



**ANADOLU
EFES**

INVESTOR PRESENTATION

Post 1H2016 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.

ANADOLU
EFES | LIVING THE VALUES!



PASSIONATE
& PROUD



PROFESSIONAL



ENTREPRENEURIAL

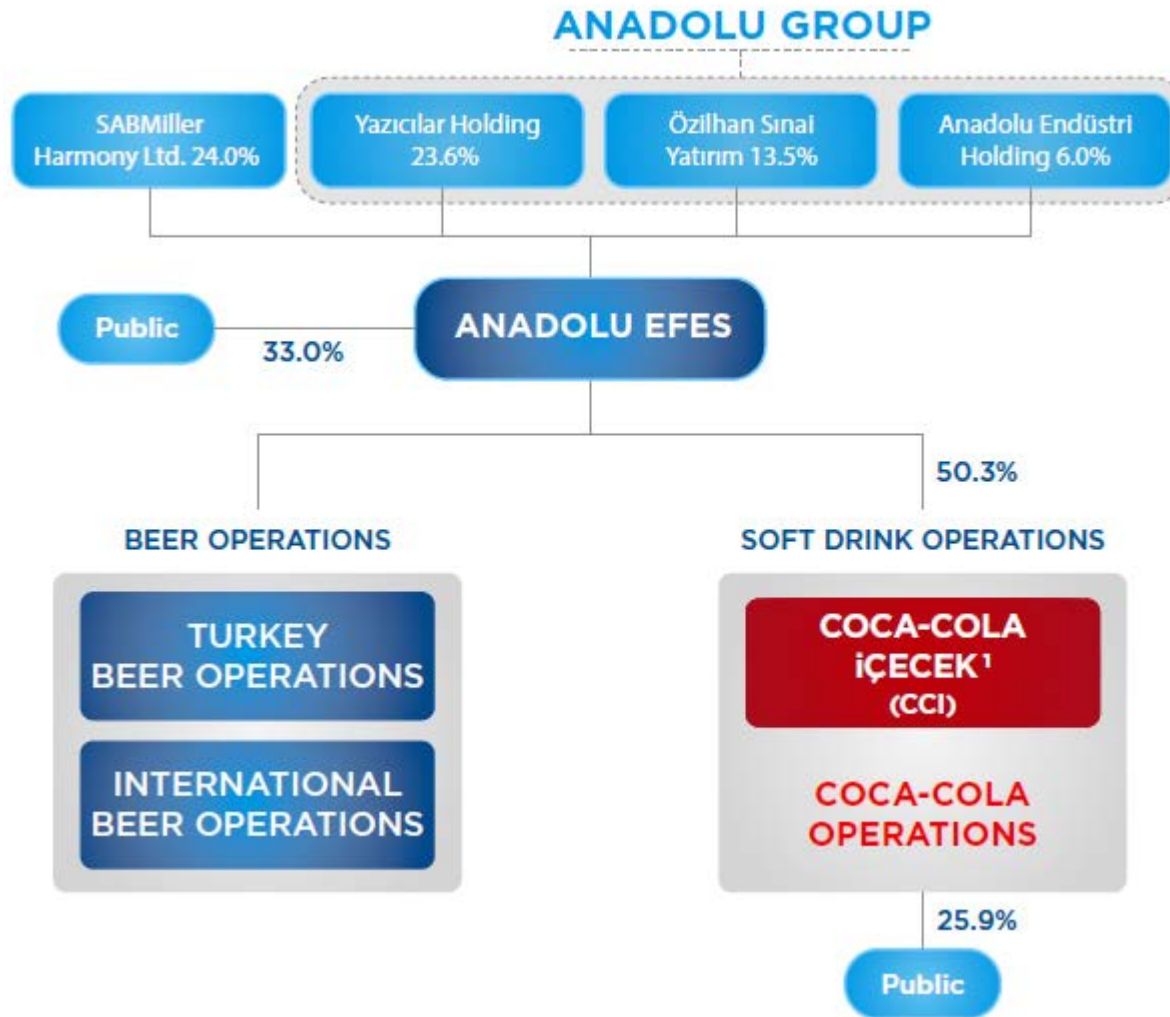


COLLABORATIVE



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*

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

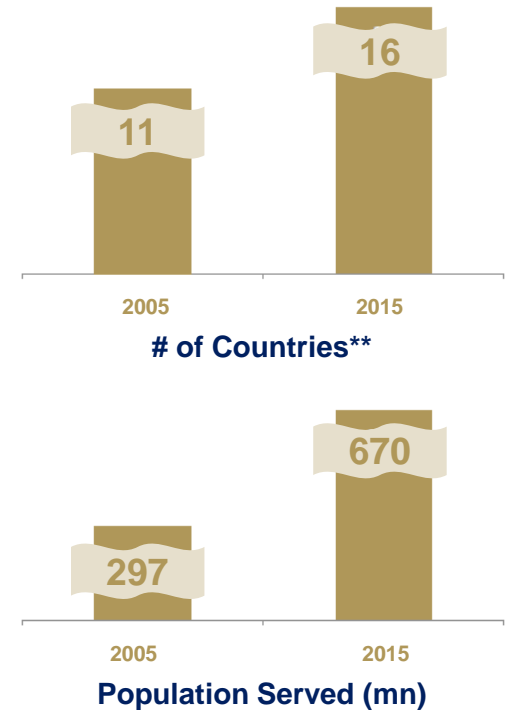
Synergies with the world's giants - **SABMiller**

& The Coca-Cola Company

Operating in markets with significant growth potential

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

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

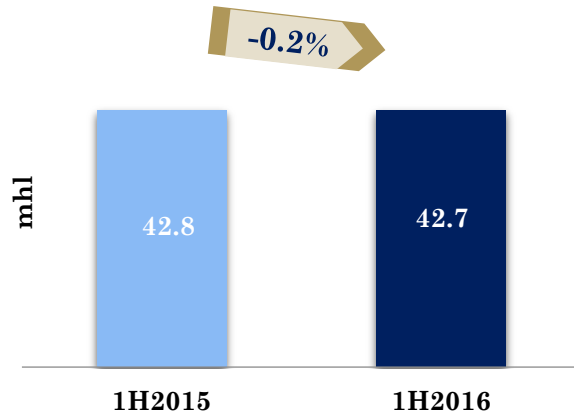


* as of 2015

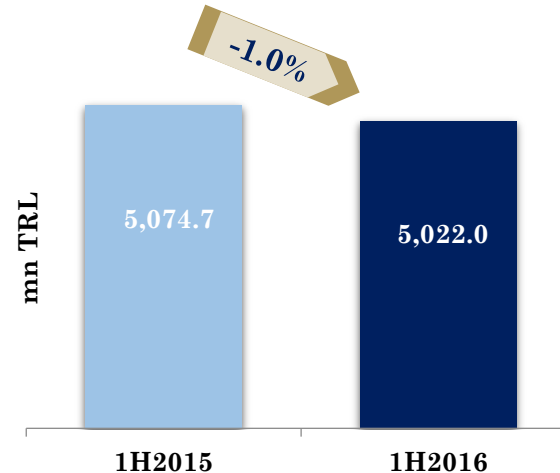
** only includes countries where we have production or sales & distribution network

Consolidated Performance – 1H2016

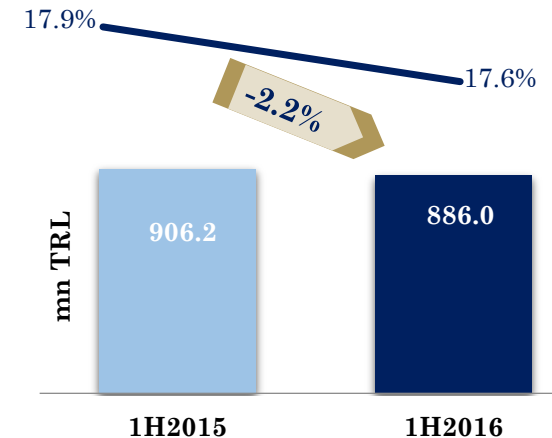
SALES VOLUME



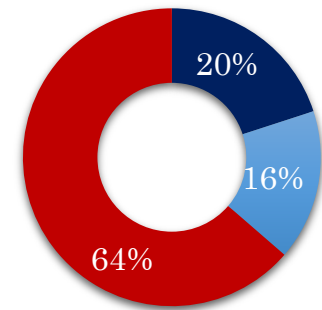
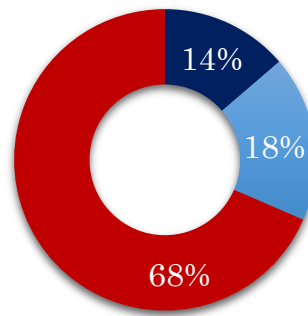
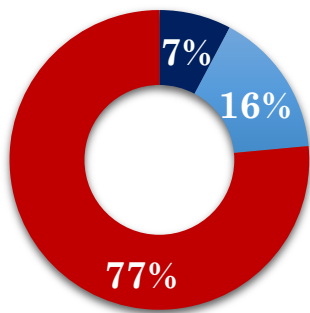
NET SALES REVENUE



EBITDA (BNRI)* & EBITDA (BNRI) MARGIN



BREAKDOWN**



■ Turkey Beer ■ International Beer ■ Soft Drinks

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

* BNRI means Before Non Recurring Items

**Breakdowns are on a combined basis

Volume Performance – 1H2016

2Q2016 vs. 2Q2015

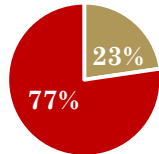
- Consolidated sales volume up 1.9% to 26.2 mhl.
- Beer sales volume down 7.8% to 5.8 mhl.

1H2016 vs. 1H2015

- Consolidated sales volume down 0.2% to 42.7 mhl.
- Beer sales volume down 11.2% to 9.7 mhl.

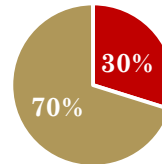
Volume Breakdowns

AEFES Consolidated



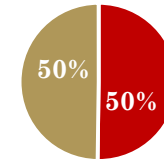
■ Beer ■ Soft drink

Beer Group



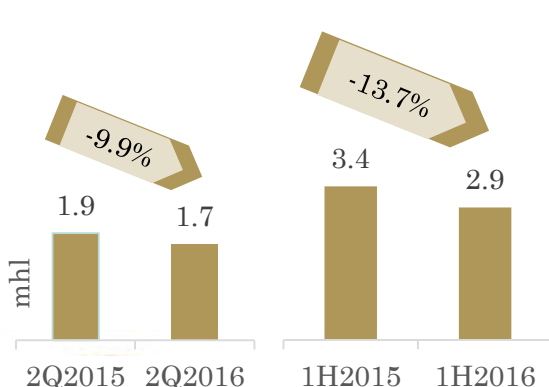
■ Turkey ■ International

Soft Drinks

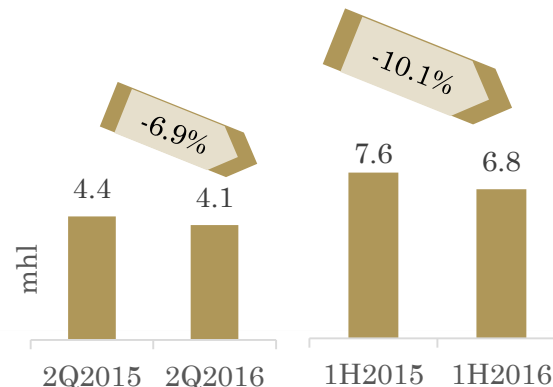


■ Turkey ■ International

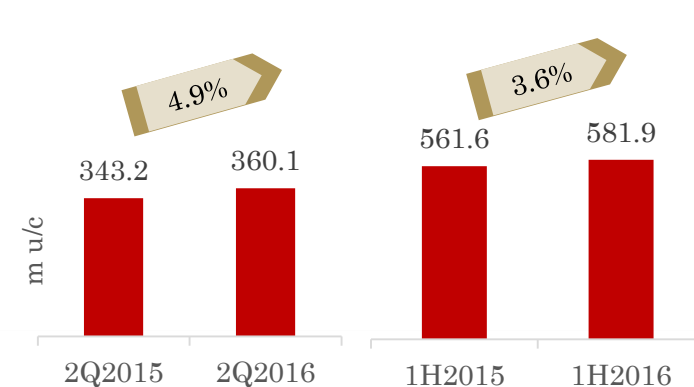
TURKEY BEER



INTERNATIONAL BEER



SOFT DRINKS



■ Volume flat vs. 1H2015 (excl. Ukraine up by 0.4%)

- 3.6% volume growth in soft drink business
- Recovery in beer volumes in the 2nd Q versus previous Q

■ Revenue slightly underperformed volume decline

- Despite local currency price increases in all business segments
- Due to devaluation of Ruble & Central Asian currencies against TL

■ EBITDA (BNRI) margin parallel to 1H2015 at 17.6%

- GP margin pressure was offset by tight expense management in all operations

■ Significant improvement in bottomline; net profit of TL 232.2 mn vs a TL 39.4 mn loss in 1H2015

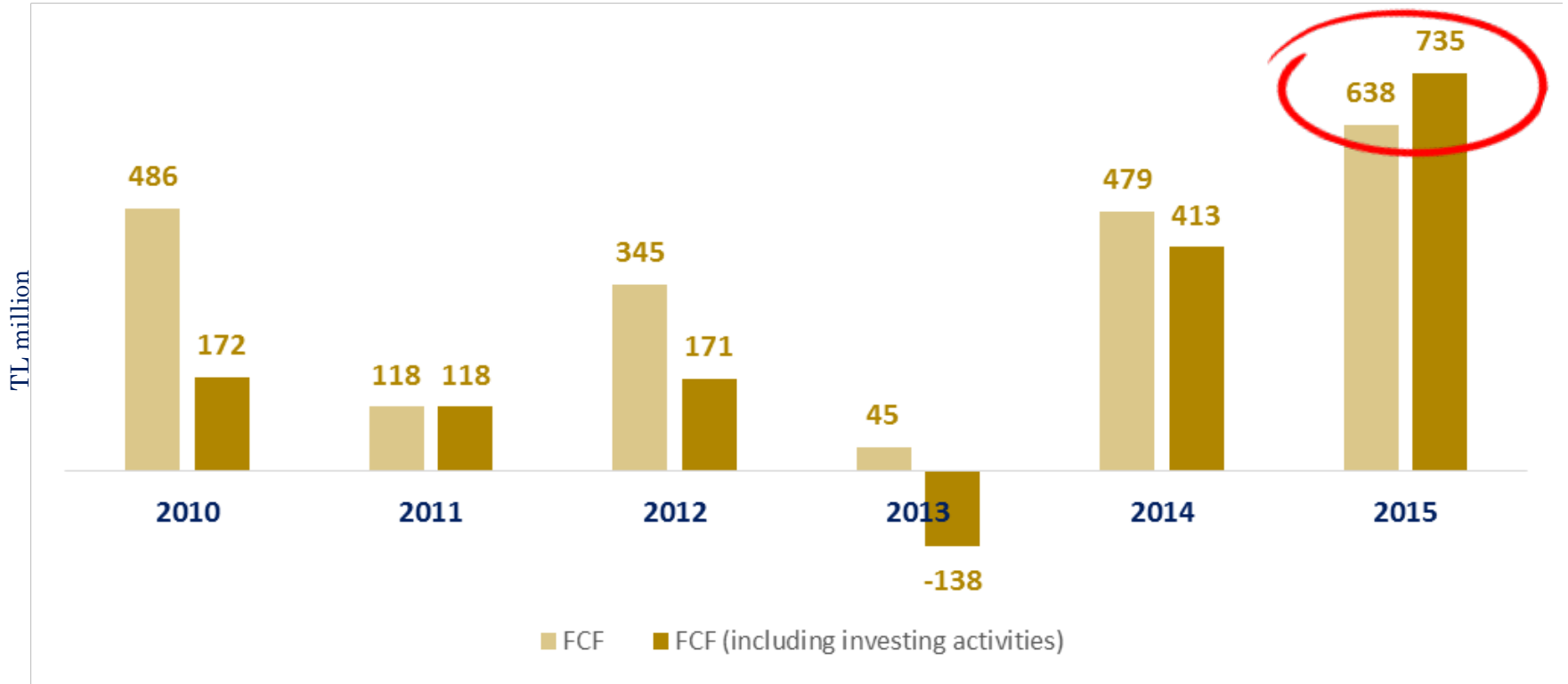
■ Positive FCF of TL 49.4 million vs negative FCF of TL 170.8 million in 1H2015

■ Consolidated net debt to EBITDA (BNRI) was 2.1x



- ***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



39.5mhl of total beer capacity

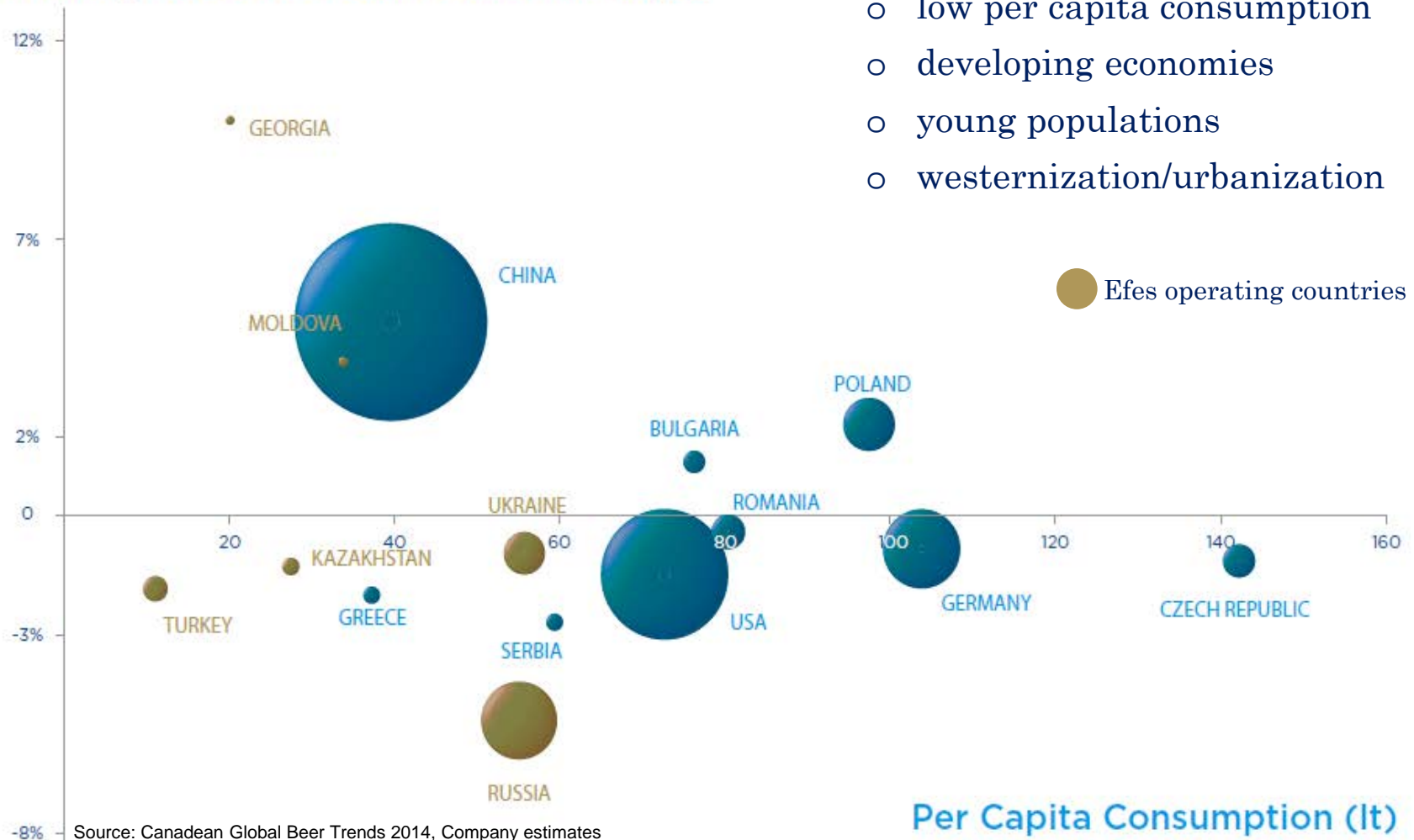
* Value share **Nielsen, 2015

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



BRANDS

Provide choice and innovation to consumers:
Grow brand love

EXECUTION

Excel in customer collaboration, availability and point of sale activation

EFFICIENCY

Build competitive advantage through lean and efficient operations

RELATIONS

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
- **68%** 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

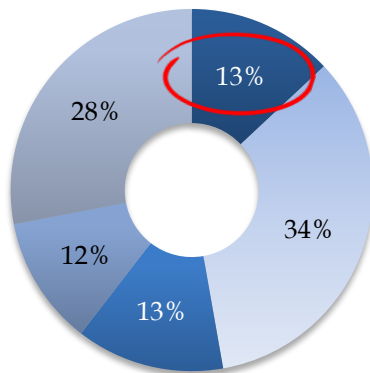
- Share of Modern Trade above **60%** - more than **doubled** in the last few years



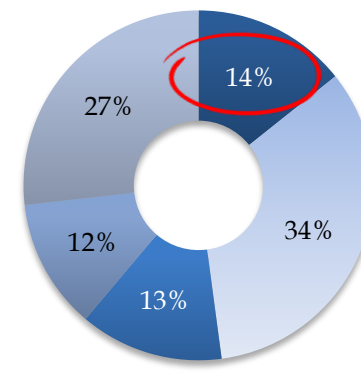
#2* player with;

- 6 Breweries – 30mhl total brewing capacity
- 4 Malteries & 1 Preform Plant
- AEFES’ largest beer market;
 - ✓ 52% of total beer volumes from Russia
- 14% 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 Jun 16

Other International Beer Operations

Market leader in;

- ✓ Kazakhstan
- ✓ Georgia
- ✓ Moldova

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



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

SOFT DRINK OPERATIONS

CCI at a Glance



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

ANADOLU
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50.3%

Coca-Cola

20.1%

Özgörkey
Holding

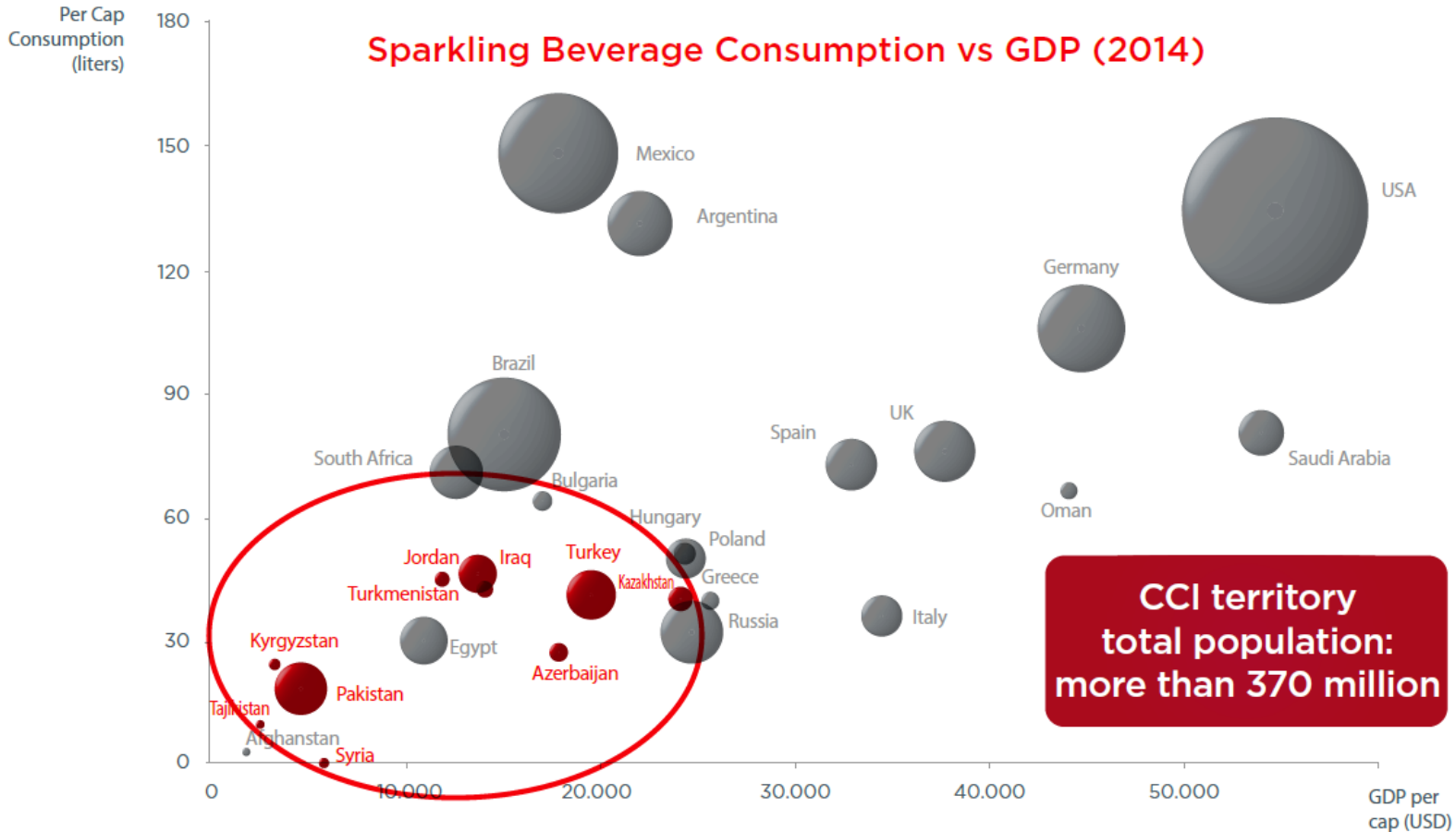
3.7%

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">• Winning At The Point of Sales• Sales Force Effectiveness - SFE• Revenue Growth Management - OBPPC				

Strong Brand Portfolio

BRAND & FLAVOR EXPANSION

	2006	2015
Brands	17	30
Flavors	44	148

PACKAGE INNOVATION

Differentiated package segmentation
across channels, customers &
consumers



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FINANCIALS AND OUTLOOK

Financial Highlights

	Turkey Beer (TL mn)		International Beer (USD mn)		Soft Drinks (TL mn)	
	1H2016	<i>vs</i> 1H2015	1H2016	<i>vs</i> 1H2015	1H2016	<i>vs</i> 1H2015
Volume (mhl)	2.9	-13.7%	6.8	-10.1%	581.9 *	3.6%
Net Sales	686.5	-9.6%	305.5	-26.1%	3,430.3	5.7%
Gross Profit	400.8	-14.5%	141.0	-28.1%	1,220.4	3.0%
EBIT (BNRI)	98.4	-42.1%	18.3	6.6%	341.6	-1.5%
EBITDA (BNRI)	181.9	-25.3%	51.0	-19.1%	578.8	9.2%
Net Income**	71.9	400.1%	35.9	1927.5%	177.5	203.1%
Margins		Change (bps)		Change (bps)		Change (bps)
Gross Profit	58.4%	-338	46.1%	-124	35.6%	-92
EBIT (BNRI)	14.3%	-807	6.0%	184	10.0%	-73
EBITDA (BNRI)	26.5%	-557	16.7%	145	16.9%	55
Net Income**	10.5%	1,363	11.8%	1,224	5.2%	337

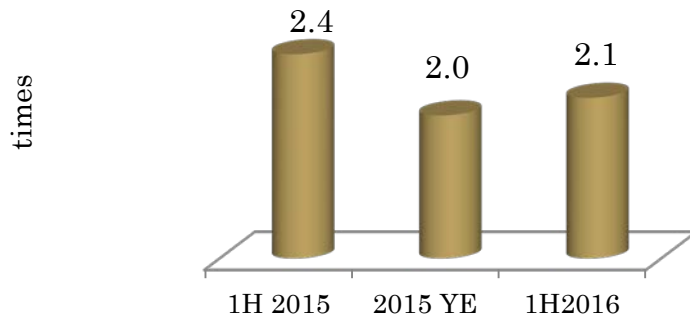
*million unit case

**Net income attributable to shareholders

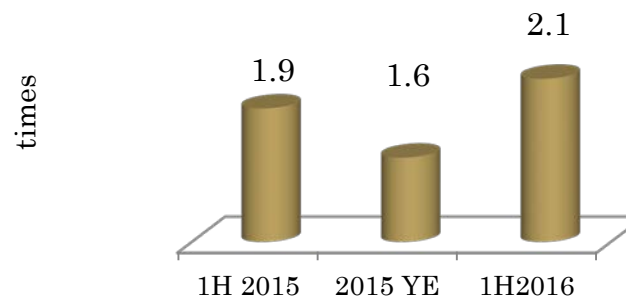
Balance Sheet Flexibility

1H2016 Net Leverage Ratios are within comfortable area.

Anadolu Efes Consolidated



Beer Group



AEFES		1H2015	1H2016
TOTAL FINANCIAL DEBT	<i>m TL</i>	5,299	5,332
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	1,277	1,692
NET DEBT	<i>m TL</i>	4,022	3,640
NET DEBT	<i>m USD</i>	1,497	1,258

BEER		1H2015	1H2016
TOTAL FINANCIAL DEBT	<i>m TL</i>	2,173	2,157
TOTAL CASH & EQUIVALENTS	<i>m TL</i>	793	815
NET DEBT	<i>m TL</i>	1,380	1,342
NET DEBT	<i>m USD</i>	514	464

76% of cash is hold as hard currency

93% of debt is in hard currency

77% of cash is hold as hard currency

96 % 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

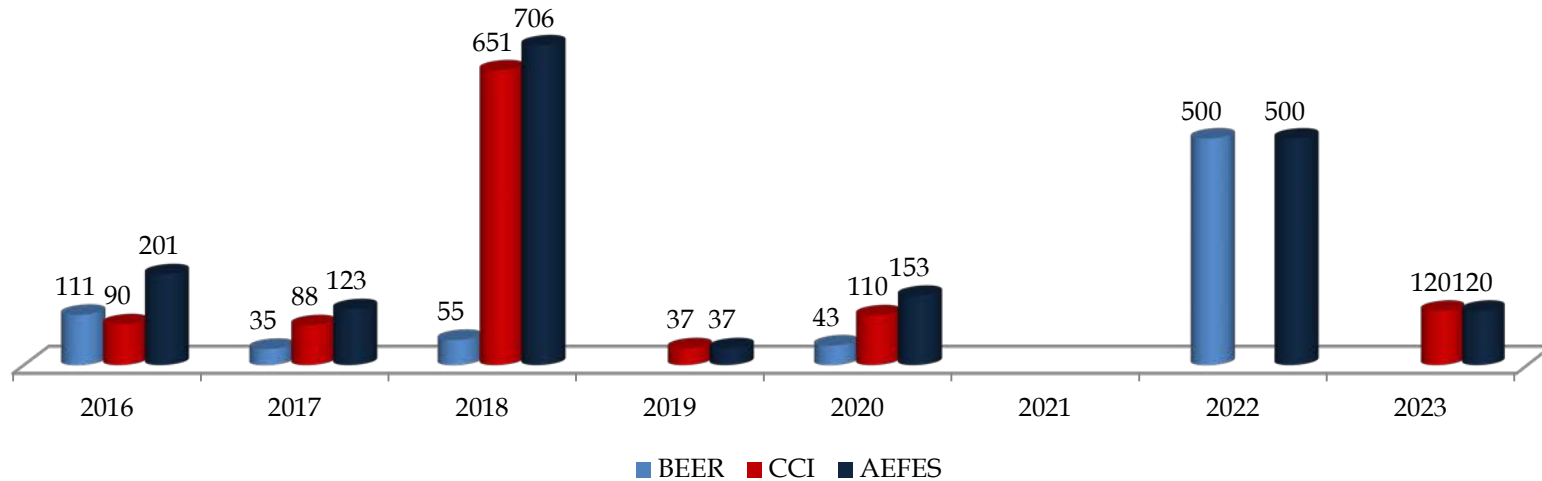
Easily manageable debt repayment schedule

Average maturity of debt for;

- Beer Group is app. **4.7 years** and
- Anadolu Efes is app. **3.5 years**



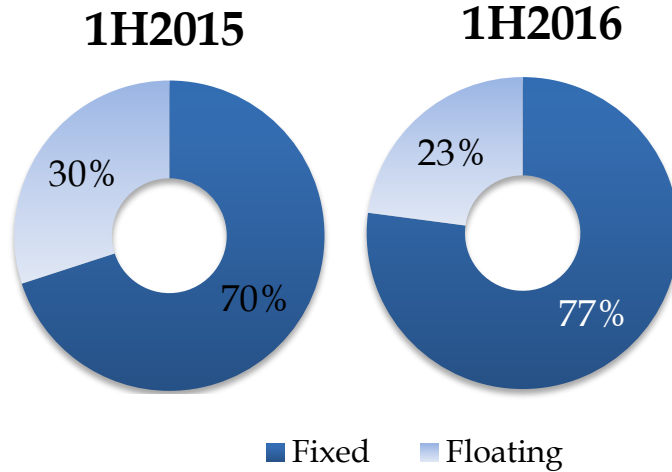
Maturity
Schedule



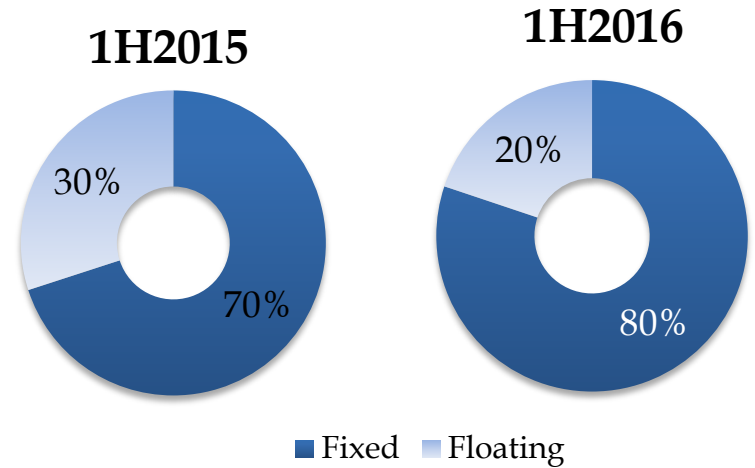
Interest Breakdown

Significant portion of debt is fixed, minimized interest rate risk

Anadolu Efes



Beer Group



Beer Group 2016 Guidance

- **Turkey beer market** decline mid-single digit (*prev: decline low-single digit*)
- **Efes Turkey volume** decline mid-to-high single digit (*prev: flattish*)
- **Russian beer market** decline low-to-mid-single digit (*prev: decline inline with last year*)
- **EFES RUS volume** outperform the market
- **Total beer volume** decline at a rate of low-single digits (*prev: decline mid-single digit*)
- **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

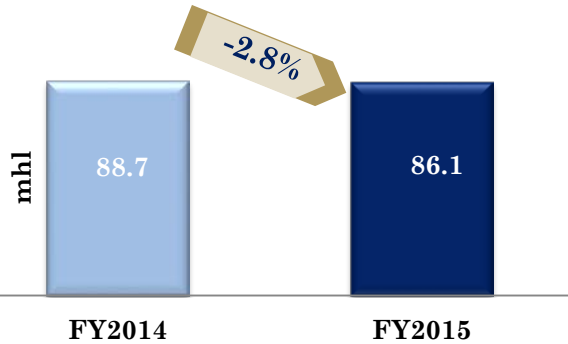


- Sustain consolidated cash flows through;
 - focus on working capital optimization
 - optimized capex policy
 - tight balance sheet management
- Deleveraging
- Efficiency improvements via savings
- Manage impact of F/X volatility on operations
- Commitment to Investment Grade Ratings

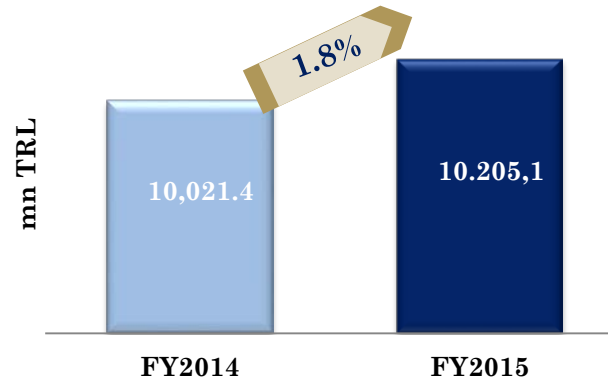


Consolidated Performance - FY2015

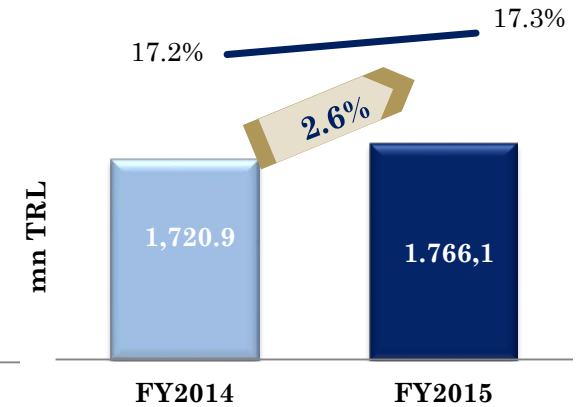
SALES VOLUME



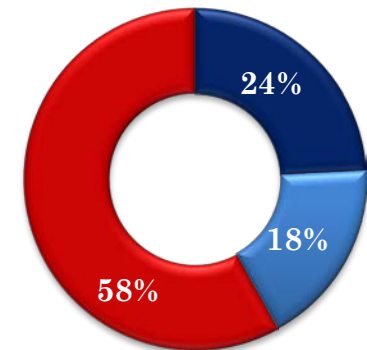
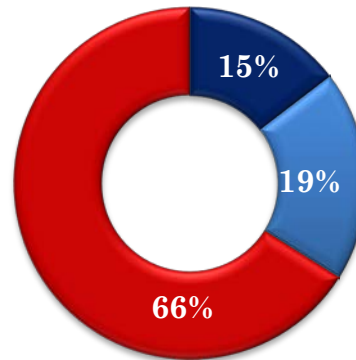
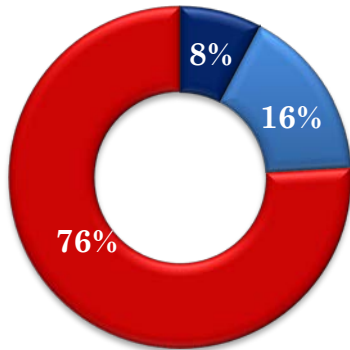
NET SALES REVENUE



EBITDA (BNRI) & EBITDA (BNRI) MARGIN



BREAKDOWN



■ Turkey Beer ■ International Beer ■ Soft Drinks

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

* BNRI means Before Non Recurring Items

*FY2014 numbers are restated

*Breakdowns are on a combined basis

Financial Highlights – FY2015

	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%
Margins						
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

** million unit case