



EFES BREWERIES INTERNATIONAL N.V.

**“Russia One-on-One”
UFG Conference**

**London
February 2005**





Summary of Key Developments

1. EBI Overview
2. Operational Highlights
3. Financial Highlights
4. Conclusion

Appendix



Summary of Key Developments



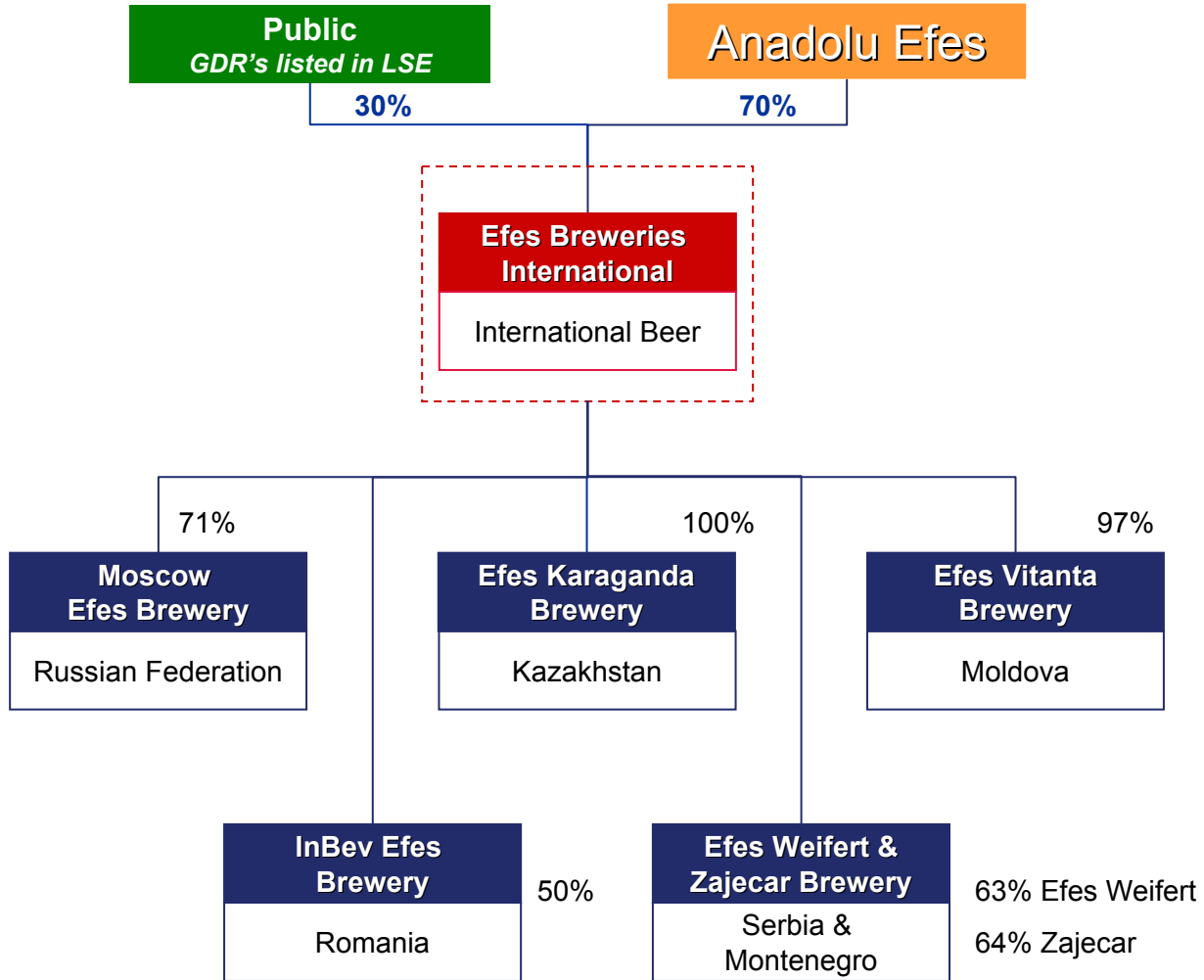
- ▶ **Continued profitable growth in YTDQ3 2004 vs YTDQ3 2003**
 - 48% overall volume growth, 56% sales growth, 47% EBITDA growth
 - Improved average sales price per liter
- ▶ **Continued outperformance compared to the market**
 - 62% volume growth in Russian Federation vs. estimated 13% market growth in YTD Q3 2004
- ▶ **Improved market share in Russian Federation**
 - 8% overall value share at the end of Q3 2004 vs. 7% at the end of Q3 2003
 - Sary Melnik; best selling brand in Moscow, 4th in Russian Federation, by value
- ▶ **Portfolio optimisation in line with capital discipline approach**
 - Acquisition of second brewery in Serbia (Zajecar) taking EBI to #3 market position
 - Cease of operations in Ukraine (EBITDA loss 2001-2004)
- ▶ **New advertising law & public consumption draft bill in Russian Federation**
- ▶ **Close to US\$950 million Mcap vs US\$688 million IPO value**

1. EBI Overview





Group Structure (1)



Note: (1) Does not include all Anadolu Efes subsidiaries.

Does not include Efes Ukraine where commercial activities are ceased.

Source: Company information.



Number of Breweries and Capacities (mhl)				
	2002		Today	
Russian Federation	★ 1	3.0	★ 3	6.7
Kazakhstan	★ 1	0.4	★ 2	1.0
Romania	★ 1	0.8	★ 1	0.8
Moldovia			★ 1	0.75
Serbia & Montenegro			★ 2	1.4
Total	★ 3	4.2	★ 9	10.6

Note: Does not include Efes Ukraine where commercial activities are ceased.



Leading Brewer in CIS, SEE & Central Asia



Source: Company information.



Positioning and Key Brands

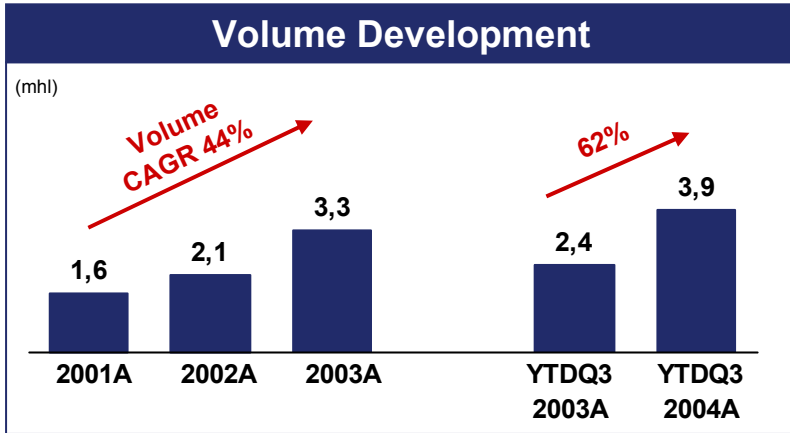


Note: (1) Value share
 (2) Includes 2nd Serbian brewery in Zajecar.

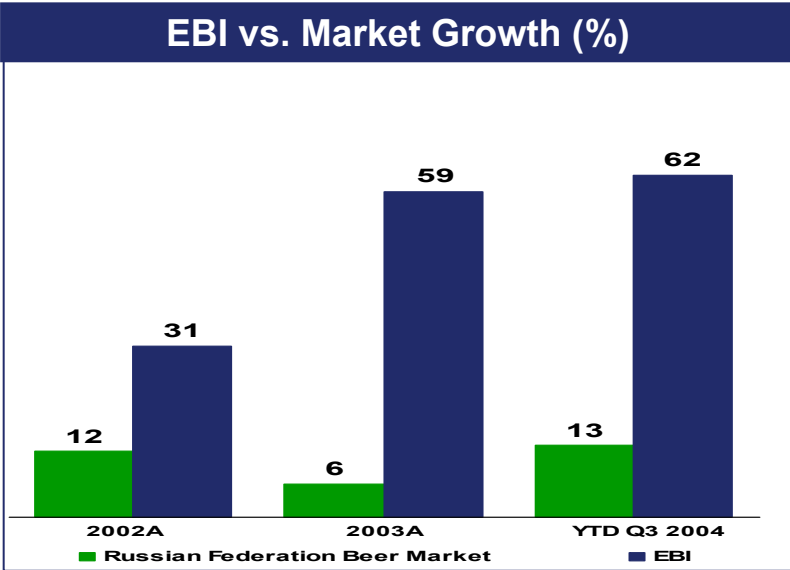
Source: A.C. Nielsen Sep' 2004, Company Data, MEMRB JA'2004, Business Association of Serbia & Montenegro Brewers and Malt Producers_ September 2004.

2. Operational Highlights



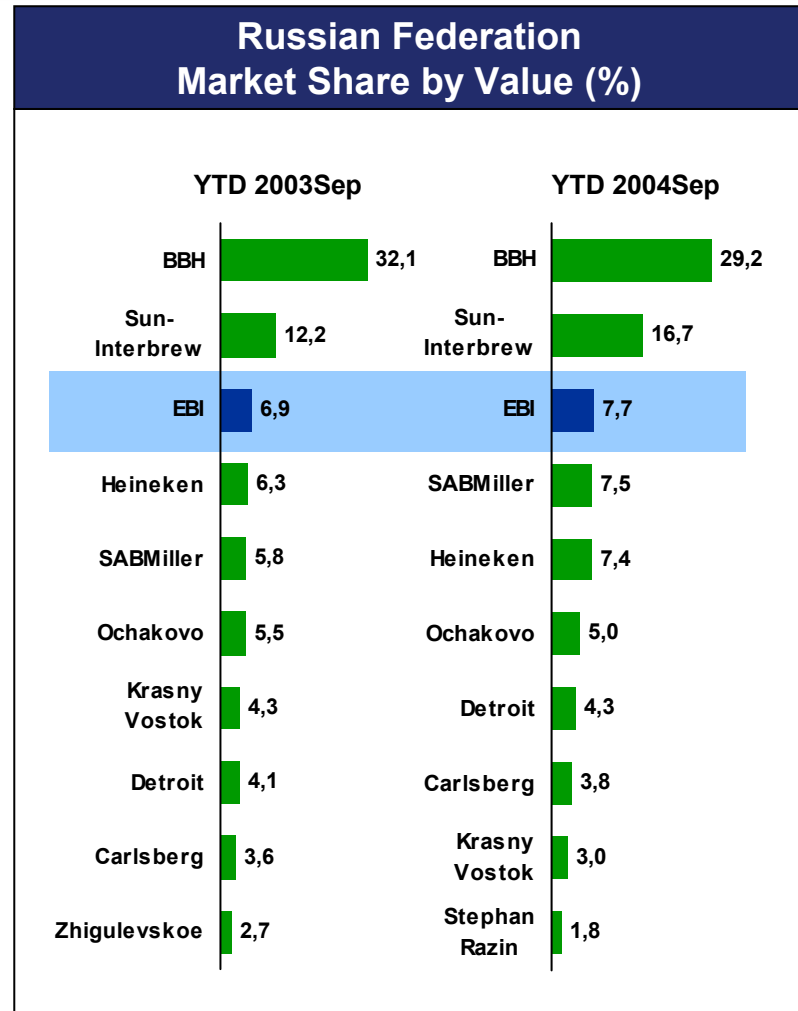


Source: Company information.



Note : EBI and Amstar shares combined for 2003.

Source : Company information, Canadean Global Beer Report 2003 and AC Nielsen September 2004.

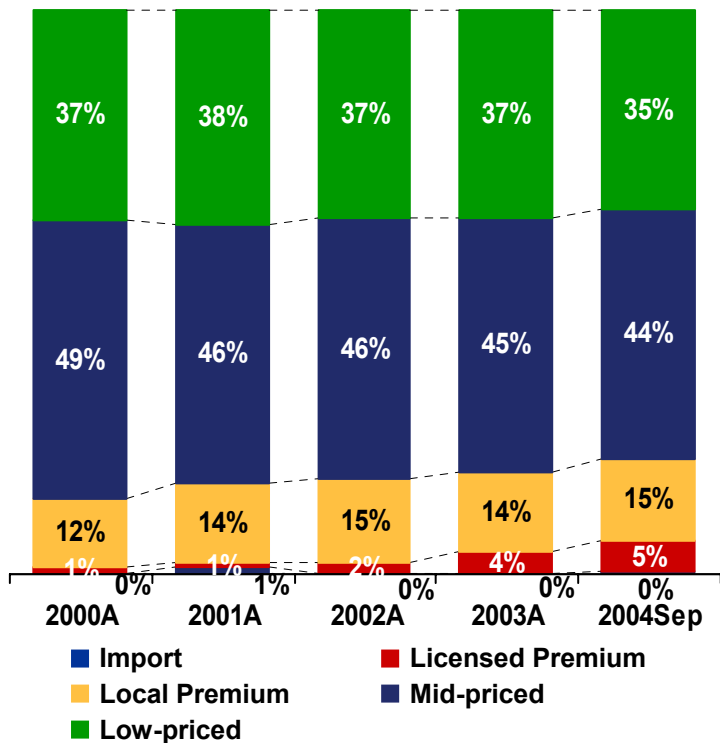


Note: EBI and Amstar shares combined for 2003.

Source: AC Nielsen Sep 2003 & Sep 2004.



Segments in Russian Federation



Source: ACNielsen, September 2004.

Brands

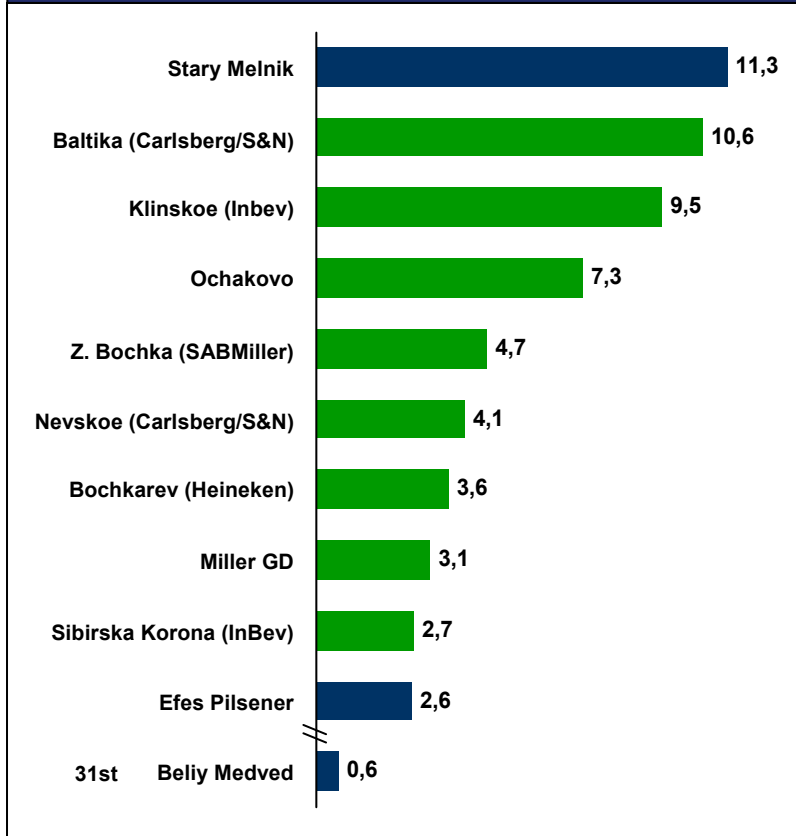
- ▶ **Import:** Budweiser, Corona, Grolsch, Paulaner
- ▶ **Licensed Premium:** Efes Pilsener, Warsteiner, Zlatopramen, Bavaria, Carlsberg, Heineken, Holsten, Kozel, Löwenbrau, Miller, Pilsener Urquell, Staropramen, Stella Artois, Tuborg, Gösser, Foster's, Beck's
- ▶ **Local Premium:** Stary Melnik, Sokol, Bochkarev, Nevskoe, Parnas, Sib. Korona, Solodov, Stolichnoe, Zolotaya Bochka
- ▶ **Mid-priced:** Bely Medved, Baltika, Klinskoe, Krasniy Vostok, Ochakovo, Patra, Pit, Stepan Razin, Tolstiak
- ▶ **Low-priced:** Arsenalnoe, Badaevskoe, Volzhanin, Yachmennoe, Yarpivo, Zhigulevskoe



Russian Federation – Top 10 Brands

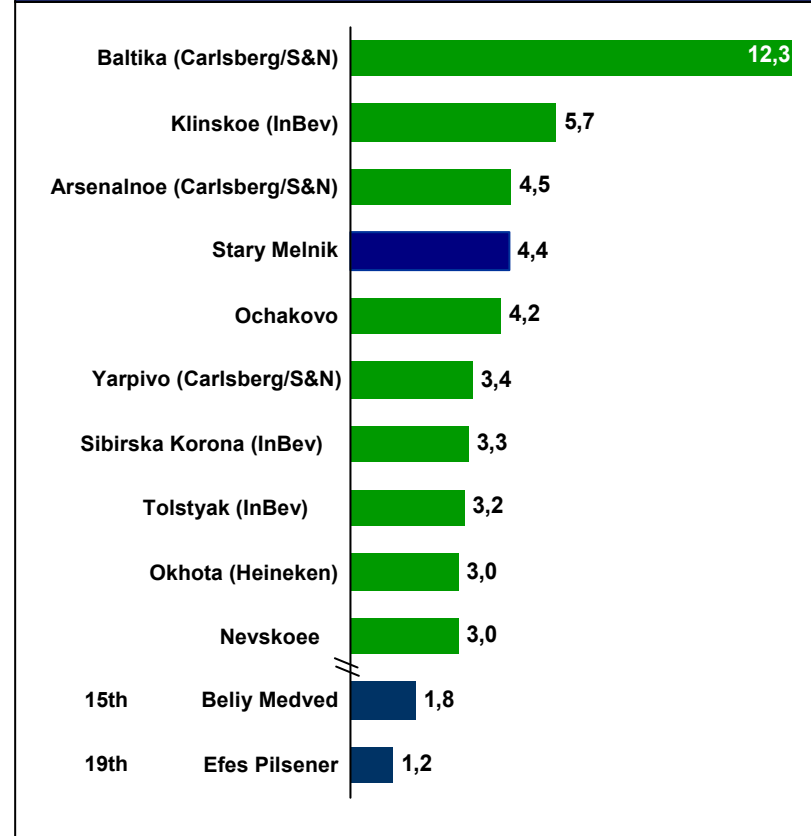


**Moscow YTD September 2004
Brand Market Share by Value (%)**



Source: AC Nielsen September 2004.

**Russian Federation YTD September 2004
Brand Market Share by Value (%)**



Source: AC Nielsen September 2004.



Regulatory Changes in Russian Federation

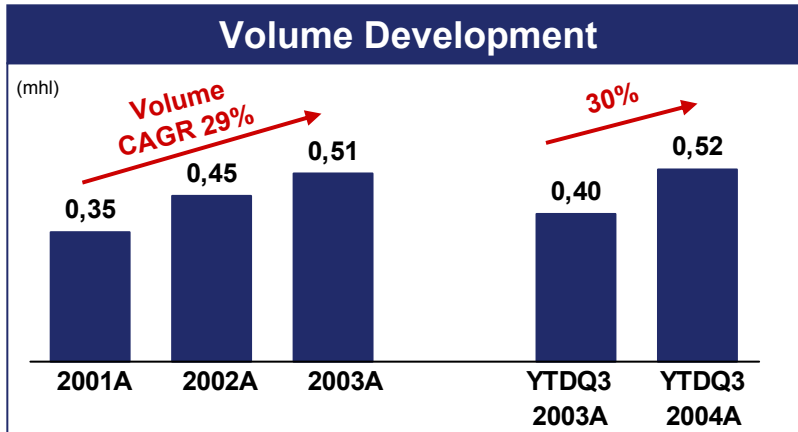


NEW ADVERTISING LAW

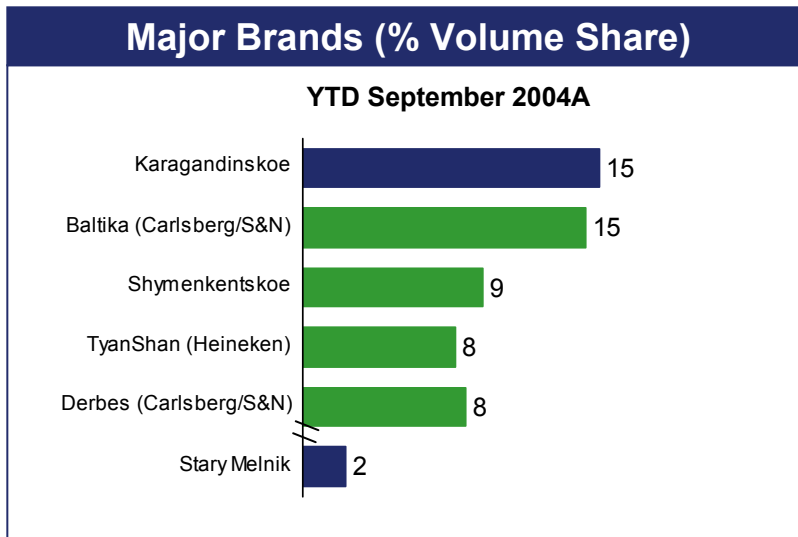
- ▶ Limitation on permitted hours of beer advertisements on TV and radio (prohibited between 7:00 – 22:00)
- ▶ Display of people and animals in beer advertisements not allowed
- ▶ Substantial impact on potential new market entrants and launch of new brands
- ▶ Limited impact on existing players with established brands
- ▶ EBI Moscow well positioned in new modus operandi
 - extensive experience in operating without TV / radio communication through parent company Anadolu Efes
 - closer to market and consumer
 - alternative marketing initiatives already in place

DRAFT BILL ON PUBLIC CONSUMPTION OF BEER

- ▶ Beer sales
 - not allowed - children's, medical, educational organisations and surrounding areas, public transport
 - not allowed - sports and cultural organisations - except hotels, restaurants and cafeterias (horeca), draught points of sale (POS)
 - only allowed to adults (18+ years)
 - expected to have limited impact on the business
- ▶ Beer consumption
 - not allowed - streets, stadiums, parks, public transport or other public places - except draught POS (horeca)
 - expected to create more emphasis on the horeca channel
- ▶ EBI Moscow well positioned
 - higher share of premium products
 - existing focus on the horeca channel

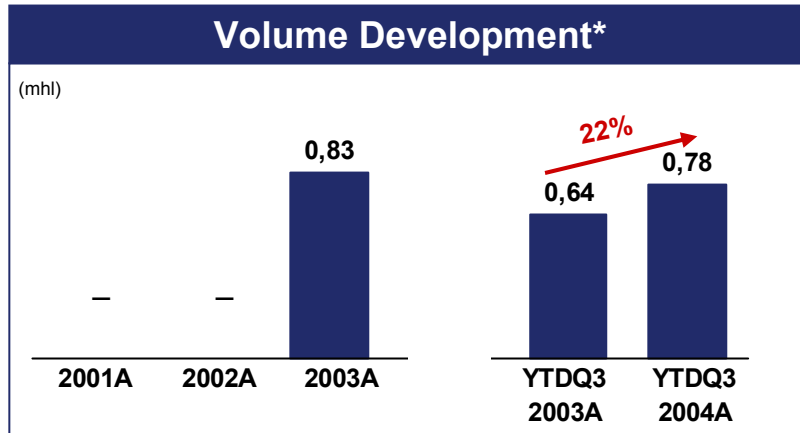


Source: Company information.

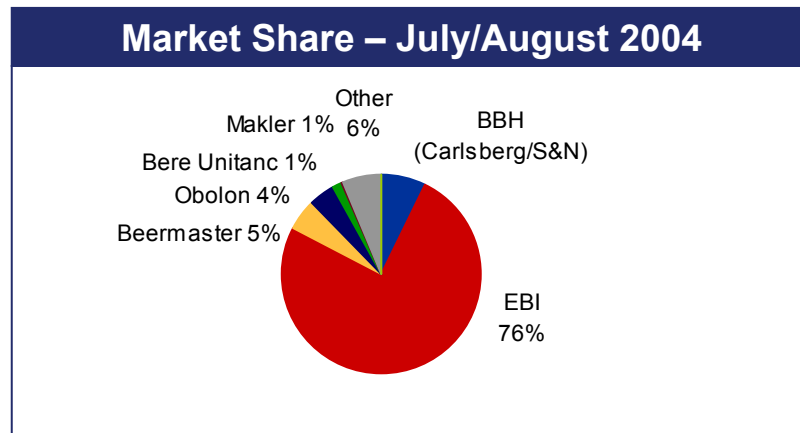


Source: AC Nielsen September 2004.

- ▶ EBI holds #1 brand position and is #2 brewer
- ▶ Increase of EBI's sales volume in YTD Q3 2004 to 0.52mhl
- ▶ Superior logistical advantage
 - 2 modern breweries (total brewing capacity 1.0mhl)
 - 1 in-house maltery (6,500 tons capacity)
- ▶ Synergies through Coca Cola distribution network

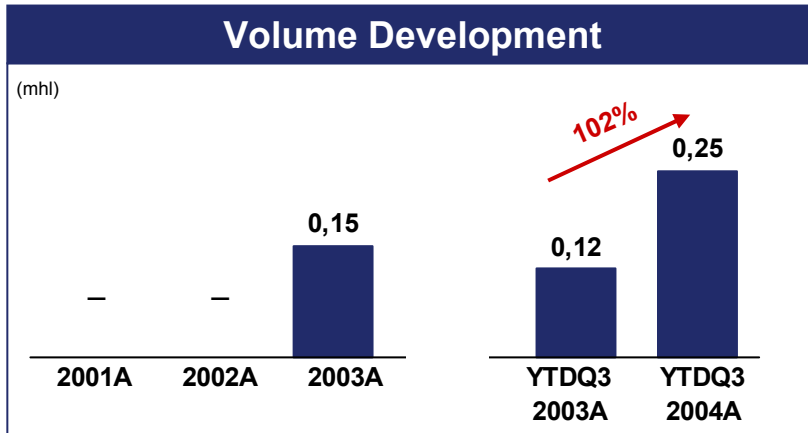


*; includes both beer & soft drinks.
Source: Company information.

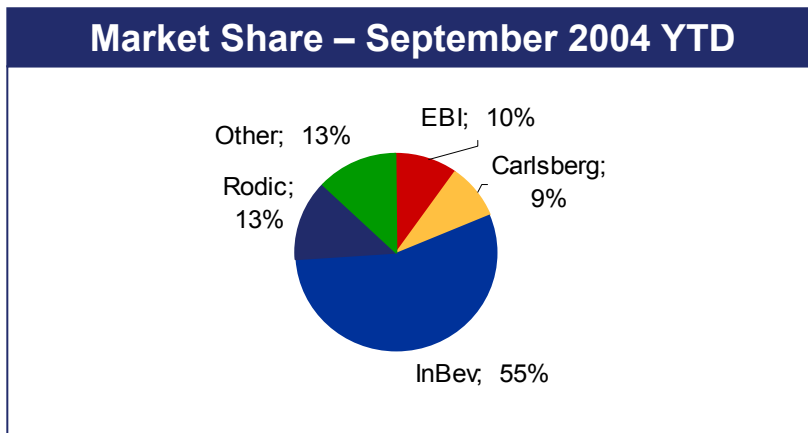


Source: MEMRB Moldova July/August 2004 by volume.

- ▶ EBI is #1 brewer with 76% market share by volume
 - “Vitanta Premium” – only Premium beer produced in Moldova
- ▶ Brewing capacity of 0.75mhl
- ▶ Additional soft drink business
 - Leading CSD market with 50% share by volume
 - Bottling capacity of 0.40mhl
- ▶ Focus on marketing, branding and re-launch of existing beer and soft drink brands

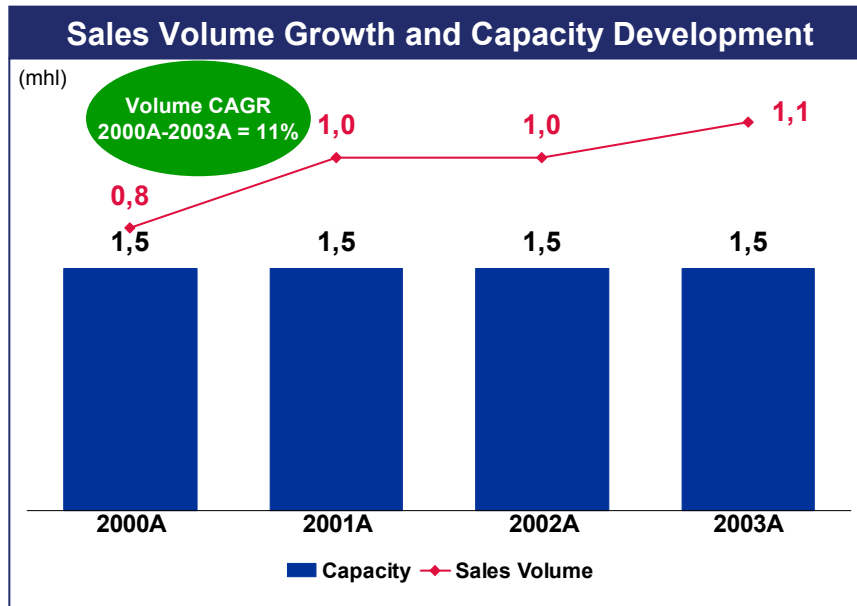


Source: Company information.



Source: Based on volumes reported to Brewers Association, September 2004.

- ▶ In 2003 EBI acquired brewery near Belgrade
 - Annual capacity 0.4mhl
- ▶ Market entry by international players in 2003
 - EBI (Weifert brand), Carlsberg and InBev
- ▶ Acquisition of 2nd brewery in Zajecar in 2004
 - Annual capacity 1.0mhl
- ▶ Now #3 in Serbia & Montenegro
 - 10% market share
- ▶ Growth of EBI's market share through
 - Re-launch of Weifert brand
 - Improving nationwide distribution

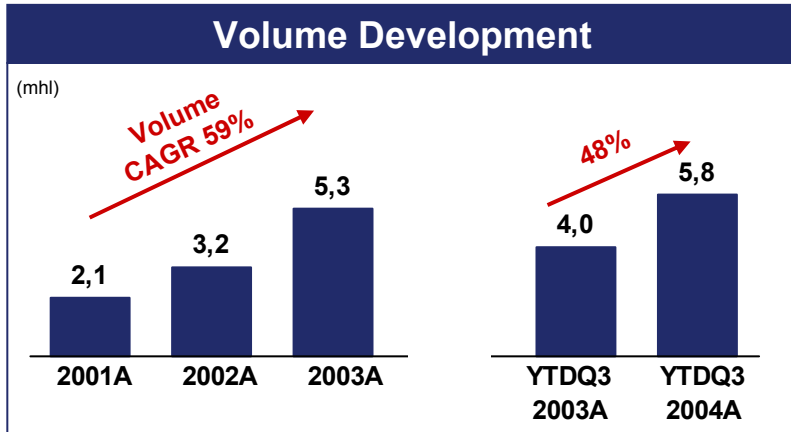


Source: Company information.

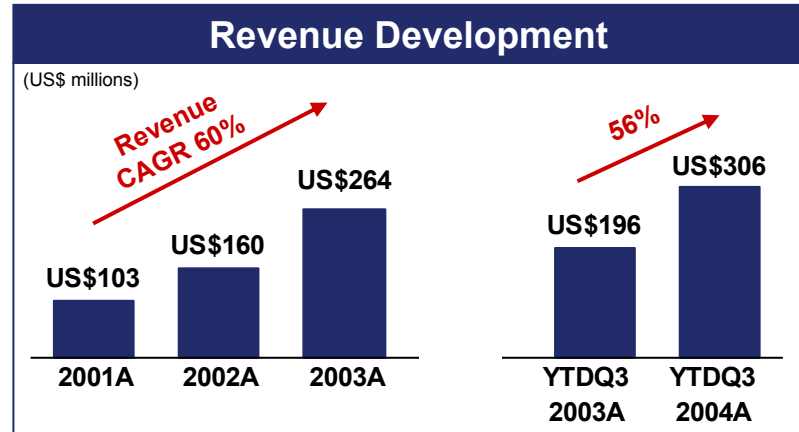
- ▶ Sizable beer market with growth predicted to accelerate
- ▶ JV between EBI and InBev established in 2000
 - Brewery near Bucharest (1.5mhl capacity)
 - Production based only
 - Supplying 9% of Romanian beer market through InBev's distribution network
- ▶ EBI consolidates 50% of the business

3. Financial Highlights

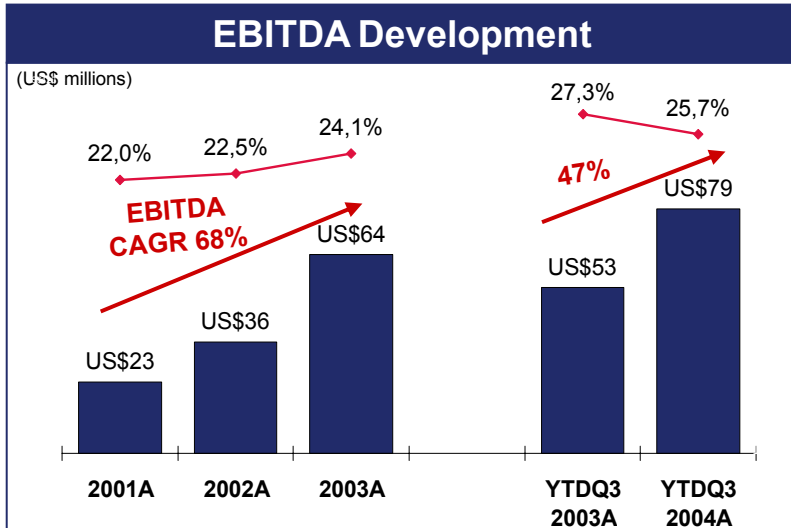




Source: Company information.

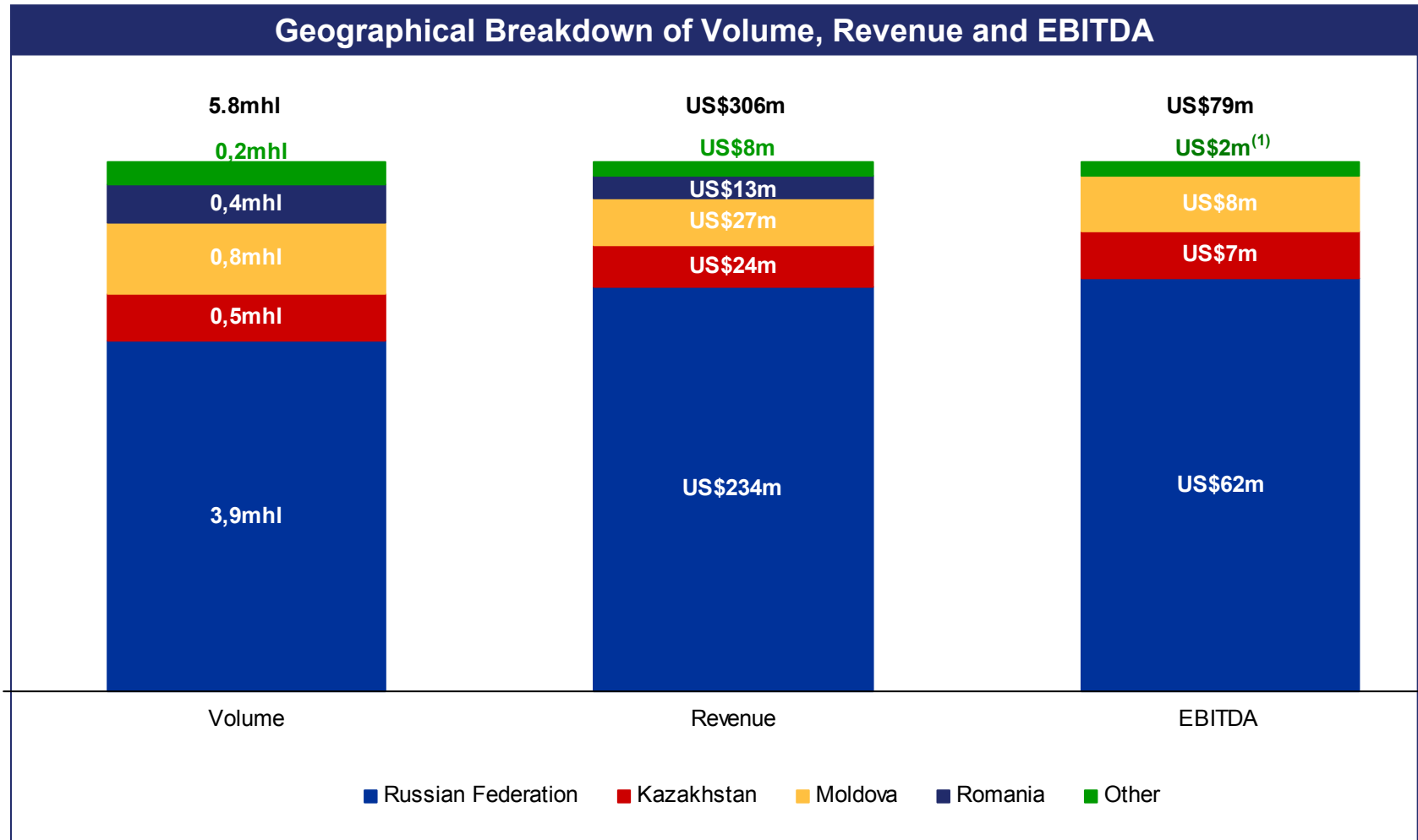


Source: Audited and reviewed accounts, Q32003 management accounts.



Source: Audited and reviewed accounts, Q32003 management accounts.

- ▶ 48% volume growth in Q3 2004 on top of CAGR 59% in 2001-2003
- ▶ Revenue growth of 56% exceeding volume growth
- ▶ Revenue per hl consistently at or around \$50 per hl
- ▶ 47% EBITDA growth in line with volume growth
 - Limited impact of integration costs and selling & marketing expenses
- ▶ Sound EBITDA margin

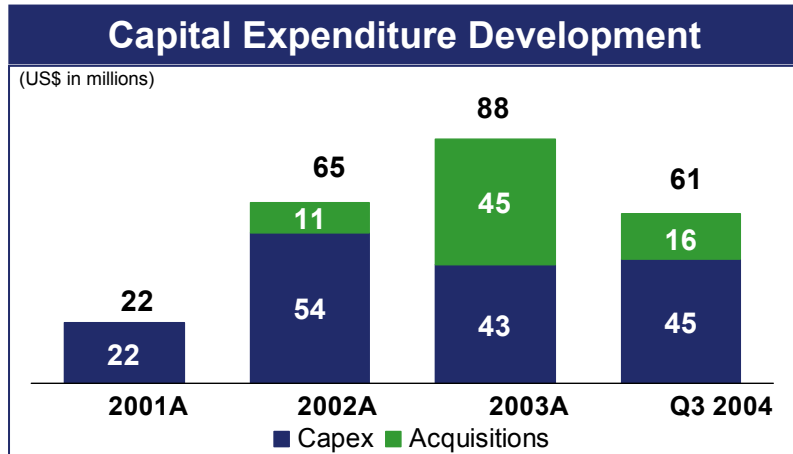


Note: Other includes Serbia, Ukraine, Headquarter and consolidation adjustments.

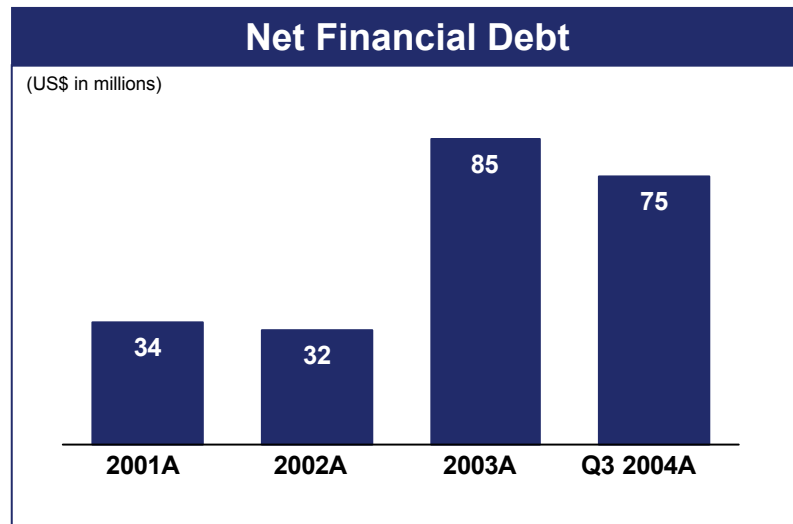
Romania represents 50% of total figures in Romania.

(1) Includes Romania and Other.

Source: Reviewed accounts.



Source: Audited and reviewed accounts.



Source: Audited and reviewed accounts.

Capex in 2003

- ▶ Acquisition of the
 - Amstar Brewery (Russian Federation)
 - Vitanta Brewery (Moldova)
 - Weifert Brewery (Serbia & Montenegro)
- ▶ Finalisation of construction of Almaty Brewery (Kazakhstan) and Rostov Brewery (Russian Federation)

Capex in 2004

- ▶ Acquisition of Zajecar Brewery in Serbia & Montenegro
- ▶ Capacity expansion of Moscow brewery (1.5mhl)
- ▶ Upgrade of EBI brewing facility in Serbia & Montenegro

Net Financial Debt

- ▶ Increased in 2003 vs 2002, due to funding of the expansion
- ▶ Decreased in Q3 2004 in line with the cash generation



4. Conclusions





- ▶ **Leading regional brewing champion**
 - #3 in Russian Federation, by value
 - #1 in Moldova
 - #1 brand in Kazakhstan
 - #3 in Serbia & Montenegro (post acquisition)
- ▶ **Present in key and fast-growing emerging markets in CIS, SEE & Central Asia**
 - Russian Federation – 81 mhl (2004P) / 9% per capita consumption growth (2004P - 2009E)
 - Kazakhstan – 2.9 mhl (2004P) / 13% per capita consumption growth (2004P - 2009E)
- ▶ **Positioned in the most attractive beer segments**
 - Most profitable
 - Fastest growing
- ▶ **Focus on profitable growth with proven track record**
 - Organic growth
 - Tactical and strategic acquisitions
- ▶ **Proven management team**

Positioned to take advantage of growth in target markets



**Continue to pursue
profitable growth**

**Focus on higher value
segments**

**Leverage effective
capital expenditure
model**

- ▶ **Ongoing review of greenfield / brownfield opportunities in existing territories**
- ▶ **Tactical and strategic expansion into new high-growth territories**
- ▶ **Capitalise on shift in consumer demand to premium beer**
- ▶ **Invest in brands**



APPENDIX





Consolidated Income Statement



<i>(US\$ in millions)</i>	2002A	2003A	Q3 2003A	Q3 2004A
Sales	160,1	264,1	195,7	305,8
Cost of sales	(84,3)	(136,3)	(99,1)	(155,9)
Gross profit	75,8	127,8	96,6	149,9
Selling and marketing expenses	(32,4)	(59,0)	(41,3)	(67,2)
General and administrative expenses	(21,6)	(32,9)	(20,6)	(31,8)
Profit from operations	21,8	35,9	34,7	50,9
Financial expense	(4,0)	(1,3)	(1,5)	(3,0)
Other income/(expense)	(0,5)	29,3	28,4	(0,8)
Gain on net monetary position	5,8	-	-	-
Profit before tax	23,1	63,9	61,6	47,1
Income tax	(5,8)	(8,1)	(6,0)	(11,7)
Profit after tax	17,3	55,8	55,6	35,4
Minority interest	(1,2)	(2,7)	(3,4)	(6,6)
Net profit	16,1	53,1	52,2	28,8

Source: Audited and reviewed accounts, Q32003 management accounts.



Consolidated Balance Sheet



<i>(US\$ in millions)</i>	2002A	2003A	Q3 2004A
Cash and cash equivalents	39,0	32,7	35,3
Trade and other receivables	10,0	17,7	29,6
Due from related parties	5,0	4,6	2,5
Inventories	17,4	37,8	47,3
Prepayments and other current assets	13,2	15,3	18,2
Total current assets	84,6	108,1	132,9
Investments in securities	3,1	1,8	1,8
Property, plant and equipment	190,0	267,6	306,8
Intangible assets	3,6	65,3	67,7
Deferred tax assets	-	3,4	3,9
Prepayments and other non-current assets	1,7	2,4	2,2
Total non-current assets	198,4	340,5	382,4
Total assets	283,0	448,6	515,3
Trade and other payables	16,1	30,9	40,6
Due to related parties	7,4	13,7	26,2
Income tax payable	-	0,5	3,2
Short-term borrowings	23,2	32,8	34,7
Current portion of long-term borrowings	11,0	13,0	18,3
Total current liabilities	57,7	90,9	123,0
Long-term borrowings-net of current portion	36,7	71,5	57,7
Deferred tax liability	9,0	12,1	12,2
Other non-current liabilities	1,7	1,3	2,6
Total non-current liabilities	47,4	84,9	72,5
Minority interest	25,8	53,8	69,5
Total equity	152,1	219,0	250,3
Total liabilities and equity	283,0	448,6	515,3

Source: Audited and reviewed accounts.



Consolidated Cash Flow



<i>(US\$ in millions)</i>	2002A	2003A	Q3 2004A
Net profit before minority interest and income tax	17,3	63,9	47,1
Gain on sale of subsidiary and investment	-	(26,8)	(0,5)
Depreciation and amortization	14,7	24,1	26,1
Other non-cash expense	2,6	3,2	3,5
Net interest expense	3,7	5,0	4,3
(Increase)/decrease in net working capital	(7,7)	(11,0)	0,7
Net interest paid	(4,3)	(5,2)	(4,7)
Income taxes paid	(3,3)	(9,0)	(9,7)
Net cash provided by operating activities	23,0	44,2	66,8
Capex	(54,3)	(43,1)	(45,0)
Acquisition of subsidiary	(11,2)	(45,3)	(15,7)
Other investing activities	3,5	5,3	4,8
Net cash used in investing activities	(62,0)	(83,1)	(55,9)
Proceeds from/(repayments of) debt	9,5	30,3	(7,4)
Share issue	44,0	5,9	-
Net cash provided by financing activities	53,5	36,2	(7,4)
Currency translation differences	0,1	(3,6)	(0,9)
Net increase/(decrease) in cash and cash equivalents	14,6	(6,3)	2,6
Cash and cash equivalents at beginning of year	24,4	39,0	32,7
Cash and cash equivalents at end of period	39,0	32,7	35,3

Source: Audited and reviewed accounts.