

## ANADOLU EFES FY2017 VOLUME RESULTS

Istanbul, January 12, 2018 – Anadolu Efes (BIST: AEFES.IS) today announced:

	4Q2016	4Q2017	% change	2016	2017	% change
Beer Group (mhl)	4.3	4.8	11.0%	19.9	21.1	5.6%
Turkey Beer	1.4	1.4	5.2%	6.0	5.8	-3.2%
International Beer	2.9	3.3	13.7%	13.9	15.2	9.3%
Coca-Cola Icecek (m u/c)	224.0	227.1	1.4%	1,189.1	1,237.5	4.1%
Turkey	118.1	120.4	1.9%	601.1	621.0	3.3%
International	105.9	106.8	0.8%	588.0	616.5	4.9%
<b>Anadolu Efes Consolidated (mhl)</b>	<b>17.0</b>	<b>17.7</b>	<b>3.8%</b>	<b>87.5</b>	<b>91.3</b>	<b>4.4%</b>

### ANADOLU EFES CONSOLIDATED

Anadolu Efes' consolidated sales volume recorded 3.8% growth y-o-y in **4Q17** led by the strong performance of beer operations and positive contribution of soft drinks. The biggest contributor to growth was international beer operations, which recorded 13.7% y-o-y growth in **4Q17**. Accordingly, Anadolu Efes' consolidated sales volume for the full year increased by 4.4% y-o-y to 91.3 mhl in line with our guidance of mid-single digit growth.

### BEER GROUP

In **4Q17** Beer Group posted a strong volume growth of 11.0%, the highest quarterly volume growth since 2013 driven by the positive contribution from international beer operations led by Russia. Total beer volume was recorded as 4.8 mhl in the last quarter, bringing **FY17** volumes up to 21.1 mhl with a 5.6% y-o-y growth meeting our full year guidance of mid-single digit growth.

### TURKEY BEER

Turkey beer domestic volume posted a strong 5.6% growth in **4Q17** after the mild growth in the third quarter of the year. Thus, domestic Turkey beer volume came in at 5.4 mhl in 2017, down by 3.1% vs. 2016 in line with our guidance of low single digit decline. Total Turkey sales volume, which include exports was 5.8 mhl in **FY17**, down by 3.2% y-o-y.

Turkish beer market is estimated to be flat in **FY17**.

Given the deterioration of consumer confidence at the beginning of the year and lower-than-expected tourist arrivals lacking the favorable mix, beer volumes in Turkey remained under pressure during the year. In addition, high prices due to the excise tax increases put further pressure on affordability. Yet, the successful execution of the relaunch of "Efes Pilsen" brand was supportive of the positive growth seen in the last two quarters of 2017 despite the ongoing competition.

## INTERNATIONAL BEER

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EBI's consolidated sales volume in **4Q17** was strong at 3.3 mhl indicating a growth of 13.7% y-o-y as each EBI operating country contributed positively to the quarterly volumes. Mostly led by Russian beer operations, EBI's consolidated volume reached 15.2 mhl with a 9.3% growth in **FY17**.

The Russian beer market is estimated to have declined by low-to-mid single digits in 2017 due to the negative impact of the PET downsizing as well as unfavorable weather conditions during the high season. Our Russian operations recorded double digit volume growth in the quarter, despite cycling a very strong base of last year. Accordingly full year sales volume growth in Russia was also double digit, outperforming the market, as guided. The outperformance was driven by increased penetration in the modern trade channel, leadership in the premium segment and strengthened position in the mainstream segment.

Volume performance was also positive in other EBI markets with our execution efforts, also assisted by the improved macro environment in the operating geography. Continuous optimization of the brand portfolio supported by successful executions and efficient RTM continued to be the focus in 2017 as we maintained our leadership in these markets.

## SOFT DRINK GROUP

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**In FY17**, CCI's consolidated sales volume increased by 4.1%, in line with our guidance. This was driven by solid performance of Sparkling (up 3.3%), Stills (up 8.5%) and non-ready-to-drink ('NRTD') Tea (up 20.9%), while Water volume declined by 3.2%. The share of Turkey operations within total sales volume was 50% in **FY17** compared to 51% in **FY16**.

**In 4Q17**, consolidated sales volume rose by 1.4%, driven by 3.0% Sparkling and 16.8% Stills growth, along with 4.0% lower Water and 7.7% lower NRTD tea volume.

**In FY17**, Turkey operations delivered volume growth of 3.3%, registering the highest growth of the past 5 years. This was mainly driven by Sparkling (up 1.7%), Stills (up 4.1%) and NRTD tea (up 20.7%). Water contracted by 6.8% in **FY17**, in line with our strategy to improve category profitability. Our initiatives to drive revenue through quality volume growth resulted in positive Sparkling growth for the first time in 5 years. The share of immediate consumption ('IC') packages in the Sparkling category maintained momentum, rising to 22% from 20% in **FY16**, with the number of transactions growing by 9%, outpacing volume growth.

**In 4Q17**, volume growth in Turkey was 1.9%. The Sparkling category registered 5.7% growth with an accelerated growth of 23.5% in IC packages. The share of IC packages in the Sparkling category increased by 3.7% points year-on-year to 25.7%. The Stills category posted 13.2% growth in the quarter, mainly driven by double digit growth both in Juice and Ice Tea. Meanwhile, Water contracted by 0.7% due to our focus on more profitable packages, and NRTD Tea declined by 7.9%, mainly due to the high base of **4Q16**.

**In FY17**, CCI's international operations delivered 4.9% volume growth, primarily driven by growth in Kazakhstan, Pakistan, Azerbaijan and Iraq. In Pakistan, volume rose by 3.5%. This was mainly due to the focus on profitable volume growth and price increases in early 2017 for the first time in 3 years, which slowed down overall volume growth. Across the Middle East, volume grew by 5.5%, with Iraq posting 5.5% growth, mainly driven by Sparkling. Jordan recorded 5.0% growth for the year. Central Asia registered 7.0% growth, mainly due to strong performance in Kazakhstan and Azerbaijan. Kazakhstan posted 17.5% volume growth, representing a record high volume in the aftermath of the financial crisis. Strong market execution, successful consumer activities and higher oil prices supporting

the economy led to double digit growth in all categories in Kazakhstan. Azerbaijan, CCI's second largest market in the region, posted 27.2% volume growth, mainly from strong growth in the Sparkling category. Turkmenistan registered 45.8% volume contraction due to a worsened macroeconomic backdrop which resulted in limitations on currency convertibility, causing interruptions to its operations.

**In 4Q17**, international operations delivered 0.8% volume growth. In Pakistan, volume decreased by 3.7% in 4Q17, cycling 13.1% growth in 4Q16, mainly due to the slowdown impact of price increases, coupled with unfavorable weather conditions and macro uncertainties impacting consumer sentiment. Across the Middle East, volume grew by 3.7%. Iraq posted 4.9% growth driven by the Sparkling category. Jordan recorded 2.6% contraction, reflecting the weak macroeconomic environment and slowdown in overall consumer spending. Central Asia registered 5.3% volume growth with all markets, except for Turkmenistan, posting double-digit volume growth. During the quarter, Kazakhstan posted 13.4% volume growth, cycling 14.3% growth in 4Q16 and Azerbaijan posted 34.7% volume growth.

## ABOUT ANADOLU EFES

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Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with total employees of 14,424\*, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI, that manages the soft drink business in Turkey and international markets.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This document 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.

## ENQUIRIES

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For financial reports and further information regarding Anadolu Efes, please visit our website at <http://www.anadoluefes.com/> or you may contact;

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\*As of September 30, 2017