

**ANADOLU  
EFES**  
**Investor  
Presentation**





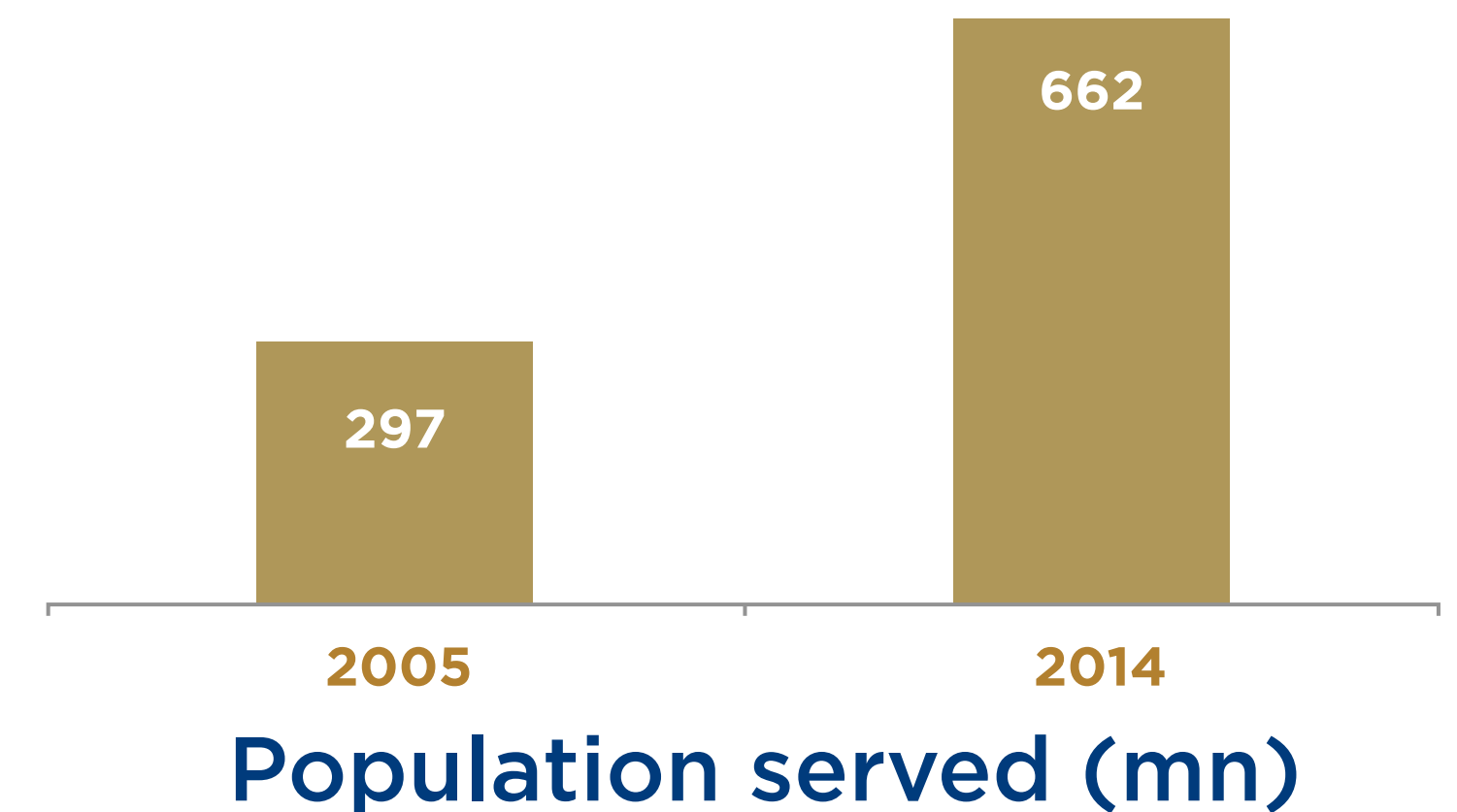
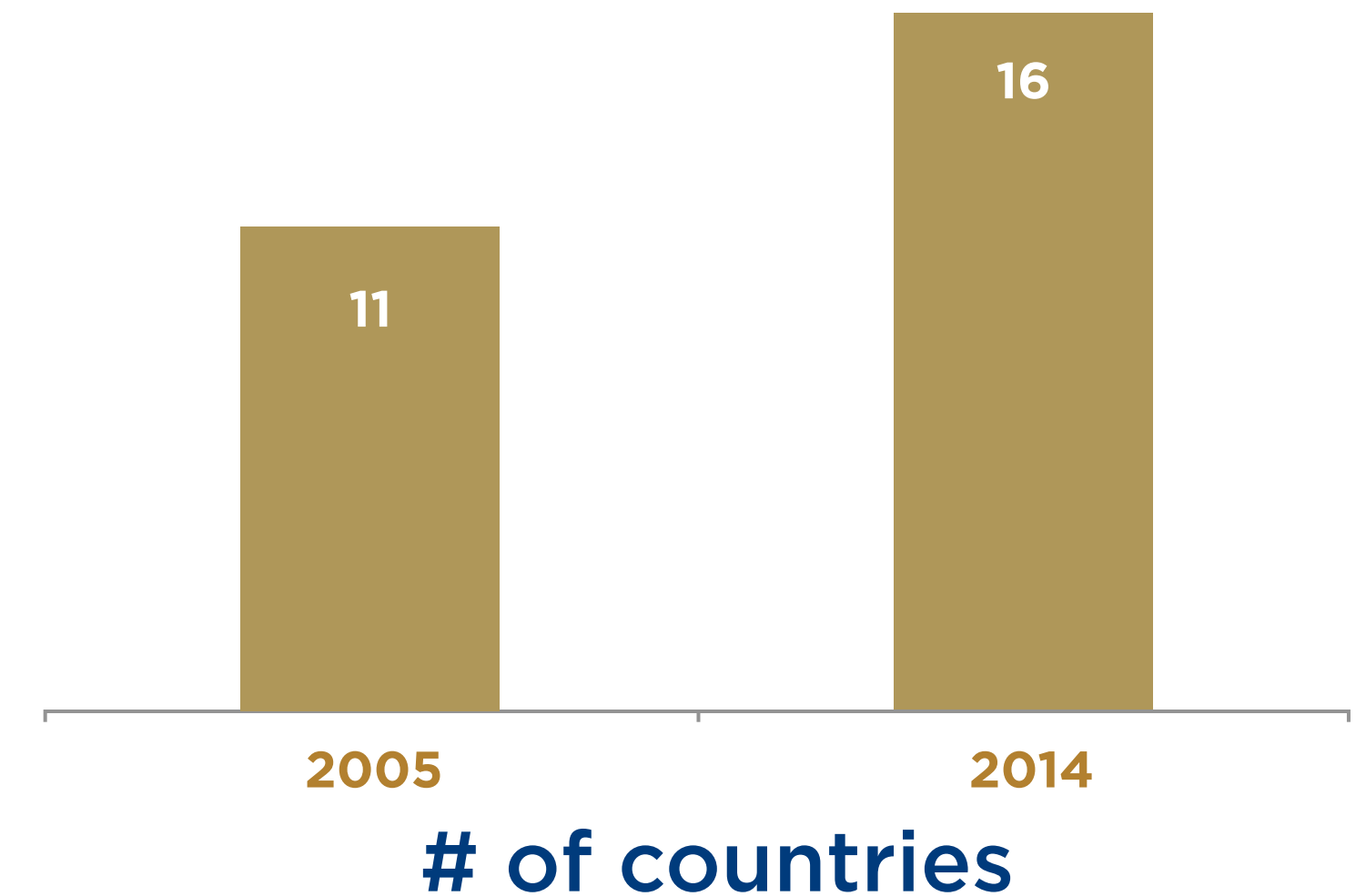
## *Forward - Looking Statements*

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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 662m Consumers

- A world class brand portfolio
- Operating in markets with growth potential indicated by low per capita consumption levels
- To a diverse and exciting region with strong GDP growth
- Through an experienced and financially strong organisation
- Synergies with SABM&TCCC

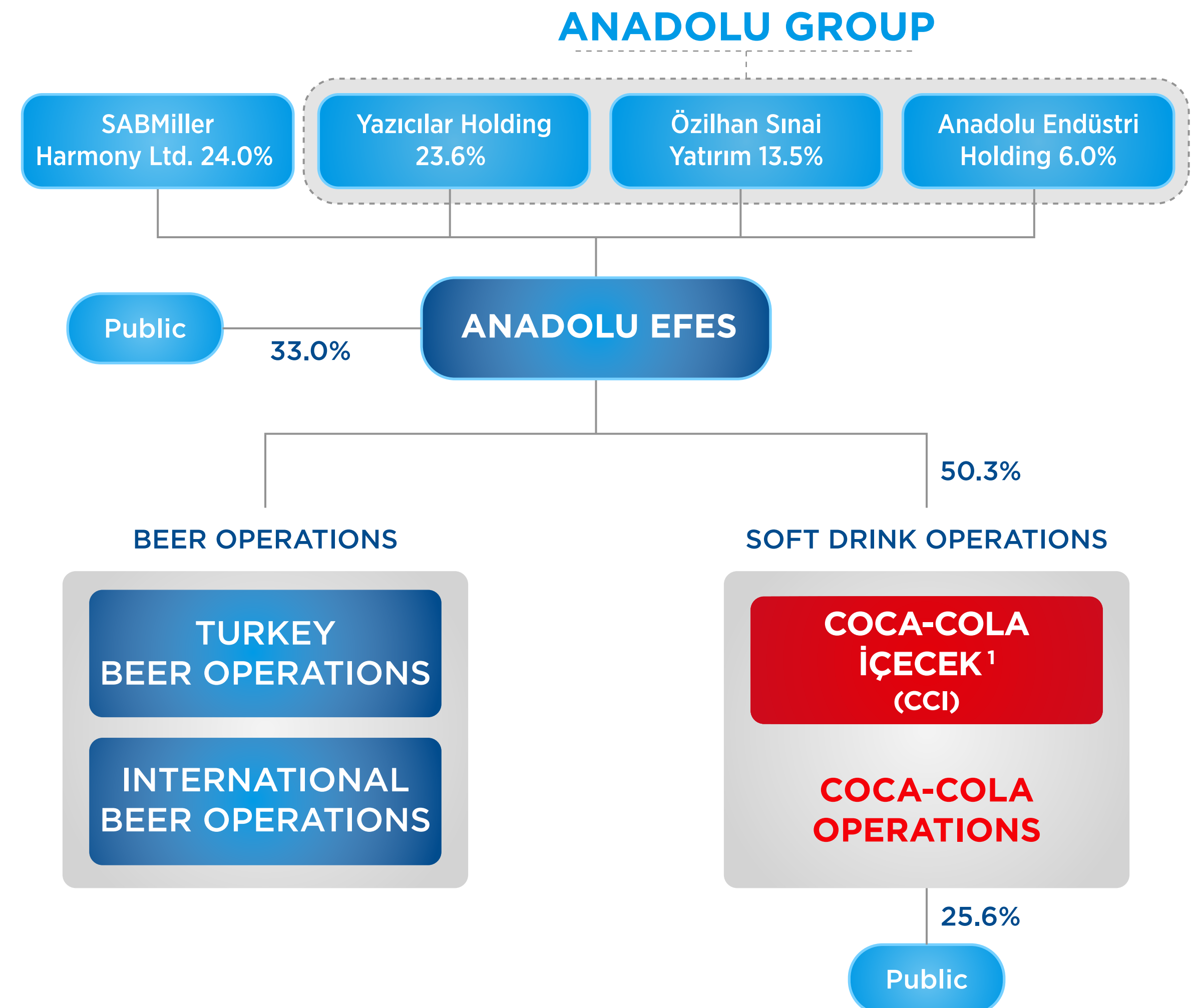


# Operating Geography

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

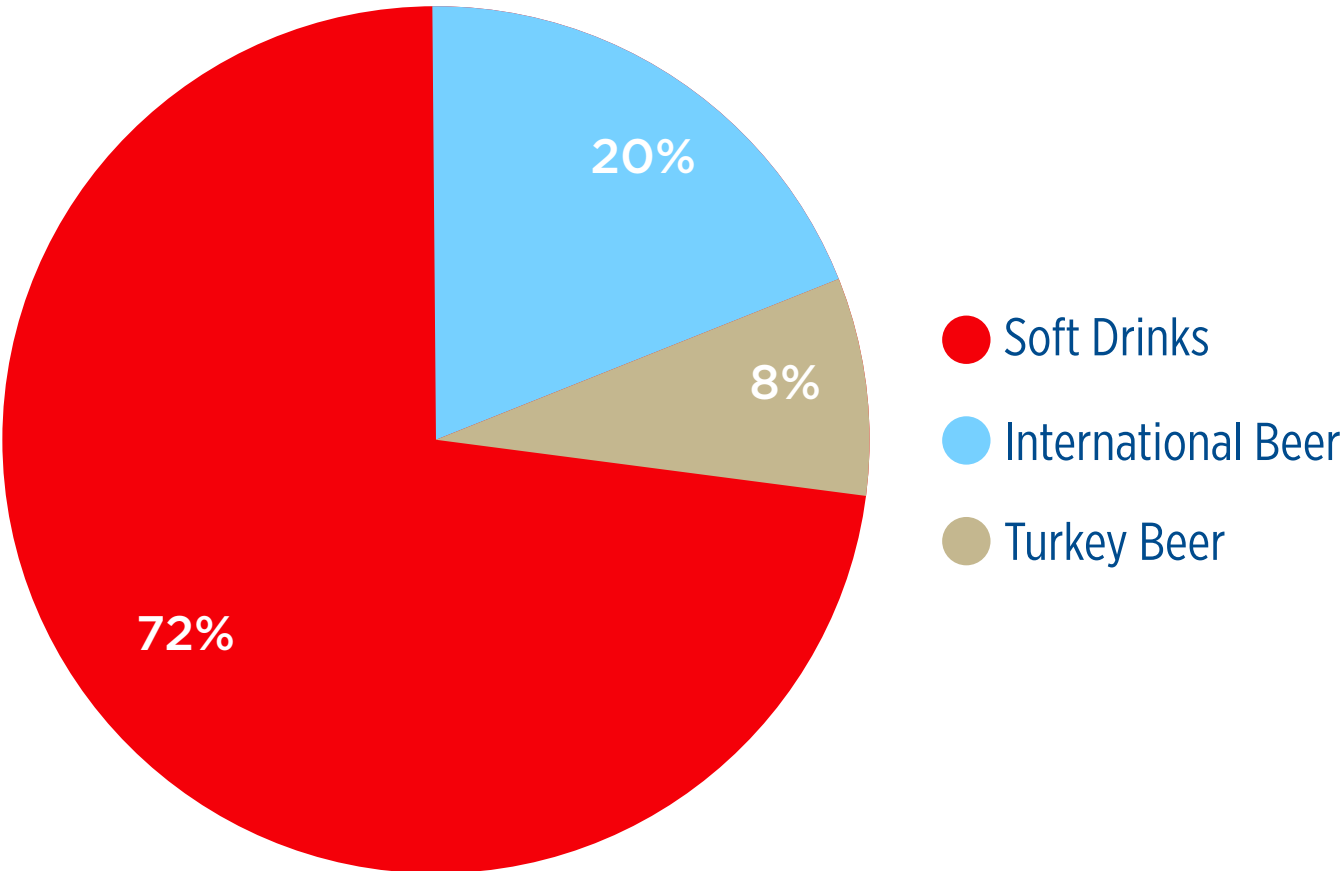


# Ownership Structure

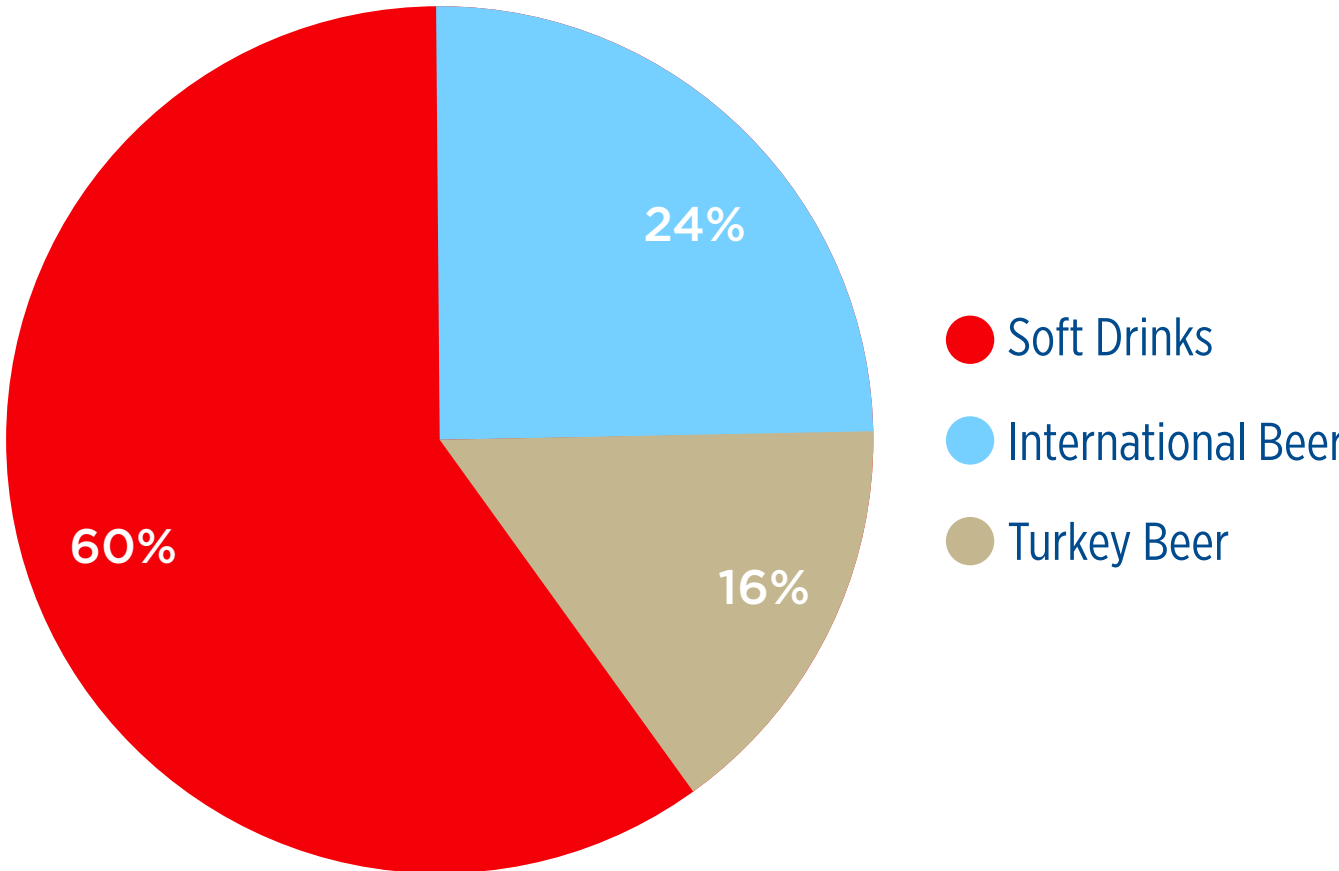


# Strong History Of Growth

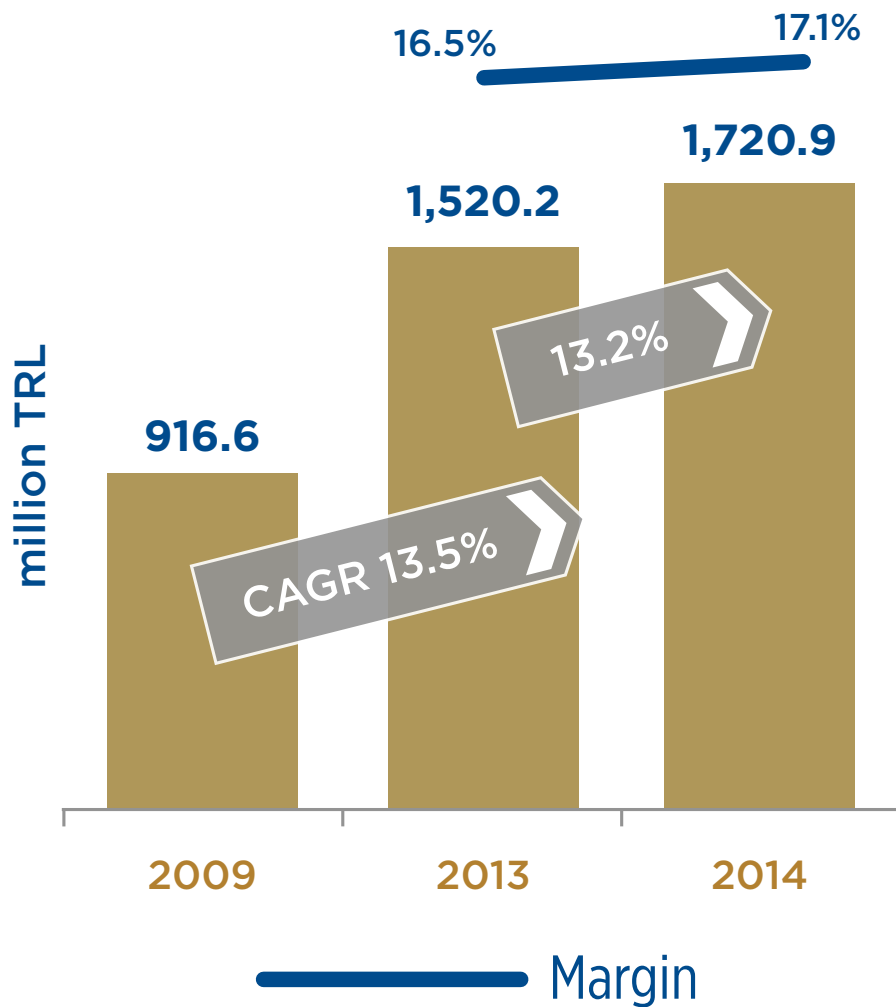
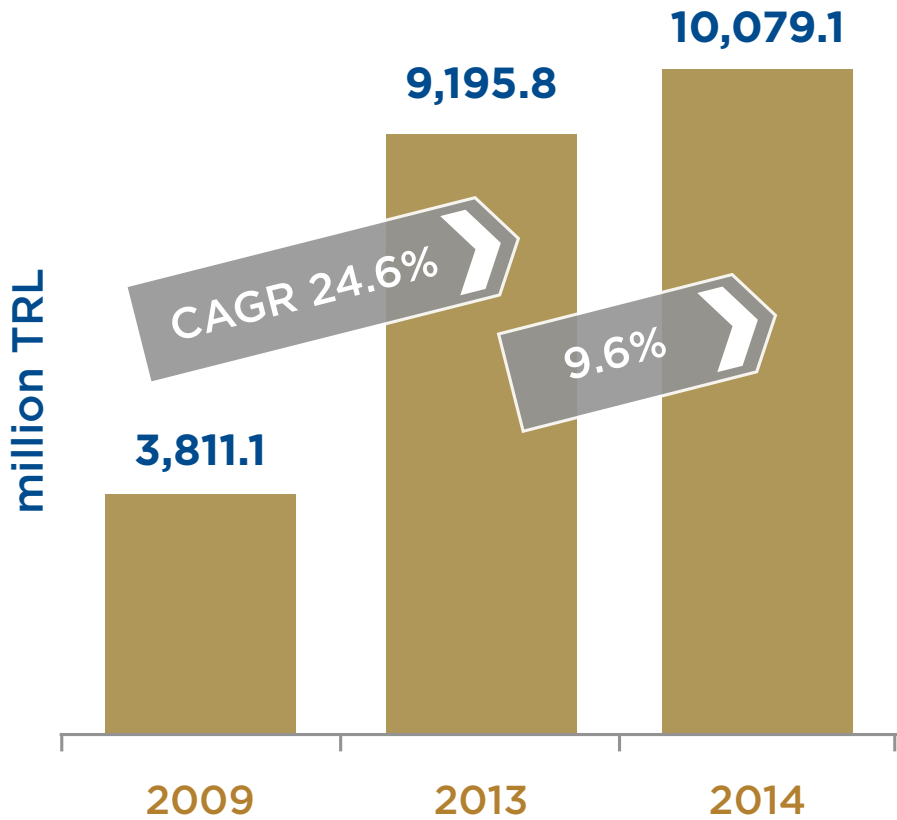
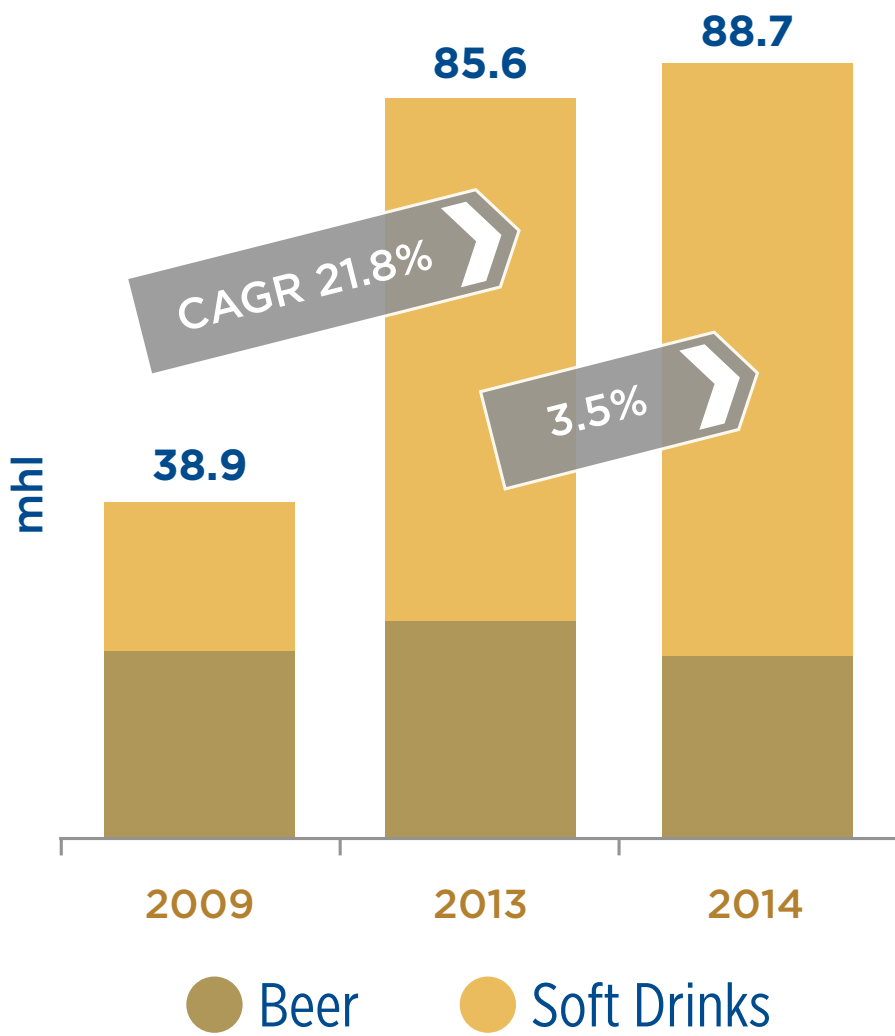
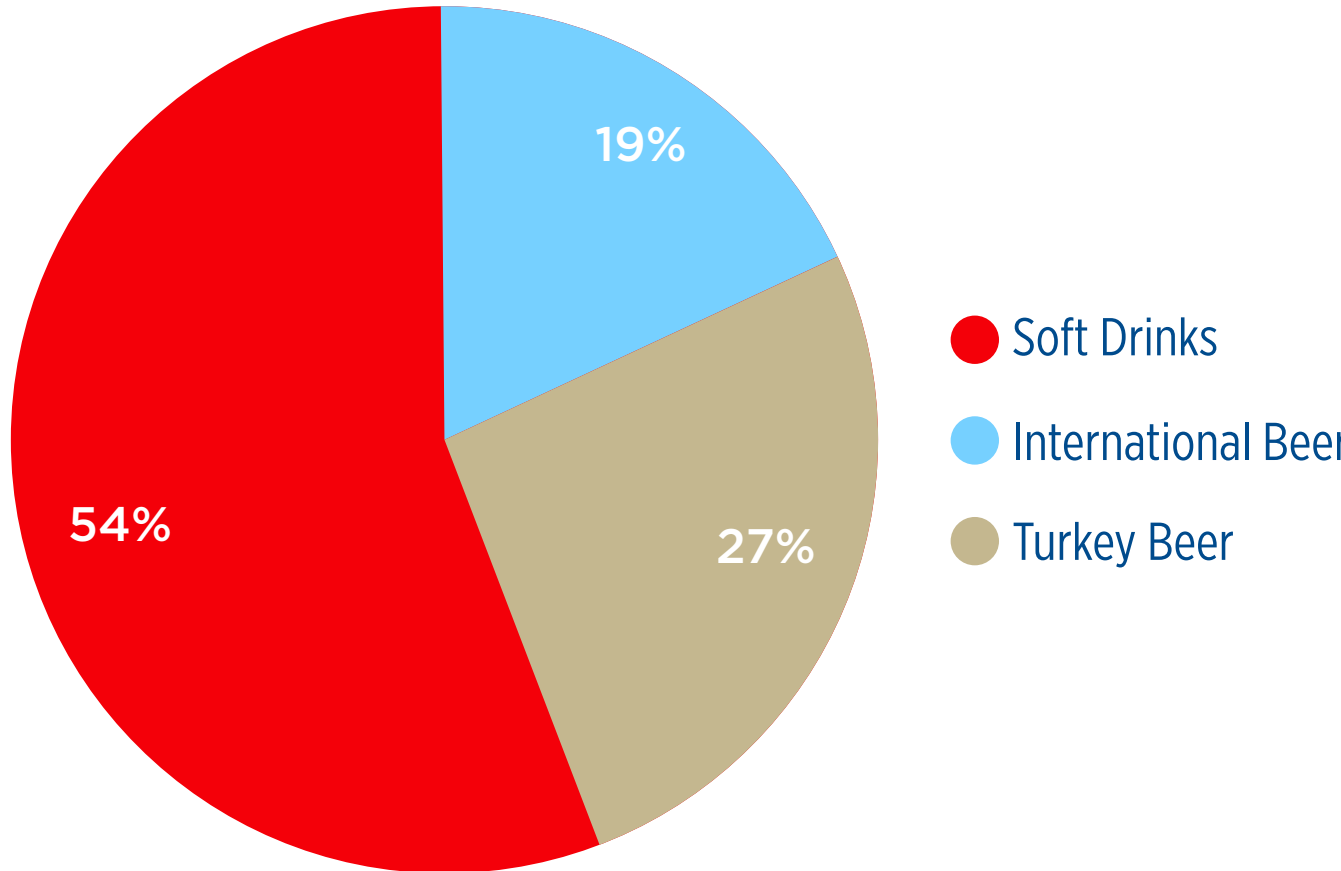
Volume\* - FY2014



Revenue\* - FY2014



EBITDA\*(BNRI)\*\* - FY2014

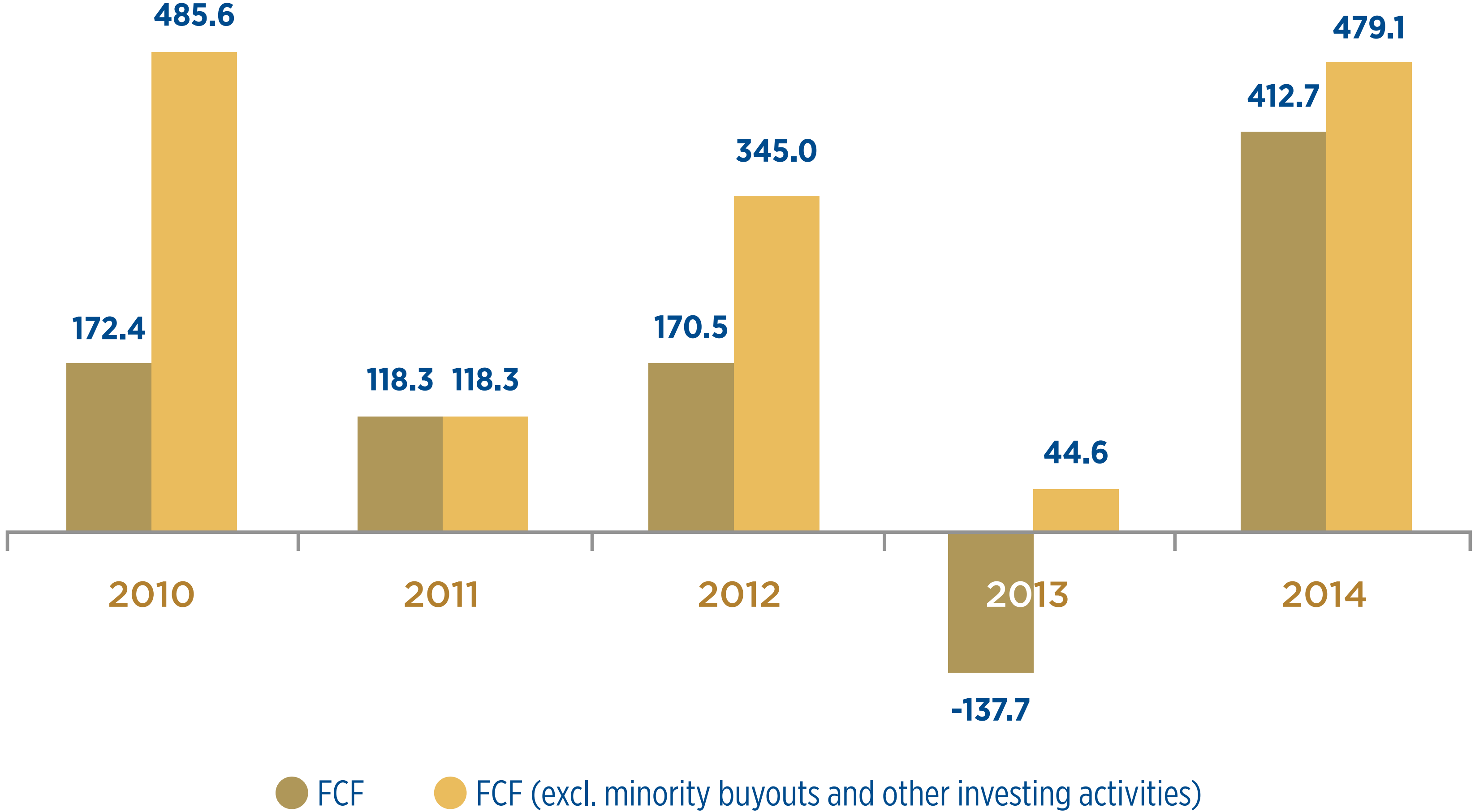


\*On a combined basis  
 \*\*Non-recurring items amounted to TRL18.5 million in FY2014 and TRL25.5 million in FY2013



# Solid FCF generation in a challenging year

## Anadolu Efes Consolidated FCF (mnTL)



# Anadolu Efes Dividend History

- Back to previous dividend yield levels

## Anadolu Efes Dividend Yield\* (%)



# Strategy For Sustainable Value Creation

- Consumer led portfolio strategy-capturing value in soft drinks and beer
- Leverage strategic alliances to expand into new markets, categories and brands
- Operate through two distinct companies to maintain focus, build capability & support investment
- **In beer markets...**
  - Restore margins & shares through continued focus on cost reduction, accelerated capability development & execution of brand/package development strategy
- **In CCI markets...**
  - Drive sparkling category in Turkey, expand margins in Pakistan & Iraq, expand sparkling portfolio, profitable growth in juice/iced tea
- Invest in the future of our business with;
  - Capacity investments in CCI
  - Sales & marketing in beer
- Continued focus on sustainability, capability, development and risk management
- Improve balance sheet health, FCF, working capital management & a diverse funding strategy



# Strong Competitive Advantages

Balanced  
Beer and Soft  
Drink Operations

Strategic  
partnership with  
SABM & TCCC

Strong  
regional  
player  
powered by  
proven local  
know-how

Expertise  
and  
know-how in  
driving cost  
efficiencies

# *Solid Performance in 2014*

- Targets delivered and financial performance improved despite challenging operating environment
- Difficult-to-execute measures taken successfully ➤ More flexible infrastructure after rightsizing (i.e. plant closures, headcount reductions)
- Portfolio expansion by leveraging strategic partnerships with SABM & TCCC
- Accelerated capability development programs
- Margin expansion
- Significant FCF generation
- Successful deleveraging



***Strengthened position to continue sustainable growth***



# Beer Operations



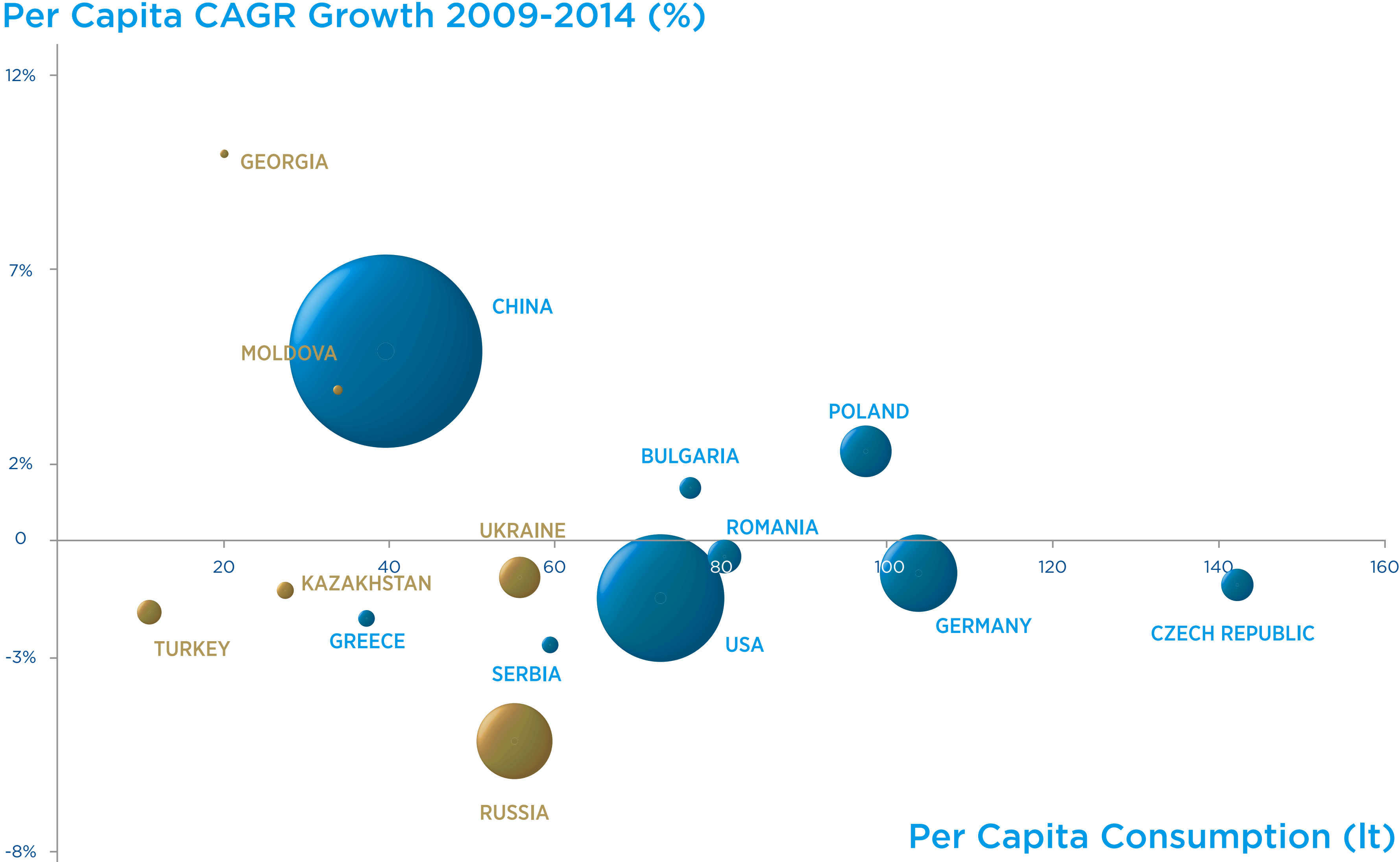


# Leading Brewer in our Region

*Europe's 6th largest and the World's 11th largest brewer in terms of sales volume\* with No.1 position in most of the markets in which we operate*



# Markets with low per capita consumption but high potential



*Beer Strategic Framework to create sustainable value*

**B**RANDS

Provide choice and innovation to consumers:  
Grow brand love

**E**XECUTION

Excel in customer collaboration, availability and point of sale activation

**E**FFICIENCY

Build competitive advantage through lean and efficient operations

**R**ELATIONS

Focus on employees, customers, regulators, community and environment



# Beer Business Strategic Priorities

## Brands

- Drive category growth
- Broader portfolio
- Differentiated package & price offerings
- Affordability

## Execution

- Drive visible availability
- Win at point of sales
- Customer Collaboration

## Efficiency

- Relentlessly drive cost efficiencies
- Utilize technology more
- Increase productivity
- Best-fit RTM solutions

## Relations

- Develop employees & business partners as our ambassadors
- Minimize our impact on environment
- Advocate responsible drinking inline with global industry commitments

Continue to leverage our strategic partnership with SABM

## *Turkey - Stronger, Broader Brand Portfolio*

- A multi-brand portfolio approach with;
  - local powerhouse brands
  - premium brands
  - foreign brands
- Revenue management/broader price & packaging alternatives
- Leaner organization following the rightsizing of operations and cost savings
- Improved financial performance despite challenging operating environment in 2014

## *Russia - Well-positioned in the World's 4<sup>th</sup> Largest Beer Market*

- Broader premium portfolio to grow value share
- New sales & operating model & RTM projects
- Efficient footprint
- Improved operating results in 2014 as guided
- Delayed opportunities due to continued challenges in 2015



## *Other Operations - Strongly Positioned in CIS Countries*

- Challenging period in the region marked with economic, political and industry-specific issues
  - unresolved political issues in Ukraine since 2014
  - local currency devaluations in 2014 in some operating countries
  - continued risk of further devaluations in 2015 in some countries
- Improved market share in most of the operating markets
- Savings in OPEX & other optimization projects successfully initiated
- Targets delivered despite unexpected circumstances in 2014

# *Risks & Strategic Priorities for 2015*

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## Risks

- Volatilities in the financial markets
- Commodity price fluctuations
- Macro/ political/geopolitical issues in the region

## Priorities

- Investments in brand equity to continue, fulfilling consumer trends in all operations
- Continued focus on improving efficiency
- Continued focus on balance sheet management
- Low capex policy without jeopardizing market investments



# Soft Drink Operations

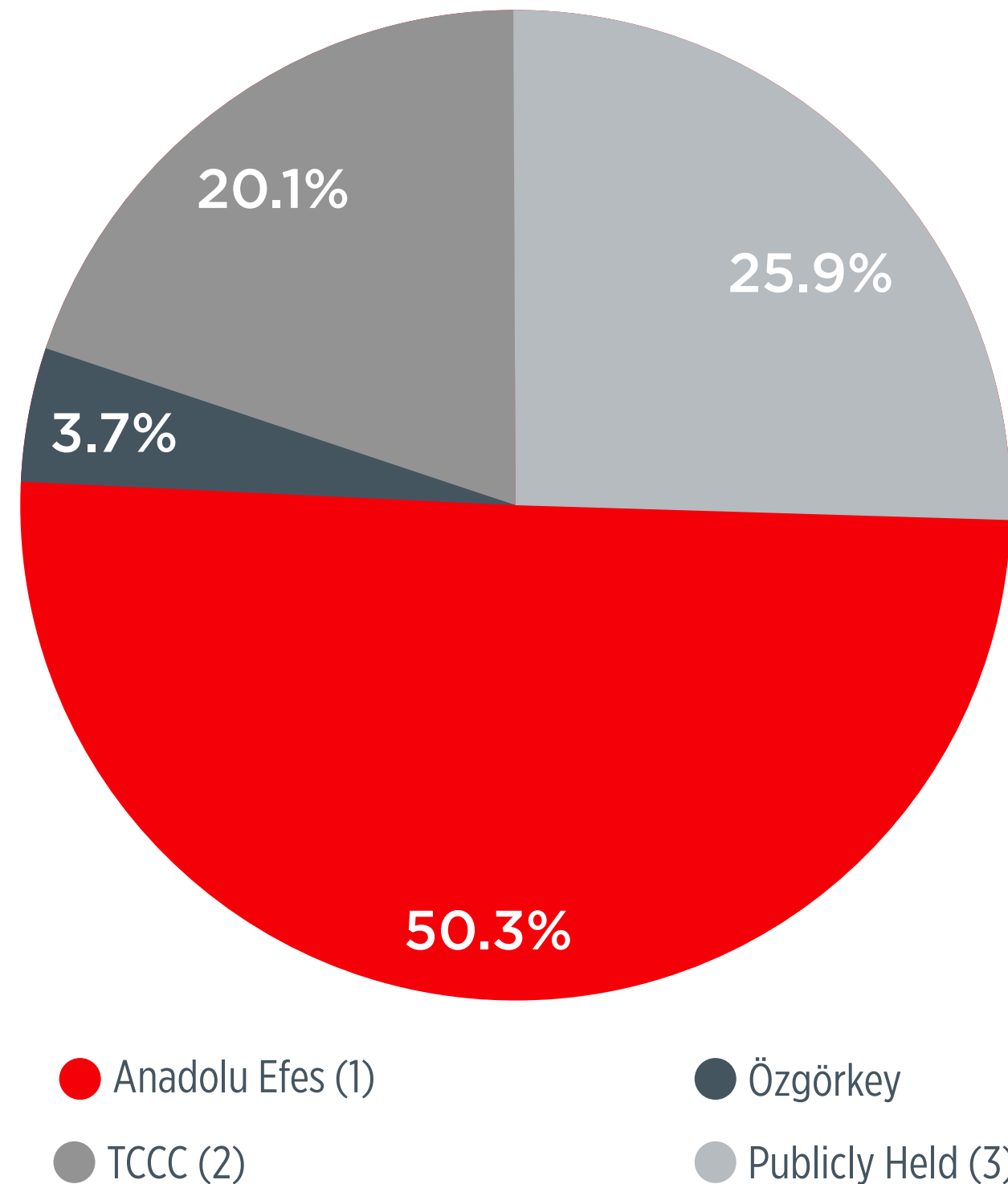




## CCI's Operating Geography

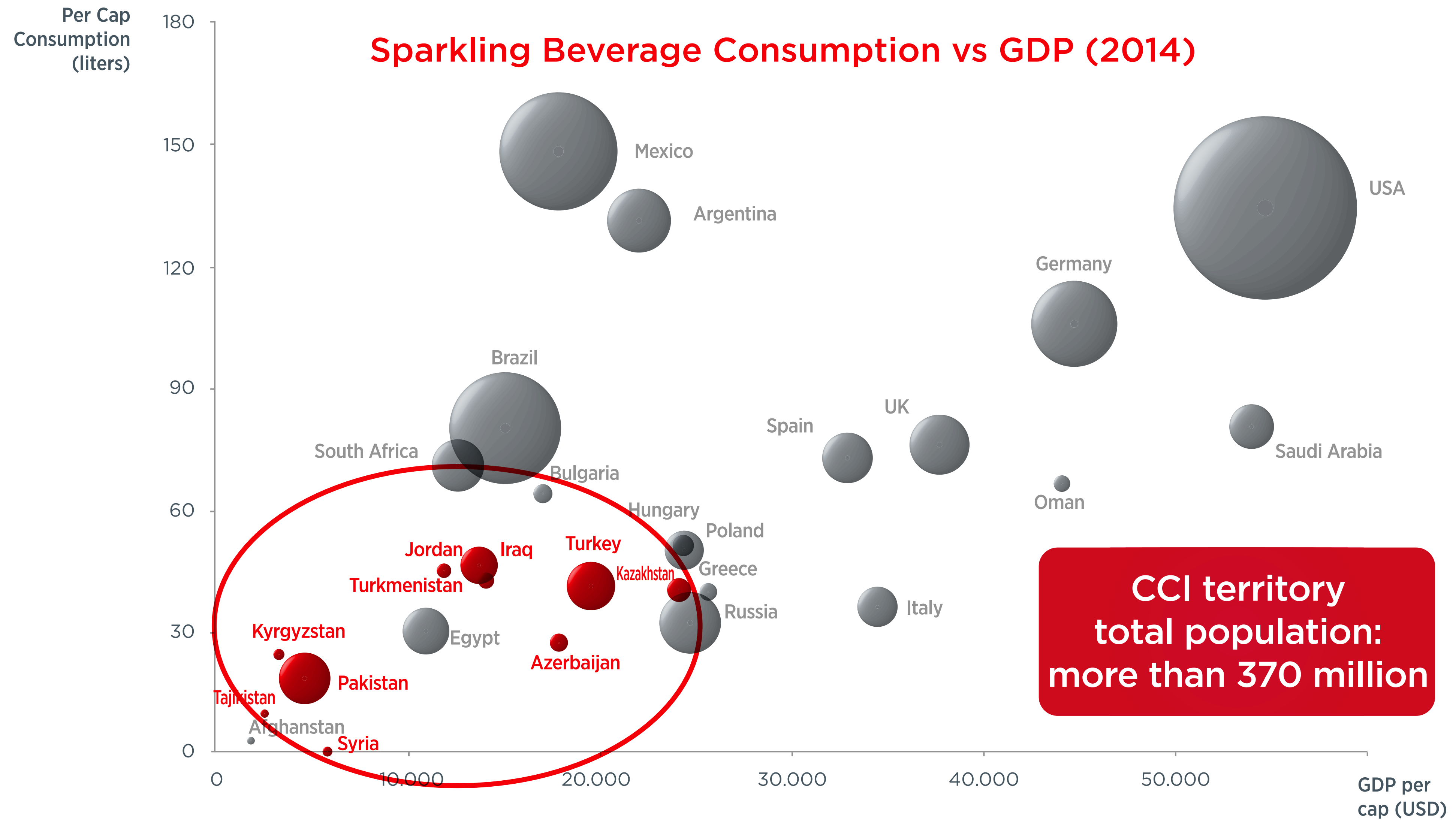


## Shareholder Structure



- Operating in one of the world's most dynamic and exciting markets
- A gateway to Turkey, Pakistan, Central Asia and The Middle East
- Serving more than 370 million people; 60% of our population is below 30 years of age

# Capitalizing on favorable demand and demographic drivers





# Soft Drinks Business Strategic Priorities

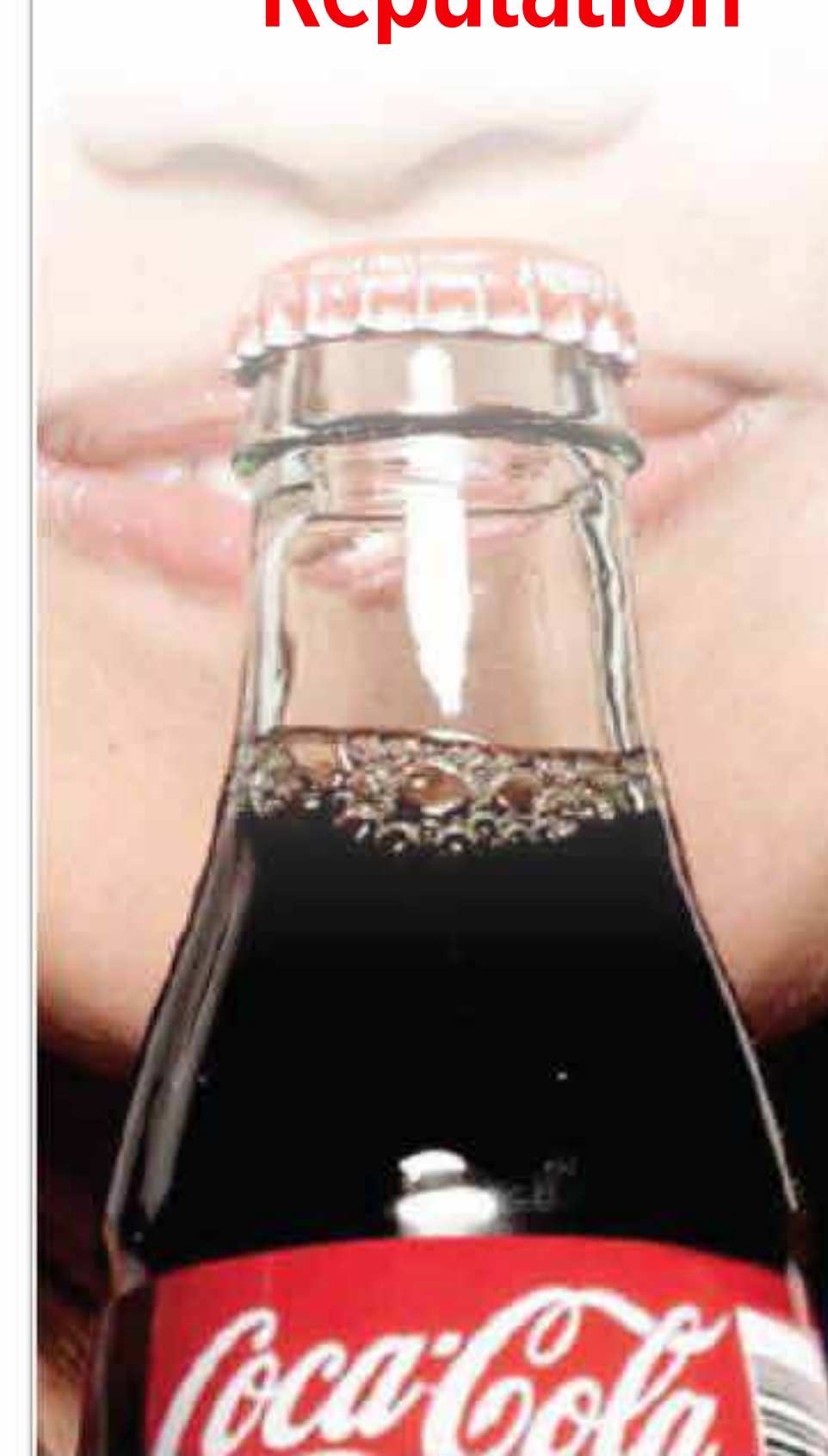
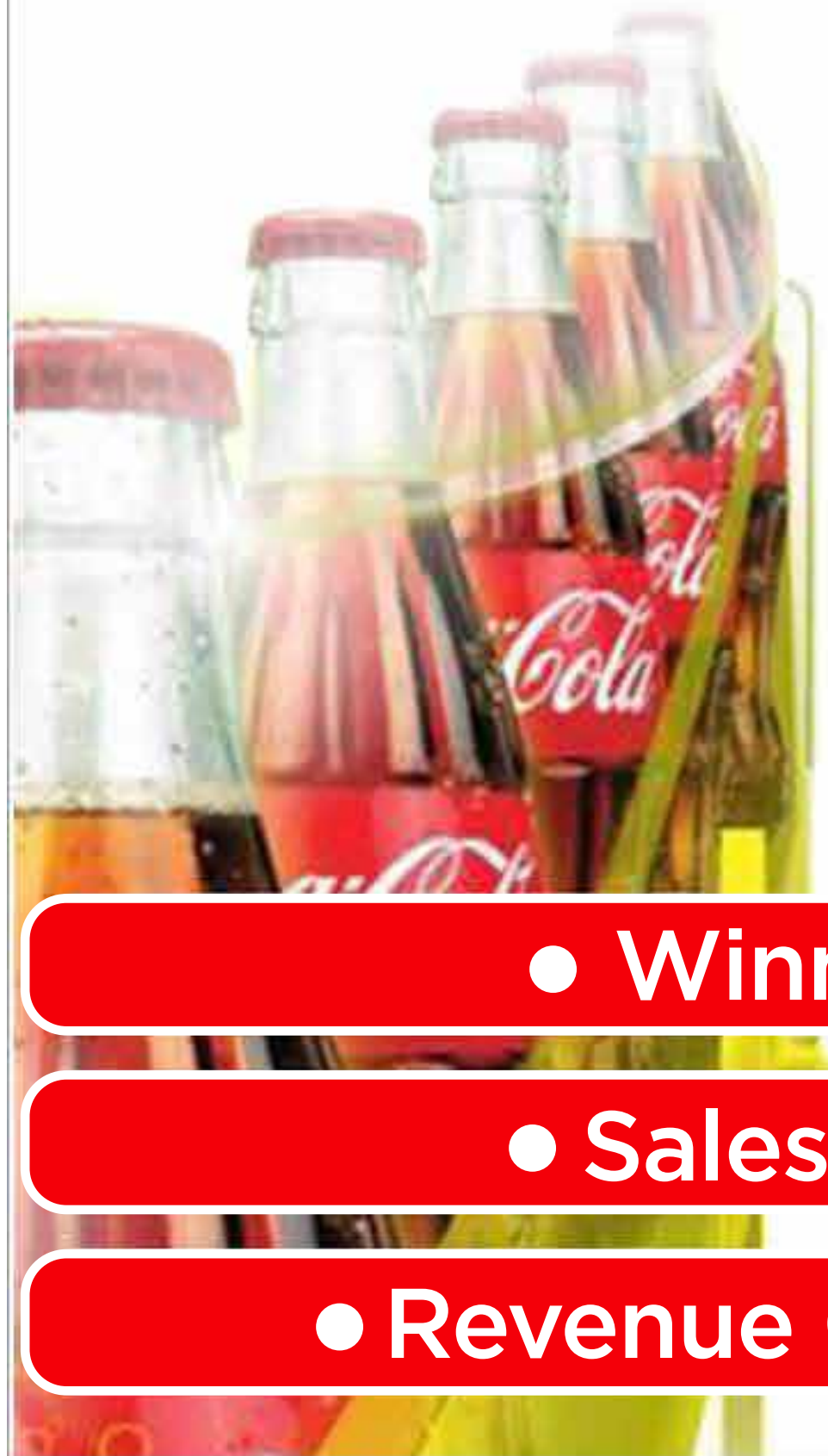
**1 Accelerate Revenue and Margin Growth**

**2 Grow Sparkling Category and Per Caps**

**3 Selectively Expand Profitable Still Portfolio**

**4 Continue to Build and Enhance our Reputation**

**5 Build a World Class Organization**



• Winning At The Point of Sales

• Sales Force Effectiveness - SFE

• Revenue Growth Management - OBPPC



# ... and our focus on turning volume into value...

## Revenue Growth Management



Segmentation



Availability



<< Cold is sold >>

## Productivity



Production

	2006	2013
Turkey	1.74	1.41
Jordan	3.44	2.00
Kazakhstan	2.10	1.65
Azerbaijan	2.10	1.92

Water use ratio  
lt water/lt product

	2006	2013
Turkey	0.27	0.26
Jordan	1.69	0.41
Kazakhstan	0.40	0.44
Azerbaijan	0.28	0.41

Energy use ratio  
MJ lt of product

## Strategic Procurement



Sugar



Resin



Can

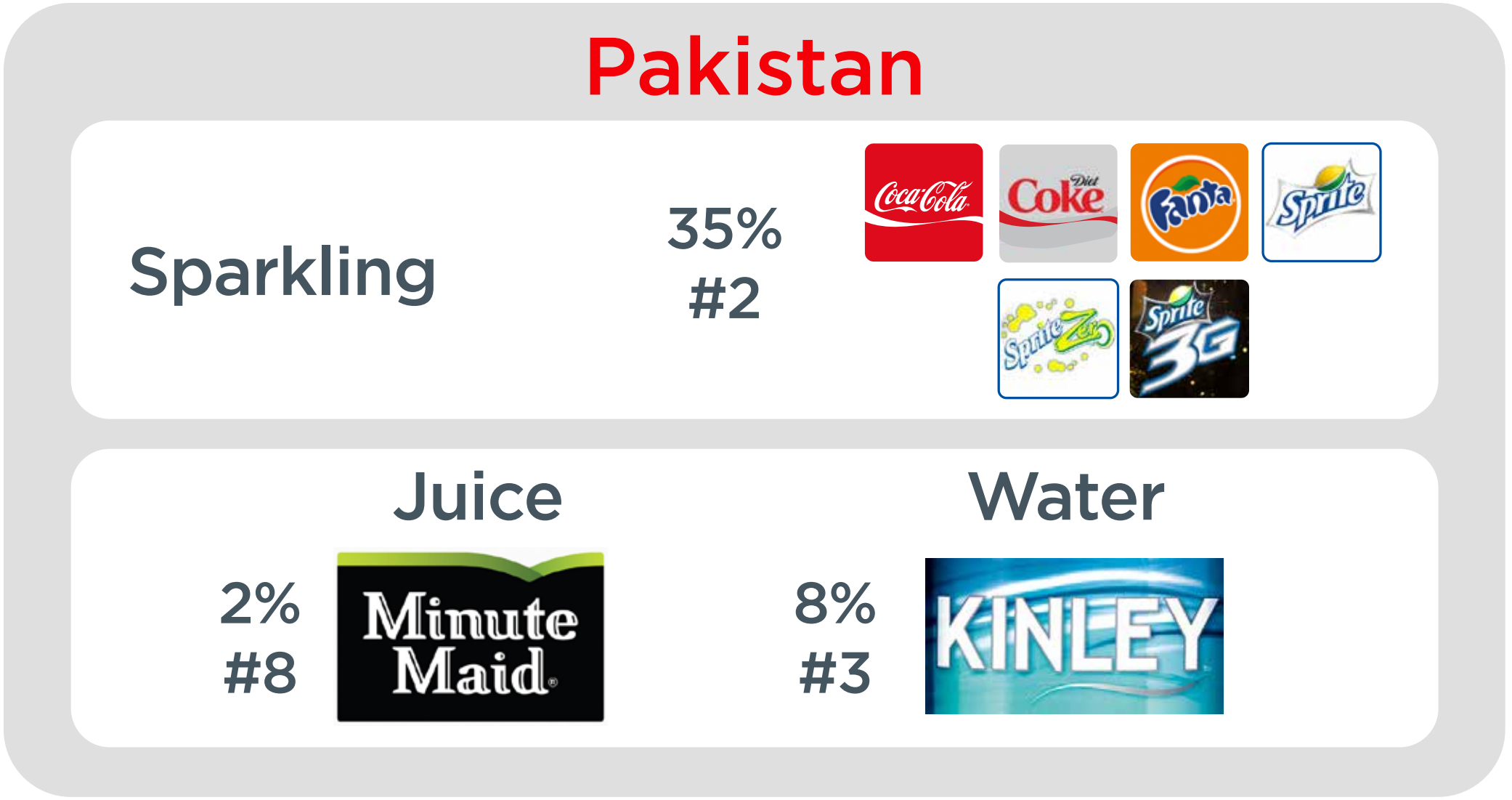
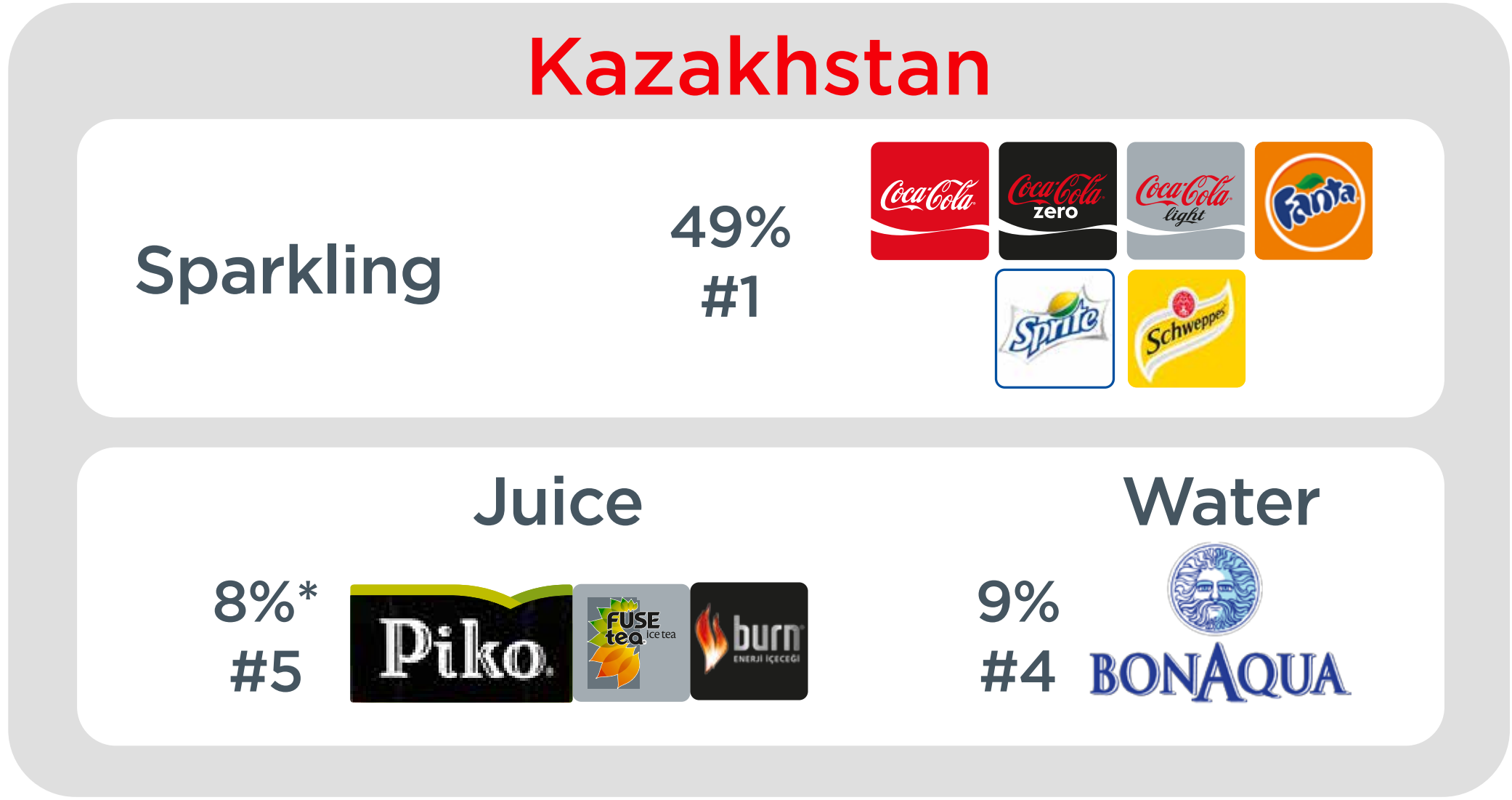
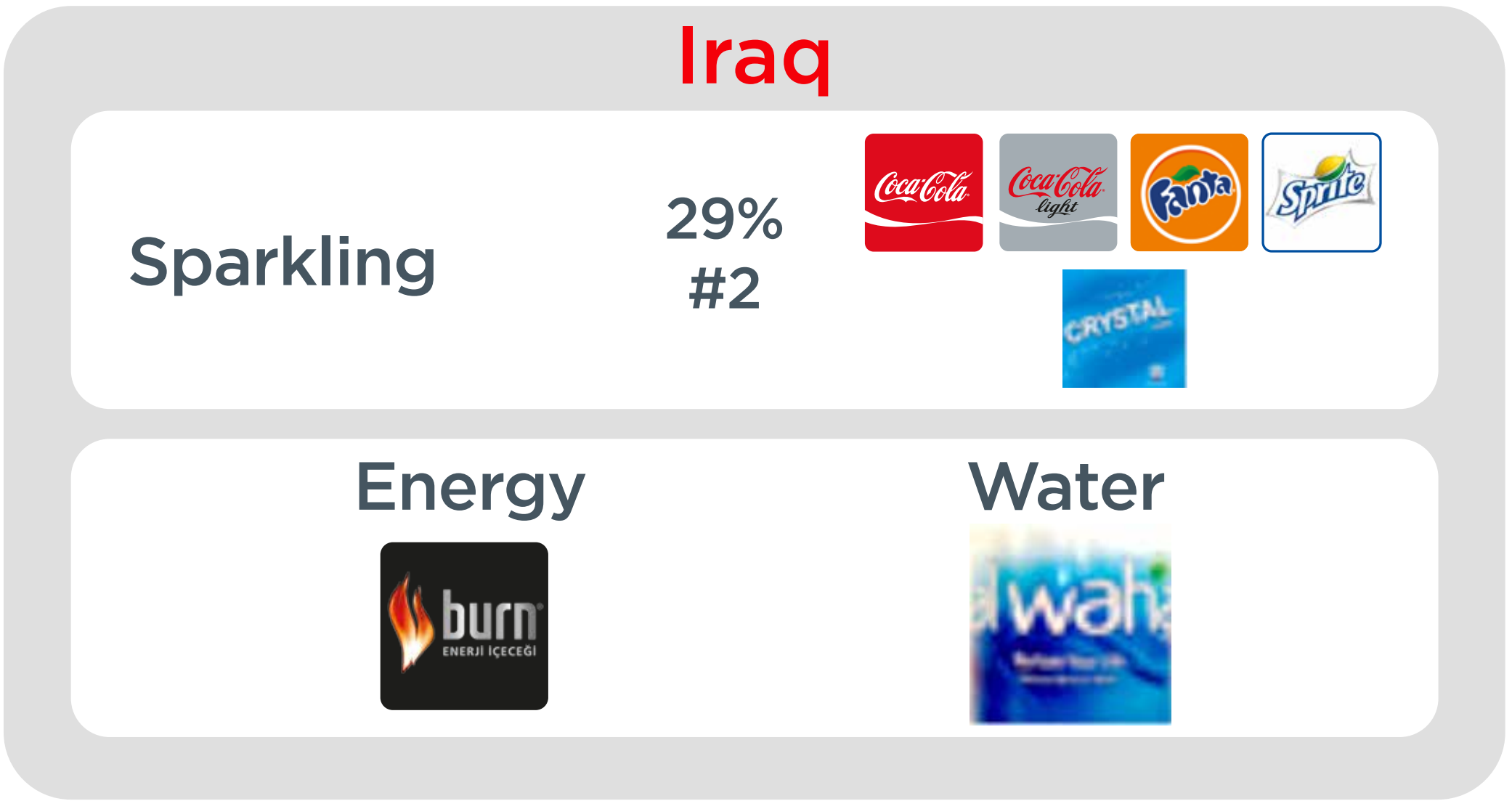
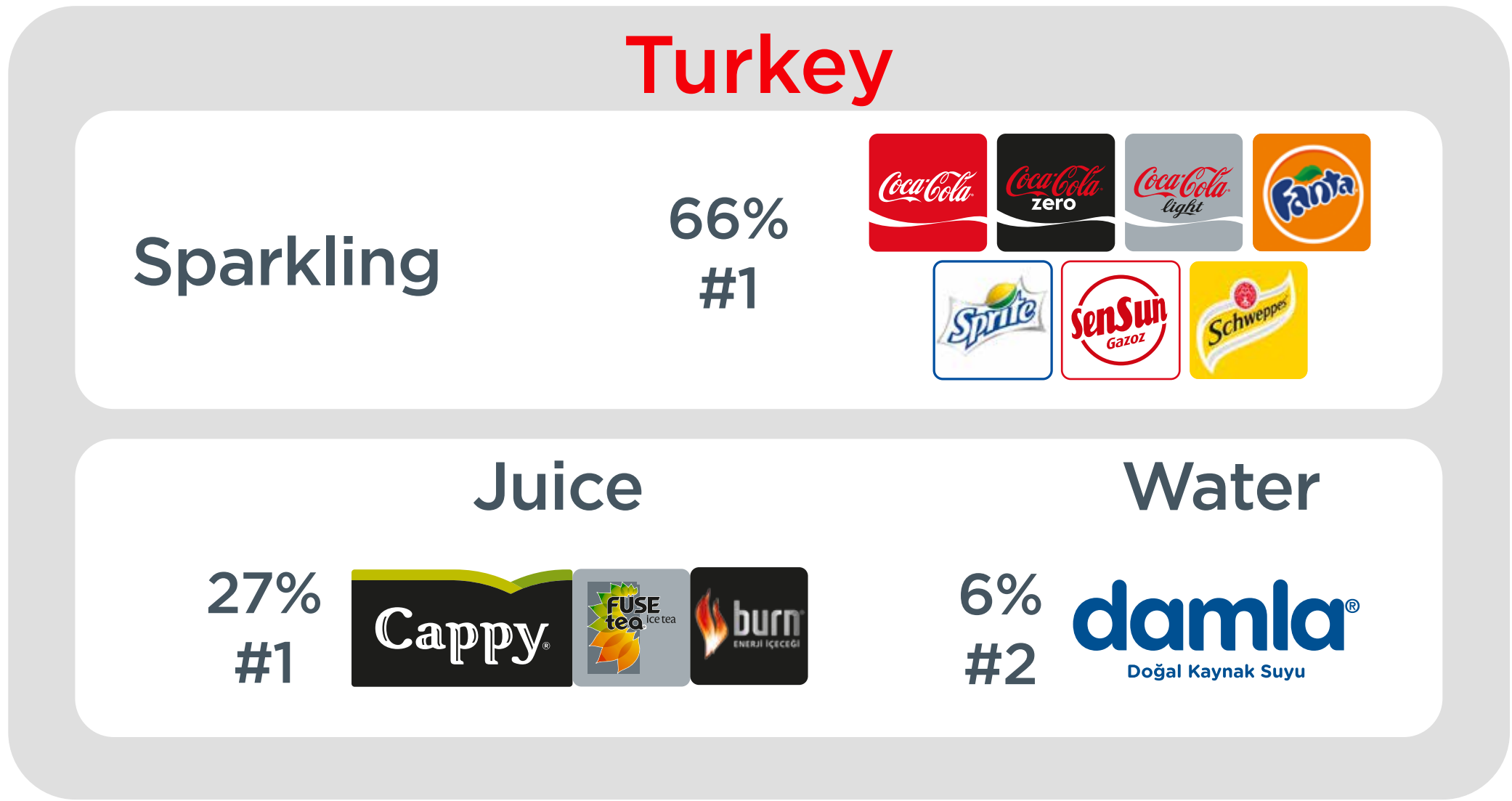
## Operating Expenses Management



Selling, Marketing and Distribution Expenses



# Strong brand positioning and offering in our key markets...





# Financials & Outlook





# FY2014 Overview - Beer Operations

## TURKEY OPERATIONS

### Volume

- Growth achieved in 3Q2014 continued in 4Q2014
- Full year volumes inline with guidance

### Revenue

- Outperform volume growth due to;
  - Positive mix
  - Higher per liter sales prices

### Margins

- Cost cutting initiatives
- Improved gross margin
- Improved EBITDA margin

## INTERNATIONAL OPERATIONS

### Volume

- EBI volumes declined mainly due to:
  - weaker volumes in Russia
  - crisis and excise tax hike in Ukraine
  - devaluation in Kazakhstan

### Revenue

- Revenues declined due to volume decline and devaluation of Ruble against USD despite
  - positive mix impact
  - local price increases

### Margins

- Positive mix
- Fixed cost savings
- Network optimization programme
- Higher gross and EBITDA margin

# FY2014 Overview - Soft Drink Operations

## TURKEY OPERATIONS

### Category Growth

- Number of transactions up
- Sparkling - mid-single digit contraction
- Still, excl. water - high teens up
- Water - mid-single digit up

### Packaging Mix

- Successful new IC package launches
- IC share up

### Pricing

- Price increases on the most selling FC packages effective from October 2014
- Strong average pricing growth in 4Q14

### Cost and Opex

- FX impact on packaging material
- Flat opex per case

## INTERNATIONAL OPERATIONS

Market share gains in all key markets

- Pakistan - successful campaigns supported volume growth despite headwinds
- Kazakhstan - production records in high season to meet strong demand as the devaluation impact has faded
- Iraq - volume growth continued in S.Iraq while N.Iraq contracted due to war

## BEER OPERATIONS

- **Turkey Beer Market** - low-single digit growth
- **Russian Beer Market** - a higher decline than that in 2014
- **Efes Turkey Volume** - in line with the market
- **Efes Russia Volume** - in line with the market
- **Total Beer Volume** - mid-to-high single digit decline mainly driven by lower volumes in Russia and Ukraine
- **Sales Revenues** - lower in absolute terms / revenue growth to outpace volume growth in Turkey beer segment
- **EBITDA** - lower in absolute terms
- **EBITDA margin** - improve / flattish margins in both Turkey and international beer segments

FX component of ca. 40% of our hard currency based COGS in Turkey beer segment was hedged against TRL

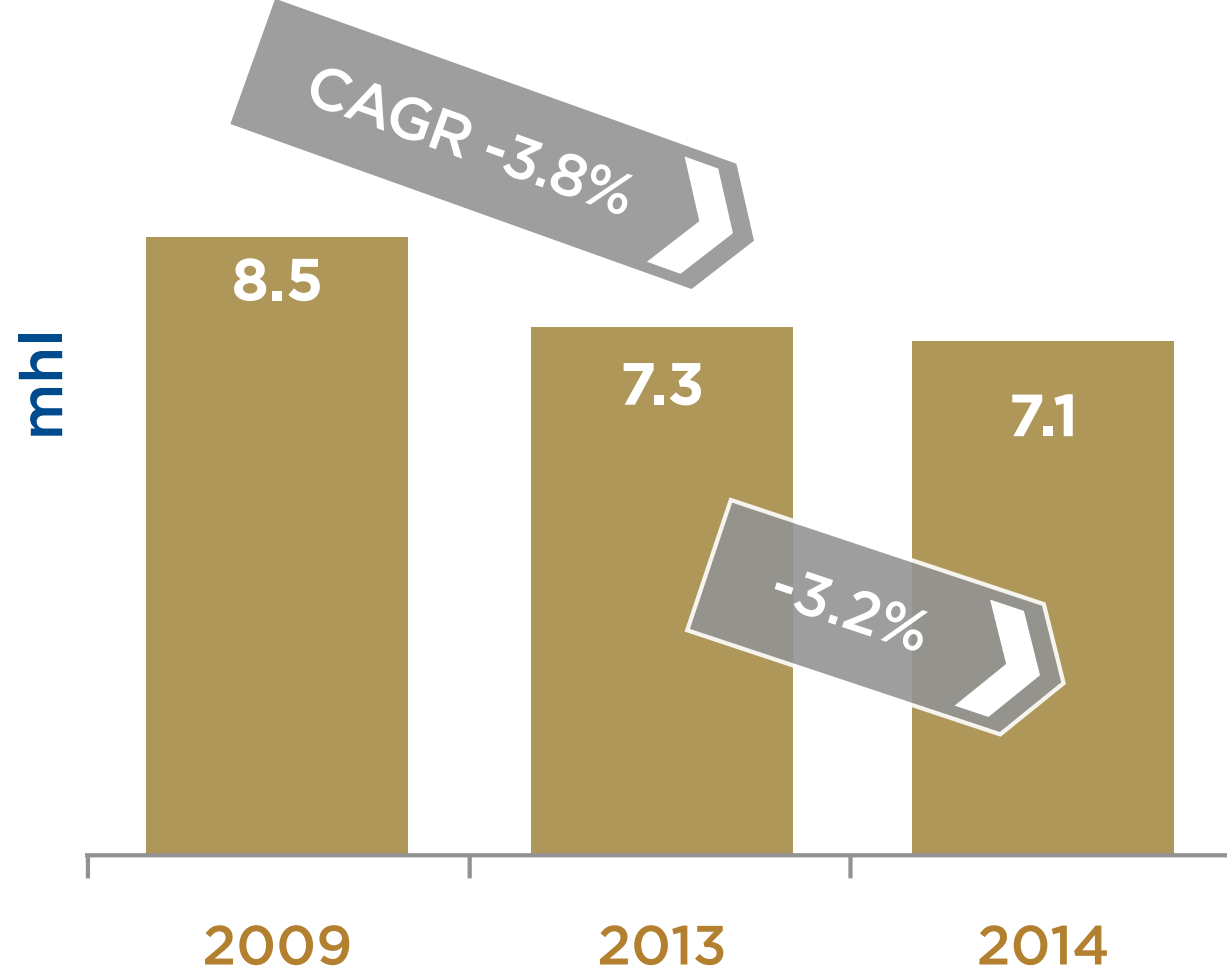
## ON A CONSOLIDATED BASIS

- **Sales volumes** - low-to-mid single digit growth
- Sales revenue growth > volume growth
- EBITDA (BNRI) growth in absolute terms > sales revenue growth
- **EBITDA (BNRI) margin** expansion /higher margins in both beer and soft drink operations



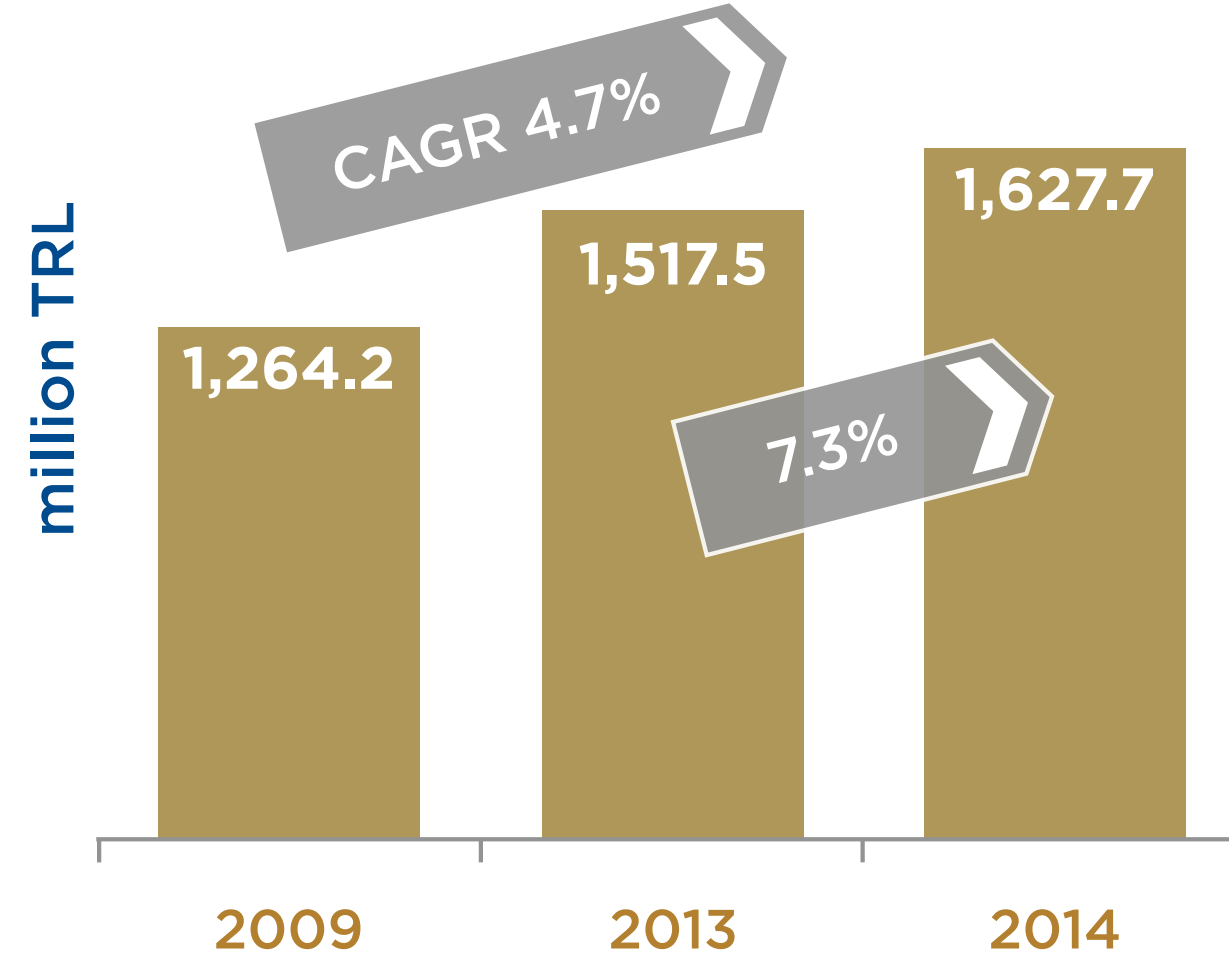
# Turkey Beer Financial Performance

## Volume

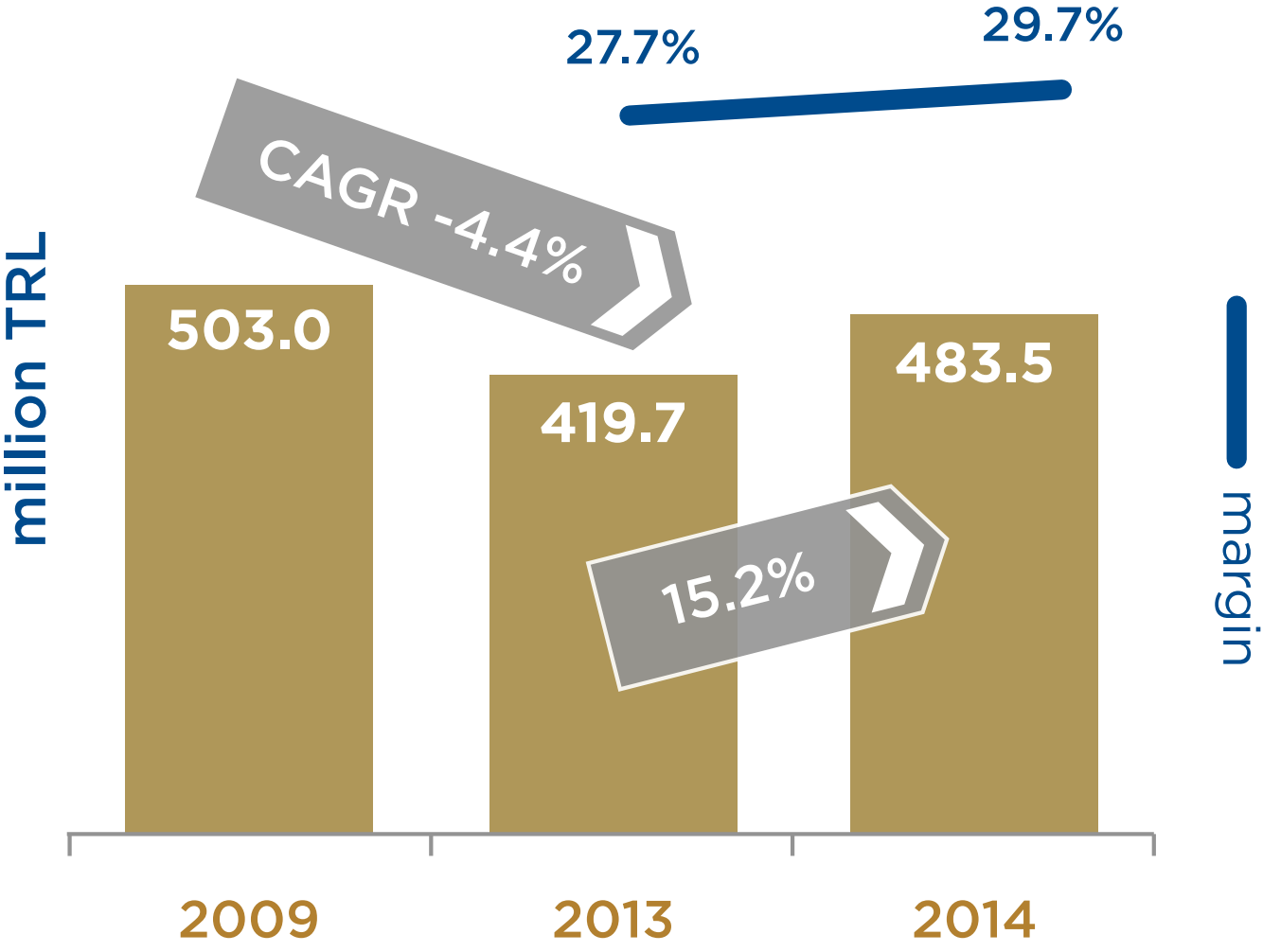


\* Sales volume including exports

## Revenue

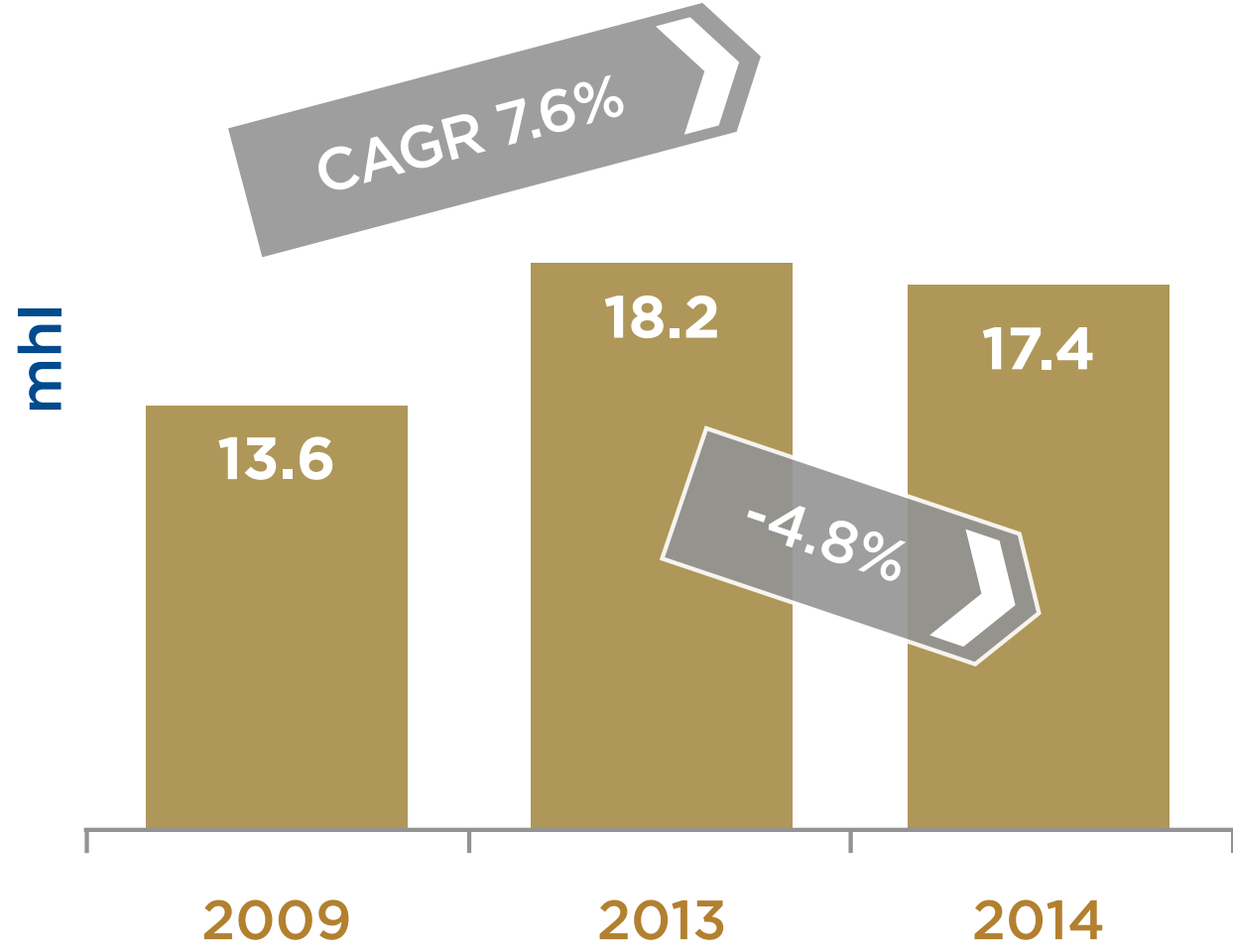


## EBITDA

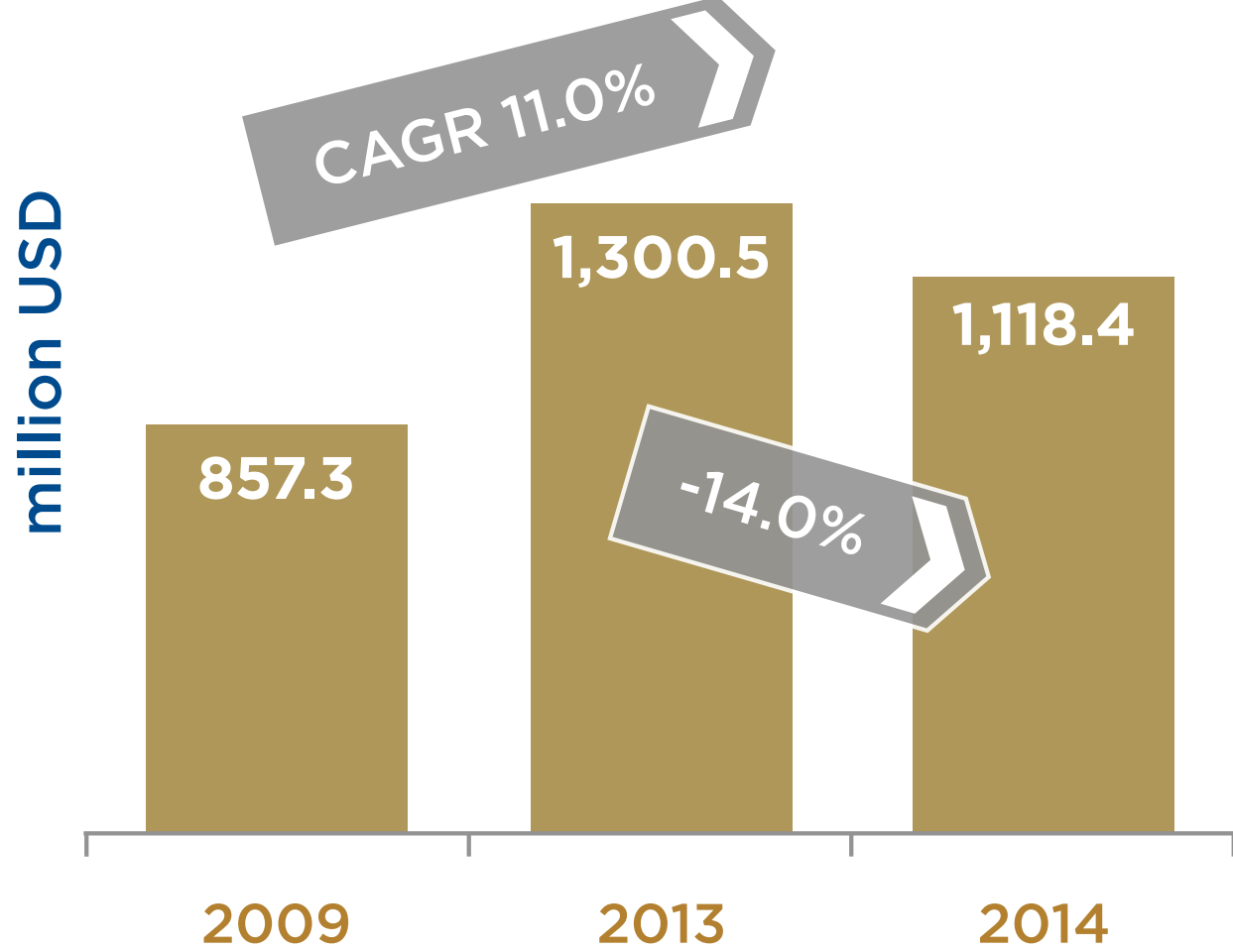


# International Beer Financial Performance

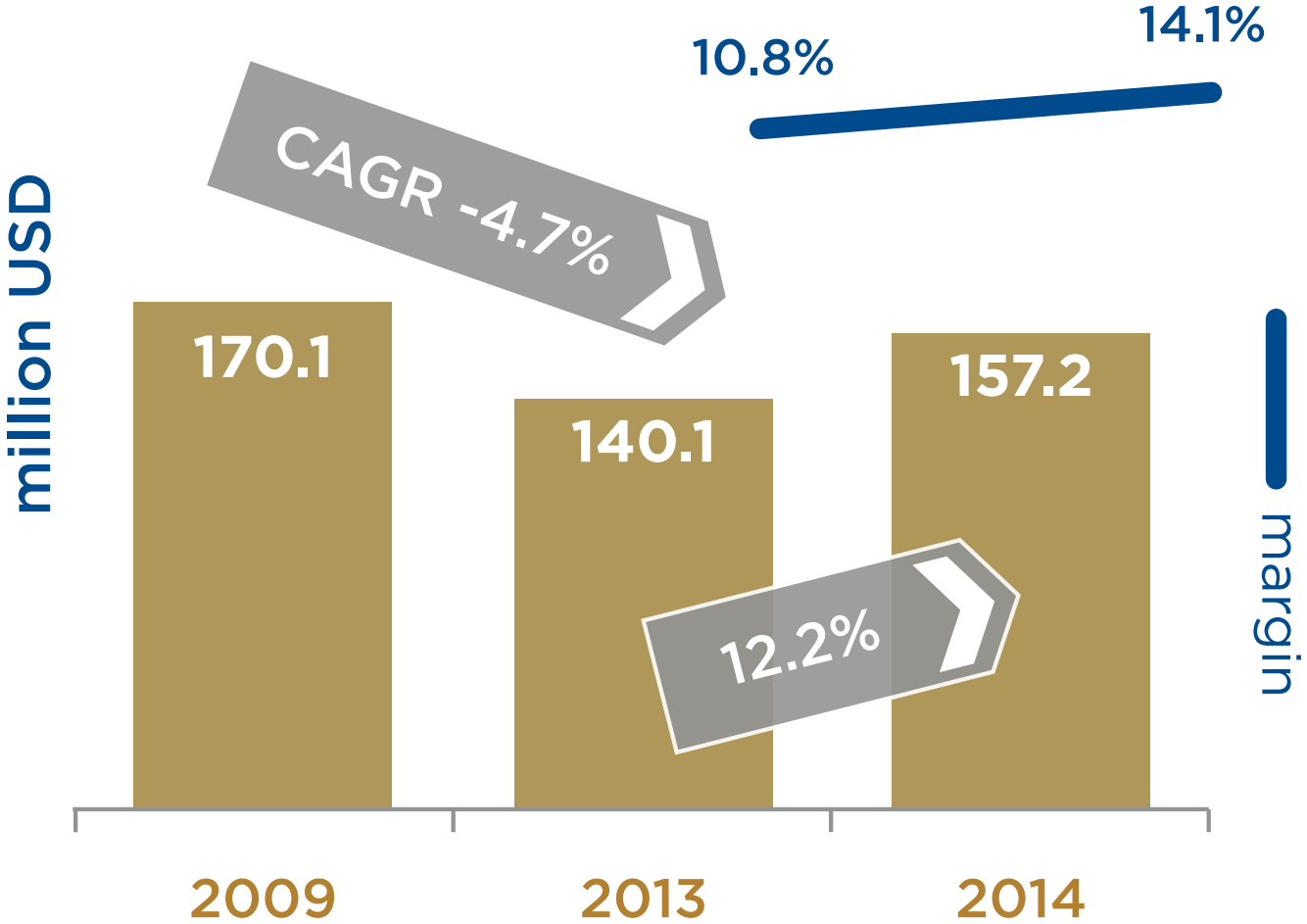
## Volume



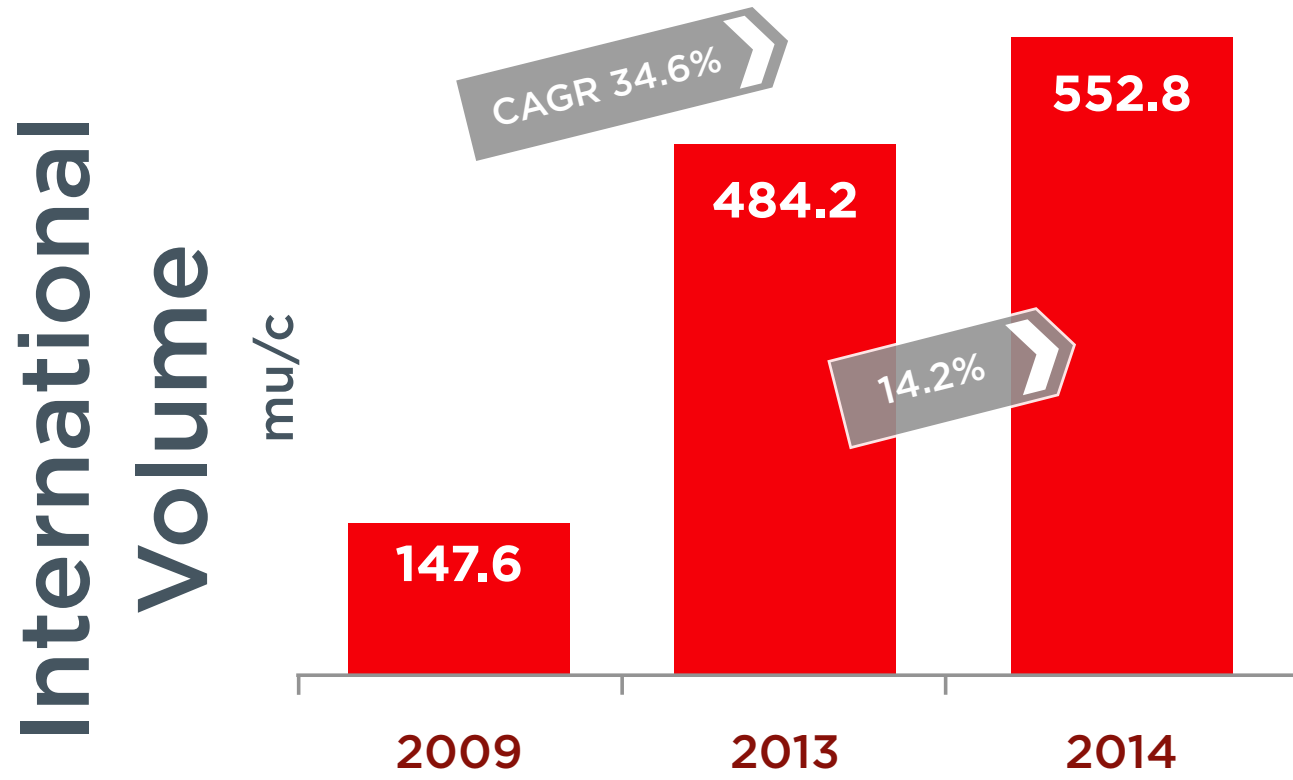
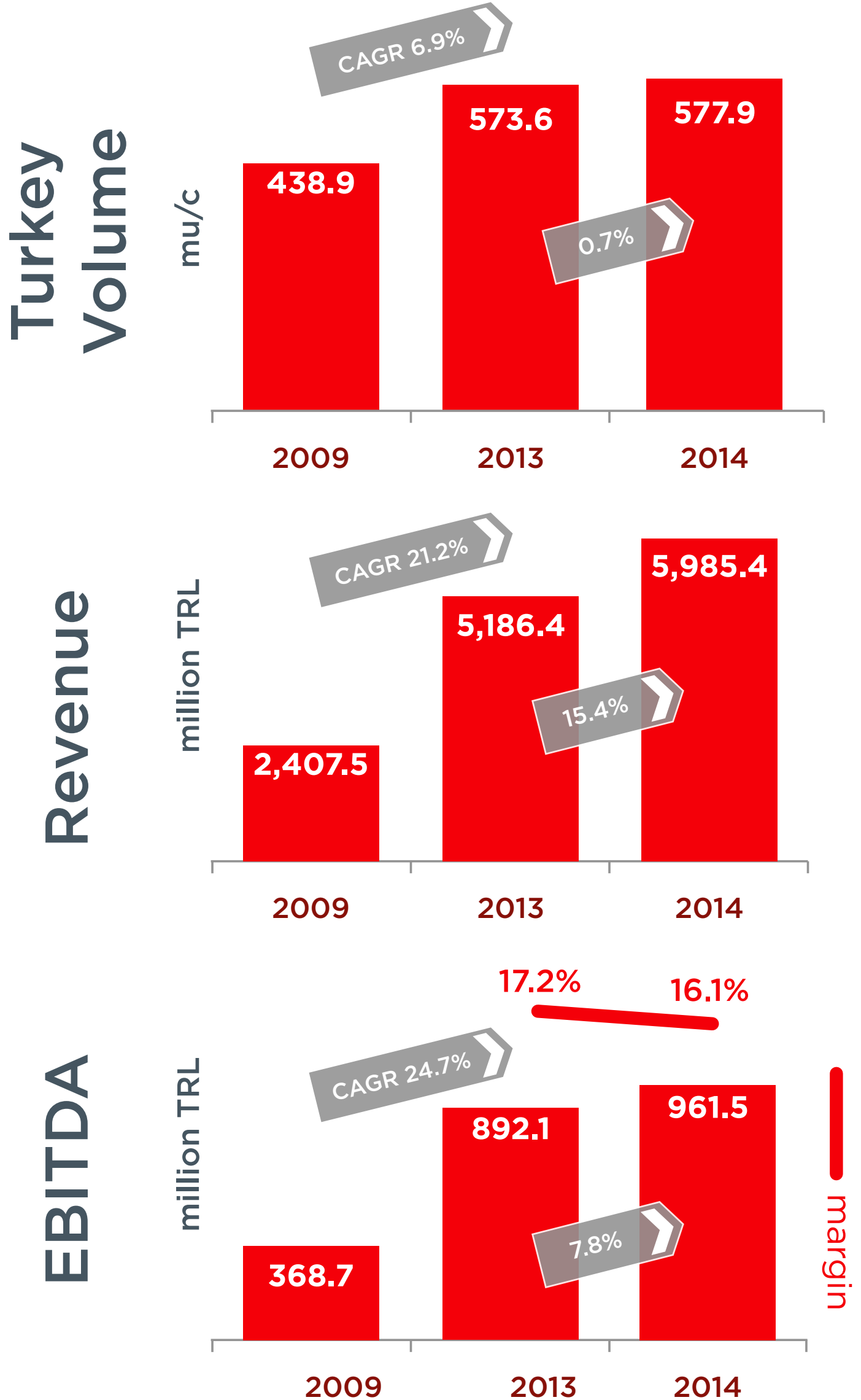
## Revenue



## EBITDA (BNRI)



# Soft Drinks Financial Performance



### 2015 OUTLOOK

- Consolidated - High single-digit volume
  - Turkey - Low single-digit volume growth
  - International - Low-teens volume growth
- Net revenue growth > volume growth
- EBITDA growth > net revenue growth



# ANADOLU EFES

