

ANADOLU EFES

November 6, 2015

BEER OPERATIONS
9M2015 RESULTS CONFERENCE
CALL PRESENTATION



ROBIN GOETZSCHE- BEER GROUP PRESIDENT & CEO
ONUR ÇEVİKEL-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.



ANADOLU EFES

GENERAL OVERVIEW & OPERATING PERFORMANCE



ROBIN GOETZSCHE-
BEER GROUP PRESIDENT & CEO

9M2015 Key Highlights

- Higher soft drink sales mitigated softer beer volumes

- Consolidated revenues up by 1.1% assisted by;

- price increases
- positive mix impact

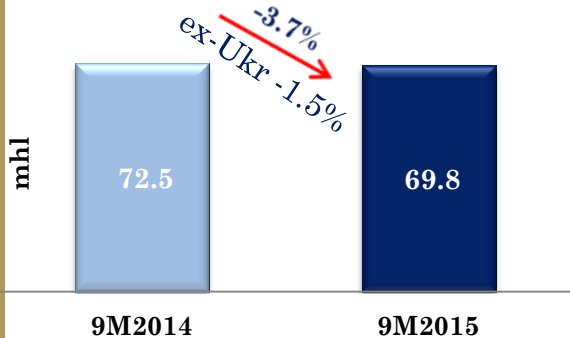
- Consolidated EBITDA margin improved by 33 bps in 9M2015, led by the beer segment

- Strong free cash flow generation in both beer group and consolidated Anadolu Efes level, despite challenges in operating environment

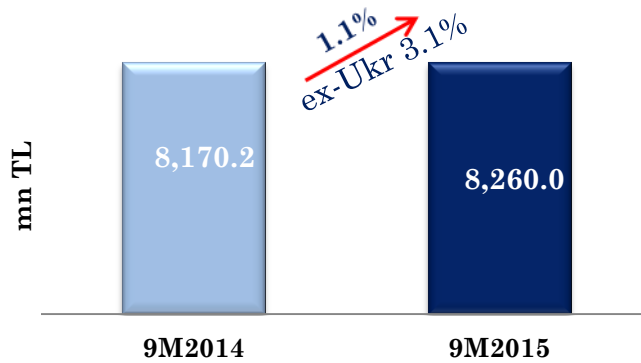


Consolidated Performance - 9M2015

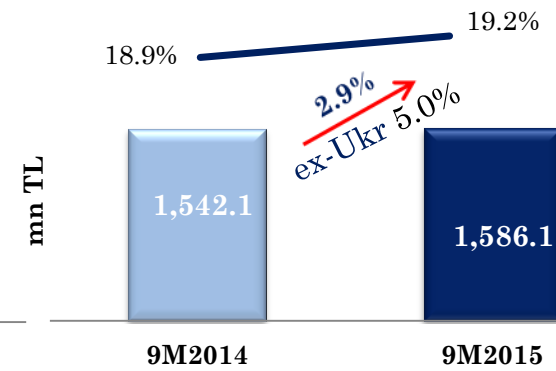
SALES VOLUME



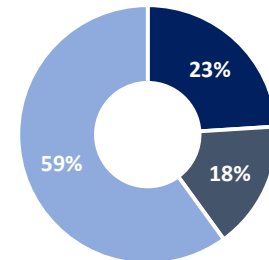
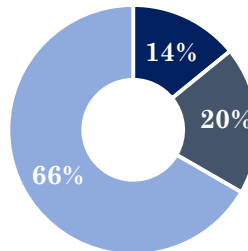
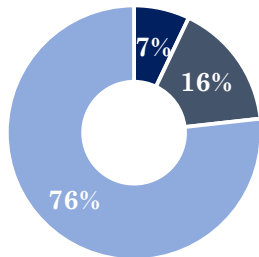
NET SALES REVENUE



EBITDA (BNRI)



BREAKDOWN



■ Turkey Beer ■ International Beer ■ Soft Drinks

Ex-Ukraine, volumes in 3Q2015 were slightly up vs. 3Q2014, while decline was limited to 1.5% y-o-y in 9M2015

Revenues grew both in 3Q2015 & in 9M2015 due to;

- price increases in local currencies in both segments
- positive brand & geographical mix impact

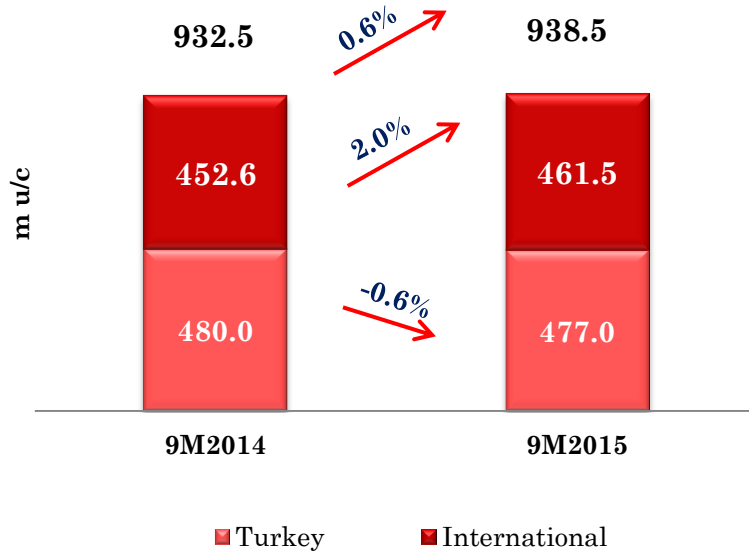
EBITDA (BNRI) margin improved in both 3Q2015 & 9M2015

Margin improvement in beer segment more than compensated softer margins in soft drink business

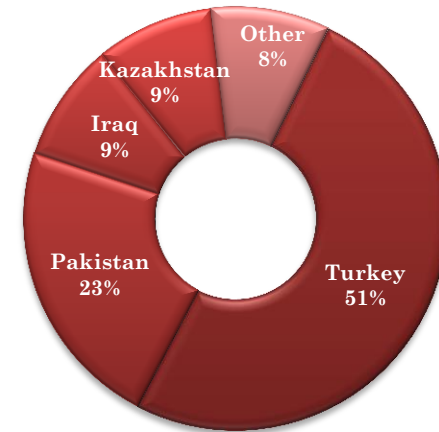
*Numbers may not add up to 100% due to rounding



Soft Drinks Volume Development



VOLUME BREAKDOWN

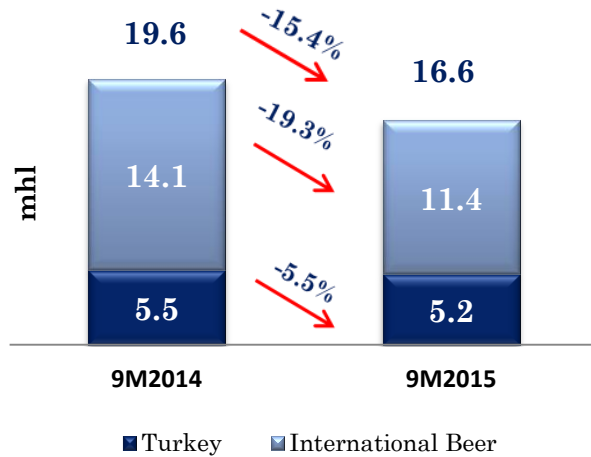


- CCI's volume accelerated both in Turkey and International in 3Q2015 with 3% consolidated volume growth;
 - Growth was especially strong in **Turkey** despite the weak consumer environment
 - **Pakistan** operations bounced back to double digit volume growth in 3Q2015
 - **Central Asia** remained under pressure due to significant devaluations



Growth mainly came from sparkling category in 9M2015

Beer Volume Development



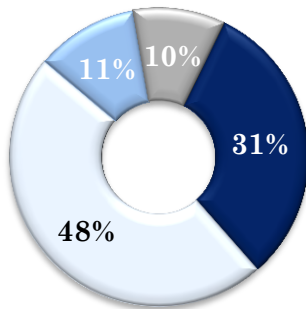
- Total beer volumes ex-Ukraine, was down 7.9%

- Major markets were down in 9M2015;

- Turkey around 1%

- Russia around 10%

VOLUME BREAKDOWN



■ Turkey
 ■ Russia
 ■ Kazakhstan
 ■ Other

- Market shares in major markets maintained at flattish levels vs. 1H2015



Beer Group Strategy

BRANDS

Provide choice and
innovation to consumers:
Grow brand love

EXECUTION

Excel in customer collaboration,
availability and
point of sale activation

EFFICIENCY

Build competitive advantage
through lean
and efficient operations

RELATIONS

Focus on employees,
customers, regulators, community
and environment



Engagement With Our Key Stakeholders

consumers

Creating **brands** that people **use** and **love**



Perfect **brand experience**
lived-shared-spread

shoppers

Bringing our brands to life in every outlet in a way that **converts shoppers into buyers**



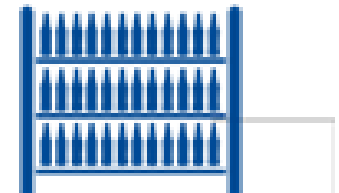
perfect **shopper experience** every time

customers

Building powerful partnerships with our customers to **win together**

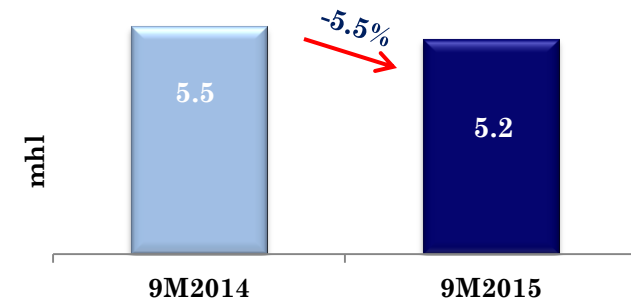


Preferred beer partner to **collaborate for value** of our brands

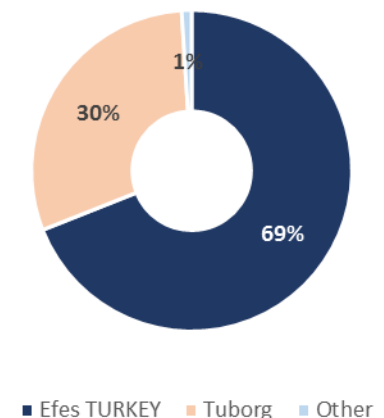


Turkey Beer Operations

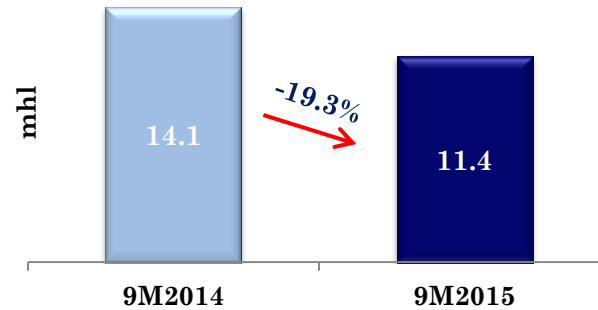
- Focus on strong flagship brands continue
- Brand portfolio expansion and innovations perform well
 - Growth in “Efes Malt” & “Bomonti”
 - Strong performance of high alcohol beers “Efes Xtra” & “Amsterdam Navigator”
- Volume performance negatively affected from;
 - Political & macro environment
 - Competition
 - Tourism



Volume Share - Turkey



International Beer Operations



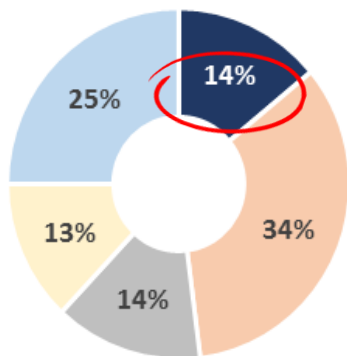
- Sales volumes declined by 19.3%, ex-Ukraine 9.1%
- Maintained portfolio expansion strategy to drive volume & value
- More efficient segmentation and focused marketing efforts
- Shift to more execution-driven systems
- Improvement of sales force effectiveness



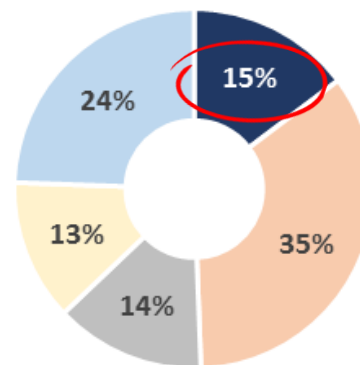
Russia

- Total beer market decline around 10%
- Premiumization of portfolio, while affordability also addressed
- Increased share of higher value packages alternative to PET
- Market share gains in premium and upper mainstream segments

Volume Share*



Value Share*



■ Efes RUSSIA ■ Carlsberg ■ Inbev ■ Heineken ■ Other

*Nielsen Urban Russia, Cities 10000+, Off-Trade, YTD Sept'15

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

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FINANCIAL OVERVIEW



ONUR ÇEVİKEL - CFO

Consolidated Performance – 9M2015

(million TL)	9M2014	9M2015	Change %
Volume (mhl)	72.5	69.8	-3.7%
Net Sales	8,170.2	8,260.0	1.1%
Gross Profit	3,545.4	3,466.4	-2.2%
EBIT (BNRI)	944.8	977.7	3.5%
EBITDA (BNRI)	1,542.1	1,586.1	2.9%
Margins			
Gross Profit	43.4%	42.0%	-143
EBIT (BNRI)	11.6%	11.8%	27
EBITDA (BNRI)	18.9%	19.2%	33



Beer Group Performance – 9M2015

	Turkey Beer		International Beer		Beer Group	
	(mn TL)		(mn USD)		(mn TL)	
	9M2015	vs 9M2014	9M2015	vs 9M2014	9M2015	vs 9M2014
Volume (mhl)	5.2	-5.5%	11.4	-19.3%	16.6	-15.4%
Net Sales	1,170.1	2.6%	610.0	-37.5%	2,809.6	-14.0%
Gross Profit	727.1	-1.0%	294.4	-35.4%	1,519.8	-12.1%
EBIT (BNRI)	269.3	-13.3%	39.2	54.5%	339.0	6.7%
EBITDA (BNRI)	379.3	-8.7%	107.9	-16.6%	635.3	-2.5%
Margins						
Gross Profit	62.1%	-224	48.3%	162	54.1%	119
EBIT (BNRI)	23.0%	-421	6.4%	382	12.1%	234
EBITDA (BNRI)	32.4%	-400	17.7%	444	22.6%	268

Beer Group Free Cash Flow

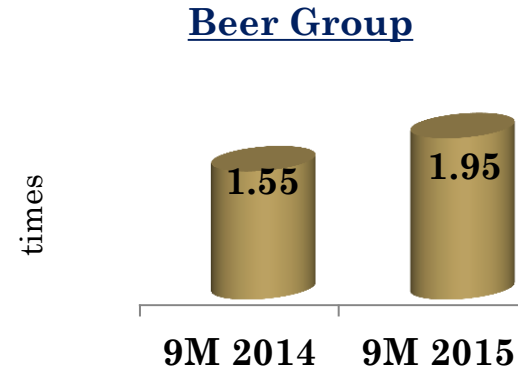
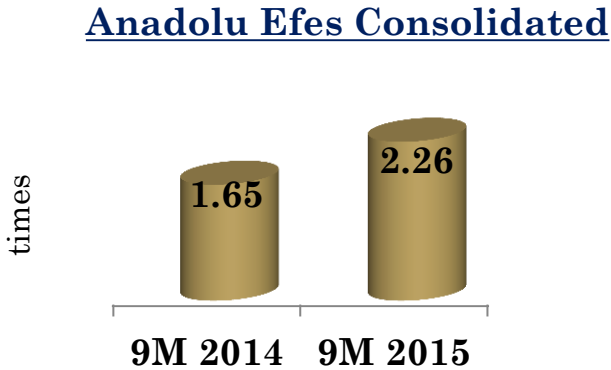
BEER GROUP Free Cash Flow (mn TL)	9M2014	9M2015
EBITDA	639.3	624.7
Change in Working Capital	23.6	-138.0
Income Taxes & Employee Benefits Paid	-64.2	-54.4
CAPEX, net	-242.0	-176.0
Net Financial Income /(Expense)	27.4	53.4
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-10.5	-8.9
FCF	373.5	300.9
FCF (excluding minority buy-out and other investing activities)	384.0	309.8



Balance Sheet Flexibility

Although Net Debt amount in USD does not change significantly, Net Leverage Ratio has increased due to depreciation in TL.

Net Leverage Ratio
Net Debt / EBITDA (BNRI)



		9M2014	9M2015
TOTAL FINANCIAL DEBT	<i>m TL</i>	4,221	5,838
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	1,447	1,859
NET DEBT	<i>m TL</i>	2,775	3,979
NET DEBT	<i>m USD</i>	1,218	1,308

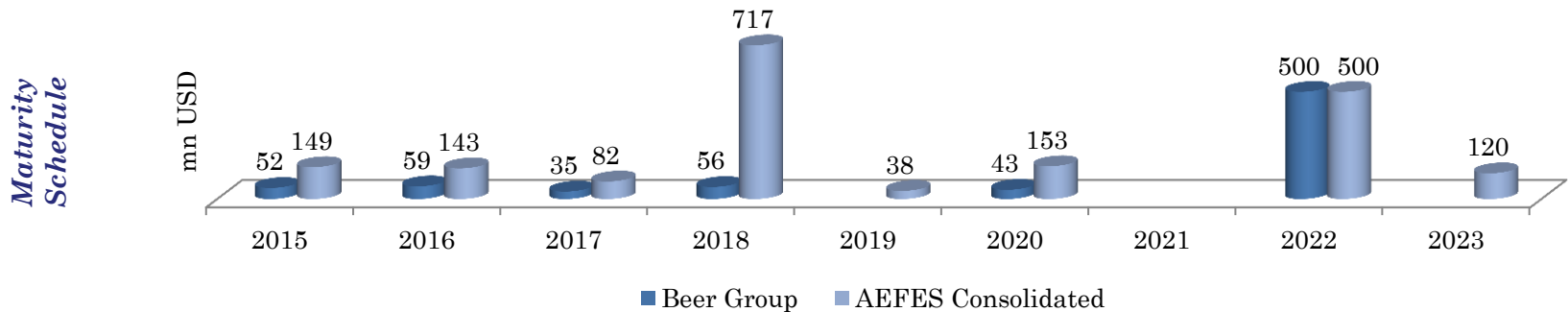
		9M2014	9M2015
TOTAL FINANCIAL DEBT	<i>m TL</i>	1,846	2,283
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	779	834
NET DEBT	<i>m TL</i>	1,067	1,449
NET DEBT	<i>m USD</i>	468	476

More than 70% of cash is hold as hard currency.

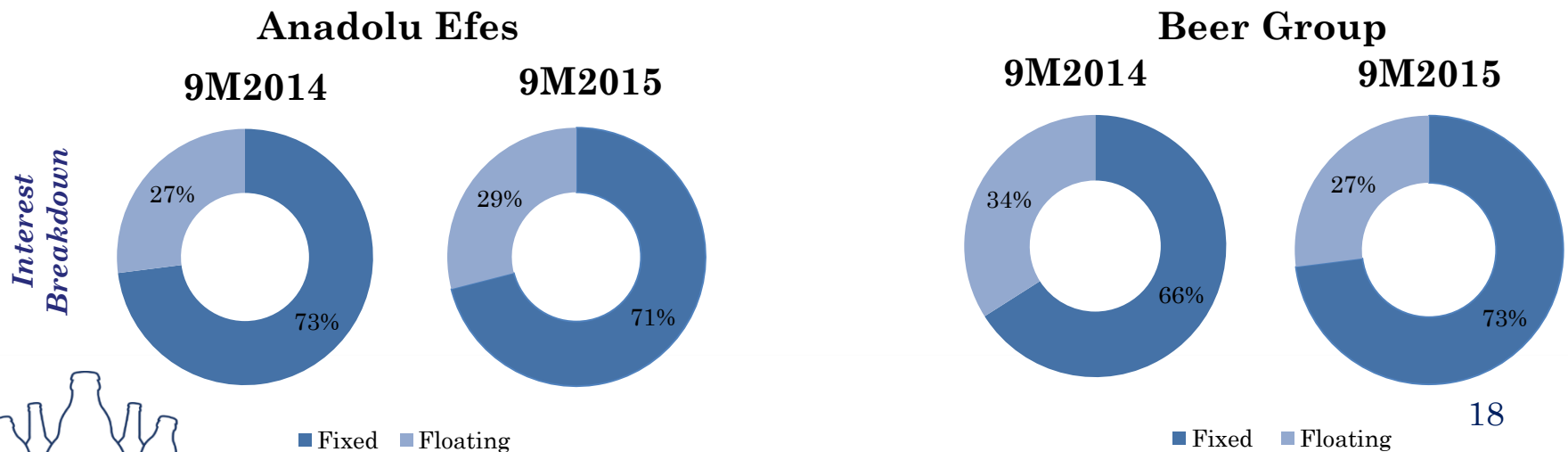


Borrowing Mix & Liquidity Profile

- No material financing need until **2018** at AEFES level and until **2022** at Beer Group level
- Average maturity of debt for;
 - Beer Group is app. **5.4 years** and
 - Anadolu Efes is app. **4.0 years**



- Significant portion of debt is fixed, minimized interest rate risk



Financial Income/Expense Breakdown

Anadolu Efes Consolidated - Financial Income / (Expense) Breakdown (million TL)	9M2014	9M2015
Interest income	62.0	59.6
Interest expense	-148.2	-168.3
Foreign exchange gain /(loss)	-257.5	-929.9
Other financial expenses (net)	-8.9	-23.7
Net Financial Income /(Expense)	-352.6	-1062.3

■ Weaker local currencies continued to produce non-cash F/X losses



Anadolu Efes Consolidated Free Cash Flow

AEFES Free Cash Flow (mn TL)	9M2014	9M2015
EBITDA	1,529.9	1,575.5
Change in Working Capital	-130.2	-250.1
Income Taxes & Employee Benefits Paid	-124.0	-121.5
CAPEX, net	-652.3	-802.2
Net Financial Income /(Expense)	-2.6	168.3
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-66.3	-3.7
FCF	554.3	566.3
FCF (excluding minority buy-out and other investing activities)	620.6	570.0

■ Solid FCF generation despite higher capex on international soft drinks



Financial Priorities

- Tight balance sheet management
- Generating solid FCF & deleveraging
- Cost & expense reduction
- Decrease operational F/X exposure through hedging
- Optimum CAPEX
- Commitment to Investment Grade Ratings



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CLOSING REMARKS



ROBIN GOETZSCHE
BEER GROUP PRESIDENT & CEO

Summary

■ Commitment to;

- building on brands
- excelling on execution
- improving efficiency and relationships

will continue..

■ Driving value generation is essential for the business

■ Improvement on profit margins and strong FCF generation are priorities



2015 Guidance

BEER GROUP

- Turkey beer market decline slightly (previously flattish)
- Efes Turkey volume decline by low-to-mid single digits (previously in line with market)
- Russian beer market inline or higher decline vs 2014
- EFES RUS volume underperform the market slightly (previously in line with market)
- Total beer volume decline at a rate of mid-teens (previously low-teens)
- Revenue lower revenues in abs. terms yet outperforming sales volumes
- EBITDA margin improvement

CONSOLIDATED

- Sales volumes decline at low-single digits (previously flat or decline very slightly)
flat ex-Ukraine
- Sales revenues grow in abs. terms
- EBITDA (BNRI) grow in abs. terms
- EBITDA (BNRI) margin flattish margin (previously margin expansion)



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Q&A SESSION



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APPENDIX



Upcoming IR Events

November;

- Goldman Sachs CEEMEA conference - London
- Sberbank CIB & Deniz Invest Consumer Day - İstanbul
- Morgan Stanley Global Consumer & Retail Conference - NY

December;

- Wood's Emerging Europe Conference - Prague



F/X Rates

		9M2014	9M2015	Δ%	2014
USD/TL	AVG	2.16	2.66	23%	2.19
	PE	2.28	3.04	34%	2.32
EUR/TL	AVG	2.93	2.96	1%	2.90
	PE	2.89	3.42	18%	2.82
USD/RUB	AVG	35.39	59.28	68%	38.42
	PE	39.39	66.24	68%	56.26
USD/KZT	AVG	178.45	195.57	10%	179.19
	PE	181.96	270.40	49%	182.35
USD/UAH	AVG	10.99	21.42	95%	11.87
	PE	12.95	21.53	66%	15.77
USD/MDL	AVG	13.71	18.45	35%	14.04
	PE	14.57	20.11	38%	15.62
USD/GEL	AVG	1.75	2.23	27%	1.77
	PE	1.75	2.38	36%	1.86

