



Tat Gıda Sanayi A.Ş.

**Tat Gıda Sanayi A.Ş. Full Year 2015 Financial Results Conference
Call**

Monday 29th February 2016 16:30 (TR Time)

OPERATOR: Good afternoon ladies and gentlemen,

Welcome and thank you for joining the "Tat Gıda Sanayi A.Ş. Full Year 2015 Financial Results Conference Call."

At this time, I'd like to turn the Conference over to Mr. Ahmet Çağaşan Yılmaz, CFO.

You may proceed, thank you.

ÇAĞAŞAN YILMAZ A: Hello. Dear Participants; Welcome to the 2015 Full Year Financial Results Presentation of TAT GIDA. We finished the year. As you know, we've published our results. So I would like to give some brief information about our financial performance. And after that, if you have any questions, please don't hesitate to ask. So this will be a short presentation and after that I am happy to hear your questions as well.

In order to start with the sales figures, the Company had achieved 911 million Turkish lira of turnover in 2015. The growth is 12%, so by category growth you can see the chart that Tomato has reached 367 million Turkish lira, the growth is 17%.

In Dairy category, we have 12% growth and sales amounted to around 500 million Turkish lira.

In Pasta business, the turnover is 52 million Turkish lira and the growth is minus 13%.

I can indicate that the total growth is in double-digit and the Company achieved a high growth perspective in 2015. The Quarter 4 results especially have strong growth as well.

In order to tell briefly, that in quantity-wise, in Quarter 4, we grew in Tomato around 17%, in Dairy around 5% and in Pasta segment there is a contraction of around 16%. In total, in Quarter 4, the total growth is 6.6% by quantity-wise. And as you know, the total turnover growth in Q4 in turnover is 15%.

I want to give you some insights about our sales breakdown. 91% is domestic sales and 9% is exports. So in 2015, we saw that export share has shrunk 1% due to the turmoil in the nearest geographies.

I would like to give some brief information about our gross profit. The gross profit margin piked up to 22,6% as you see. And the total gross profit that's produced by the Company is 205 million Turkish lira which indicates around 19% of growth in gross profits produced.

We finished the year with 58 million Turkish lira. Total operating profit is 6.4%, so compared to the previous year the operating profit has increased 1.3%, in point wise. When you take a look at the Quarter 4 performance, you see that the operating profit in Quarter 4 is 8.3 million Turkish lira, it corresponds to 3.5% margin, and it is below the total year margin.

The reason for this outcome is that the above average marketing expenses which occurred in the Quarter 4 due to an irregular advertising campaign.

So this affected our financials especially on the marketing side and on the OPEX side. So the operating profit in Q4 is 8.3 million Turkish lira. Nevertheless, the total year result indicates a high

growth in profitability. 58 million lira of operating profit corresponds to a 38% increase in operating profit in year basis.

So EBITDA wise, we see the increase also; it is 68 million Turkish lira of EBITDA the the Company produced in 2016. So this corresponds to 33% of EBITDA increase. The EBITDA margin is 7.5%.

And I would like to comment on income before tax. Income before tax increased due to the favorable FX management, lower financial loans and better net working capital management in 2015. It became 64 million Turkish lira, the income before tax margin is 7%, and the increase with respect to previous year is 83%.

Net income is 67 million Turkish lira, 7.4% net income margin we achieved. As you see in the five-year perspective, this is a record high net income of the Company. In 2014, we eliminated the Maret asset sales income, mainly because this is a one-off item. So this is the main picture.

From the financing part, how the situation is continuing, I would like to show some brief about it as well. Financial debt-to-assets is still decreasing. We finished the year 2015 with a net financial loan of 71 million Turkish lira, this is the record low financial debt for the Company. The leverage is low compared to previous years, as you see in the graphs as well. Net financial debt-to-assets is around 11%.

I want show the net financial debt-to-EBITDA as well. This indicates a ratio of 1 in 2015. The net financial debt-to-EBITDA is around 1.

We launched a dividend policy, and we will be starting paying dividends starting from April 2016. This Company hasn't paid any dividends since more than a decade. So this is the first time we are starting a dividend policy.

So this is the general outlook for the Company.

Thank you very much for listening.