

PINAR ENTEGRE ET VE UN SAN. A.Ş.

Earnings Presentation, 2013



Highlights



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

Product Portfolio

- Among most admired companies in Turkey*
- Among Turkey's Superbrands**
- 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
- ISO 18001
- FSSC 22000
- ISO 50001

Quality

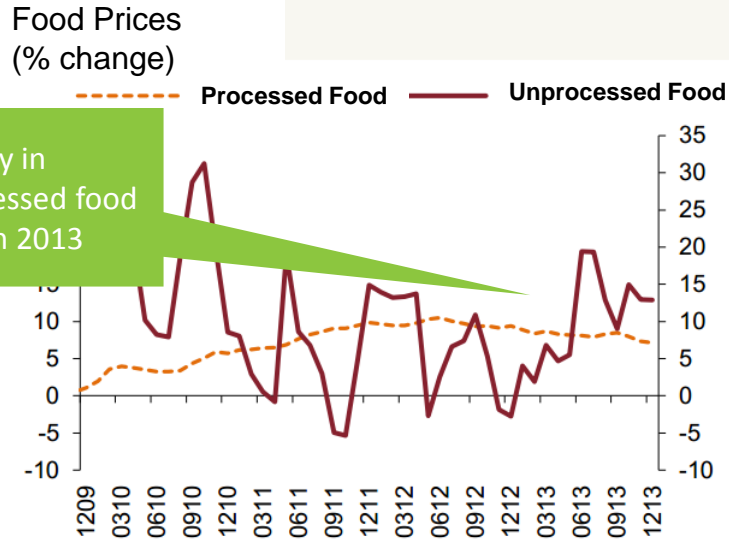
- YBP – Turkey's biggest nationwide cold and frozen distribution chain
- More than 150.000 sales points
- Technical know-how and expertise
- Synergy in the distribution of dairy and meat products

Distribution Network

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

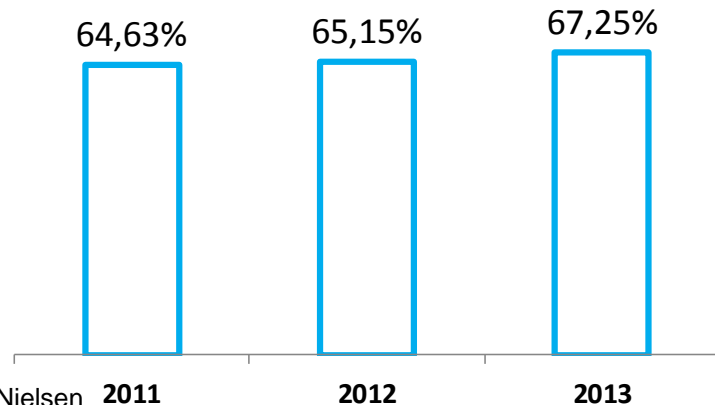
Supply

Price of Food Products



Kaynak: TÜİK, TCMB.

Packaged Delicatessen Share

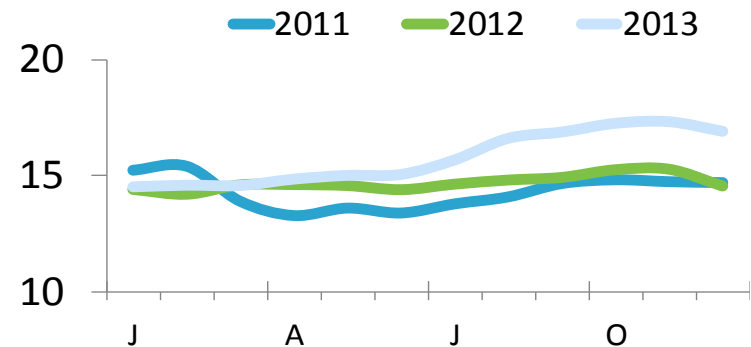


Source: Nielsen 2011

2012

2013

Carcass Meat Average Prices (TL)



- In 2013, the red meat production was 996K tons with an increase of %8.8 and the poultry meat (chicken&turkey) production was 1798K tons with an increase of %1.8. (TUIK)
- Per capita red meat consumption is 13.01kg in 2013 while it was 12.11 in 2012.
- Registered delicatessen market is around 67K tons (1,4 bn TL) (Nielsen)
- Growth trend in the segment of small portion salami products and frozen floury products.

Ahead of Competition - I



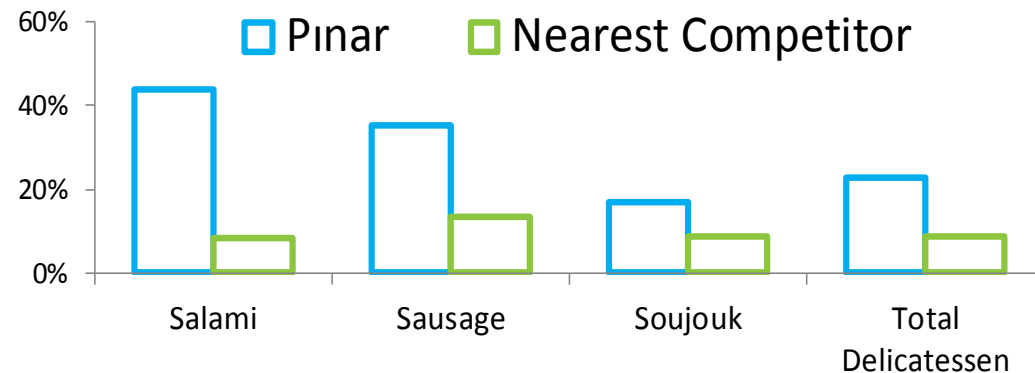
Products	Share	Position
Salami	43,9%	#1
Sausage	35,3%	#1
Soujouk	17,0%	#1
Total Delicatessen	22,9%	#1

Source: Nielsen, 2013, Value Share

- Pinar Et, increasing its market share by 2.3 percentage point in total delicatessen, maintained its leadership with 22,9% market share which is more than double of nearest competitor. (2012: %20,6)
- As the leader brand Pinar, brought new reforms to the category with new tastes.

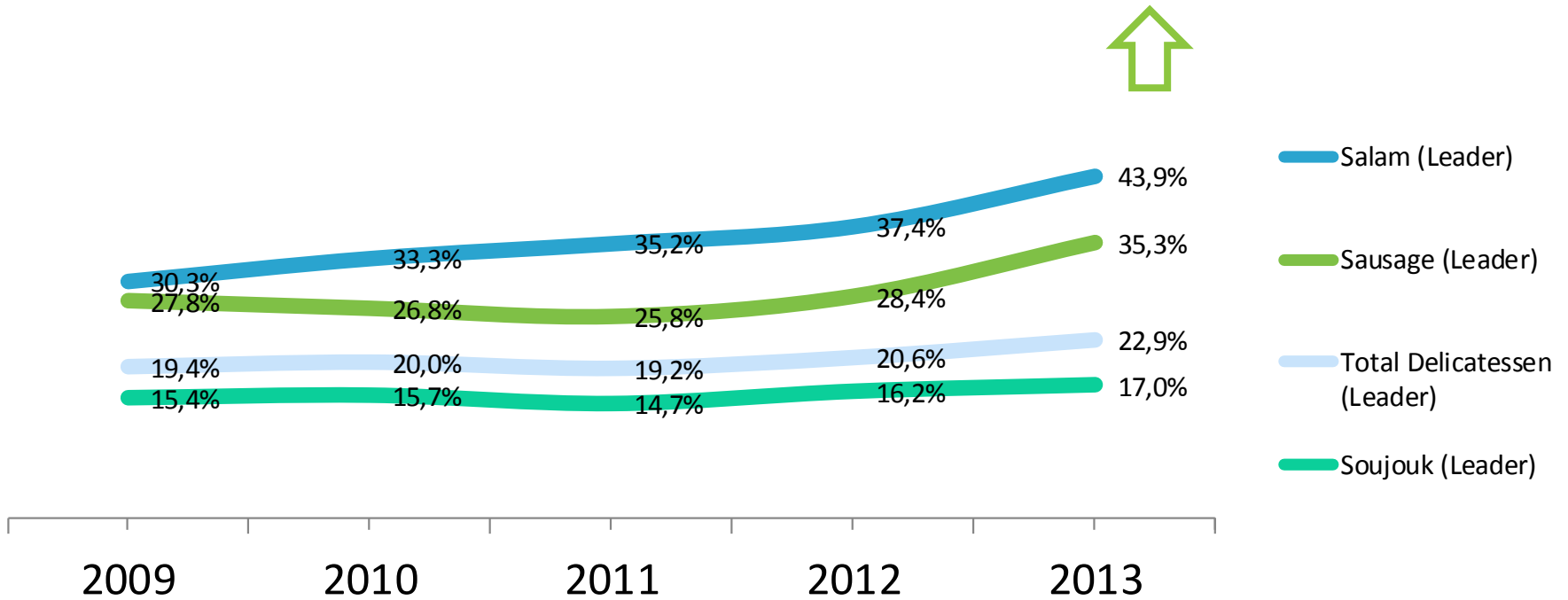
- Market narrowed by %21 in terms of volume and grew by %2.9 in terms of value in 2013. Despite the contraction in the market, Pinar Et increased its market shares in all delicatessen segments. (Nielsen)

Market Share Comparison



Source: Nielsen, 2013, Value Share

Ahead of Competition - II



Source: Nielsen - Value Share

- Pınar Et increased its market shares of all delicatessen segments in 2013.

New Products & Product Differentiations



Pınar Börek



Pınar Pizzatto Mini



Pınar Kadınbudu Meatball



Pınar Açbitir Salami



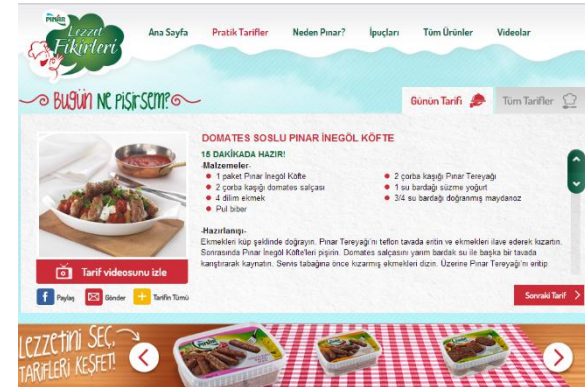
Pınar Gourmet Soudjouk



Frozen Meatballs



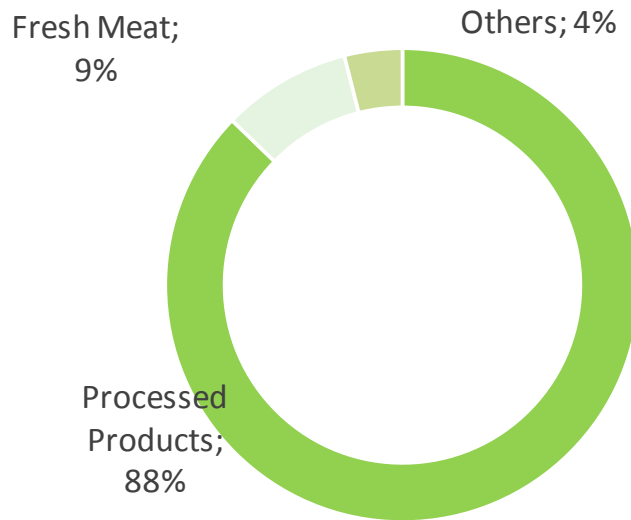
www.lezzetfikirleri.com



Product Groups & Sales Channels

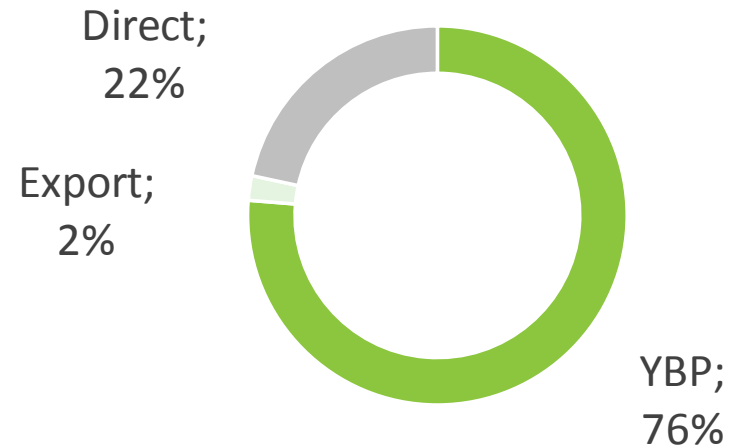


Net Sales by Product Groups (2013)



- Continued to focus on high value added products.

Net Sales by Sales Channels (2013)



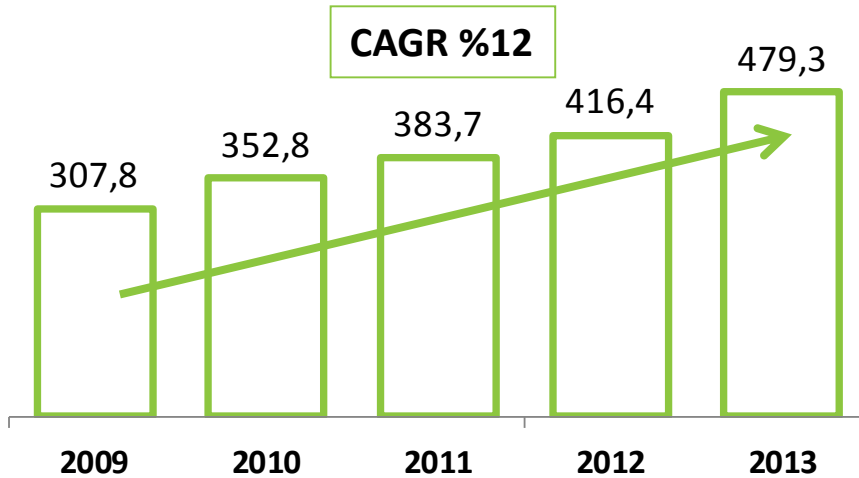
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Financial Results

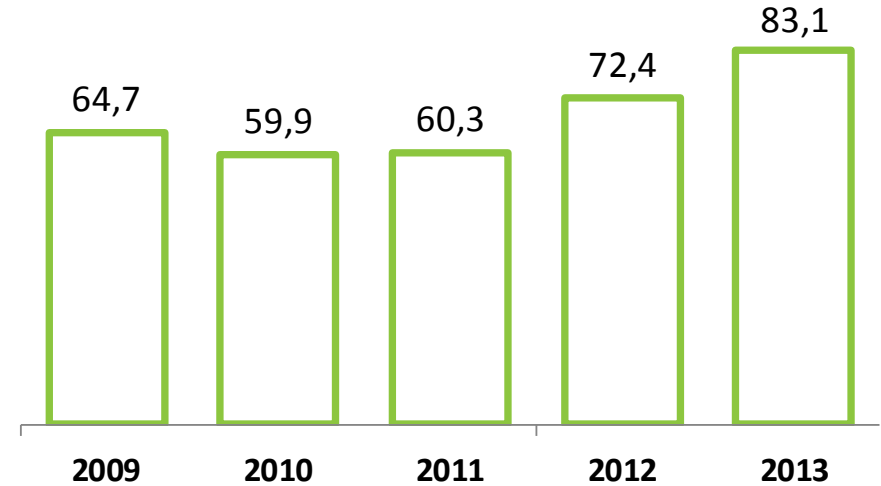


Sales and profitability

Net Sales (Mn TL)

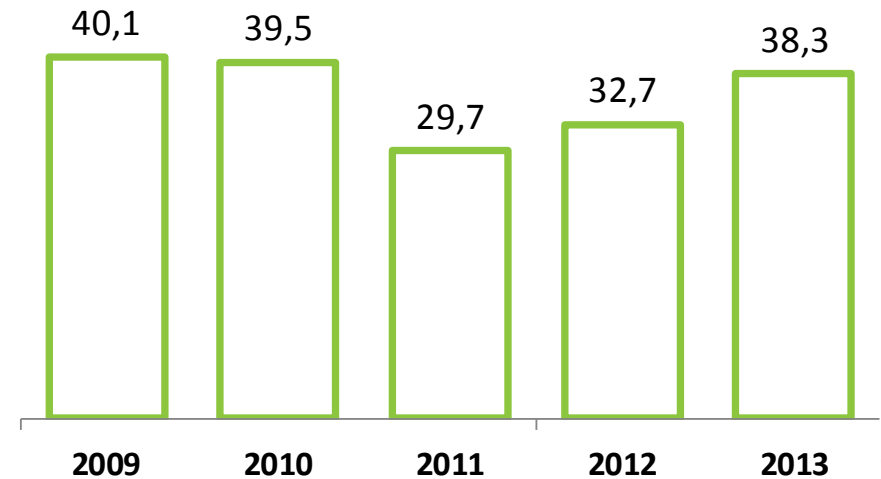


Gross Profit (Mn TL)



- In 2013, the net sales grew by %15,1 compared to 2012, driven mainly from price and product mix. The product prices are upwards in sector.
- The increase in sales of value-added products and focus on the operational cost savings, provided better operational and net profit margins.

Net Profit (Mn TL)



Income Statement



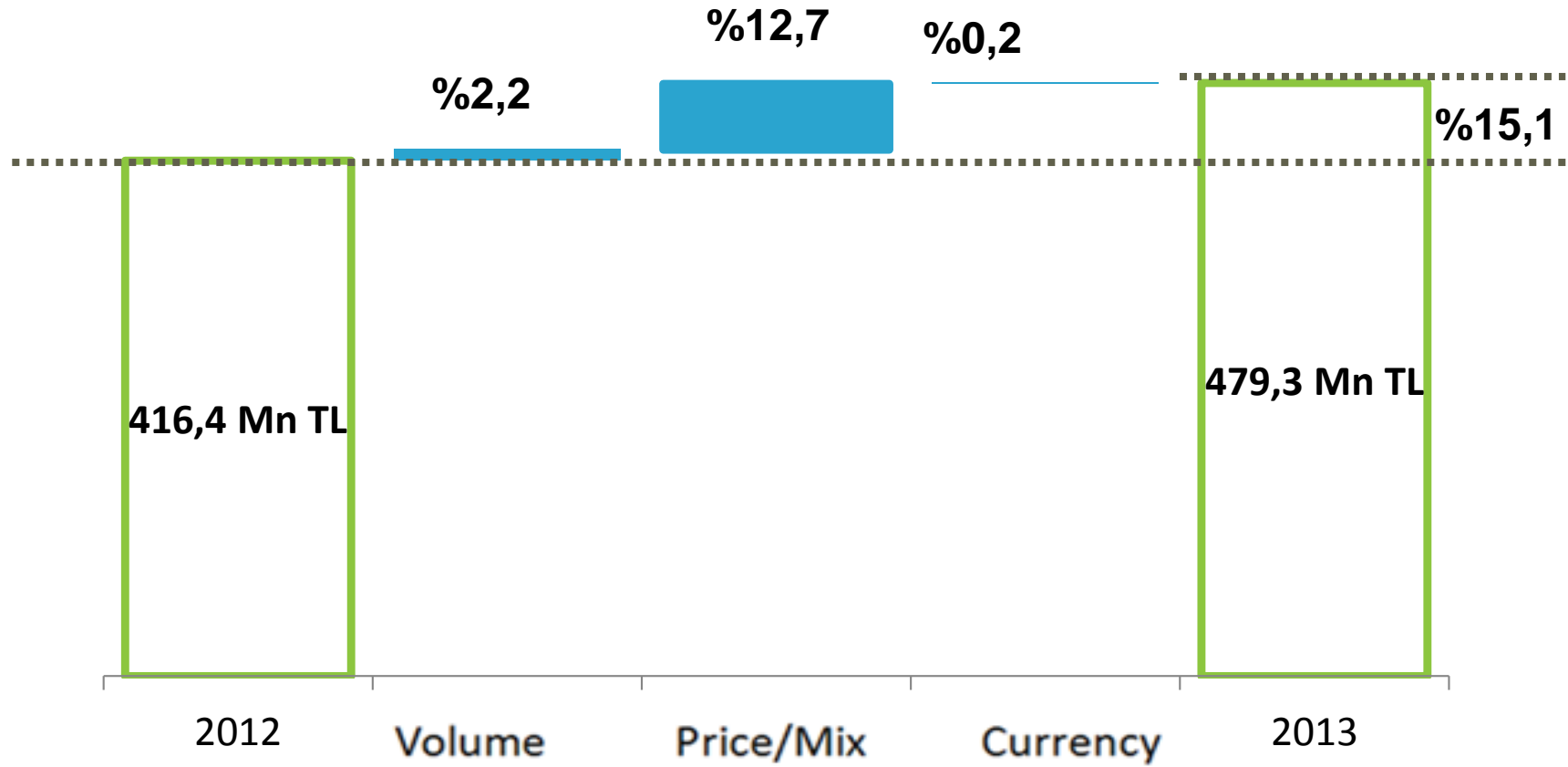
(Million TL)	31.12.2013	31.12.2012	Difference	% Change
Net Sales	479,3	416,4	62,9	15,1
Cost of goods Sold	(396,2)	(344,1)	(52,1)	15,2
Gross Profit	83,1	72,4	10,7	14,8
R&D Expenses	(1,1)	(1,1)	(0,0)	4,7
Sales, Distribution and Marketing Ex	(28,1)	(21,2)	(6,8)	32,1
General Administration Expenses	(16,1)	(17,2)	1,1	(6,6)
EBIT	37,8	32,8	5,0	15,2
Share of Results of Investments in				
Associates	4,2	1,1	3,1	279,3
Other Income	4,8	7,7	(2,9)	(38,1)
Other Expenses	(2,0)	(1,0)	(1,0)	103,4
Financial Income (Net)	0,7	(2,0)	2,7	136,6
Profit Before tax	45,6	38,7	6,8	17,7
Tax	(7,3)	(6,1)	(1,3)	20,8
Net Profit for the Period	38,3	32,7	5,6	17,1
EBITDA	48,3	41,7	6,5	15,6
Total Assets	441,3	412,6	28,7	7,0
Equity	333,0	316,2	16,8	5,3



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daha iyi bir yaşam için

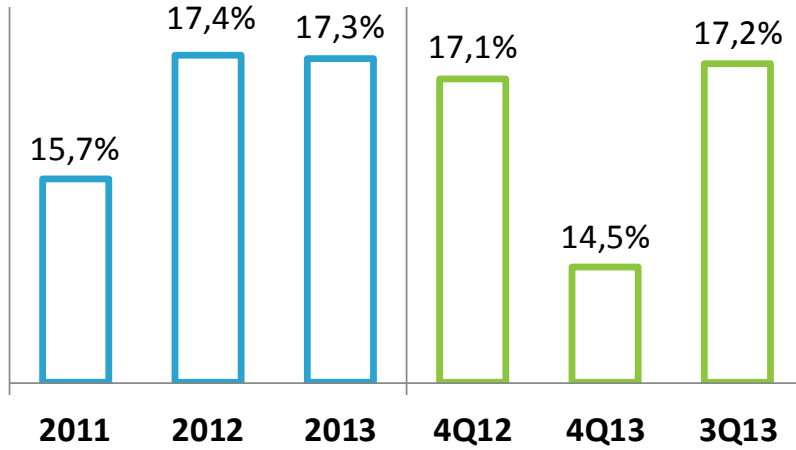
Growth Analysis



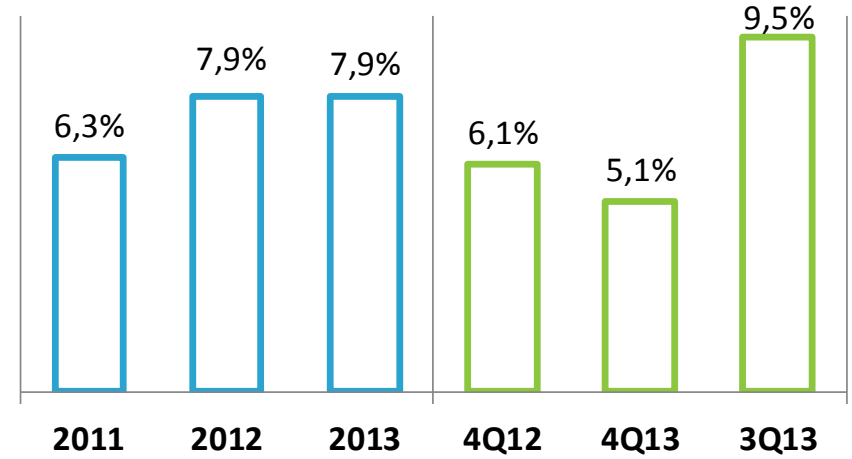
Profit Margins



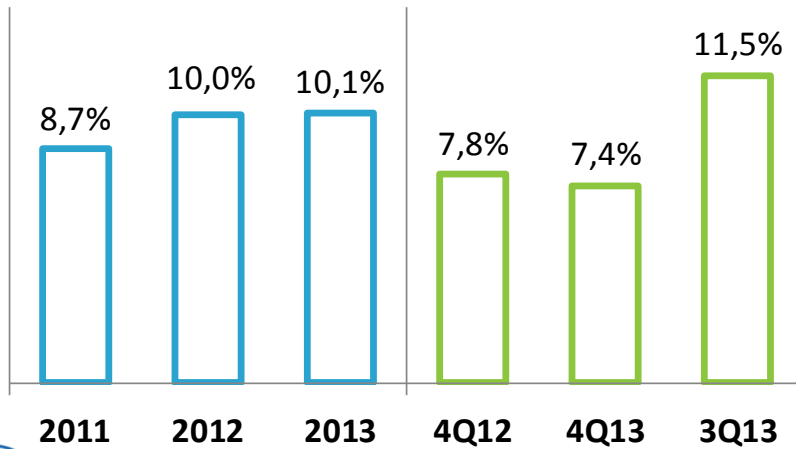
Gross Margin (%)



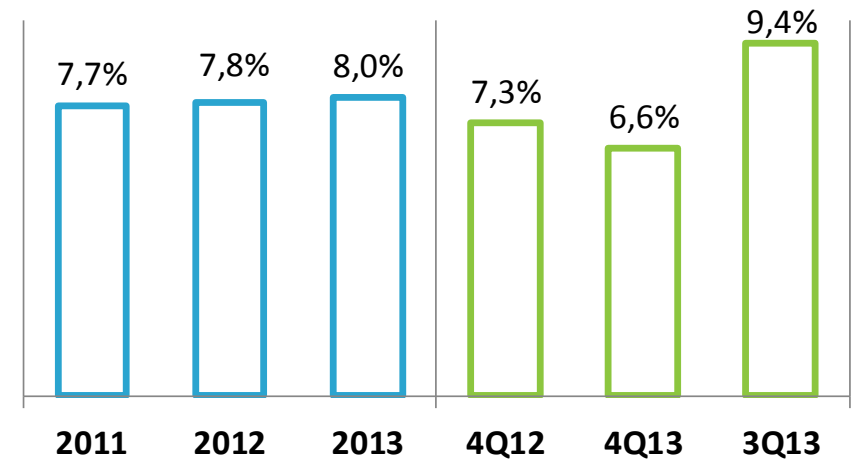
EBIT Margin *(%)



EBITDA Margin **(%)

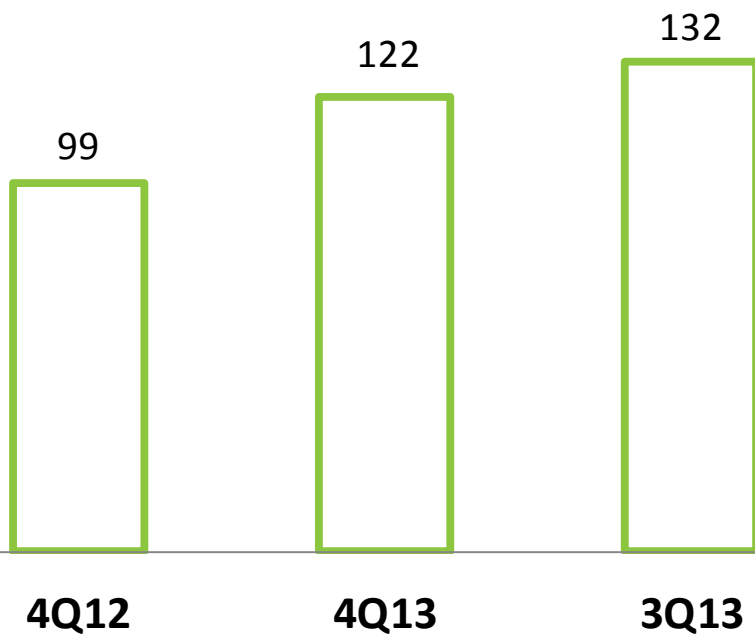


Net Profit Margin (%)



Quarterly Results

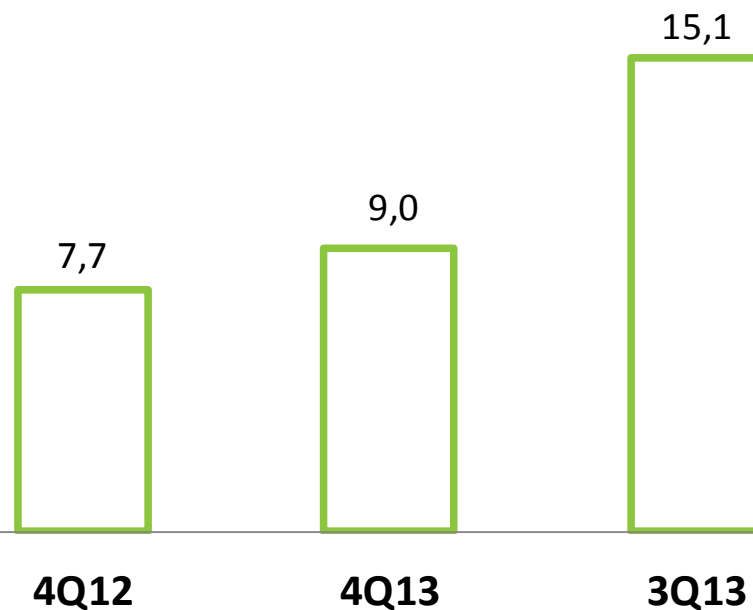
Net Sales (Mn TL)



- In 2013 4Q, operational and net profit margins increased, YoY.

- In 2013 4Q, we increased net sales, operational profit and net profit via the impact of operational cost savings, YoY. We have continued to be focused on marketing investments.

EBITDA* (Mn TL)



Basic Ratios, Net Financial Debt & Net Working Capital



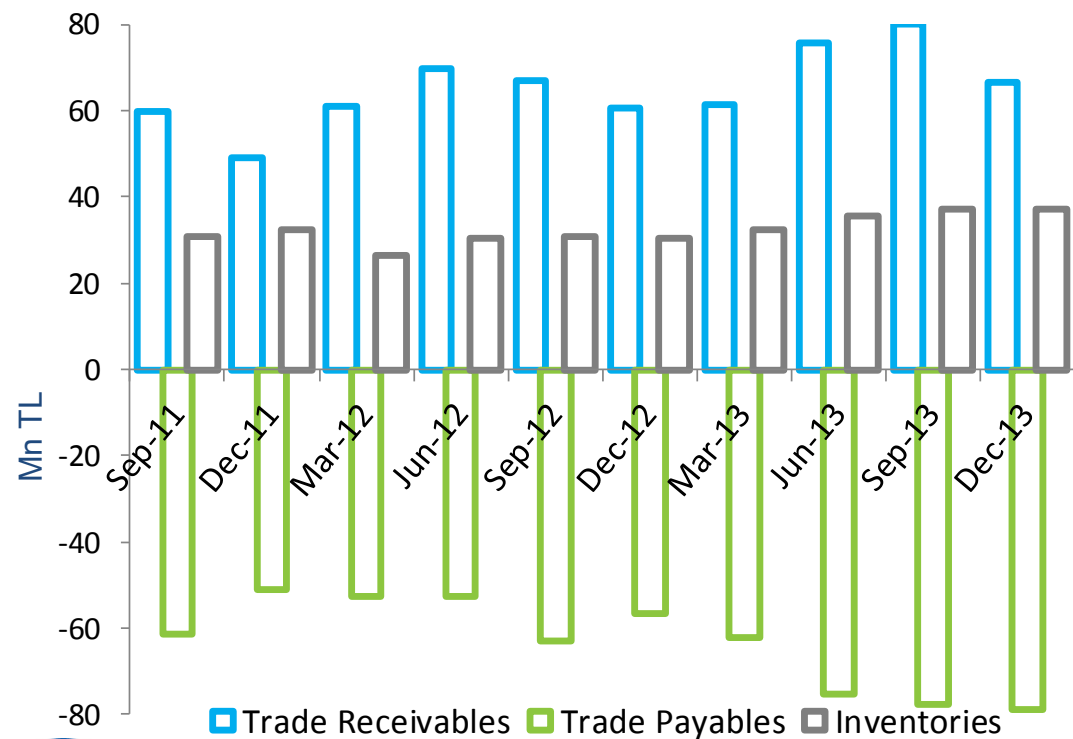
31-Dec-13 31-Dec-12

(Million TL)

31-Dec-13 31-Dec-12

	31-Dec-13	31-Dec-12
Current ratio	1,70	1,86
Leverage ratio	0,25	0,23
S/T Fin Debt/T. Fin Debt	0,06	1,00
Net Financial Debt/EBITDA	-	0,28
Total Fin Debt/Equity	0,04	0,04

	31-Dec-13	31-Dec-12
Cash & Cash Equivalents	13,78	0,48
S/T Bank Borrowings	0,80	12,07
L/T Bank Borrowings	11,66	0,00
Net Financial Debt	(1,3)	11,59



- A 42% rise in net cash generated from operating activities

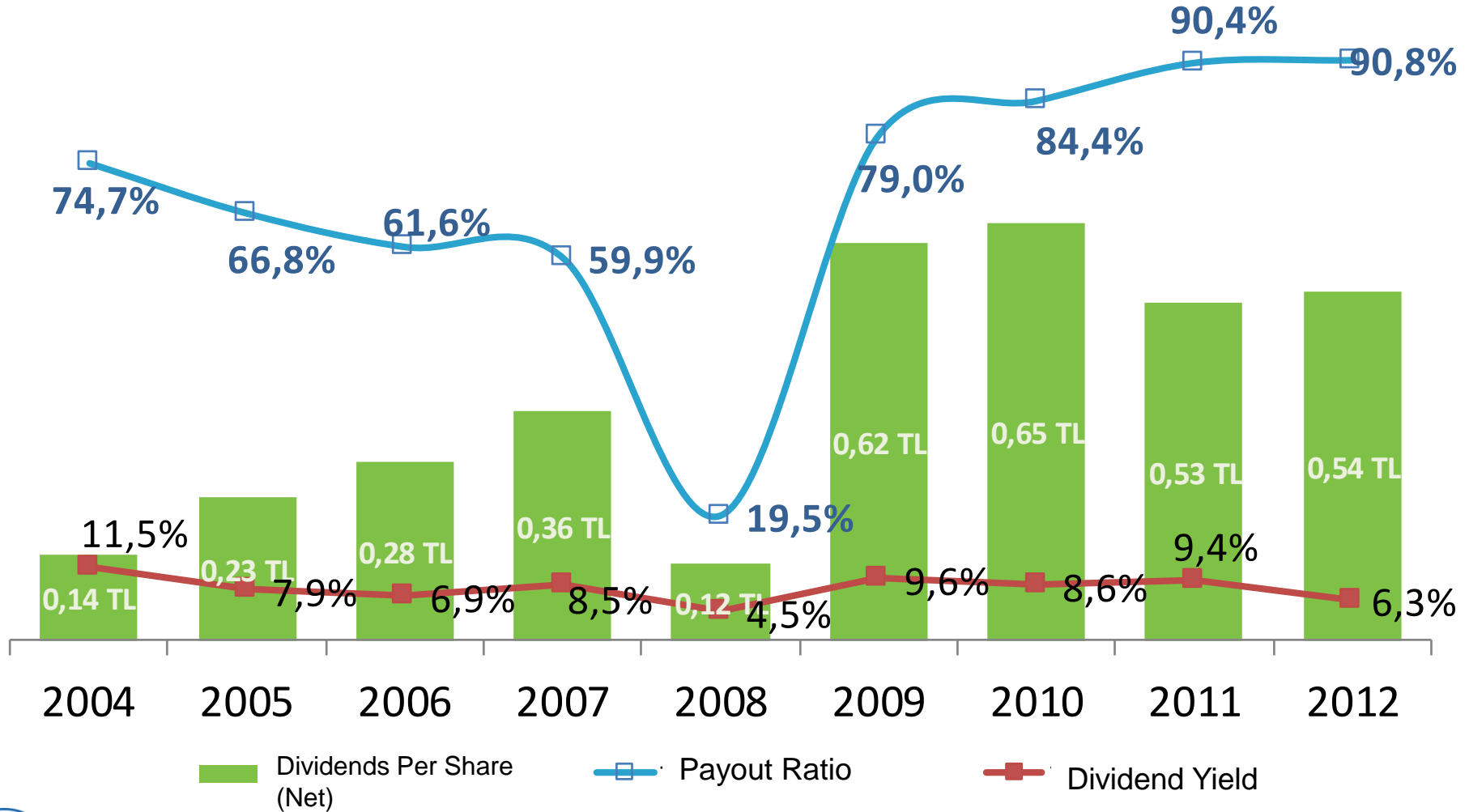
2012
39,4 Mn TL



2013
55,7 Mn TL

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

Dividends



- New Meat Products Communiqué, issued by the Ministry on December 5 2012, redefines the scope and content of meat products.
- As a result of the import regulations by Ministry since the last quarter of 2010, the raw material prices have been stabilized. The raw material prices began to follow an upward trend.
- Cost saving measures and projects to improve production efficiency have continued. (OMI- Lean Six Sigma Projects)
- Continued to focus on high value added products and smaller packaged products suitable for purchasing power of consumers.

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

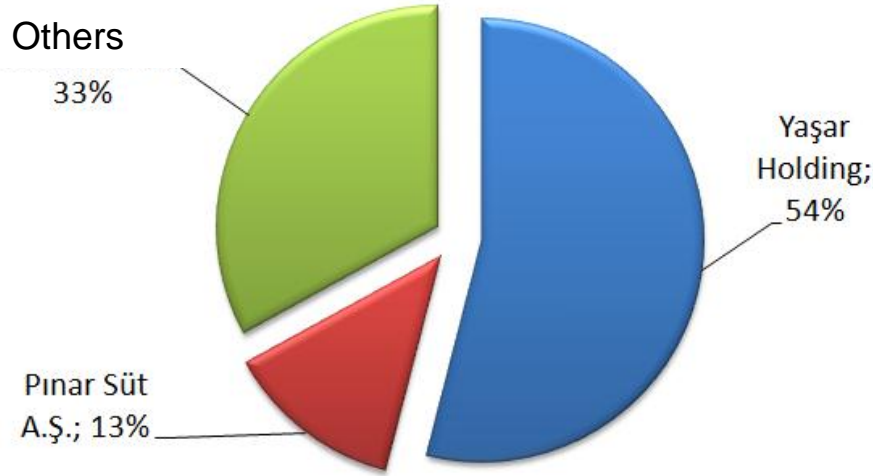
- An effective inventory management,
- A product portfolio targeting needs of various segments
- A wide spread distribution
- An efficient utilization of social media
- Developments in “Away from Home” market
- Continuing marketing investment.

Ownership & Participation Structure

Share Performance

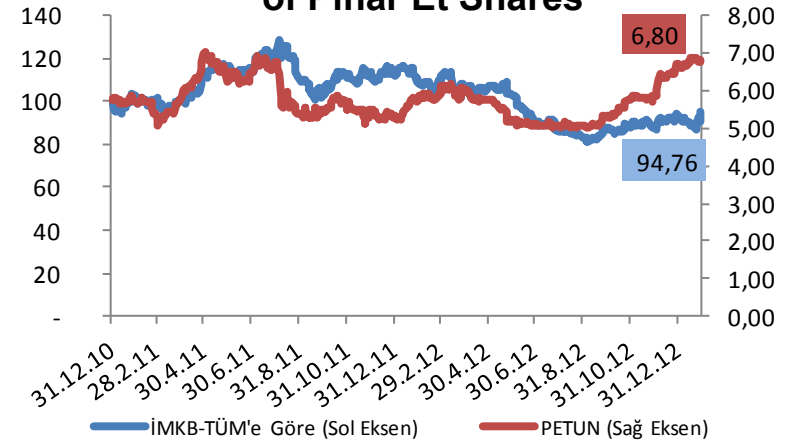


Shareholder Structure



Share Performance

Relative and Absolute Performance of Pınar Et Shares



31.12.2010 = 100

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



daha iyi bir yaşam için

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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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