



1Q13 EARNINGS



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Head of Investor Relations & Capital Markets

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- Financial Review
- Operational Review
- A New Scope: Toiletries
- Ownership
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Focused on Profitability...

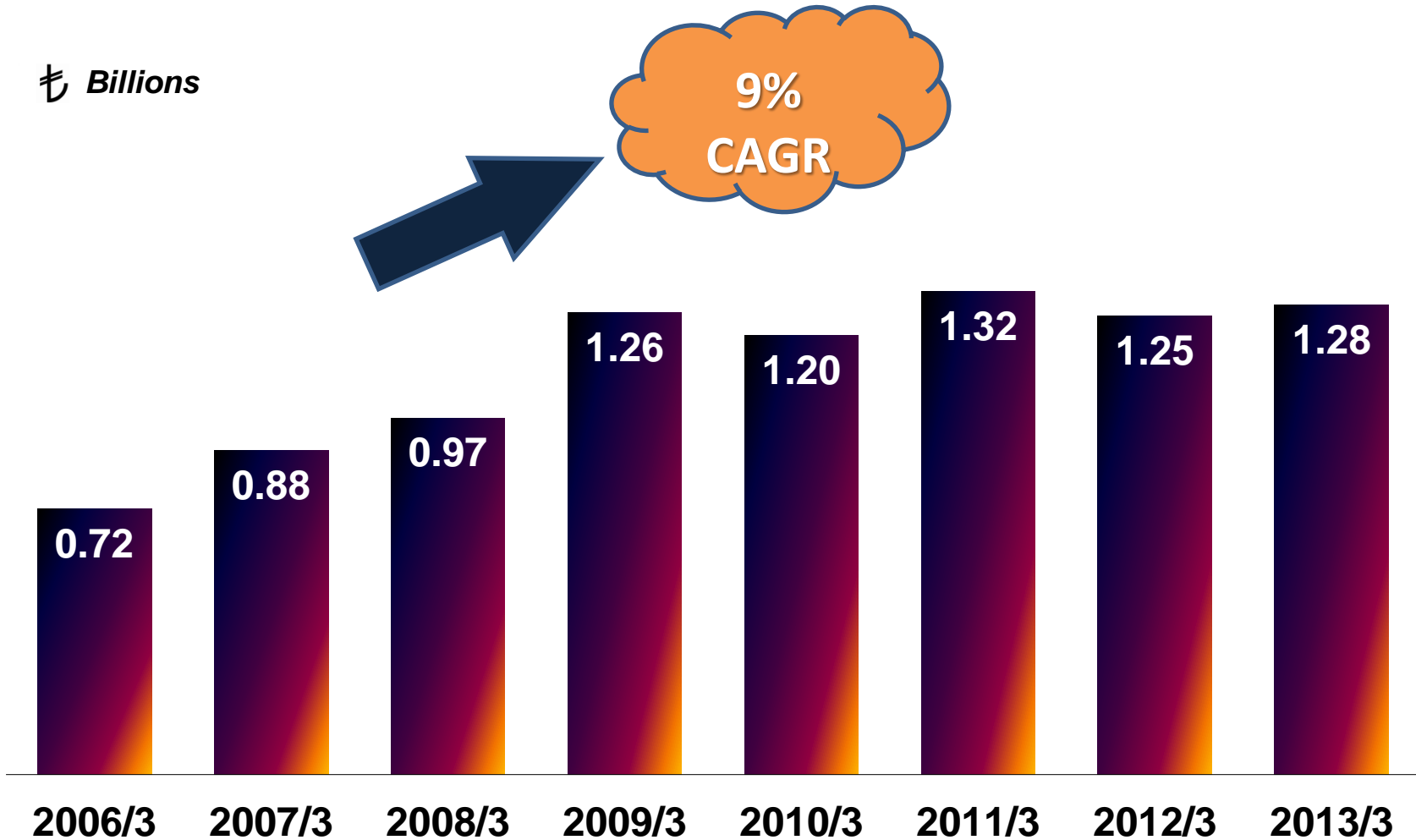


(TRL in millions except EPS)

	As of March 31,		
₺	2013	2012	Chg
Revenues	1,284.47	1,253.20	2.50%
Gross Income	102.84	105.47	-2.49%
Gross Margin	8.01%	8.42%	-0.41 pts.
EBITDA	38.45	46.47	-17.26%
EBITDA Margin	2.99%	3.71%	-0.72 pts.
Net Income	37.10	41.44	-10.47%
Net Income Margin	2.89%	3.31%	-0.42 pts.
EPS	0.060	0.068	-11.76%

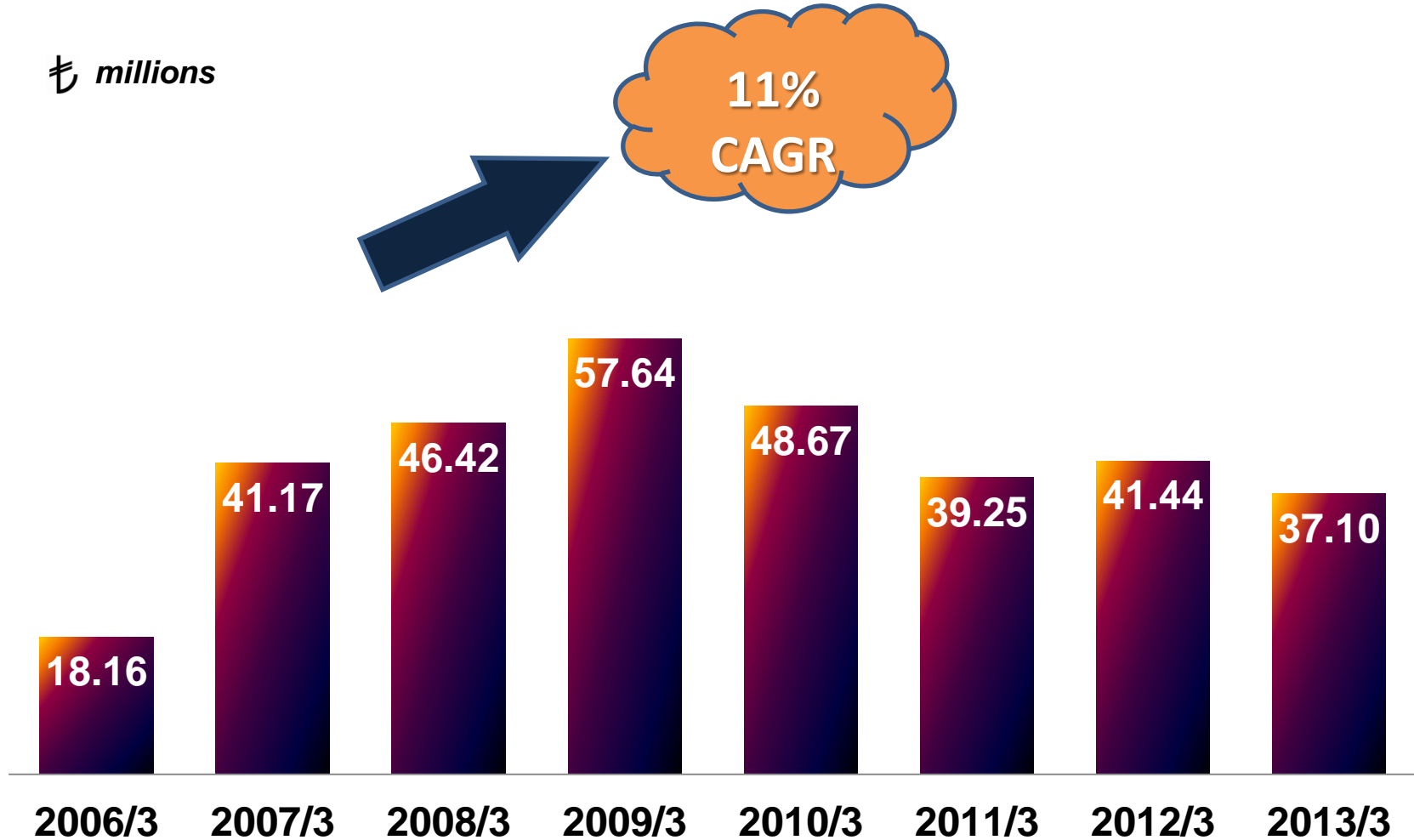
We have a track record of strong revenue growth...

₺ Billions



...that we have leveraged into higher income

₺ millions



Working Capital Management



₺ mn.	FY06	FY07	FY08	FY09	FY10	FY11	FY12	1Q13
A/R	1,209	1,303	1,502	1,538	1,538	1,538	1,571	1,627
Inventories	346	387	469	404	545	577	695	654
A/P	929	1,043	1,234	1,228	1,362	1,325	1,342	1,419
WC	626	647	737	714	721	790	924	863
WC/Sales	19.88%	17.83%	18.21%	14.20%	14.70%	15.57%	18.84%	17.49%

OpEx Improvement



₺	FY06	FY07	FY08	FY09	FY10	FY11	FY12	1Q13
Revenue (mn.)	3,151	3,628	4,047	5,029	4,902	5,074	4,902	1,284
# of WHs	98	100	100	107	114	118	102	102
# of Employees	4,694	4,554	4,600	4,893	5,162	5,322	5,049	5,092
OpEx / Sales	4.84%	4.49%	4.57%	3.93%	4.28%	4.74%	5.37%	5.74%
Personnel / Sales	2.86%	2.69%	2.64%	2.39%	2.66%	2.79%	3.23%	3.36%
Employee per WH	48	46	46	46	45	45	50	50
Revenue per Employee	671,241	796,743	879,676	1,027,748	949,678	953,495	970,885	968,827

OpEx Breakdown



OPERATIONAL EXPENSES	2013	%	2012	%	2013 vs. 2012
Personnel expense	43,168,375	58.54%	35,994,854	55.54%	19.93%
Health sector fair expenses	6,067,170	8.23%	3,777,535	5.83%	60.61%
Fuel expense	5,507,781	7.47%	3,407,882	5.26%	61.62%
Transportation expense	3,394,570	4.60%	2,963,299	4.57%	14.55%
Depreciation expense	2,971,400	4.03%	2,892,454	4.46%	2.73%
Outsourced benefits and services	2,397,961	3.25%	574,874	0.89%	317.13%
Other	1,971,877	2.67%	6,572,128	10.14%	-70.00%
Insurance expense	1,481,095	2.01%	1,148,505	1.77%	28.96%
Repair and maintenance expense of motor vehicles	1,433,678	1.94%	1,471,612	2.27%	-2.58%
Rent expense	1,381,237	1.87%	1,720,310	2.65%	-19.71%
Communication expense	1,164,832	1.58%	1,234,236	1.90%	-5.62%
Tax expense	811,309	1.10%	552,996	0.85%	46.71%
Donations and aids	803,594	1.09%	1,078,130	1.66%	-25.46%
Stationery expense	559,364	0.76%	686,290	1.06%	-18.49%
Promotion expenses	287,182	0.39%	429,732	0.66%	-33.17%
Representation and host expenses	278,933	0.38%	228,159	0.35%	22.25%
Advisory and audit fees	56,920	0.08%	70,560	0.11%	-19.33%
Total	73,737,278		64,803,556		13.79%

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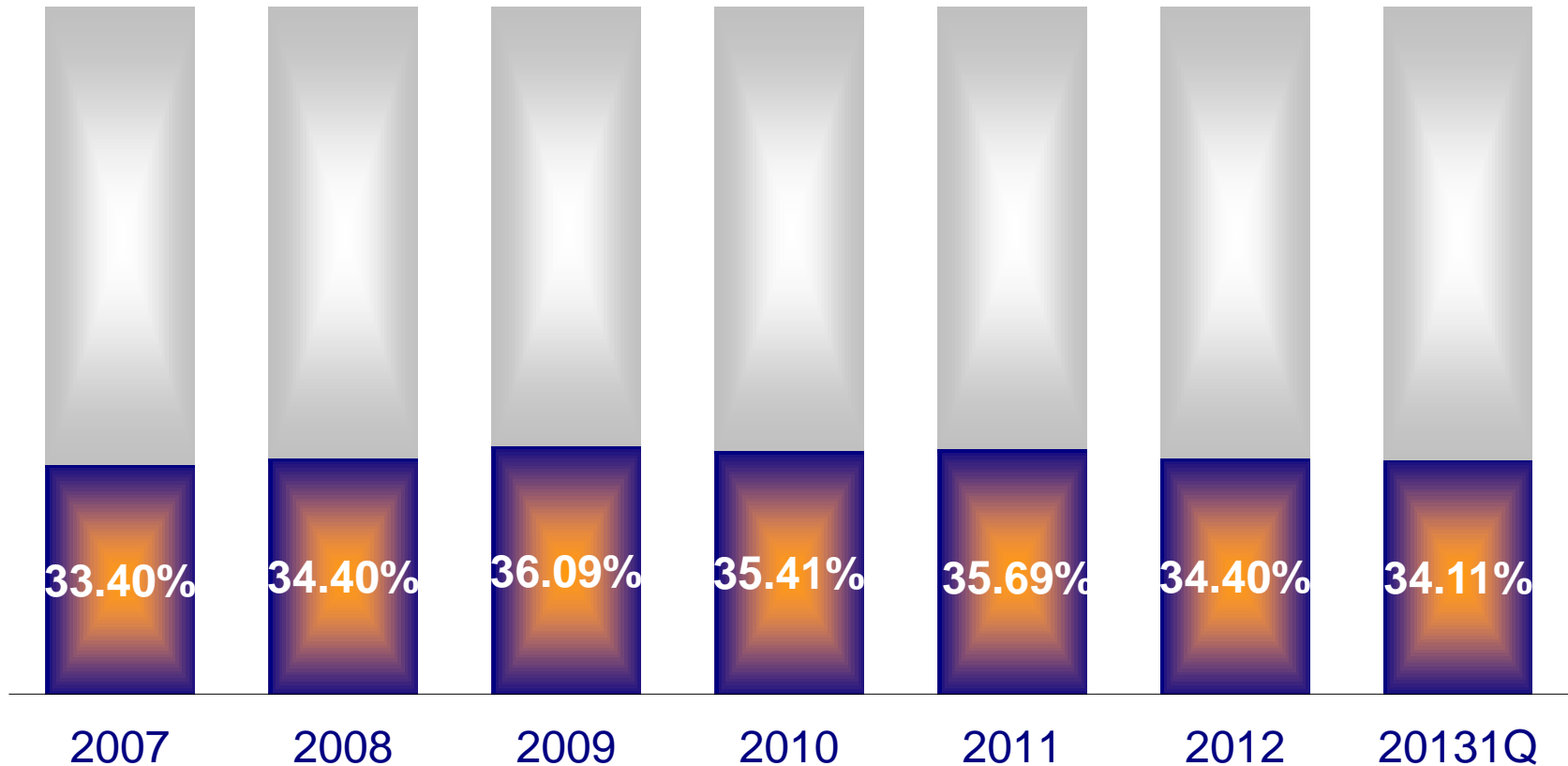
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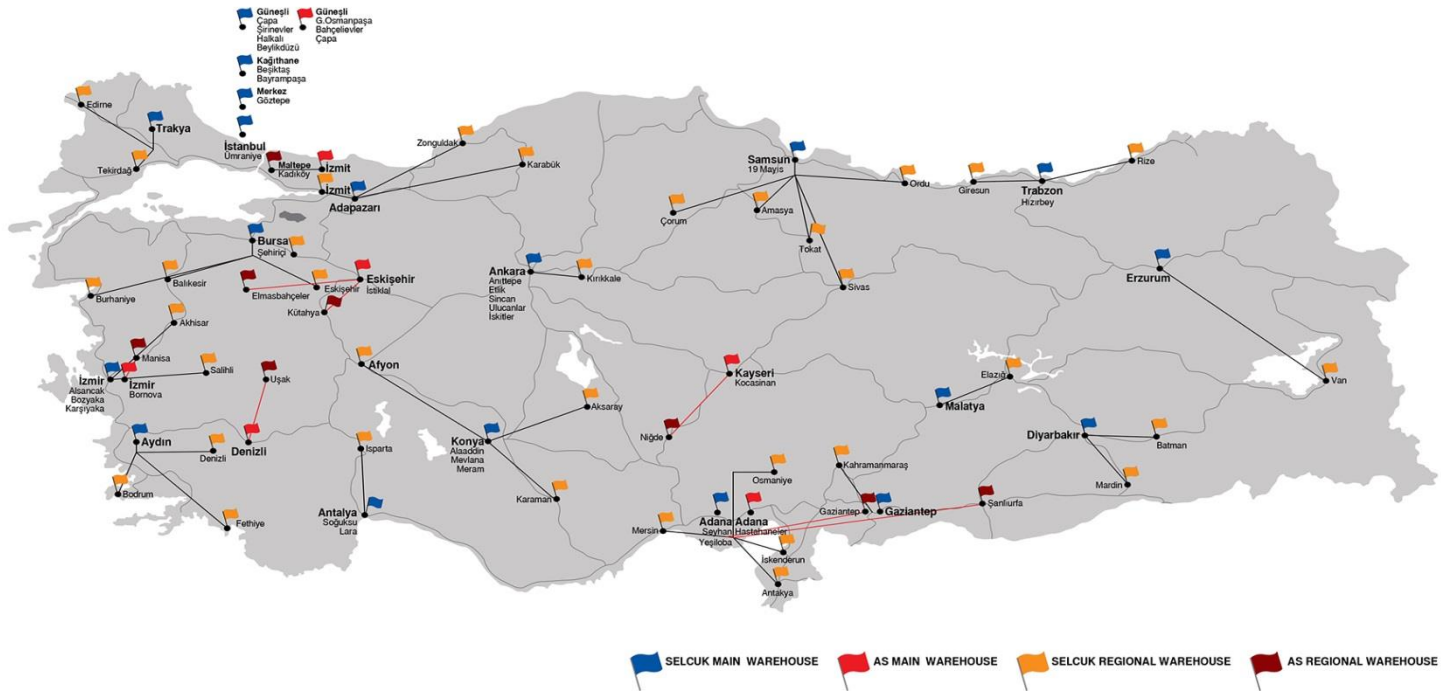
Sustainable growth to Market Leader Position...



Market Share (%)



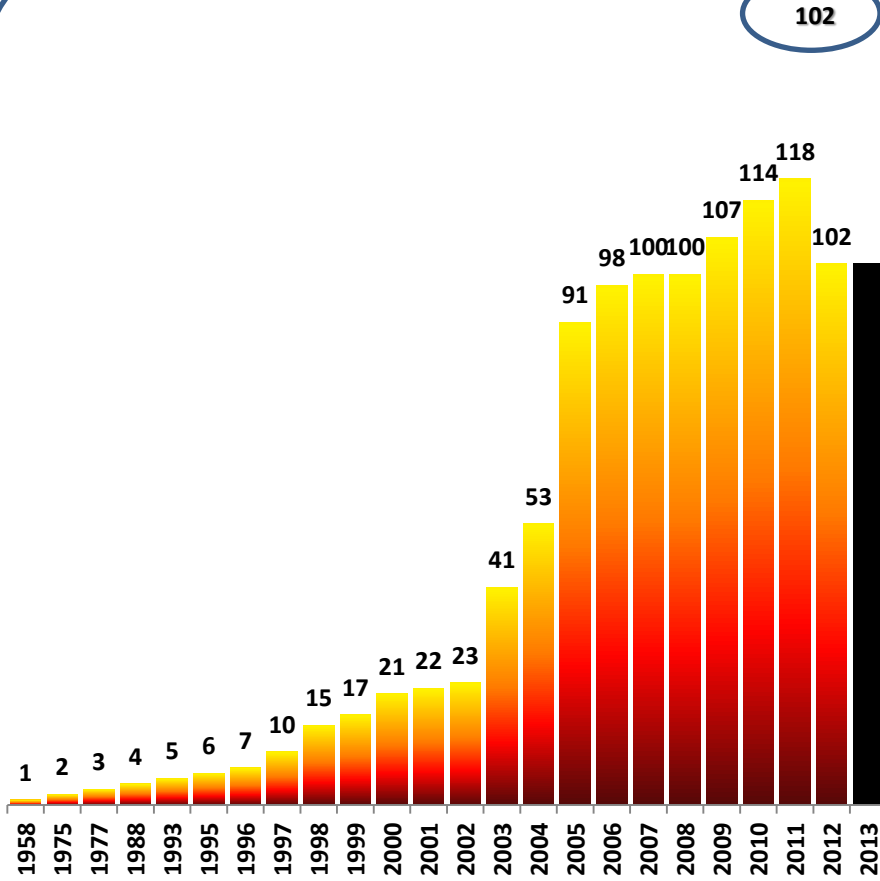
A progressive network across the Country by over 100 warehouses



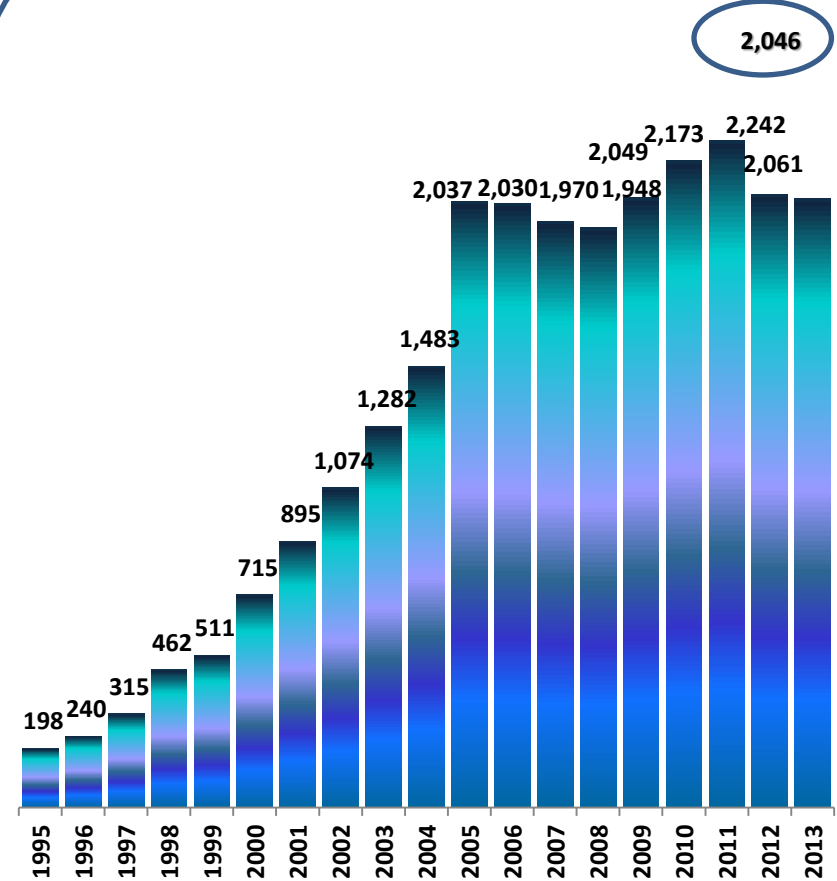
	Main Warehouses	Regional Warehouses	Total
Selçuk Ecza	19	60	79
As Ecza	7	16	23
Group Total	26	76	102

Operational Stats I

Warehouses



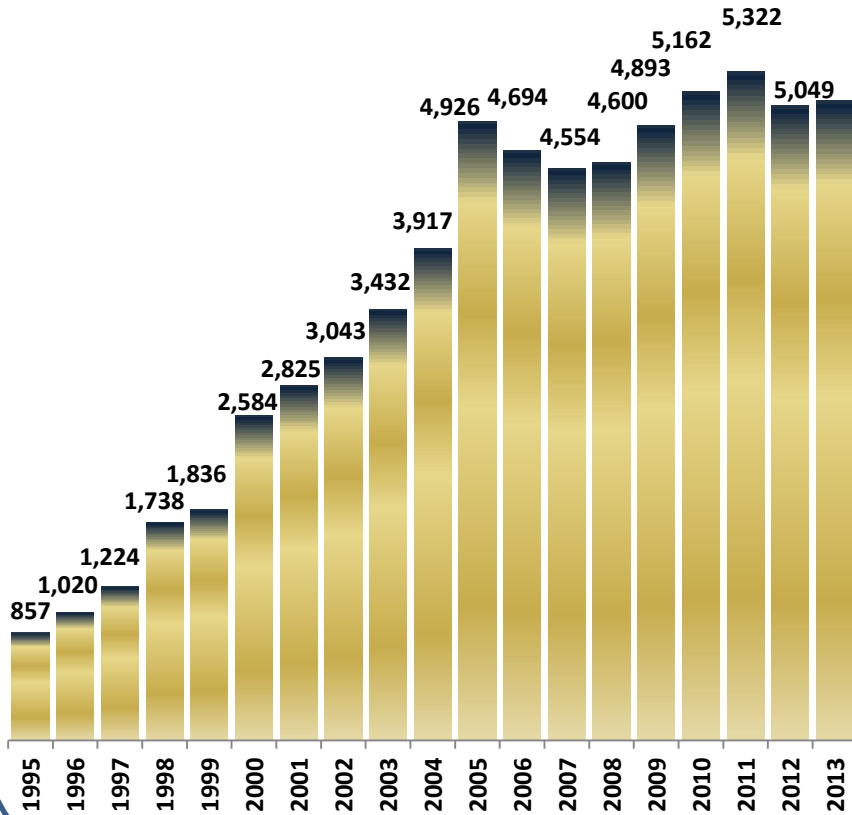
Vehicle Fleet



Operational Stats II

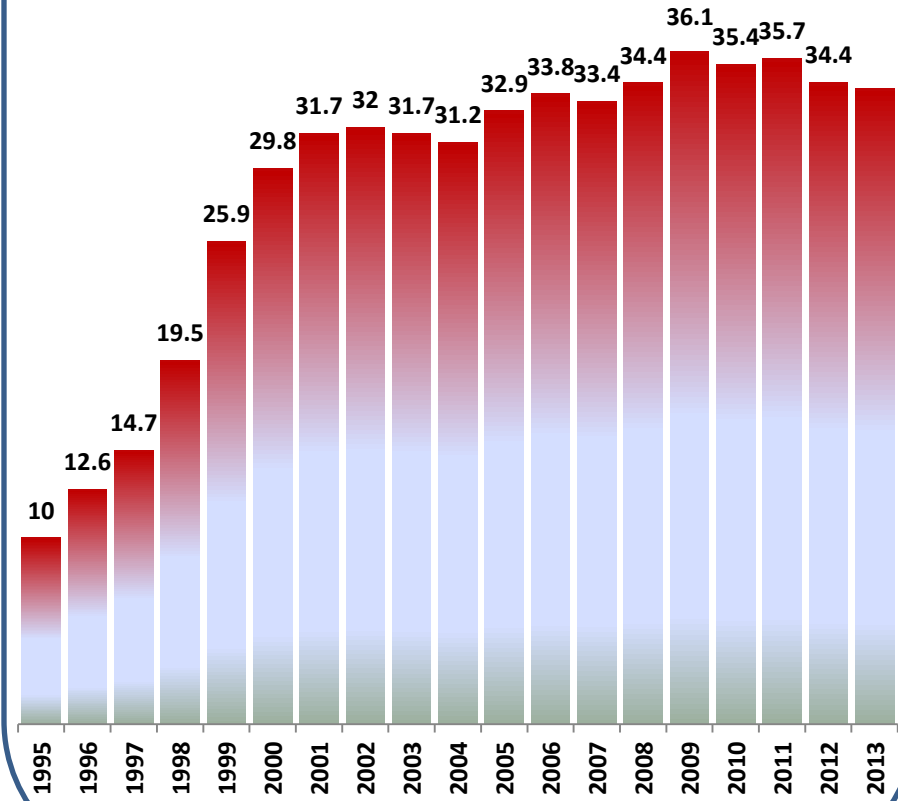
Employment Size

5,092



Market Share (%)

34.1



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Toiletry Segment: A significant catalyst...

✂ Selcuk Ecza has started to sell/distribute toiletry products (personal care products, cosmetics etc.) by June 1, 2009 and expanded it to all of its warehouses

✂ The market size in Turkey for toiletry products is approximately as of US\$11 bn. And almost US\$1 bn. of it is pharmacies' share



✂ Using the same distribution network, while by using the available spare capacity in warehouses lead to an insignificant increase in CAPEX

✂ Strategy to create a steady amount of additional revenue from this segment in order to support a sustainable profit level

✂ Higher gross margin around 10-11% compared to 7-8% from pharma segment



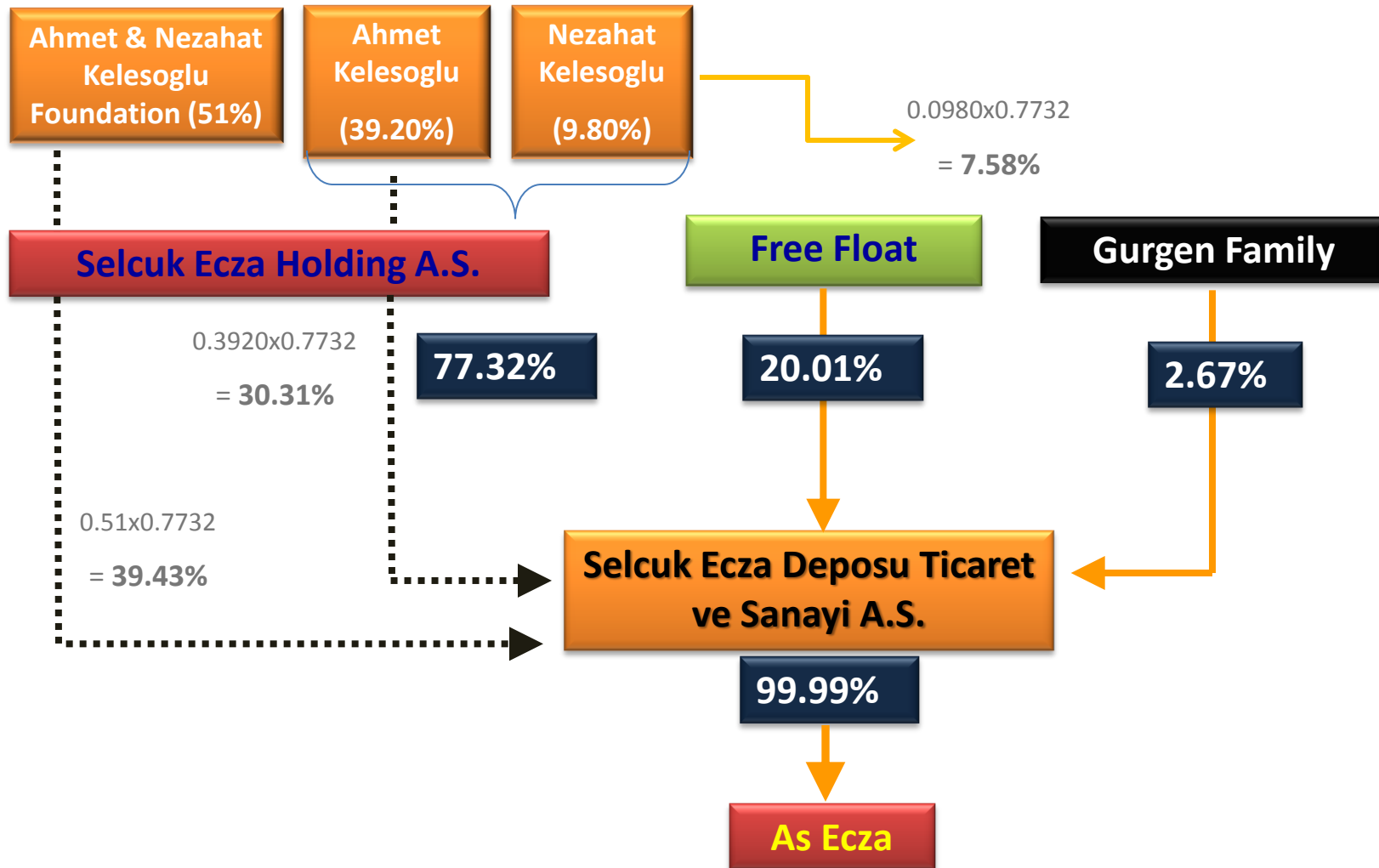
✂ Selcuk Ecza generated 265 mn. TRL in FY11 and 375 mn. in FY12 for this segment, while medium term target is 500 mn TRL as of app. 10% of available topline.

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Ownership



Selcuk Ecza: A precious link to sustainable value creation



✦ **Attractive markets**

- ✦ Demographics drive long-term demand
- ✦ Public policy agenda supports greater access and improved efficiency

✦ **Well-positioned businesses**

- ✦ Solid operating profit and cash flow strength from distribution segment
- ✦ Nationwide network built over mutual commercial interests

✦ **Steady track record of delivering results and a balanced approach to capital deployment**

✦ **Strong balance sheet and solid liquidity position**

✦ **Experienced and tenured management team**



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Income Statement & Balance Sheet

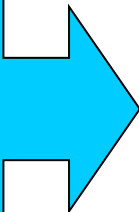


REIMBURSEMENT to PHARMACIES by THE SSI



Appendix-2: Reference Pricing Scheme

Reference Countries
 France
 Italy
 Spain
 Portugal
 Greece



100% = Brands Price (If its generic does not exist in the market)

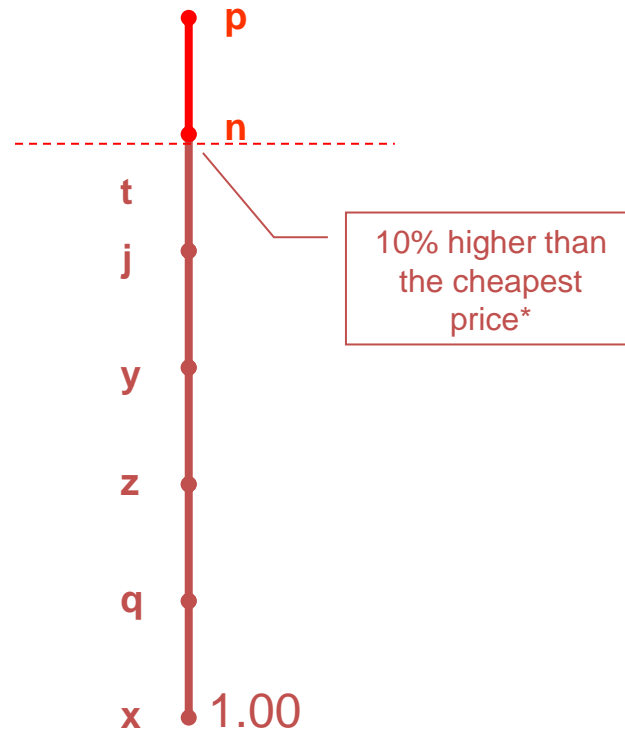
60% = Brands Price (If its generic exists in the market)

60% = Generic Price

***The government has changed the regulation on the reference pricing mechanism and lowered the ratio of both brands and generics to 60% of the reference price on Nov.10, 2011 which is valid since Nov.18, 2011.**

**** The government recently lowered the price ceiling from 15% to 10% for the reimbursement price of generic drugs in the same bioequivalence group (which is applied over the lowest price of the generic product in the market; the lower 10% limit came into force from Nov. 5, 2011).**

REIMBURSEMENT Generic Drugs in the Same Bioequivalence Group



p & n NOT reimbursed

Appendix-3: Major Regulatory Items as of Nov. 2011



- The price ceiling for **branded drugs** has been reduced to **60%** from 66% of the reference price, which is determined according to lowest price in the five reference EU member countries (France, Italy, Spain, Portugal, Greece), if the branded drug has a generic substitute available in the market, although the price ceiling remained at 100% for branded drugs that do not have generic substitutes.
- The price ceiling for **generics** has been also decreased from 66% to **60%** of the reference price.
- The drugs which stay on the market more than 20 years and with a wholesaler price higher than **TRL 6.79**, shall be priced at most **80%** of its reference price while their generics shall not be priced higher than their branded ones' wholesaler prices.
- All drugs with prices lower than **TRL3.56**, OTC drugs (without prescription), blood products, infant food, radiopharmaceutical products, enteral feeding products, and all other products that are not stated in public reimbursement list shall not be priced according to this new regulation.
- The exchange rate mechanism used to determine drug prices has also been changed. According to the new mechanism, the exchange rate may only be revised if the **90-day moving average of EUR/TRL exchange rate exceeds/falls** below the periodic EURO value band by **+/-5%**; while the upper end of this band is estimated as **10% higher** of the EUR/TRL exchange rate in effect for calculation of drug prices. (**The official EUR/TRL rate is 1.9595 since April 2009**)
- The Notice period for amending the “Reference Countries List” by the MoH has been reduced from 4 months to 2 months.

Appendix-4: Summary Financials: Income Statement-Consolidated

Income Statement

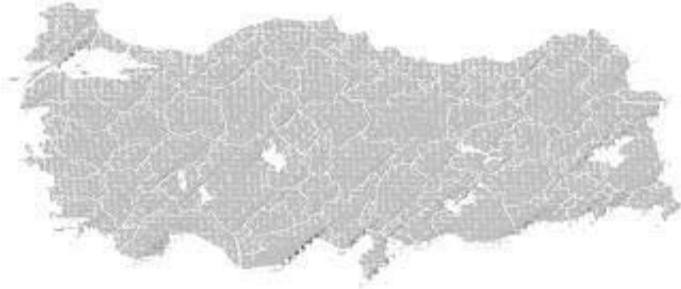
(TL Million)	Mar. 31, 2013	Mar. 31, 2012	2013 vs. 2012
Volume			
Net Sales	1,284.47	1,253.20	2.49%
Cost of sales (-)	(1,181.63)	(1,147.73)	2.95%
GROSS PROFIT	102.84	105.47	-2.49%
OPEX	(73.74)	(64.80)	13.79%
Other operating income/Exp.(Net)	6.38	3.92	62.63%
EBIT	35.48	44.58	-20.43%
EBIT (exc.other)	29.10	40.66	-28.43%
Finance income /Exp.(Net)	11.12	7.72	44.13%
Income before minority Int.& Tax	46.60	52.30	-10.90%
Minority interest	0.00	0.00	-35.71%
Income tax expense	(9.50)	(10.05)	-5.54%
Net Income / (Loss)	37.10	42.25	-12.18%
EBITDA	38.45	47.48	-19.01%
EBITDA (exc.other)	32.07	43.56	-26.36%
Gross Margin	8.01%	8.42%	2.49%
EBIT Margin	2.76%	3.56%	
EBIT Margin (exc.other)	2.27%	3.24%	
EBITDA Margin	2.99%	3.79%	
EBITDA Margin (exc.other)	2.50%	3.48%	

Appendix-4: Summary Financials: Balance Sheet



Balance Sheet

(TL million)					
Assets			Liabilities & Equity		
	Mar. 31, 2013	Dec. 31, 2012		Mar. 31, 2013	Dec. 31, 2012
Cash and cash equivalents	1,343.48	1,066.43	Short-term debt	1,110.94	895.53
Accounts rec.& due from related parties	1,627.10	1,570.86	Accounts payable & due to related parties	1,418.59	1,342.24
Inventories	654.30	695.13	Provisions & other current liabilities	41.59	39.17
Other current assets	99.06	63.60	Total Current Liabilities	2,571.13	2,276.93
Total Current Assets	3,723.94	3,396.01	Long-term debt	0.00	0.00
PP&E	169.50	168.77	Provision for Employee Benefits & Other Liabilities	11.79	10.20
Intangible Assets(Including Goodwill)	31.51	31.50	Deferred tax liability	18.50	20.52
Other non-current assets	15.17	15.34	Other liabilities	0.00	0.00
Deferred tax assets	23.05	22.05	Total Non-Current Liabilities	30.29	30.71
Total Non-Current Assets	239.23	237.66	Shareholder's equity & minority interest	1,361.75	1,326.02
Total Assets	3,963.16	3,633.67	Total Liabilities & Equity	3,963.16	3,633.67



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