTD March 2014

\*\* Company estimate

# Opportunities in the world's 4th largest beer market

## Brands

- Kozel leading the premium segment
- Relaunches of Zolotoya Bochka, Stariy Melnik, Belyi Medved
- New packages 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 and engagement

### PREMIUM

Redd's  
Essa  
Bavaria  
V. Kozel  
Miller  
Grolsch  
Amsterdam Navigator

### UPPER MAINSTR.

Zolotoya Bochka  
Efes Pilsener  
Stariy Melnik  
Zwei Meister  
Stariy Melnik Iz Bochonka  
387

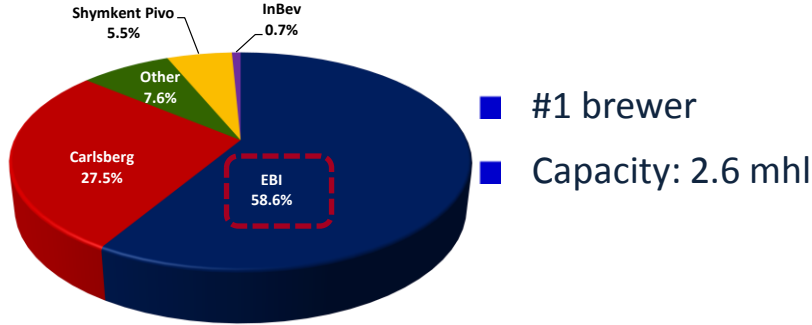
### LOWER MAINSTR.

Belyi Medved  
Gold Mine Beer

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

# Other Operating Countries

## Market Share by Volume



Nielsen , YTD March 2014

Kazakhstan

Moldova

- #1 brewer
- Capacity: 1.3 mhl

Ukraine

- #4 brewer
- Capacity: 2.9 mhl
- EBI entered the Ukrainian beer market following the acquisition of the SABMiller's Ukrainian beer operations in March 2012
- Growing operation through brand focus

Georgia

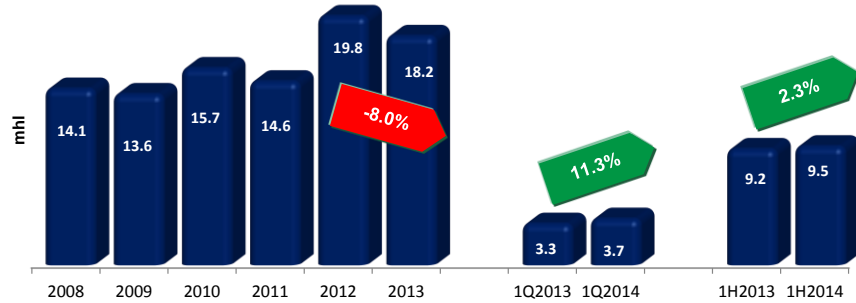
- #1 brewer
- Capacity: 1.1 mhl
- EBI entered the Georgian beer market following the acquisition of the leading brewer in the market, JSC Lomisi ("Lomisi"), in February 2008

# Strongly Positioned in All Markets

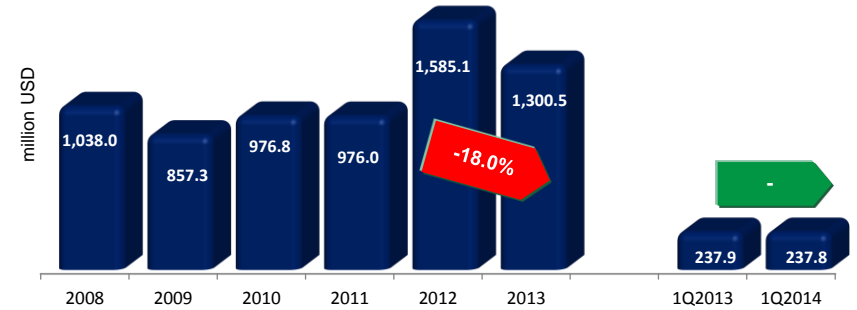
Kazakhstan	SUPER PREMIUM	PREMIUM	MAINSTREAM	ECONOMY	
	Miller Grolsch Pilsner Urquell	Efes Bavaria V. Kozel Zweimaister Amsterdam Navigator	Beliy Medved Karagandinskoe Kruzhka Svezhego Zhigulevskoe	Lubitelskoe	
Ukraine	MEGA PREMIUM	SUPER PREMIUM	PREMIUM	MAINSTREAM	ECONOMY
	Kozel Grolsch Pilsner Urquell	Efes Pilsen Sary Melnik Redds Miller	Zolotoya Bochka V. Kozel Amsterdam Navigator	Beliy Medved	Sarmat
Moldova	SUPER PREMIUM	PREMIUM	MAINSTREAM	ECONOMY	
	Bavaria Grolsch Pilsner Urquell	V. Kozel Miller Sary Melnik Efes Pilsener	Chisinau	Beliy Medved	
Georgia	SUPER PREMIUM	PREMIUM	MAINSTREAM		
	Miller	Efes Pilsener	Kozel Mtieli	Natakhtari Kaiser	

# International Beer Financial Performance

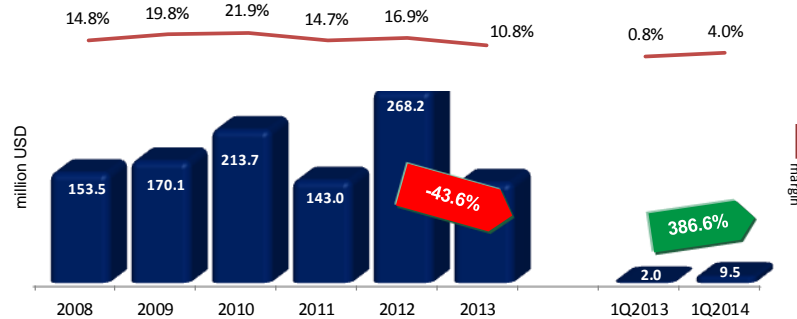
## Volume



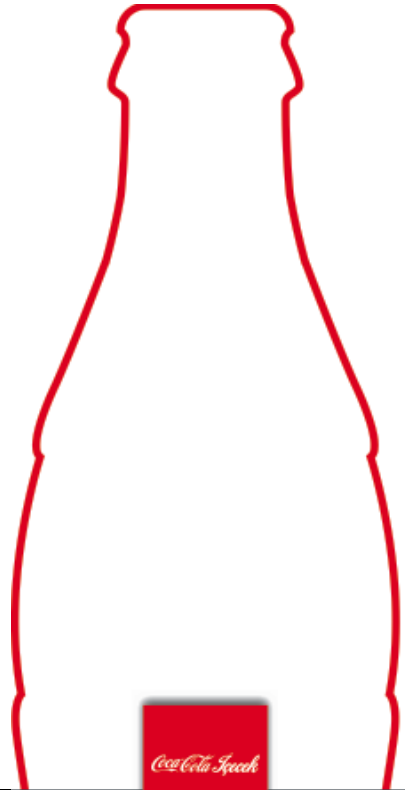
## Revenue



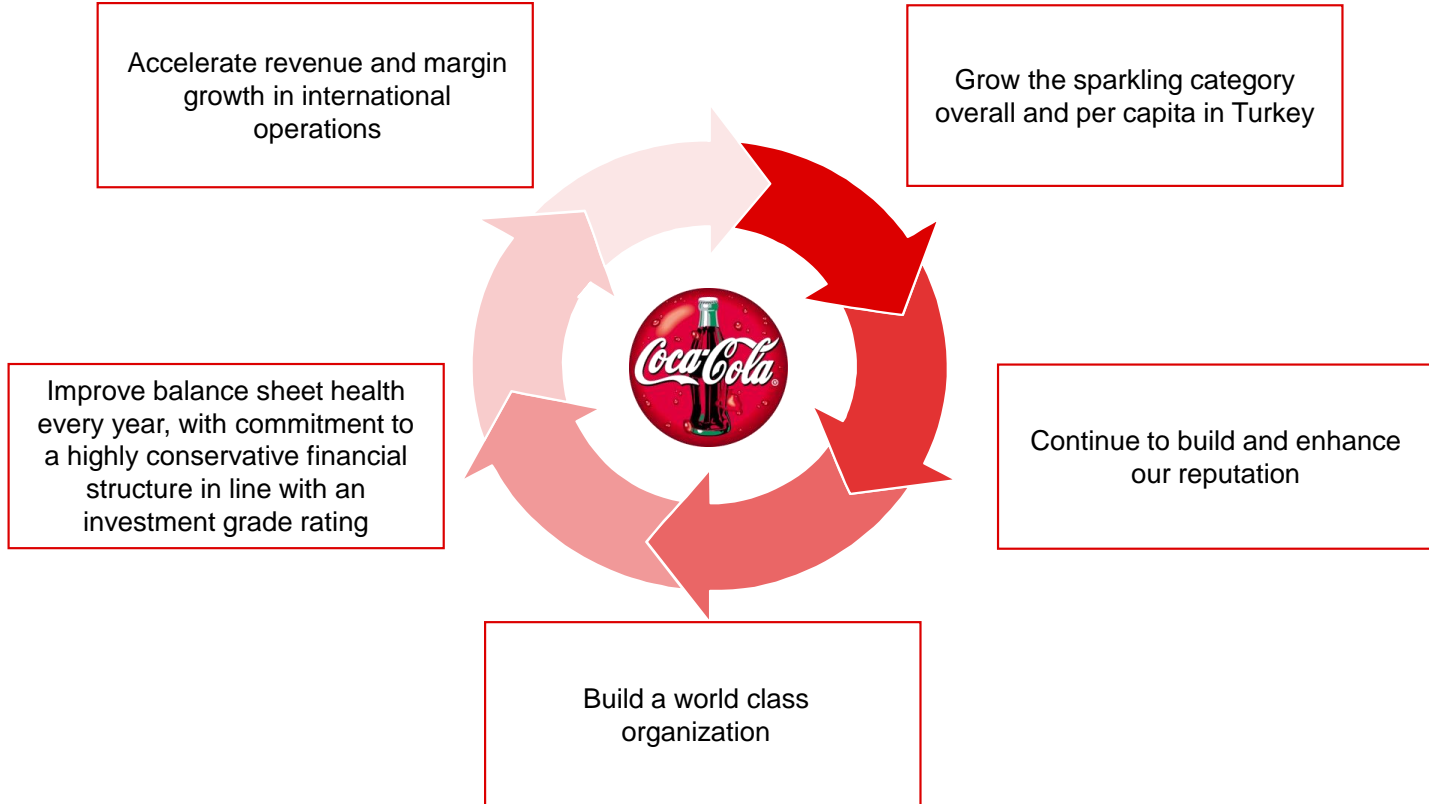
## EBITDA\* (BNRI)



# Soft Drink Operations



# Soft Drinks Business Strategy

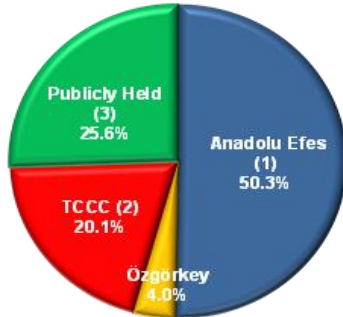




# CCI at a glance



## Shareholder Structure

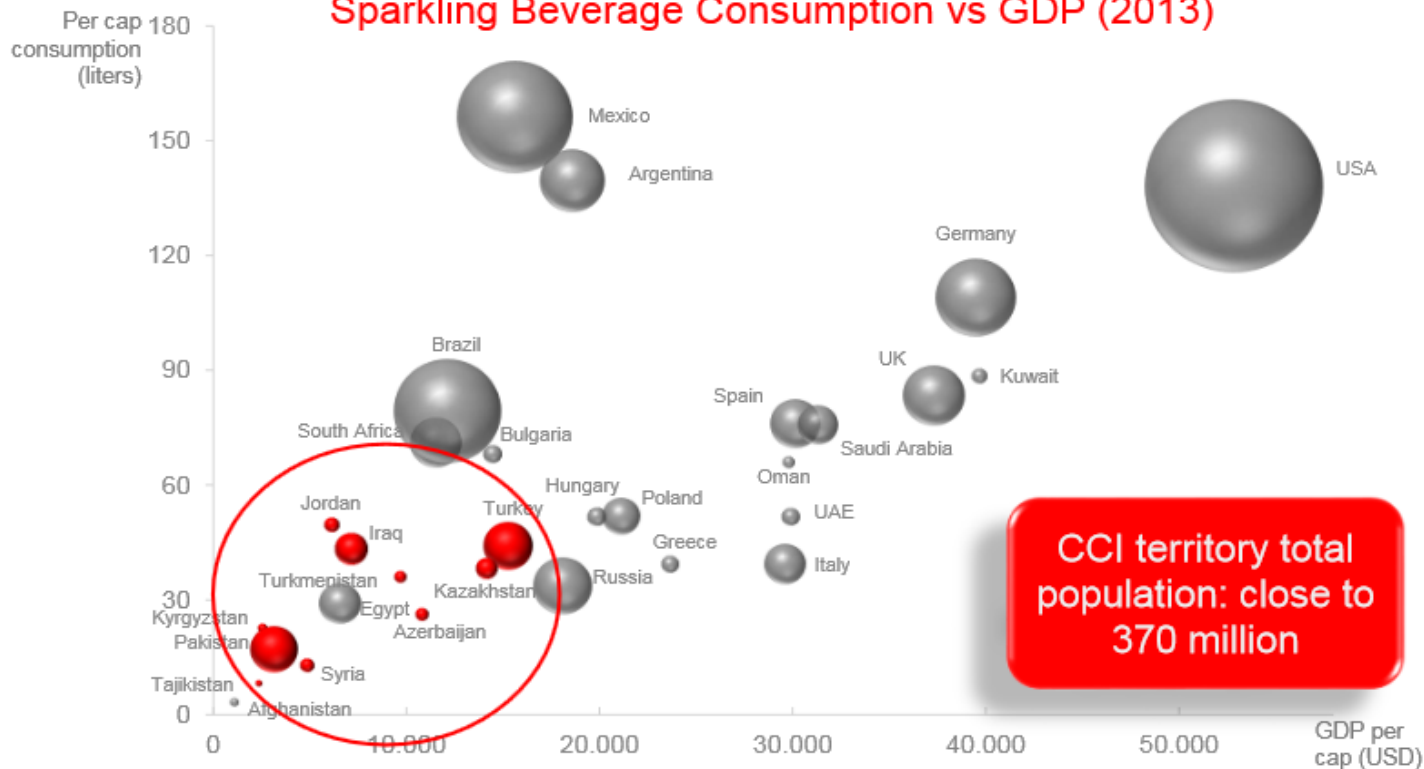


- (1) Anadolu Efes and its fully-owned subsidiaries
- (2) TCCC and its fully-owned subsidiaries
- (3) Listed on Borsa Istanbul

- Operating in one of the world's most dynamic and exciting markets
- A gateway to Turkey, Pakistan, Central Asia and The Middle East
- Serving close to 370 million people; 60% of our population is below 30 years of age
- 2004-2013 CAGR:
  - Sales volume: 16%
  - Net Sales: 20%
  - EBITDA: 23%

# Future Opportunities

## Sparkling Beverage Consumption vs GDP (2013)

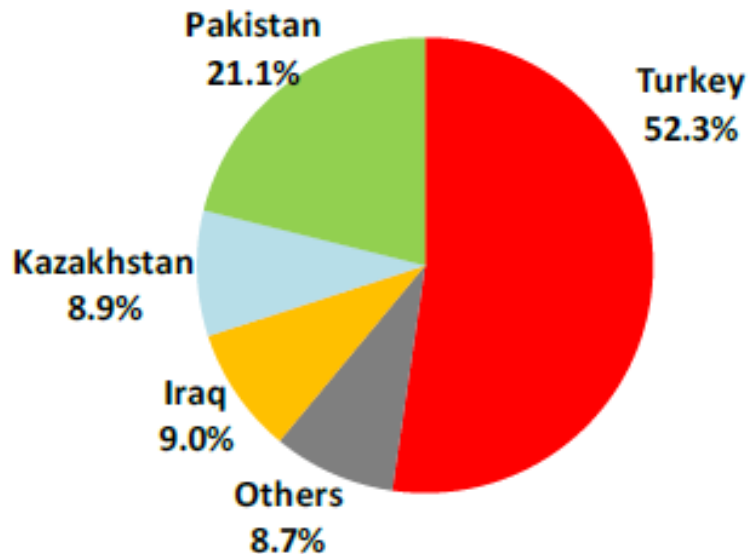


CCI territory total population: close to 370 million

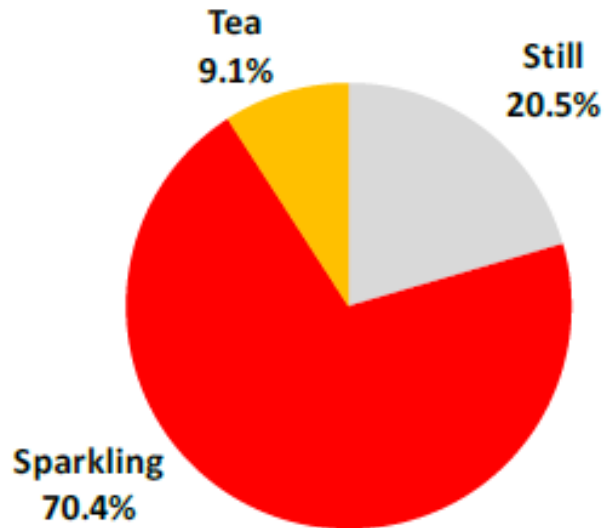
Sources: IMF (GDP) and TCCC and CCI best estimates based on Nielsen and own market intelligence.  
Notes: Bubbles represent market size.

# Geographic and Category Split of Business (1H2014)

Volume split (uc) - Consolidated



Volume split (uc) – Consolidated



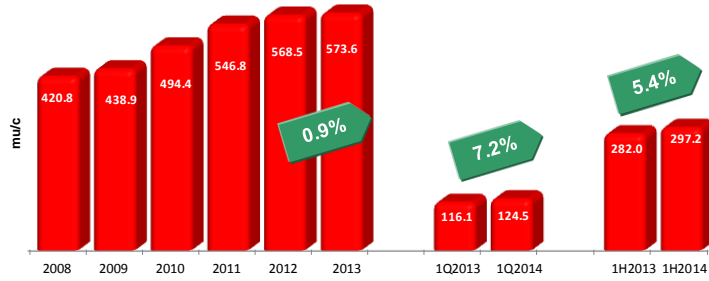
# Strong Brand Positioning and Offering in Our Key Markets



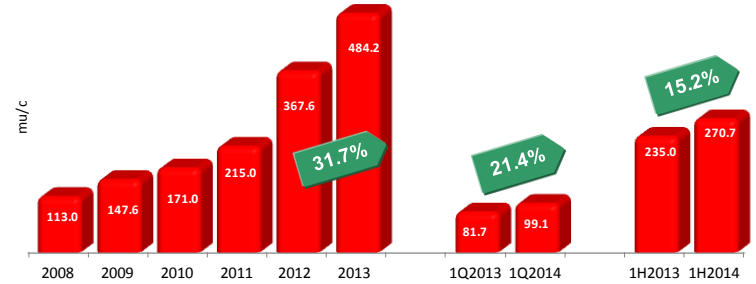
Sources: Nielsen Retail Panel, 2013 & Retail Zoom. | Notes: (\*) Percentage volume share.

# Soft Drinks Financial Performance

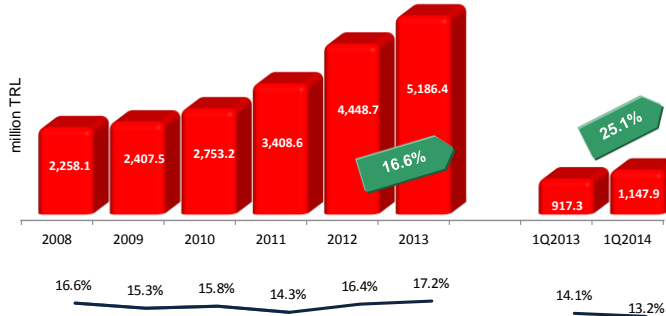
Turkey



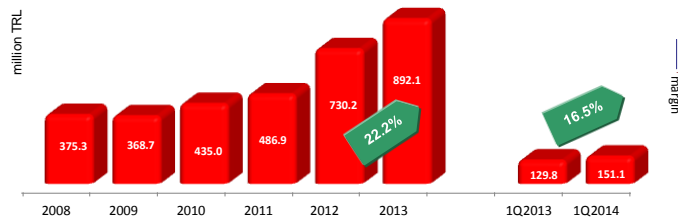
International Volume



Revenue



EBITDA



## 2014 OUTLOOK

- High- single digit volume growth on a consolidated basis
- Turkey volume growth up at low-single digit
- Int'l volume up at mid teens
- Net revenue growth > volume growth
- Flat EBITDA margin

# FY2014 OUTLOOK

# 2014 Outlook

- In the first quarter of 2014, our volume and financial performance was better than our expectations. This proved our confidence on the results of the initiatives we have taken. However, the first quarter is a small one and it may not be a good indicator for the full year performance. Moreover, our operating region is exposed to high political tension for the time being, especially considering the developments in Ukraine.
- Consequently, we maintain our 2014 guidance for Anadolu Efes and prefer to reconsider the outlook after seeing the performance in the coming quarters, following which the results of our initiatives and brand performances will be much more evident.



ANADOLU  
EFES