

ANADOLU EFES FY2019 VOLUME RESULTS

Istanbul, January 10, 2020 – Anadolu Efes (BIST: AEFES.IS) today announced:

				Proforma*		
	4Q2018	4Q2019	% change	2018	2019	% change
Beer Group (mhl)	8.2	8.6	4.8%	34.2	36.2	5.9%
Turkey Beer	1.4	1.3	-7.1%	5.7	5.4	-5.2%
International Beer	6.8	7.3	7.2%	28.5	30.8	8.1%
Coca-Cola Icecek (m u/c)	228.5	230.5	0.8%	1,314.9	1,316.3	0.1%
Turkey	120.1	126.0	4.9%	650.5	662.1	1.8%
International	108.4	104.5	-3.6%	664.5	654.2	-1.5%
Anadolu Efes Consolidated (mhl)	21.2	21.7	2.4%	108.8	110.9	1.9%

1 hectoliter (hl) is 100 liters

1 unitcase (uc) is 5.678 liters

UNLESS STATED OTHERWISE, THE FIGURES FROM HEREON ARE BASED ON PROFORMA NUMBERS (INCLUDING THE ABI MERGER IN RUSSIA & UKRAINE FOR 1Q2018)

ANADOLU EFES CONSOLIDATED

Anadolu Efes' **consolidated** sales volume recorded 2.4% growth in the last quarter of the year, mainly led by the robust performance in international beer operations, which posted a y-o-y growth of 7.2% in 4Q2019 as well as solid volume growth delivered in Turkey soft drink operations. Accordingly, in FY2019, Anadolu Efes' consolidated sales volume reached 110.9 mhl with 1.9% y-o-y increase, in line with our guidance of low-to-mid single digit growth.

BEER GROUP

It was another strong quarter for **Beer Group** where sales volume has reached 8.6 mhl with a year-on-year growth of 4.8%. The solid performance in the quarter is attributable to especially Russia and Ukraine, where both outperformed expectations throughout the year. In FY2019, beer group sales volume was 36.2 mhl, up by 5.9% y-o-y, parallel to our guidance of mid-single digit growth.

TURKEY BEER

Turkey beer total sales volume realized at 1.3 mhl in 4Q2019, down 7.1% compared to 4Q2018. As a result, Turkey beer total sales volume; including exports, was at 5.4 mhl in FY2019, down 5.2% y-o-y, in line with our expectation of mid-single digit decline.

All FMCG sectors continued to be under the pressure thru the quarter, negatively impacted by the weak demand driven by macro dynamics and the low consumer confidence associated with it. The beer market was down in the last quarter of the year similar to the other FMCG categories and further impacted by the low affordability. The beer market is estimated to have declined by mid-single digit in FY2019.

Even though 2019 has been a tough year, it has also been a year where we were able to strengthen our portfolio through investing in our brands, continue improving quality, taste and freshness, expanding our premium segment presence and revitalizing our consumer touch through cultural events and festivals.

INTERNATIONAL BEER

International Beer Operation's consolidated sales volume reached 7.3 mhl in 4Q2019, with a year-on-year increase of 7.2%. The robust performance in the quarter is attributable to Russia and Ukraine where Georgia also positively contributed to the growth in 4Q. Accordingly, in FY2019, international beer operation's sales volume grew by 8.1% to 30.8 mhl.

Russian beer market is estimated to have grown by low-single digit in FY2019. Despite a challenging 3rd quarter in the market, beer volumes slightly recovered and posted growth in the 4th quarter. In FY2019, our growth on a y-o-y basis was high-single digit in Russia, leading to market share gains since the beginning of the year. Our strong performance in Russia not only is attributable to successful integration of the JV after closing, but also to our focus on net revenue growth.

Ukraine performed above expectations since the beginning of the year and posted a growth of low-double digits in FY2019 where the market is estimated to be up by low-single digit. Successful launch of Efes brands assisted in the market outperformance during the year.

The market in **Kazakhstan** in FY2019 is estimated to be flat. We were able to deliver almost flat volumes with sustained market share, despite macro challenges as well as competitive pressures in the market. Increased visibility in sales channels, new launches together with special packages offered to consumers with extended quality focus helped our performance during the year.

In our **other international beer operations**, the markets are estimated to be up by low-single digits, where we continued our leadership with high brand focus, new launches especially in core brands and higher penetration.

SOFT DRINK GROUP

In 4Q2019, **consolidated sales volume** rose by 0.8% to 230.5 million UC, led by Sparkling (up 4.9%) and Stills (up 14.5%) while Water and NRTD Tea categories declined by 13.0% and 9.2%, respectively. Growth in the core business was 2.4% in the period (throughout this announcement, "core business" will relate to Coca-Cola İçecek's business excluding non-ready-to-drink ('NRTD') Tea distribution).

In FY2019, consolidated sales volume increased by 0.1% to 1,316.3 million UC, exceeding our guidance of a slight decline. The core business recorded a growth of 0.6% in FY2019 compared to the previous year. Yearly growth was led by Kazakhstan, Turkey and Azerbaijan operations despite the slowdown in Pakistan and continued production stoppage in Turkmenistan. Excluding Turkmenistan, consolidated core business sales volume was up by 1.4% in FY2019. The Sparkling category (up 0.3%) and Stills (up 5.1%) were primary drivers of growth while Water and non-ready-to-drink ('NRTD') Tea categories contracted by 0.1% and 4.9%, respectively. Ice Tea recorded growth in all the markets where it is sold while sparkling grew in all markets except for Pakistan, Jordan and Turkmenistan. The share of Turkey operation within total sales volume was 50% in FY2019 compared to 49% in FY2018.

In 4Q2019, **Turkey operation's** volume was up by 4.9% to 126.0 million UC, fueled by favorable weather conditions. Core business volume grew by 9.7% in the quarter on year on year basis. The Sparkling category grew by 15.8% while Low/No calorie delivered 31.1% growth. The Stills category volume increased by 12.9% in the quarter with significant contribution coming from 49.9% growth in Ice Tea while Water and NRTD Tea categories decreased by 7.2% and 9.4%, respectively.

In FY2019, Turkey operations delivered 1.8% volume growth bringing full-year sales volume to 662.1 million UC. All categories posted growth except for NRTD Tea and juice. Core business volume growth was 3.2% in the period.

The Sparkling category grew by 3.8%, cycling 5.7% growth in 2018, recording the highest volume ever. The share of immediate consumption ('IC') packages in the Sparkling category maintained its upward trend, reaching 25% in FY19 compared to 23% in FY18, while the number of transactions outpaced the volume growth with 9% increase. On-premise channel was the main contributor to volume growth throughout 2019, driven by new accounts. Cooler placements, continued media investments and successful market execution also supported volume growth. Low/No calorie segment grew by 5.9% while the share of Low/No calorie in the Sparkling volume continued to increase. The Stills category delivered 3.1% growth with Ice Tea being the main driver of volume with 11.5% growth, cycling 20.0% growth in 2018. The Water category volume increased by 1.6% in 2019, with a rising share of IC packages. NRTD Tea category volume declined by 5% in the period.

In 4Q2019, **international operations** registered 104.5 million UC volume with a 3.6% year-on-year contraction.

Pakistan volume was down by 15.2% in 4Q2019, due to continued slowdown in the overall industry, price increases taken in the third quarter as well as destocking at distributors at year-end.

Across the Middle East, volume contracted by 3.3%. Sales volume in Iraq was down by 4.8%, reflecting the political unrest in the country, while sparkling category grew by 5.7%. Jordan registered 7.3% growth, supported by new cooler placements.

Central Asia registered 11.1% volume growth led by double-digit growth in Kazakhstan, Azerbaijan and Tajikistan markets. During the quarter, Kazakhstan posted 16.2% growth, cycling 6.7% growth in 4Q18. New year consumer promotions and successful consumer activities contributed to the growth in the region.

In FY2019, our international operations' volume was down by 1.5% to 654.2 million UC, which was primarily attributable to the slowdown in Pakistan and continued production stoppage in Turkmenistan.

In Pakistan, volume declined by 7.8% in 2019, cycling 7.3% growth in FY2018. Weak macroeconomic condition and tough competitive environment hurt volume performance throughout the year. The Sparkling category contracted by 7.4% in 2019, reflecting the overall industry decline. Trademark Coca-Cola outperformed its segment on the back of higher brand love score, while all our sparkling brands continued to decline.

Across the Middle East, volume declined by 1.7%. Iraq posted a 0.8% growth driven by the 3.7% growth in the Sparkling category while the Water category volume declined by 7.4%.

Central Asia registered 9.0% growth, with all markets except for Turkmenistan delivering double-digit growth. Kazakhstan posted 13.9% growth, along with share gains in all categories. Strong consumer activations, cooler placements and successful market execution supported growth throughout 2019. Azerbaijan, posted 20.5% growth, with trademark Coca-Cola registering 34% growth. Turkmenistan made a negligible volume contribution as production stopped in early 2019 due to continued issues about currency convertibility, causing interruptions in production. Excluding Turkmenistan, growth in Central Asia was 14.4% vs prior year.

ABOUT ANADOLU EFES

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 17,330*, 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

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

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, 2019