



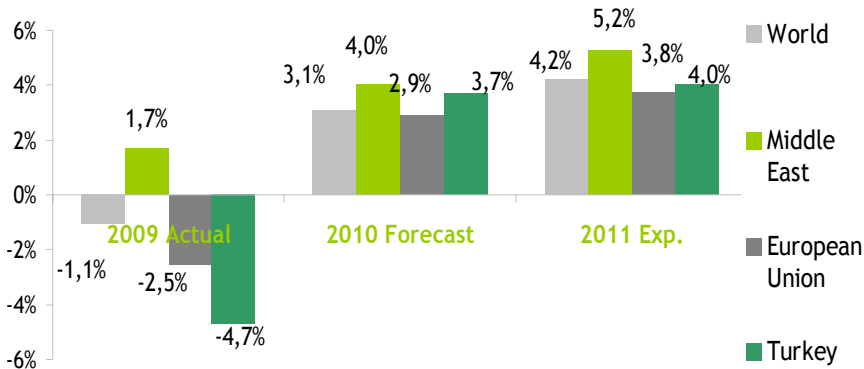
**PINAR ET
2009 EARNINGS PRESENTATION**

April 2010

- ▶ Economising
 - ▶ Consumers seeking more value
- ▶ Anxious consumers
 - ▶ Packaged products
 - ▶ Increased awareness of food quality
- ▶ Stretched lives
 - ▶ Ready to drink products
 - ▶ Breakfast “on the go”
- ▶ Health and well-being
 - ▶ Fortified and functional milk products
- ▶ Simple and authentic
 - ▶ Traditional products (68% tend to stick with foods they familiar with)
 - ▶ Ethical choice
- ▶ In general, the agri-food sector is more resilient than others, to financial crisis
- ▶ Maintaining market share is more critical
- ▶ In Europe;
 - ▶ 40% of the firms were affected by the downturn,
 - ▶ 70% were small and medium sized.
 - ▶ Over 30% reported that financial guarantees for loans had become a constraint and new credit was increasingly difficult to obtain. However, for the financially robust firms there were no credit reductions.
- ▶ Recovery in GDP growth rate and international trade expected in 2010 and continuing thereafter, through the projection period, should generate a more favourable economic environment for agri-food firms in terms of demand.
- ▶ Source: Tetra Pak Dairy Index Issue 1 - June'09
- ▶ Source: OECD - FAO Agricultural Outlook 2009 - 2018

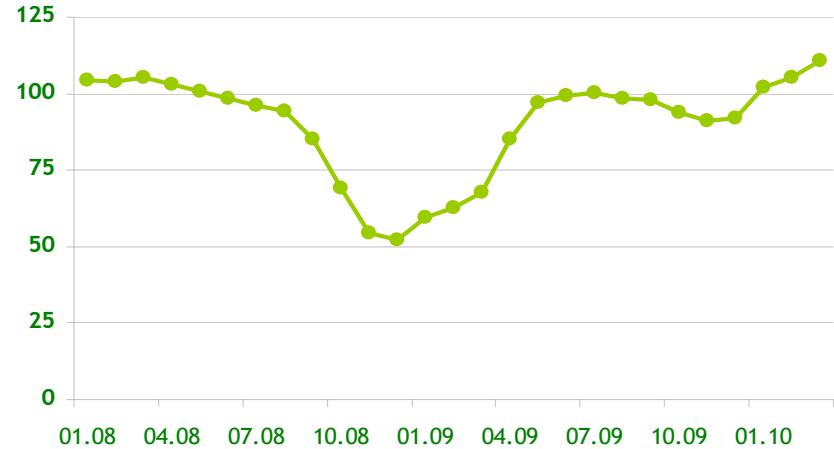
Protein based goods and products such as meat dairy and seafood have a positive consumption Correlation with income growth. (Rabobank)

Macro Indicators - GDP growth



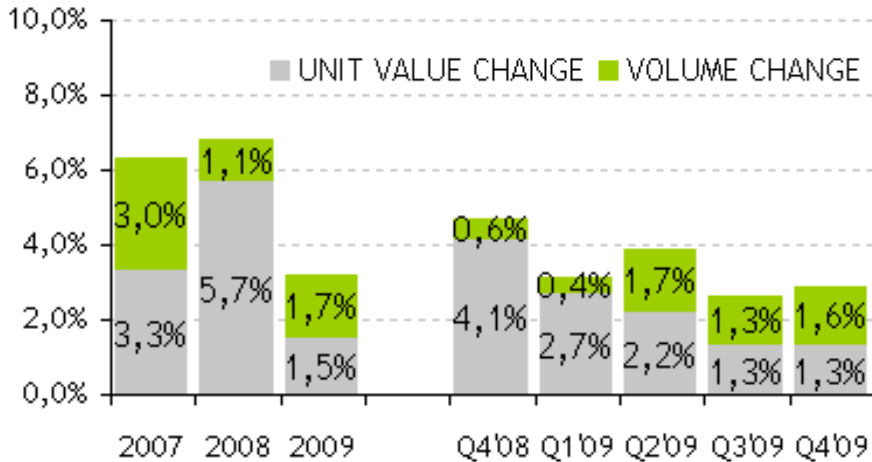
Source: IMF, TUIK

Real Sector Confidence Index



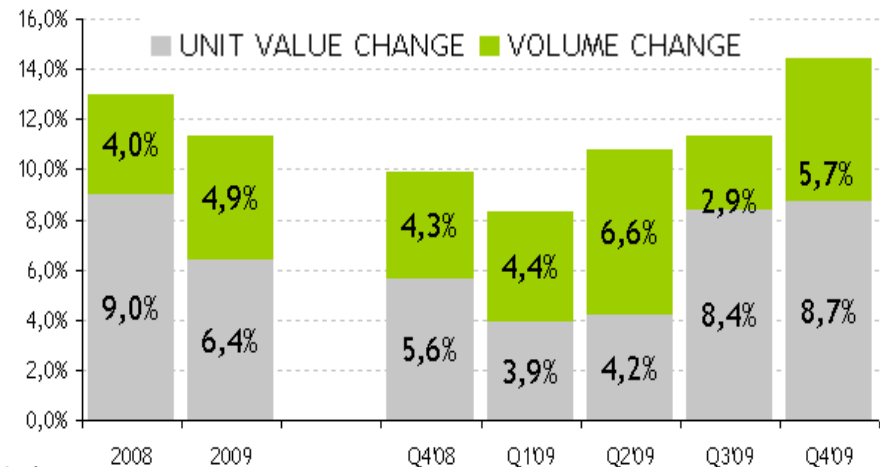
Source: TCMB

FMCG Total Europe Market Dynamics

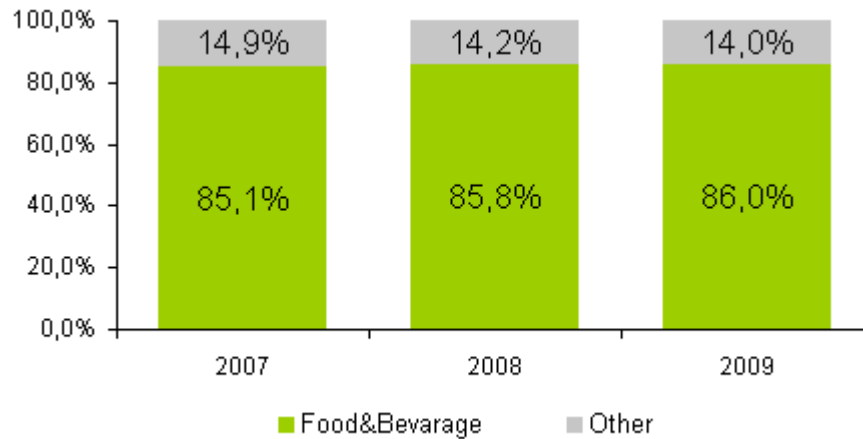


Source: Nielsen

FMCG Turkey Market Dynamics

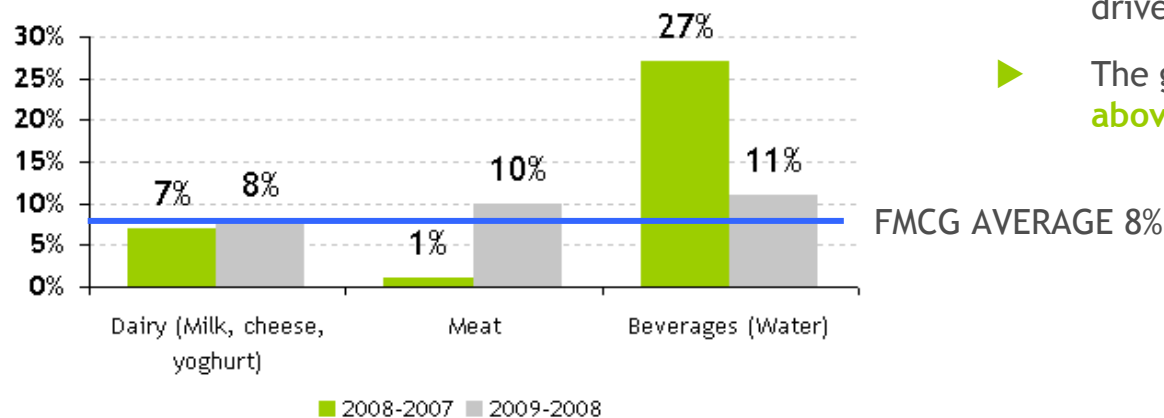


FMCG SEGMENTATION



- ▶ Turkish FMCG industry continued to grow by 7-8% p.a. in spite of the global economic melt down.
- ▶ Share of F&B in FMCG sector is **increasing**.

FMCG GROWTH



- ▶ Dairy, meat and water sectors are the main drivers that **enlarge F&B sector**.
- ▶ The growth for dairy, meat and water are **above FMCG average**.



- ▶ Two brands with strong brand equities : **Pinar** and **Dyo**
- ▶ Widespread distribution network in FMCG market
- ▶ Joined the UN Global Compact, in 2007

- ▶ Pioneer in dairy, processed meat and coatings
- ▶ Initiation dates back to 1945
- ▶ Core businesses include “**Food & Beverage**” and “**Paint**”
- ▶ One of Turkey’s most important and highly respected consumer products groups
- ▶ Consolidated revenue of approx. **2 bn TL**
- ▶ Six companies listed on ISE, with a **market cap of 1 bn. TL**
- ▶ Headquarters located in İzmir
- ▶ 22 companies, 2 foundations, 19 facilities, more than 6.000 employees.
- ▶ Mottos are ; “My Source for Healthy Living”, “My Source for Good Taste”, “My Source for Innovation”
- ▶ Prominent in Turkish economy with seven companies ranking among “Fortune 500” of Turkey

- ▶ PINAR; one of Turkey's "**Top 5 Food and Beverages companies hit list**". (Nielsen 2004-2009; excluding alcoholic beverages)
- ▶ "Pınar" brand is also in the "**Top 10 FMCG companies hit list**" over the same years (#6 in 2009; Nielsen)
- ▶ Pınar brand is internationally recognised, especially **in the Gulf countries**.
- ▶ Pınar selected as one of "**Turkey's 26 Superbrands**" in 2008.(Nielsen)
- ▶ **#1 Turkish brand that comes to mind** in the food category. (source: IPSOS KMG - 2009)
- ▶ **Pınar Et is the #1 Turkish brand that comes to mind** in charcuterie and processed meat category. (source: IPSOS KMG - 2009)
- ▶ **One of the most valuable brands in Turkey** with an estimated brand value of \$802 million (source: Brand Finance-2005)
- ▶ According to the "Turkey Customer Satisfaction Index", selected **the best brand in milk and meat categories**. (source: Kalder-2009/3Q)
- ▶ One of **the top five most trusted brands** which consumers feel closest to.
- ▶ As one of the most valuable Turkish brand, part of the **TURQUALITY** project supported by the Turkish government.
 - ▶ **Turquality®** is the first and unique branding program in the world supported by Turkish Government in order to create competitive Turkish brands worldwide.
 - ▶ The vision of **Turquality®** is "Create 10 world brands in 10 years".

Sectors of Pınar Categories Promise High Potential For Growth

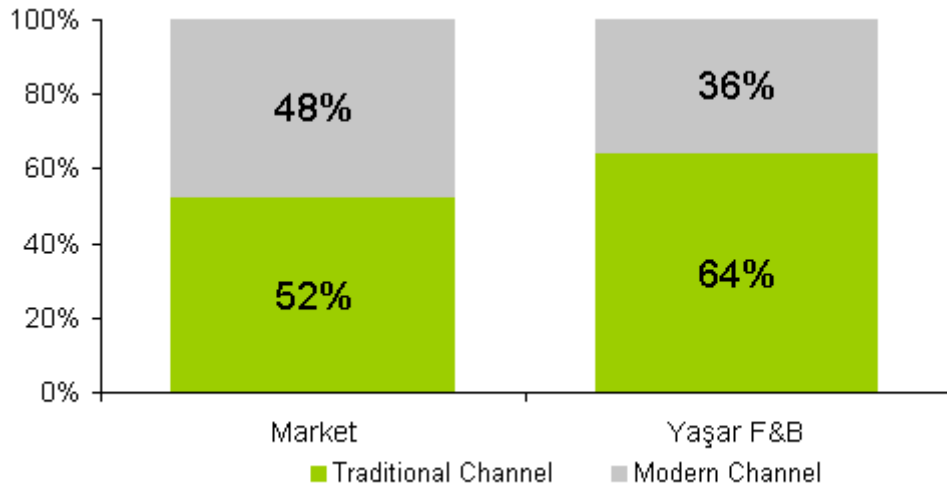


- ▶ **Food and beverages comprise 19% of GDP** in Turkey, as second biggest item.
- ▶ With Turkey's large population and the **high proportion of income spent on food, approximately 23%**, the food industry has attractive growth prospects.
- ▶ In 2008, the total production capacity of the Turkish food industry reached 127 million mt, while that of beverage industry increased to 13.3 million liters. (invest.gov.tr)
- ▶ **Significant growth potential with 8-9% p.a. on average**, with major drivers of this growth including
 - ▶ Increasing per capita food consumption (2007 3,864 TL, 2008 4,416 TL; 14% growth)
 - ▶ Rapid urbanization, young and growing population (1,3% p.a. Growth, 45% of population below 25)
 - ▶ Growing trends towards packaged products for health and hygiene reasons
 - ▶ Increase in the number of working women, leading to an increase in demand for ready meals
 - ▶ Rising education levels, affecting consumption decisions for branded and healthy products
 - ▶ Consumer trends towards value-added and enriched products
 - ▶ Turkey's accession to the EU and proximity to the Middle East and Europe.
- ▶ **Branded Products:** Pınar is ahead of competition on brand recognition, product quality, corporate image and reputation, customer loyalty and consistency of supply
- ▶ **ALO 174 Food Line** - For safe food healthy living, since February 2009.

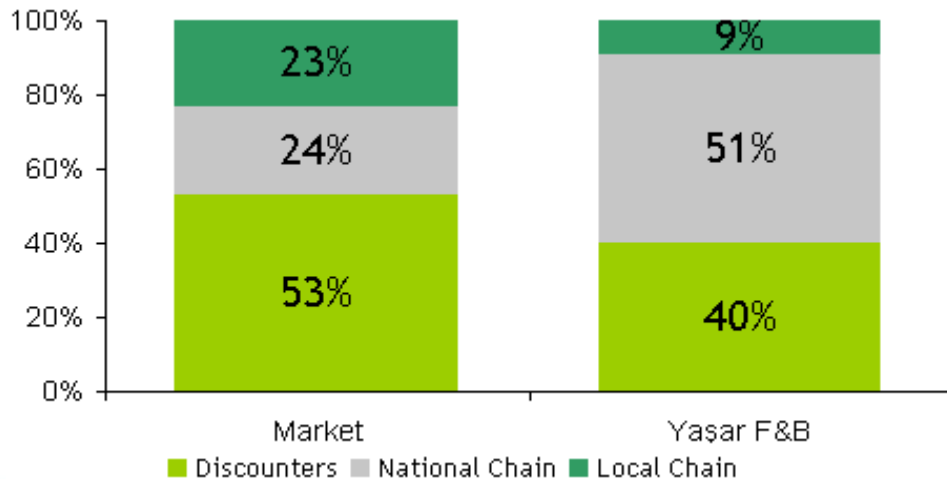
Turkey Retail Market Overview



RETAIL CHANNEL



MODERN RETAIL CHANNEL



Pınar is very strong in both modern and traditional retail market

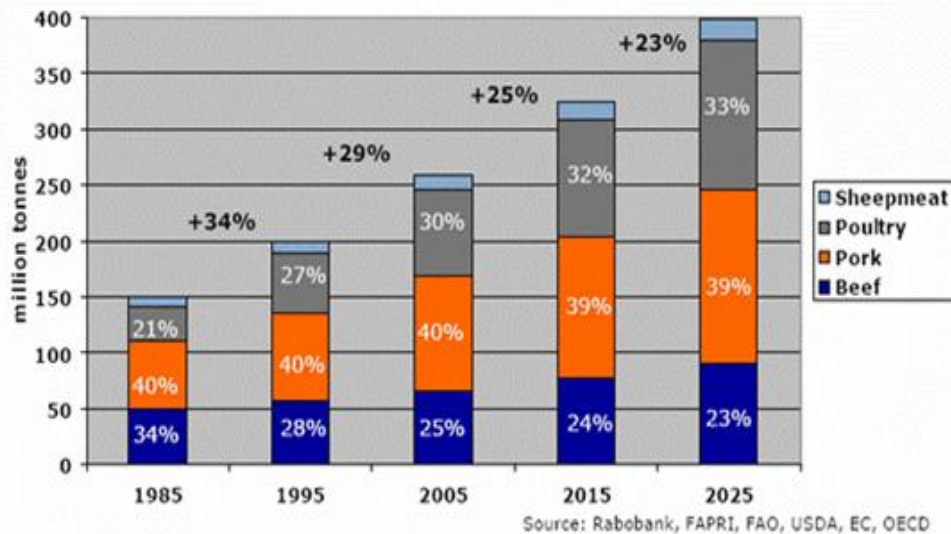
- ▶ Pınar has high dominance in traditional market by strong distribution network

- ▶ Pınar volume has low dependency on discount channels

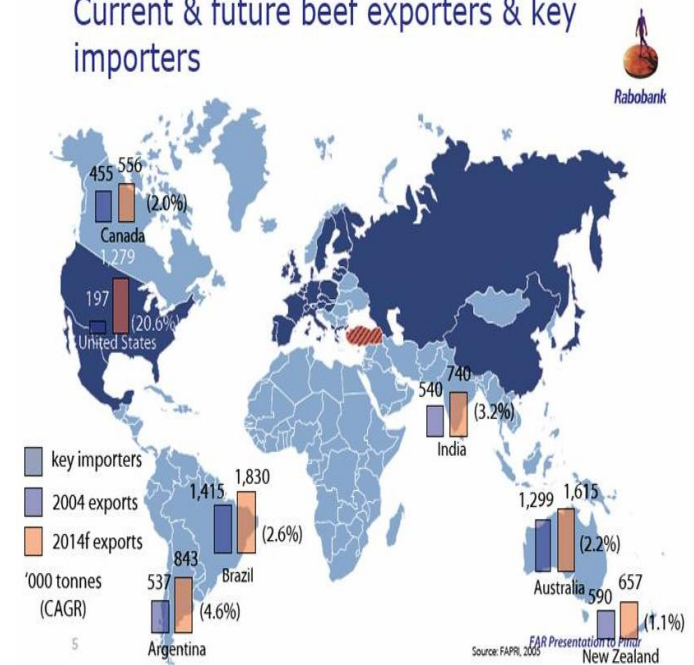
Source: AMPD, IPSOS KMG 2009

- ▶ Global meat market expected to increase by 50% in the next 15 years
- ▶ Brazil, Argentina and India are expected to control the meat supply
- ▶ Custom barriers are expected to decrease
- ▶ Agricultural and export supports and trade barriers will decrease together with the increasing functionality of WTO.

Global meat consumption



Current & future beef exporters & key importers

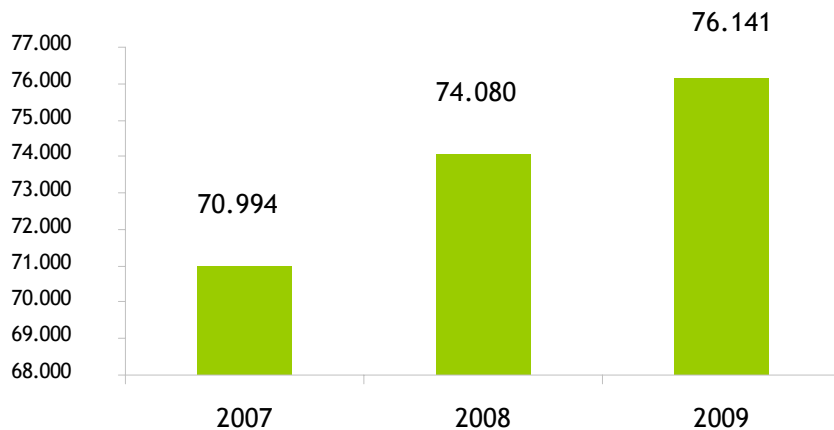


Meat & Meat Products Industry In Turkey

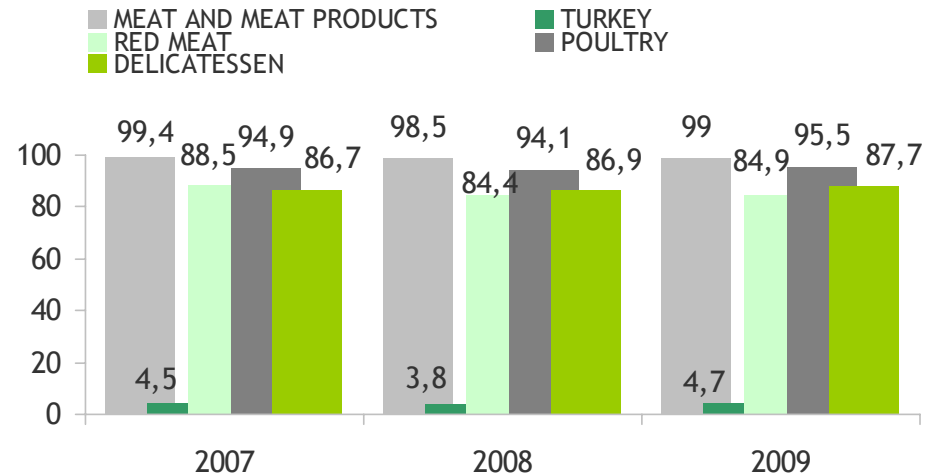


- ▶ Rapid growth in delicatessen market is observed.
- ▶ Production is expected to exceed 2 mn tons
- ▶ Per capita consumption is expected to increase
- ▶ Today there is a
 - ▶ Registered delicatessen market of 100.000 tons (1 bn USD) (Real market more than twice)
 - ▶ Red meat market of 4,8 bn USD

PROCESSED MEAT MARKET



PENETRATION %



Source: A.C. NIELSEN

Source: IPSOS KMG

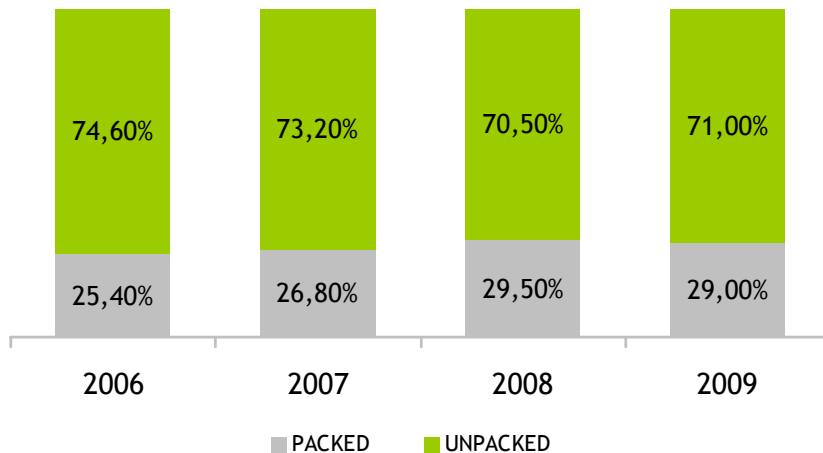
- ▶ Total number of cattle is around 10,9 million heads and sheep 29,5 million heads.
- ▶ Annual beef production in Turkey is around 800.000-900.000 tons (half is registered.),
- ▶ Broiler production around 1.050.000 tons,
- ▶ Turkey meat production around 40.000 tons,
- ▶ 15 - 20 % of the butcher quality cattle sourced from big farms, this ratio is 80-85% for Pınar Et

GROWTH POTENTIAL

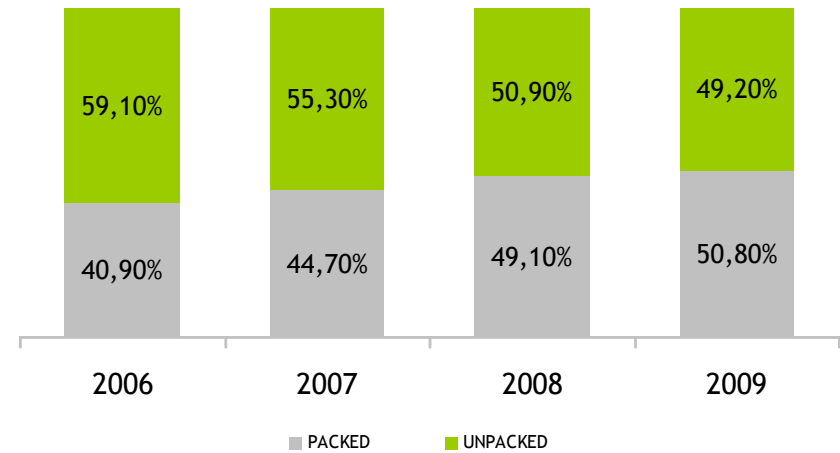
- ▶ Per capita meat consumption is increasing but still very low compared to EU
- ▶ (EU=18 kg; TR=12 kg)
- ▶ Shift to packaged from unpackaged processed meat
- ▶ Increasing demand for ready meals
- ▶ Approval of exporting poultry products to EU and Russian markets

- ▶ In 2009 fastest growing meat product is delicatessen (a market of ~1,2 Billion TL, half of it soudjouk), where at least one charcuterie product has entered to %88 of homes.
- ▶ Portion of **the Meat and Processed Meat Products within FMCG is 18%**, making it the leader of FMCG.

Meat Products Volume Shares (%)



Delicatessen Volume Shares (%)



Source: IPSOS - KMG

Pınar Et Milestones



1985...

Türkiye's first private integrated modern meat plant Pınar Meat was established. Meat obtained at slaughterhouse under hygienic conditions and fully-automated packages sausage flavoured with garlic, salami, sausages and other delicatessen products were appreciated by the consumers.



Total area : 330,000 sqms
Closed area: 46.000 sqms

1988

Birleşik Markets were established to sell carcass meat products by Pınar Meat.

1998

Pınar established first full-integrated turkey production facilities in Turkey and introduced white turkey meat.

2001

Pınar Meat produces traditional Turkish döner food, preserving its original taste, and offered for sale throughout Turkey.

2004

Pınar Meat was granted TS ISO 14001 Environmental Management System

2009

New launches
Pınar Misket Köfte (Meatballs)
Pizzatto

1985

'88

'90

'95

'00

'02

'04

'06

'08

'09

1987

First hamburger meatball in Türkiye was produced upon cooperation between Pınar Meat and McDonald's. Pınar Meat introduced frozen ready food to the Turkish people.

1994

Pınar Meat became first meat production Company to which TS ISO 9002 Quality System Certificate has been awarded.

2000

Pınar Meat produced sliced delicatessen varieties at full-automated modern facilities.

2001

Pınar Meat realised production of frozen sea products.

2003

Pınar Meat passed to TS ISO 9001-2000 Certificate.

2004

Nine varieties of meat balls were introduced under the concept of Türkiye's Meat Balls.

2008

Pınar Et started Lean 6 Sigma implementation as a first implementing institution of Turkish Food Sector.

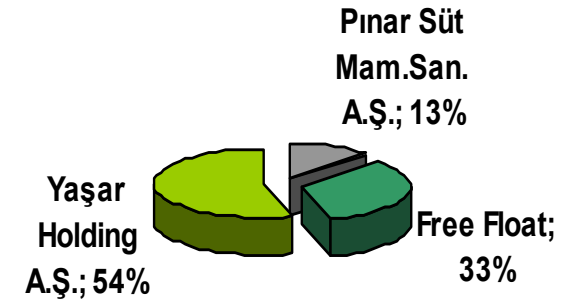
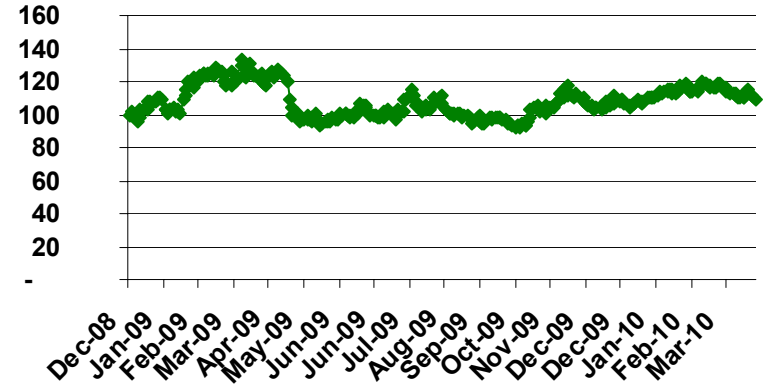
- ▶ Listed on Istanbul Stock Exchange, as PETUN
- ▶ % 33 of total outstanding shares in free float
- ▶ 507 employees
- ▶ Price at April 7,2010 > TL 5,05
- ▶ Market Cap > TL 219 mn
- ▶ Paid in Capital > TL 43.335.000
- ▶ Foreign stake in the free float > 22%



Pınar Başı/Kemalpaşa- İzmir

- Total area
330.000 sqms
- Closed area
46.000 sqms

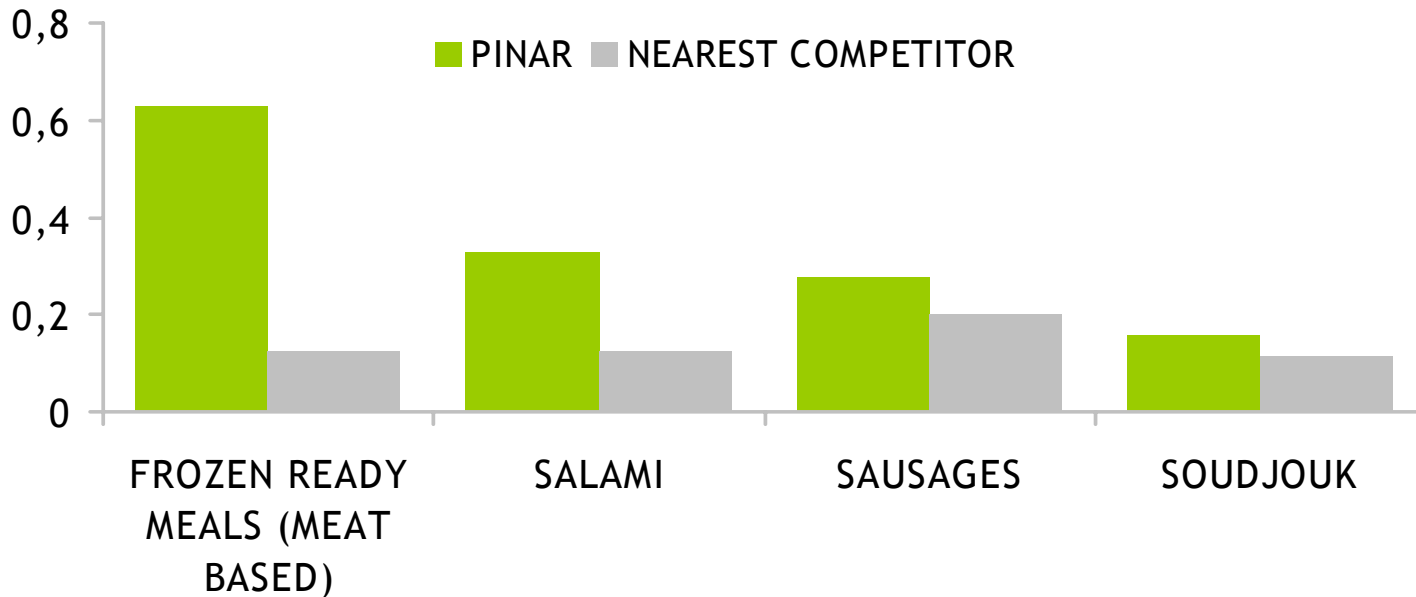
RELATIVE PERFORMANCE TO ISE-100



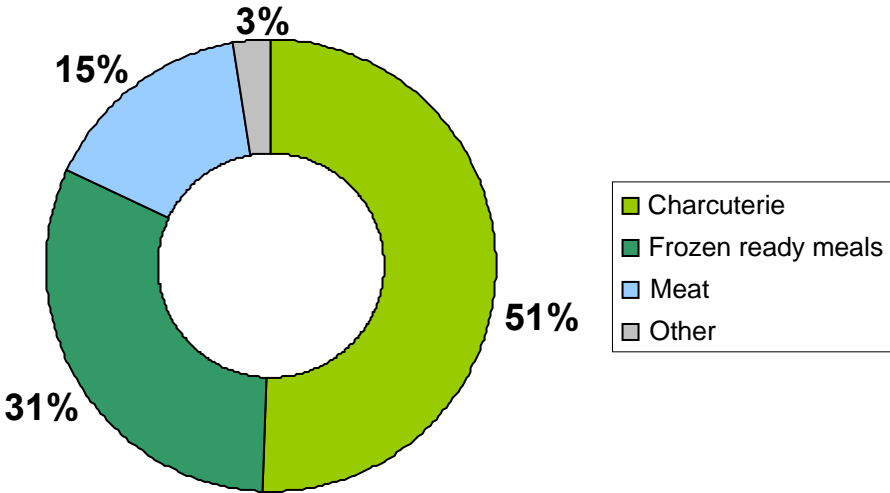
- ▶ The market is continuously growing
- ▶ **Pınar Et is maining its leadership** with a market share of 19%.

PRODUCT	MARKET SHARE	POSITION
FROZEN READY MEALS (MEAT BASED)	63%	LEADER
SALAMI	32%	LEADER
SAUSAGES	28%	LEADER
SOUDJOUK	15%	LEADER

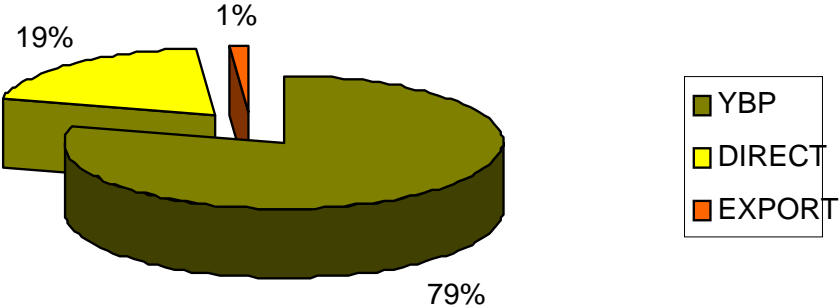
MARKET SHARE COMPARISON



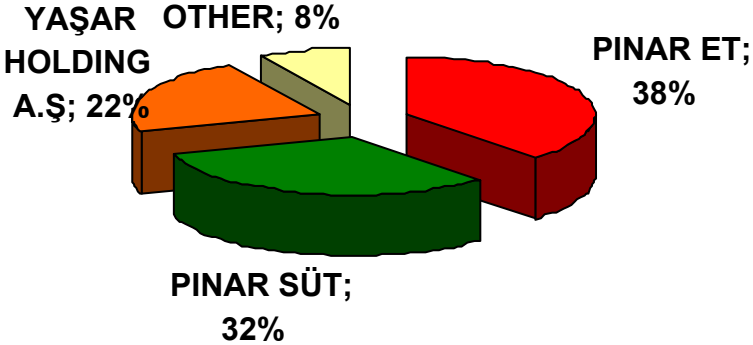
Source: AC Nielsen



SALES CHANNELS



YBP OWNERSHIP STRUCTURE



Notable Participation Value



Yaşar Birleşik
Pazarlama Dağıtım
Turizm ve Ticaret
A.Ş. (YBP)

Ownership %
38.26%

Carrying Value
75 M TL

Sales and distribution of
products of Pınar Süt,
Pınar Et & other food
products



Çamlı Yem, Besicilik
San. ve Tic. A.Ş.

Ownership %
23.38%

Carrying Value
19.6 M TL

Agribusiness- Feed
production, fish, cattle
and turkey farming



Pınar Foods GmbH,
Germany

Ownership %
44.94%

Carrying Value
2.7 M TL

Production and
distribution of water and
food products in Europe



Pınar Anadolu Gıda
San. ve Tic. A.Ş.

Ownership %
20.00%

Carrying Value
0.7 M TL

Production of dairy and
meat products in Yozgat



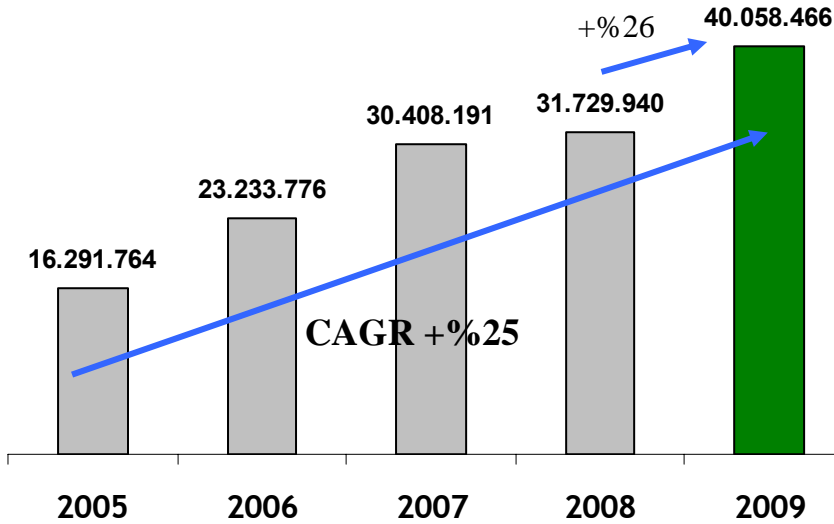
Desa Enerji Elektrik
Üretimi
Otoprodüktör Grubu

Ownership %
26.41%

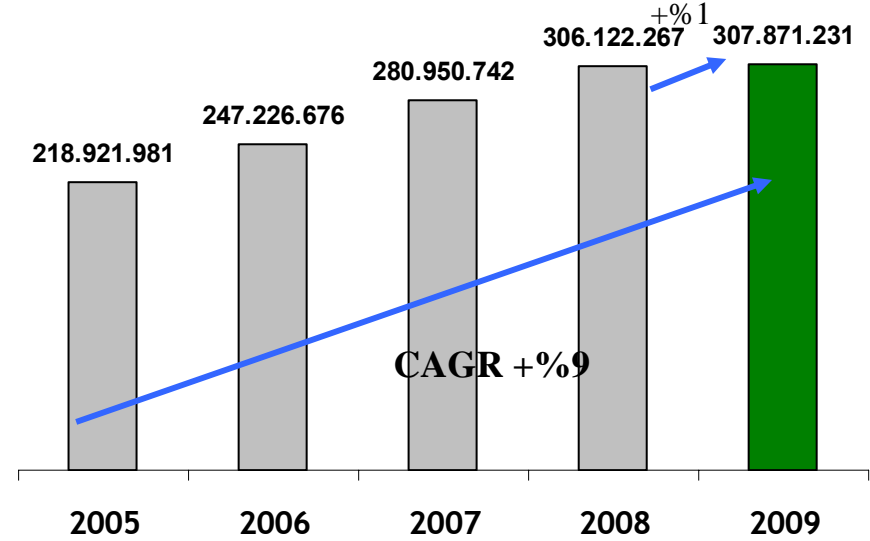
Carrying Value
2.3 M TL

Energy generation in İzmir

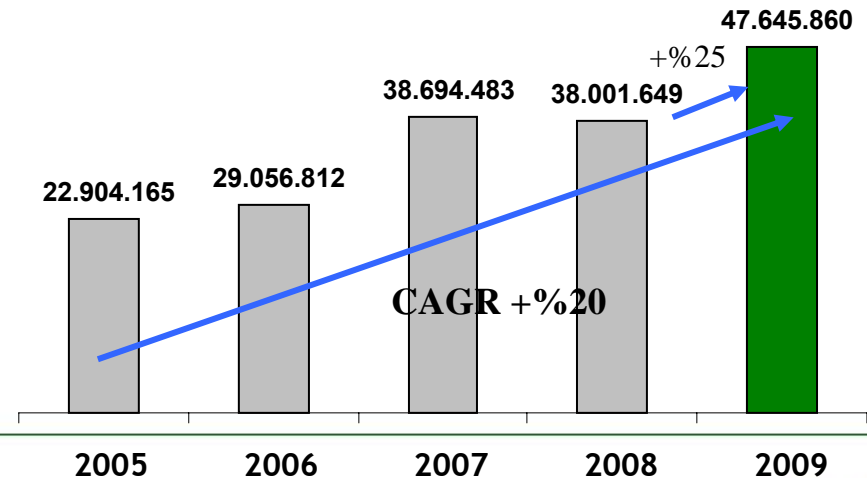
NET PROFIT (TL)



NET SALES (TL)



PROFIT BEFORE TAX (TL)



Albeit the economic shortfall generated TL 40 mn TL Net Profit with **26% increase** compared to 2008;

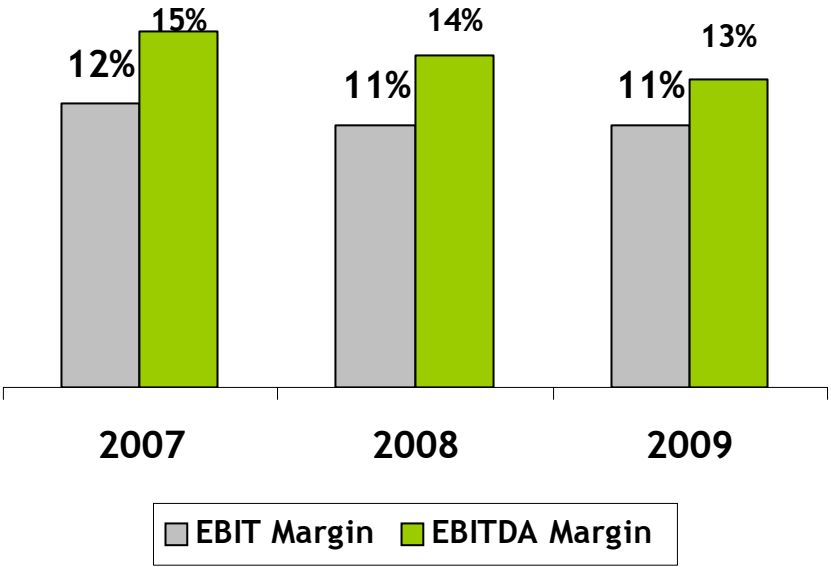
- Diversified product portfolio,
- Normalised transportation costs due to oil prices; decreasing marketing unit prices and OCI-Lean Six Sigma projects resulted in the decrease of OPEX

Main Financial Indicators

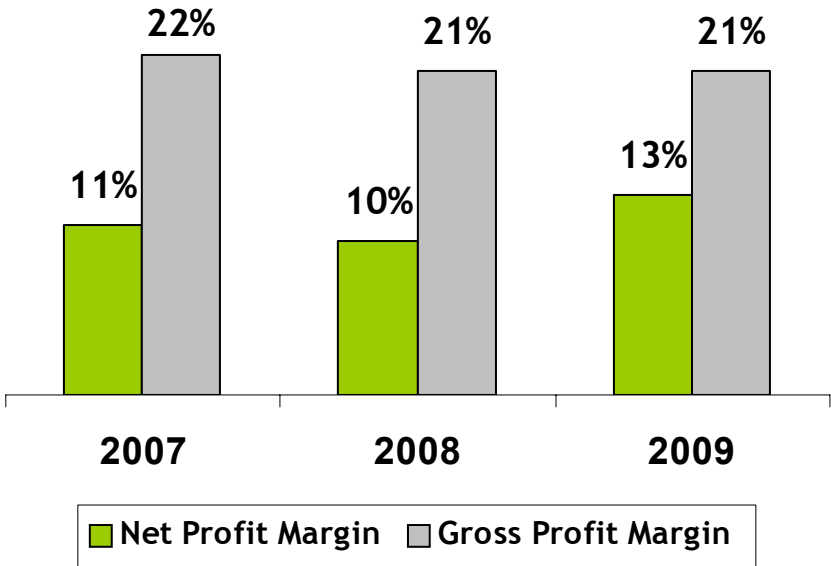


(Million TL)	31 Dec 2009	31 Dec 2008	Difference	% Variance	
Operating Revenue	308	306	2	1	▲
Cost of Sales	243	241	2	1	▲
Gross Profit	65	65	NM	NM	
Operating Expenses	-32	-32	NM	NM	
Research and Development Cost	-1	-1	NM	NM	
Sellign and Marketing Expenses	-18	-18	NM	NM	
General and Administrative Expenses	-13	-13	NM	NM	
NET OPERATING PROFIT	32	34	-2	-6	▼
Income from associates	12	8	4	50	▲
Other Income	1	2	-1	-50	▼
Other Expenses	-2	-1	-1	100	▲
Financial Expense (Net)	4	-5	9	-180	▼
INCOME BEFORE TAX	48	38	10	26	▲
Taxes on Income	-8	-6	-2	33	▲
NET PROFIT FOR THE YEAR	40	32	8	25	▲
EBITDA	42	41	1	2	▲
Total Assets	343	310	33	11	▲
Shareholders' Equity	270	236	34	14	▲

EBIT AND EBITDA MARGINS



NET AND GROSS PROFIT MARGINS



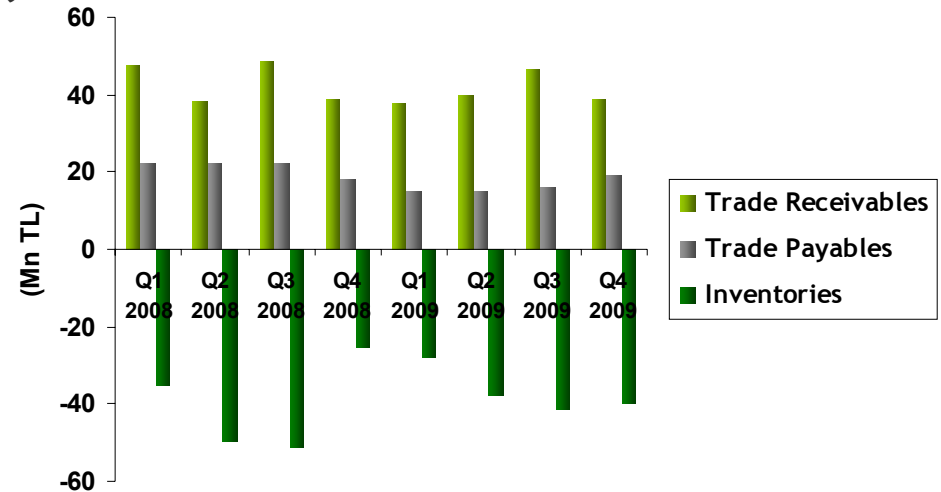
	31 Dec 2009	31 Dec 2008
Current Ratio	2,01	1,42
Leverage Ratio	0,21	0,24
ST Fin'al Debt/Total Fin'al Debt	0,07	0,49
Net Fin'al Debt/EBITDA	0,23	0,38
Total Fin'al Debt/Equity	0,04	0,09

(Mn TL)	31 Dec 2009	31 Dec 2008
Cash & Cash Equivalents	2,27	5,45
S/T Bank Borrowings	0,78	10,33
L/T Bank Borrowings	10,80	10,70
Net Financial Debt	9,32	15,59

Continuous focus on risk management and efficiency measures

Effective working capital management

Strong balance sheet and liquidity management



Sound financial performance

Efficient cost structure
Culture of innovation
Wide-spread distribution network
Group synergies

State of the art technology:

High quality, efficient, hygenic and EU standard production
Efficient procurement structure
%100 traceability from farm to fork
Supplier based perfor. Measurement
Advanced R&D facilities

PINAR : Market Leader in Food and Beverages; Robust Brand

- Leader in Processed Meat Sector
- Best brand in meat and poultry products Turkey Customer Satisfaction Index (2009)
- 1st brand that comes to mind in “meat” category
- Among Turkey’s superbrands
- 1st consumers feel closest to
- Turquality
- Consumer loyalty

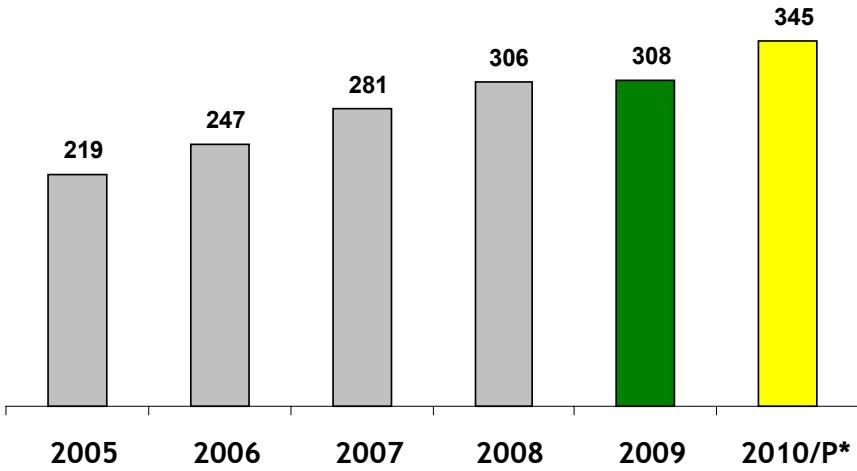
Turkish Processed Meat Market Growth: Growing trends towards packaged, healthy products,
Increasing # of working women.
Demand for ready meals
Trend towards value added enriched products
Shift from unregistered to registered consumption

Market driven profitable growth through operational excellence

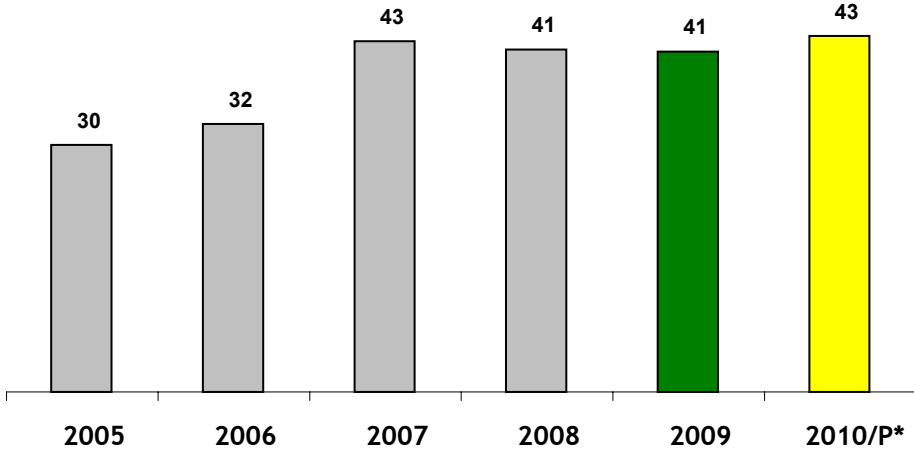
- ▶ **PROFITABLE GROWTH** through; continuous product differentiation, innovation, improvements in product/package mix
- ▶ **BRAND EQUITY**; by maintaining and improving quality, innovation based on consumer needs, investing in brands and pursuing effective marketing campaigns
- ▶ **OPERATIONAL EXCELLENCE**; driving out costs & simplifying processes by :
 - ▶ Operational Cost Improvement (OCI)
 - ▶ Lean Six Sigma
- ▶ **RESPONSIBILITY**; Corporate governance and identity; corporate social responsibility; environment friendly technology

2010 Targets

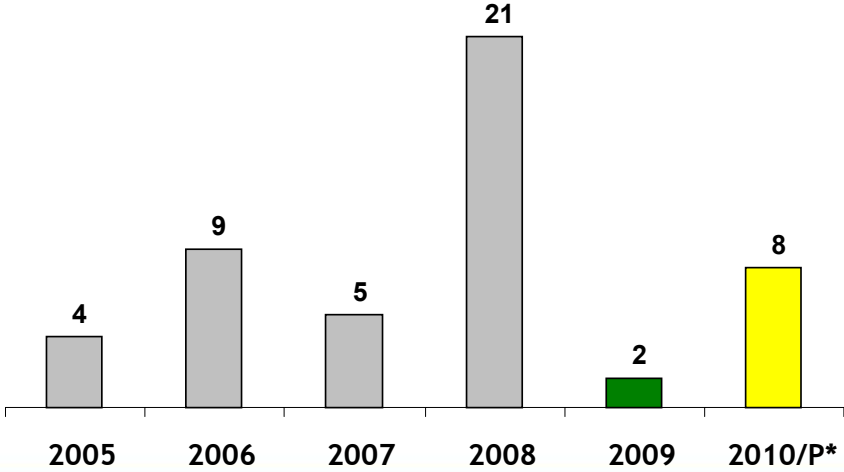
NET SALES (TLmn)



EBITDA (TLmn)



CAPITAL EXPENDITURES (TLmn)



Focus on profitable and sustainable growth and **brand equity**

*Projected

- ▶ **Continuous marketing campaigns** focused on value added, profitable and strategic categories.

- ▶ **Major campaigns in 2009 & 2010 :**

- ▶ “Pınar Soudjouk”
- ▶ ”Pınar Köfte”



- ▶ All product categories are among high revenue and high margin generators.

Source: Nielsen-August 2009

We have launched several SKU's and lifted our face in key categories

New Launches:

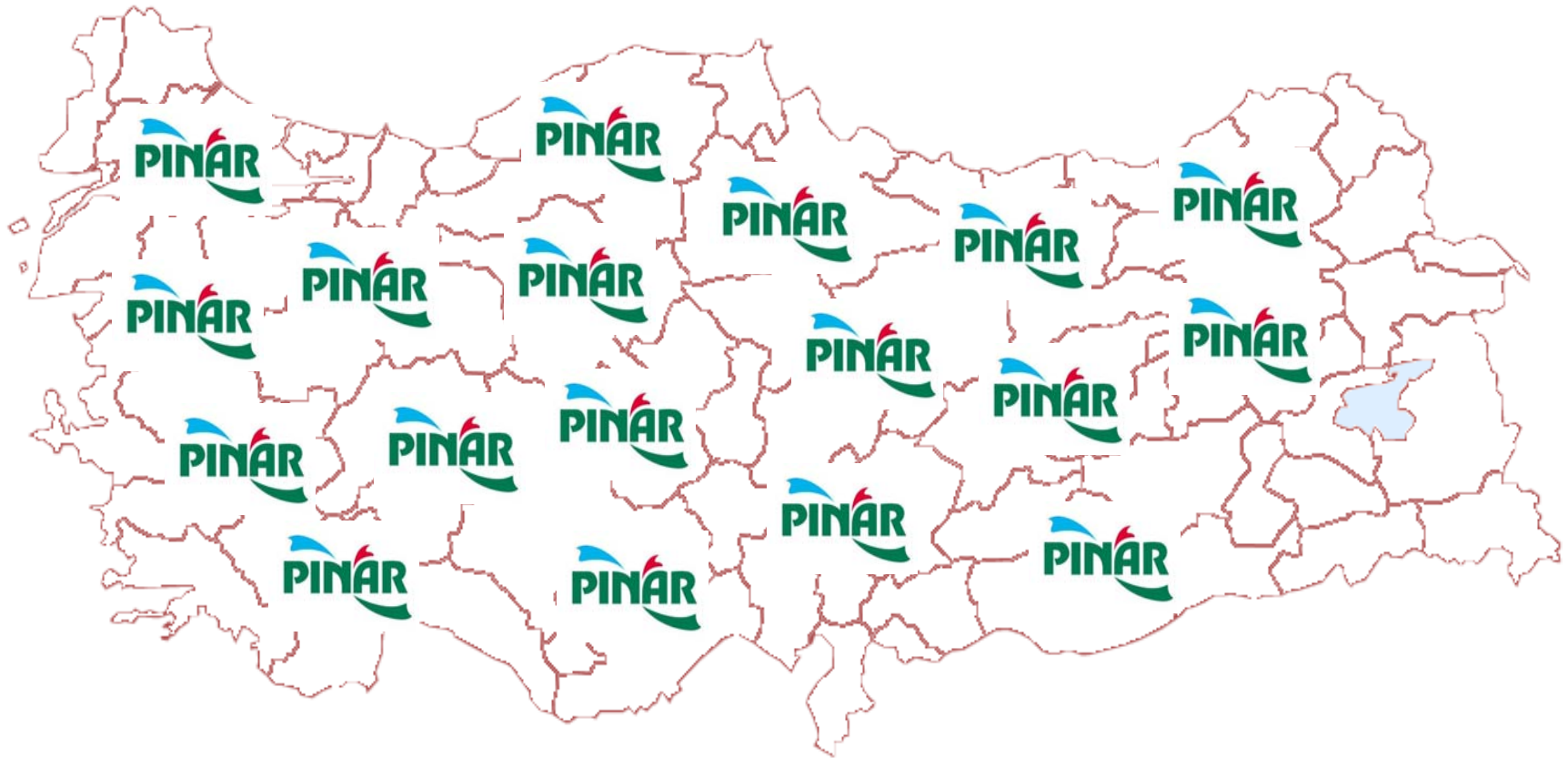
- ▶ Pınar Misket Köfte
- ▶ Pınar Pizzatto
- ▶ Pınar Aç Bitir Salam

Product differentiation:

- ▶ Tactical packaging
- ▶ New package designs



¾ of all households in Turkey bought at least one Pinar Product in 2009

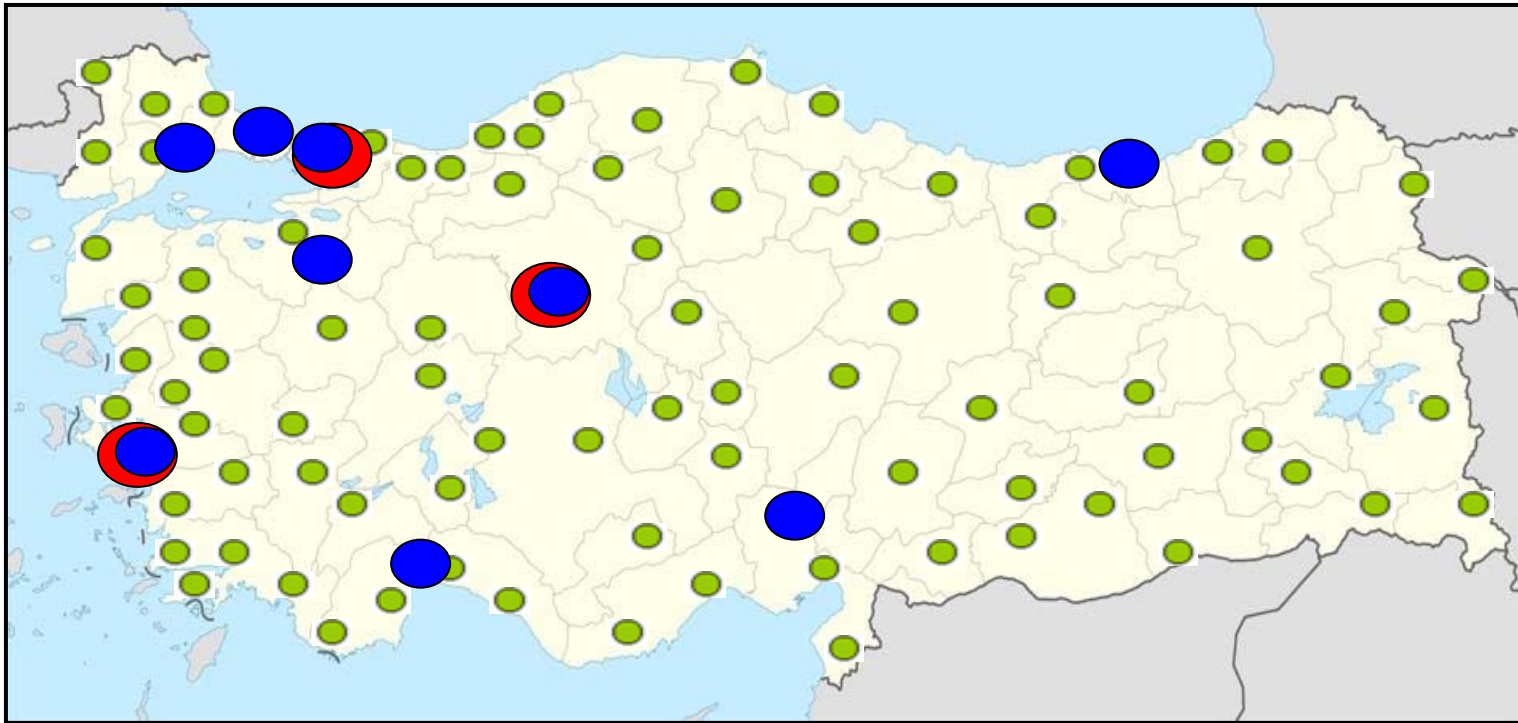


- ▶ **The biggest food sales & distribution** network in Turkey
- ▶ Specialised in one-way, packaged, high-quality, fast moving consumer goods
- ▶ Approximately **TL 1.000 Mn/year turnover**, 1000 employees with 7 profit centers
- ▶ 134 distributors with warehouses **covering all over Turkey** in addition to direct sales team in major cities
- ▶ Having a distribution team fleet of 650 vehicles
- ▶ 6 distribution centers in major cities, each with **+4C, -18C and dry storage facilities**
- ▶ Approximately **155.000 points of sale covered**
- ▶ Responsible for the sales and distribution of **Nutella, Kinder and Bueno products** (brands of Italian chocolate giant **Ferrero**), since 2004.



Turkey's biggest nationwide cold & frozen distribution chain

- ▶ Strategically located distribution network throughout Turkey, by latest technology and flexible organisation; **over 155.000 sales points, 1.200 salespeople, 350 distributors.**



 Directorate HQ  District Offices  Dealers

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