

ANADOLU EFES

1H2014 Results Conference Call Presentation

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CEO

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CFO

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.

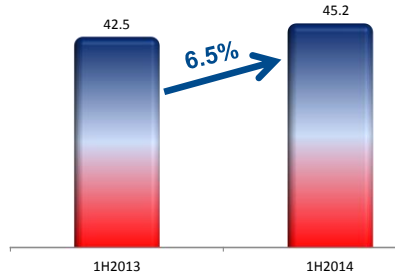
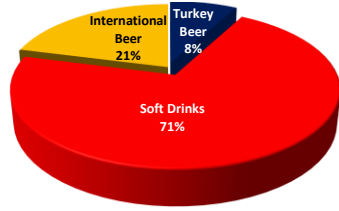
The background is a solid blue color with several thick, curved, overlapping lines in a slightly darker shade of blue, creating a sense of motion and depth. The lines are primarily on the right and bottom sides of the frame.

General Overview & Operating Performance

by **Damian Gammell**

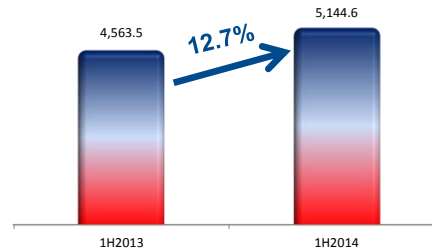
Consolidated Performance – 1H2014

Volume*



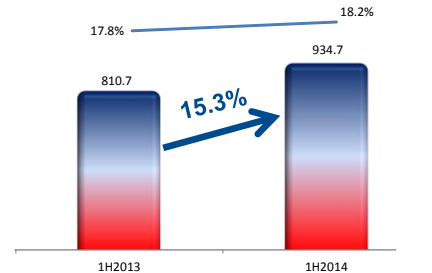
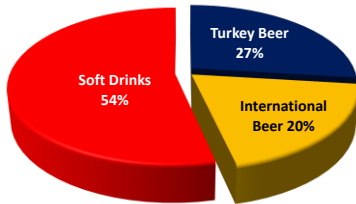
- Consolidated sales volume (including beer & soft drink volumes) reached 45.2mhl, up 6.5% in 1H2014 vs. 1H2013

Revenue*



- Consolidated net sales revenue reached TRL5,144.6 million in 1H2014; up 12.7% over 1H2013

EBITDA (BNRI)*

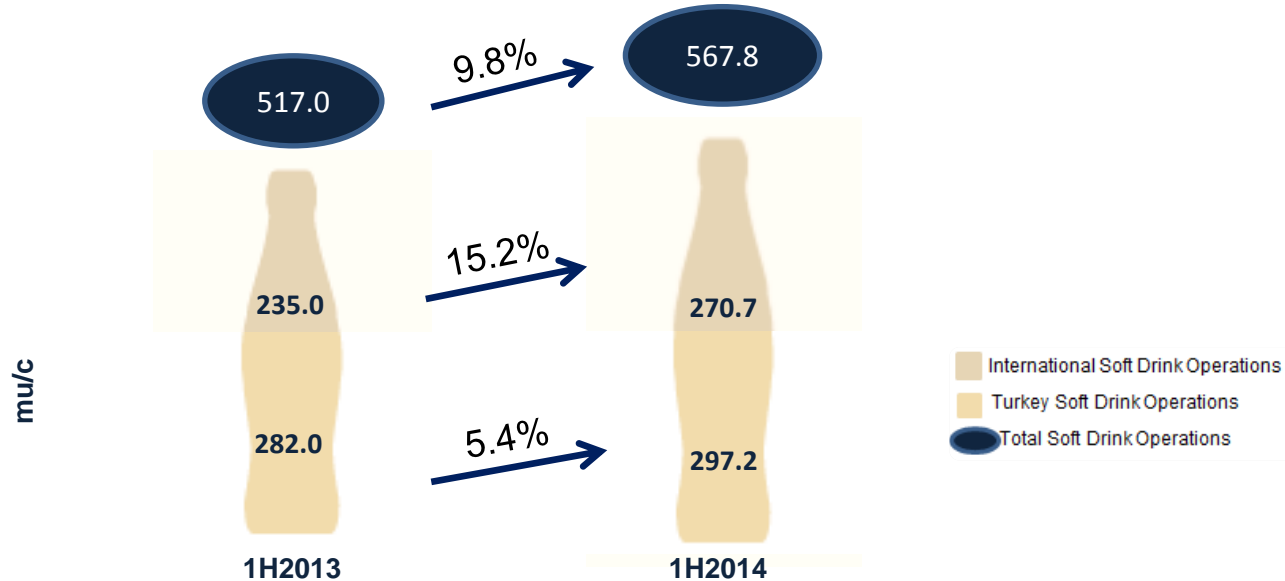


margin

- Consolidated EBITDA (BNRI*) at TRL934.7 million in 1H2014; up 15.3% over 1H2013

*On a combined basis

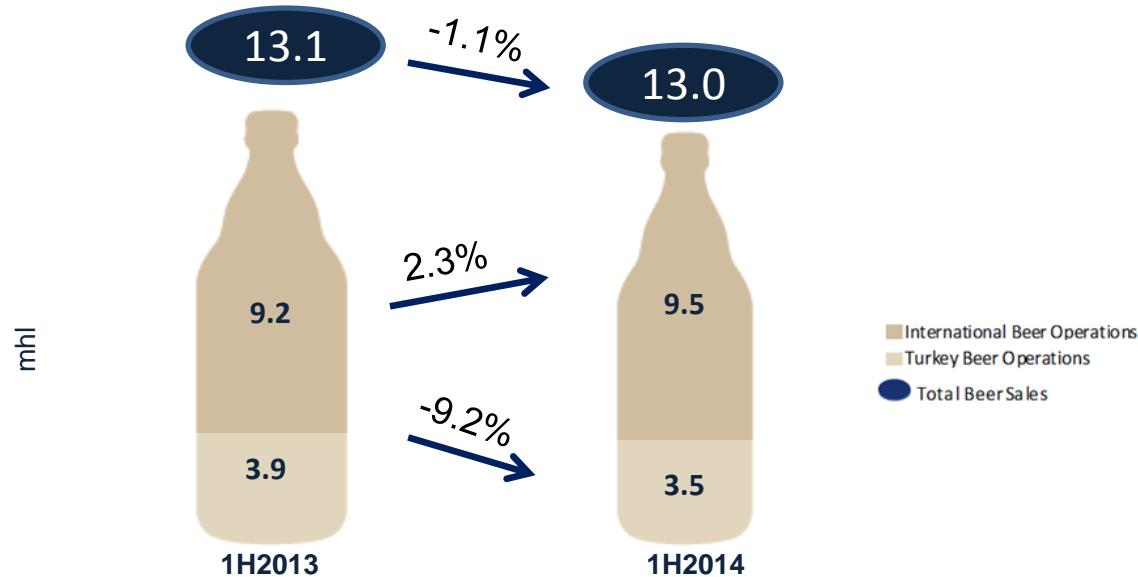
Soft Drinks Volume Development



Total volumes> up by 9.8% y-o-y to 567.8 mu/c in 1H2014

- Turkey volumes> up by 5.4% y-o-y to 297.2 mu/c in 1H2014
- International volumes> up by 15.2% y-o-y to 270.7 mu/c in 1H2014

Beer Volume Development

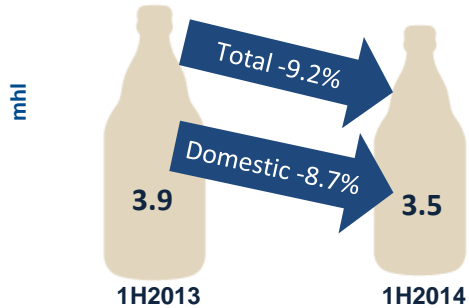


Total beer> down by 1.1% y-o-y to 13.0 mhl in 1H2014

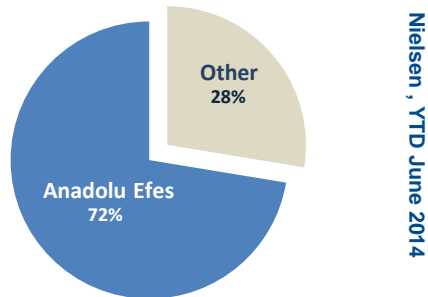
- Turkey beer> down by 9.2% y-o-y to 3.5 mhl in 1H2014
- International beer> up by 2.3% y-o-y to 9.5 mhl in 1H2014

Turkey Beer Operations

Volume Development



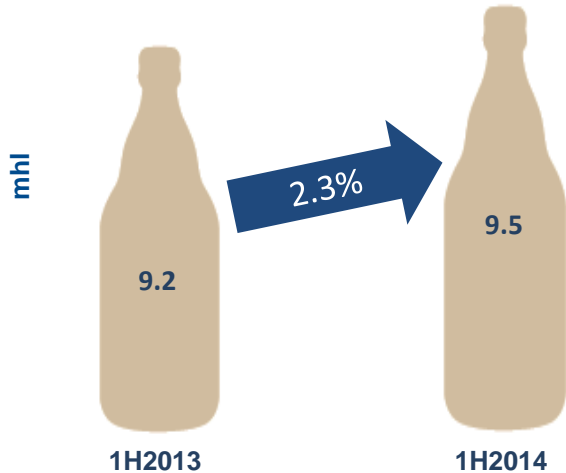
Market Share



- 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

International Beer Operations

Volume Development



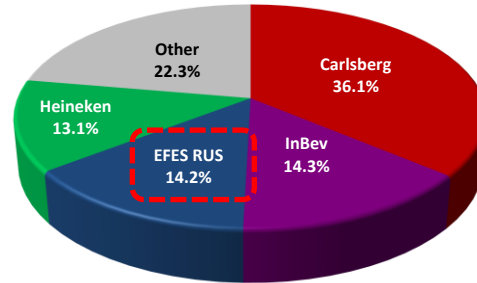
We still performed better than our expectations despite several political & economic challenges in some countries like Kazakhstan and Ukraine...

In Russia;

- we also performed better than our expectations in 2Q2014
- low base impact of the previous year's same quarter was mostly normalized in 2Q2014 compared to 1Q2014

Market Share Development in Russia

Market Share by Volume* – Russia



Shares of Carlsberg and INBEV include Ukrainian brands

- Beer market sales volumes in Russia* declined by high-single digit in 1H2014 versus 1H2013
 - EFES RUS continued to perform better than the market, leading to a market share gain: 14.2%** in 1H2014 up from 13.4%** in 1H2013

* Company estimate

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

Strategic Update – Turkey Beer Operations

Brands

- Focus on Brands in line with long-term strategy
- New Brands and SKU launches (Launch of “Efes Pilsen Special Edition:10”, “Samuel Adams” and “Grolsch” as well as “Efes Malt” & “Bomonti” in returnable SKUs)

Execution

- Creative & innovative executions to maximize in-store excellence
- Focus on field execution

Efficiency

- Cost reduction initiatives
- Network optimization (Closure of Lüleburgaz plant as of May 1)
- Inventory, receivables & payables management to maximize cash flow

Relationship

- Strong focus on improving customer & consumer engagement

Strategic Update – International Beer Operations

Brands

- Focus on Brands; Premiumization and further strengthening main brands
- Pioneering innovation in the region; new launches & redesigns (launch of “387” in Russia as well as many new SKU launches in all international operating markets)

Execution

- Continued cooler placements to further increase cold availability
- Good momentum in key accounts in Russia

Efficiency

- Cost reduction initiatives & network optimization (Closure of Moscow & Rostov plants in Russia)
- Procurement initiatives & total supply chain cost control

Relationship

- Focus on engagement
- More proactive relationship with regulatory bodies

Financial Overview

by Onur Çevikel

ANADOLU EFES CONSOLIDATED

Operational Snapshot – 1H2014 Performance

	1H2013	1H2014	Growth (%)
Total Sales Volume (mhl)	42.5	45.2	6.5%
Net Sales (million TRL)	4,563.5	5,144.6	12.7%
Gross Profit (million TRL)	2,050.6	2,277.0	11.0%
Gross Profit margin (%)	44.9%	44.3%	-67 bps
EBITDA BNRI (million TRL)	810.7	934.7	15.3%
EBITDA margin (%)	17.8%	18.2%	40 bps

TURKEY- Operational Snapshot-1H2014 Performance

	1H2013	1H2014	Growth (%)
Total Sales Volume (mhl)	3.9	3.5	-9.2%
Net Sales (million TRL)	833.0	801.8	-3.7%
Gross Profit (million TRL)	590.1	564.1	-4.4%
Gross Profit margin (%)	70.8%	70.4%	-49 bps
EBITDA (million TRL)	254.9	259.8	1.9%
EBITDA margin (%)	30.6%	32.4%	180 bps

TURKEY BEER OPERATIONS - FREE CASH FLOW

(m TRL)

	1H2013	1H2014
EBITDA	254.9	259.8
<i>Change in Inventory</i>	37.6	-24.1
<i>Change in Trade Receivables</i>	-259.3	-241.1
<i>Change in Trade Payables</i>	79.4	38.1
<i>Change in Other Assets/ Liabilities</i>	-39.8	240.6
Change in Working Capital	-182.0	13.5
Income Taxes & Employee Benefits Paid	-26.2	-23.6
CAPEX, net	-105.6	-90.9
Interest Received / (Paid), net	-13.0	-12.0
Other Financial Income /Expense)	22.4	-4.1
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-226.1	-10.5
FCF	-275.5	132.1
FCF excluding minority buy-out and other investing activities	-49.4	142.7

EFES BREWERIES INTERNATIONAL

Operational Snapshot – 1H2014 Performance

	1H2013	1H2014	Growth (%)
Total Sales Volume (mhl)	9.2	9.5	2.3%
Net Sales (million USD)	680.7	626.7	-7.9%
Gross Profit (million USD)	279.4	274.2	-1.9%
Gross Profit margin (%)	41.0%	43.7%	271 bps
EBITDA BNRI (million USD)	79.9	87.3	9.3%
EBITDA BNRI margin (%)	11.7%	13.9%	219 bps

EFES BREWERIES INTERNATIONAL – FREE CASH FLOW

(m USD)

<i>Reported</i>	1H2013	1H2014
EBITDA	77.3	83.1
<i>Change in Inventory</i>	-8.8	-3.3
<i>Change in Trade Receivables</i>	-58.0	-65.3
<i>Change in Trade Payables</i>	117.2	112.9
<i>Change in Other Assets/ Liabilities</i>	-4.6	-0.6
Change in Working Capital	46.4	44.9
Income Taxes & Employee Benefits Paid	-8.3	-5.0
CAPEX, net	-87.3	-42.1
Interest Received / (Paid), net	-2.8	0.0
Other Financial Income /Expense	-1.0	-4.6
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-51.4	0.0
FCF	-27.1	76.2
FCF excluding minority buy-out and other investing activities	24.2	76.2

Net Financial Debt & Financing

Anadolu Efes Consolidated

- Consolidated gross debt at TRL 4,247.2 mn
- Cash & cash equivalents at TRL 1,440.3 mn - Net debt position of TRL 2,806.8 mn

Turkey Beer Operations

- Consolidated gross debt at TRL 1,439.1 mn
- Cash & cash equivalents at TRL 295.8 mn - Net debt position of TRL 1,143.3 mn

Efes Breweries International

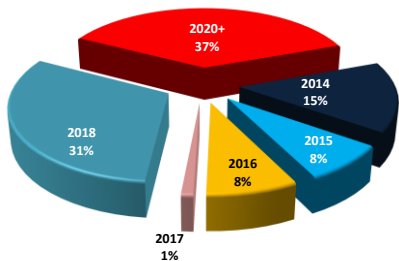
- Consolidated gross debt at USD 129.1 mn
- Cash & cash equivalents at USD 160.2 mn - Net cash position at USD 31.1 mn

CCI

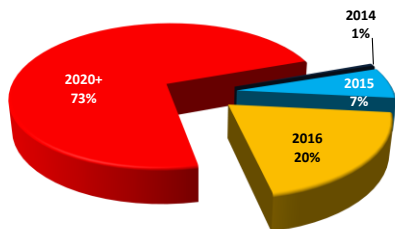
- Consolidated gross debt at TRL 2,527.6 mn
- Cash & cash equivalents at TRL 778.7 mn - Net debt position at TRL 1,748.8 mn

Debt Maturity Breakdown

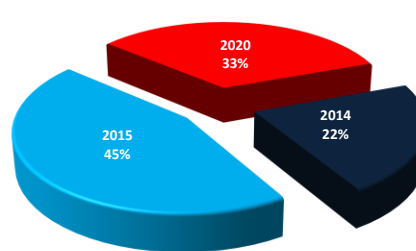
Anadolu Efes Cons.



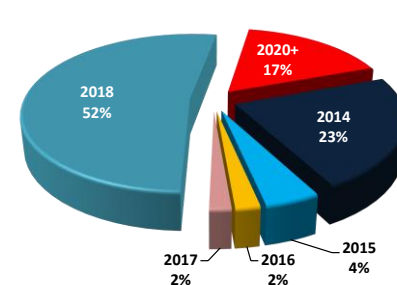
Turkey Beer



EBI



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

Financial Income / Expense

Anadolu Efes Consolidated - Financial Income / (Expense) Breakdown (TRL m)	1H2014
Interest income	42.2
Interest expense	-100.8
Foreign exchange gain	506.8
Foreign exchange loss	-510.7
Other financial expenses	-6.7
Net Financial Income /(Expense)	-69.3

CLOSING REMARKS

by **Damian Gammell**

Priorities for 2H2014

- Maintain focus on brands - next phase of brand portfolio development;
 - Beer - Accelerate brand innovation and consumer marketing capability
 - Soft Drinks - Continue to focus on sparkling and expand our NARTD portfolio
- Revisit the cost cutting opportunities across the group for further savings
- Delivery of the capacity expansion projects for CCI
- Restore margins in Turkish & Russian beer operations
- Leverage technology more to reduce cost & improve customer service

Summary

- Growth trend maintained both in Turkey and in international soft drink operations
- The downward trend in beer volumes continued to decelerate in 2Q2014 in Turkey
- Despite several challenges in operating countries, International beer operations' consolidated sales volume was up 2.3% in 1H2014

Despite continued challenges in operating region, volume & financial performance in 2Q2014 was still better than our expectations. However, as our operating region is still exposed to several economic and political issues, especially in Ukraine due to the current unrest in the country, we still maintain our 2014 guidance...

? QUESTIONS PLEASE ?



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