

ANADOLU EFES

March 4, 2016

BEER OPERATIONS FY2015 RESULTS CONFERENCE CALL



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.

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GENERAL OVERVIEW & OPERATING PERFORMANCE



ROBIN GOETZSCHE-
BEER GROUP PRESIDENT & CEO

FY2015 Key Highlights

Consolidated results in line with our guidance

Consolidated sales volume at 86.1 mhl, down 2.8%;

- Ex-Ukraine, sales volume decline was limited to 0.8%

Solid results with 1.8% and 2.6% higher consolidated revenues and EBITDA compared to last year

- Flattish EBITDA margin in line with our guidance

- Margin improvement led by beer segment, especially international beer operations

Strong free cash flow generation

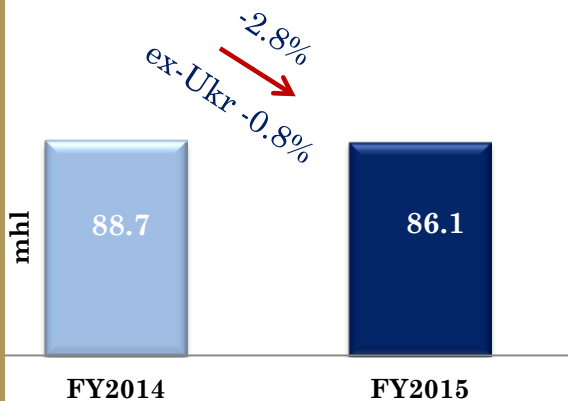
Lower consolidated net leverage ratio at 2.0x as of 2015-end vs September 30, 2015

 Anadolu Efes was awarded the First Prize by TKYD* according to the CG Rating it holds

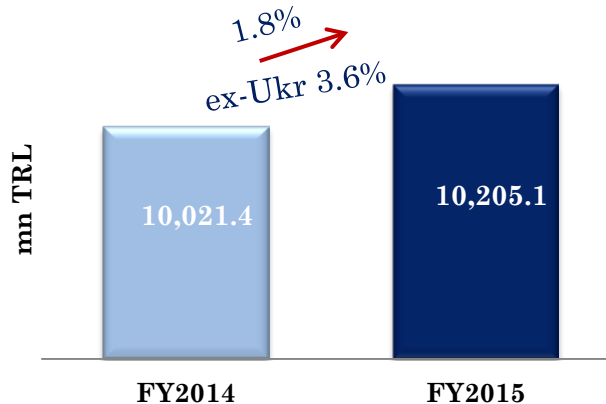


Consolidated Performance - FY2015

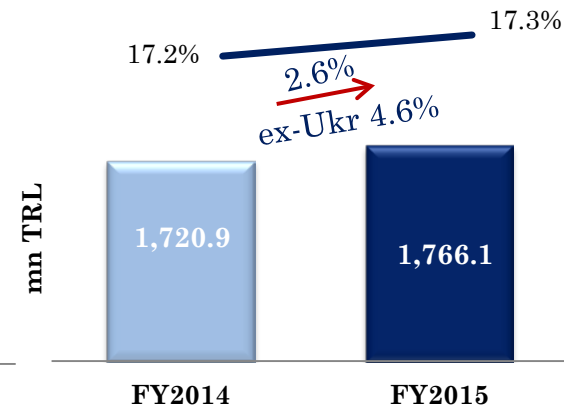
SALES VOLUME



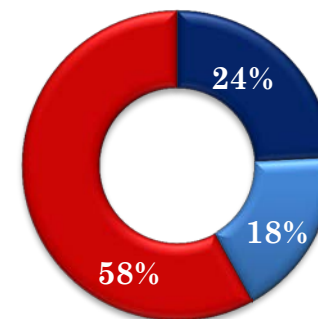
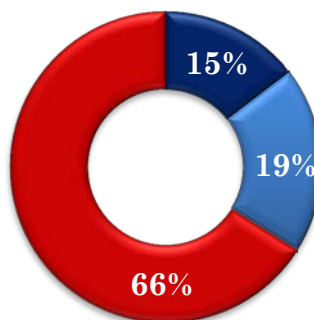
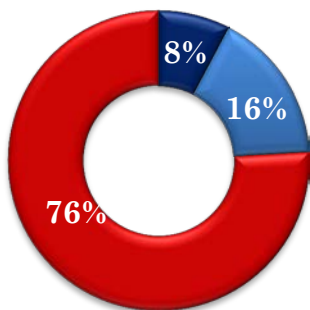
NET SALES REVENUE



EBITDA (BNRI)



BREAKDOWN



■ Turkey Beer ■ International Beer ■ Soft Drinks

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

EBITDA growth outpacing the revenue growth despite lower volumes

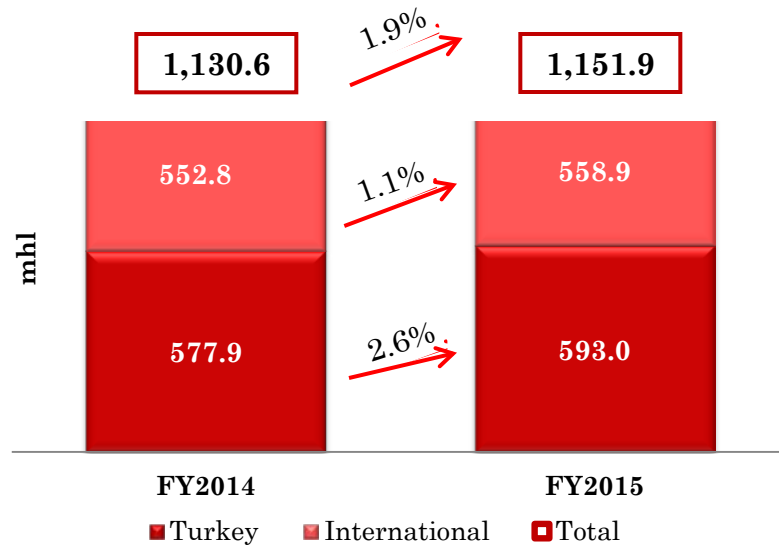


* BNRI means Before Non Recurring Items

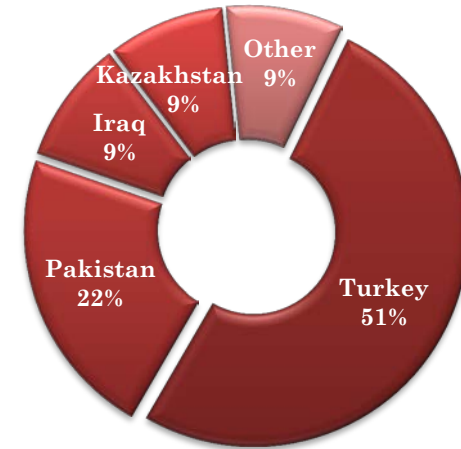
*FY2014 numbers are restated

*Breakdowns are on a combined basis

Soft Drinks Volume Development



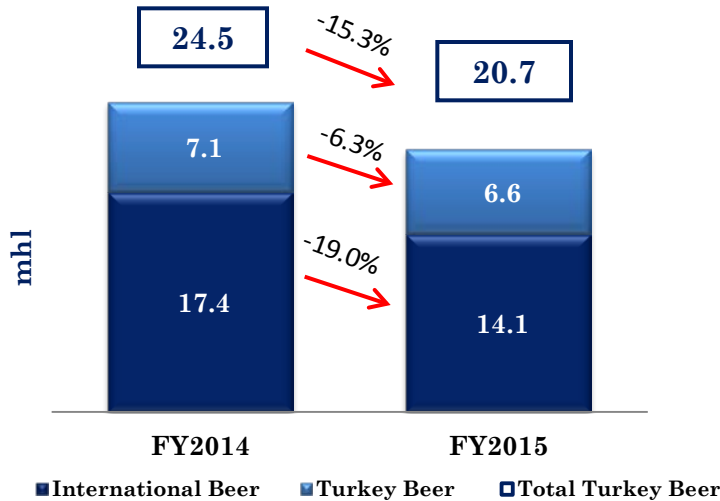
VOLUME BREAKDOWN



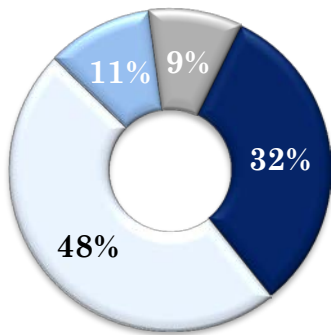
- Consolidated soft drink sales volumes was up 1.9% in FY2015
 - In 2015, both sparkling and still categories (including water) posted growth
- Turkey sales volume gradually improved in 2015 in line with our expectations
- International operations' volume was up by 1.1% cycling a strong growth of 14.2% in 2014



Beer Volume Development



VOLUME BREAKDOWN



■ Turkey ■ Russia ■ Kazakhstan ■ Other

Total beer volumes in line with guidance

Softer volumes in international operations, esp. in Ukraine, have led to lower beer sales

- 8.4% decline ex-Ukraine

Turkish beer market was down by around 1%-1.5%

Russian beer market was down by approx. high-single digit



Turkey Beer Operations

Continued focus on;

- Multi-brand strategy
- Upsizing/downsizing
- Multipack offerings

Market share stabilized in 2H2015

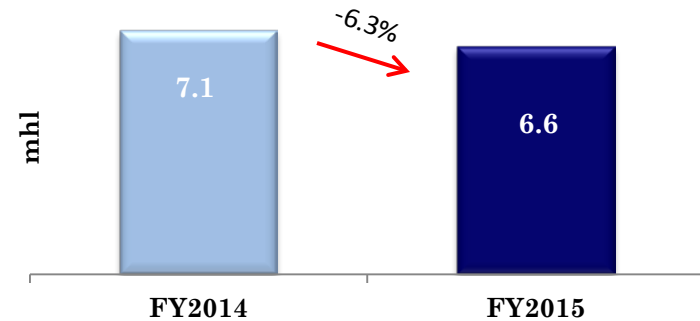
Continuous innovations

Simplified & focused execution

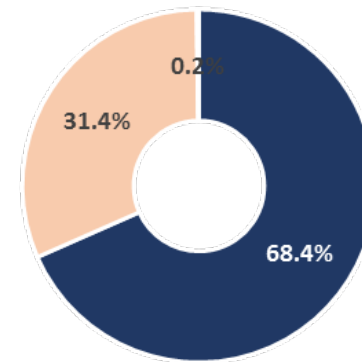
Stock level optimization in 4Q2015



SALES VOLUME

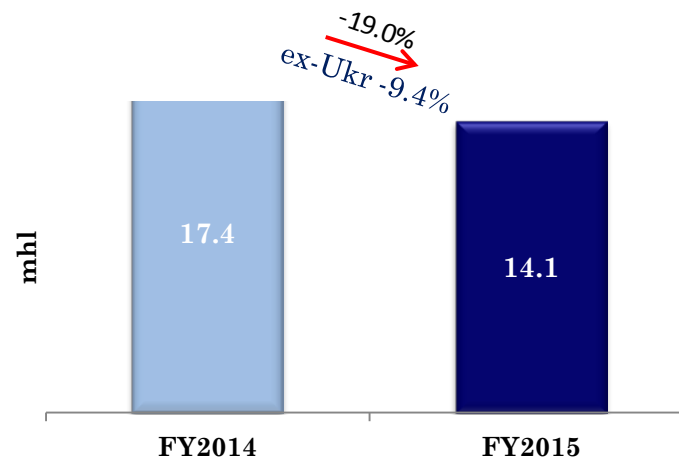


Volume Share - Turkey



■ Efes TURKEY ■ Tuborg ■ Other

International Beer Operations



Markets under pressure mainly due to macro-economic, political or sector specific challenges

Continued focus on;

- core brands
- innovation
- execution



Russia

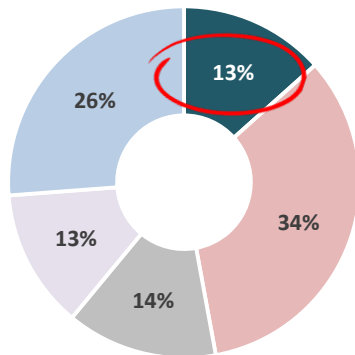
We continued to;

- strengthen our position in the Premium/Upper Mainstream segments
- consolidate our position in Modern Trade channel

Russian beer market performed better in 4Q2015, helped by;

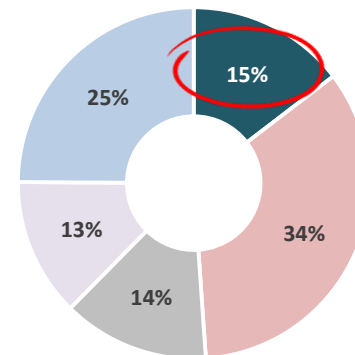
- unseasonably warm weather
- promotional activities by the industry players

Volume Share*



■ Efes RUSSIA ■ Carlsberg ■ Inbev ■ Heineken ■ Other

Value Share*



■ Efes RUSSIA ■ Carlsberg ■ Inbev ■ Heineken ■ Other

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

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

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



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FINANCIAL OVERVIEW



ONUR EVİKEL - CFO

Consolidated Performance – FY2015

(million TL)	FY2014	FY2015	Change %
Volume (mhl)	88,7	86,1	-2,8%
Net Sales	10.021,4	10.205,1	1,8%
Gross Profit	4.302,2	4.186,7	-2,7%
EBIT (BNRI)	934,7	948,5	1,5%
EBITDA (BNRI)	1.720,9	1766,1	2,6%
Margins			Change (bps)
Gross Profit	42,9%	41,0%	-190
EBIT (BNRI)	9,3%	9,3%	-3
EBITDA (BNRI)	17,2%	17,3%	13



Beer Group Performance – FY2015

	Turkey Beer		International Beer		Beer Group	
	(mn TL)		(mn USD)		(mn TL)	
	FY2015	vs FY2014	FY2015	vs FY2014	FY2015	vs FY2014
Volume (mhl)	6,6	-6,3%	14,1	-19,0%	20,7	-15,3%
Net Sales	1.484,8	-0,3%	725,1	-37,3%	3.481,3	-13,7%
Gross Profit	908,1	-3,6%	345,7	-35,4%	1.862,2	-12,3%
EBIT (BNRI)	291,5	-15,1%	31,2	33,8%	326,3	1,9%
EBITDA (BNRI)	437,9	-9,4%	118,5	-24,6%	714,5	-5,9%
Margins		Change (bps)		Change (bps)		Change (bps)
Gross Profit	61,2%	-209	47,7%	136	53,5%	87
EBIT (BNRI)	19,6%	-344	4,3%	229	9,4%	144
EBITDA (BNRI)	29,5%	-299	16,3%	274	20,5%	171

Beer Group Free Cash Flow

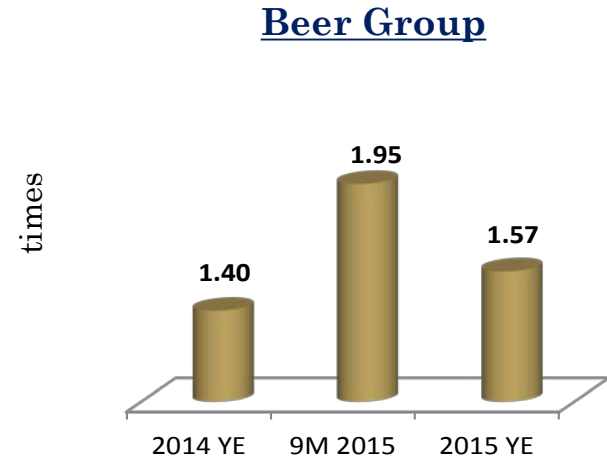
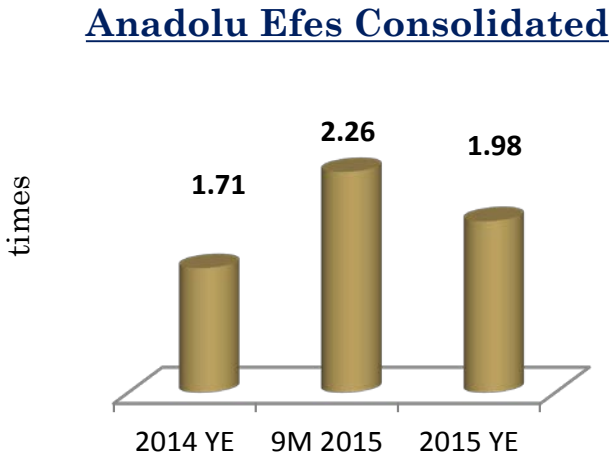
Beer Group Free Cash Flow (mn TRL)	FY2014	FY2015
EBITDA	740.8	694.9
Change in Working Capital	57.1	162.9
Income Taxes & Employee Benefits Paid	-110.1	-81.2
CAPEX, net	-246.3	-251.9
Net Financial Income /(Expense)	12.1	26.6
FCF	453.6	551.3
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-10.5	-8.9
FREE CASH FLOW (after investing activities)	443.1	542.3



Balance Sheet Flexibility

Year-End Net Leverage Ratios maintained below 2x

Net Leverage Ratio
Net Debt / EBITDA (BNRI)



AEFES		2014 YE	2015 YE
TOTAL FINANCIAL DEBT	<i>m TL</i>	4,507	5,383
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	1,562	1,892
NET DEBT	<i>m TL</i>	2,944	3,492
NET DEBT	<i>m USD</i>	1,270	1,201

BEER		2014 YE	2015 YE
TOTAL FINANCIAL DEBT	<i>m TL</i>	1,863	2,009
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	803	889
NET DEBT	<i>m TL</i>	1,061	1,120
NET DEBT	<i>m USD</i>	457	385

65% of cash is hold as hard currency

96% of debt is in hard currency

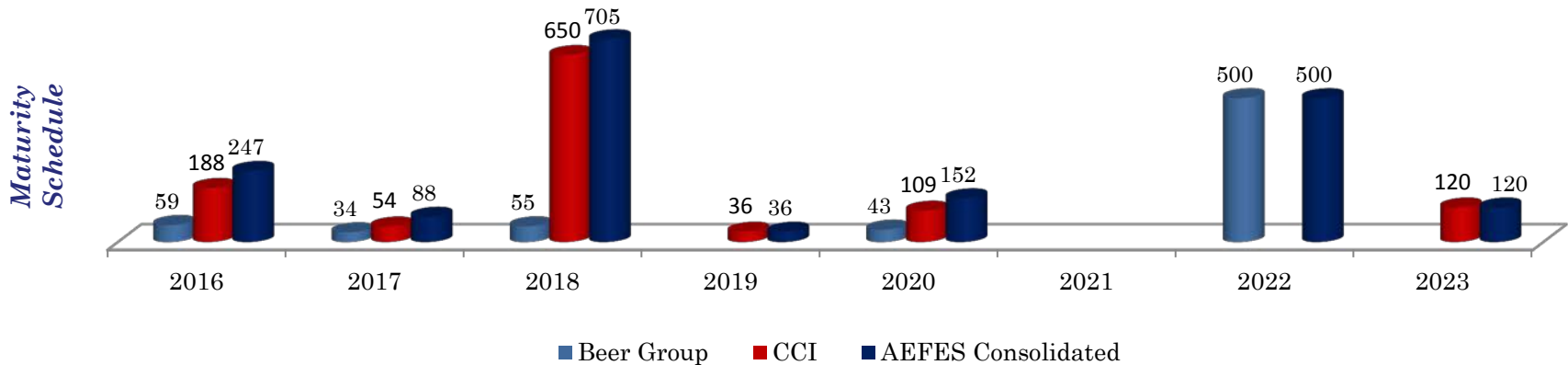
78% of cash is hold as hard currency

100% of debt is in hard currency



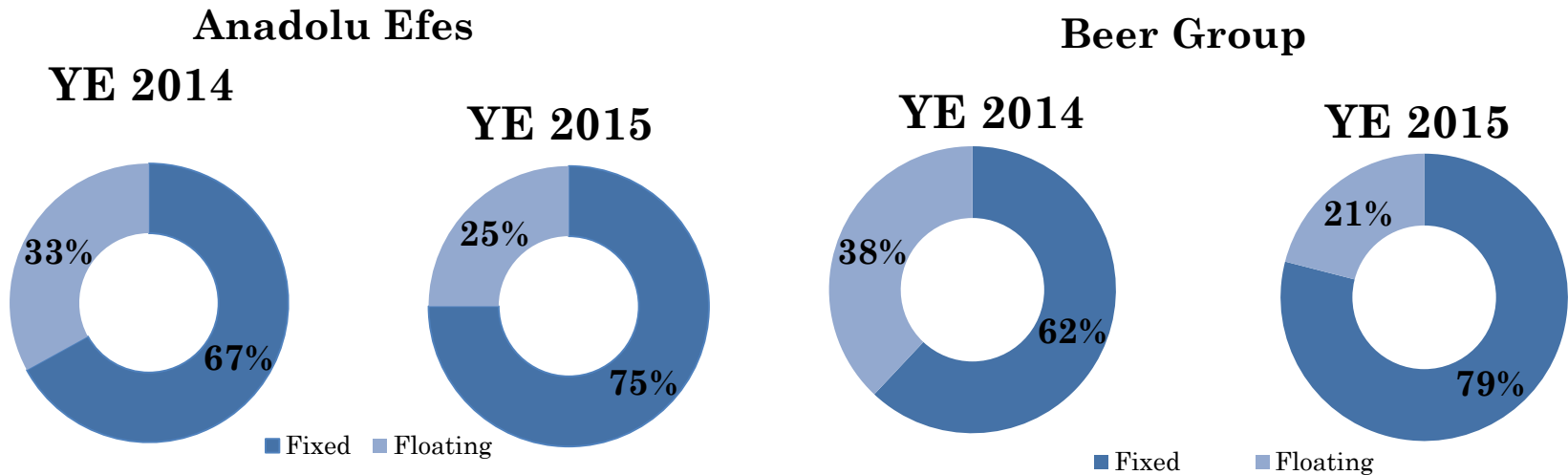
Borrowing Mix & Liquidity Profile

- 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. **5.6 years** and
 - Anadolu Efes is app. **3.9 years**



Interest Breakdown

Significant portion of debt is fixed, minimized interest rate risk



Financial Income/Expense Breakdown

Anadolu Efes Consolidated Financial Income / (Expense) Breakdown	FY2014	FY2015
Interest income	85.1	81.6
Interest expense	-193.3	-220.1
Foreign exchange gain / (loss)	-506.5	-841.7
Other financial expenses (net)	-13.8	-28.6
Net Financial Income / (Expense)	-628.5	-1,008.8

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



Anadolu Efes Consolidated Free Cash Flow

AEFES Free Cash Flow (million TL)	FY2014	FY2015
EBITDA	1,702.4	1,746.5
Change in Working Capital	26.2	152.2
Income Taxes & Employee Benefits Paid	-209.1	-157.5
CAPEX, net	-983.9	-1,058.2
Net Financial Income / (Expense)	-56.4	-45.2
FCF	479.1	637.8
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-66.3	96.9
FCF (after investing activities)	412.7	734.7



Dividend Proposal

- BOD has proposed to distribute a per share cash dividend of;
 - TL 0.245 - Gross
 - TL 0.20825 - Net

- Total proposed cash dividend of TL 145.1mn;

- The dividend proposal is subject to General Assembly approval



Financial Priorities

- Sustain consolidated cash flows through;
 - focus on working capital optimization
 - optimized capex policy
 - stick to tight balance sheet management
- Deleveraging
- Efficiency improvements via savings
- Manage impact of F/X volatility on operations
- Commitment to Investment Grade Ratings



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CLOSING REMARKS



ROBIN GOETZSCHE
BEER GROUP PRESIDENT & CEO

Long Term Key Priorities

Continue to generate value by margin improvement and FCF generation through our *priorities*;

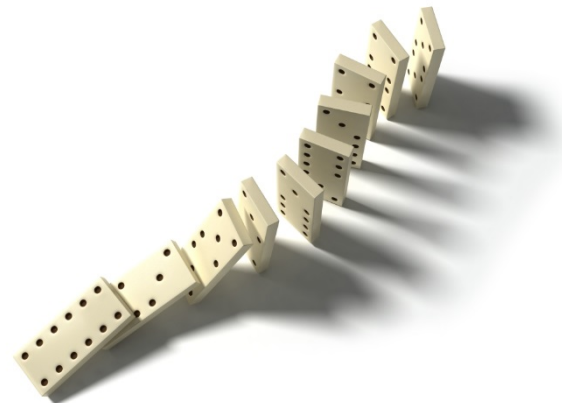
Beer

- capitalizing on our strong brand portfolios
- to achieve optimal brand & SKU mix
- excelling in execution
- focus on quality market share
- strong cash flow generation with special focus on optimizing working capital *in our beer business*

Soft Drinks

- Accelerate revenue and margin growth
- Winning at the point of sales

Sales force effectiveness *in our soft drinks business*



2016 Guidance

BEER GROUP

- **Turkey beer market** decline low-single digits
- **Efes Turkey volume** flattish
- **Russian beer market** decline parallel to the decline in 2015
- **EFES RUS volume** outperform the market
- **Total beer volume** decline at a rate of mid-single digits
- **Revenue** lower decline compared to volume decline
- **EBITDA Margin** slightly lower

CONSOLIDATED

- **Sales volumes** grow low-single digit
- **Sales revenues** grow mid-single digits
- **EBITDA (BNRI)** grow in abs. terms
- **EBITDA (BNRI) marg** flattish to slightly lower margin
- **Capex/net sales** high-single digit



higher in absolute terms

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Q&A SESSION



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APPENDIX



Upcoming IR Events

March;

- Non-deal Roadshow - London

May;

- Morgan Stanley GEMs Conference - London

- JP Morgan Global Consumer Conference - London



F/X Rates

		2014	2015	Δ%
USD/TL	AVG	2.19	2.72	24.4%
	PE	2.32	2.91	25.4%
EUR/TL	AVG	2.90	3.02	3.9%
	PE	2.82	3.18	12.7%
USD/RUB	AVG	38.42	60.96	58.7%
	PE	56.26	72.88	29.5%
USD/KZT	AVG	179.19	221.73	23.7%
	PE	182.35	339.47	86.2%
USD/UAH	AVG	11.87	21.81	83.6%
	PE	15.77	24.00	52.2%
USD/MDL	AVG	14.04	18.82	34.0%
	PE	15.62	19.66	25.9%
USD/GEL	AVG	1.77	2.27	28.6%
	PE	1.86	2.39	28.5%

