



ANADOLU EFES

INVESTOR PRESENTATION

Post FY2016 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

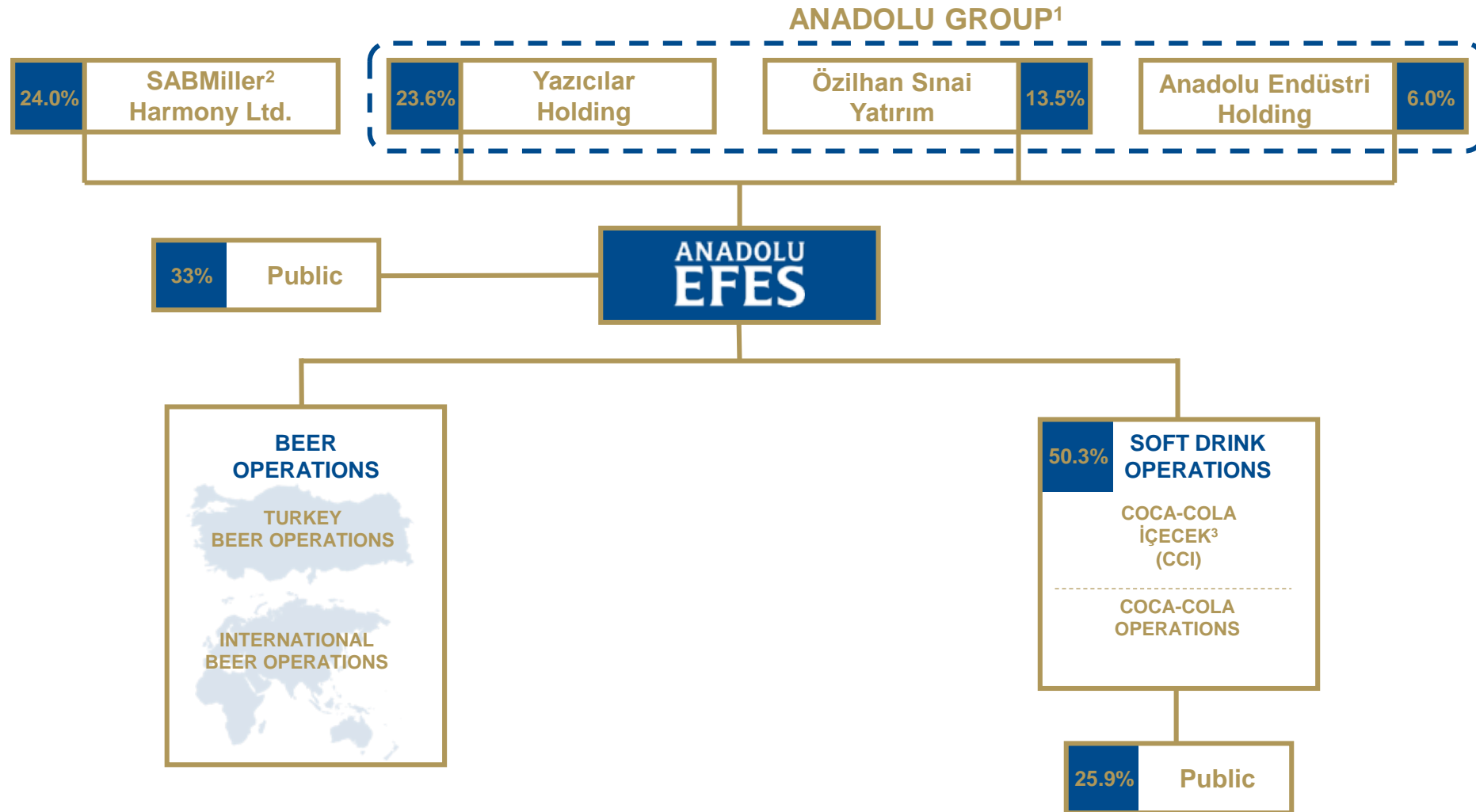


COLLABORATIVE



SUSTAINABLE

ANADOLU EFES - OWNERSHIP STRUCTURE

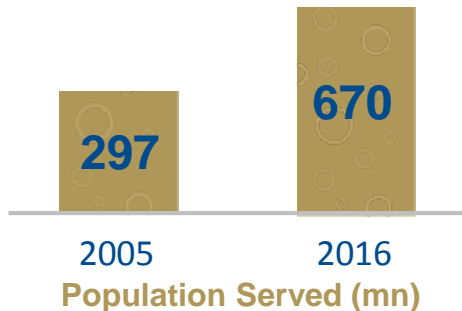
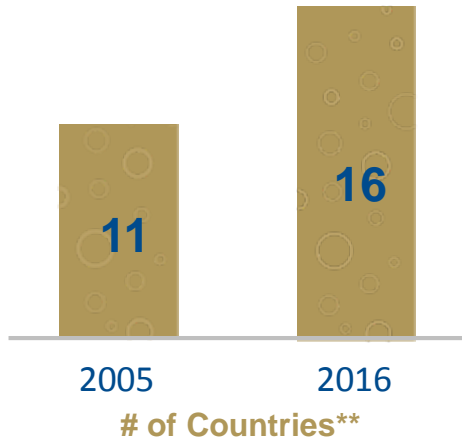


(1) Only the major subsidiaries of the Group are presented

(2) AB Inbev acquired SABMiller plc and became the new indirect shareholder in Anadolu Efes through SABMiller Harmony Ltd., as of October 12, 2016

(3) 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; 15 Breweries & 24 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

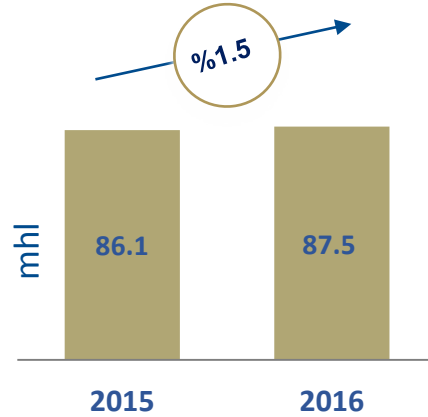


* As of 2016

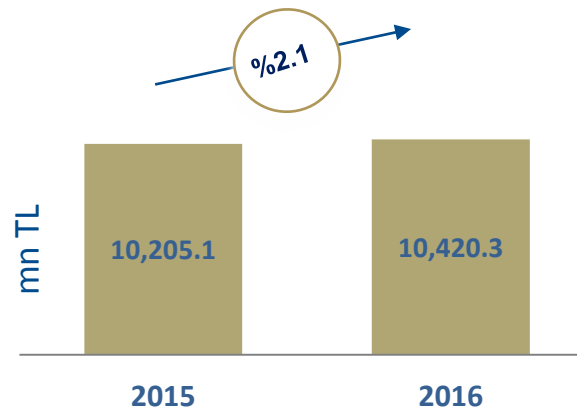
** only includes countries where we have production or sales & distribution network

CONSOLIDATED PERFORMANCE – FY2016

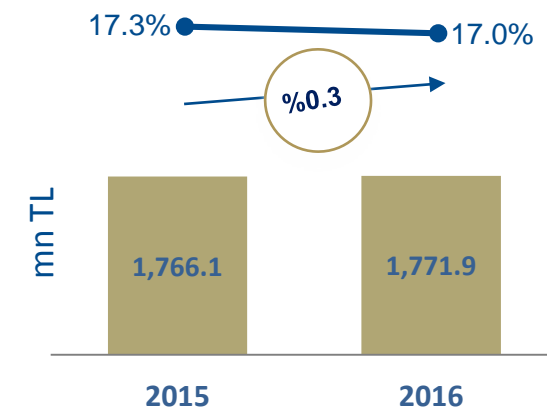
SALES VOLUME



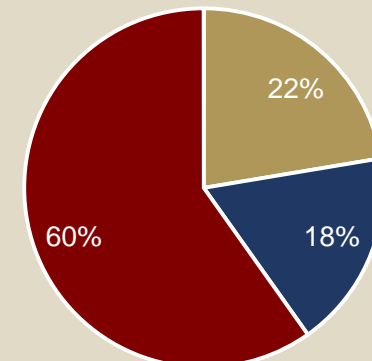
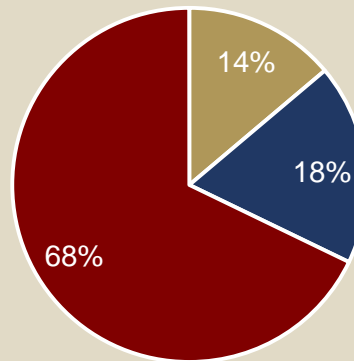
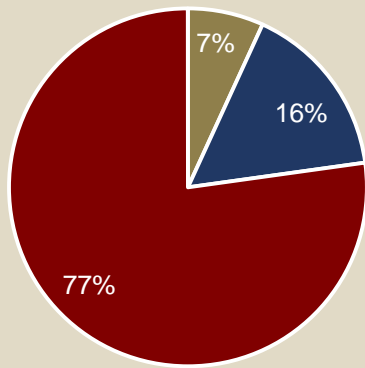
NET SALES REVENUE



EBITDA (BNRI) & EBITDA Margin



BREAKDOWN*



■ Turkey Beer ■ International Beer ■ Soft Drinks

*Breakdowns are on a combined basis

FY2016 KEY HIGHLIGHTS

- **Volume up 4.5% in 4Q2016 vs. 4Q2015 and up 1.5% in FY2016 vs. FY2015**
 - ✓ Strong performance of soft drinks and international beer operations
- **Revenue up 10.8% in 4Q2016 and up 2.1% in FY2016 outperforming volume growth ;**
 - ✓ Higher volumes assisted by intense marketing activities
 - ✓ Local currency price increases in all segments
- **EBITDA (BNRI) margin was 17.0%, in line with our guidance**
 - ✓ Business diversification enabled flat consolidated margins
- **Positive FCF of TL 1,030.4 million in FY2016 vs TL 637.8 million in FY2015**
 - ✓ Tight working capital management despite cycling a low base both in beer operations and soft drinks
 - ✓ Lower capex
- **Bottomline was hit by non-cash FX losses**
 - ✓ Net loss of TL 70.8 mn vs. a loss of TL 197.8 mn in FY2015
- **Consolidated Net Debt to EBITDA (BNRI) was 1.9x as of YE2016 vs 2.0x as of YE2015, despite 21% devaluation of TL vs \$**

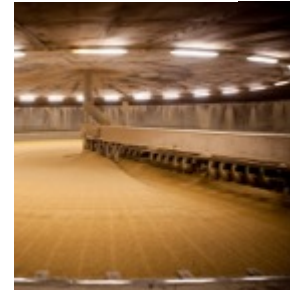
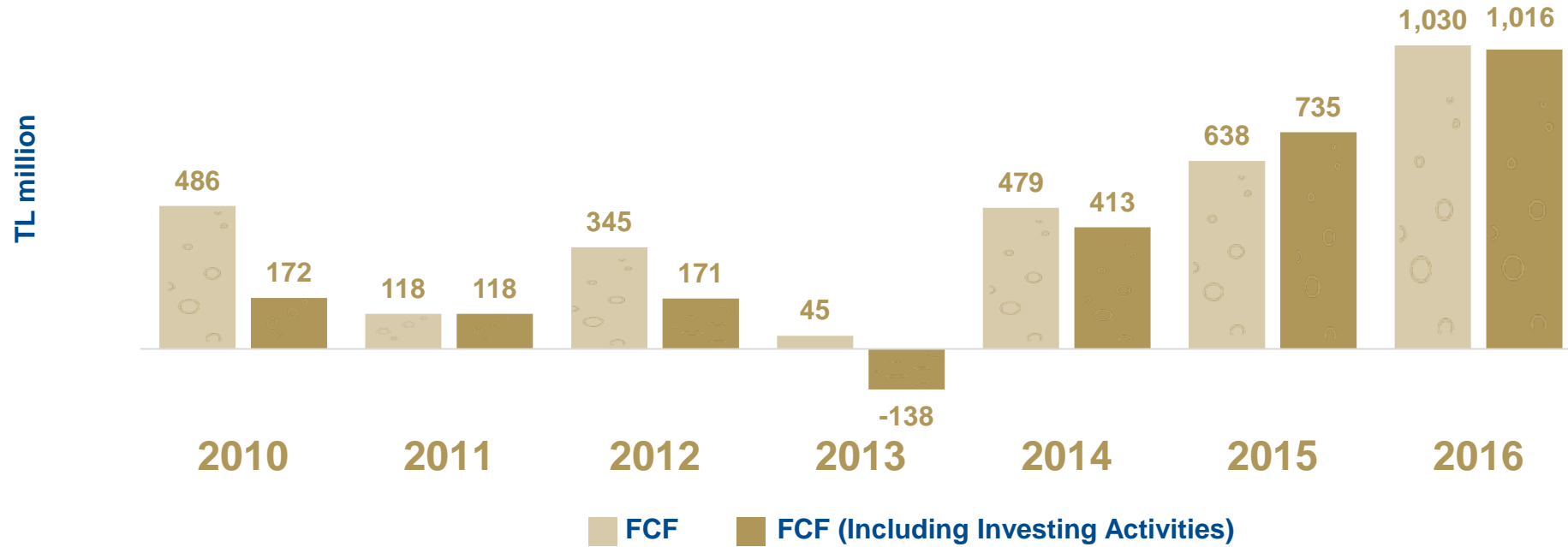


STRONG COMPETITIVE ADVANTAGES

- **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



ANADOLU
EFES

BEEER OPERATIONS



BEER OPERATIONS

- 39.5mhl of total beer capacity

#1

MOLDOVA

#1 Brewer**

#2

RUSSIA #2 Brewer*

%14 Market Share

#1

KAZAKHSTAN

#1 Brewer*

#1

GEORGIA

#1 Brewer***

TURKEY #1 Brewer*

%67 Market Share

#1

* Volume share, Nielsen, 2016

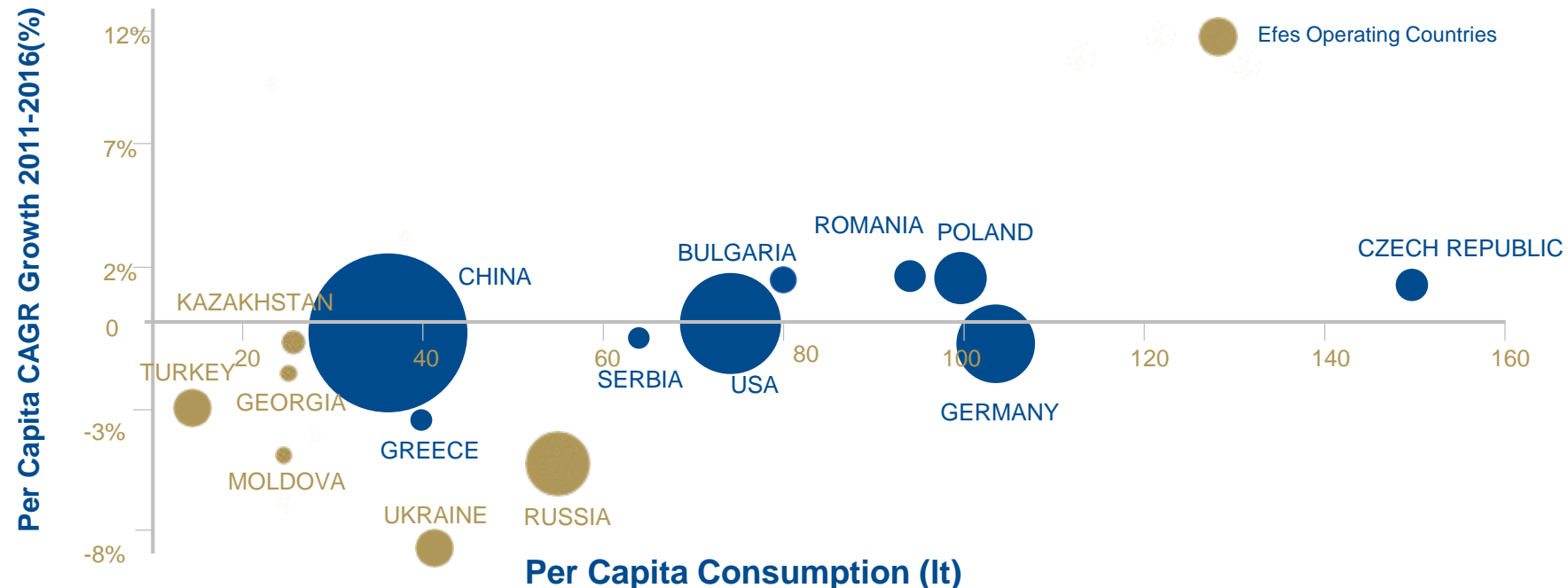
** Company estimates

*** 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 E E R

BRANDS
EXECUTION
EFFICIENCY
RELATIONS



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 10 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 10 liters offering a growth potential

- ◉ **4** Breweries - **9.5mhl** total brewing capacity
- ◉ 2 Malteries & 1 Hops Processing Facility
- ◉ **67%** 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

*volume share 2016, Nielsen

**Nielsen

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 – 30mhl total brewing capacity
- 4 Malteries & 1 Preform Plant
- AEFES' largest beer market;
52% of total beer volumes from Russia
- 14% 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

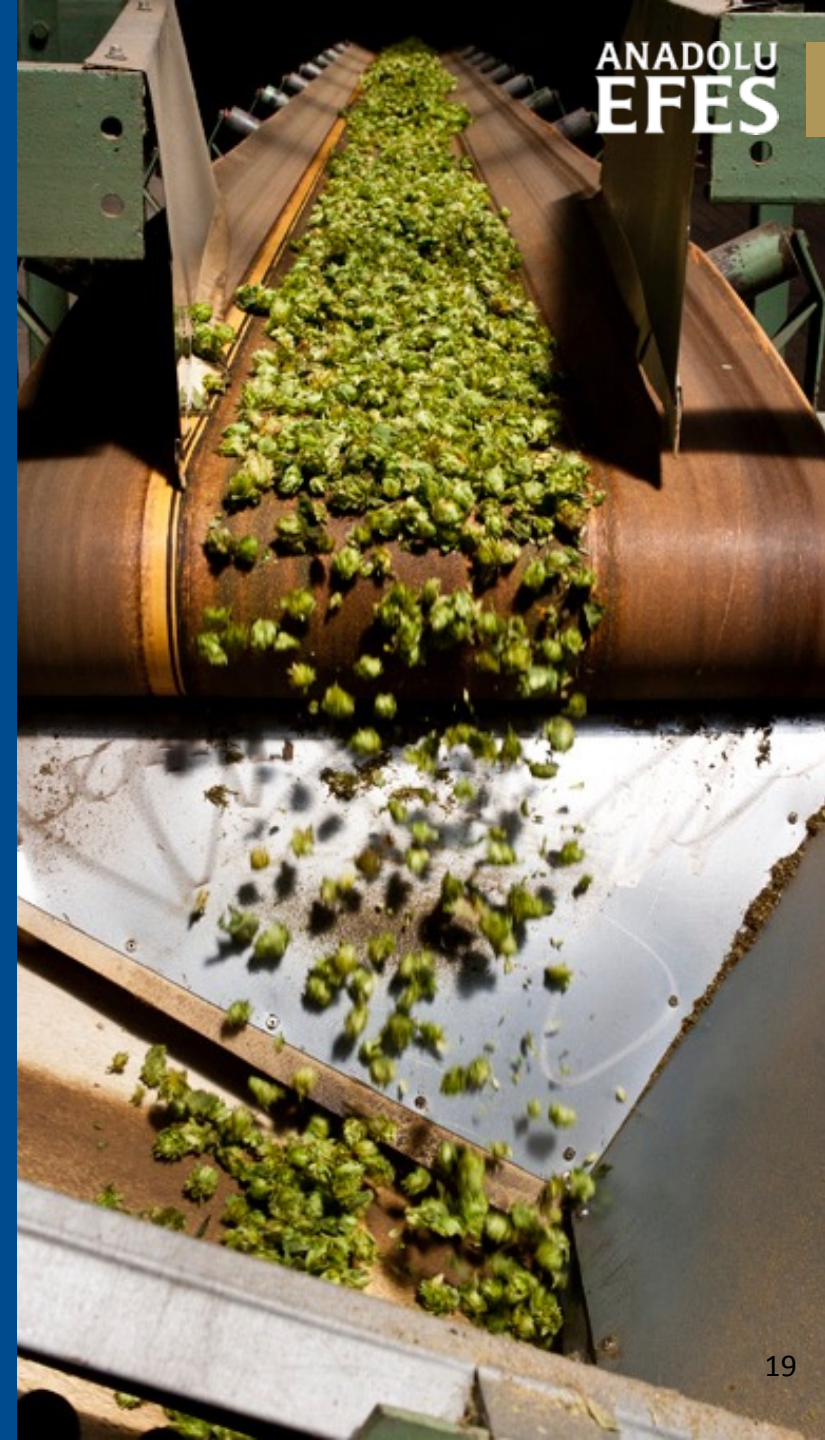
Compared to 2008, we consumed 19% less water in beer production and 24% less water in malt production. Between 2008-201, the amount of water we saved is equal to the **yearly consumption of 67.000 households**



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
İcecek

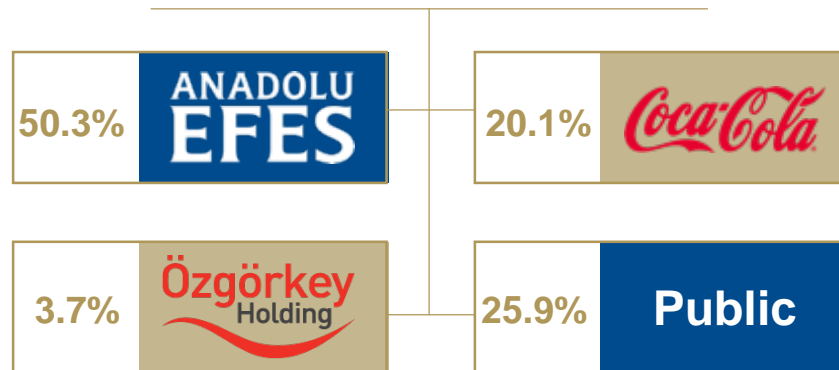
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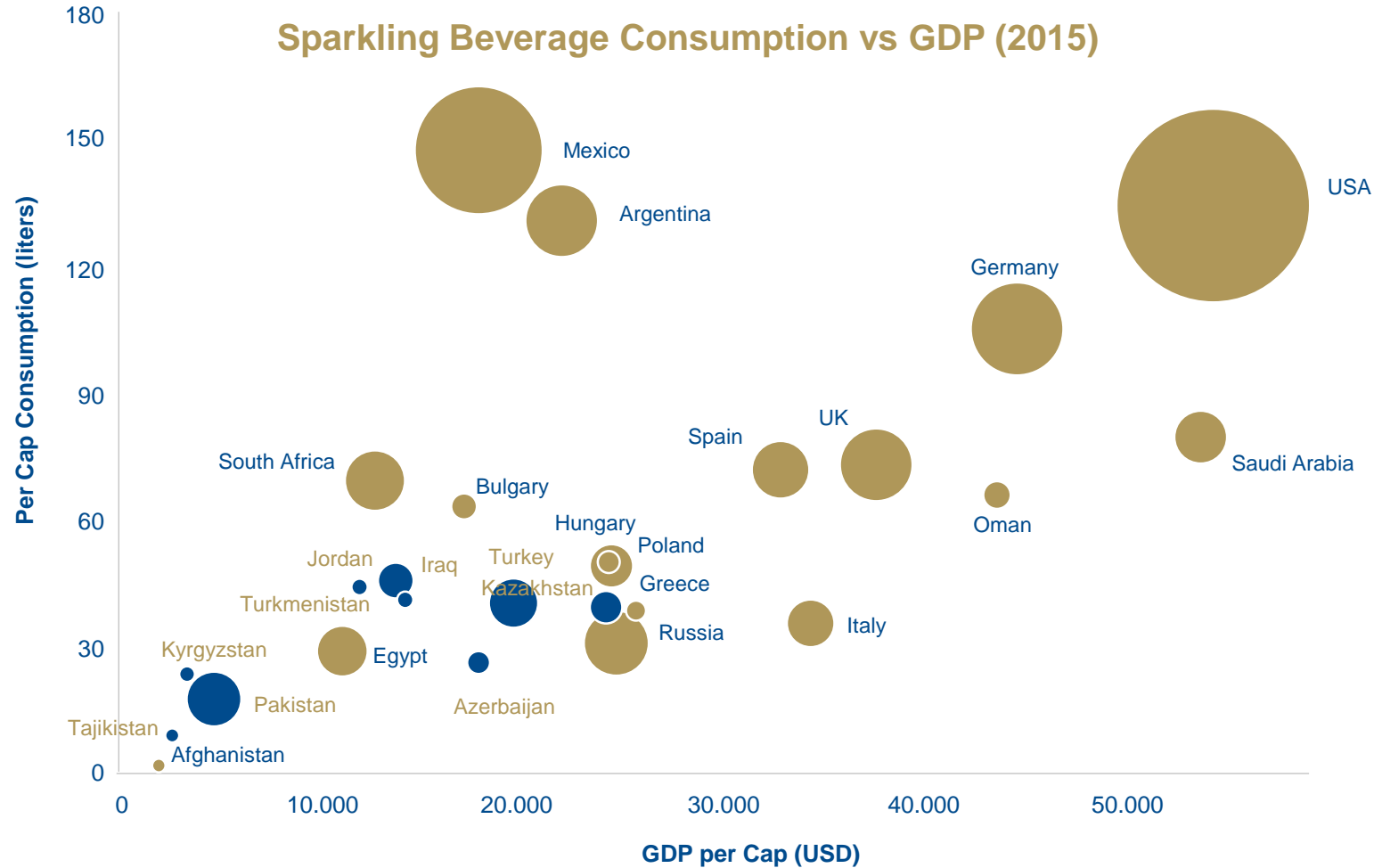
CCI AT A GLANCE

- **Market leader** in Turkey with 64% & Kazakhstan with 49% market share
- **#2 in** Pakistan with 37% market share & #2 in Iraq
- 24 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

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 İçecek

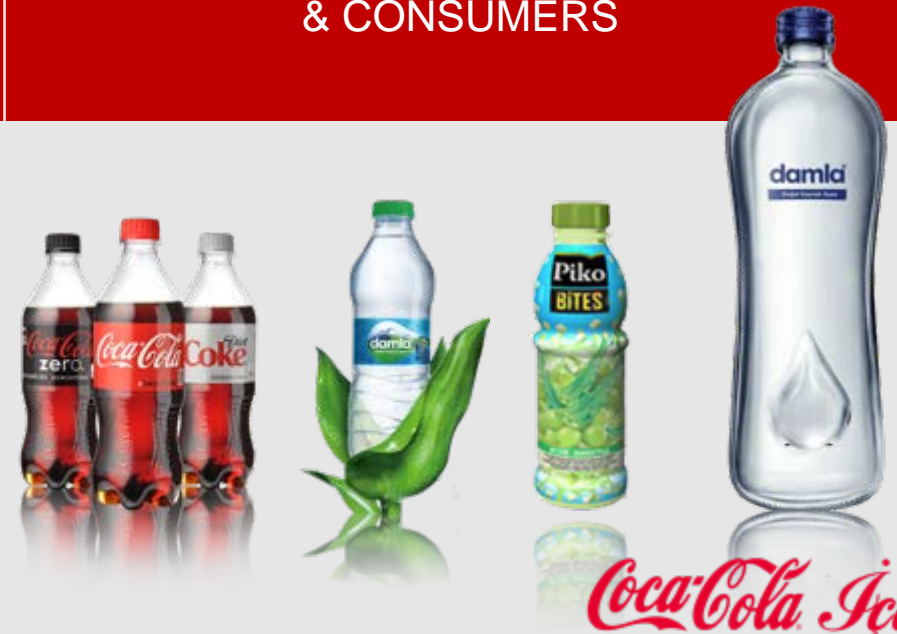
STRONG BRAND PORTFOLIO

BRAND & FLAVOR EXPANSION

| | 2006 | | 2016 |
|---------|------|--------|------|
| BRANDS | 17 |▶ | 34 |
| FLAVORS | 44 |▶ | 150 |

PACKAGE INNOVATION

DIFFERENTIATED
PACKAGE SEGMENTATION
ACROSS CHANNELS, CUSTOMERS
& CONSUMERS



FINANCIALS AND OUTLOOK

FINANCIAL HIGHLIGHTS

| | TURKEY BEER (TL mn) | | INTERNATIONAL BEER (USD mn) | | BEER GROUP (TL mn) | |
|----------------|------------------------|-----------|--------------------------------|-----------|-----------------------|-----------|
| | FY2016 | vs FY2015 | FY2016 | vs FY2015 | FY2016 | vs FY2015 |
| Volume (mhl) | 6.0 | -9.9% | 13.9 | -0.9% | 19.9 | -3.8% |
| Net Sales | 1,438.6 | -3.1% | 630.6 | -13.0% | 3370.1 | -3.2% |
| Gross Profit | 853.5 | -6.0% | 275.4 | -20.3% | 1708.1 | -8.3% |
| EBIT (BNRI) | 246.6 | -15.4% | 42.6 | 36.4% | 317.9 | -2.6% |
| EBITDA (BNRI) | 408.3 | -6.8% | 107.8 | -9.0% | 679.1 | -5.0% |
| Net Income* | -129.0 | -162.9% | 52.8 | n.m. | -35.1 | 82.4% |
| Margins | Change (bps) | | Change (bps) | | Change (bps) | |
| Gross Profit | 59.3% | -183 | 43.7% | -401 | 50.7% | -281 |
| EBIT (BNRI) | 17.1% | -249 | 6.8% | 245 | 9.4% | 6 |
| EBITDA (BNRI) | 28.4% | -111 | 17.1% | 75 | 20.1% | -37 |
| Net Income* | -9.0% | -566 | 8.4% | 1,523 | -1.0% | 467 |

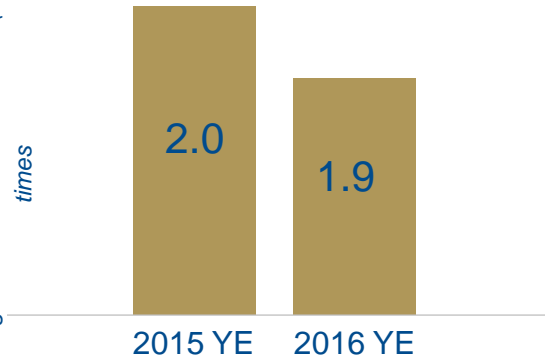
*Net income attributable to shareholders

BALANCE SHEET FLEXIBILITY

- 2016YE Net Leverage Ratios are within comfortable area

Anadolu Efes Consolidated

Net Leverage Ratio: Net Debt / EBITDA (BNRI)

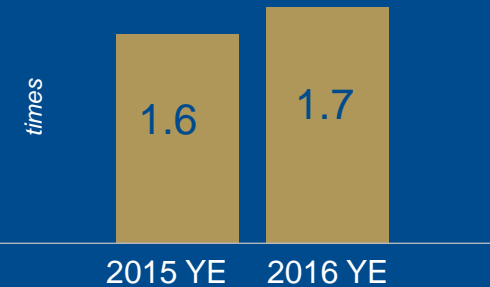


- 69% of cash is hold as hard currency
- 97% of debt is in hard currency

| FY2015 | FY2016 |
|--------|--------|
| 5,383 | 6,183 |
| 1,892 | 2,756 |
| 3,492 | 3,428 |
| 1,201 | 974 |

TOTAL FINANCIAL DEBT (m TL)
TOTAL CASH & EQUIVALENTS (m TL)
NET DEBT (m TL)
NET DEBT (m USD)

Beer Group



- 69% of cash is hold as hard currency
- 100% of debt is in hard currency

| FY2015 | FY2016 |
|--------|--------|
| 2,009 | 2,413 |
| 889 | 1,279 |
| 1,120 | 1,134 |
| 385 | 322 |

TOTAL FINANCIAL DEBT (m TL)
TOTAL CASH & EQUIVALENTS (m TL)
NET DEBT (m TL)
NET DEBT (m USD)

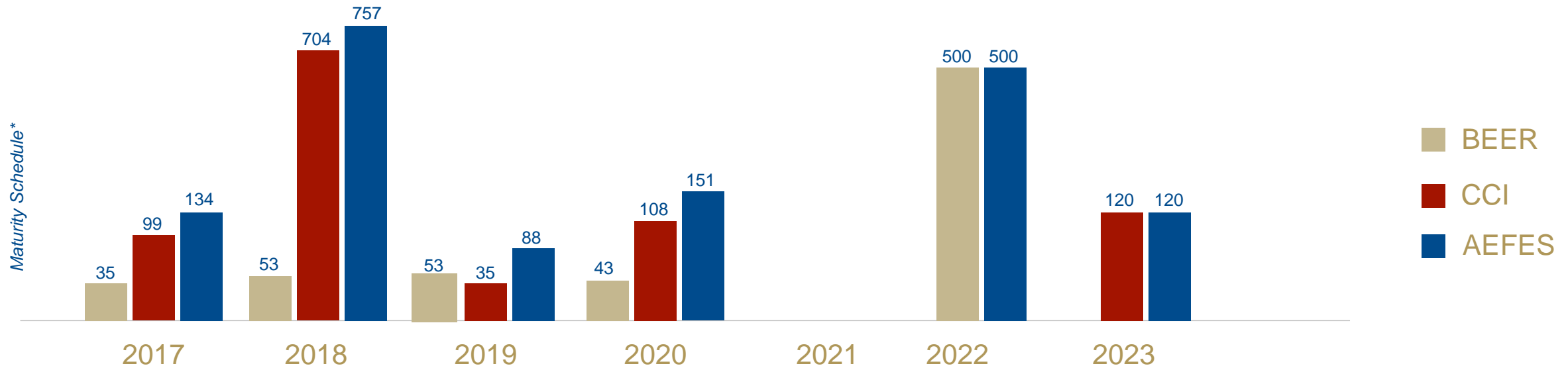
BORROWING MIX & LIQUIDITY PROFILE

- Easily manageable debt repayment schedule

- Average maturity of debt for

- ✓ Beer Group is app. 4.8 years and

- ✓ Anadolu Efes is app. 3.3 years



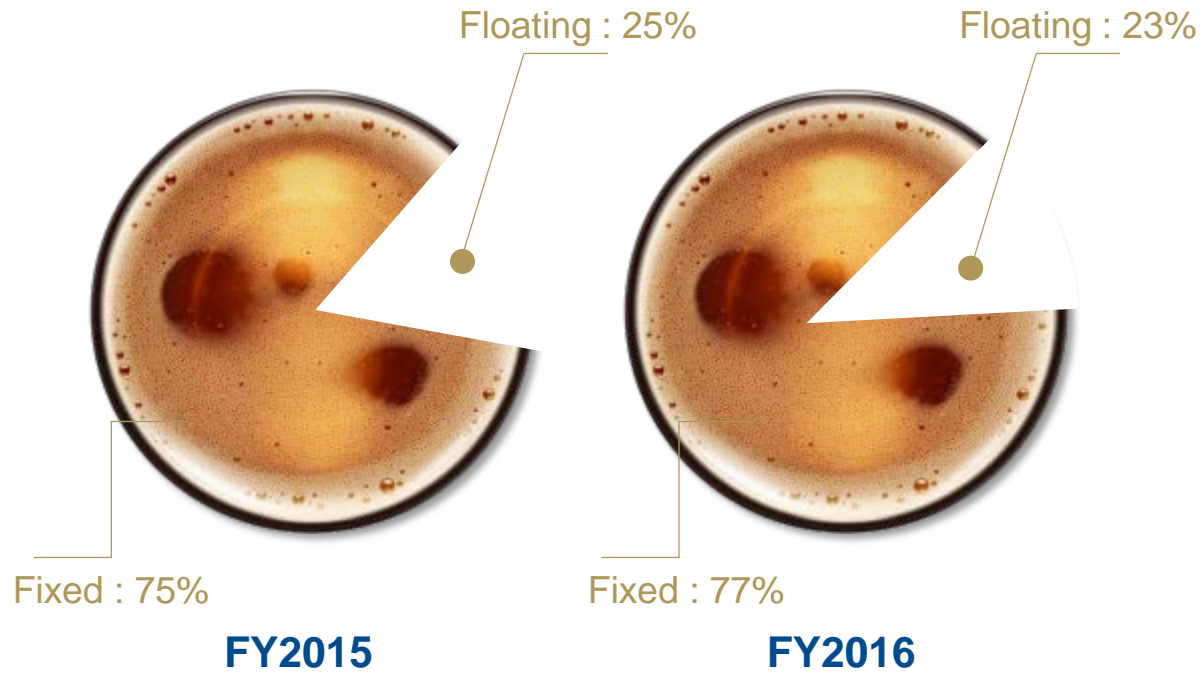
*Only amounts principal



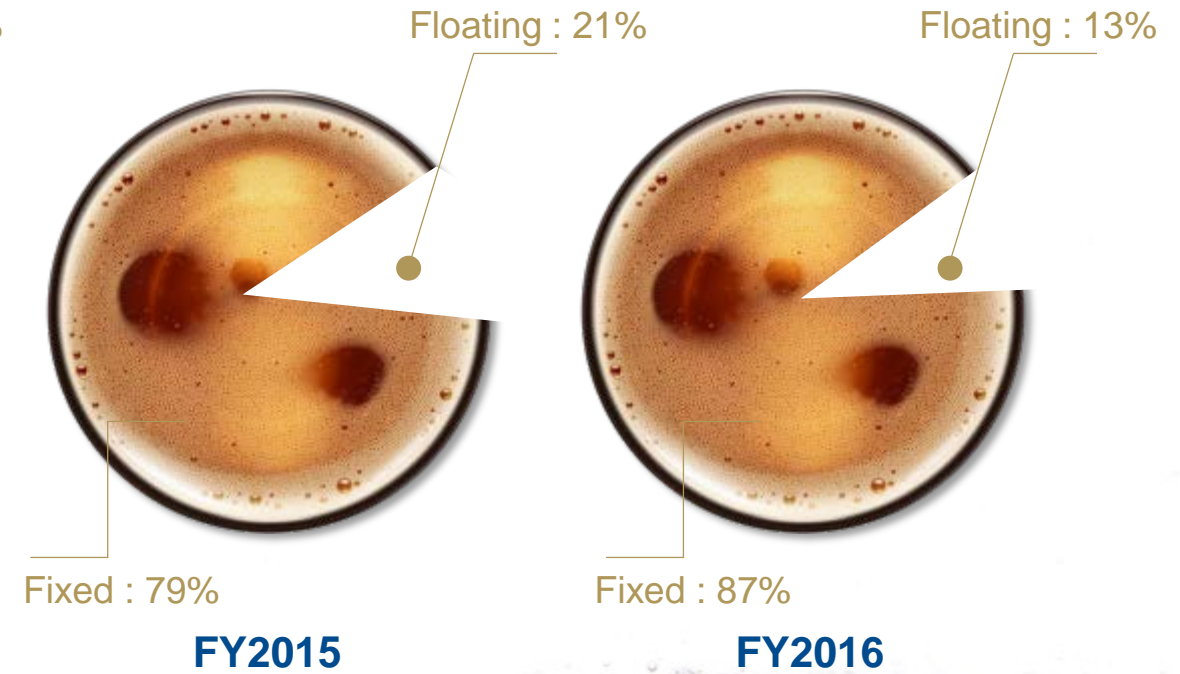
INTEREST BREAKDOWN

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

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BEER GROUP



2017 GUIDANCE

Sales Volume:

Low-to-mid single digit growth on a consolidated basis

- **Total Beer:** low single digit growth
- **Turkey beer:** flattish vs a flattish market
- **Russian beer:** outperformance of flattish 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**

- Flattish EBITDA (BNRI) margin for **beer group** despite the growing share of structurally lower margin international beer business
- 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

