



**ANADOLU  
EFES**

**INVESTOR PRESENTATION**

# 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 | LIVING THE VALUES!



PASSIONATE  
& PROUD



PROFESSIONAL



ENTREPRENEURIAL

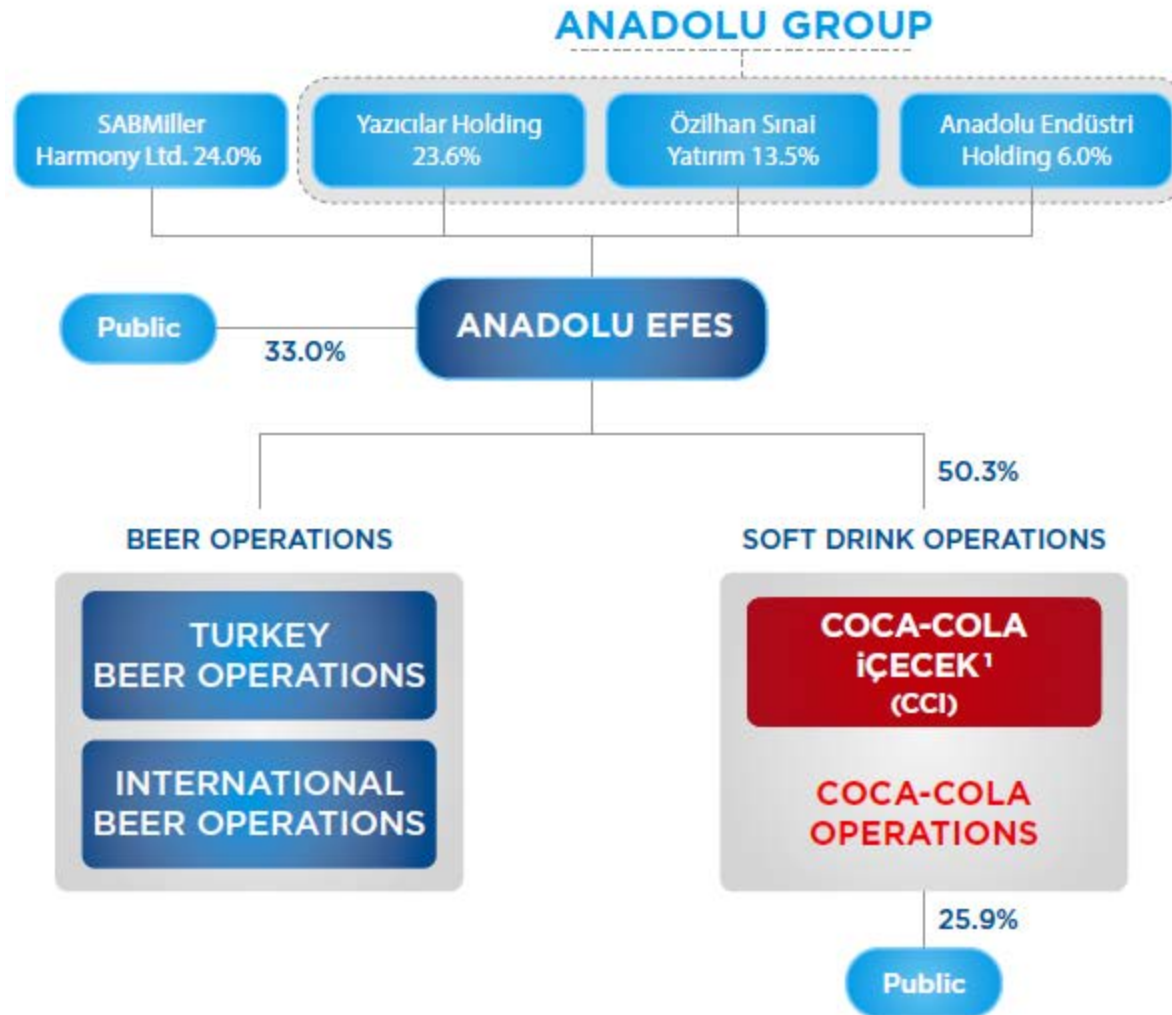


COLLABORATIVE



SUSTAINABLE

# Anadolu Efes - Ownership Structure



(1) 20% held by TCCC (The Coca-Cola Export Cooperation) and 4% by Özgörkey Holding

\* Only the major subsidiaries of the Group are presented

## Anadolu Efes at a Glance

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Serving more than 670 mn people

**16 countries; 15 Breweries & 25 Bottling Plants**

- Europe's **6th** largest brewer
- World's **12th** largest brewer
- **5th** largest Coca-Cola bottler in the Cola system

World class brand portfolio in beer & soft drinks

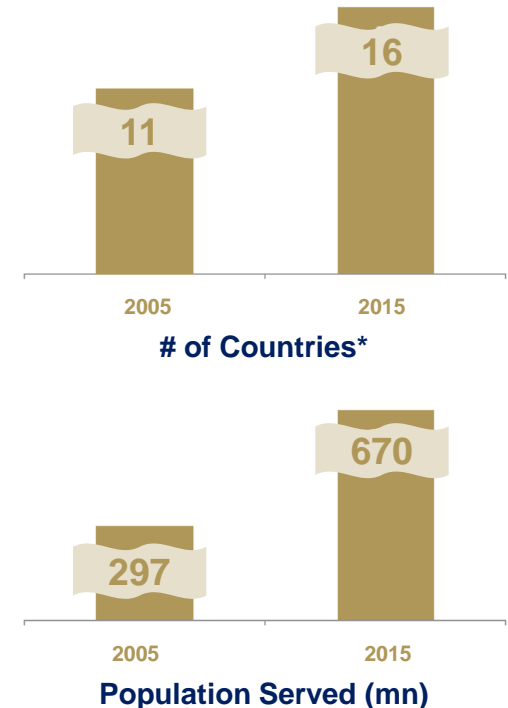
Synergies with the world's giants - **SABMiller**

**& The Coca-Cola Company**

Operating in markets with significant growth potential

Total consolidated sales volume of **8.6 bn lt** in 2015

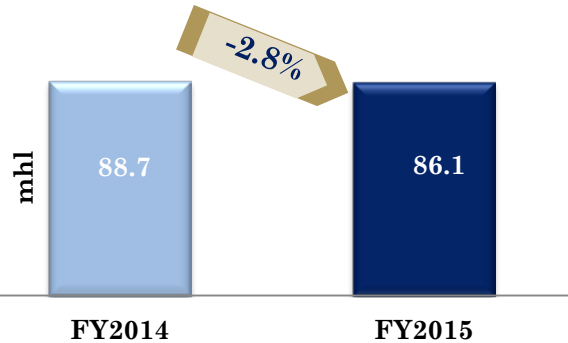
**TL10.2 mn** net sales revenue & **TL 1.8 mn** EBITDA



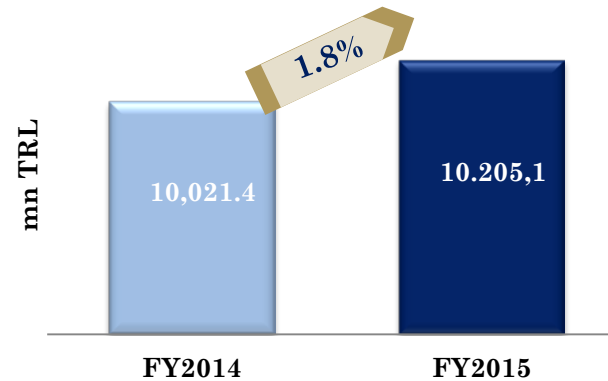
\* Only includes countries where we have production or sales & distribution network

# Consolidated Performance - FY2015

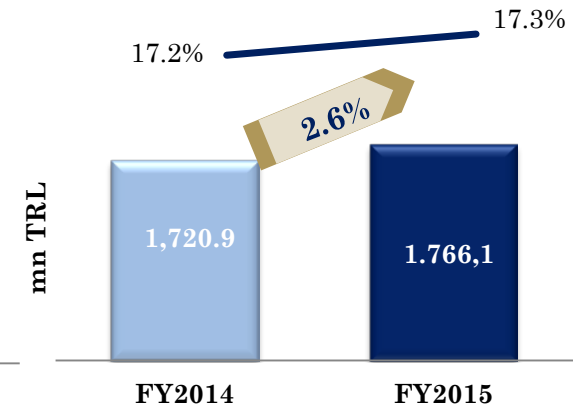
## SALES VOLUME



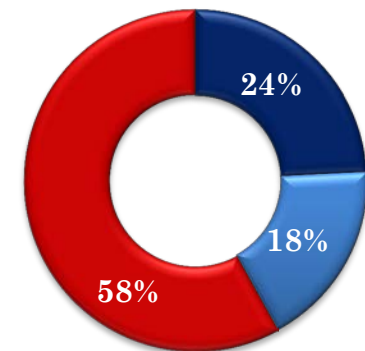
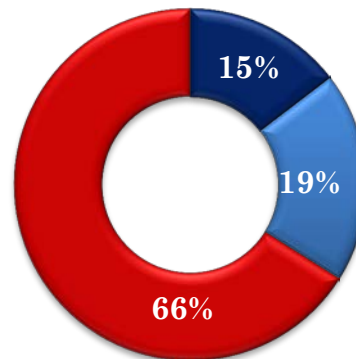
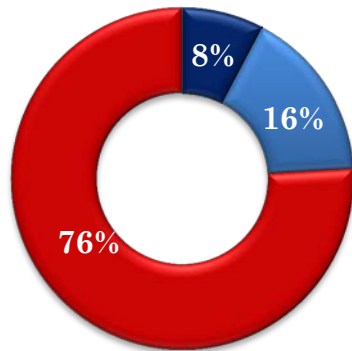
## NET SALES REVENUE



## EBITDA (BNRI) & EBITDA (BNRI) MARGIN



## BREAKDOWN



■ Turkey Beer ■ International Beer ■ Soft Drinks

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

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 & EBITDA compared to last year

- Flattish EBITDA margin in line with our guidance

- Margin improvement led by beer segment, esp. international beer operations

Strong free cash flow generation of TL 638 million

Lower consolidated net leverage ratio at 2.0x as of 2015-end vs 2.3x as of September 30, 2015



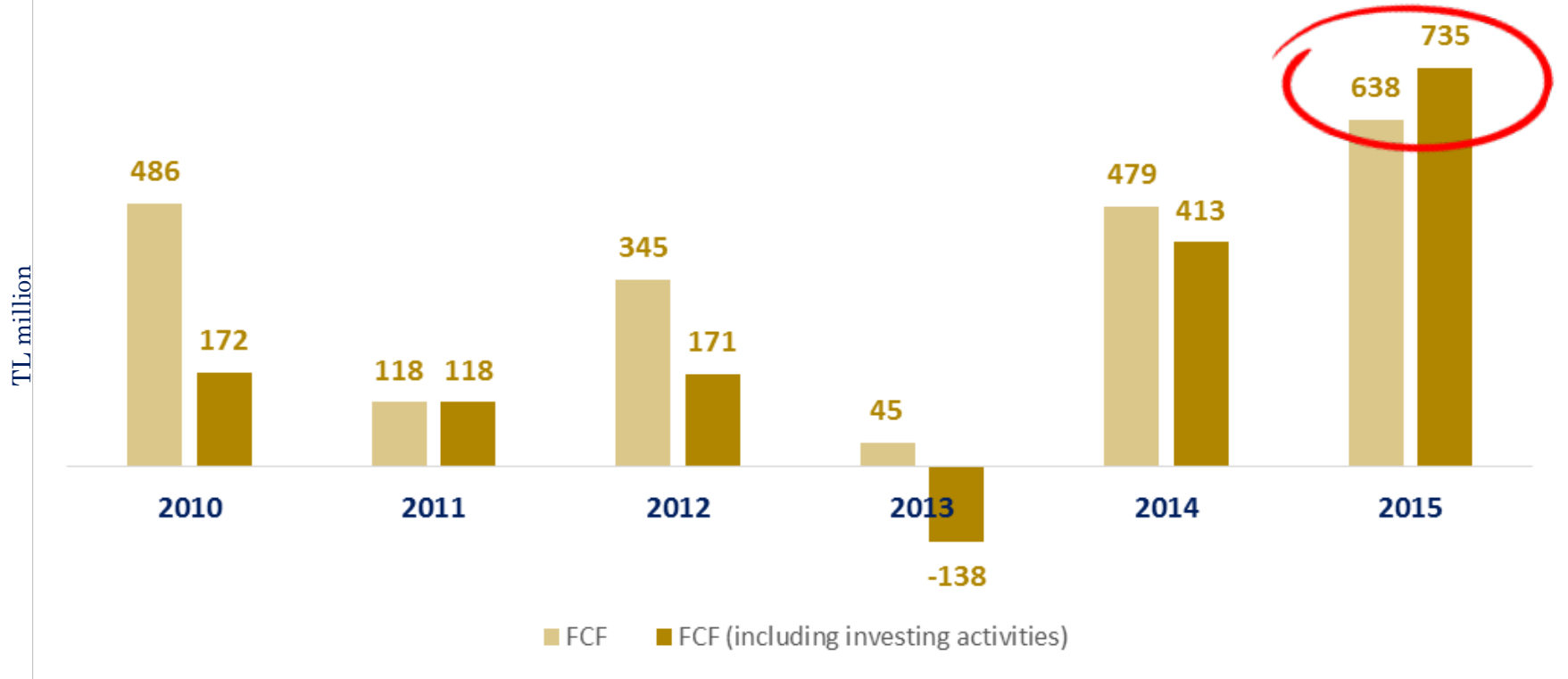
Anadolu Efes was awarded the First Prize by TKYD\* according to the CG Rating it holds





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

# Solid Cash Flow Generation





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

### Soft Drinks

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



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**BEER OPERATIONS**

# Beer Operations



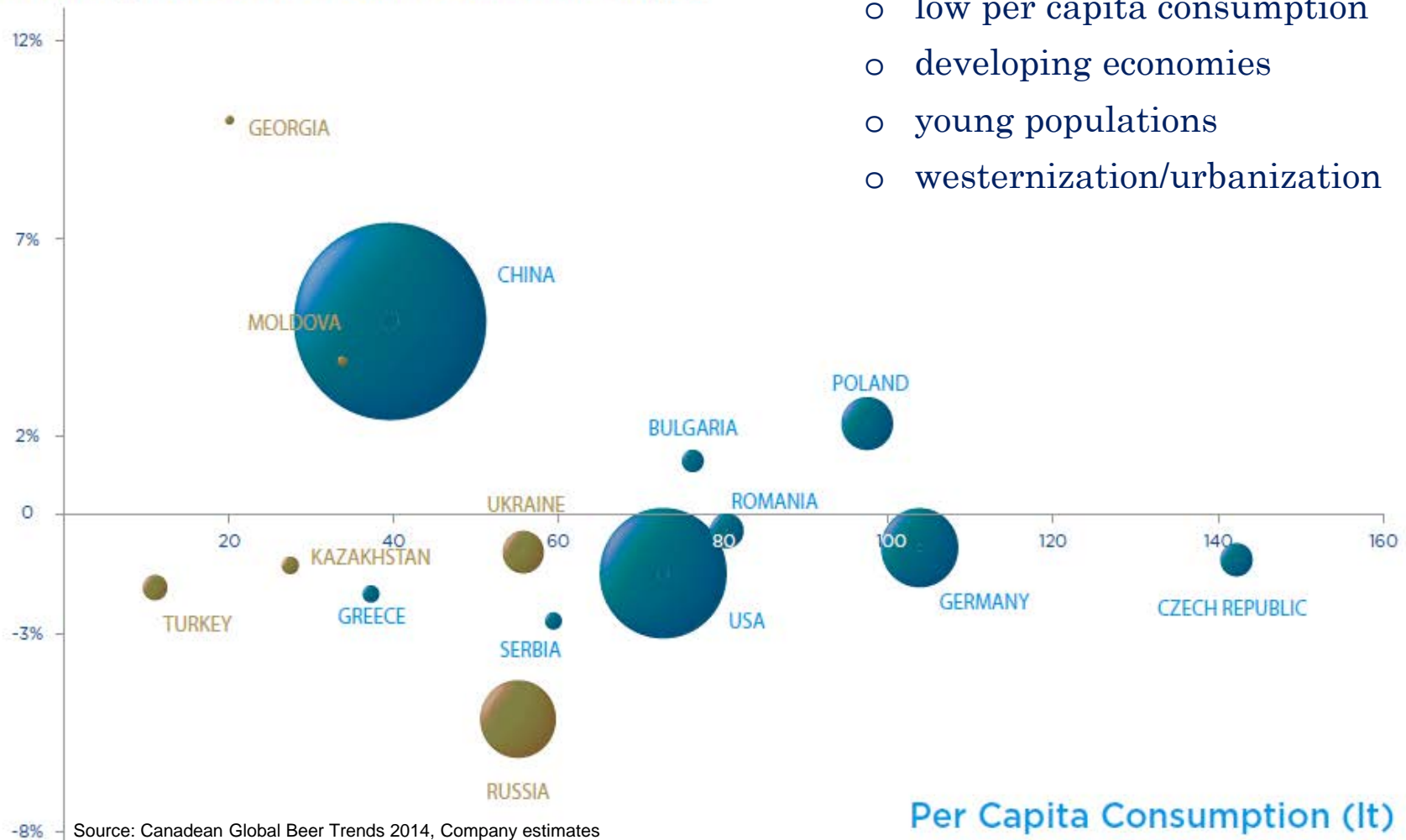
*39.5mhl of total beer capacity*

# Markets with low per cap consumption but high potential

*Operating markets with growth potential characterized by;*

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

Per Capita CAGR Growth 2009-2014 (%)



Source: Canadian Global Beer Trends 2014, Company estimates  
Note: Bubbles represent market size

Per Capita Consumption (lt)





**B**RANDS

Provide choice and  
innovation to consumers:  
Grow brand love

**E**XECUTION

Excel in customer collaboration,  
availability and  
point of sale activation

**E**FFICIENCY

Build competitive advantage  
through lean  
and efficient operations

**R**ELATIONS

Focus on employees,  
customers, regulators, community  
and environment

- Low per capita consumption of 11 liters offering a growth potential
- Expected compounded annual growth rate of 2%\* between 2016-2020
- Growing population with 1.3% annual growth rate
  - ✓ 32% is below age 18
- Returnable market enabling higher operational profitability
  - ✓ Bottles & kegs amount to more than half of total beer market



Vertically integrated ***Market Leader*** with;

- 4 Breweries - ***9.5mhl*** total brewing capacity
- 2 Malteries & 1 Hops Processing Facility
- ***69%*** 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 – ***9.4%*** in 2015\*\*
- ***99%*** penetration in Turkey\*\*
- ***164*** Dealers & ***24*** Distributors

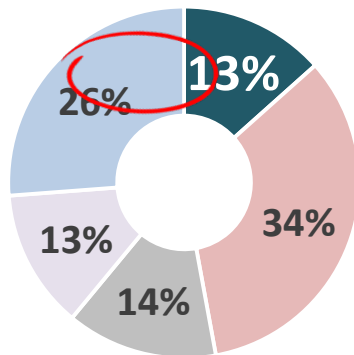
- World's 4th largest beer market with total consumption of **~69mhl**
- Expected compounded annual growth rate of **3%\*** between 2016-2020
- Dominated by multinationals;
  - Top 4 accounting for **~ 75%** of the market
- Share of Modern Trade above **60%** - more than **doubled** in the last few years



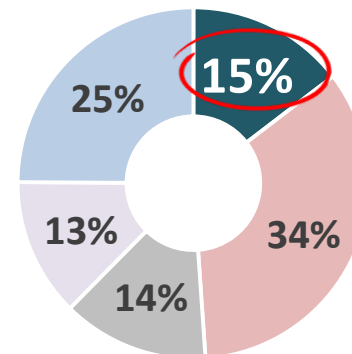
#2\* player with;

- 6 Breweries – **30mhl** total brewing capacity
- 4 Malteries & 1 Preform Plant
- AEFES' largest beer market;
  - ✓ 48% of total beer volumes from Russia
- 15% market share\* - #1 position in Premium category

Volume Share\*\*



Value Share\*\*



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

■ Efes RUSSIA ■ Carlsberg ■ Inbev ■ Heineken ■ Other

■ Efes RUSSIA ■ Carlsberg ■ Inbev ■ Heineken ■ Other

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

# Other International Beer Operations

Market leader in;

- ✓ Kazakhstan
- ✓ Georgia
- ✓ Moldova

Expected compounded annual growth rate of **2%\*** between 2016-2020 in ***Kazakshtan***



# 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**.





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*Coca-Cola İçecek*

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**SOFT DRINK OPERATIONS**



## CCI at a Glance

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Market leader in **Turkey** with **64%** & **Kazakhstan** with **50%** market share



#2 in **Iraq** with **31%** & **Pakistan** with **36%** market share

**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

**28bn** annual servings

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50.3%

Coca-Cola

20.1%

Özgörkey  
Holding

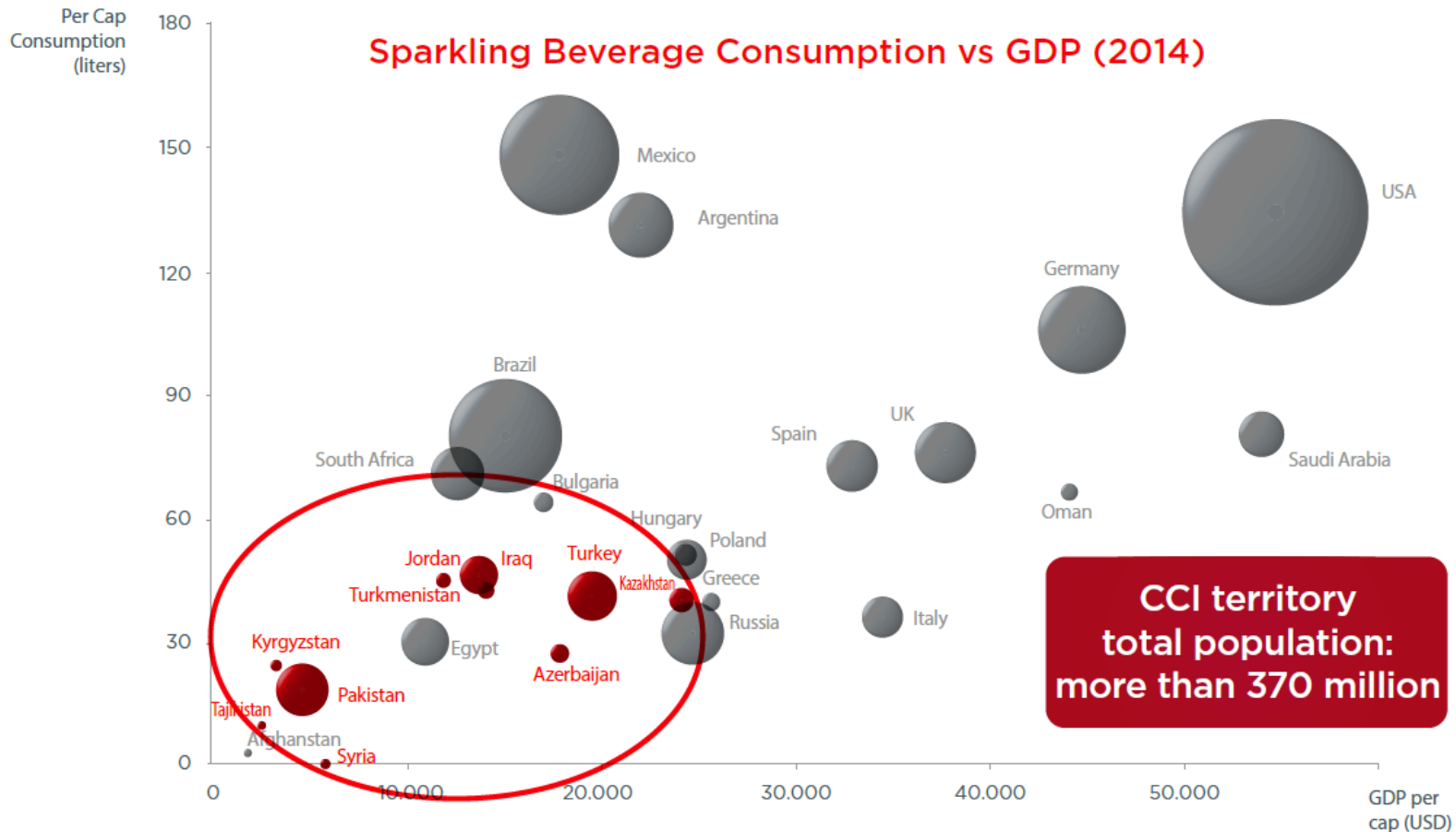
3.7%

Public

25.9%

Coca-Cola İçecek





# 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 Organization
 <ul style="list-style-type: none"><li>• Winning At The Point of Sales</li><li>• Sales Force Effectiveness - SFE</li><li>• Revenue Growth Management - OBPPC</li></ul>				

# Strong Brand Portfolio

## BRAND & FLAVOR EXPANSION

	2006	2015
Brands	17	30
Flavors	44	148



## PACKAGE INNOVATION

Differentiated package segmentation  
across channels, customers &  
consumers



# ANADOLU EFES



**FINANCIALS AND OUTLOOK**

# Financial Highlights

	Turkey Beer		International Beer		CCI	
	(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%	1.151,9	1,9%
Net Sales	1.484,8	-0,3%	725,1	-37,3%	6.723,9	12,3%
Gross Profit	908,1	-3,6%	345,7	-35,4%	2.334,4	7,0%
EBIT (BNRI)	291,5	-15,1%	31,2	33,8%	631,9	0,5%
EBITDA (BNRI)	437,9	-9,4%	118,5	-24,6%	1.051,4	9,3%
Net Income/(Loss)*	-49,1	-121,0%	-49,7	86,2%	117,2	-62,9%
<b>Margins</b>						
Gross Profit	61,2%	-209	47,7%	136	34,7%	-173
EBIT (BNRI)	19,6%	-344	4,3%	229	9,4%	-110
EBITDA (BNRI)	29,5%	-299	16,3%	274	15,6%	-43
Net Income Margin*	-3,3%	-1897	-6,9%	2434	1,7%	-353

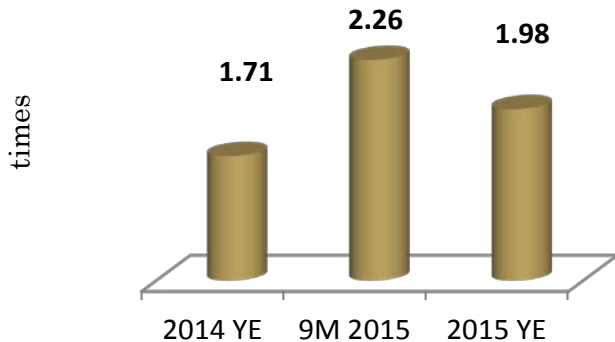
\* Net income attributable to shareholders



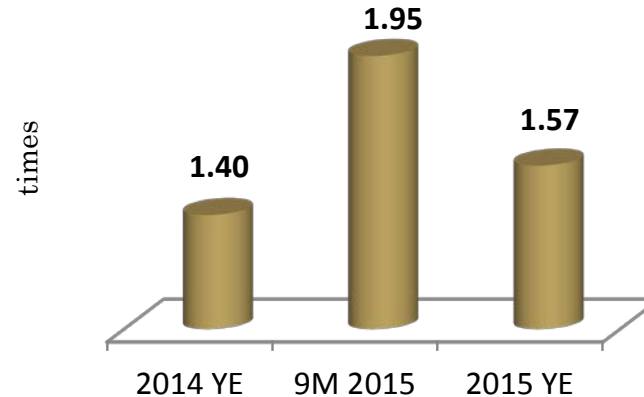
# Balance Sheet Flexibility

## Anadolu Efes Consolidated

Net Leverage Ratio  
Net Debt / EBITDA (BNRI)



## Beer Group



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

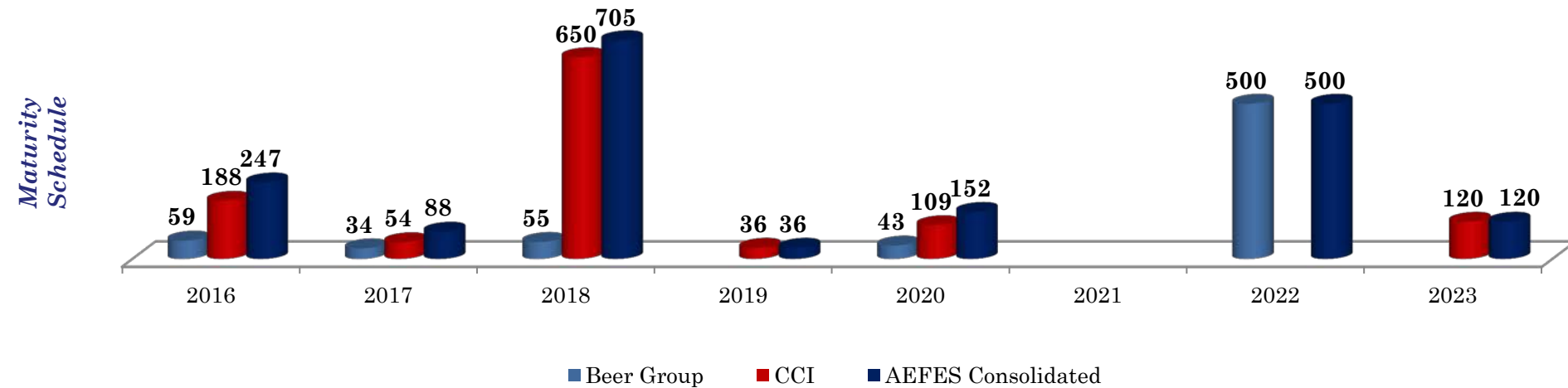
## Borrowing Mix & Liquidity Profile

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

## Anadolu Efes

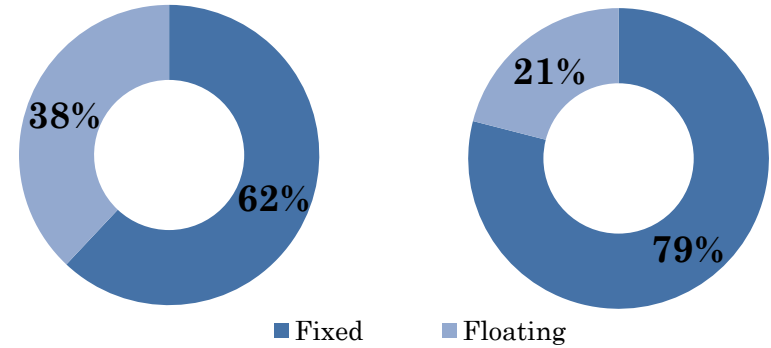
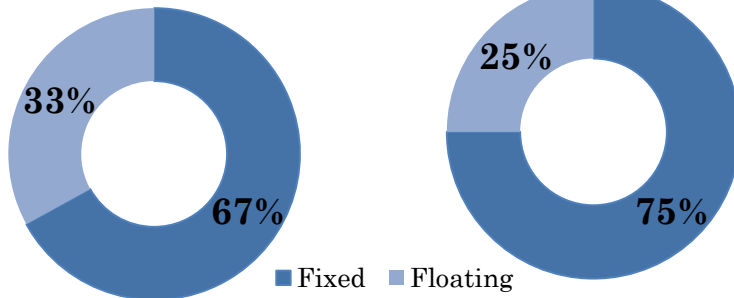
## Beer Group

YE 2014

YE 2015

YE 2014

YE 2015



# Beer Group 2016 Guidance

- **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
- **FCF**      cycling a very strong base, continue to deliver strong free cash flow, albeit at a slower pace



# Soft Drink Operations 2016 Guidance

- **Turkey volume** grow low single digit
- **International volume** grow low-mid single digits
- **Consolidated volume** grow at low-mid single digits
- **Net sales revenue** ahead of volume growth
- **EBITDA margin** flat
- **FCF** significant positive FCF





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



■ Sustain consolidated cash flows through;

- focus on working capital optimization
- optimized capex policy
- tight balance sheet management

■ Deleveraging

■ Efficiency improvements via savings

■ Manage impact of F/X volatility on operations

■ Commitment to Investment Grade Ratings

