

*illa ki
Pınar
Sucuk!*



PINAR ENTEGRE ET VE UN SAN. A.Ş.

2013 H1 Earnings Presentation

Pinar 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, Pinar Gurme and Açbitir 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

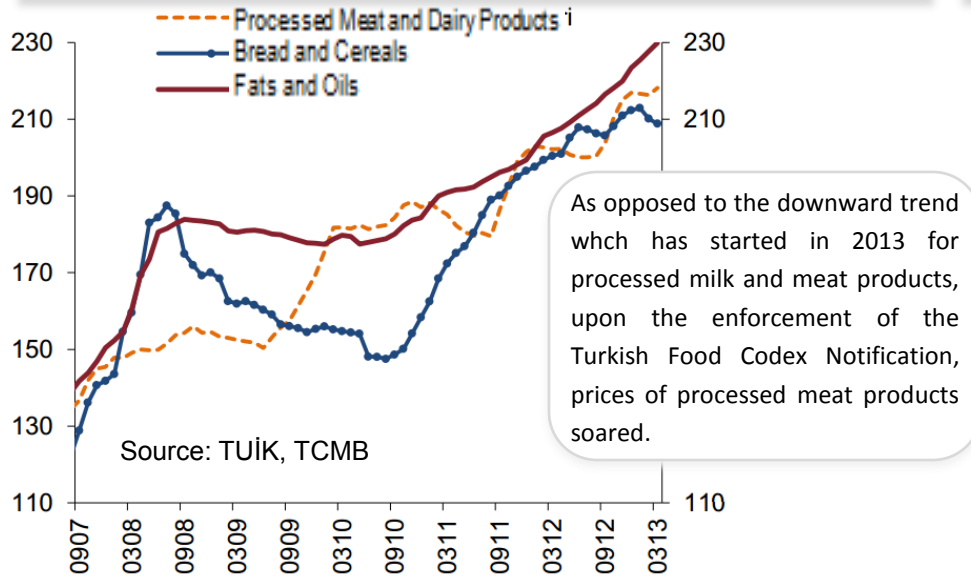
- Purchase operations spread out to 6 territories
- Strong relations with farmers
- Contractual stock farming

Supply

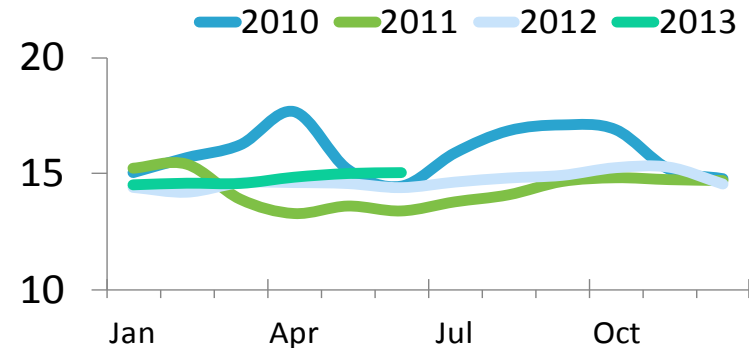
Market Dynamics



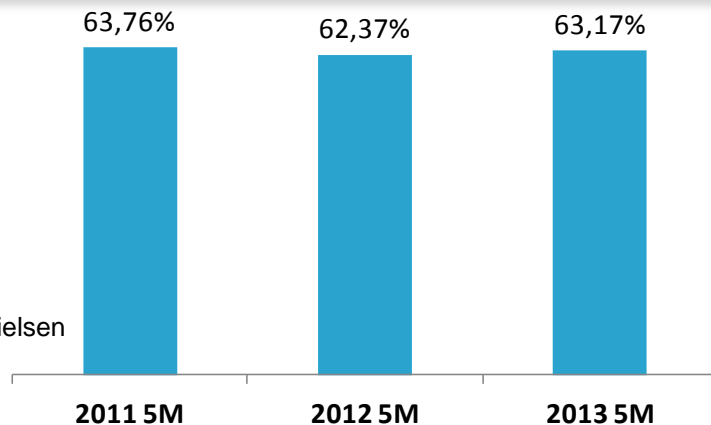
Processed Food Products Prices



Carcass Meat Average Prices (TL)



Packaged Delicatessen Share



Source: Nielsen

- ▶ 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. (TUIK)
- ▶ 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 Share	Position
Salami	41,9%	Leader
Sausage	32,7%	Leader
Soujouk	16,2%	Leader
Total Delicatessen	21,7%	Leader

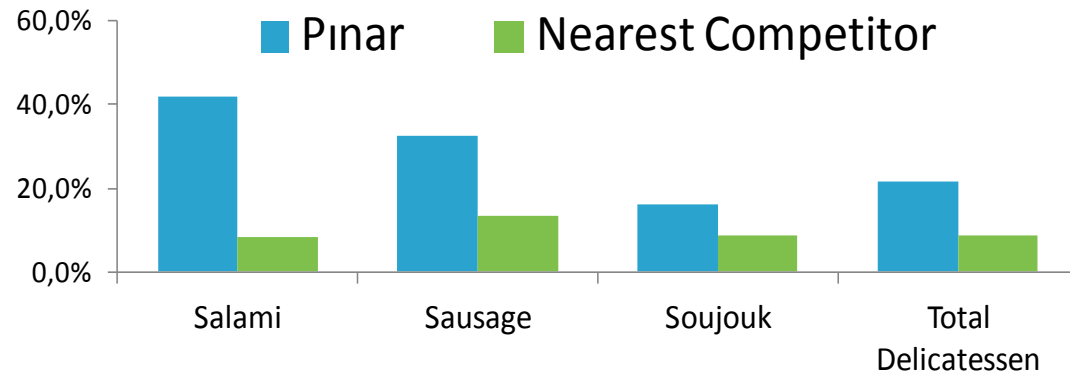
▶ Pinar Et, increasing market share by 1,0 percentage point in total delicatessen, maintained its leadership with 21,7% market share which is more than double of nearest competitor. (2012: %20,7)

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

Source: Nielsen, 2013 H1 - Share Value

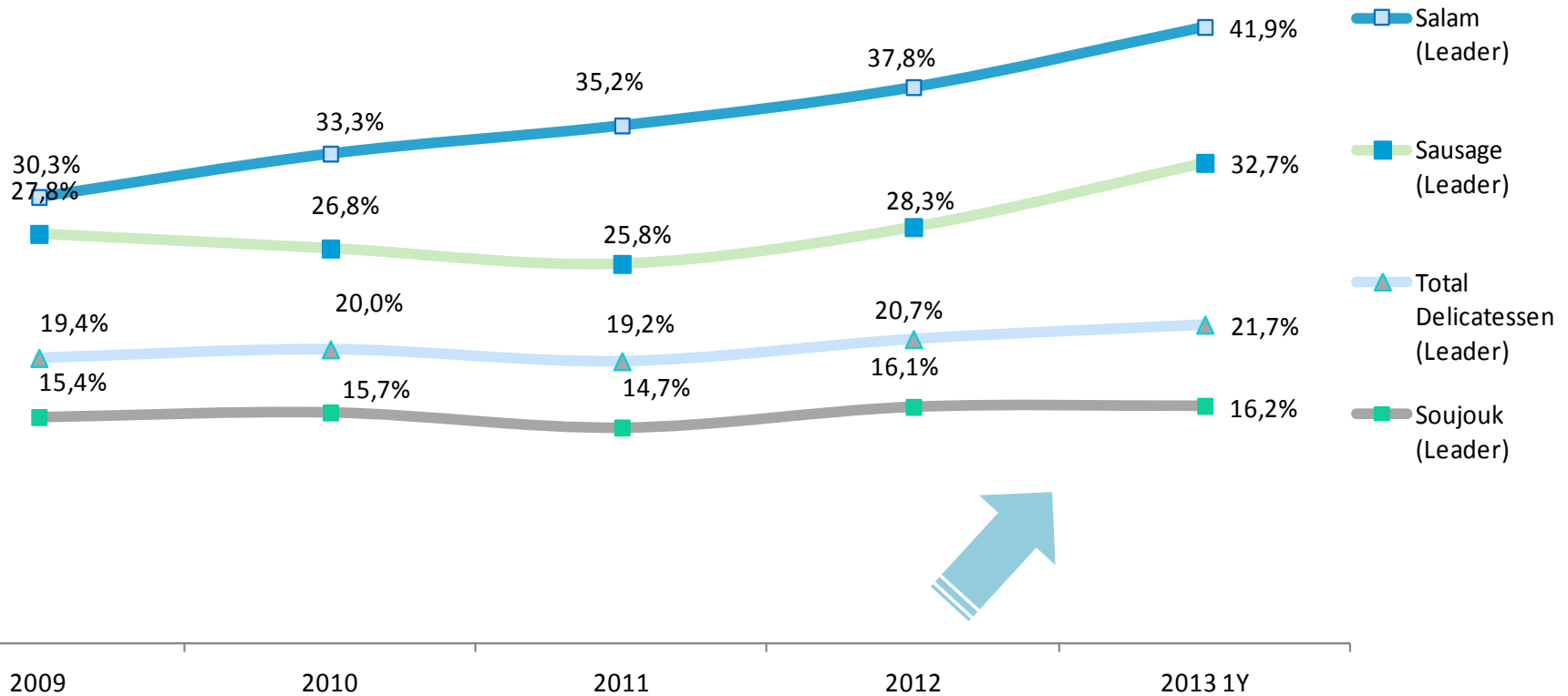
▶ Market narrowed by %23 in terms of volume and %2 in terms of value in 2013 H1. Despite the contraction in the market, Pinar Et increased its market shares of all delicatessen segments. (Nielsen)

Market Share Comparison



Source: Nielsen, 2013 H1 - Share Value

Ahead of Competition - II



Source: Nielsen - Share Value



▶ Pinar Et increased its market shares of all delicatessen segments in 2013 H1.

New Products & Product Differentiations



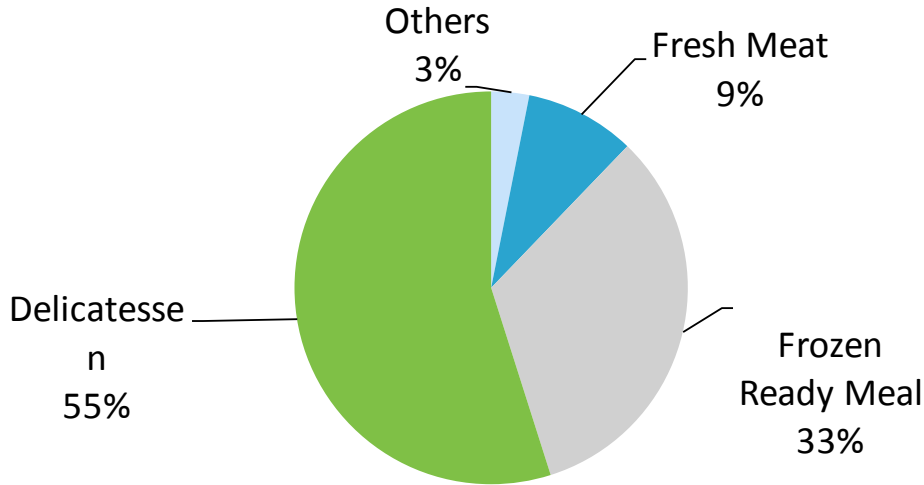
New launches of up-premium Pinar Gurme Series to clinch the expert perception of Pinar Brand; of Pinar Delight series as first light charcuterie products in the category and of new Şölen types for those seeking different tastes, have been made.

Pinar Gurme Sucuk Campaign



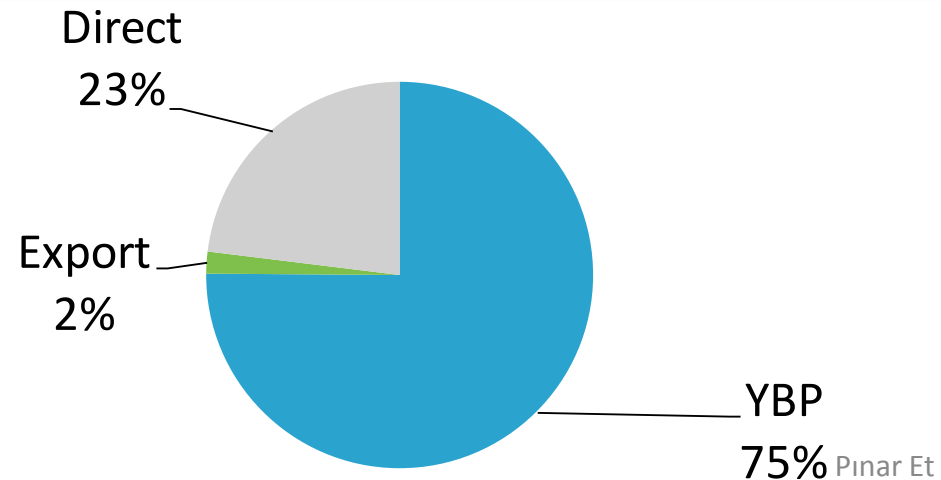
Product Groups & Sales Channels

Net Sales by Product Groups (2013 H1)



▶ Continued to focus on high value added products.

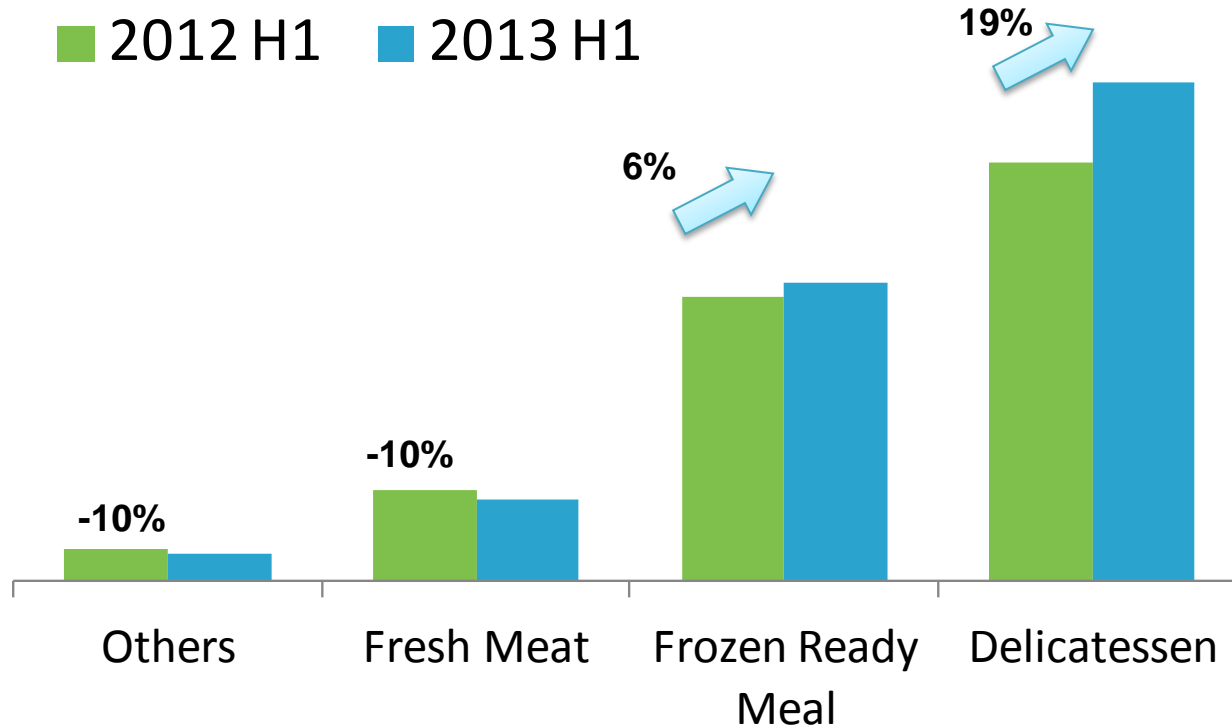
Net Sales by Sales Channels (2013 H1)



Growth in Sales



Growth Rates of Product Groups



Net Sales have grown by 10,6% in 2013 H1.

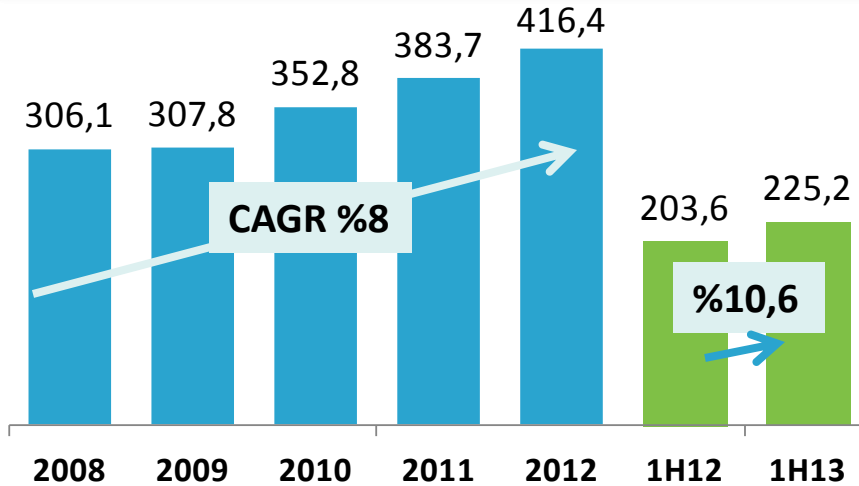
*illa ki
Pinar
Sueuk!*

Financial Results

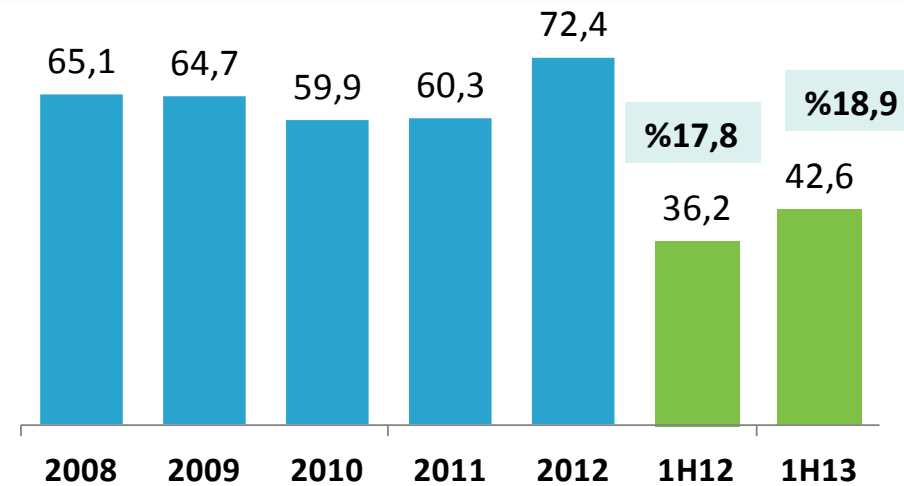


Sales and Profitability

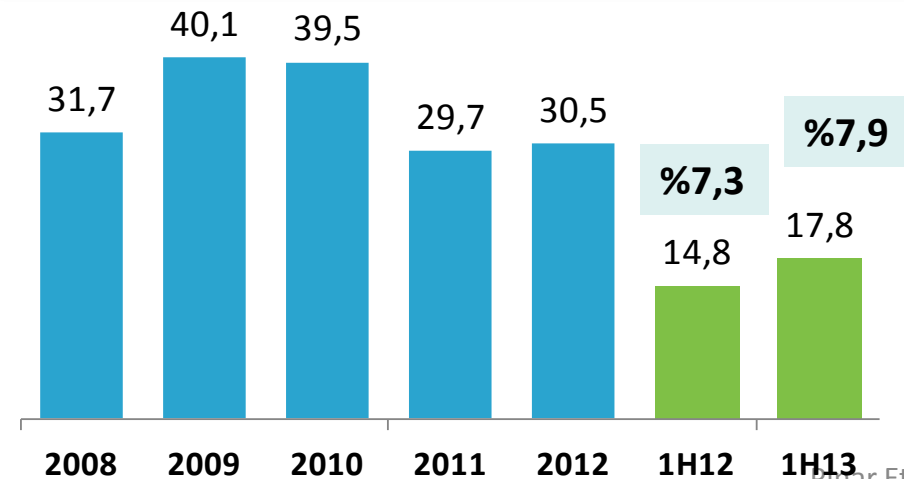
Net Sales (Mn TL)



Gross Profit (Mn TL)



Net Profit (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.

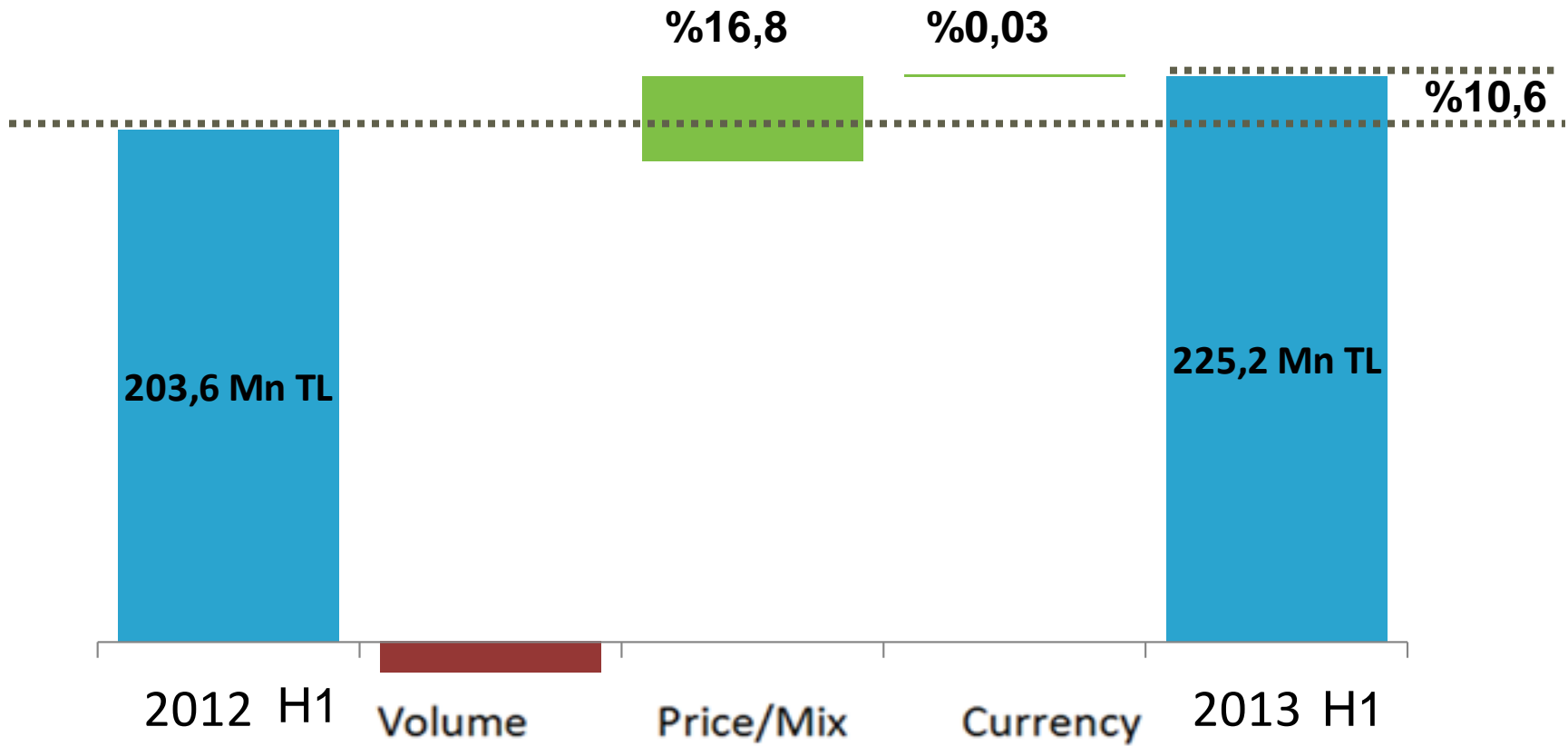
► The sale increase in the value-added products provided better gross and net profit margins.

Income Statement



(Million TL)	30.06.2013	30.06.2012	Difference	% Change
Net Sales	225,2	203,6	21,6	10,6
Cost of goods Sold	(182,6)	(167,4)	(15,2)	9,1
Gross Profit	42,6	36,2	6,4	17,7
R&D Expenses	(0,6)	(0,6)	0,0	(6,2)
Sales, Distribution and Marketing	(14,8)	(10,9)	(3,9)	35,7
General Administration Expenses	(8,0)	(7,3)	(0,7)	9,9
EBIT	19,1	17,3	1,8	10,5
Share of Results of Investments				
in Associates	1,0	(0,9)	1,9	208,1
Other Income	0,7	0,6	0,1	19,0
Other Expenses	(0,1)	(0,6)	0,5	(76,9)
Financial Income (Net)	1,8	2,4	(0,6)	(23,1)
Profit Before tax	22,5	18,8	3,7	19,9
Tax	(4,7)	(4,0)	(0,7)	18,9
Net Profit for the Period	17,8	14,8	3,0	20,2
EBITDA	24,1	21,1	3,0	14,4
Total Assets	424,3	424,6	(0,2)	(0,1)
Equity	303,6	309,6	(6,0)	(1,9)

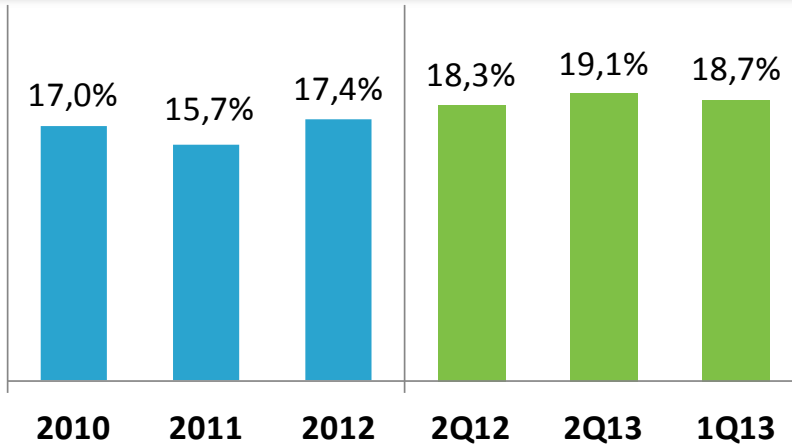
Growth Analysis



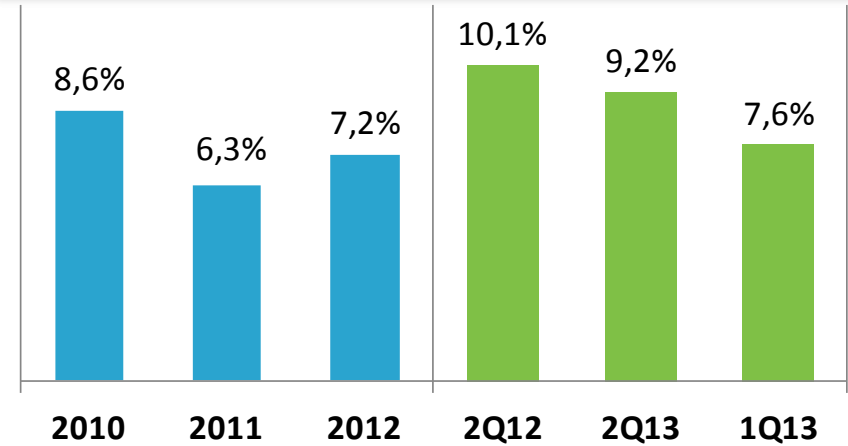
Profit Margins



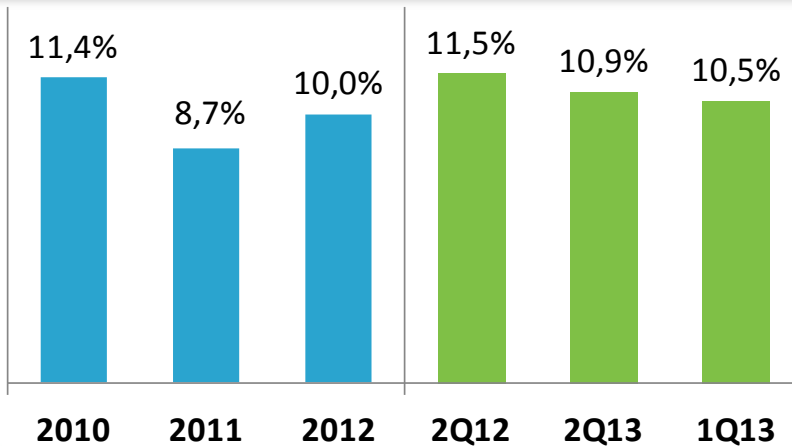
Gross Profit Margins(%)



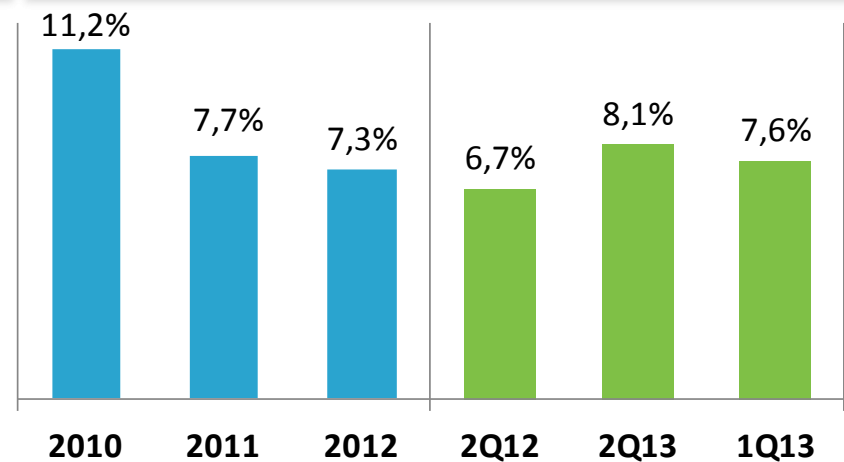
Operating Margins* (%)



EBITDA Margins ** (%)



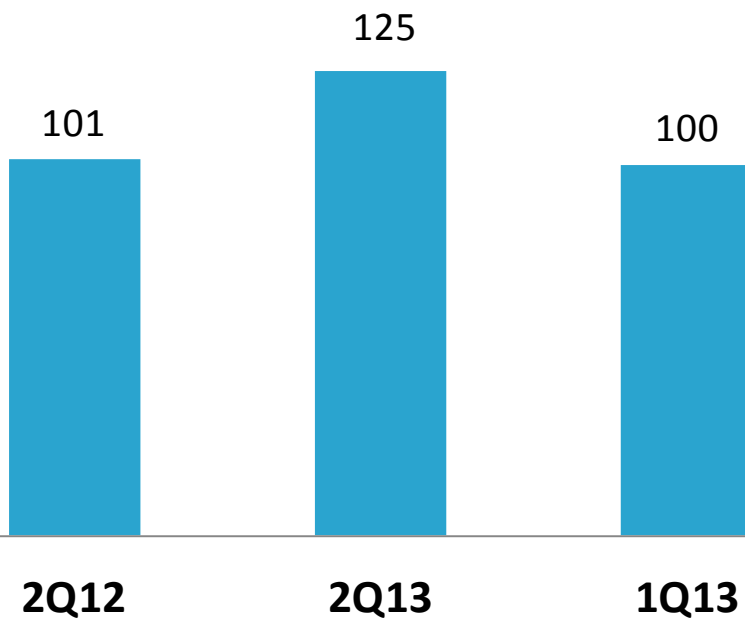
Net Profit Margins (%)



Quarterly Results

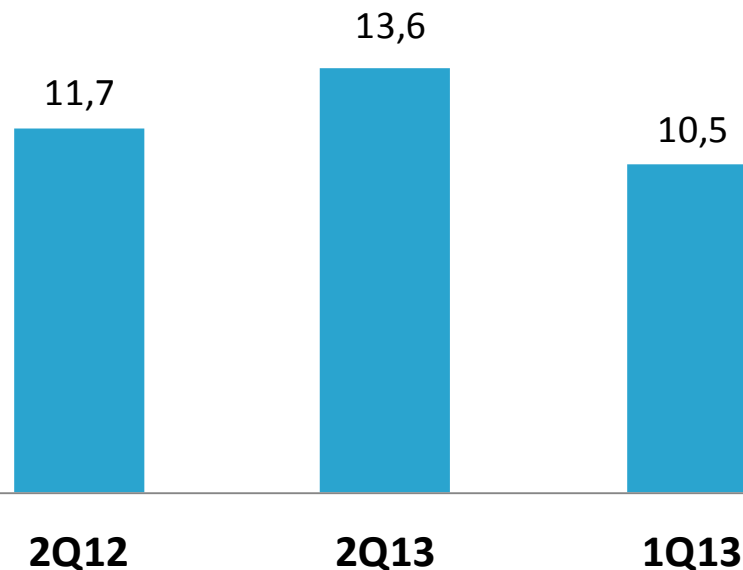


Net Sales (Mn TL)



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

EBITDA* (Mn TL)



▶ In 2013 2Q, all profit margins have been improved via increasing sales volume and price increases, QoQ.

Basic Ratios, Net Financial Debt & Net Working Capital



June 30, 2013 June 30, 2012

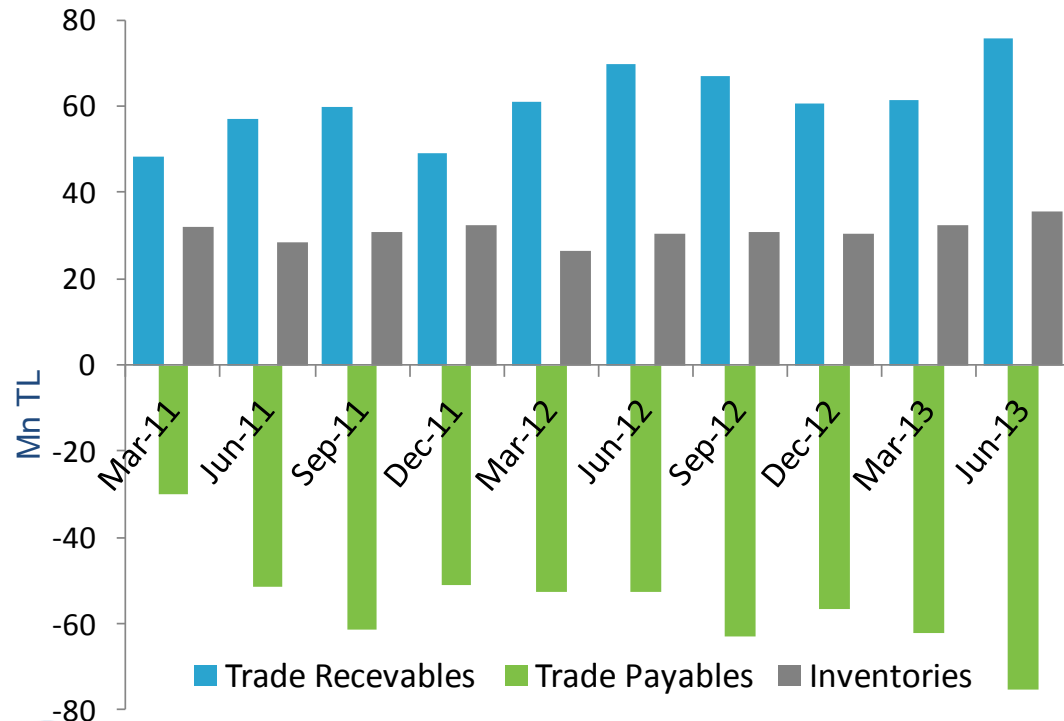
(Million TL)

June 30, 2013

June 30, 2012

	June 30, 2013	June 30, 2012
Current ratio	1,59	1,84
Leverage ratio	0,28	0,27
S/T Fin Debt/T. Fin Debt	1,00	0,65
Net Financial Debt/EBITDA	-	0,78
Total Fin Debt/Equity	0,04	0,10

	June 30, 2013	June 30, 2012
Cash & Cash Equivalents	13,78	2,31
S/T Bank Borrowings	13,27	21,11
L/T Bank Borrowings	0,00	11,37
Net Financial Debt	(0,5)	30,17



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

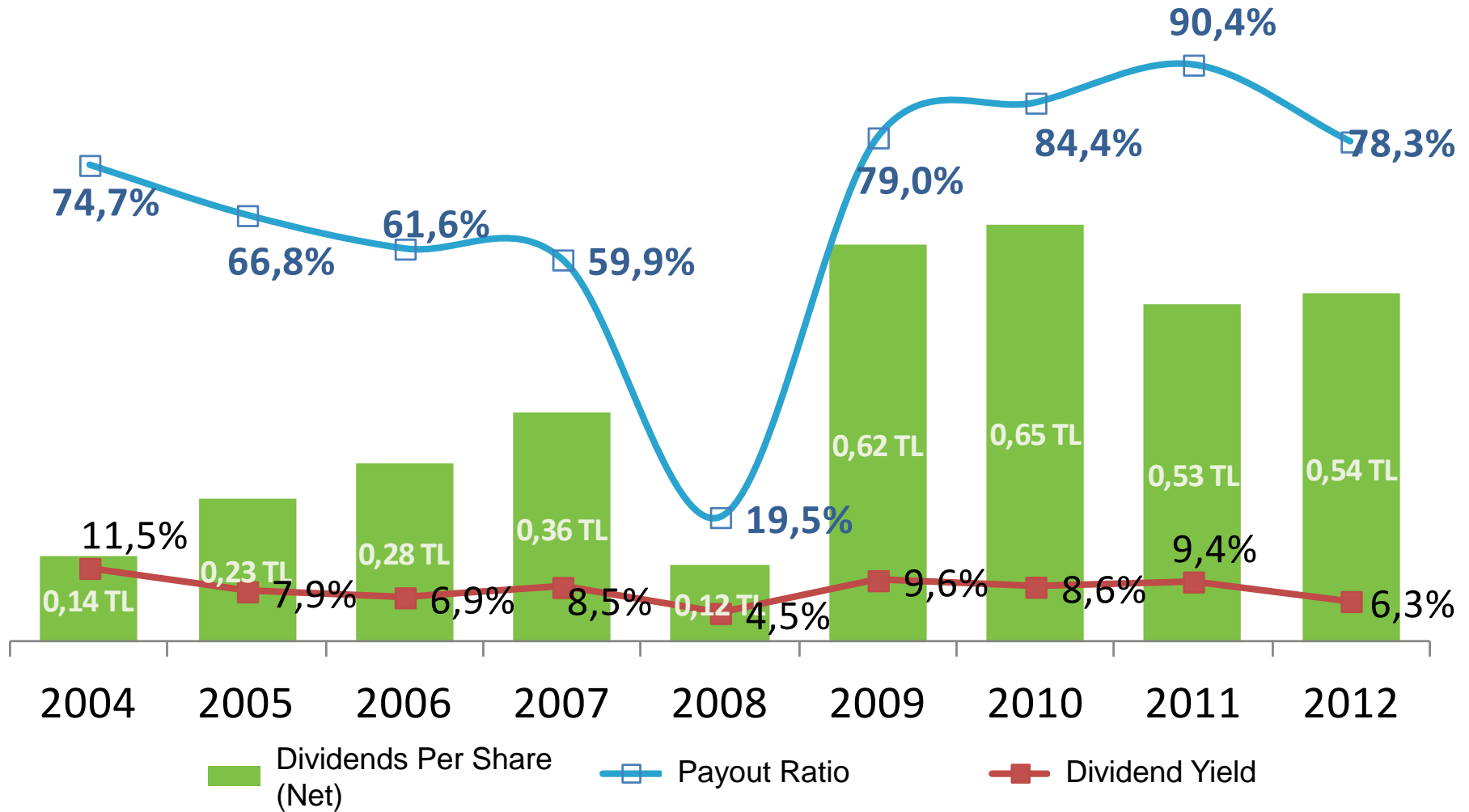
2012 H1
13,3 Mn TL



2013 H1
22,5 Mn TL

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

Dividends



Overview of 2013 H1

- ▶ As opposed to the downward trend which has started in 2013 for processed milk and meat products, upon the enforcement of the, prices of processed meat products soared. Turkish Food Codex Notification
- ▶ The context of Ministry's Turkish Food Codex Notification published on 5 December 2012, brought with it amendments of ingredients and descriptions for meat products.
- ▶ 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 2013 H1 were slightly higher.
- ▶ 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.

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.

2013 TARGETS

Growth in Net Sales: %7 - %9

EBITDA Margin: %10 - %11

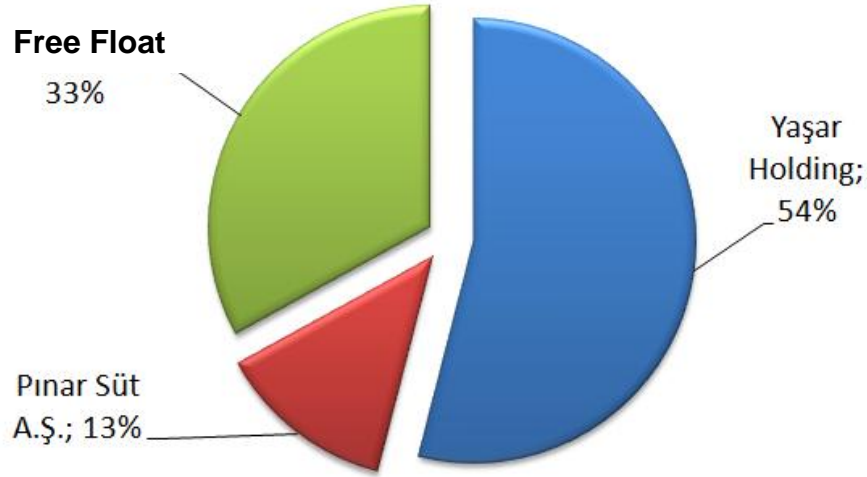
Capex: 20 - 25 Mn TL

Ownership & Participation Structure

Share Performance

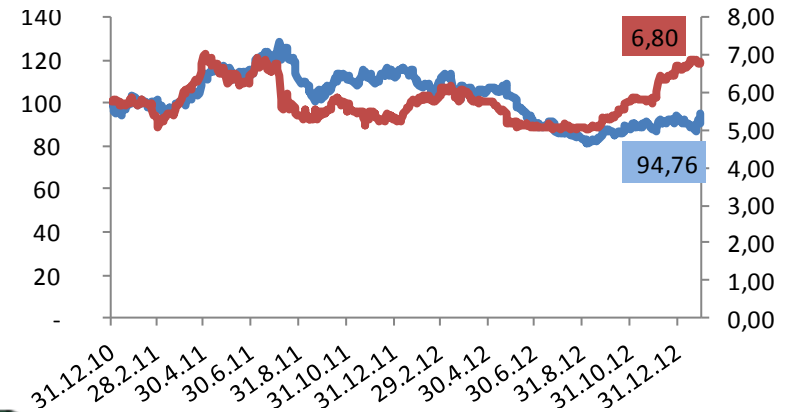


Ownership



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

Disclaimer and Contact Information



This presentation does not constitute an offer or invitation to purchase or subscription for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation contains forward-looking statements that reflect the company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially. Neither Pınar Entegre Et ve Un San. A.Ş. nor any of its affiliates, advisors, representatives, directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from any use of this presentation or its contents or otherwise arising in connection with it.

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

Investor Relations Department

Tel: 90 232 482 22 00

Fax: 90 232 484 17 89

investorrelations@pinaret.com.tr

*illa ki
Pinar
Sueuk!*

Thank You

