



*illa ki
Pınar
Sucuk!*

PINAR ENTEGRE ET VE UN SAN. A.Ş.

2012 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 Açıtır Salam****
- One of the top ten most reputable brands *****

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
- ISO 50001

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

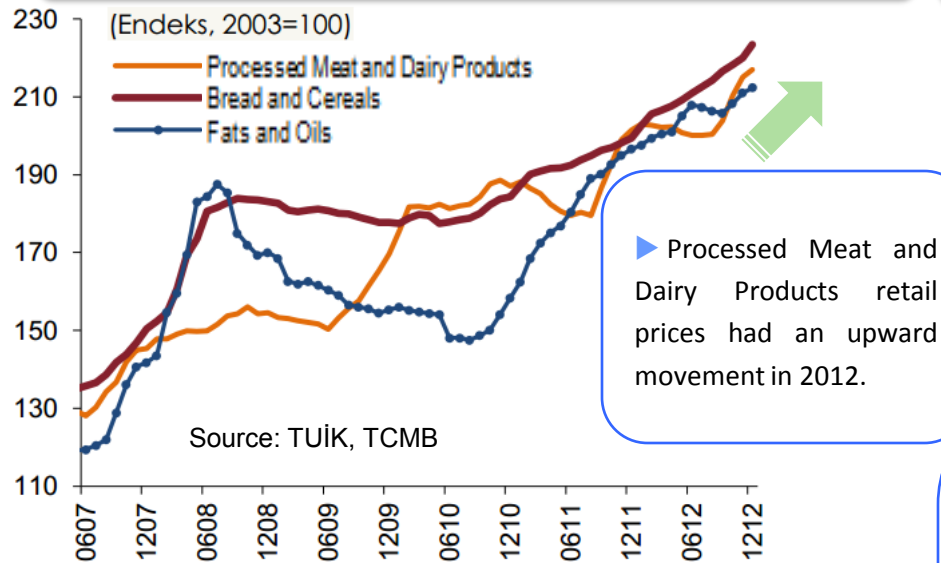
Distribution Network

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

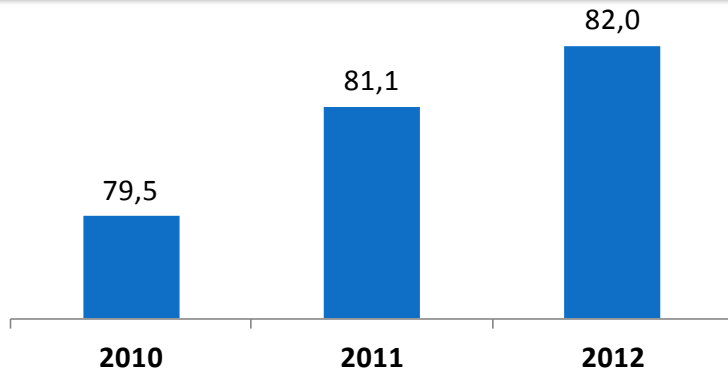
Supply

Market Dynamics

Processed Food Products Prices

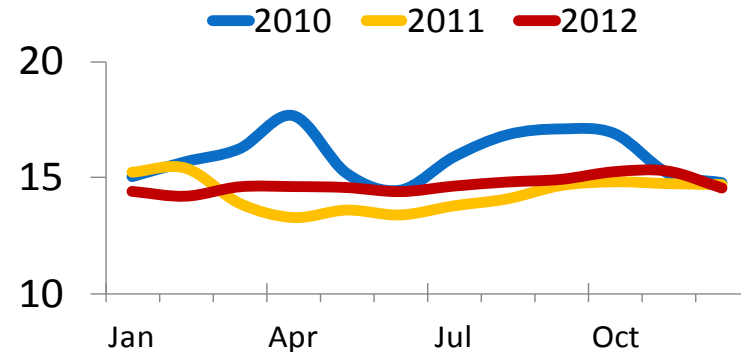


Packaged Delicatessen Penetration (%)



■ Packaged Delicatessen Source: HTP

Carcass Meat Average Prices (TL)



▶ In 5M 2013, the red meat production was 208K tons with an increase of %22 and the poultry meat production was 734K tons with an increase %2.5. (TÜİK)

▶ Red meat market is 1 m tons, and nearly 19 bn TL (2012 Estimated)

▶ Trend towards %100 red meat and small portion products

▶ Registered delicatessen market over 85K tons (1,6 bn TL) (Total market is estimated to be over 170K tons)

▶ Per capita meat consumption in Turkey (Red meat:12kg, Poultry:20,6), though showing improvements, is still around world average.

Ahead of Competition - I

Products	Market Sha	Position
Salami	37,8%	Leader
Sausage	28,3%	Leader
Soujouk	16,1%	Leader
Total Delicatessen	20,7%	Leader

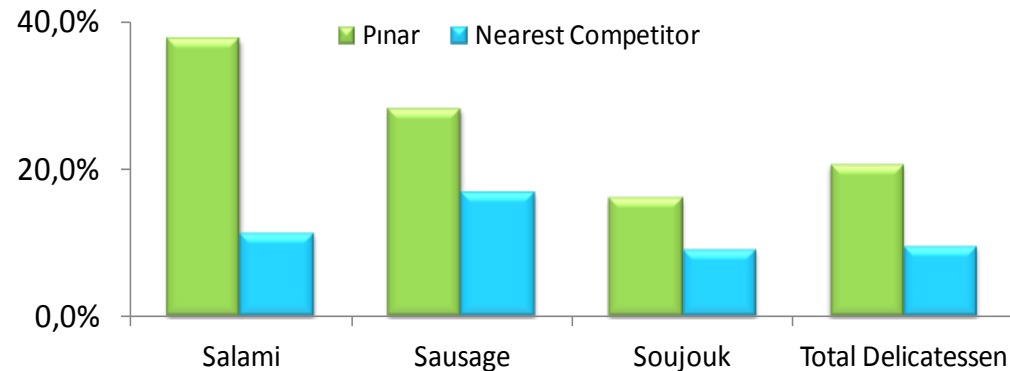
▶ Pinar Et, increasing market share by 1,5 percentage point in total delicatessen, maintained its leadership with 20,7% market share which is more than double of nearest competitor. (2011: %19,2)

▶ As the leader brand Pinar, brought new reforms to the category with new tastes.

Source: Nielsen 2012 - Value Share

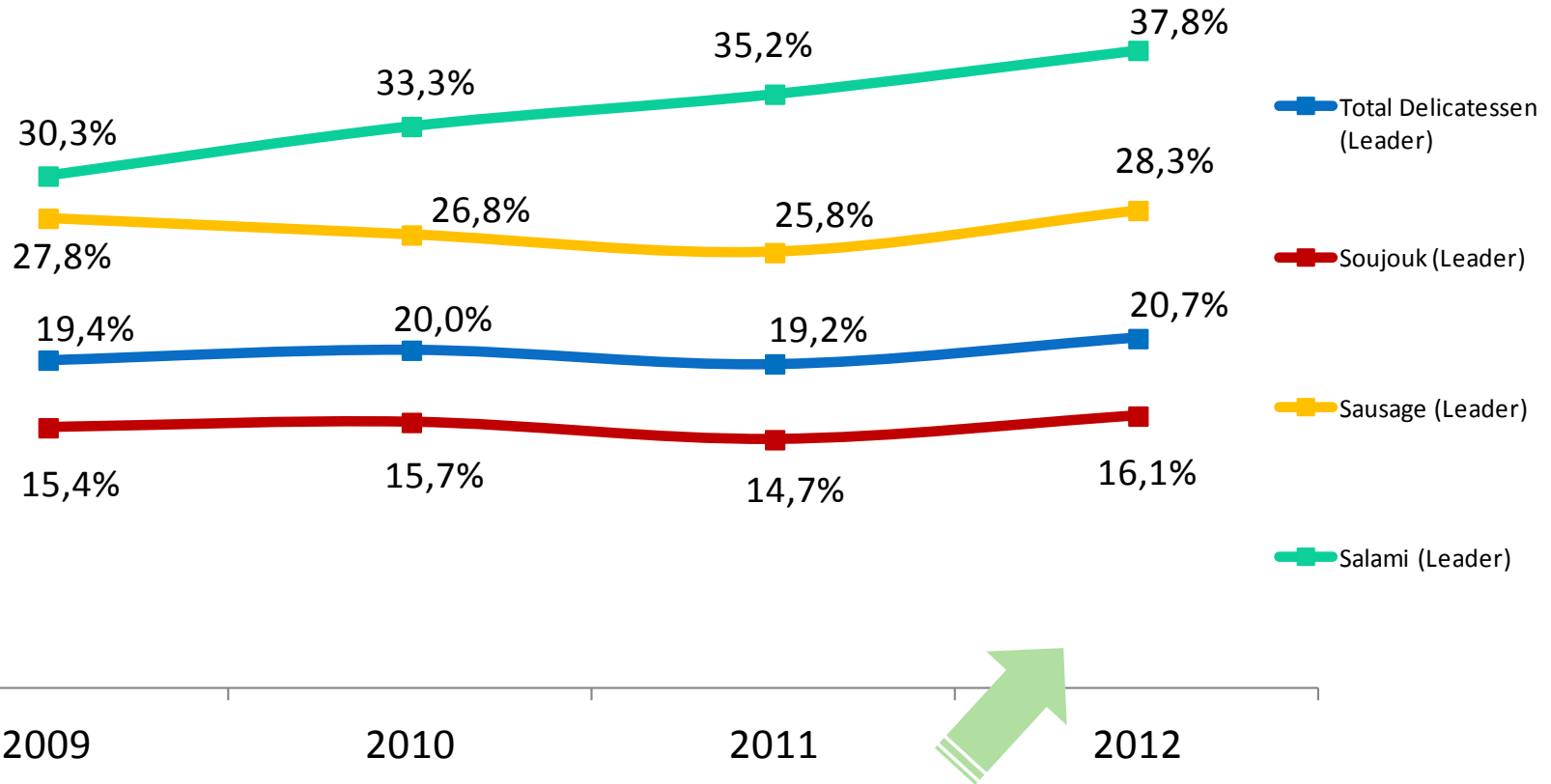
▶ Market narrowed by %23 in terms of volume and %2 in terms of value in 2013 H1. Despite the contraction in the market, Pinar Et increased its market shares of all delicatessen segments. (Nielsen)

Market Share Comparison



Source: Nielsen, 2012 - Value Share

Ahead of Competition - II



Source: Nielsen - Value Share

▶ Pinar Et increased its market shares of all delicatessen segments in 2012.

New Products & Product Differentiations

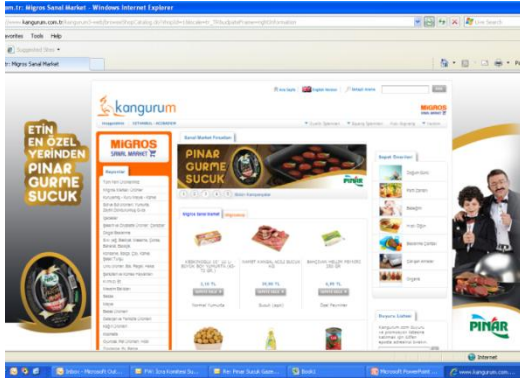


New launches of up-premium Pınar Gurme Series to clinch the expert perception of Pınar Brand; of Pınar Delight series as first light charcuterie products in the category and of new Şölen types for those seeking different tastes, have been made.

Pınar Şölen Soujdouk Campaign



Pinar Gurme Soudjouk Campaign



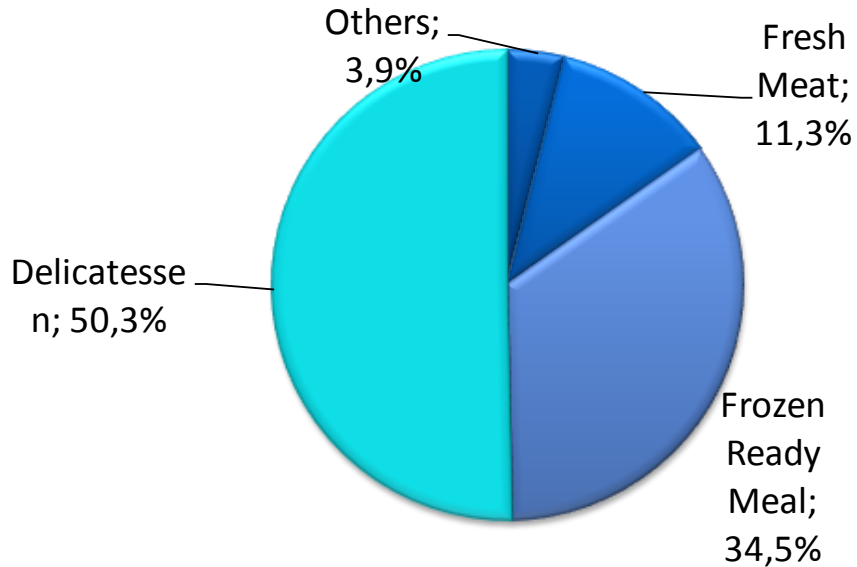
Pinar Soudjouk Ramadan Campaign



Breakdown of Net Sales by Product Groups & Sales Channels

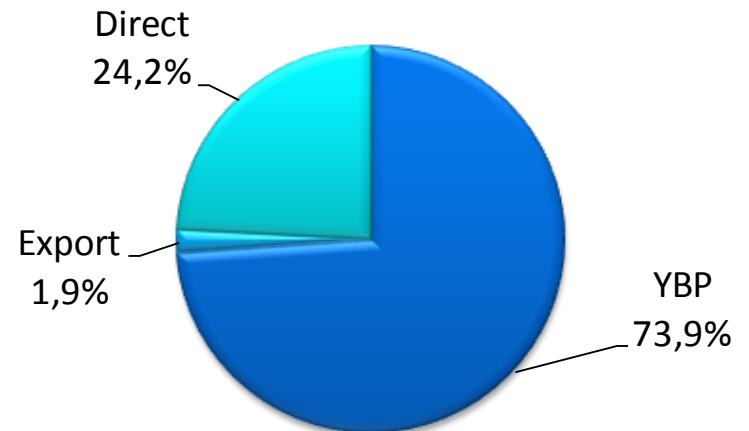


Product Groups (2012)



▶ Continued to focus on high value added products.

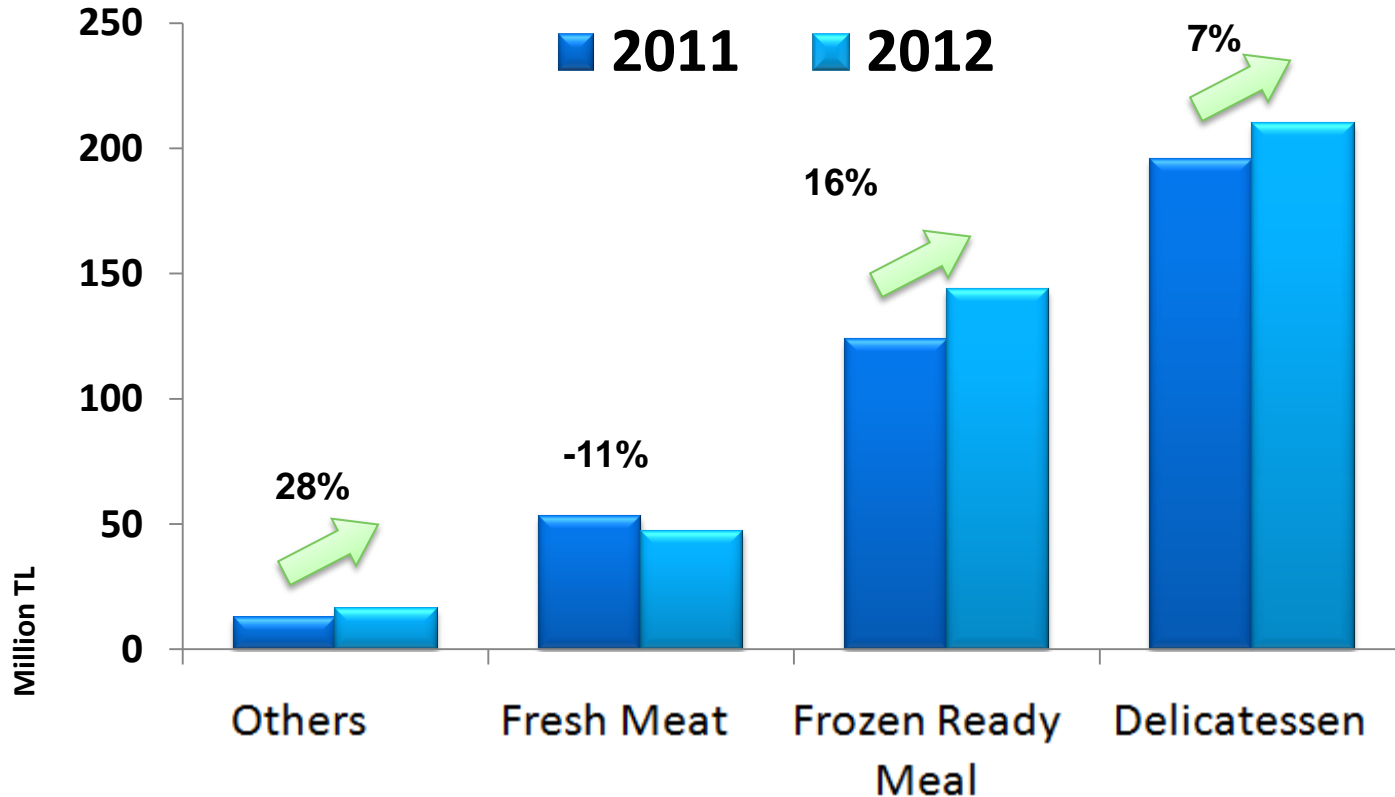
Sales Channels (2012)



Growth in Sales



Growth Rates of Product Groups



Net Sales have grown by 8,5% in 2012.

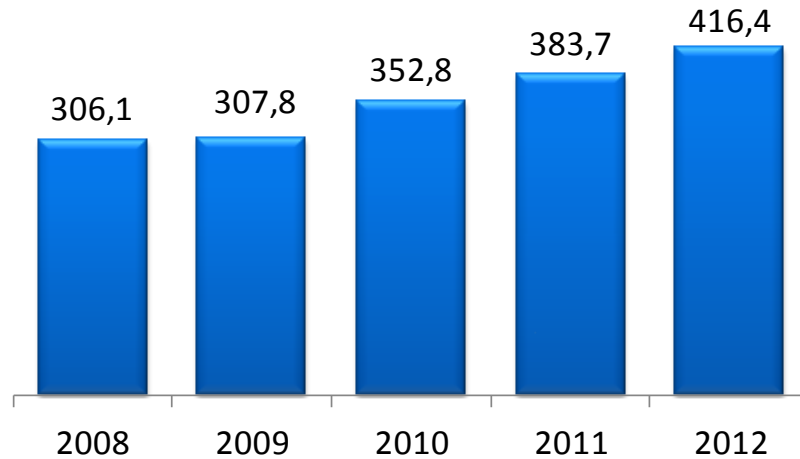
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Financial Results

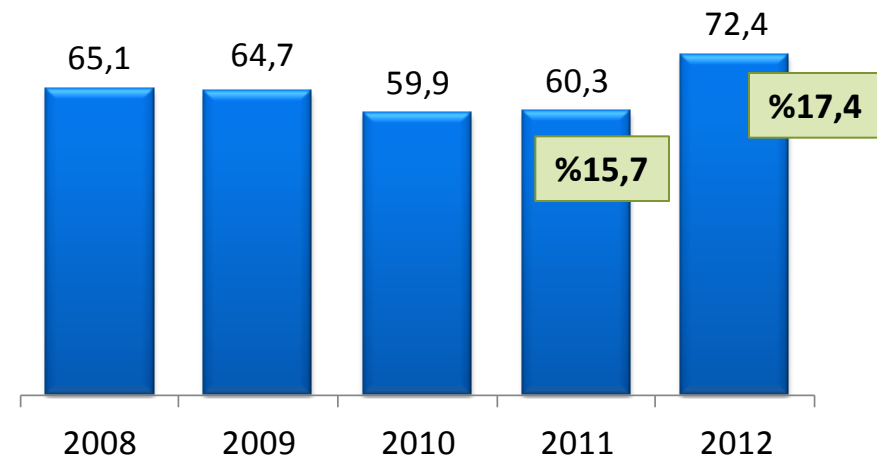


Sales & Profitability

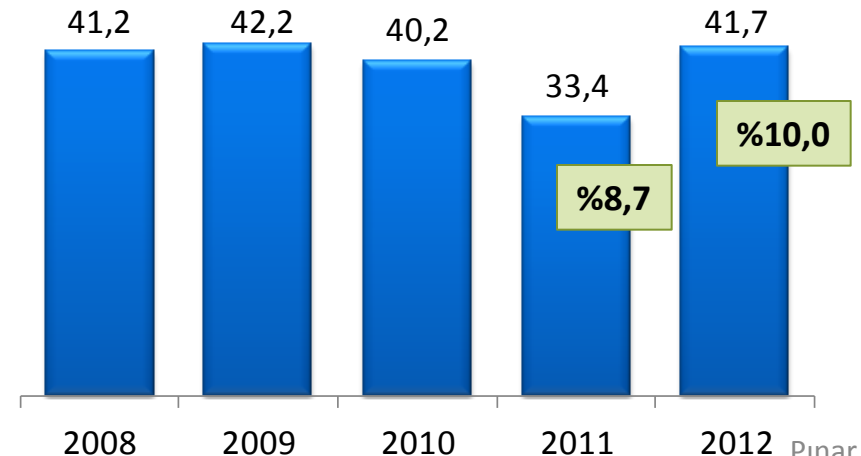
Net Sales (Mn TL)



Gross Profit (Mn TL)



EBITDA* (Mn TL)



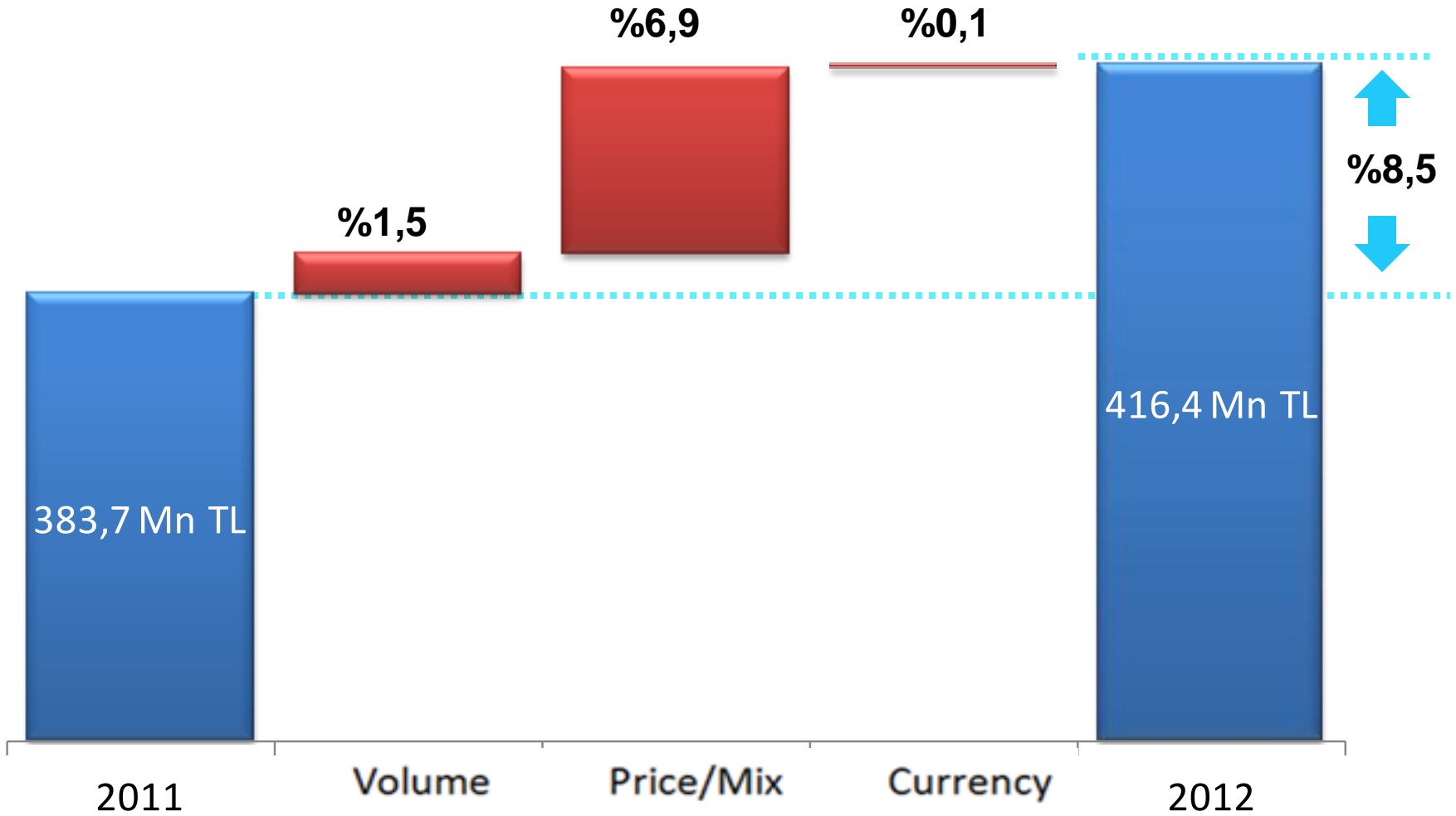
- ▶ In 2013 H1, the net sales grew by %10,6 compared to 2012 H1, driven from product mix. The product prices are upwards in sector.
- ▶ Gross and EBITDA margins were improved in 2012 depending on increased sales of high value-added processed products.

Income Statement



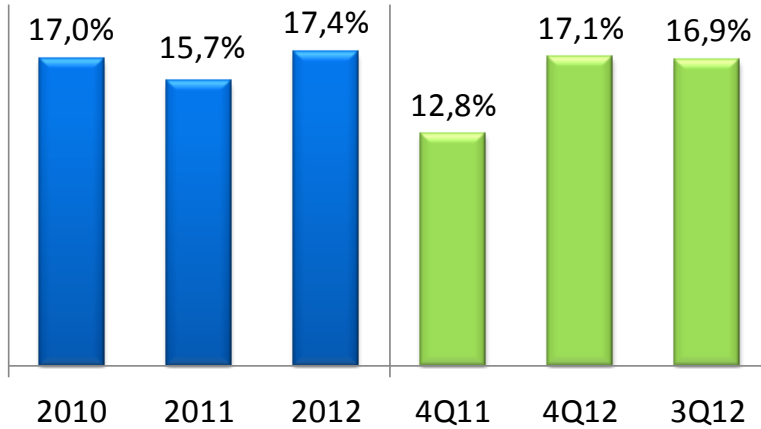
(Million TL)	31.12.2012	31.12.2011	Difference	% Change
Net Sales	416,4	383,7	32,8	8,5
Cost of goods Sold	(344,1)	(323,4)	(20,7)	6,4
Gross Profit	72,4	60,3	12,1	20,0
R&D Expenses	(1,1)	(1,0)	(0,1)	11,0
Sales, Distribution and Marketing Expens	(21,2)	(20,8)	(0,4)	2,1
General Administration Expenses	(19,9)	(14,5)	(5,4)	37,3
EBIT	30,2	24,0	6,1	25,6
Share of Results of Investments in				
Associates	1,1	9,2	(8,1)	(87,9)
Other Income	1,1	1,3	(0,1)	(11,5)
Other Expenses	(0,8)	(1,7)	0,9	(53,7)
Financial Income (Net)	4,4	2,5	2,0	79,8
Profit Before tax	36,1	35,2	0,8	2,4
Tax	(5,5)	(5,5)	(0,0)	0,4
Net Profit for the Period	30,5	29,7	0,8	2,7
EBITDA	41,7	33,4	8,3	24,8
Total Assets	412,6	423,6	(11,1)	(2,6)
Equity	316,0	310,4	5,7	1,8

Growth Analysis

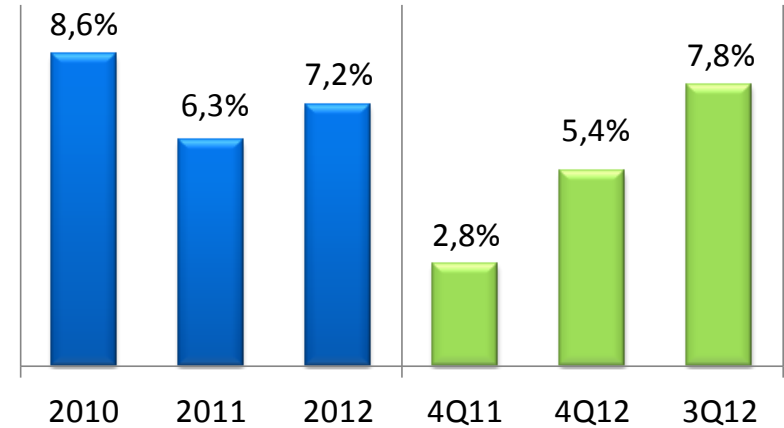


Profit Margins

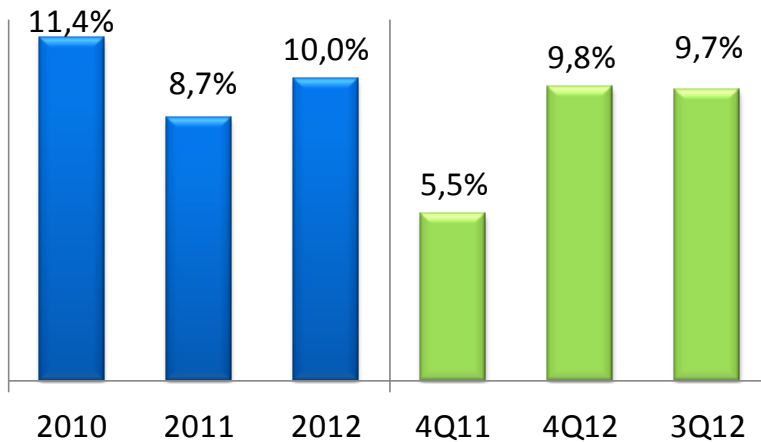
Gross Profit Margins (%)



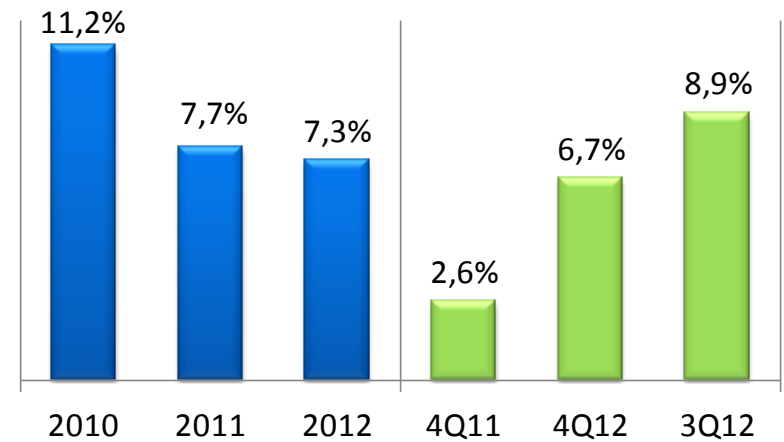
Operation Profit Margins* (%)



EBITDA Margins** (%)

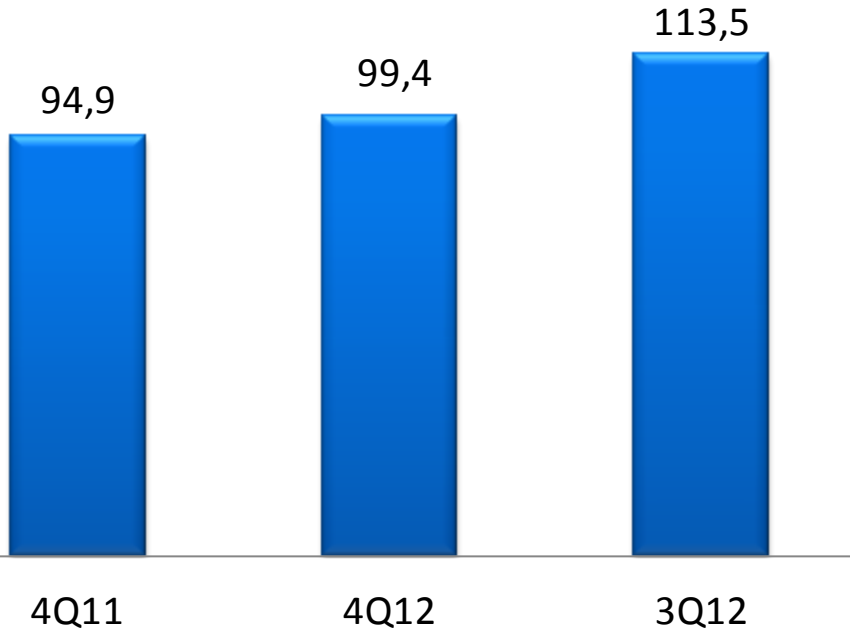


Net Profit Margins (%)



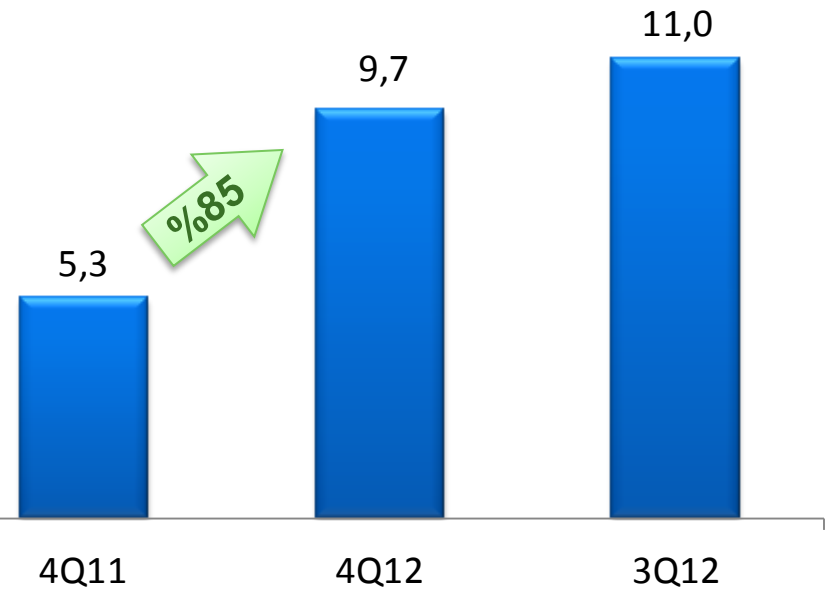
Quarterly Results

Net Sales (Mn TL)



▶ Net sales, gross margin and EBITDA margin increased in 2Q 2013, QoQ.

EBITDA* (Mn TL)



▶ Gross margin and EBITDA margin increased in 4Q 2012, compared to 3Q 2012.

Basic Ratios, Net Financial Debt & Net Working Capital



Dec 31, 2012 Dec 31, 2011

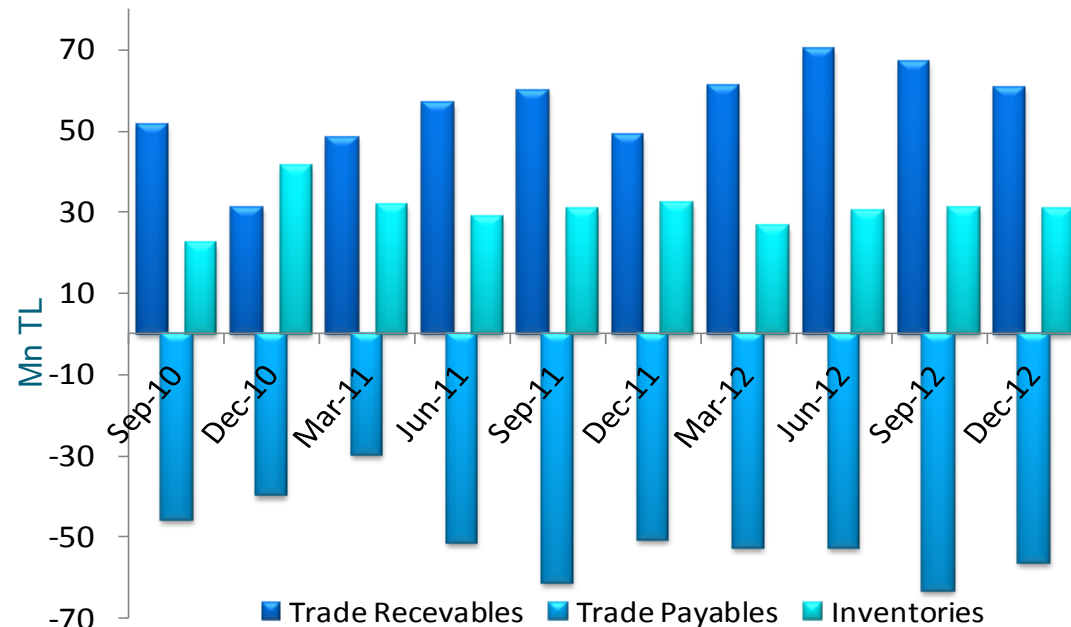
(Million TL)

Dec 31, 2012

Dec 31, 2011

Current ratio	1,85	1,75
Leverage ratio	0,23	0,27
S/T Fin Debt/T. Fin Debt	1,00	0,64
Net Financial Debt/EBITDA	0,28	0,90
Total Fin Debt/Equity	0,04	0,11

Cash & Cash Equivalents	0,48	4,13
S/T Bank Borrowings	12,07	22,15
L/T Bank Borrowings	0,00	12,22
Net Financial Debt	11,59	30,24



▶ A 70% rise in net cash generated from operating activities

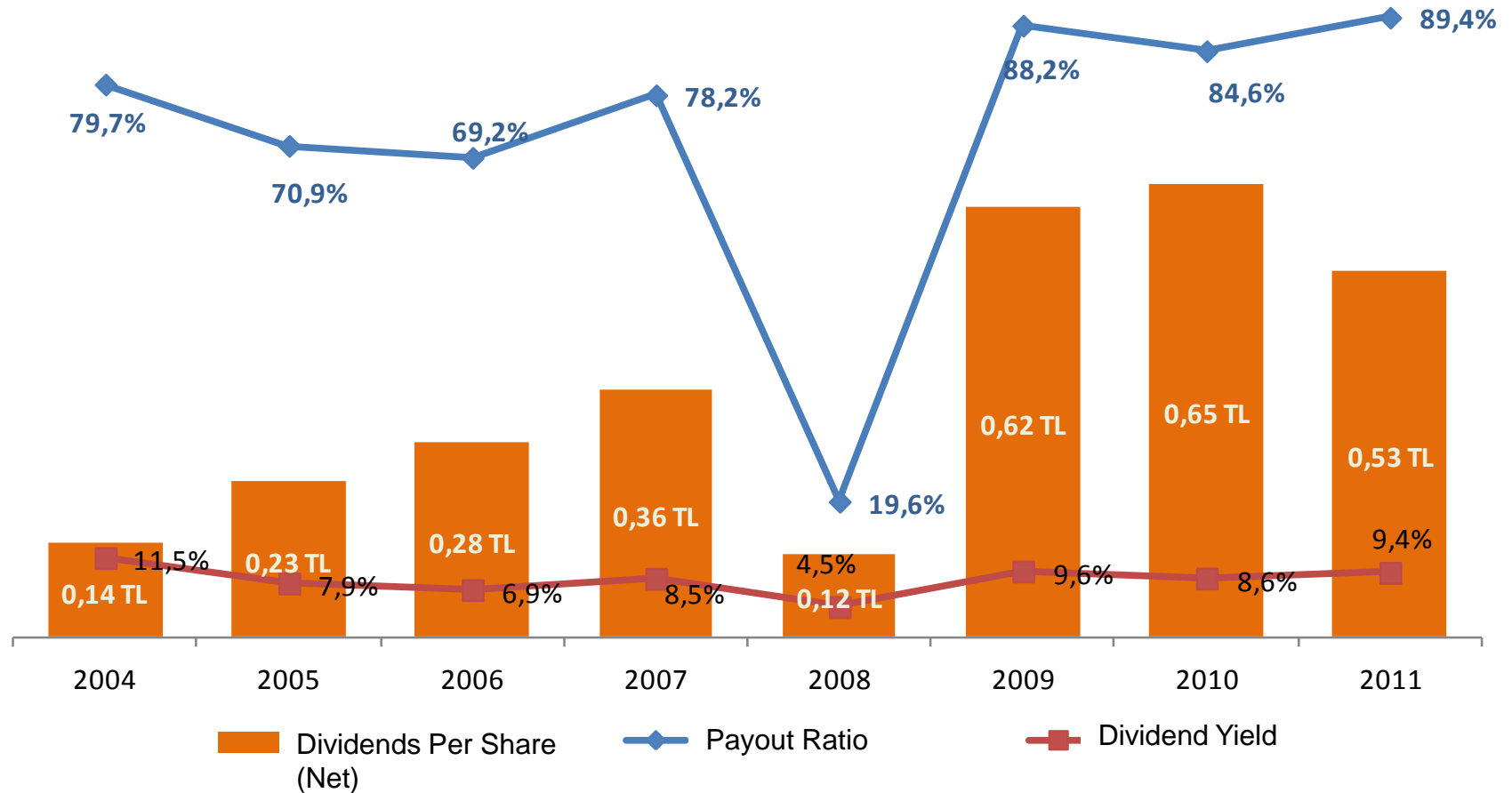
2012 H1
13,3 Mn TL



2013 H1
22,5 Mn TL

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

Dividends



- ▶ Stabilization of raw material prices, gained through Ministerial arrangements regarding imports starting from last quarter of 2011, has also continued in 2012. Raw material prices in 2012 were similar to 2011.
- ▶ Cost saving measures and projects to improve production efficiency have continued. (OMI-Lean Six Sigma Projects)
- ▶ Continued to focus on high value added products, smaller packaged products suitable for purchasing power of consumers.

Strategies and Targets



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

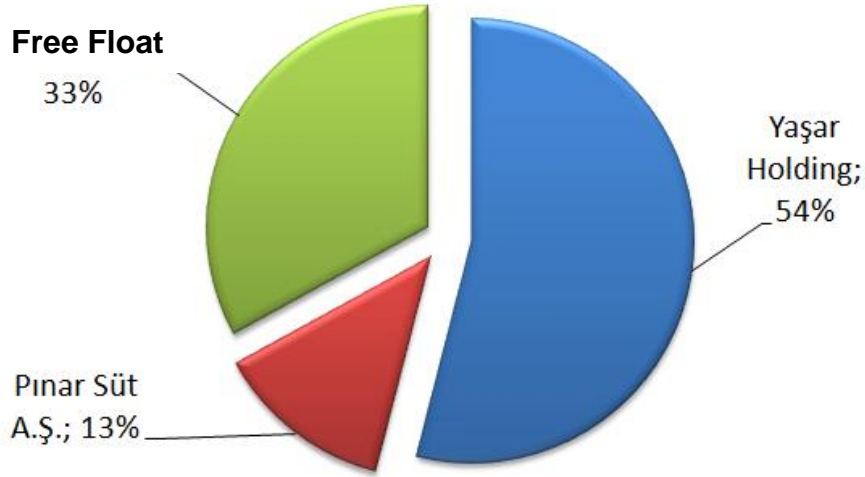
- ▶ Effective inventory management
- ▶ Product portfolio targeting needs of various segments
- ▶ Wide spread distribution
- ▶ Efficient utilization of social media
- ▶ Developments in “Away from Home” market
- ▶ Continued marketing investment.

Ownership & Participation Structure

Share Performance

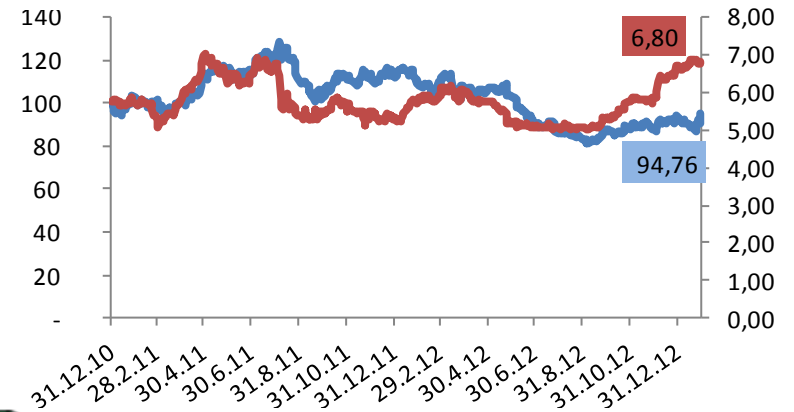


Ownership



Share Performance

Relative and Absolute Performance of Pınar Et Shares



31.12.2010 = 100

CORPORATE GOVERNANCE RATING: 8,77

Pınar ET

Yaşar Birleşik Pazarlama A.Ş.

%38,0

Çamlı Yem Besicilik A.Ş.

%23,4

Pınar Foods GmbH, Germany

%44,9

Desa Enerji Elektrik Üretimi Otoprodüktör Grubu

%26,4

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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



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.

- ▶ 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



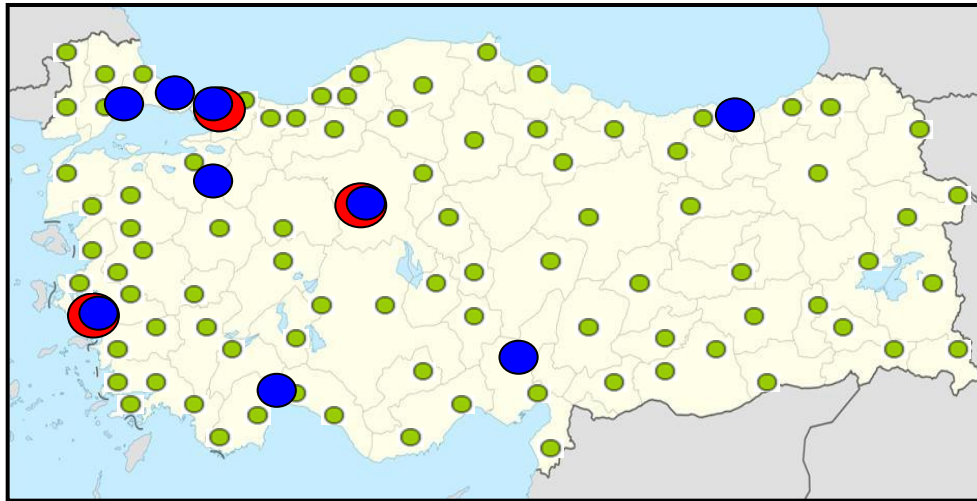
High level of hygiene and quality at every stage

- ▶ 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

