"Turkey's Largest Food Company"

Third Quarter 2015
Financial Results
November 6, 2015

Borsa Istanbul: ULKER
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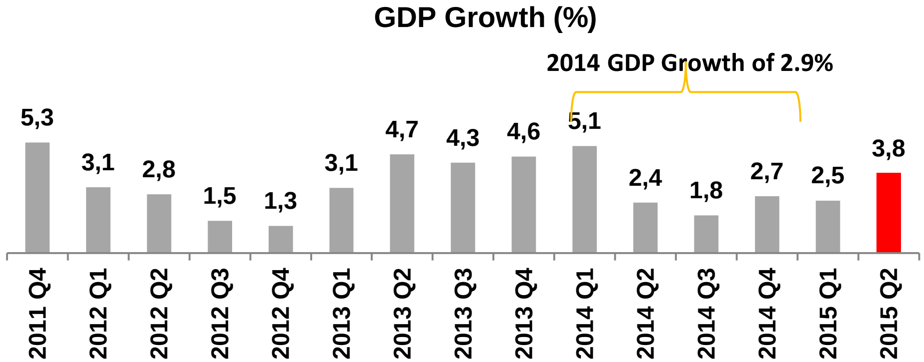
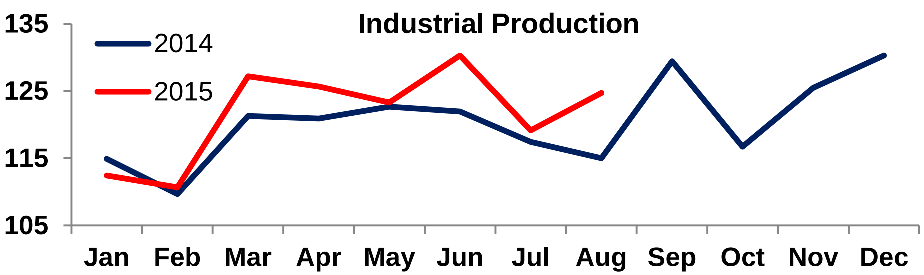
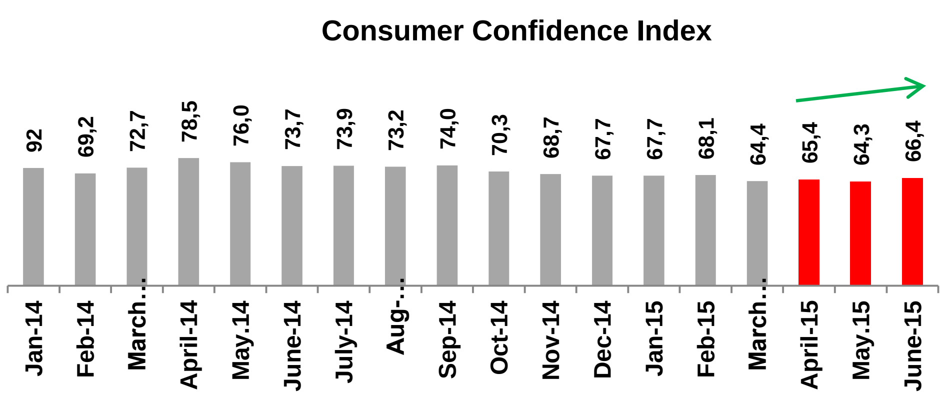
Turkey Macro Economic Overview

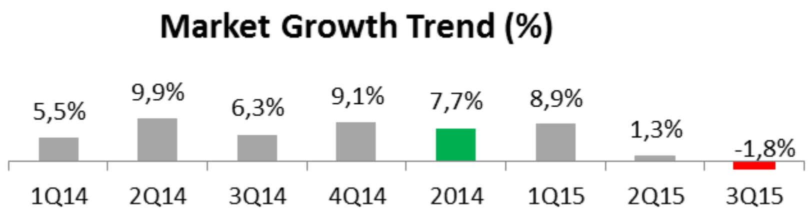




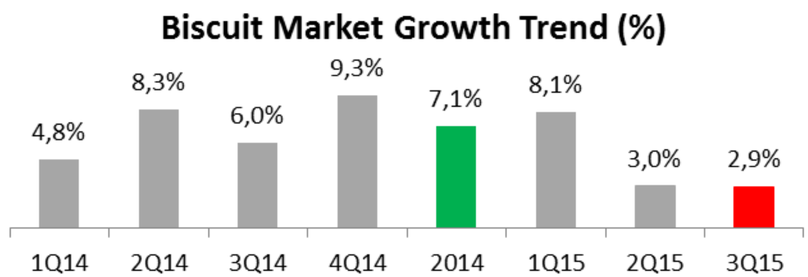


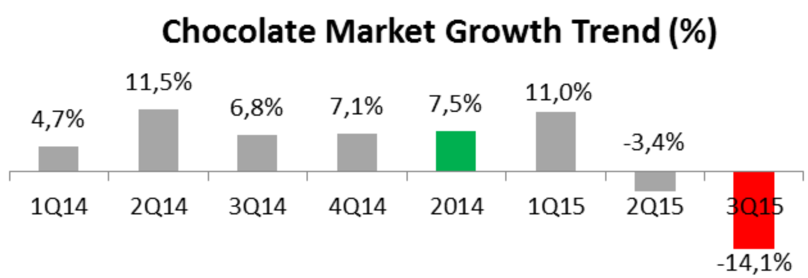
- GDP grew by 3.8% in 2Q15 thanks to household spending & high contribution from private investments
- Industrial Production was up by 8.5% in August YoY
- Consumer prices of 7.95% in September 2015 YoY
- Food price inflation 10.7% in September 2015 YoY
- Consumer confidence reached 62.8

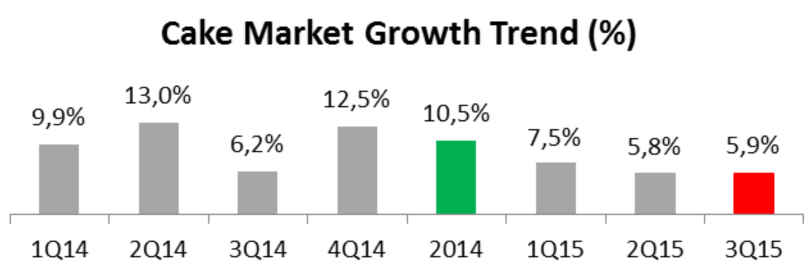
Market Growth



Source: ACNielsen

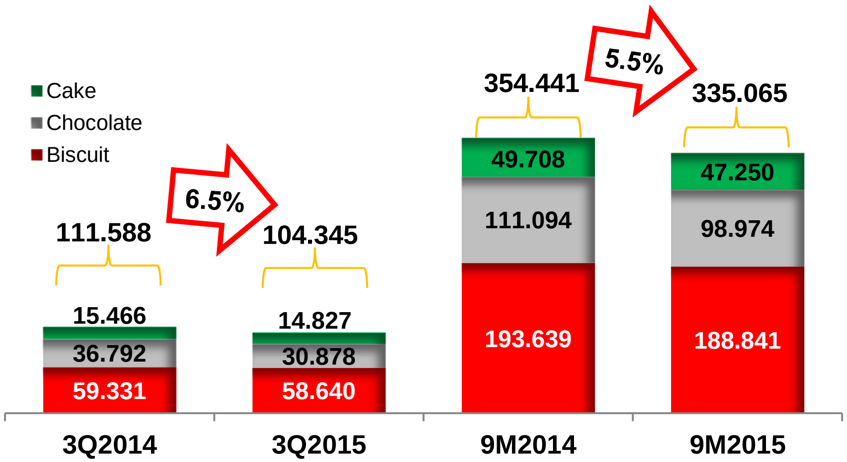


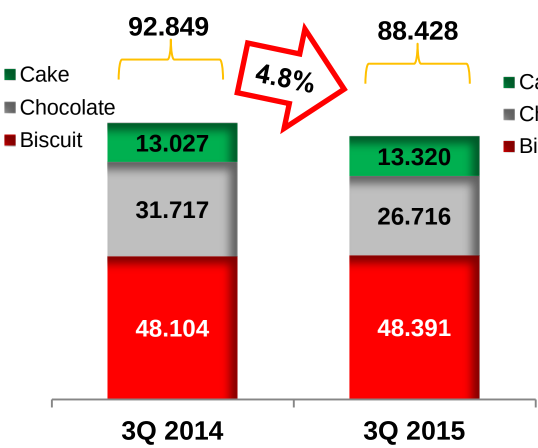


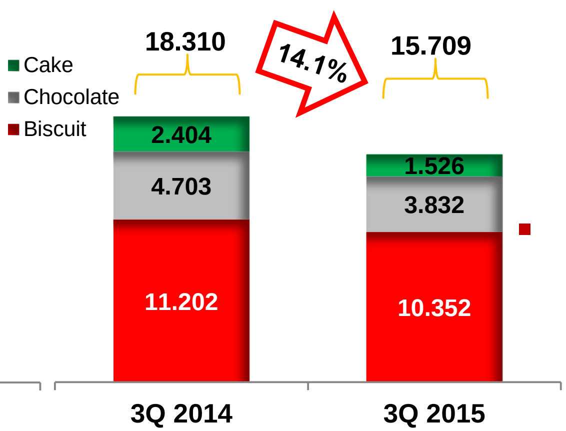


- Confectionery market contracted after 12 quarters of growth with 1.8%
- Biscuit market continues to grow however at a low speed
- Chocolate market contracted by 14% in the third quarter of 2015
- Cake market growth remained solid

Breakdown of Net Sales



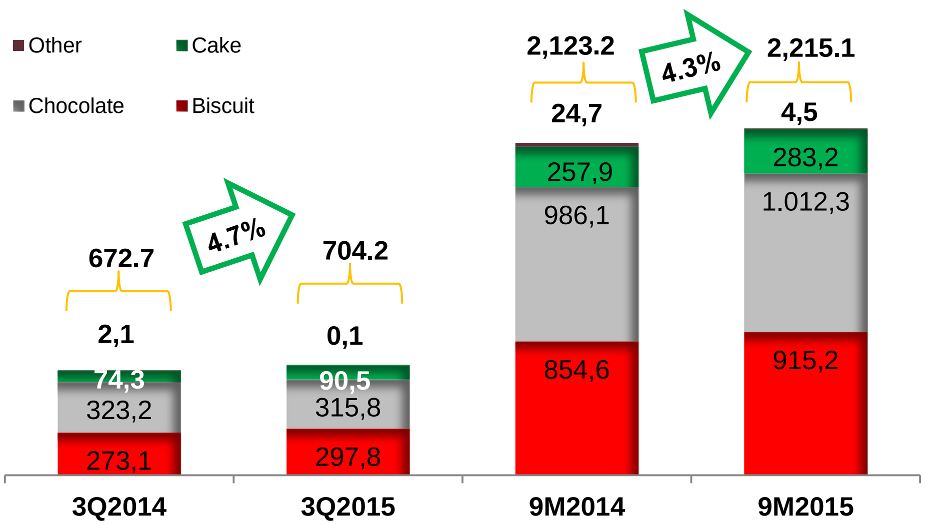




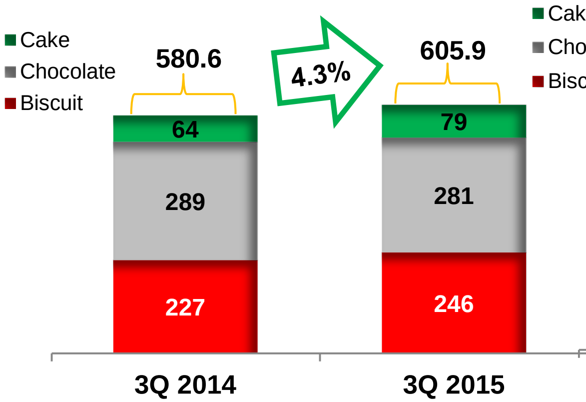
- **Consolidated sales volume was down by 6.5% in 3Q15 attributable to:**
  - Low exports volume
  - SKU optimization in Biskot
  - Postponement of school openings
- Domestic sales volume was down by 5% in 3Q15
- Export volume contracted by 14%to 16K tons in 3Q15
  - Lower exports to Iraq, Yemen, and Algeria
- Turkey sales volume in 3Q15 vs 3Q14
  - Biscuit +1%
  - Chocolate -16%
  - Cake +2%
- Export sales volume in 3Q15 vs 3Q14
  - Biscuit -8%
  - Chocolate -19%
  - Cake -37%

Breakdown of Net Sales

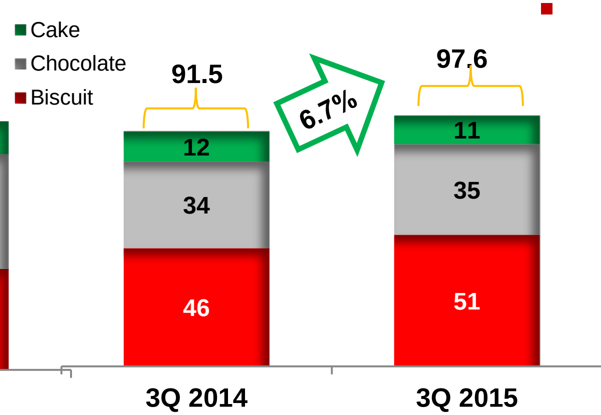
Breakdown of Sales Revenue (TL mn)



Domestic Sales Rev Breakdown (TL mn)

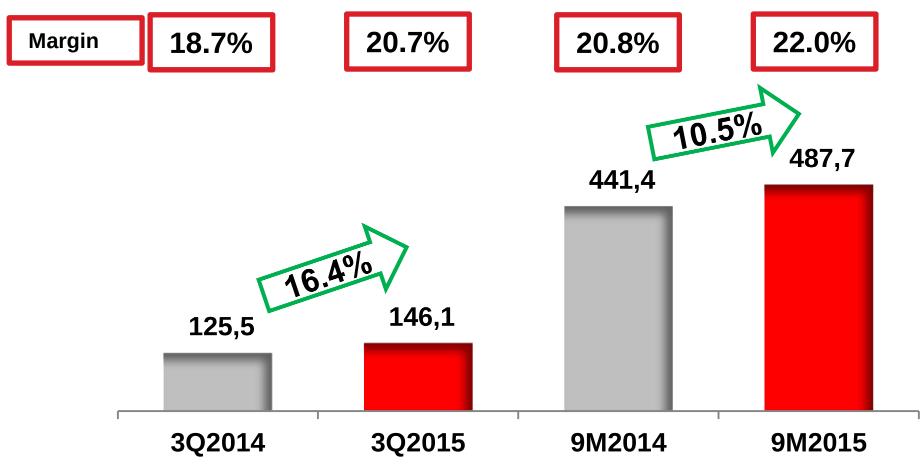


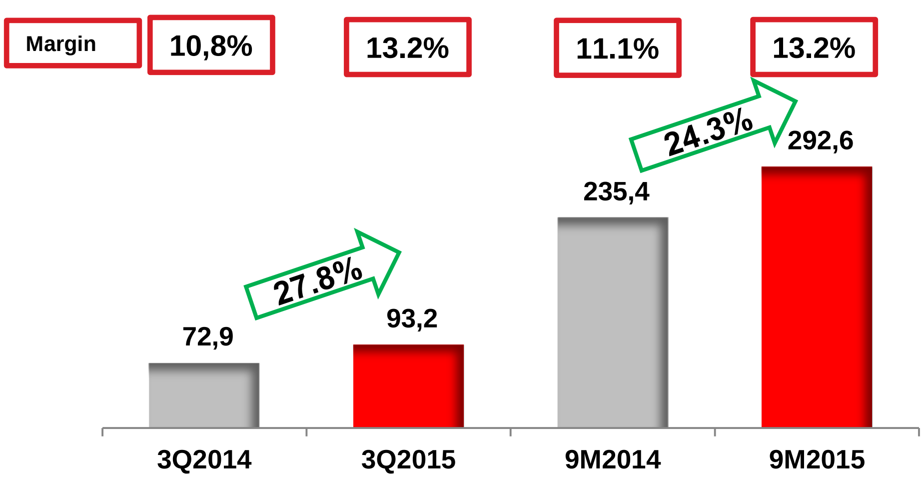
Export Sales Rev Breakdown (TL mn)



- **Consolidated sales revenue was up by 4.7% in 3Q15 primarily as a result of:**
  - Carry on price increases & downsizings impact
  - Mix impact
- **Exports were 14% of total sales revenue in 3Q15**
- **Average revenue increases in 3Q15 over 3Q14;**
  - Biscuits +9%
  - Chocolate -3%
  - Cake +22%
- **Average price per ton increases in 3Q15 over 3Q14;**
  - Biscuits +10%
  - Chocolate +16%
  - Cake +27%

Gross Profit & EBITDA





*Excludes Other Nonoperating Income&Expenses

- **Gross profit increased by 16.4% to TL 146.1 mn in 3Q15**
- **Gross margin expanded by 2.0 pp to 20.7% due to;**
  - Carry on price increase and downsize impact
  - Mix impact
  - Lower discount
  - Change in channel mix
- **EBITDA grew by 27.8% to TL 93.2 mn in 3Q15**
- **EBITDA margin widened by 2.4 pp to 13.2% mainly due to;**
  - Lower G&A expenses
  - Lower personnel cost
  - SKU optimization at Biskot
  - Gross Profit margin expansion

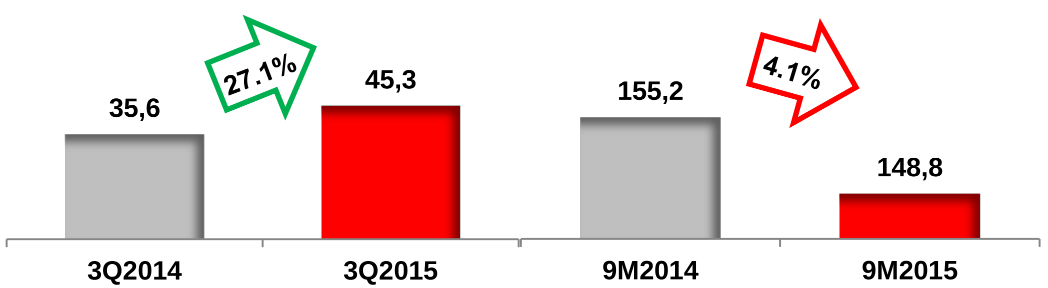
FX and Net Profit

Net Foreign Exchange Gain/Loss

(TL mn)	3Q 2014	3Q 2015	9M 2014	9M 2015
Net Foreign Exchange Gain/Loss From Operations	2.7	0.1	4.0	6.3
Net Foreign Exchange Gain/Loss From Investments	11.0	180.4	50.1	288.8
Net Foreign Exchange Gain/ Loss From Finance	(27.6)	(214.6)	(66.3)	(365.2)
Net Foreign Exchange Gain/Loss	**14.0**	**(34.1)**	**(12.1)**	**(70.2)**

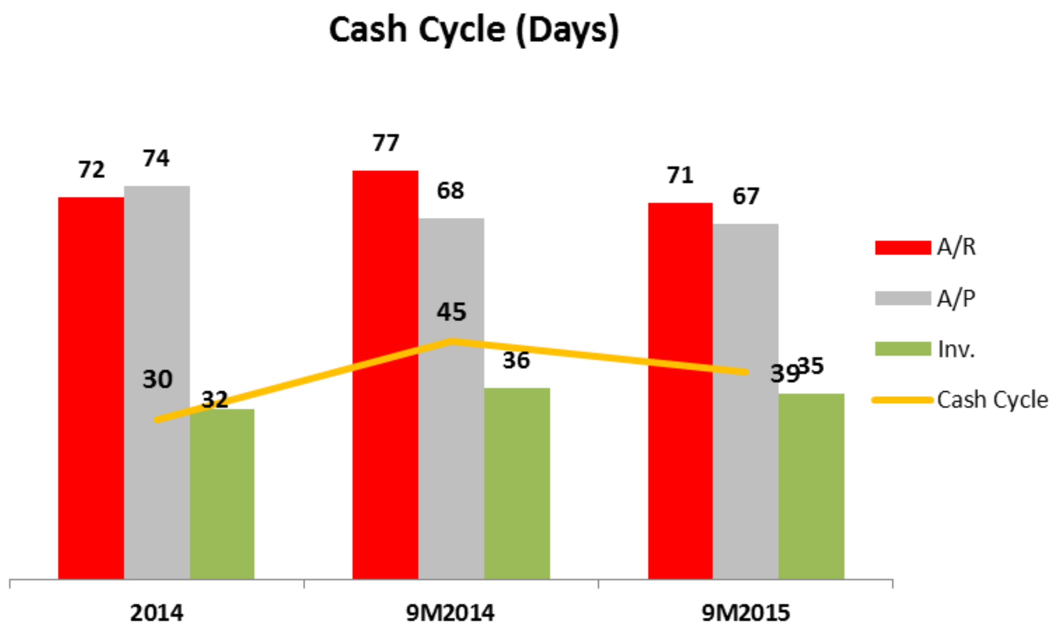
- **Net foreign exchange loss was TL loss of TL 34.1 mn in 3Q15**
  - TL 377 mn of short FX position as of September 30, 2015

Net Profit (TL mn)

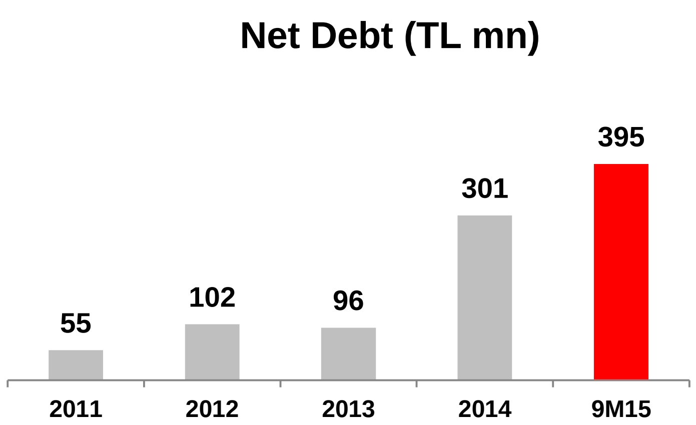


- **Net income was TL 45,3 mn in 3Q15, increase in net income is mainly attributable to:**
  - Better operational performance
  - FX losses from FX denominated debt

Cash Cycle and Net Debt



- Cash Cycle of 39 days in 9M15



- Net debt stands at TL 395 mn, as of September 30, 2015

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Questions & Answers

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