“Turkey’s Largest Food Company”

Third Quarter 2016
Financial Results
November 9, 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.

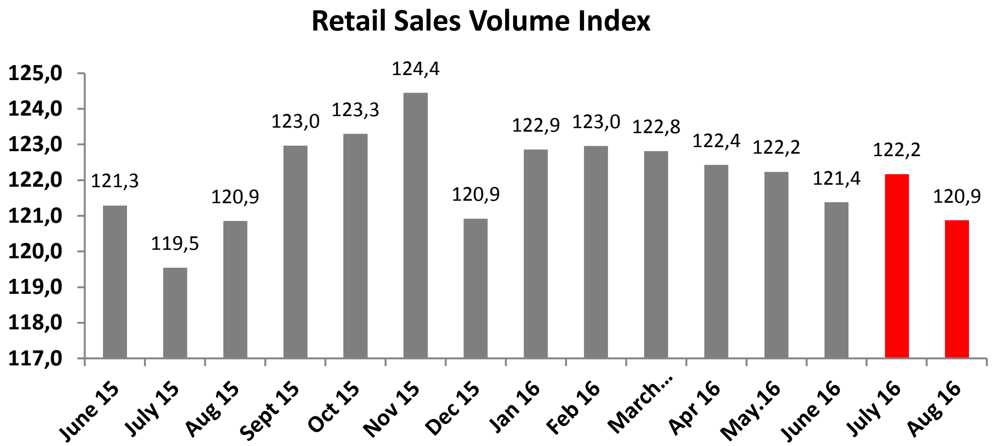
This presentation merely serves the purpose of providing information. It neither represents an offer for sale nor for subscription of securities in any country, including Turkey. This presentation does not include an official offer of shares; an offering circular will not be published.

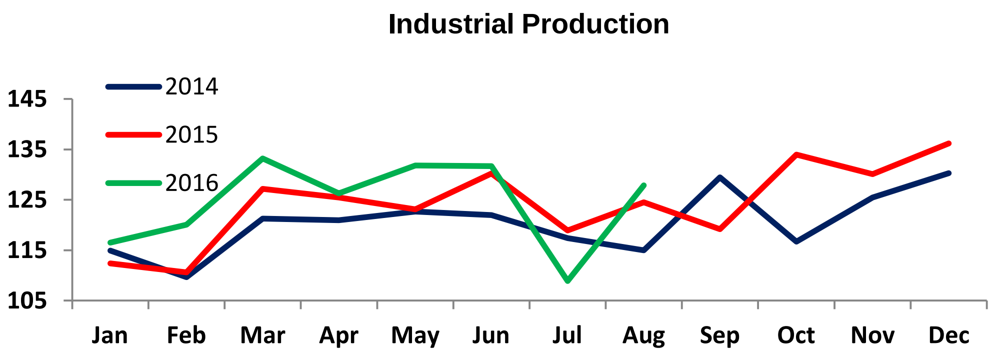
This presentation is not allowed to be reproduced, distributed or published without permission agreement of Ülker.

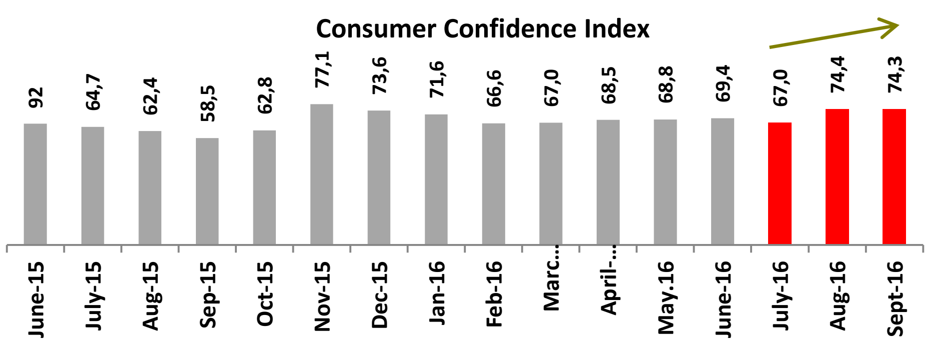
The figures in this presentation are rounded to provide a better overview. The calculation of deviations is based on figures including fractions. Therefore rounding differences may occur.

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



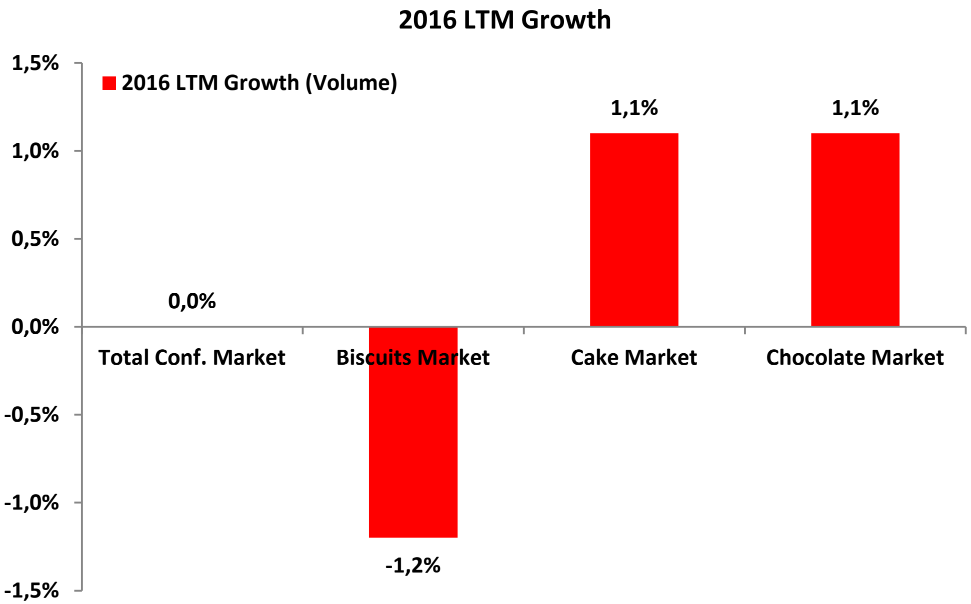




- Retail sales volume Index (Adj.) eased down by 0.4% over the 2Q16 as of Aug 2016
- Industrial Production index reached 128 in Aug 2016, contraction of 4% over 2Q16
- Consumer confidence recovered to 74.3 after July
- Consumer prices of 7.3% in Sept 2016 YoY
  - Drop in food prices was the main reason behind the disinflation

Market Growth

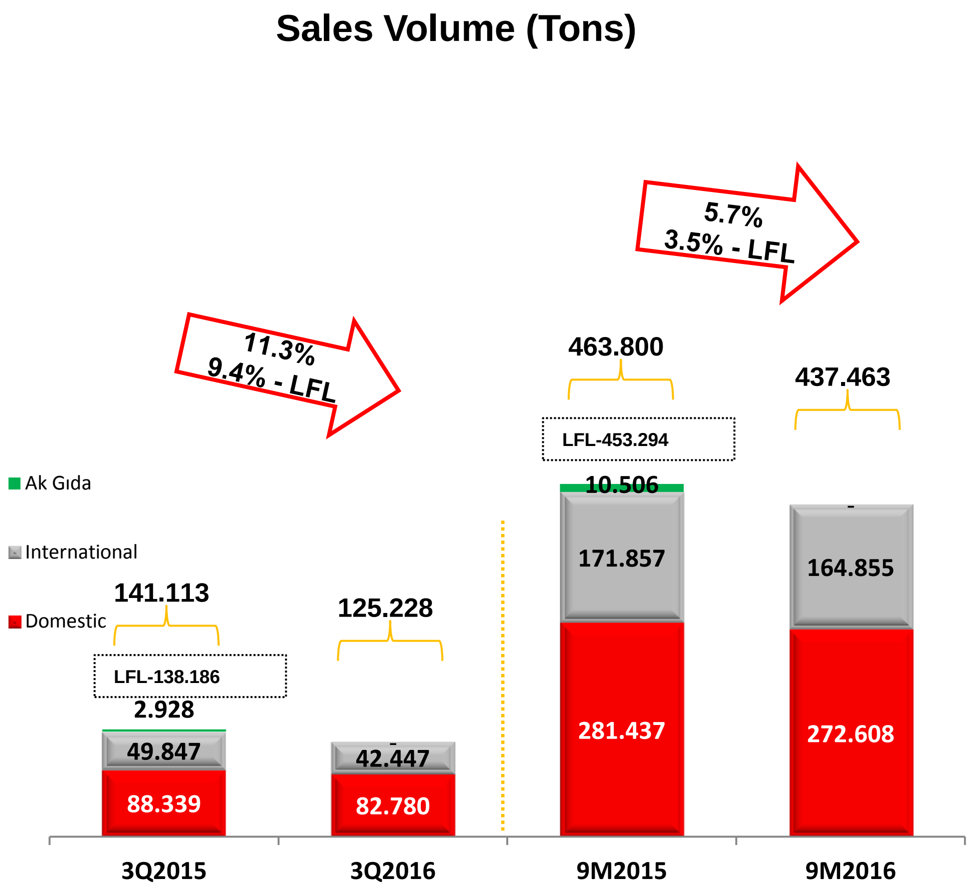
Market Growth % (Volume)



Source: ACNielsen

- Confectionery market growth remained flat, on a 12 month basis
- Biscuit market eased down by -1.2% as of September 30th 2016, on a 12 month basis
- Chocolate market grew by 1.1% as of September 30th 2016, on a 12 month basis
- Cake market posted a growth of 1.1% as of September 30th 2016, on a 12 month basis

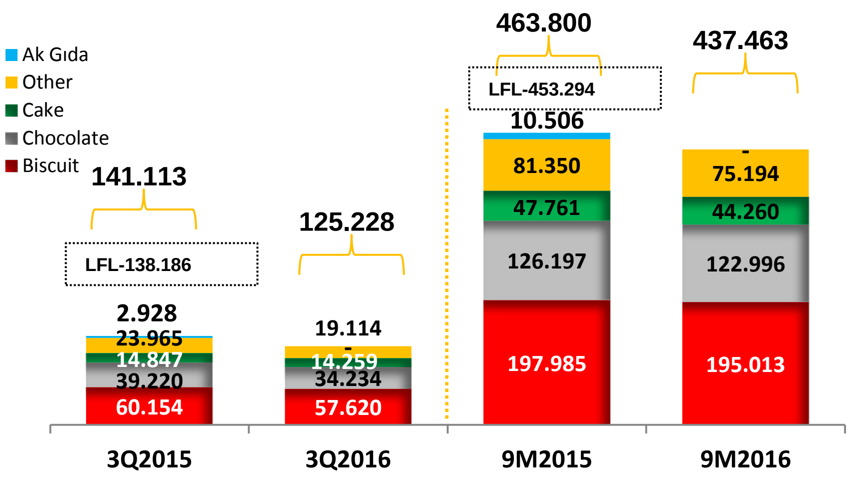
Consolidated Sales Volume



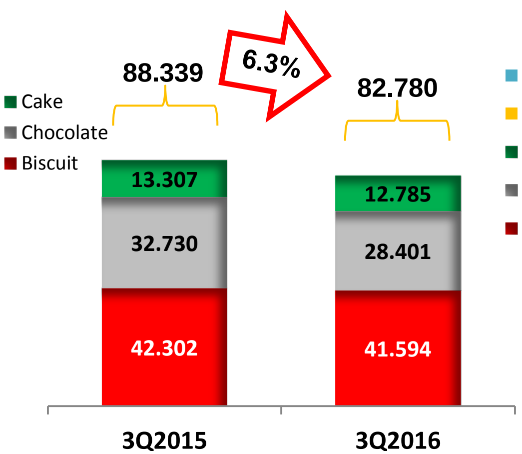
- Ak Gıda divesture occurred in 2Q15 however the sales resumed until the end of 2015
- Excluding Ak Gıda sales (LFL) consolidated sales volume declined by 9.4% in 3Q16 vs 3Q15 and 3.5% in 9M16 vs 9M15
- Domestic sales volume were down by 6.3% in the quarter and 3.1% in 9M16
- International sales volume were down by 14.8% on a LFL basis.
  - International confectionery sales contracted by 9.8% in 3Q16 over 3Q15
- Share of Int'l operations formed 37.7% of consolidated volume in 9M16

Breakdown of Consolidated Sales Volume

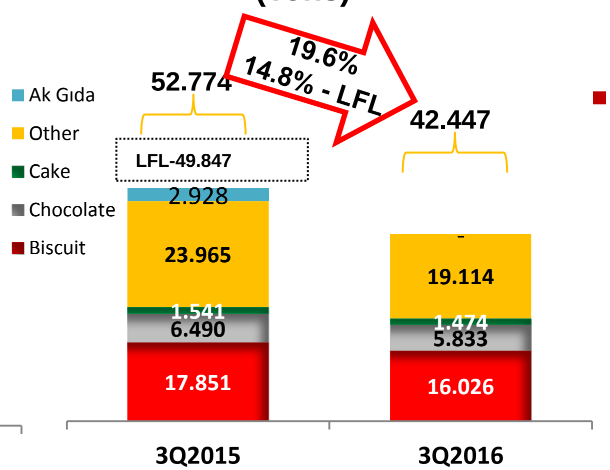
Breakdown of Sales Volume (Tons)



Turkey Sales Volume Breakdown (Tons)

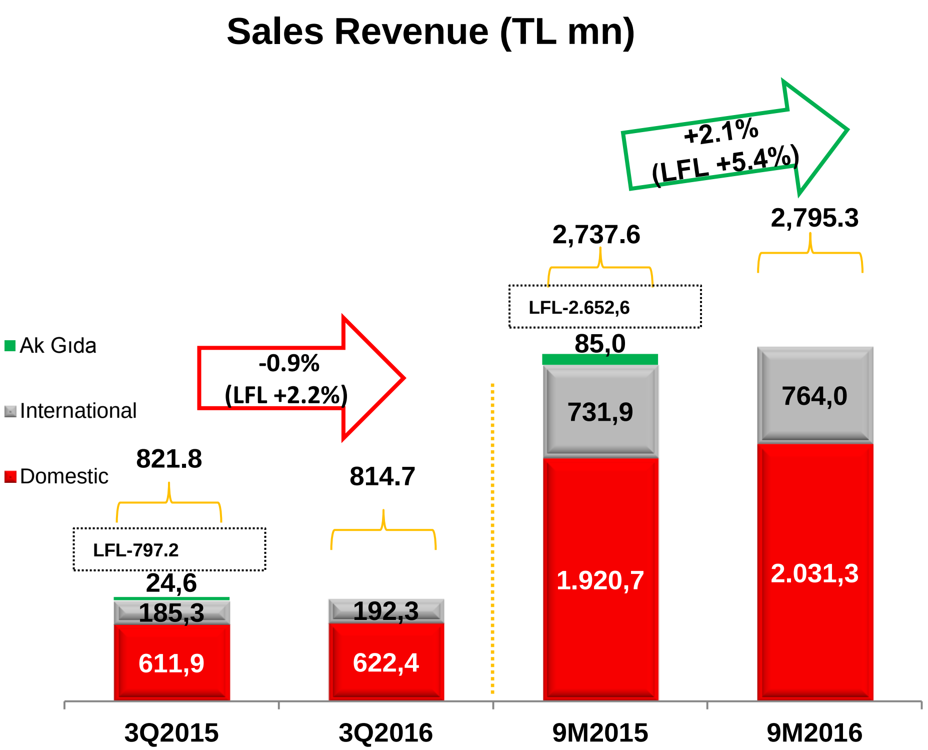


International Sales Volume Breakdown (Tons)



- **Consolidated biscuits sales contracted by 4.2 in 3Q16 vs 3Q15 & 1.5% in 9M16;**
  - Turkey sales was down by 1.7% in the quarter & 3.0% in 9M16
  - Int'l sales was down by 10.2%, yet was up 1.8% in 9M16
- **Consolidated chocolate sales contracted by 12.7% in 3Q16 vs 3Q15 & 2.5% in 9M16;**
  - Turkey sales was down by 13.2% in the quarter and 3.1% in 9M16
  - Int'l sales was down by 10.1%
- **Consolidated cake sales contracted by 4.0% in 3Q16 vs 3Q15 & 7.3% in 9M16;**
  - Turkey sales was down by 3.9% in the quarter and 3.7% in 9M16
    - Int'l sales was down by 4.3% in the quarter

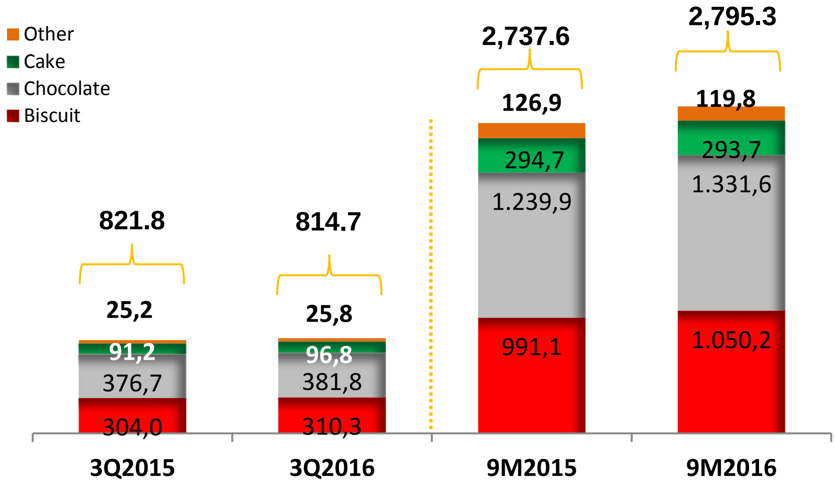
Consolidated Net Sales Revenue



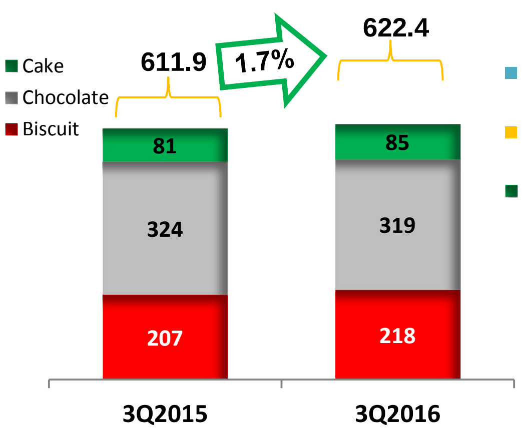
- **Excluding Ak Gıda sales (LFL) consolidated sales revenue increased by 2.2% in 3Q16 vs 3Q15 &5.4% in 9M16**
- **Domestic sales revenue was up by 1.7% in the quarter, and 5.8% in 9M mainly attributable to:**
  - Higher unit prices in Turkey, up by 8.6%
  - Mix impact
- **International sales revenue was up by 3.8% in 3Q and 4.4% in 9M on a like for like basis;**
  - Excl. other, confectionery sales revenue grew by 4.0%
  - Higher unit prices, up by 21.9% - (LFL Basis)
  - Translation impact
- **Share of Int'l revenues in total revenues reached 27.3% in 9M16**

Breakdown of Consolidated Net Sales Revenue

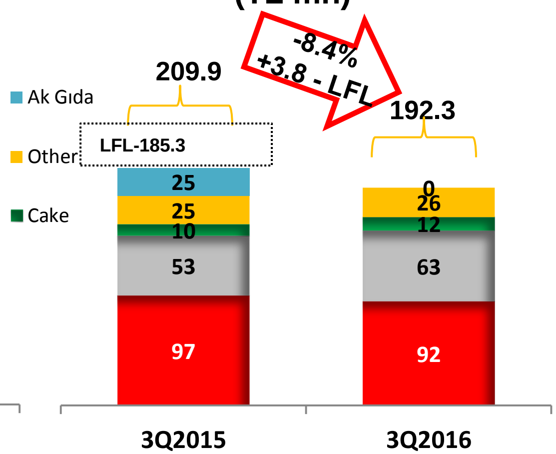
Breakdown of Sales Revenue (TL mn)



Turkey Sales Rev. Breakdown (TL mn)

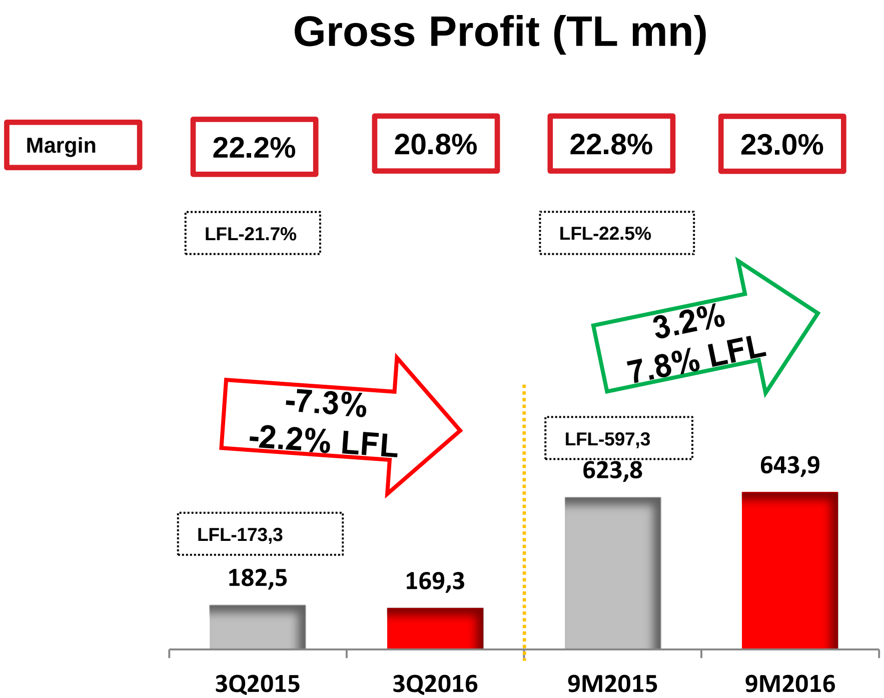


International Sales Rev. Breakdown (TL mn)



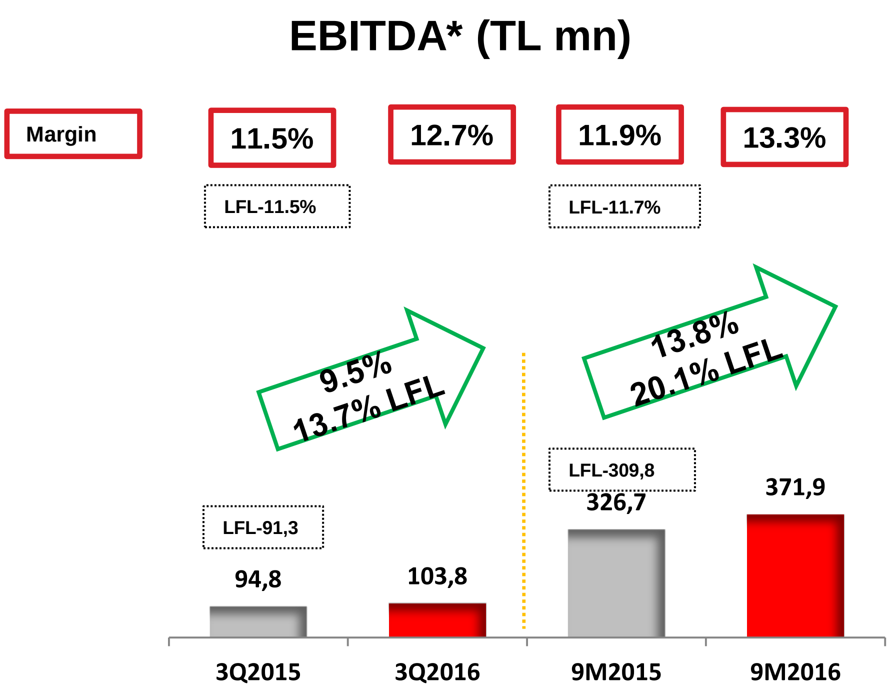
- **Consolidated biscuits sales revenue increased by 2.1% in 3Q16 vs 3Q15 & 6% in 9M16;**
  - Turkey sales was up by 5.4% in the quarter & 4.7% in 9M16
    - Price adjustments
    - Mix impact
  - Int'l sales was down by 5.2% in 3Q & was up by 8.2% in 9M
- **Consolidated chocolate sales revenue grew by 1.3% in 3Q16 vs 3Q15 & 7.4% in 9M16;**
  - Turkey sales was down by 1.4% in 3Q & was up by 6.8% in 9M
  - Int'l sales was up by 18.3% in 3Q and 10.6% in 9M
- **Consolidated cake sales revenue expanded by 6.1% in 3Q16 vs 3Q15 & -0.3% in 9M16;**
  - Turkey sales was up by 4.8% in the quarter and 4.1% in 9M
  - Int'l sales grew by 16.5% in the quarter and -21.7% in 9M

Consolidated Gross Profit



- Gross profit decreased by 2.2% to TL 169.3 mn in 3Q16 on a like for like basis
- Gross profit expanded by 7.8% to TL 643.9 mn in 9M16 on a like for like basis
- Gross margin contracted by 0.9 pp to 20.8% on LFL basis due to;
- Gross margin improved by 0.5 pp to 23.0% in 9M16 vs 9M15 on LFL basis

Consolidated EBITDA



*Excludes Other Nonoperating Income&Expenses

- **EBITDA grew by 13.7% to TL 103.8 mn in 3Q16 on LFL basis**
- **EBITDA margin widened by 1.2 pp to 12.7% mainly due to;**
  - Effective pricing policy
  - Efficiencies gained from investments
  - Lower personnel cost
- **EBITDA surged by 20.1% to TL 371.9 mn in 9M16 on LFL basis**
- **EBITDA margin enhanced by 1.6 pp to 13.3% in 9M16**

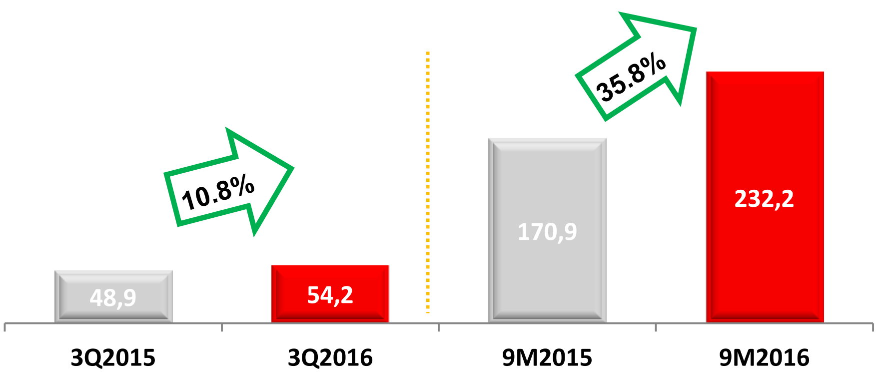
FX and Net Profit

Net Foreign Exchange Gain/Loss

(TL mn)	3Q15	3Q16	9M15	9M16
Net Foreign Exchange Gain/Loss From Operations	14.1	2.6	32.6	1.8
Net Foreign Exchange Gain/Loss From Investments	354.5	48.7	628.0	52.7
Net Foreign Exchange Gain/ Loss From Finance	(383.1)	(76.5)	(696.0)	(80.6)
Net Foreign Exchange Gain/Loss	**(14.5)**	**(25.3)**	**(35.4)**	**(26.1)**

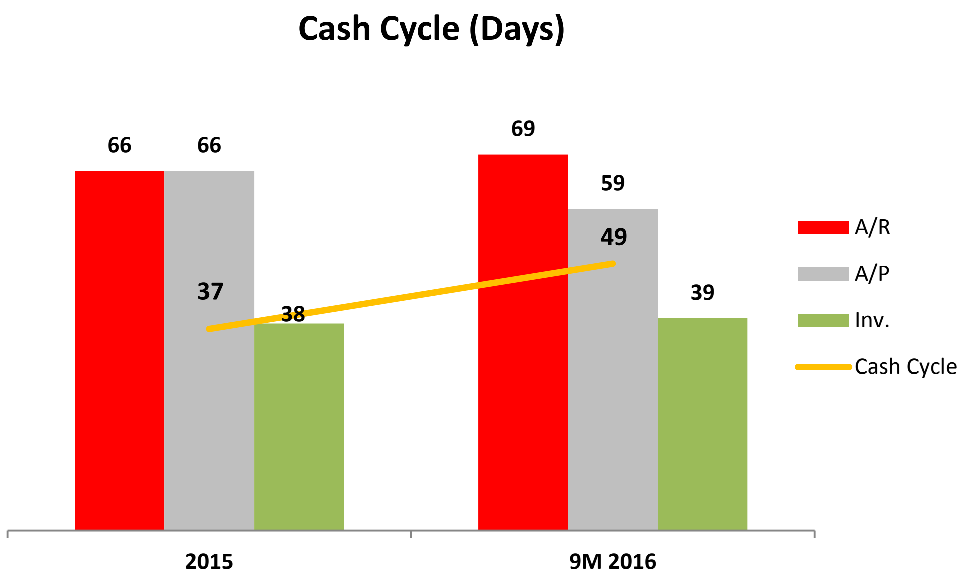
- **Net foreign exchange loss was TL 25.3 mn in 3Q16**
  - TL 508 mn of short FX position as of September 30, 2016

Net Profit (TL mn)

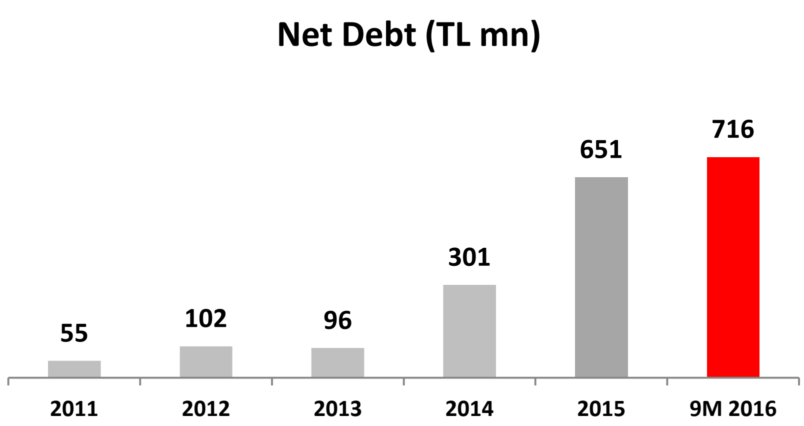


- **Net income was TL 54.2 mn in 3Q16, increase in net income is mainly attributable to:**
  - Better operational performance

Cash Cycle and Net Debt



- **Cash Cycle of 49 days in 9M 2016**
  - WC/Sales Ratio reached 18%



- **Net debt stands at TL 716 mn, as of September 30, 2016**
  - 1.4x Net Debt/ Trailing EBITDA

“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