



ÜLKER BİSKÜVİ SANAYİ A.Ş.

01.01.2019 – 31.03.2019

INTERIM REPORT

1- GENERAL INFORMATION

Reporting Period	01.01.2019 - 31.03.2019
Commercial Title	Ülker Bisküvi Sanayi Anonim Şirketi
Trade Registration	41603
Paid-in/Issued Capital	342.000.000 TL
Head Office Communication Address, Phone and Fax	Kısıklı Mahallesi Ferah Caddesi No: 1 34692 Büyük Çamlıca-Üsküdar / İstanbul
Web address:	www.ulkerbiskuvi.com.tr
Investor Relations Contact:	ir@ulker.com.tr

2- SCOPE OF ACTIVITIES

The purpose and fields of activity of Ülker Bisküvi Sanayi A.Ş. is to manufacture of all foodstuffs and particularly, manufacture, purchase, sale, export and import of all kinds of flour and sugar, cacao, nut finished and semi-finished products such as biscuits, chocolates, bars, chocolate covered biscuits and bars, cakes etc. and all raw stuffs and auxiliary products related to these finished and semi-finished products.

3 – SHAREHOLDER STRUCTURE

Shareholder structure of Ülker Bisküvi as of March 31,2019 is stated below;

Name of the shareholders	1-Jan-19		31-Mar-19	
	Share	Percentage	Share	Percentage
pladis Foods Limited	174.420.000	51,00%	174.420.000	51,00%
Yıldız Holding & Ülker Family Members	25.580.499	7,48%	25.580.499	7,48%
Diğer	141.999.501	41,52%	141.999.501	41,52%
	342.000.000	100,00%	342.000.000	100,00%

a) Dividend Policy

The Company distributes profit in accordance with the Turkish Commercial Code, Capital Market Law, Tax Law, other applicable legislation and the articles related to profit distribution in the Company's Articles of Association. The Board of Directors' profit distribution proposal, which complies with the Company's profit distribution policy and the Capital Markets Board's Corporate Governance Principles is submitted for the approval of shareholders at the General Assembly; detailed information on the history of profit distribution and capital increases is disclosed to the general public via the corporate web site.

b) Investment Policy

Ülker Bisküvi reinforced its robust market position with new capital investments that included new installations in the factories, capacity increases, modifications to production lines, productivity upgrades, and improvements in hygienic conditions and warehousing processes. Ülker's capital expenditures aim to increase consumer satisfaction, improve product quality more and more, and to make its cost structure more competitive by increasing operational efficiency. In 2019 Jan-March period, Ülker carried out modernization activities with an approximately 23 million TL investment on consolidated basis.

4 – MANAGEMENT

The Company's Board of Directors is composed of nine members, three of whom are independent. The Board of Directors of Ülker Bisküvi Sanayi A.Ş. was elected at the Ordinary General Assembly Meeting held on 31.03.2017 to serve for three years. Detailed information about the members of the Board of Directors is as below;

Name-Surname	Position	Term of Office
MURAT ÜLKER	Member of the Board	31.3.2017-31.3.2020
MEHMET TÛTÛNCÛ	Chairman of the Board	31.3.2017-31.3.2020
ALİ ÜLKER	Vice Chairman of the Board	31.3.2017-31.3.2020
AHMET ÖZOKUR	Member of the Board	31.3.2017-31.3.2020
İBRAHİM TAŞKIN	Member of the Board	31.3.2017-31.3.2020
CENGİZ SOLAKOĞLU	Member of the Board	31.3.2017-31.3.2020
HALİL BÛLENT ÇORAPÇI	Member of the Board (Independent Member)	31.3.2017-31.3.2020
AHMET MURAT YALNIZOĞLU	Member of the Board (Independent Member)	07.9.2017-27.3.2017
MEHMET AYDIN MÛDERRİSOĞLU	Member of the Board (Independent Member)	31.3.2017-31.3.2020

5 – Subsidiaries And Financial Investments

The table below lists information relating to the direct subsidiaries of Ülker Bisküvi as of March 31, 2019. Detailed information about subsidiaries is included in the notes of consolidated financial table.

Subsidiaries	Direct Ownership	Effective Ownership	Nature of Operations
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	73,90%	73,90%	Manufacturing
Ülker Çikolata Sanayi A.Ş.	91,70%	91,70%	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100,00%	100,00%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100,00%	100,00%	Trading
İstanbul Gıda Dış Ticaret A.Ş.	100,00%	100,00%	Export
UI Egypt B.V.	51,00%	51,00%	Investment
Hi-Food for Advanced Food Industries	-	51,40%	Manufacturing
Sabourne Investments Ltd	100,00%	100,00%	Investment
Food Manufacturers' Company	-	55,00%	Manufacturing-Sales
Hamle Company Ltd LLP	100,00%	100,00%	Manufacturing-Sales
Ulker Star LLC	-	99,00%	Sales
UI Mena BV	100,00%	100,00%	Investment
Amir Global Trading FZE	-	100,00%	Sales
Ulker for Trading and Marketing	-	99,80%	Sales
International Biscuits Company	100,00%	100,00%	Manufacturing-Sales

6- BRANCHES

Ülker Bisküvi has a factory (branch) at Esenboğa road 21.km Akyurt / ANKARA. The Ankara Factory, which has the largest biscuit production and storage facilities in the Middle East, operates in a closed area of 80.000 m² on a total area of 110.000 m². Ülker Bisküvi has factories (branches) in Gebze and Esenyurt in Istanbul. The Gebze Factory has a closed area of 80.000 m² on a total area of 85.330 m² and the Esenyurt Factory which produces cakes has a closed area 17.906 m² on a total area of 27.000 m². Chocolate production is carried out in the factory, which operates in a closed area of 68.000 m² in Topkapı. Biscuits, cakes, crackers and chocolates are produced in Karaman factory in a area of 53.600 m². In Silivri facilities, established in 1995, chocolate and covered chocolate are produced in a closed area of 12.000 m². In Egypt, biscuit is produced. In Saudi Arabia and Kazakhstan, biscuits, chocolates and cakes are produced.

7 – INFORMATION ON BUSINESS ACTIVITIES

Sector Developments in Brief

Türkiye confectionary market grew by 22% in value. In Biscuits category year to date value growth is realized as 28,3%, in cake category 16,7% and in chocolate category total growth is 21%.

Ülker Bisküvi's position in the industry

Ülker Bisküvi is the leader of the sector in biscuits market, producing in Esenyurt, Kocaeli / Gebze and Ankara factories. Apart from these three main plants, Ülker Bisküvi produces by its subsidiary Biskot Gıda in Karaman and Silivri facilities and by its other subsidiary Ülker Çikolata in Topkapı / Istanbul facility. The Company also makes production by its subsidiaries Hi-Food, Food Manufacturers' Company and IBC and Hamle Company Ltd LLP in Egypt, Saudi Arabia and Kazakhstan, respectively. Ülker Biscuit factories produce chocolate covered biscuits, wafers and cakes. Ülker Bisküvi, leader of the biscuit industry, is among the world's giant food producers with hundreds of kinds of products offered to the national and international markets in the fields of biscuits and crackers. Domestic distribution of biscuits, cakes, chocolate covered and chocolate products produced by Ülker Bisküvi is performed by Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. that are subsidiaries of Yıldız Holding.

Ülker Bisküvi products are exported to Europe, Africa and America, mainly Middle East, Russia and Central Asian Republics. As well as contributing to the national economy by making exports, also successfully represent Turkey's approach to quality to worldwide. Ülker Bisküvi, which has an effective control system that ensures synergy in all phases of production and consumption, continues its investments with its strategy focused on sustainable profitable growth. The focus of Ülker Bisküvi is on consumers. Ülker Bisküvi, which meets the needs and expectations of its customers to the maximum level, has established a consistent and consistent relationship with the target mass. Research conducted in recent years shows that the commitment to the Ülker brand is at a high level.

8 – COMPANY GUIDANCE

In the three months of 2019, as we always do to our activities; customer focused, innovative approach, quality and high hygiene principles without compromising. As a result of the restructuring efforts, Ülker Bisküvi has taken its companies out its portfolio since 2010 which are out of core business, has gathered all the functions such as production, sales and similar functions under one roof and formed a structure to manage the biscuit-chocolate-cake categories in one hand.

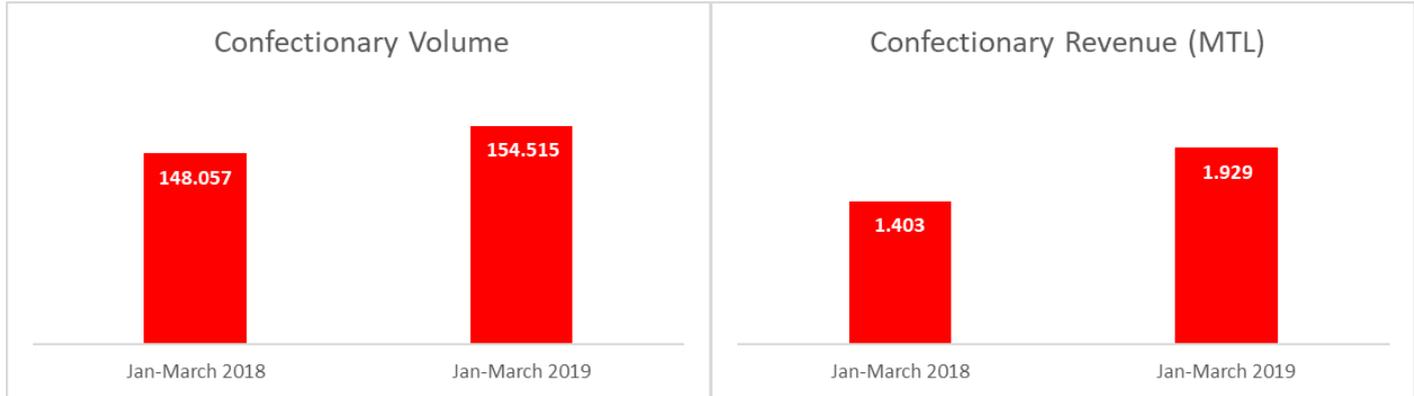
With this new structuring realized;

1. Move the leadership vision and competitiveness of Ülker to the future
2. Power with the focus in the confectionary categories
3. To better evaluate innovation opportunities
4. Provide efficiency in supply chain and channel costs
5. Aims to be able to respond more effectively to consumer needs.

We will continue to work to achieve our strategic goals that we have set within the scope of our strategic plan. In 2019, we continue to work towards our budget and strategic plan goals that we have set up to keep our financial and operational results at the highest level.

9– OPERATIONAL DEVELOPMENTS

Ülker Bisküvi' confectionary revenue and tonnages informations in the first three months of the year are shown in the table below.



10 – R&D

The ethical principles of Ülker Bisküvi' R & D activities are determined as follows:

- Use scientific methods and techniques to research and find truths and report them.
- To observe the human and environmental health and public interest while working in accordance with the current laws and regulations and the principles and objectives of the Group.
- To keep consumer needs and expectations always on the first plenary.
- To provide Food Safety-Quality-Price-Diversity optimization in products.
- Act in line with the principle of "We will not consume any products that we will not consume and that we will not eat with our children".

With the completion of the Global R & D organization structure in R & D work, Ülker's global targets became clear. New tasks and tasks have been added to the work done in this framework. The company has continued to work in a customer-focused manner in line with new product development, current product improvement, cost reduction, quality improvement, alternative raw material approval and technical / technological support.

11 – RISK MANAGEMENT

Corporate Risk Management efforts include determining potential incidents that may affect Ülker Bisküvi, managing risks in line with the Company's risk taking profile, and providing an acceptable level of assurance for the Company to achieve its goals. Corporate Risk Management is a systematic process which is utilized in devising strategies, implemented across the Company and impacted by the Company's Board of Directors, senior management as well as all of its employees.

12 – CAPITAL MARKET INSTRUMENTS

There are no capital market instruments issued during the period 01.01.2019 – 31.03.2019.

14 – SENIOR MANAGEMENT

Mehmet TÜTÜNCÜ; - CEO

Mehmet Tütüncü, who started his career in 1981 as an engineer in the Ministry of Education's Construction Department, is serving as the Chairman of the Board and CEO of Ülker.

Çenker UÇAN:GROUP CFO

Çenker Uçan, who joined the Yıldız Holding family in July 2010, was appointed as Food and Beverage CFO in March 2011. As of May 2016, he is in charge of Ülker Group CFO.

15– EMPLOYEE INFORMATION

The number of employees was 8.923 of 31.03.2019 (31.12.2018 restated: 9.029).

16 – FINANCIAL SUMMARY

Income Statement (TLmn)	1Q'18	1Q'19
Sales Revenues	1.403	1.929
Growth (%)		38%
Gross Profit	381	538
Growth (%)		41,2%
Gross Profit Margin	27,2%	27,9%
Marketing, Sales & Distribution Expenses	(152)	(207)
General Administration Expenses	(35)	(39)
Research and Development Expenses	(4)	(4)
Operating Profit	190	289
Other Operating Inc/Exp, Net	(2)	7
Operating Profit including Other Income/Expense	189	296
Income and Expenses from Investments	308	528
Operating Profit before Financial Inc/Exp	496	825
Finance Inc/Exp, Net	(300)	(320)
Profit Before Taxation	196	504
Tax Charge from Continued Operations	(44)	(105)
Profit For The Period	152	399
Non – Controlling Interests	19	34
Equity Holders of the Parent	133	365
EBITDA	225	330
EBITDA Margin	16,0%	17,0%

Balance Sheet (TLm)	31.12.2018	31.03.2019
Current Assets	6.392	7.280
Non-current Assets	4.278	4.363
Current Liabilities	1.845	2.053
Non-current Liabilities	5.145	5.465
Shareholders Equity	3.680	4.125
Net Financial Debt	1.350	1.544