"Turkey's Largest Food Company"

Second Quarter 2016
Financial Results
August 17, 2016

Borsa Istanbul: ULKER
ULKER.TI (Bloomberg) | ULKER IS (Reuters)
www.ulkerbiskuvi.com.tr

Disclaimer

This presentation contains information and analysis on financial statements and is prepared for the sole purpose of providing information relating to Ülker.

This presentation contains forward-looking statements which are based on certain expectations and assumptions at the time of publication of this presentation and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in these materials. Many of these risks and uncertainties relate to factors that are beyond Ülker's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated cost savings and productivity gains as well as the actions of government regulators.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Ülker does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

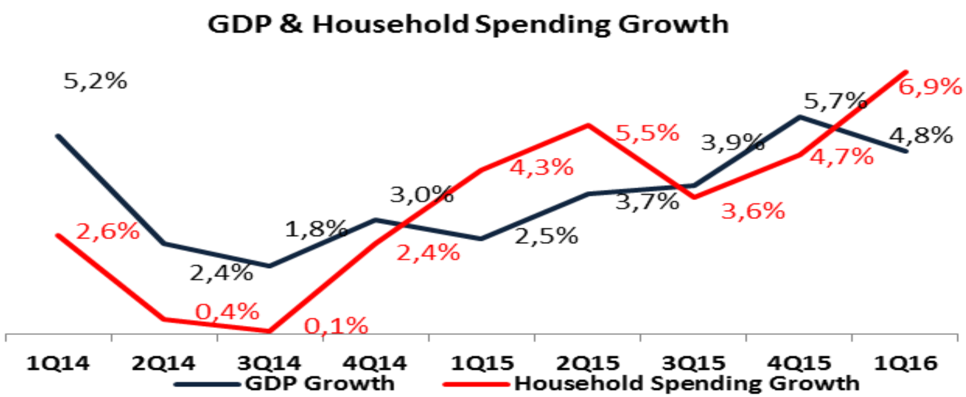
This presentation merely serves the purpose of providing information. It neither represents an offer for sale nor for subscription of securities in any country, including Turkey. This presentation does not include an official offer of shares; an offering circular will not be published.

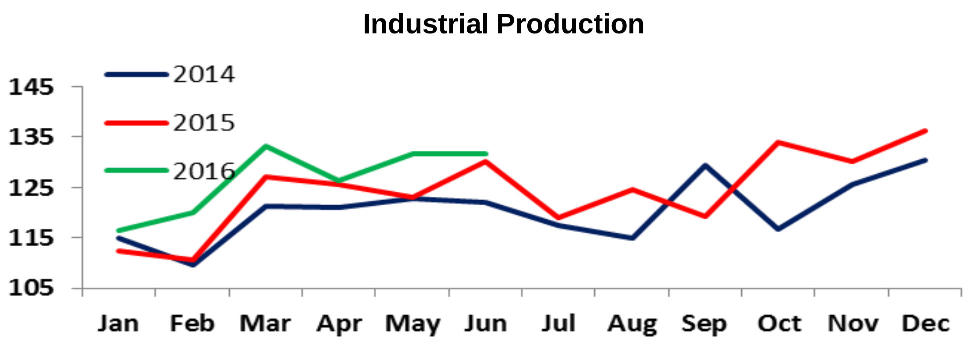
This presentation is not allowed to be reproduced, distributed or published without permission agreement of Ülker.

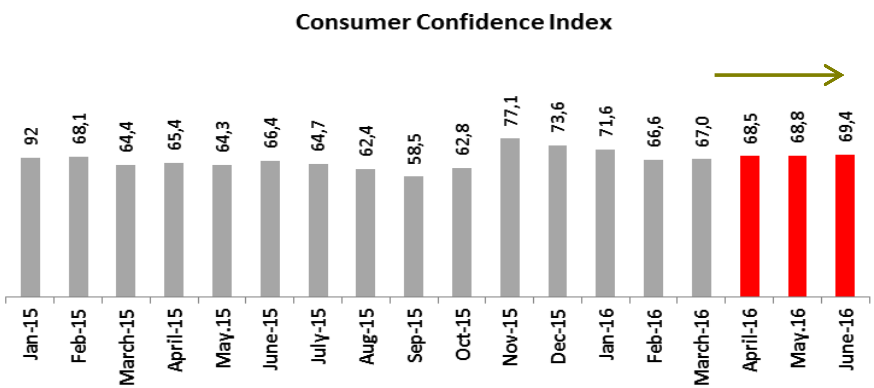
The figures in this presentation are rounded to provide a better overview. The calculation of deviations is based on figures including fractions. Therefore rounding differences may occur.

Neither Ülker nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

Turkey Macro Economic Overview



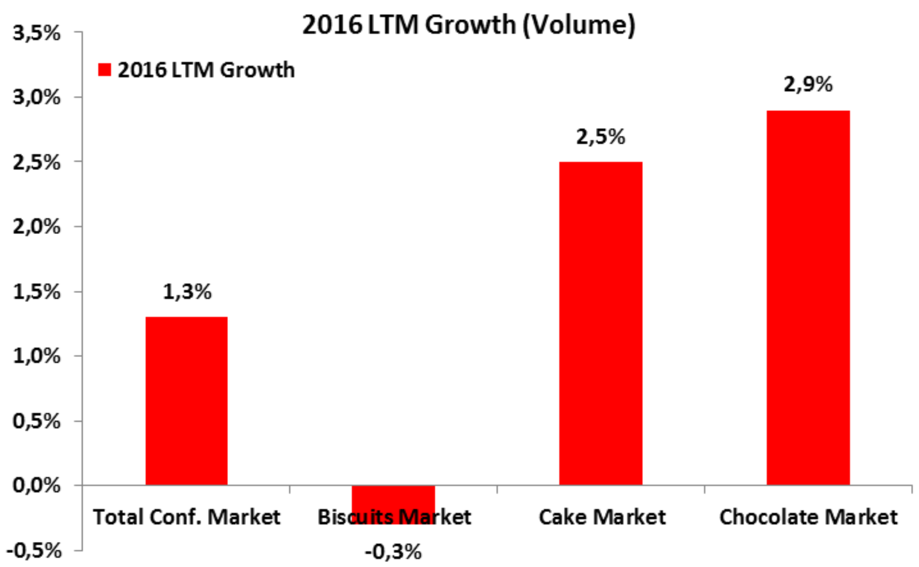




- GDP grew by 4.8% in 1Q16 thanks to household spending
- Consumer prices of 7.6% in June 2016 YOY
- Food price inflation 6.6% in June 2016 YOY
- Industrial Production index reached 132 in June 2016, rise of 5% over 1Q16
- Consumer confidence recovered to 69.4

Market Growth

Market Growth % (Volume)

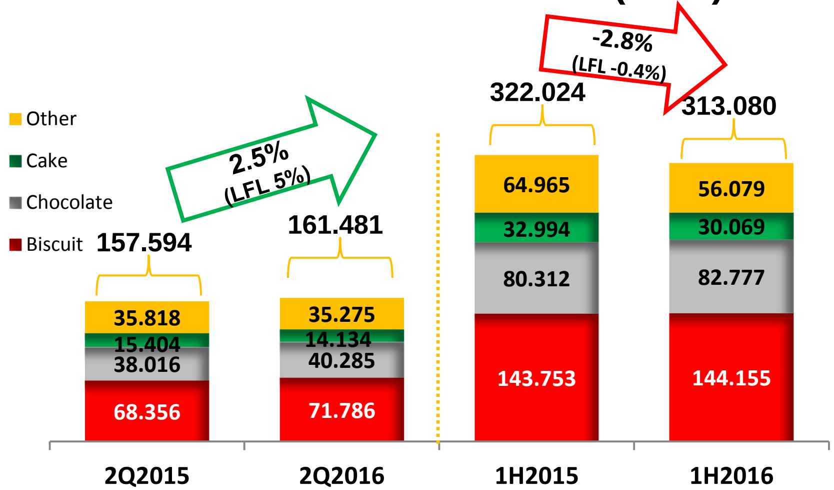


- Confectionery market expanded by 1.3% as of June 30th 2016, on a 12 month basis
- Biscuit market decreased by 0.3% as of June 30th 2016, on a 12 month basis
- Chocolate market expanded by 2.9% as of June 30th 2016, on a 12 month basis
- Cake market posted a growth of 2.5% as of June 30th 2016, on a 12 month basis

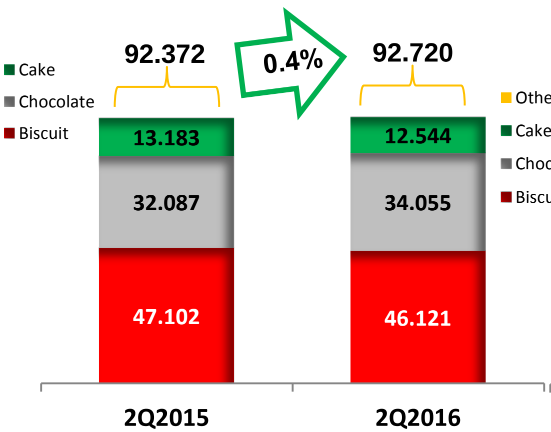
Source: ACNielsen

Breakdown of Consolidated Sales Volume

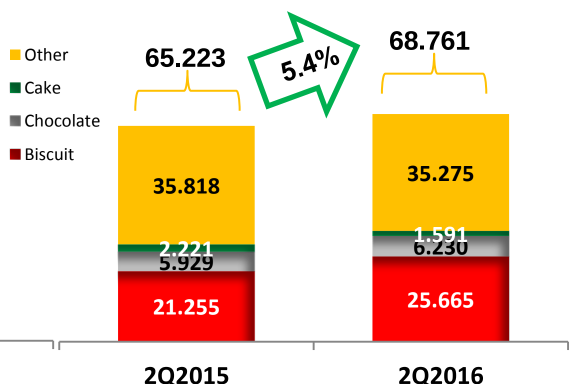
Breakdown of Sales Volume (Tons)



Turkey Sales Volume Breakdown (Tons)



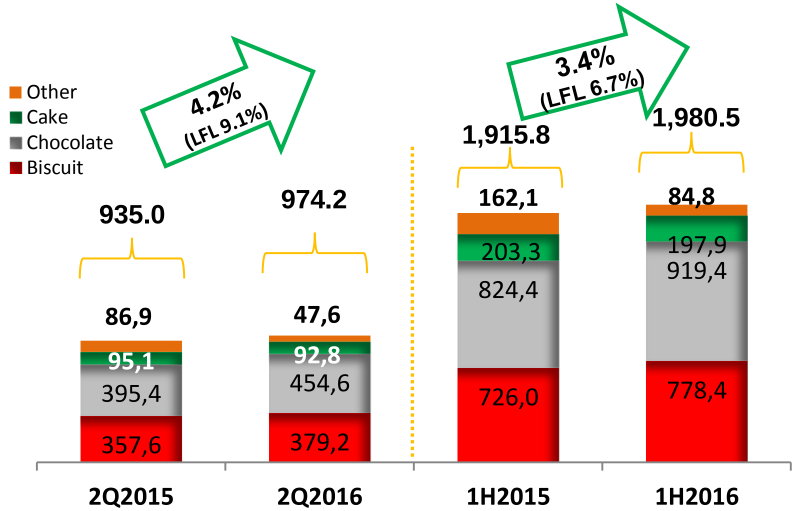
International Sales Volume Breakdown (Tons)



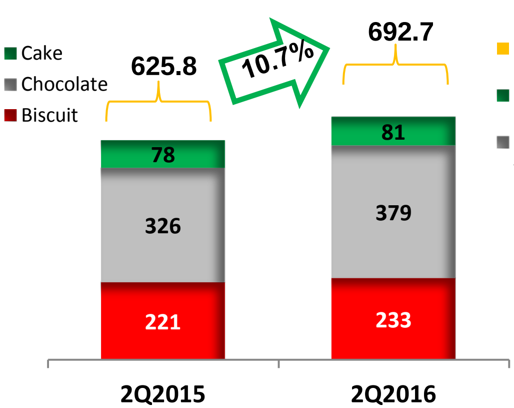
- **Consolidated sales volume was up by 2.5% in 2Q16 attributable to:**
  - Higher biscuit sales in Int'l operations
  - Higher chocolate sales in both Turkey & Int'l operations
- Confectionery sales (Excl. Other) was up by 3.6% in 2Q16
- Considated branded sales expanded by 12% in 2Q16
- Excl other. Share of Int'l (Excl. Other) reached 26.5% in 2Q16 vs 24.1% in 2Q15
- Biscuit sales picked up by 5%
  - Weak Non-branded sales in Turkey limited the growth
- Chocolate sales elevated by 6.0%
  - Branded chocolate sales gained momentum

Breakdown of Consolidated Net Sales Revenue

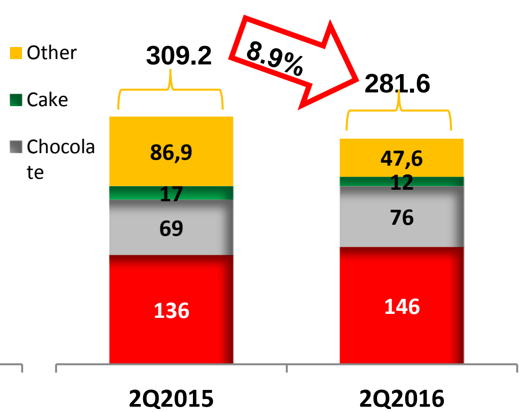
Breakdown of Sales Revenue (TL mn)



Turkey Sales Rev. Breakdown (TL mn)



International Sales Rev. Breakdown (TL mn)

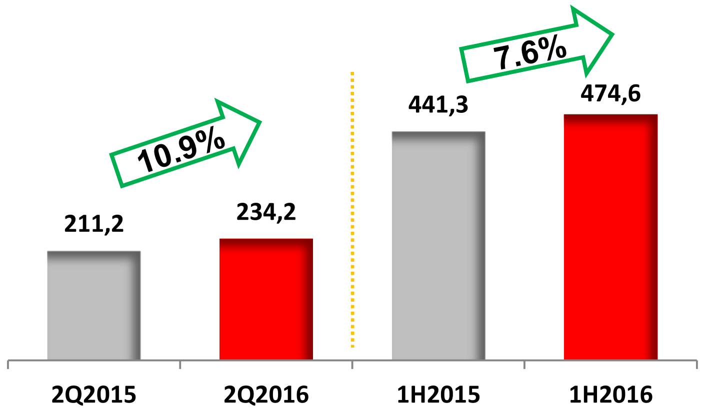


- **Consolidated sales revenue was up by 4.2% in 2Q16 primarily as a result of:**
  - Higher unit prices in Turkey
  - Mix impact
    - Excluding other, the growth was +9.3%
    - Like for like growth +9.1%
- Share of Int'l revenues in total revenues reached 28.9% in 2Q16
- Turkey's sales revenue for 2Q16 grew by 10.7% and reached 693 mn TL due to;
  - Price adjustments
  - Mix impact
- Int'l sales revenue in 2Q16 was 281.6 mn TL , contracted by 8.9%
  - Excl. other, confectionery sales revenue grew by 5.3% thanks to mix impact and price adjustments.

Consolidated Gross Profit & EBITDA

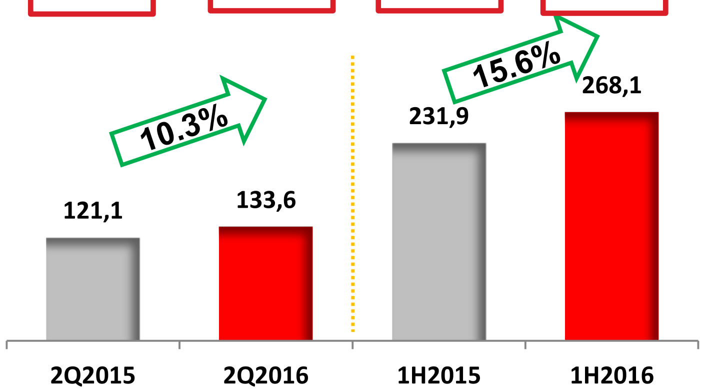
Gross Profit (TL mn)

	2Q2015	2Q2016	1H2015	1H2016
Margin	22.6%	24.0%	23.0%	24.0%



EBITDA* (TL mn)

	2Q2015	2Q2016	1H2015	1H2016
Margin	13.0%	13.7%	12.1%	13.5%



*Excludes Other Nonoperating Income&Expenses

- **Gross profit increased by 10.9% to TL 234.2 mn in 2Q16**
- **Gross margin expanded by 1.4 pp to 24.0% due to;**
  - Mix impact
  - Carry on price increase
  - Improvement at the both Turkey and Int'l operations
- **EBITDA grew by 10.3% to TL 133.6 mn in 2Q16**
- **EBITDA margin widened by 0.7 pp to 13.7% mainly due to;**
  - Effective pricing policy
  - Efficiencies gained from investments

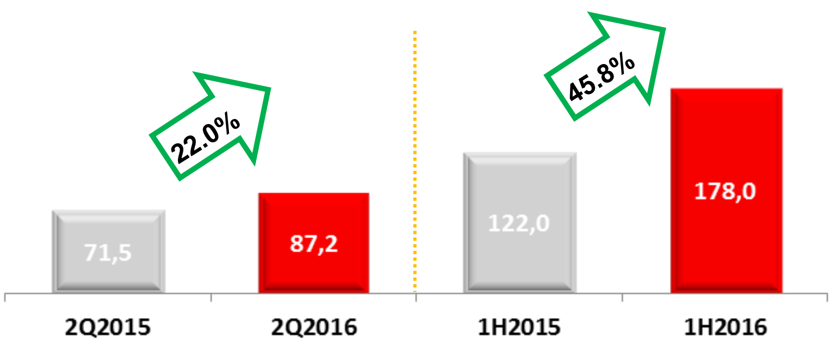
FX and Net Profit

Net Foreign Exchange Gain/Loss

(TL mn)	2Q15	2Q16	1H15	1H16
Net Foreign Exchange Gain/Loss From Operations	4.9	1.7	18.5	(0.7)
Net Foreign Exchange Gain/Loss From Investments	83.8	33.8	273.4	4.0
Net Foreign Exchange Gain/ Loss From Finance	(91.3)	(37.3)	(312.9)	(4.1)
Net Foreign Exchange Gain/Loss	**(2.5)**	**(1.8)**	**(20.9)**	**(0.8)**

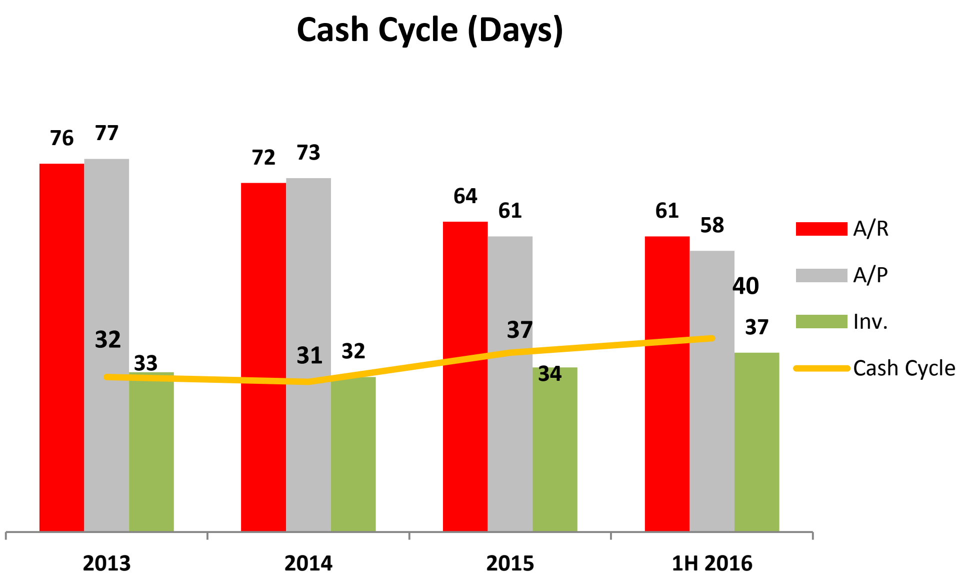
- **Net foreign exchange loss was TL 2.5 mn in 2Q16**
  - TL 740 mn of short FX position as of June 30, 2016

Net Profit (TL mn)

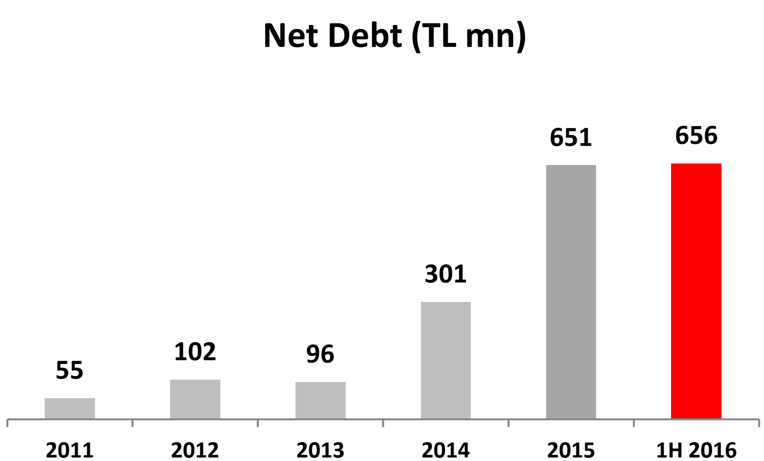


- **Net income was TL 87.2 mn in 2Q16, increase in net income is mainly attributable to:**
  - Better operational performance

Cash Cycle and Net Debt



- **Cash Cycle of 40 days in 2Q 2016**



- **Net debt stands at TL 656 mn, as of June 30, 2016**

"Turkey's Largest Food Company"

Questions & Answers

Kısıklı Mahallesi Ferah Caddesi
No:1 34692 B.
Çamlıca / Üsküdar / İstanbul
Türkiye

For more information, please contact us **+ 90 (216) 524 25 56**, or email us at **ir@ulker.com.tr**

www.ulkerbiskuvi.com.tr