



*illa ki
Pınar
Sucuk!*

PINAR ENTEGRE ET VE UN SAN. A.Ş.

2012 H1 Earnings Presentation



Pınar Et Highlights



- Innovative and pioneer
- More than 300 SKUs
- R&D expertise

Product Portfolio

- #1 processed meat brand that comes to mind*
- Most admired brand in packaged meat category **
- Among Turkey's Superbrands***
- Best New Product, Pınar Gurme and Açbitir Salam****

Brand Equity

- Hygienic and EU standard production
- Technical expertise & sectoral know how

Production

- Food safety and quality at every stage from supply to final product
- ISO 9001-2008
- ISO 14001
- ISO18001
- ISO 22000 HACCP

Quality

- YBP – Turkey's biggest nationwide cold and frozen distribution chain
- More than 150.000 sales points
- Technical know-how and expertise
- Synergy in the distribution of dairy and meat products

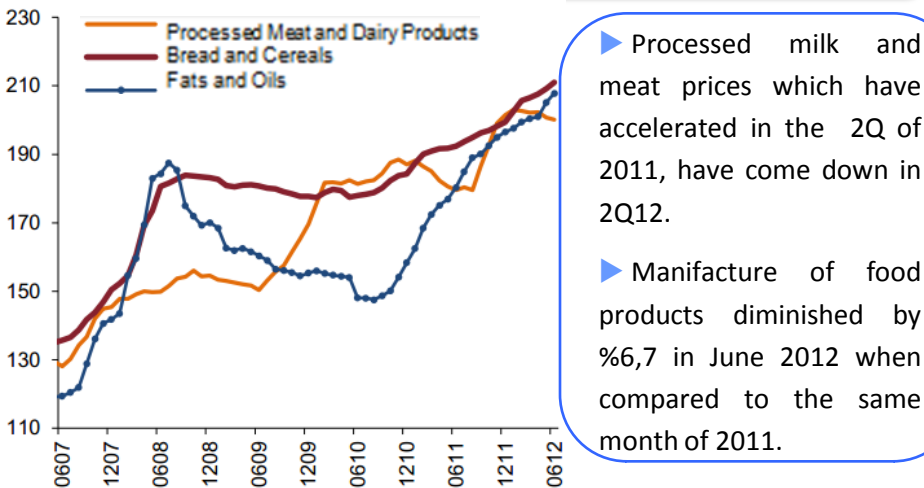
Distribution Network

- Purchase operations spread out to 6 territories
- Strong relations with farmers
- Contractual stock farming

Supply

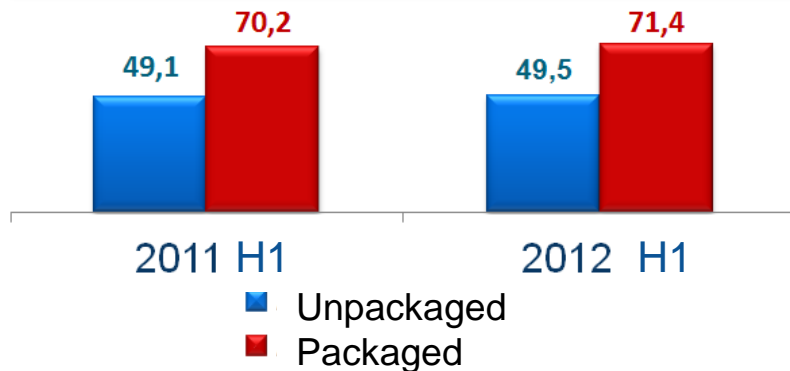
Market Dynamics

Processed Food Products Prices



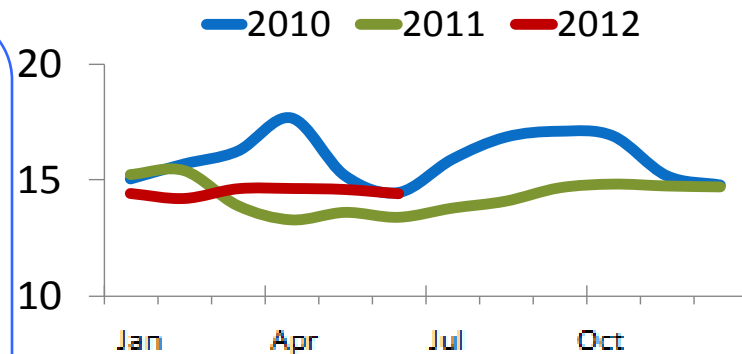
Source: Turk Stat, CBRT

Delicatessen Penetration (%)



Source: IPSOS

Carcass Meat Average Prices (TL)



- ▶ Red meat & Poultry production in 2011 is around 2,4 million tons. (TSI)
- ▶ Red meat market is 1 m tons, and nearly 10 billion USD
- ▶ Trend towards value -added products
- ▶ Registered delicatessen market over 100 thousand tons (1 billion USD) (Total market is estimated to be over 200 thousand tons)
- ▶ Per capita meat consumption in Turkey (36Kg), though showing improvements, is still around world average.
- ▶ The penetration of Pinar Delicatessen Products is %38 in 2011. (2010:%37,7)
- ▶ Food category has decreased its share within FMCG from %48,7 to %47,3 in 2012 H1.

Ahead of Competition - I



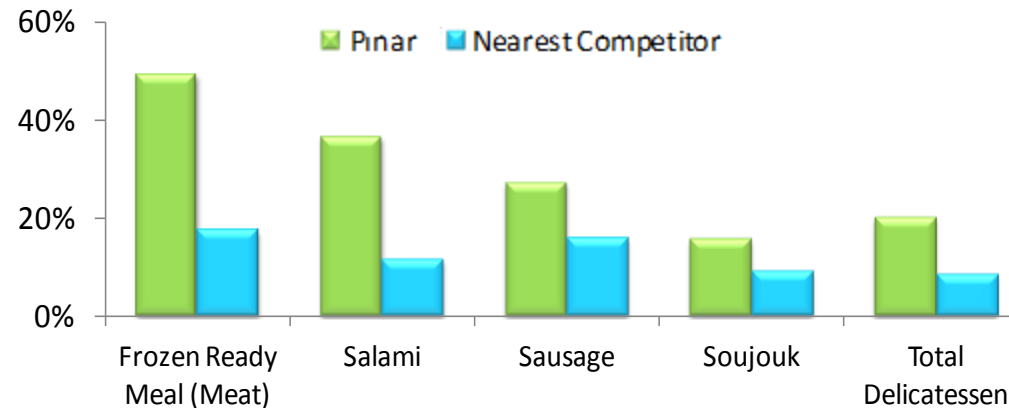
Products	Market Share	Position
Frozen Ready Meal (Meat)	49%	Leader
Salami	37%	Leader
Sausage	27%	Leader
Soujouk	16%	Leader
Total Delicatessen	20%	Leader

Source: Nielsen 2012 H1- Value Share

- ▶ Pinar Et maintains its leadership with 20% market share, which is above twice the share of the nearest competitor. (2012 1Q:%19)
- ▶ As the leader brand Pinar, brought new reforms to the category with new tastes.

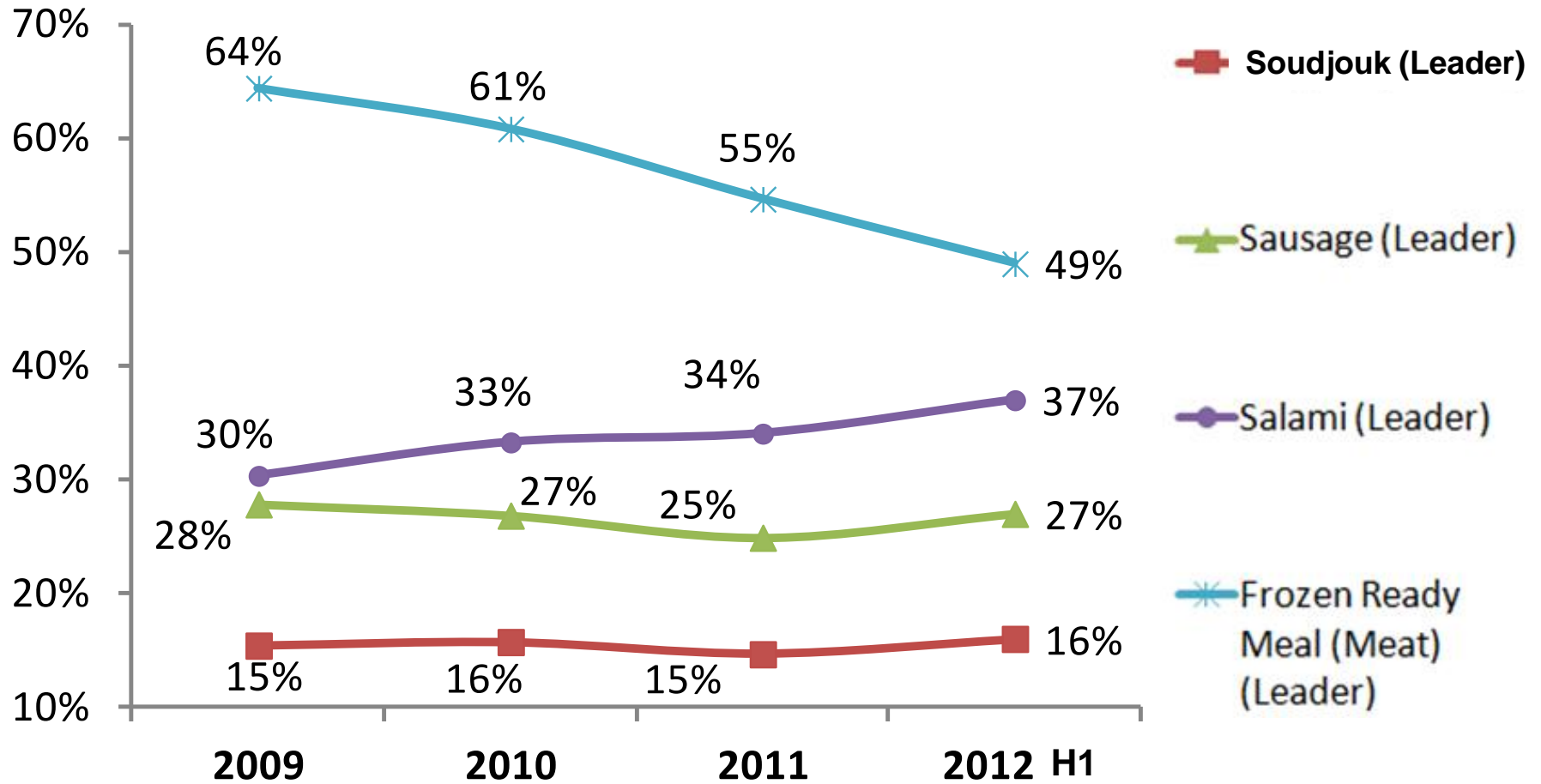
- ▶ The competitors in the packaged market are Aytaç, Polonez, Banvit, Namet and Maret.
- ▶ In 2012 H1, the delicatessen market has grown by %4,3 in terms of value despite %3,7 contraction in terms of volume.(Nielsen)
- ▶ Pinar Et is the leader in all segments of delicatessen.

Market Share Comparison



Source: Nielsen, 2012 H1- Value Share

Ahead of Competition - II



Source: Nielsen - Value Share

New Products & Product Differentiations

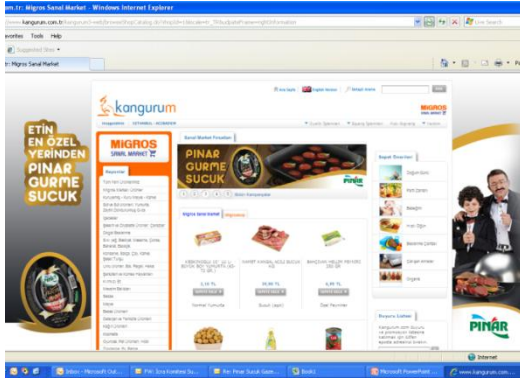


New launches of up-premium Pınar Gurme Series to clinch the expert perception of Pınar Brand; of Pınar Delight series as first light charcuterie products in the category and of new Şölen types for those seeking different tastes, have been made.

Pınar Şölen Soujdouk Campaign



Pinar Gurme Soudjouk Campaign



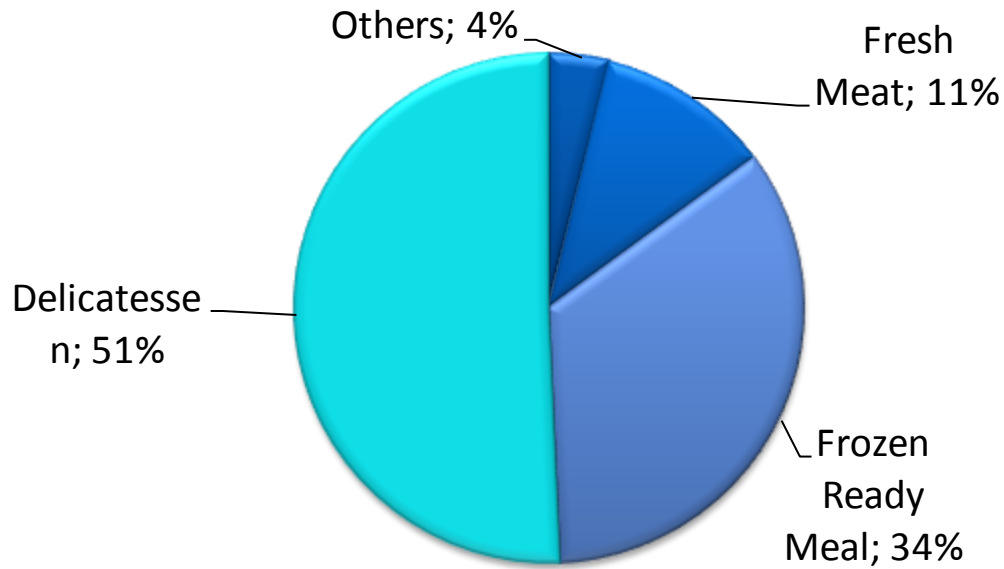
Pinar Soudjouk Ramadan Campaign



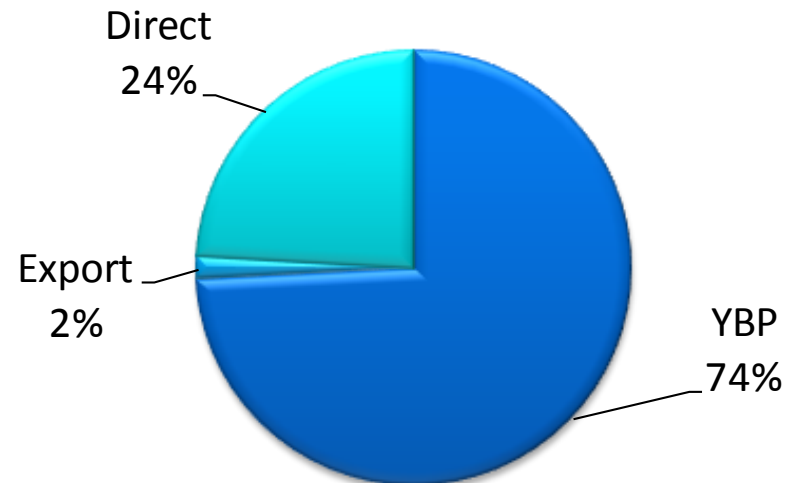
Breakdown of Net Sales by Product Groups & Sales Channels



Product Groups (2012 H1)



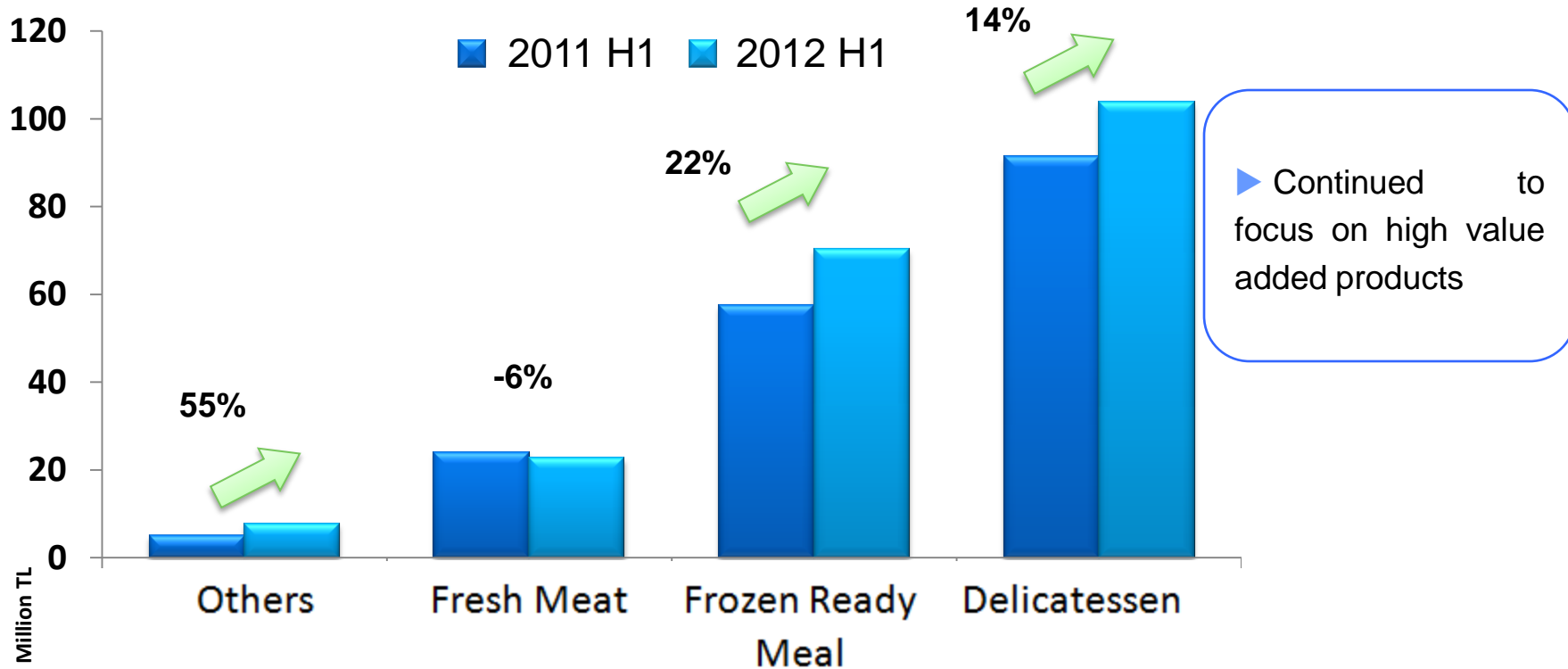
Sales Channels (2012 H1)



Growth in Sales



Growth Rates of Product Groups



Net Sales have grown by 15,2% in 2012 H1.

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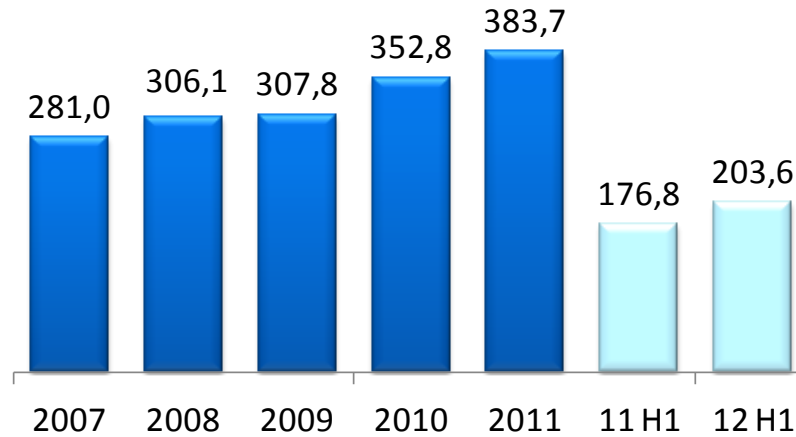
Financial Results



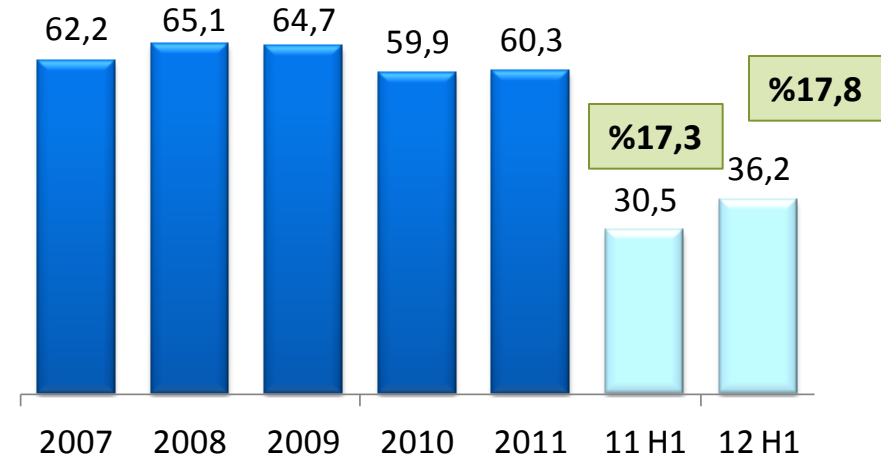
Sales & Profitability



Net Sales (Mn TL)



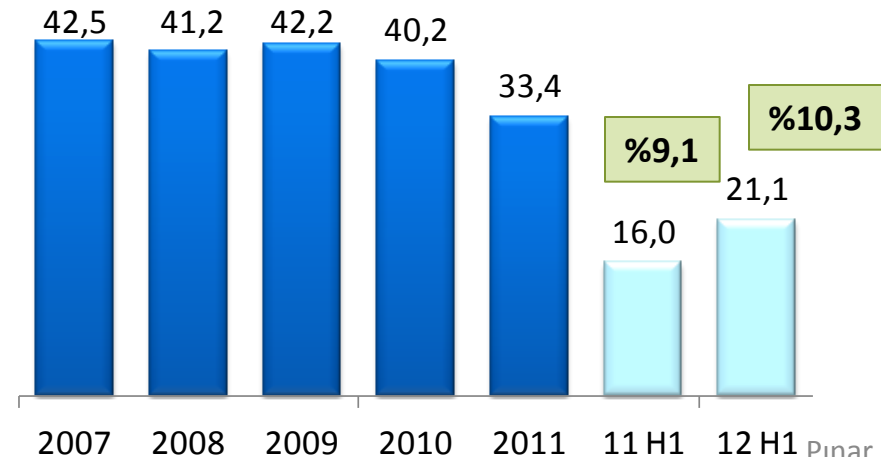
Gross Profit (Mn TL)



► In 2012 H1, the net sales grew by %15,2 compared to 2011 H1, driven from both volume and price.

► Stabilization in prices of raw materials, reduction in operational expenses and our price policies boosted the Gross Profit and EBITDA margins compared to 2011 H1.

EBITDA* (Mn TL)

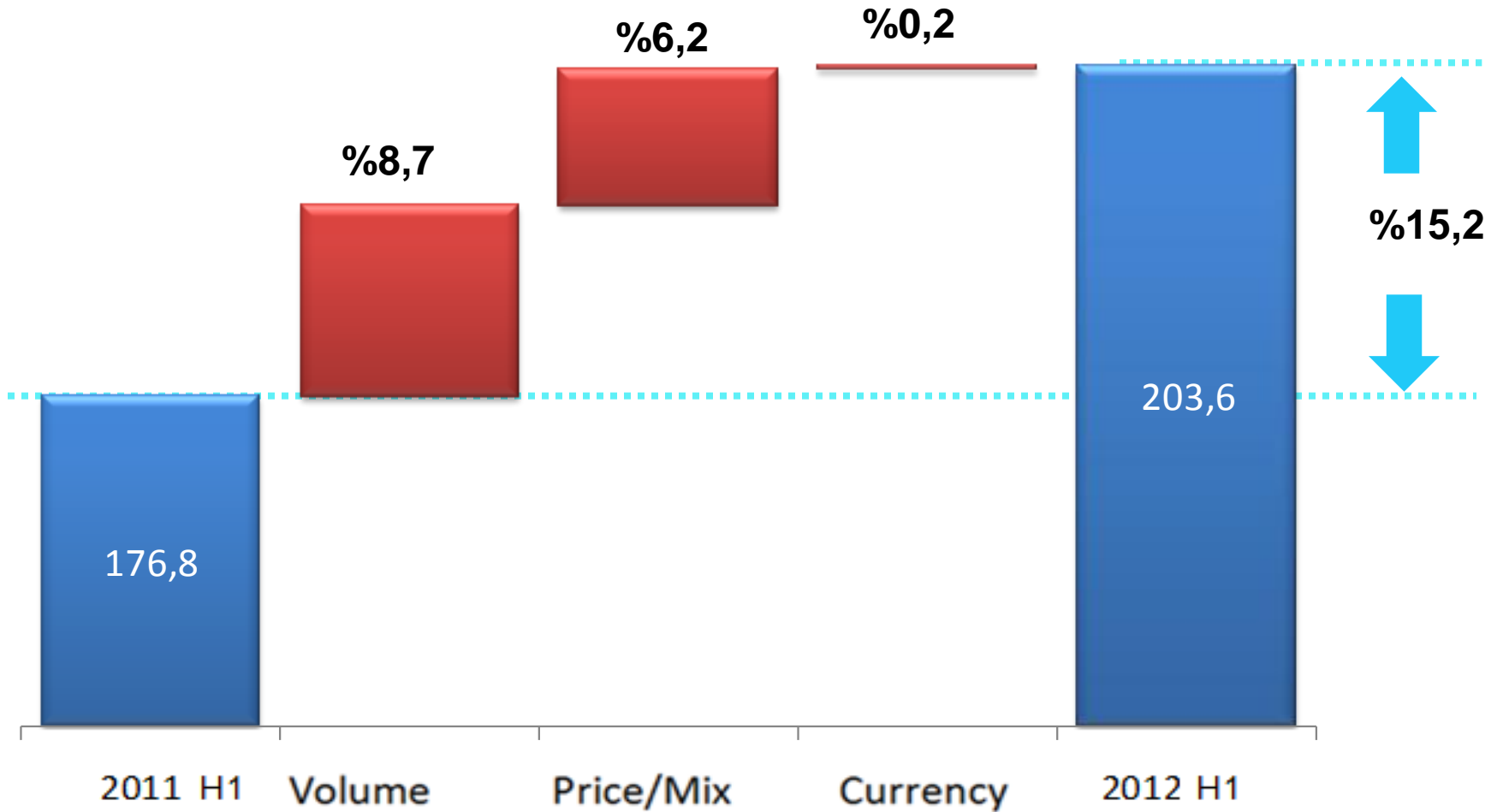


Income Statement



(Million TL)	30.06.2012	30.06.2011	Difference	% Change
Net Sales	203,6	176,8	26,8	15,2
Cost of goods Sold	(167,4)	(146,3)	(21,1)	14,4
Gross Profit	36,2	30,5	5,7	18,6
R&D Expenses	(0,6)	(0,5)	(0,2)	33,6
Sales, Distribution and Marketing	(10,9)	(11,5)	0,6	(5,3)
General Administration Expenses	(8,6)	(7,2)	(1,5)	20,5
EBIT	16,0	11,3	4,6	40,9
Share of Results of Investments				
in Associates	(0,9)	4,9	(5,8)	(118,5)
Other Income	0,6	0,6	0,0	4,5
Other Expenses	(0,6)	(0,4)	(0,2)	40,4
Financial Income (Net)	2,4	1,1	1,3	121,9
Profit Before tax	17,4	17,4	(0,0)	(0,0)
Tax	(3,7)	(2,6)	(1,1)	39,8
Net Profit for the Period	13,7	14,8	(1,1)	(7,1)
EBITDA	21,1	16,0	5,1	31,6
Total Assets	424,6	347,4	77,1	22,2
Equity	309,6	262,8	46,8	17,8

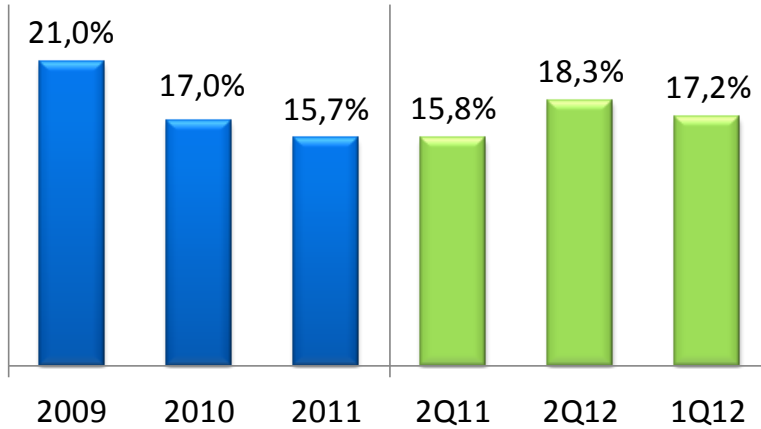
Growth Analysis



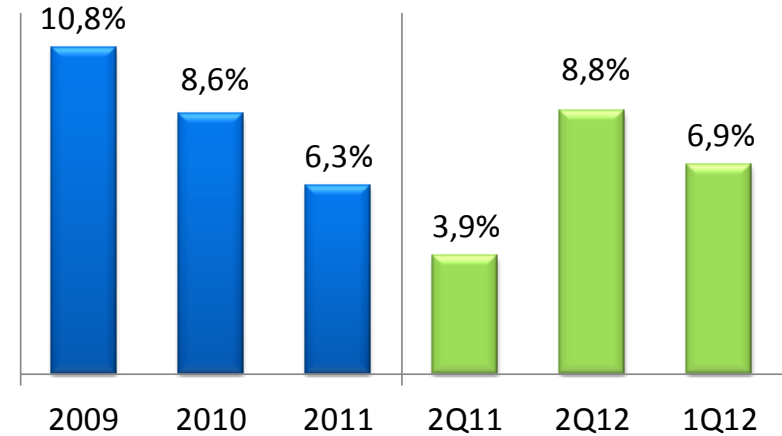
Net Sales – Million TL

Profit Margins

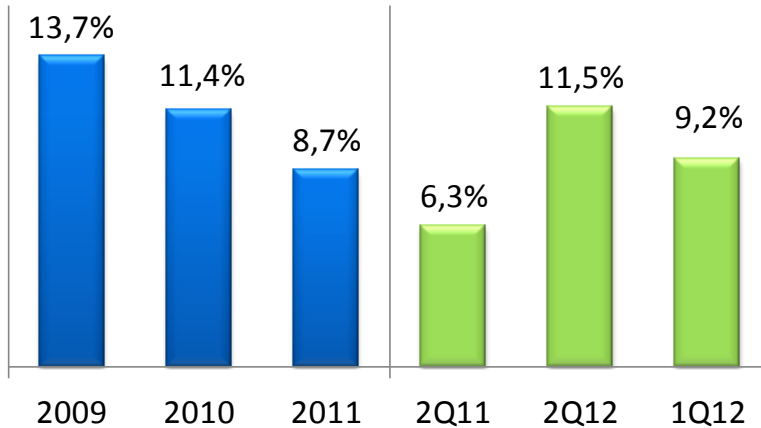
Gross Profit Margins (%)



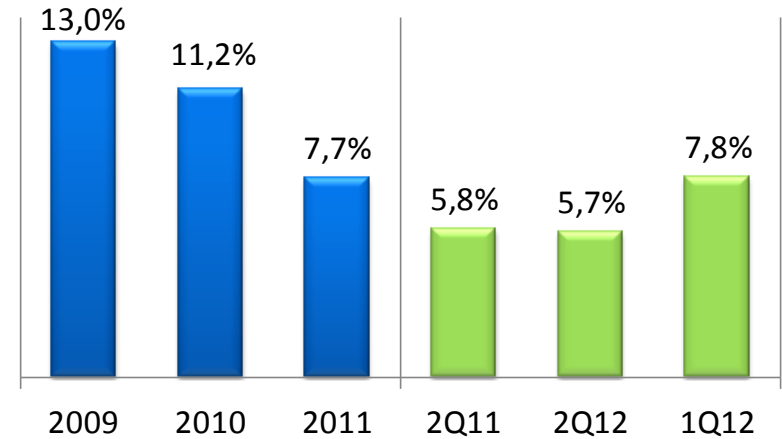
Operation Profit Margins* (%)



EBITDA Margins** (%)

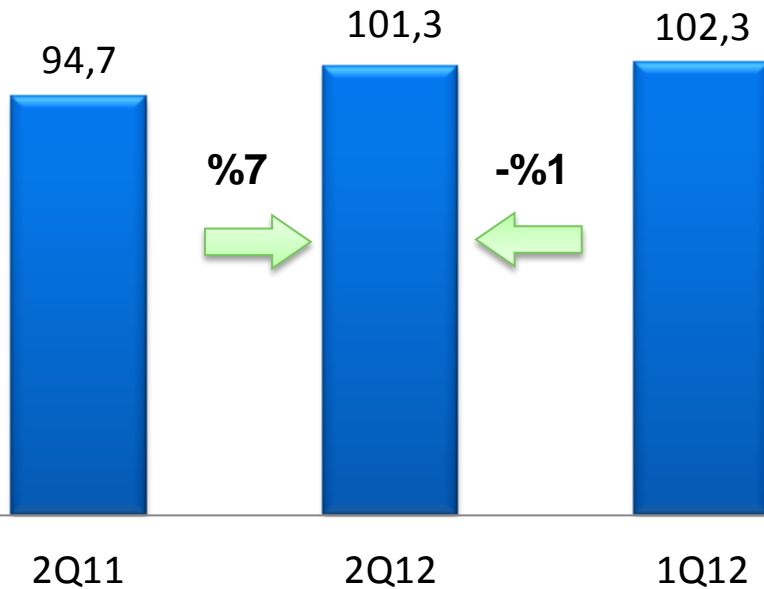


Net Profit Margins (%)



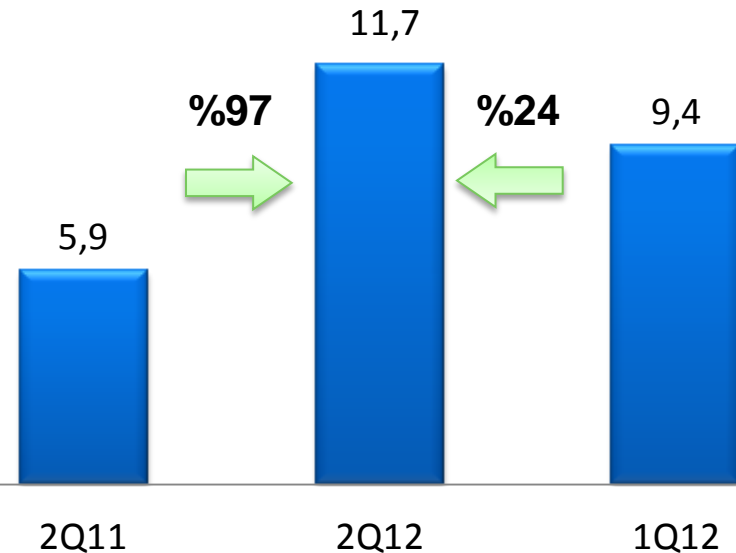
Quarterly Results

Net Sales (Mn TL)



▶ Compared to 2011 H1, the net sales have grown by %15,2 in terms of value and %13 in terms of volume in 2012 H1.

EBITDA* (Mn TL)



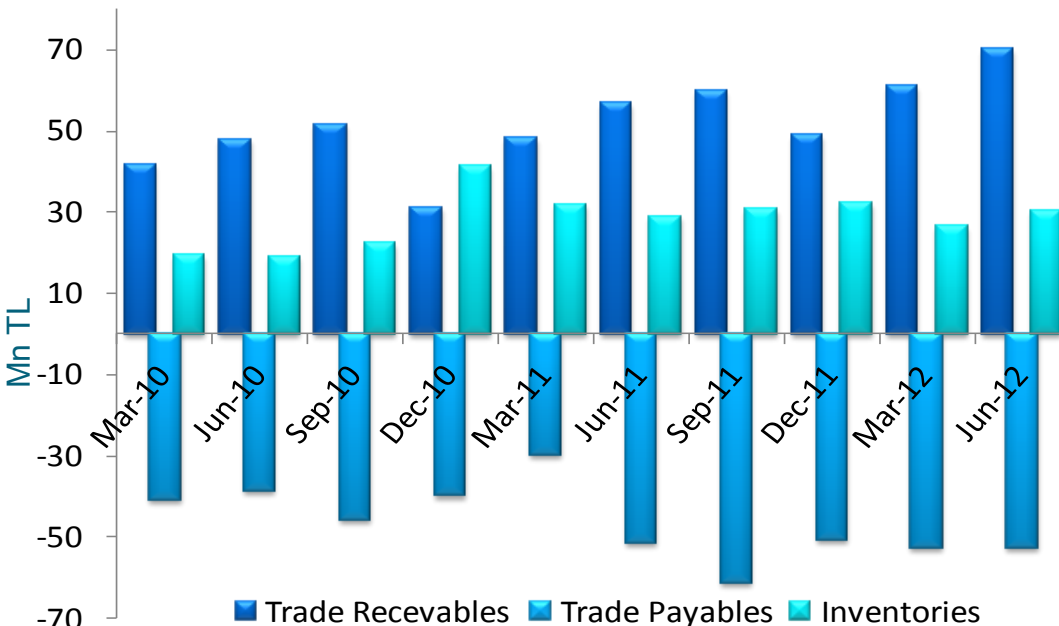
▶ Stabilization in raw material prices and reduction in operational expenses, led to an increase in our EBITDA of almost 100% in 2Q12 ,YoY.

▶ With the price advantage of our brand equity, our EBITDA has increased by 24% in 2Q12, QoQ.

Basic Ratios, Net Financial Debt & Net Working Capital



	June 30, 2012	December 31, 2011	(Million TL)	June 30, 2012	December 31, 2011
Current ratio	1,58	1,75	Cash & Cash Equivalents	2,31	4,13
Leverage ratio	0,30	0,27	S/T Bank Borrowings	21,11	22,15
S/T Fin Debt/T. Fin Debt	0,65	0,64	L/T Bank Borrowings	11,37	12,22
Net Financial Debt/EBITDA	0,78	0,90	Net Financial Debt	30,17	30,24
Total Fin Debt/Equity	0,11	0,11			



▶ A 16% rise in net cash generated from operating activities

H1 11 → **H1 12**
11,4 Mn TL → 13,3 Mn TL

- Continuous focus on risk management
- Effective working capital management
- Strong balance sheet and liquidity management

Overview of 2012 H1



- ▶ Stabilization of raw material prices, gained through Ministerial arrangements regarding imports starting from last quarter of 2011, has also continued in 1H12. On the other hand, raw material prices in 2Q12 were higher compared to 2Q11.
- ▶ Continued to focus on high value added products, smaller packaged products suitable for purchasing power of consumers.
- ▶ Cost saving measures and projects to improve production efficiency have continued.
- ▶ The marketing investments have continued in line with our strategies in 2012 H1.

Growing above market growth rates in the segments we operate in, with;

- ▶ Effective price management
- ▶ Product portfolio targeting needs of various segments
- ▶ Wide spread distribution
- ▶ Efficient utilization of social media
- ▶ Developments in “Away from Home” market
- ▶ Continued marketing investment.

2012 TARGETS

Growth in Net Sales: %15 - %18

EBITDA Margin: %10 - %11

Capex: 20 - 30 Million TL

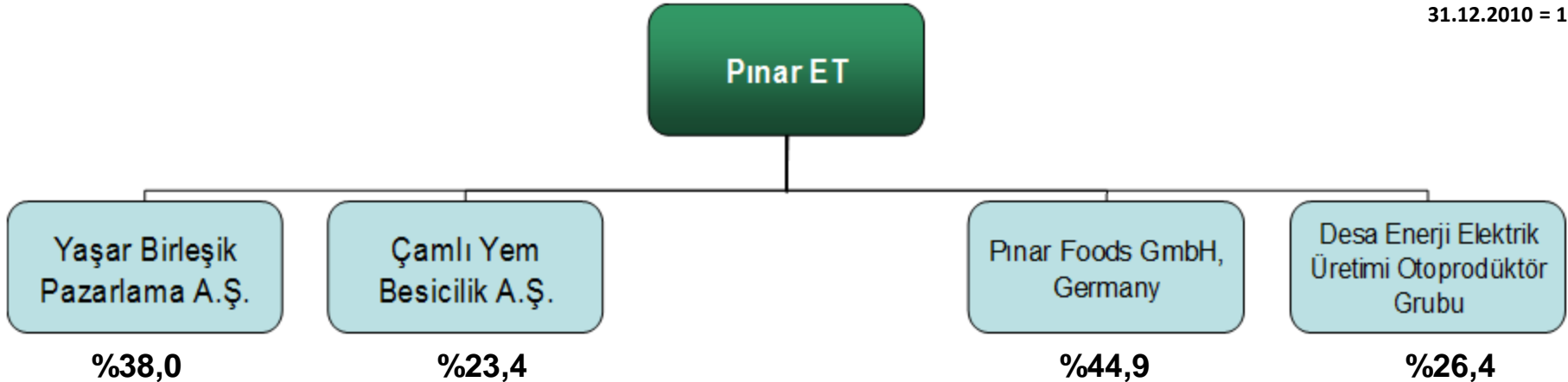
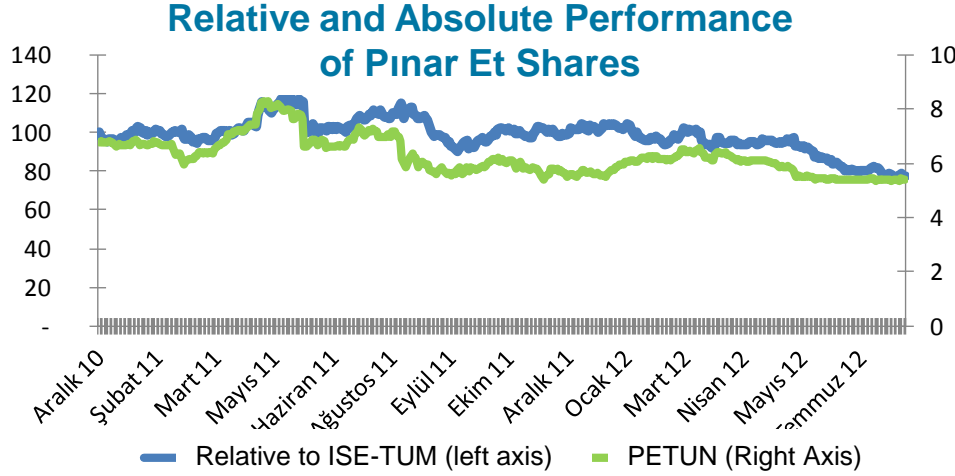
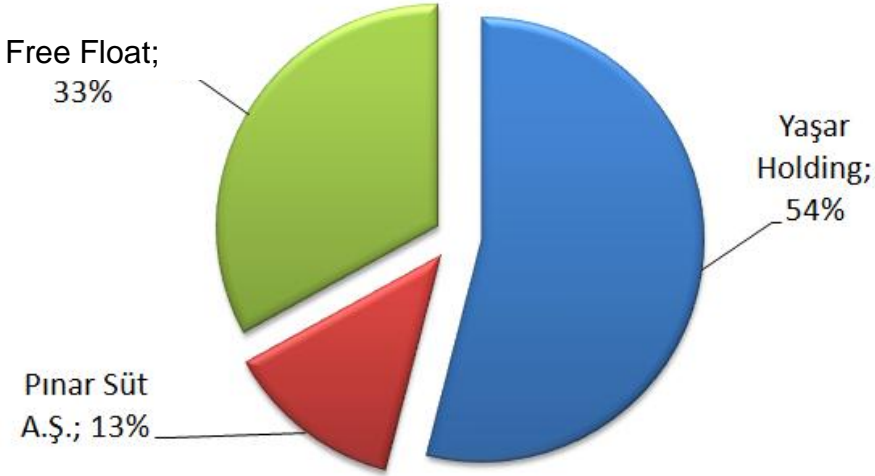
Ownership & Participation Structure

Share Performance



Ownership Structure

Share Performance



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Company's financial statements are available on www.kap.gov.tr and www.pinar.com.tr websites.

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Thank You



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Appendix

Company History



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 flavored with garlic, salami, sausages and other delicatessen products were appreciated by the consumers.



1998

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

2004

Pınar Meat was granted TS ISO 14001 Environmental Management System

2010

- 'Open-End' sausage, salami, soudjouk product group that can be consumed at one time was created for our customers
- 'Pizzatto Italiano' has been added to Pınar Pizza family
- With various sizes and flavors, "Gourmet Burger" was added to the frozen product family

2011

- Şölen spicy soudjouk
- Gurme soudjouk and sausages
- Delight products

1988

Birmaş Markets were established to sell carcase meat products by Pınar Meat.

2001

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

1985

'88

'90

'95

'00

'02

'04

'06

'08

'09

'10

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.

2001

Pınar Meat, realised production of frozen sea products.

2004

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

2009

- New Launches
- Pınar Misket Köfte (Meatballs)
 - Pınar Pizzatto Alaturka

2000

Pınar Meat produced sliced delicatessen varieties at full-automated modern facilities called by 'Clean Room'

2003

Pınar Meat passed to TS ISO 9001-2000 Certificate.

2008

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



for a better life

- ▶ Purchase operations spread out 6 territories with 10 vets and agriculture engineers, 7,000 farmers, yearly 50,000 cattles supply.
- ▶ Improves and supports “Contracted Stockfarming” in order to supply best quality cattle under control of Vets
- ▶ Red meat is procured primarily from cattle farmers in Turkey
- ▶ All live turkeys and a small part of cattles are sourced from the Group’s agribusiness unit, Çamlı Yem Besicilik
- ▶ The Group aims to sustain and further develop its competitive advantage in the meat industry by continuing to adopt policies for food safety and traceability



Production



- ▶ Turkey's first integrated meat process facility
- ▶ Through continuous investment in modern and efficient production technologies
- ▶ Use of modern technology in production lines



Izmir- (16 product lines)

Total Area : 330,000 m²
Closed Area : 46.000 m²



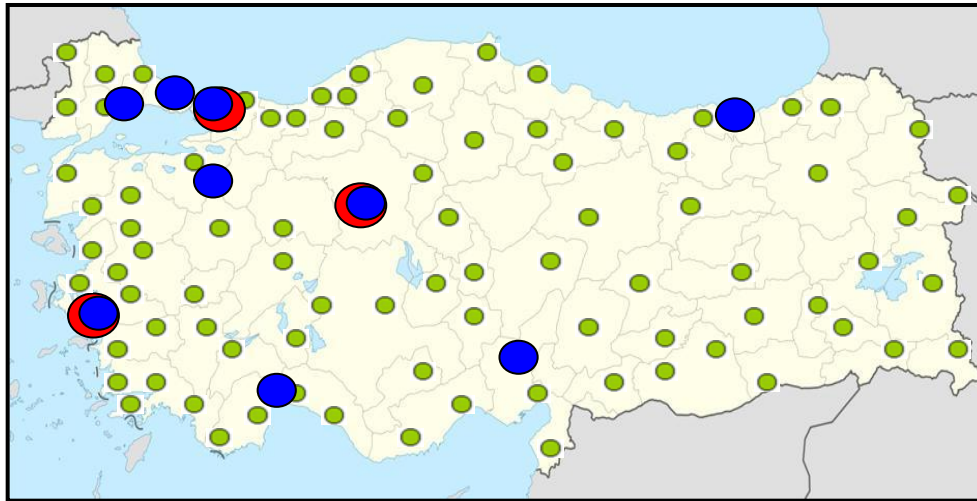
High level of hygiene and quality at every stage

- ▶ The first Quality management system documents owned in its sector, TSE-ISO-EN 9000, 14000, 18001, 22000
- ▶ Cooperation with McDonald's from the beginning of its operations in Turkey.
- ▶ SAI GLOBAL independent organization audits each year

Sales & Distribution



- ▶ Yaşar Birleşik Pazarlama; Turkey's biggest nationwide cold & frozen distribution chain
- ▶ The distribution of food & beverage products are realized in -18°C vehicles for frozen products, $+4^{\circ}\text{C}$ vehicles for fresh products and classic vehicles for the rest
- ▶ The know-how and strong track record in the cold chain applications with a cold and frozen distribution chain and storage conditions is a considerable asset for the Group
- ▶ Strategically located distribution network throughout Turkey, by latest technology and flexible organization; over 150,000 sales points with a dedicated sales personnel
- ▶ Group sales reflects homogeneous regional dispersal all around the Turkey



● Directorate HQ ● District Offices ● Dealers

YBP Ownership Structure

