

Migros Ticaret A.Ş.

MiGROS

2013 Financial Results



Ortakoy Store, new Migros concept

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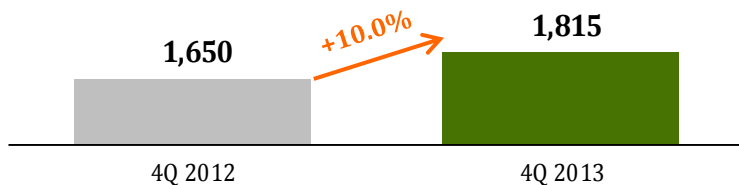
Financials &
Format Summary



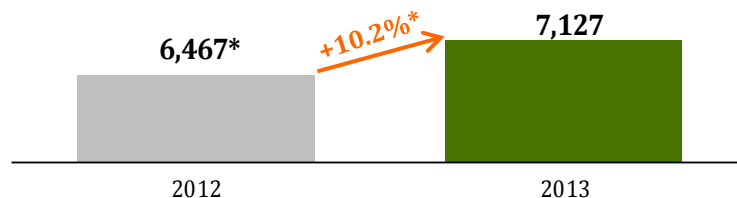
Sales in 2013

- Consolidated sales reached **TL 7,127 million** in 2013 corresponding to a calendar adjusted yearly growth rate of **10.2%***.
- The Company continued to gain market share in 2013.

Quarterly Sales (TL million)



Sales (TL million)



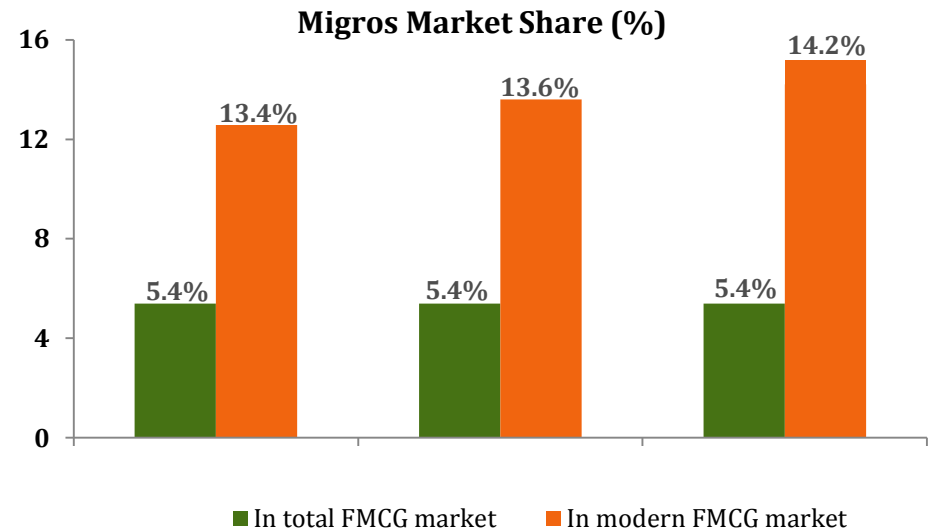
(*): Net sales in 2012 are adjusted by equalizing calendar days in both years (1 additional day in 2012)

Before adjustment, net sales in 2013 grew by **9.9%** versus last year.

Undisputed leadership position in the supermarket format

Leading market share in FMCG

- Migros gained **60** bps market share, now accounting **14.2%** of FMCG sales in the organized sector in Turkey

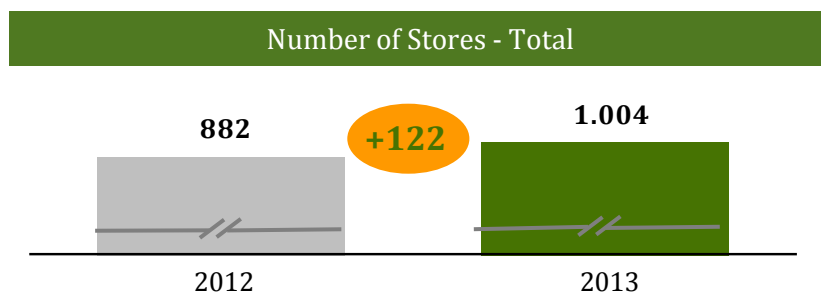


Source: Nielsen

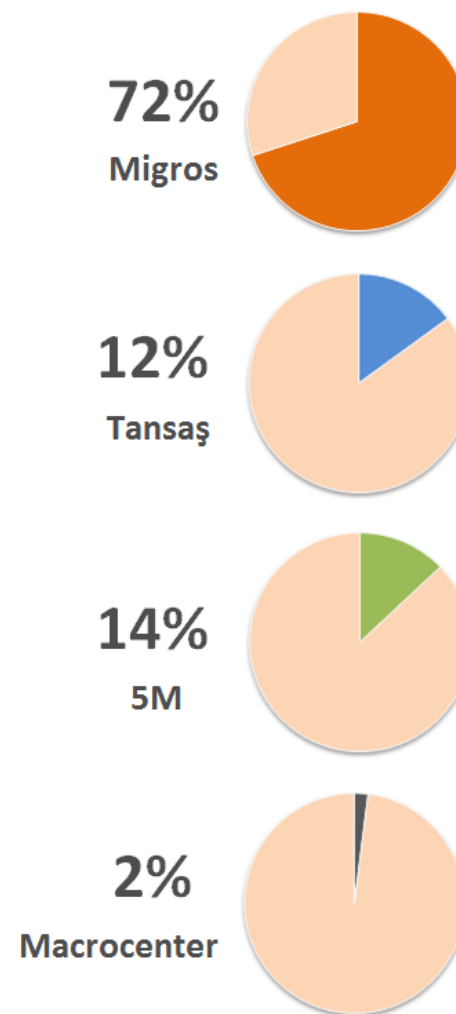
Note: FMCG stands for fast moving consumer goods

Expansion

- **165** new stores, including **154** supermarkets, **3** hypermarkets and **8** Ramstores (**7** in Macedonia and **1** in Kazakhstan) have been added to the store network in 2013 (**166** new stores in 2012)
- **23** new store openings in 4Q2013
- Total number of stores reached **1.004**



Domestic Sales Area Split by Format -2013



Operations Overview / Key Highlights

Core Business: Mid/Large Supermarkets

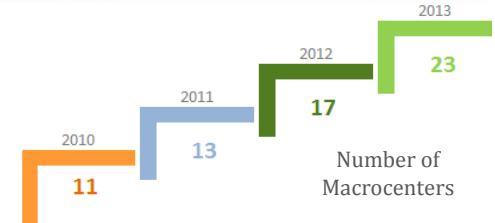
- New Migros concept has already been implemented in **20** mid/large stores in 2013.
- Fresh categories as the central area of customer focus in the stores attended by trained and knowledgeable personnel
- Reconfigured merchandising & assortment on selected non-food categories.



Store size between 600 and 3,000 sqm

Supermarket: Well positioned in accelerating trading up

- Strong growth with future potential
- Accelerated store openings with **6** new stores.
- Expanding in popular places such as Bodrum, Çeşme, Ankara and Antalya along with İstanbul.



macrocenter

5M Compact Hypermarkets

- Efficient use of store space (6 hypermarkets' space rationalization completed)
- Restructured product portfolio
- Strong fresh focus in the stores



Store size between 4,000 and 7,000 sqm

Miget: Biggest Meat Plant in Turkey

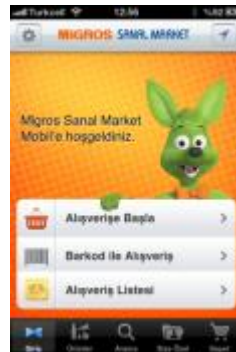
- The highest meat production capacity in Turkey
- **12,000** sqm indoor space and **50,000** tons of meat processing capacity
- New product lines for self-service fresh meat are recently added.



Digital, Online & Mobile

Online business

- Turkey's first and leading e-commerce web site in food retail since 1997
- 100 locations in 16 cities with 158 dedicated vans
- Over 250,000 unique/loyal customers
- 5 times larger basket size compared to physical stores
- 22% of customers already shopping mobile



Mobile retail management

- All stores and all DCs are integrated to mobile reporting.
- In store, managerial time spent with customers improved significantly
- Store managers can have access to their customers shopping profiles online
- 8.4 million Money Club Card holders' behavior are now monitored by the store manager of their most preferred store



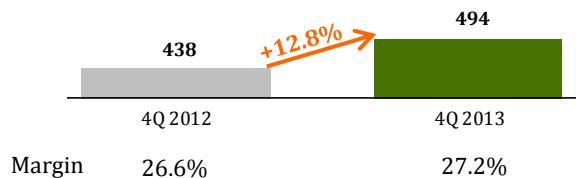
Distribution Center MiO

Financial Overview in 2013

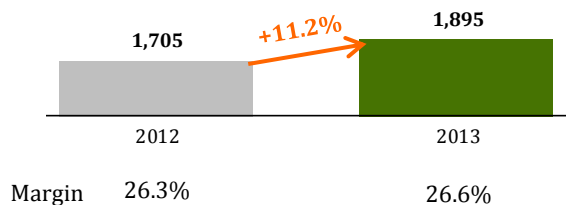
Solid Gross Profit Generation

- Gross profit increased by **12.8%** y-o-y to **TL 494 million** with a margin of **27.2%** in 4Q 2013.

Quarterly Gross Profit (TL million)



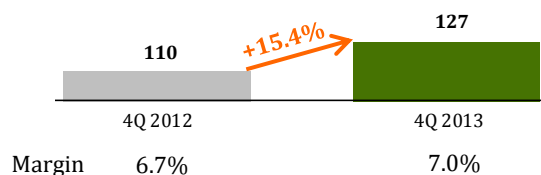
Gross Profit (TL million)



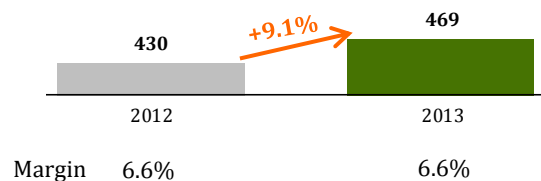
Solid EBITDA Generation

- In 4Q 2013, EBITDA rose by **15.4%** y-o-y to **TL 127 million** and the Company delivered **7.0%** EBITDA margin.
- In 4Q 2013, EBITDAR rose by **14.3%** y-o-y to **TL 217 million** and the Company delivered **11.9%** EBITDAR margin.

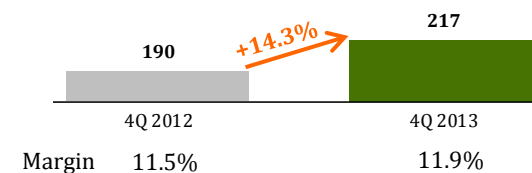
Quarterly EBITDA* (TL million)



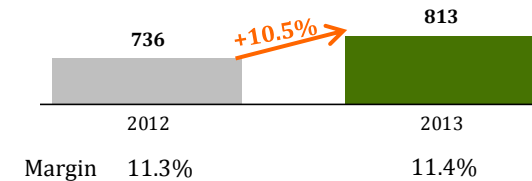
EBITDA* (TL million)



Quarterly EBITDAR* (TL million)



EBITDAR* (TL million)

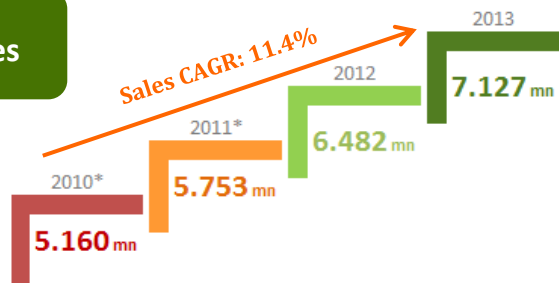


*EBITDA(R) = Operating Profit + Amortization + Employee Termination Benefits + Unused Vacation Provision - Other Income + Other Expenses + (Rent Expenses)

Key Financial Metrics

Sustainable Sales Growth

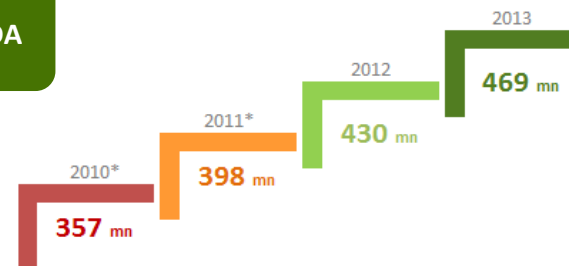
Sales



(*): Sales without divested operations

Sustainable EBITDA generation

EBITDA



(*): EBITDA without divested operations

Strategy Pillars



Sustainable Growth



Operational Profitability



Cash Generation



Market Share Gain

Improved Negative Cash Conversion****

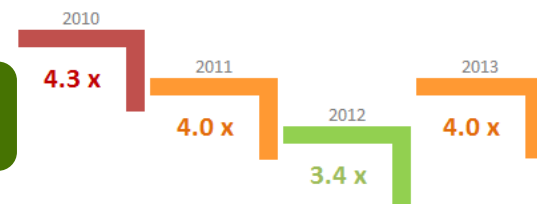
Working Capital



(*): including divested operations
 (****): Domestic operations

Net Debt/EBITDA

Net Debt / EBITDA



Performance Summary 2013

Migros sustained double digit operationally profitable top-line growth thanks to the effectiveness of its strategies in the last three years.

Performance Indicator	2012A	Target	2013A	Performance vs Guidance
Expansion Program (Number of NEW Stores)	166	100-150	165	✓
Top-Line Sales Growth	12.7%	Double Digit	10.2%*	✓
Gross Margin	26.3%	25.5-26.0%	26.6%	✓
EBITDA Margin	6.6%	6.0-6.5%	6.6%	✓

(*): Net sales in 2012 are adjusted by equalizing calendar days in both years (1 additional day in 2012)

Before adjustment, net sales in 2013 grew by **9.9%** versus last year.

Guidance 2014 and Medium Term

- **Sales growth :** Double digit sales growth
- **EBITDA margin :** Full year EBITDA margin range **6.0% – 6.5%**
- **Expansion target :** **100-150** new supermarkets and **2-3** hypermarkets per year



Financials & Format Summary

- Financials
- Operations

SUMMARY OF INCOME STATEMENT – 2013

IFRS Consolidated Income Statement Summary

(TL Million)	2013	2012
Net Sales	7,126.9	6,482.4
Cost of sales	-5,232.2	-4,777.8
Gross Profit	1,894.7	1,704.6
Operating Expenses	-1,603.3	-1,435.0
Other Operating Income / (Expense)	-55.4	-72.1
Operating Profit	236.0	197.6
Income / (Expense) from Investment activities	-5.8	-3.1
Operating Income Before Finance Income / (Expense)	230.3	194.4
Financial Income / (Expense)	-615.0	-65.5
Income/Loss Before Tax From Continuing Operations	-384.7	128.9
Tax Income / (Expenses)	-70.9	-36.5
Deferred Tax Income	-7.5	-4.3
Net Profit / Loss	-463.1	88.1
EBITDA	469.3	430.1
EBITDAR	812.9	735.7

SUMMARY OF BALANCE SHEET – 2013

IFRS Consolidated Balance Sheet Summary

(TL Million)	2013	2012
Current Assets	1,980.7	1,908.6
Non-current Assets	3,815.9	3,715.8
Total Assets	5,796.6	5,624.3
Current Liabilities	2,360.7	1,875.1
Non-current Liabilities	2,605.7	2,487.1
Total Liabilities	4,966.4	4,362.3
Equity	830.2	1,262.1
Total Liabilities and Equity	5,796.6	5,624.3



- 



(*): including Migros Jet stores



Tansaş Supermarkets



Regional leader in the west coast of Turkey

- Number of stores: 199
- 150-1,500 sqm / 3,000 – 15,000 SKUs
 - A strong regional brand & competitive pricing strategy
 - Diverse fresh food emphasis on meat and F&V
 - Friendly service / warm and localized layout



Penetration: 6 cities

31.12.2013



Macrocenter Supermarkets

macrocenter

Gourmet shopping and exclusive

- Number of stores: 23
- 400 - 2,500 sqm / 10,000 SKUs
 - Upscale gourmet store serving a niche, selective customer segment with strong brand loyalty
 - Elegant design and store layout
 - Wide product range in delicatessen, appetizers and spirits. Premium quality in fresh products
 - Complementary and premium non-food
- Customized service such as banquet ready meal delivery
- Accelerated store openings in the popular locations of the Country including Antalya, Bodrum, Cesme and Ankara



Penetration: 5 cities



5M Hypermarkets



Low prices and wide assortment

- Number of stores: 21
- 4,000-7,000 sqm / 25,000 SKUs
 - Wide product range; rich FMCG and non-food assortment
 - N/F product portfolio focusing on kids & women; especially kitchenware & household textile, toys and cosmetics
 - Competitive pricing
- 17 hypermarkets out of 21 are located in shopping malls and power centers



5M
MIGROS
31.12.2013



Wholesale & Food Service

MiGROS

Increasing Importance of Horeca Penetration

- Currently operating in 7 regions through dedicated sales team.
- Two Cash & Carry stores in Ankara and Bodrum
- Dedicated warehouses and customer delivery



Penetration: 7 regions



International Operations

Ramstore®



Kazakhstan

- Number of stores: 25, including 4 hypermarkets, 21 supermarkets. Owns 1 shopping mall in Almaty
- Total sales area of 49,841 sqm
 - Present in Almaty, Astana, Shimkent, Karaganda, Uralsk, Aktau and Atrau
- Operates in multi-formats since 1999
- Food retail market leader in Kazakhstan

Kazakhstan
1 Shopping Mall
4 Hypermarkets
21 Supermarkets

Macedonia

- Number of supermarkets: 14
- Owns 1 shopping mall in Skopje
- Total sales area of 14,433 sqm
- Operations started in 2005

Macedonia
1 Shopping Mall
14 Supermarkets