



ANADOLU EFES

INVESTOR PRESENTATION

Post 1H2017 Financials

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.



LIVING THE VALUES!



.....
PASSIONATE
& PROUD



.....
PROFESSIONAL



.....
ENTREPRENEURIAL

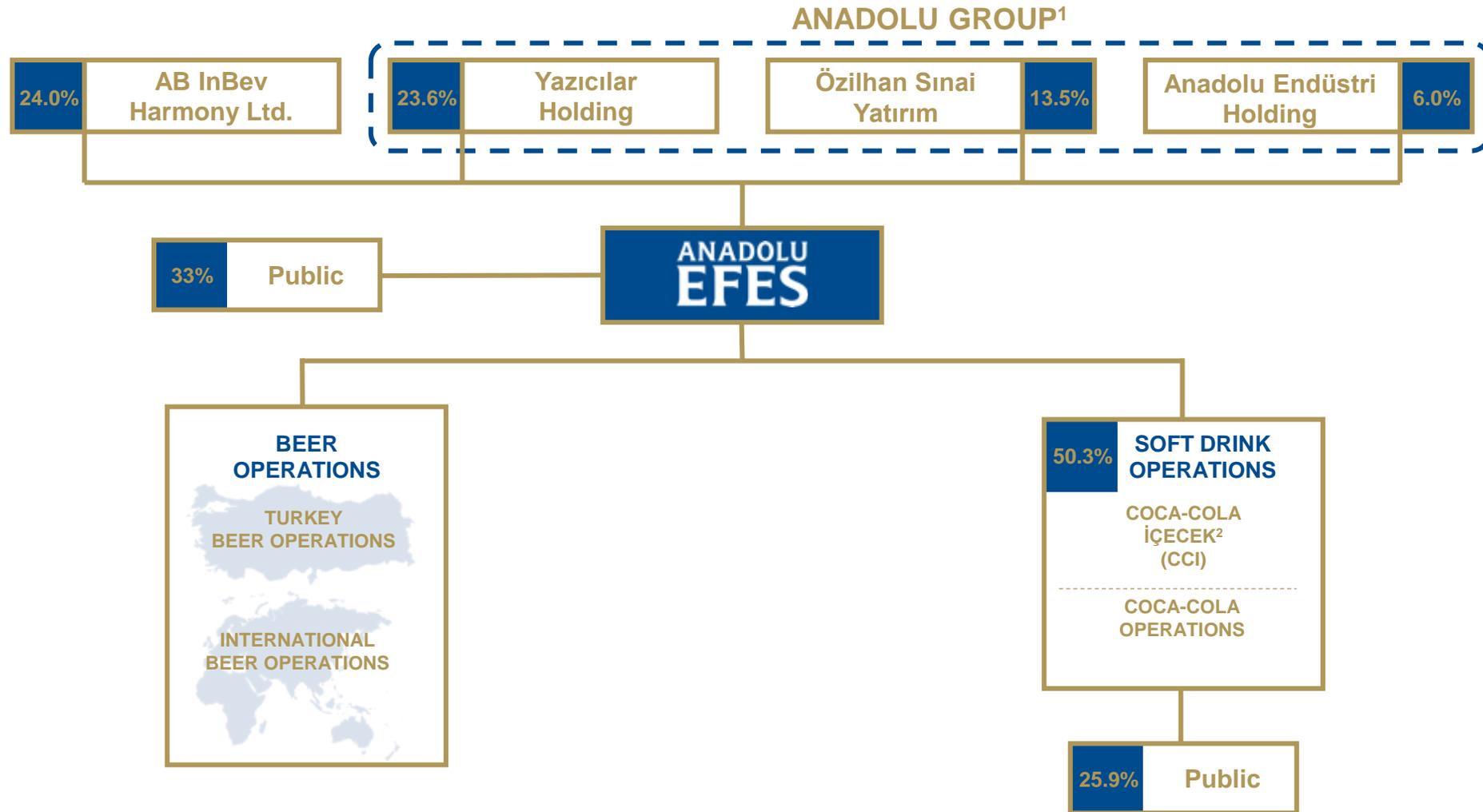


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COLLABORATIVE



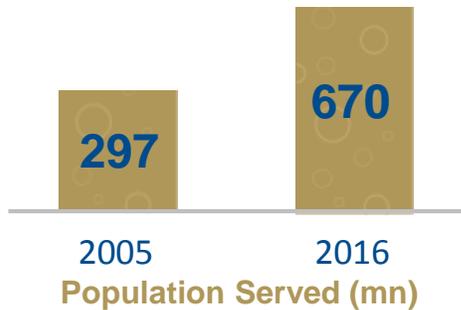
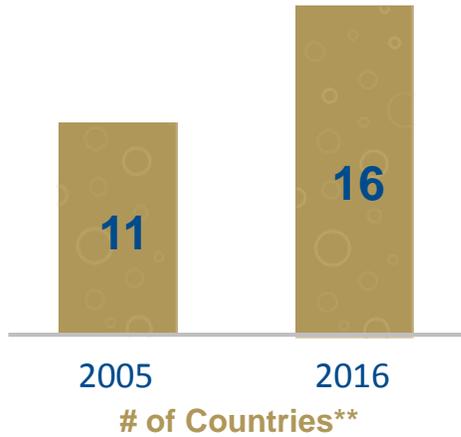
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SUSTAINABLE

ANADOLU EFES - OWNERSHIP STRUCTURE



(1) Only the major subsidiaries of the Group are presented
 (2) 20% held by TCCC (The Coca-Cola Export Cooperation) and 4% by Özgörkey Holding

ANADOLU EFES AT A GLANCE



Serving more than **670 mn** people



16 countries; 14 Breweries & 25 Bottling Plants

- Europe's **6th** largest brewer
- World's **14th** largest brewer
- **5th** largest Coca-Cola bottler in the Cola system



World class brand portfolio in beer & soft drinks



Strategic partnerships with world giants – AB InBev & The Coca-Cola Company



Operating in markets with significant growth potential



Total consolidated sales volume of 8.7 bn lt in 2016



TL10.4 bn net sales revenue & TL 1.8 bn EBITDA in 2016

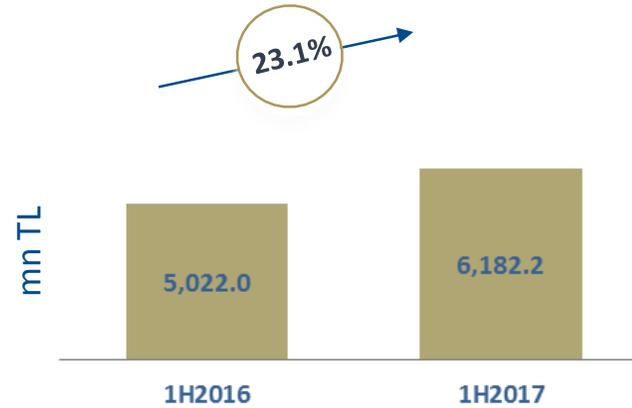


Consolidated Performance – 1H2017

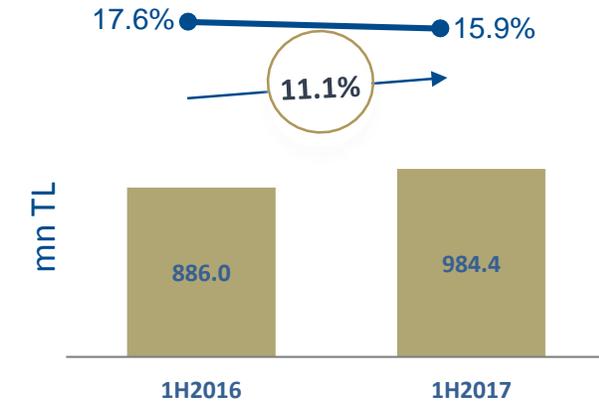
SALES VOLUME



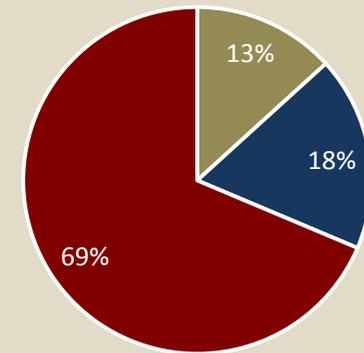
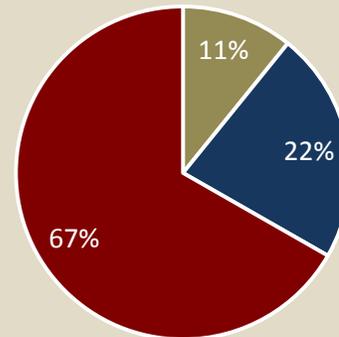
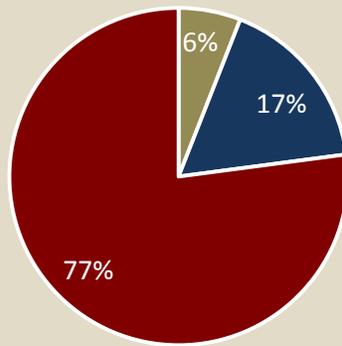
NET SALES REVENUE



EBITDA (BNRI) & EBITDA (BNRI) Margin



BREAKDOWN*



■ Turkey Beer ■ International Beer ■ Soft Drinks

*Breakdowns are on a combined basis

1H2017 KEY HIGHLIGHTS

- **Volume up 4.4% in 1H2017 vs.1H2016**
 - ✓ Robust results in both international beer operations and soft drinks
 - ✓ In line with our guidance of low-to-mid single digit growth
- **Revenue up 23.1% in 1H2017 y-o-y, outperforming volume growth**
 - ✓ Higher volumes
 - ✓ Price increases
 - ✓ Positive translation effect of local currencies of international operations into TL
- **EBITDA (BNRI) increased by 11.1% and reached TL984.4 million**
- **Bottomline was 90.2 million TL vs 232.2 million TL**
 - ✓ TL 100.5 million net fx-loss in 1H2017, vs. net fx-gain c
- **Consolidated FCF** of TL129.8 million up from TL49.4 million in 1H2016
- **Consolidated Net Debt to EBITDA (BNRI)** was 1.9x as of 1H2017

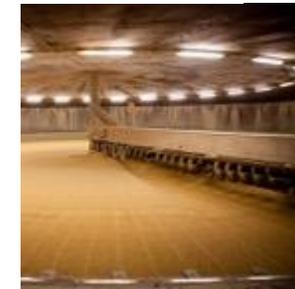


STRONG COMPETITIVE ADVANTAGES

- **Balanced** Beer & Soft Drink Operations
- **Strategic Partnership** with AB InBev & TCCC
- **Expertise & Know-how** in driving cost efficiencies
- **Strong** regional player powered by proven local know-how



SOLID CASH FLOW GENERATION



LONG TERM KEY PRIORITIES

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

Beer



- Capitalizing on our strong brand portfolios
- Achieving optimal brand & SKU mix
- Excelling in execution
- Focusing on quality market share
- Strong cash flow generation with special focus on optimizing working capital

Soft Drink



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



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BEEER OPERATIONS



BEER OPERATIONS



* Volume share, Nielsen, 1H2017

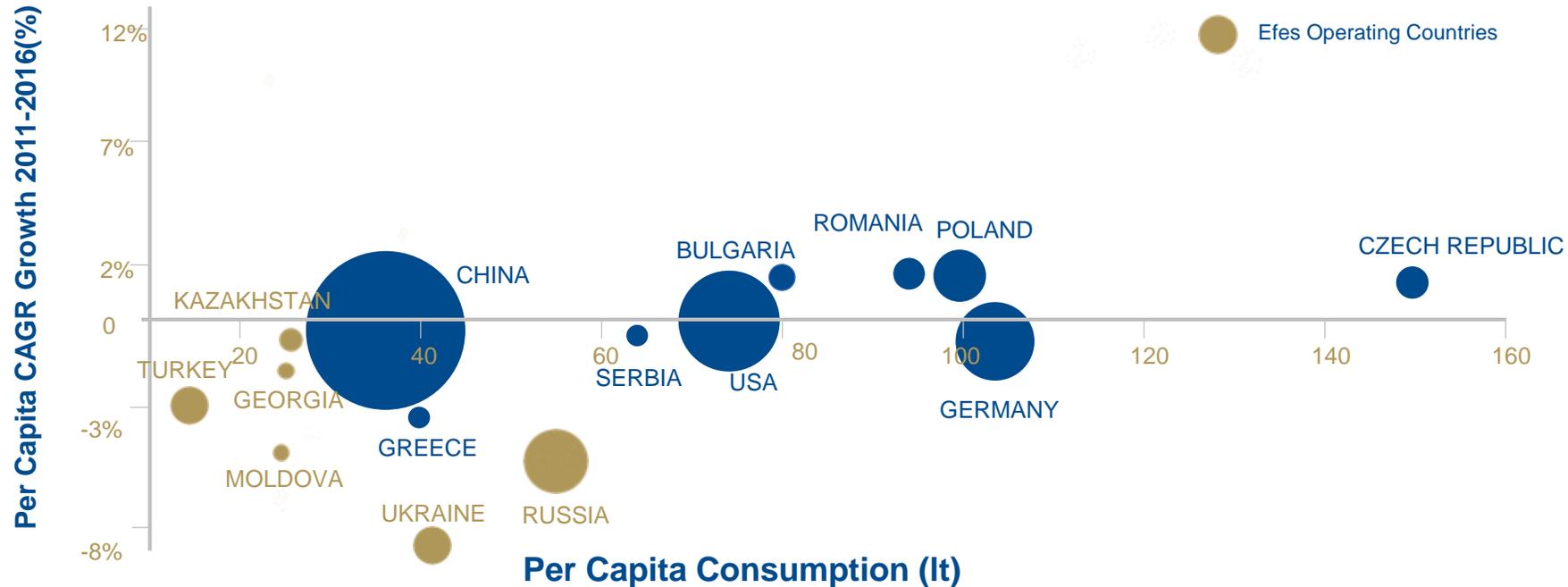
** Company estimates

*** Gamma Retail Audit

MARKETS WITH LOW PER CAPITA CONSUMPTION AND HIGH GROWTH POTENTIAL

Operating markets with growth potential characterized by

- ✓ low per capita consumption
- ✓ young populations
- ✓ developing economies
- ✓ westernization/urbanization



Source: Canadean Global Beer Trends 2016, Company Estimates
 Note: Bubbles represent market size

B BRANDS E XECUTION E FFICIENCY R ELATIONS



Provide choice and innovation to consumers:
Grow brand love



Excell in **customer collaboration**
availability and point of sale activation



Build competitive advantage through **lean and**
efficient operations



Focus on **employees, customers, regulators,**
community and environment

TURKISH BEER MARKET

- ◉ Low per capita consumption of 11 liters* offering a growth potential
- ◉ Growing population with 1.4% annual growth rate in 2016
 - ✓ 48% is below age 30
- ◉ Returnable market enabling higher operational profitability
 - ✓ Bottles & kegs amount to more than half of total beer market

Low per capita consumption of 11 liters offering a growth potential

- ◉ **3** Breweries, **2** Malteries & **1** Hops Processing Facility
- ◉ **62%** market share*
- ◉ **100%** brand awareness for “**Efes Pilsen**”
- ◉ Rich portfolio of local, imported & licensed brands covering all segments
- ◉ # 1 in consumer spending in Food & Beverage category – 8.8% in 2016**
- ◉ **99%** penetration in Turkey**
- ◉ **153** Dealers & **25** Distributors



RUSSIAN BEER MARKET

- ◉ World's 5th largest beer market with total consumption of **~80 mhl**
- ◉ Expected compounded annual growth rate of **2%*** between 2017-2021
- ◉ Dominated by multinational brewers
 - ✓ Top 4 accounting for **~ 72%** of the market
- ◉ Share of Modern Trade above **60%** - more than doubled in the last few years



#2 player with;

- 6 Breweries – 21.7 mhl total brewing capacity
- 4 Malteries & 1 Preform Plant
- AEFES' largest beer market;
56% of total beer volumes from Russia in 1H2017
- 15% overall market share*
- #1 position in Premium category



OTHER INTERNATIONAL BEER OPERATIONS

- ◉ Market leader in
 - ✓ Kazakhstan
 - ✓ Georgia
 - ✓ Moldova



COMMITMENT TO ENVIRONMENT



ENERGY AND EMISSIONS MANAGEMENT

10%+10%

Compared to 2008, we consumed **10% less energy** and generated **10% fewer emissions per unit product**. Between 2008-2013 the amount of energy we saved is equal to the **yearly consumption of 200.000 households**



OPERATIONAL RELIABILITY

22 Thousand Hours

In 2013, we provided a total of more than **22.000 hours of occupational health and safety** training to our employees. We recycled **94.6%** of solid waste and by-products generated during the production of beer and malt



WATER MANAGEMENT

67 Thousand Households

Compared to 2008, we consumed 19% less water in beer production and 24% less water in malt production. Between 2008-2013, the amount of water we saved is equal to the **yearly consumption of 67.000 households**



PACKAGING MANAGEMENT

178 Great Wall of China

Compared to 2012, the weight of one-way packaging waste reclaimed is **increased by 22%**. Between 2008-2013, Preference of returnable bottles resulted in saving enough glass bottles to create a line stretching **178 times longer than Great Wall of China**.



Coca-Cola
İçecek



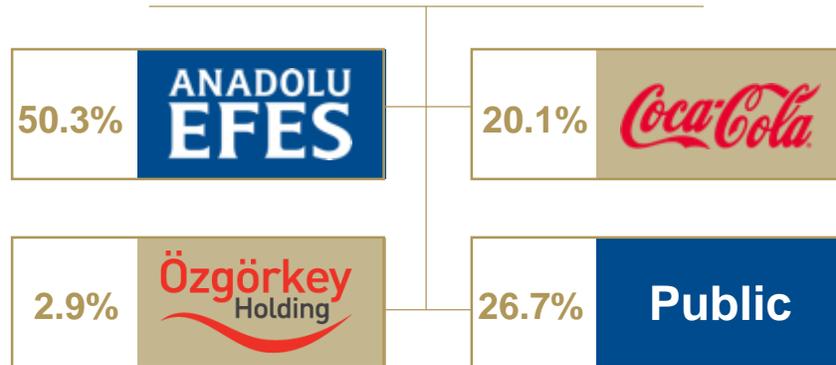
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CCI AT A GLANCE

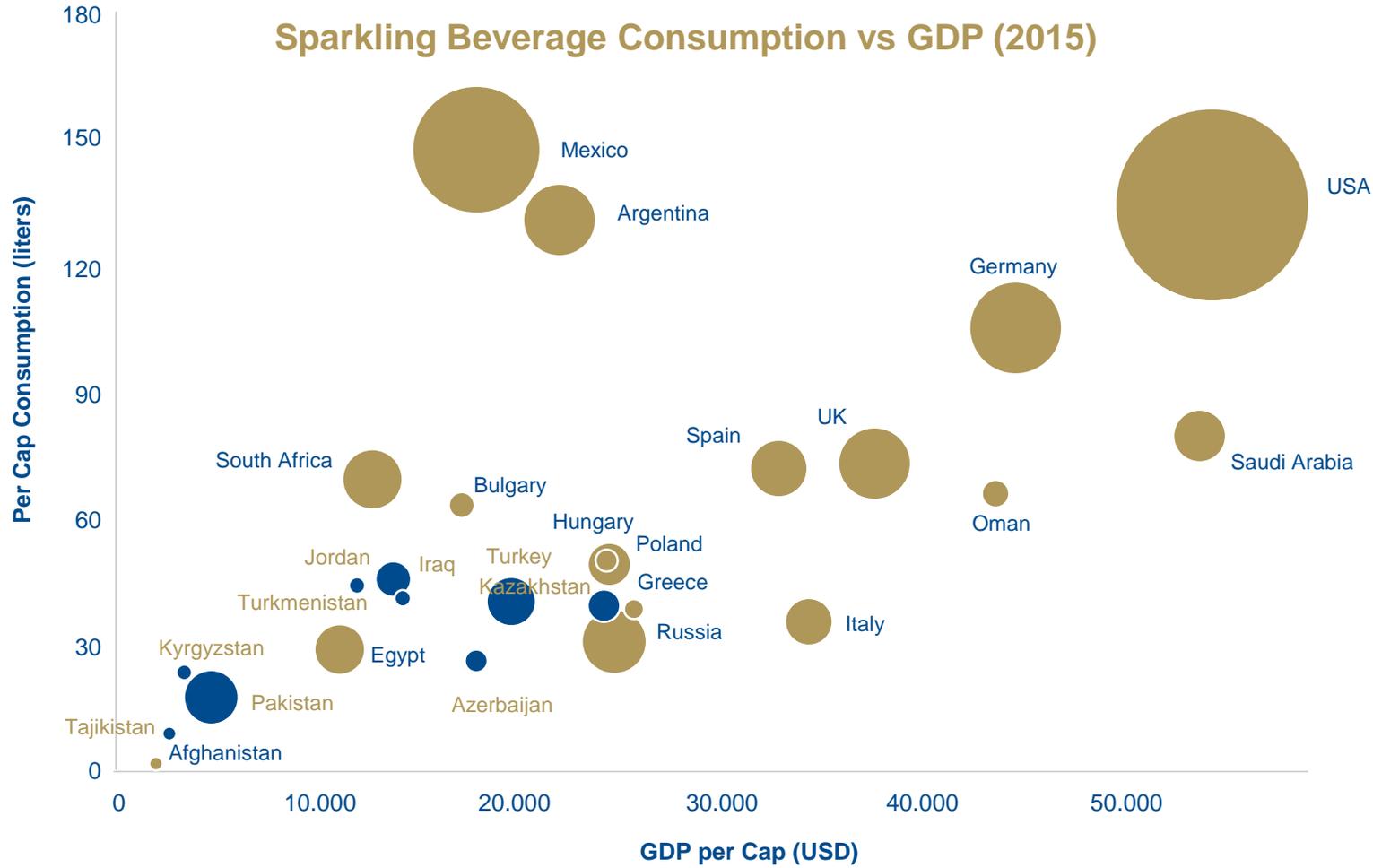
- **Market leader** in Turkey with 64% & Kazakhstan with 49% market share
- **#2 in** Pakistan with 37% market share & **#2 in** Iraq

- 25 Bottling Plants in 10 Countries
- 5th largest Coca-Cola bottler in Cola system
- Annual capacity of 1.4bn uc
- 1.2bn uc sales volume
- 26bn annual servings

Coca-Cola İçecek



CCI AT A GLANCE



CCI territory
Total population:
380 million

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

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**



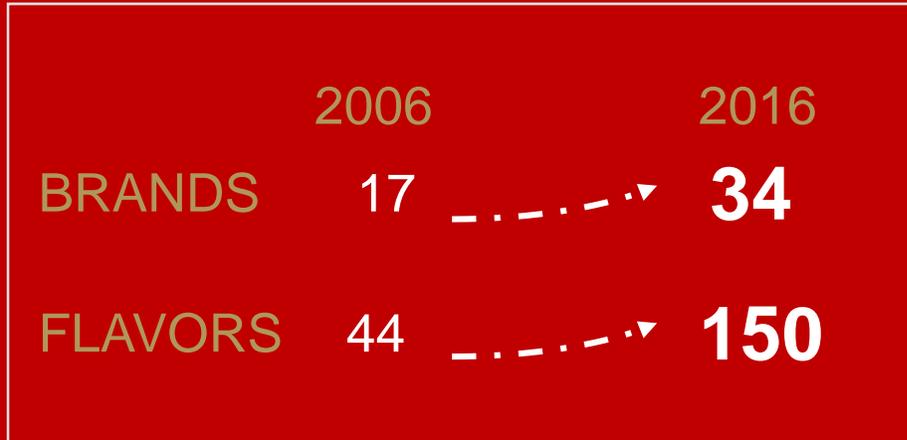
5 Build a **World Class Organisation**



Coca-Cola Icecek

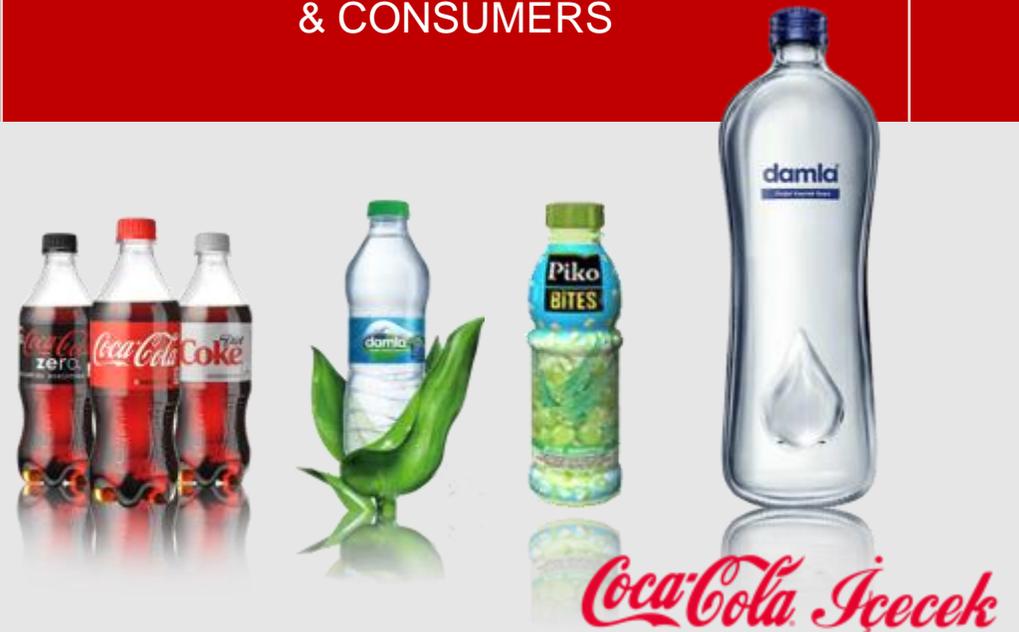
STRONG BRAND PORTFOLIO

BRAND & FLAVOR EXPANSION

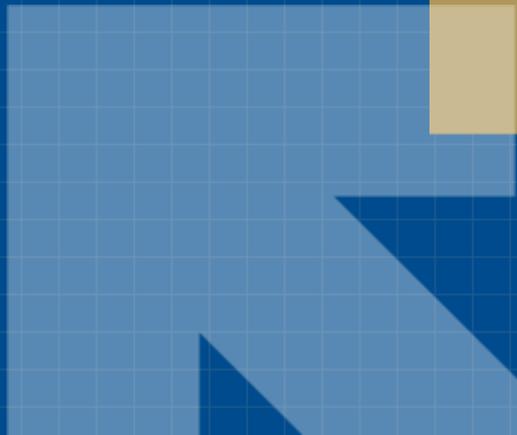
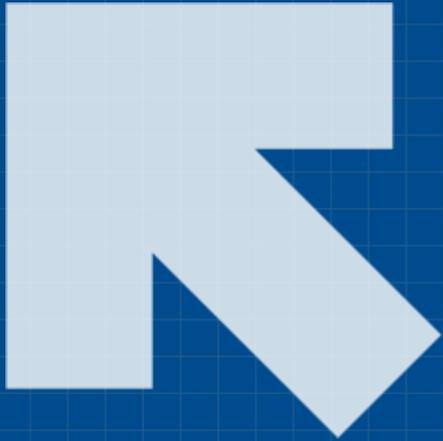


PACKAGE INNOVATION

DIFFERENTIATED
PACKAGE SEGMENTATION
ACROSS CHANNELS, CUSTOMERS
& CONSUMERS



FINANCIALS AND OUTLOOK



FINANCIAL HIGHLIGHTS

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		CCI (TL mn)	
	1H2017	vs 1H2016	1H2017	vs 1H2016	1H2017	vs 1H2016
Volume (mhl)	2.6	-8.6%	7.6	11.1%	605.6*	4.1%
Net Sales	666.1	-3.0%	1386.9	55.6%	4,115.0	20.0%
Gross Profit	367.3	-8.4%	574.9	39.8%	1,401.1	14.8%
EBIT (BNRI)	45.1	-54.2%	46.5	-12.9%	439.3	25.6%
EBITDA (BNRI)	133.4	-26.7%	182.2	22.4%	690.5	19.6%
Net Income**	-3.4	n.m.	58.4	-44.3%	145.3	-18.2%
Margins	Change (bps)		Change (bps)		Change (bps)	
Gross Profit	55.1%	-325	41.5%	-470	34.0%	-153
EBIT (BNRI)	6.8%	-756	3.4%	-264	10.7%	48
EBITDA (BNRI)	20.0%	-647	13.1%	-357	16.8%	-5
Net Income**	-0.5%	-1,098	4.2%	-755	3.5%	-164

* mn u/c

**Net income attributable to shareholders

GROSS & NET DEBT

Anadolu Efes Consolidated

1H2016	1H2017	
5,332	6,372	TOTAL FINANCIAL DEBT (m TL)
1,692	2,727	TOTAL CASH & EQUIVALENTS (m TL)
3,640	3,645	NET DEBT (m TL)
1,258	1,039	NET DEBT (m USD)

Turkey Beer

1H2016	1H2017	
1,925	2,302	TOTAL FINANCIAL DEBT (m TL)
179	248	TOTAL CASH & EQUIVALENTS (m TL)
1,746	2,054	NET DEBT (m TL)
604	586	NET DEBT (m USD)

Beer Group

1H2016	1H2017	
2,157	2,587	TOTAL FINANCIAL DEBT (m TL)
815	1,278	TOTAL CASH & EQUIVALENTS (m TL)
1,342	1,309	NET DEBT (m TL)
464	373	NET DEBT (m USD)

EBI

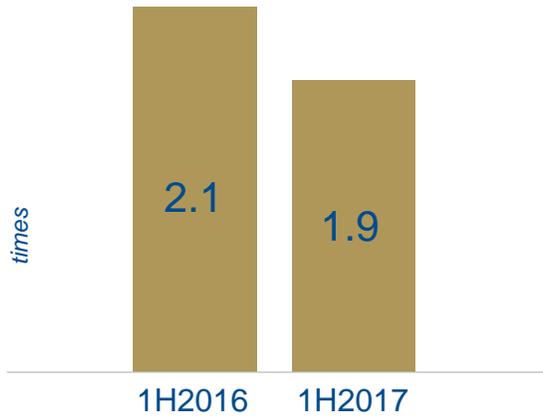
1H2016	1H2017	
225	276	TOTAL FINANCIAL DEBT (m TL)
600	1,026	TOTAL CASH & EQUIVALENTS (m TL)
-375	-749	NET DEBT (m TL)
-130	-214	NET DEBT (m USD)

BALANCE SHEET FLEXIBILITY

- 1H2017 Net Leverage Ratios are within comfortable area

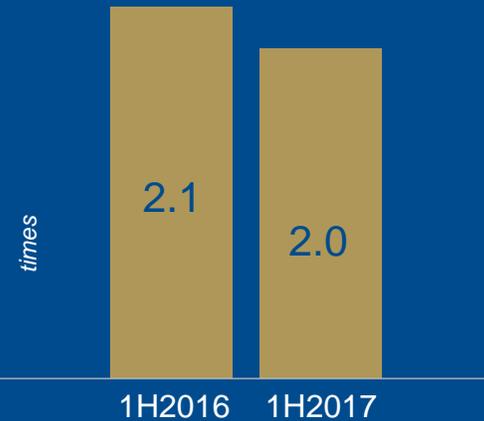
Net Leverage Ratio: Net Debt / EBITDA (BNRI)
times

Anadolu Efes Consolidated



- 72% of cash is hold as hard currency
- 97% of debt is in hard currency

Beer Group



- 72% of cash is hold as hard currency
- 95% of debt is in hard currency

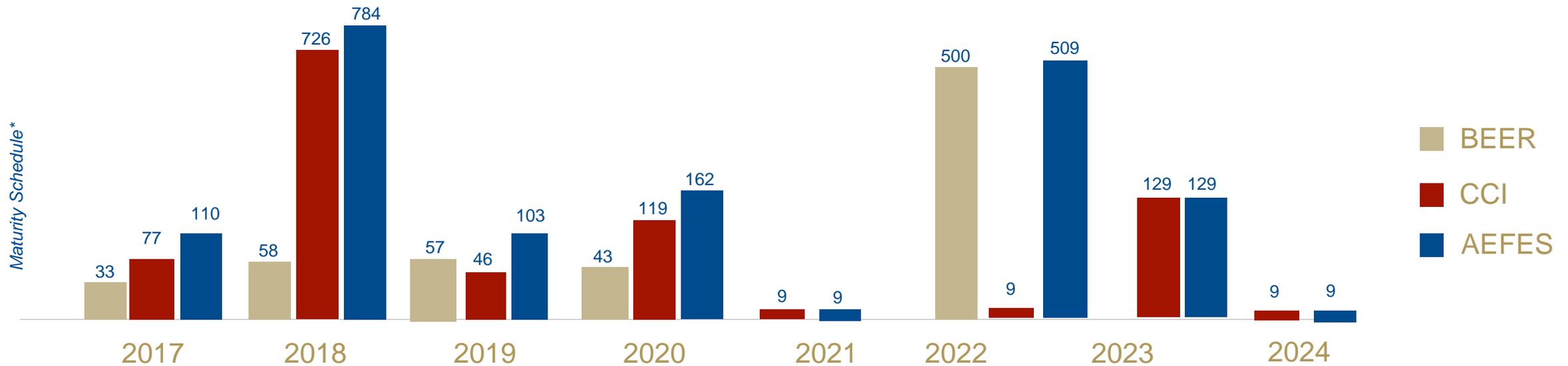
BORROWING MIX & LIQUIDITY PROFILE

- Easily manageable debt repayment schedule

- Average maturity of debt for

- ✓ Beer Group is app. 4.1 years and

- ✓ Anadolu Efes is app. 2.8 years



*Only principal amounts

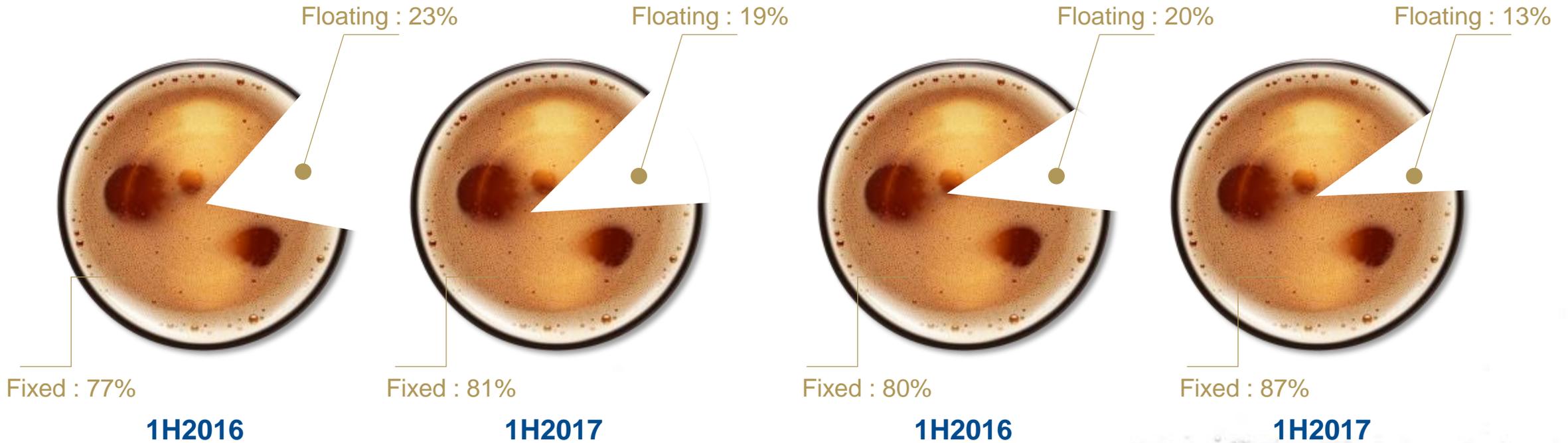


INTEREST BREAKDOWN

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

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BEER GROUP



2017 GUIDANCE

Sales Volume:

Mid-single digits growth on a consolidated basis (*previously: low-to-mid single digit growth*)

Total Beer: Mid-single digit growth (*previously: low single digit growth*)

Turkish beer market: Flattish

Turkey own beer: Down low-single digit (*previously: flattish*)

Russian beer market: Down low-single digit (*previously: flattish*)

Russian own beer: Outperformance of beer market

Consolidated Soft Drinks: Mid-single digit growth

Turkey soft drinks: Low-single digit growth

International soft drinks: High-single digit growth

Revenue:

Outperform sales volume **in all business lines**

EBITDA Margin:

Flattish **on a consolidated basis**

- Slightly lower margin **for beer group** (*previously: flattish*)
- Flat to slight improvement in EBITDA margin **for soft drinks**

Capex: As a percentage of net sales at high single digits **on a consolidated basis**

FCF: Positive FCF in **both beer and soft drinks**

FINANCIAL PRIORITIES

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



FINANCIAL HIGHLIGHTS – FY2016

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (USD mn)		CCI (TL mn)	
	FY2016	vs FY2015	FY2016	vs FY2015	FY2016	vs FY2015
Volume (mhl)	6.0	-9.9%	13.9	-0.9%	1,189.1**	3.2%
Net Sales	1,438.6	-3.1%	630.6	-13.0%	7,050.2	4.9%
Gross Profit	853.5	-6.0%	275.4	-20.3%	2,392.5	2.5%
EBIT (BNRI)	246.6	-15.4%	42.6	36.4%	640.7	0.2%
EBITDA (BNRI)	408.3	-6.8%	107.8	-9.0%	1,092.9	3.9%
Net Income*	-129.0	-162.9%	52.8	n.m.	-28.4	a.d.
Margins		Change (bps)		Change (bps)		Change (bps)
Gross Profit	59.3%	-183	43.7%	-401	33.9%	-78
EBIT (BNRI)	17.1%	-249	6.8%	245	9.1%	-42
EBITDA (BNRI)	28.4%	-111	17.1%	75	15.5%	-14
Net Income*	-9.0%	-566	8.4%	1,523	-0.4%	-215

*Net income attributable to shareholders

** mn unit case