

PINAR ENTEGRE ET VE UN SAN. A.Ş.

Earnings Presentation, 2014 9M



sağlıklı, güvenilir,
lezzetli
et ve et ürünleri



Highlights



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

Product Portfolio

- One of the top ten most admired companies in Turkey*
- Among Turkey's Superbrands**
- One of the top ten most reputable brands ***
- Altın Effie (Campaign of easy-open)

Brand Equity

- Hygienic production according to EU norms
- Technological and industrial knowledge

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 largest 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

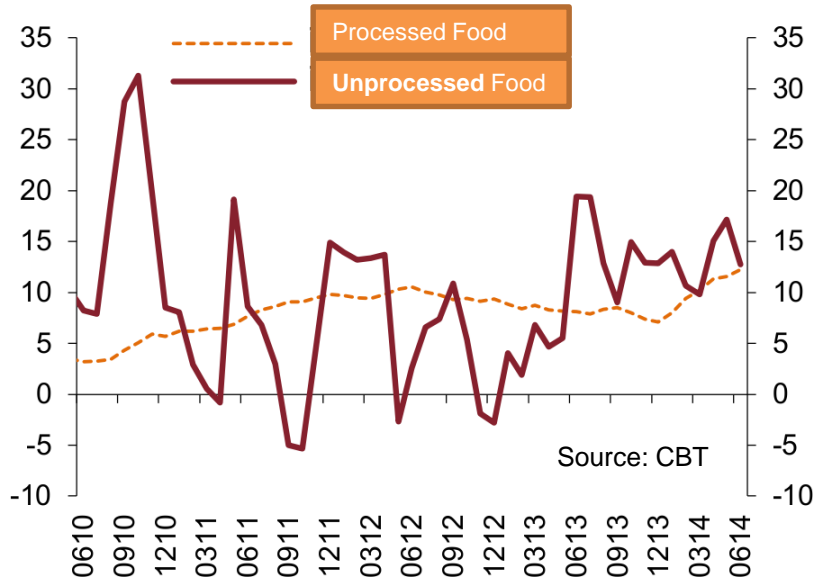
- Purchase operations spread out to 6 territories
- Strong relations with farmers
- Contractual stock farming

Supply

Market Dynamics



Price of Food Products

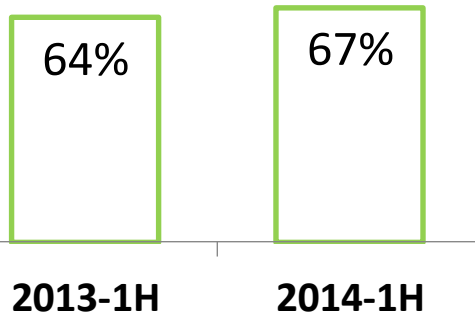


Carcass Meat Average Prices (TL)

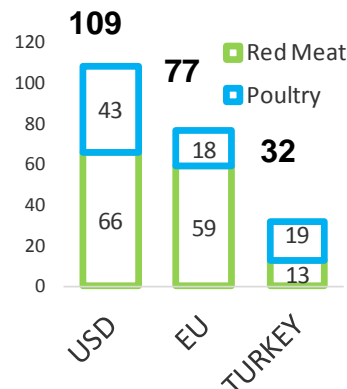
- As of 2013, the average price according to Ankara Commodity Exchange was 15.43 TL/ kg. For the eight months of 2014, the average price was 17.53 TL/ kg. In August 2014 price was 19.15 TL / kg.

- The total meat production in Q2-2014 increased by 18.1% QoQ and by 2.6% YoY (218,432 tons) (TUIK).
- The total delicatessen market has amounted to 51,000 tons, or 1.1 billion TL in 9M 2014. Meanwhile for the same time period the frozen products was 8,305 tons, or 15 million TL. (Nielsen)

Packaged Delicatessen Share



Meat consumption per person



Ahead of Competition - I



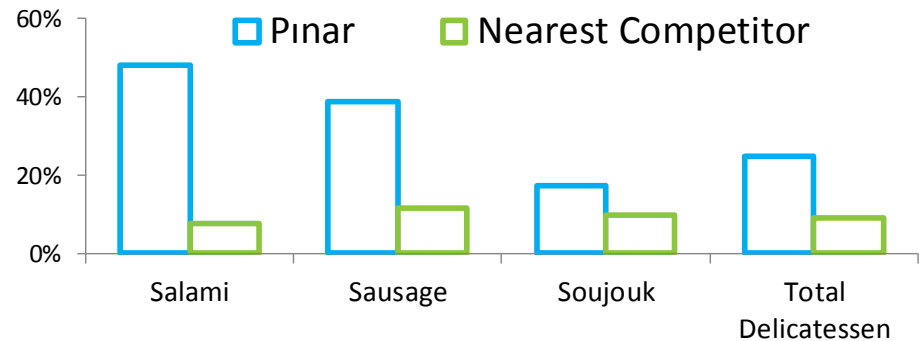
Products	Share	Position
Salami	48.0%	Leader
Sausage	38.9%	Leader
Soujouk	17.1%	Leader
Total Delicatessen	24.9%	Leader

Source: Nielsen, 2014-9M, Value Share

- The total delicatessen market has narrowed by 5.2% in terms of volume and grown by 10.2% in terms of value in 9M 2014. (Nielsen)

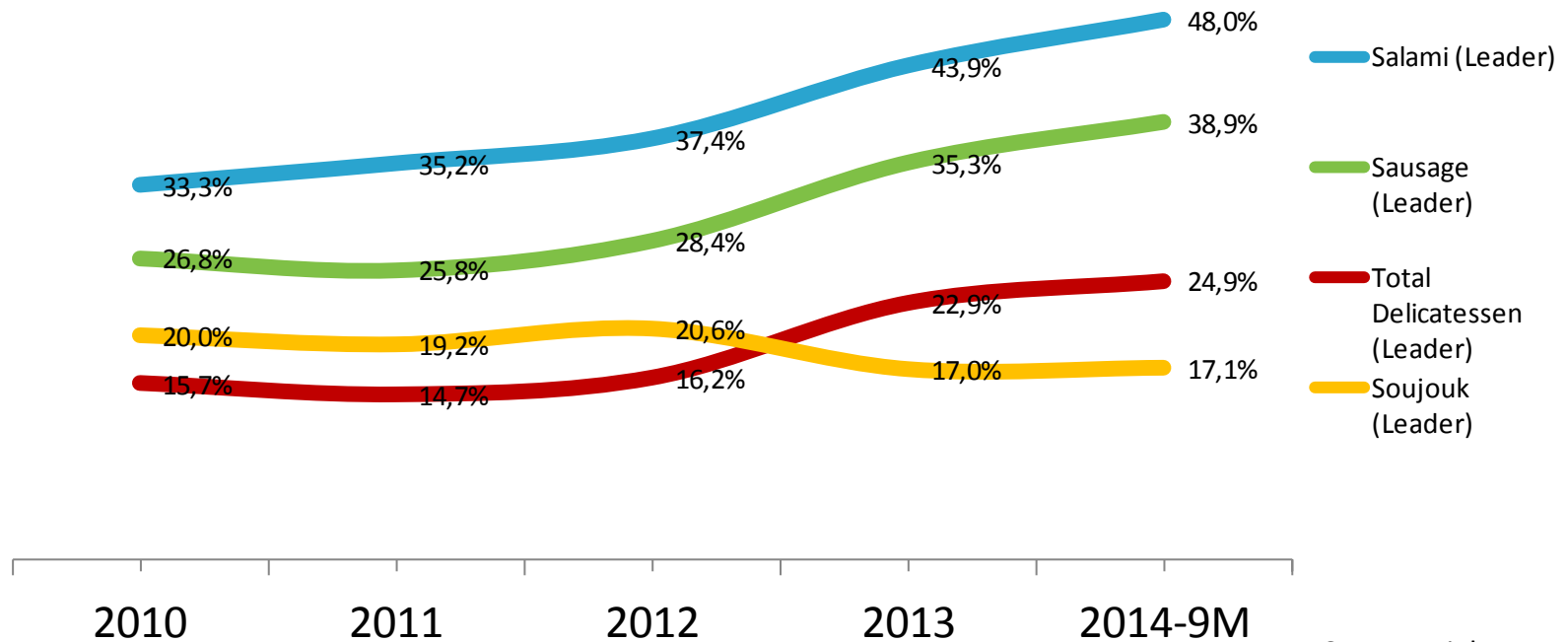
- Pinar Et has increased its market share in delicatessen market and has maintained its leadership with 24.9% market share in 9M 2014. (close to three times the competitors) (2013: 22.9%; H1 2014: 24.3%) (Nielsen)
- As the leading and pioneer brand, Pinar Et brings different flavors, innovative packaging and new concepts to support growth in the category.

Comparison of market shares



Source: Nielsen, 2014-9M, Value Share

Ahead of Competition - II



Source: Nielsen – Value Share



Pınar Et increased its market shares of all processed meat segments in 2014 9M.

New Products & Product Differentiations



Pinar Gourmet Delicatessen Products



January 2014

Pinar Barbeque Soudjouk



May 2014

New Products & Product Differentiations



Hindi Turkey Doner
Kebab



Hindi Nugget



Pinar Seabass & SeaBream



Pınar Açbitir Salami



Altın Effie Awards (campaign easy-open)



Pınar Gourmet Soudjouk

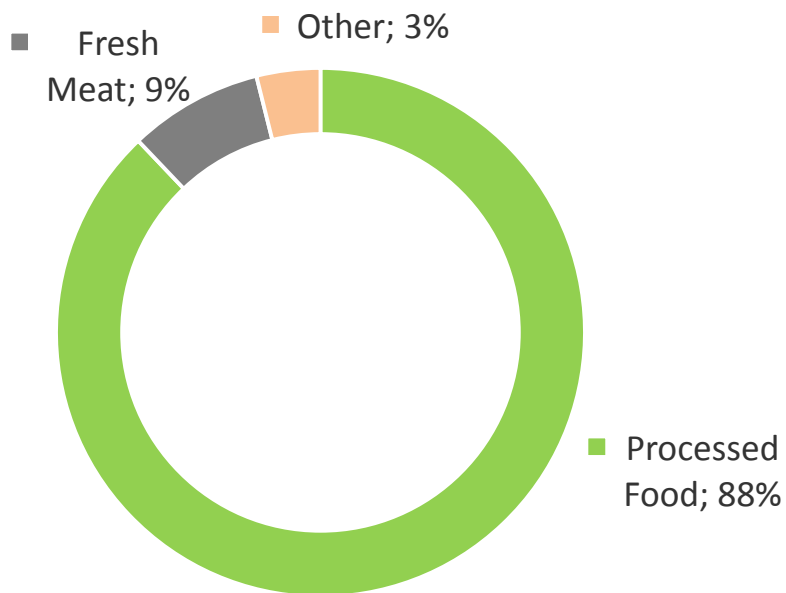


Pınar Barbeque Soudjouk

Product Groups & Sales Channels

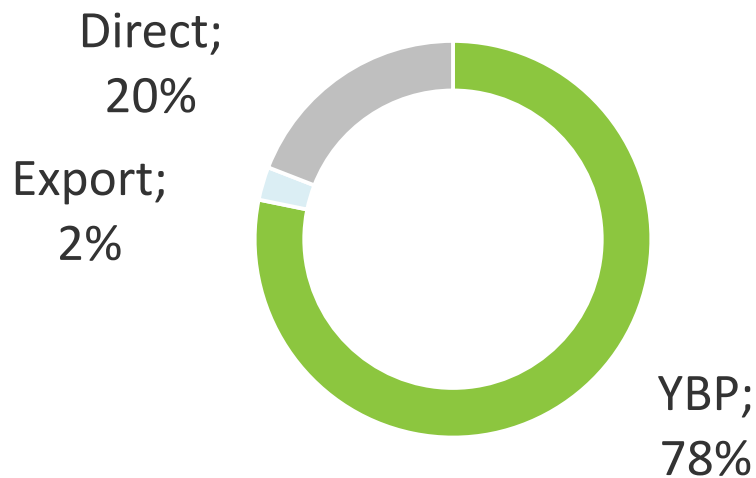


Breakdown of Net Sales (2014-9M)



■ Continued to focus on high value added products.

Breakdown of Distribution Channels (2014-9M)



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Financial Results

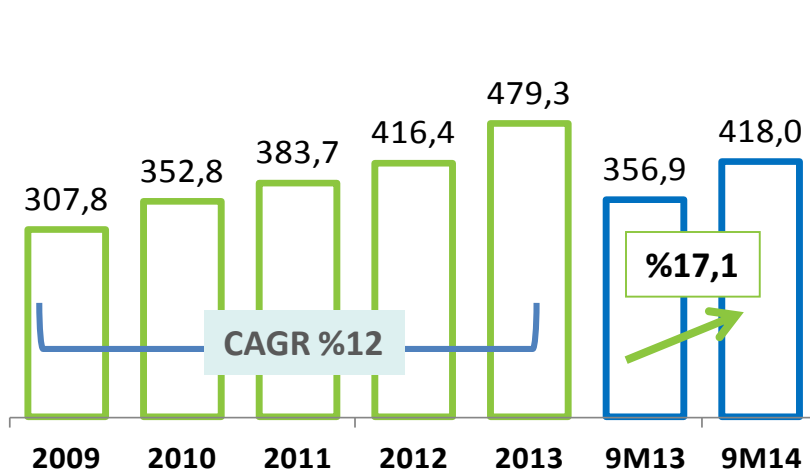


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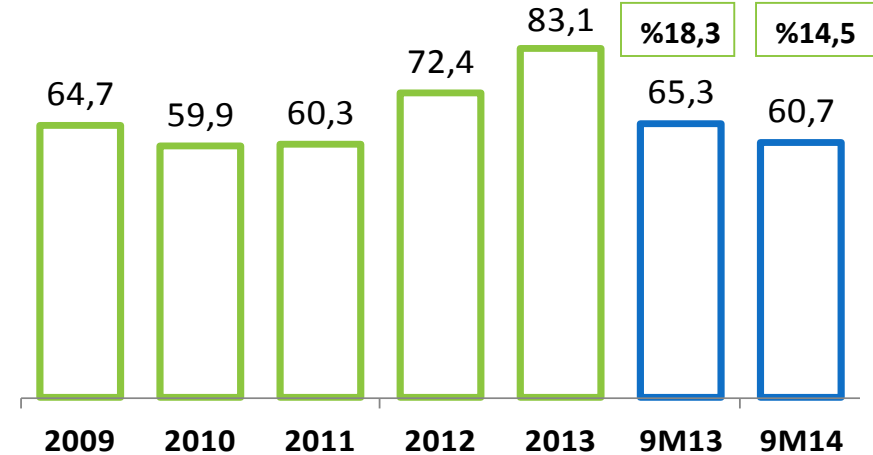
Sales and profitability



Net Sales (Mn TL)

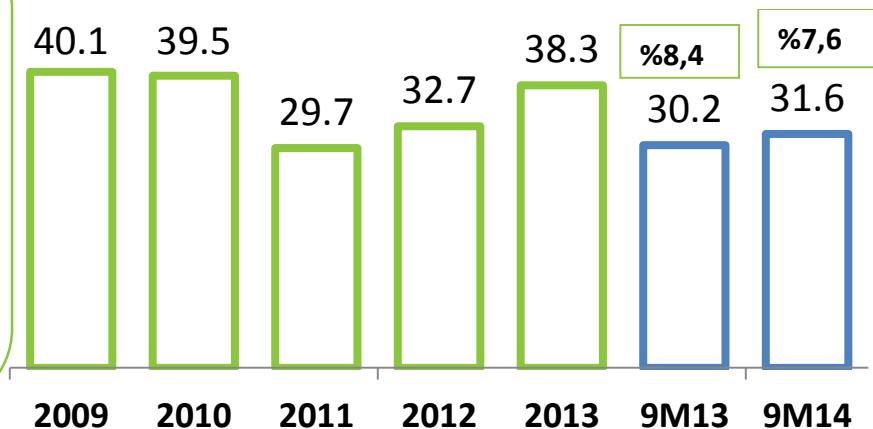


Gross Profit (Mn TL)



- In the first nine months of 2014, net sales grew by 17.1%, (YoY). This growth was achieved due to product mix changes and volume increase (+ 4%). The product prices are upwards in sector.
- In 2014 9M, although the increasing raw material prices could not be reflected into the ending prices in the same proportion, the company could have balanced this partially with the improvement of operational and financial expenses and the increase in the income from the associations.

Net Profit (Mn TL)



Income Statement

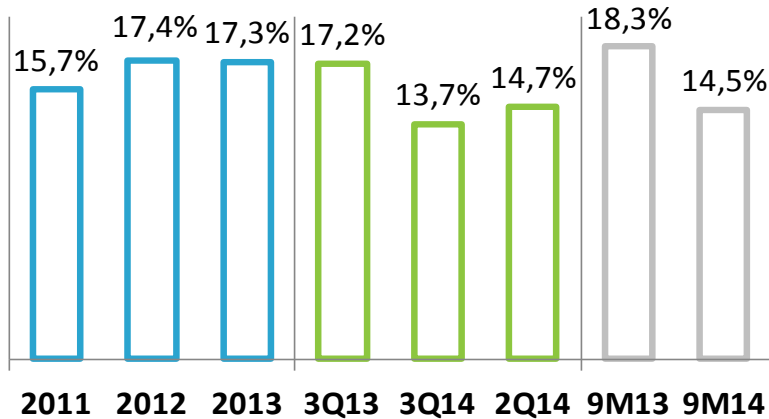


(in million TL)	30-Sep-14	30-Sep-13	Difference	% Change
Net Sales	418.0	356.9	61.1	17.1
Cost of goods Sold	(357.3)	(291.7)	(65.6)	22.5
Gross Profit	60.7	65.3	(4.5)	(7.0)
R&D Expenses	(1.0)	(0.9)	(0.2)	18.1
Sales, Distribution and Marketing Expenses	(19.7)	(20.9)	1.2	(5.8)
General Administration Expenses	(14.0)	(11.9)	(2.1)	17.9
EBIT	26.0	31.6	(5.6)	(17.7)
Share of Results of Investments in Associates	7.4	2.1	5.4	256.0
Other Income	2.6	3.8	(1.2)	(30.7)
Other Expenses	(1.2)	(0.6)	(0.6)	86.3
Financial Income (Net)	1.2	0.3	0.9	312.7
Profit Before tax	36.0	37.1	(1.1)	(2.9)
Tax	(4.4)	(7.0)	2.6	(37.0)
Net Profit for the Period	31.6	30.2	1.5	4.9
EBITDA	35.2	39.2	(4.1)	(10.3)
Total Assets	456.7	436.1	20.6	4.7
Equity	331.7	323.8	7.9	2.4

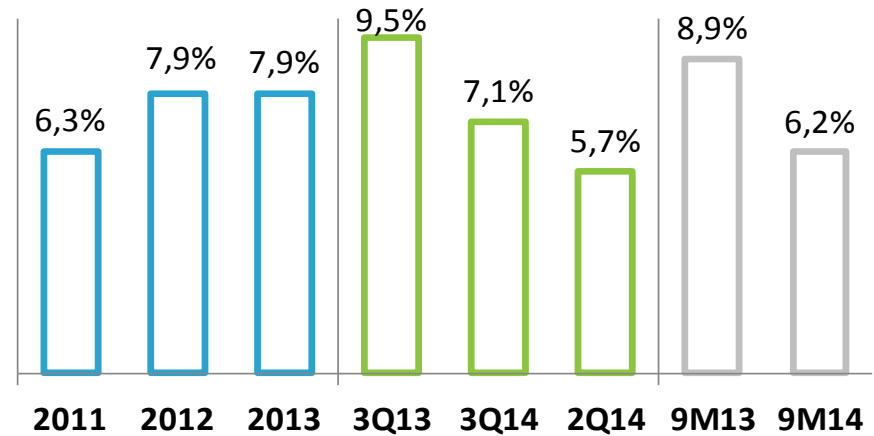
Profit Margins



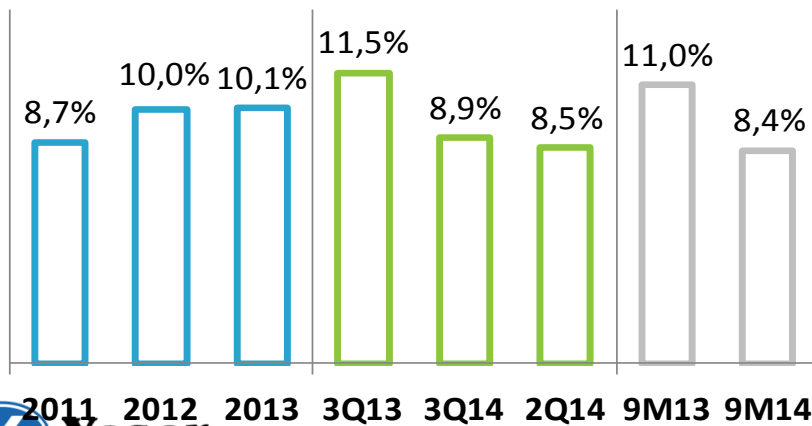
Gross Margin (%)



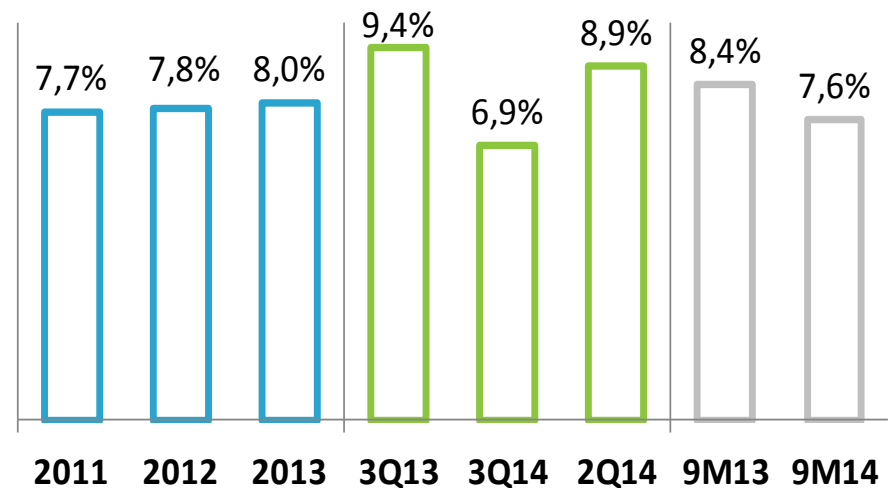
EBIT Margin *(%)



EBITDA Margin **(%)



Net Profit Margin (%)



Basic Ratios, Borrowings and Working Capital



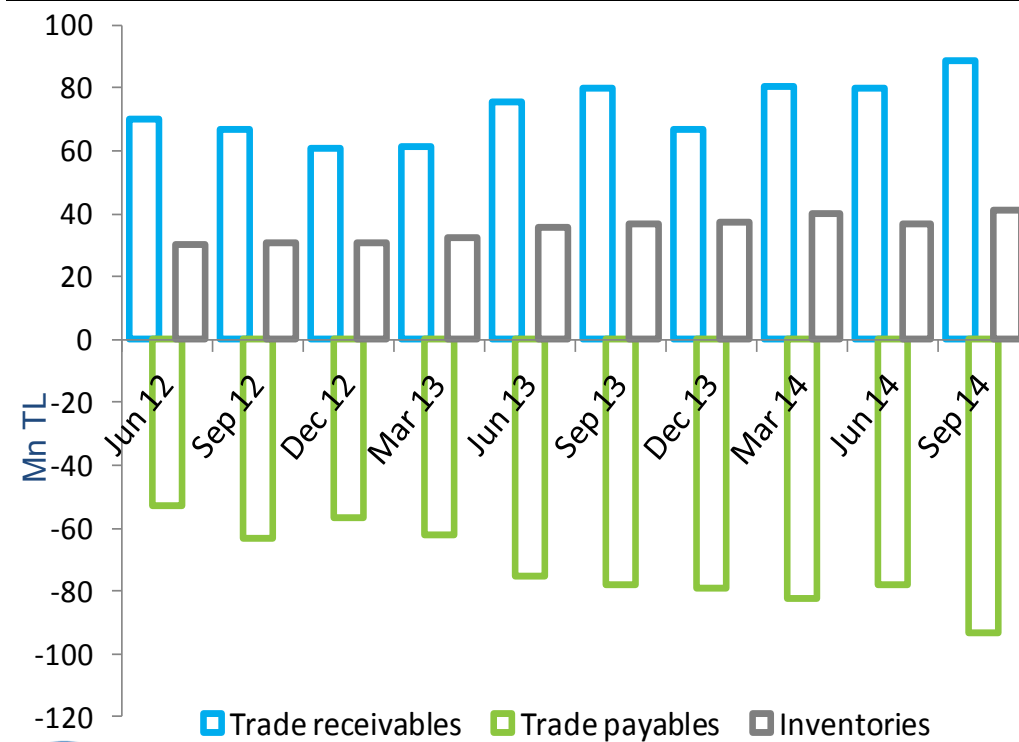
September 30, 2014 December 31, 2013

	September 30, 2014	December 31, 2013
Current Ratio	1.45	1.70
Leverage Ratio	0.27	0.25
Current Borrowings/Total Borrowings	1.00	1.00
Net Borrowings / EBITDA	-	-
Total Borrowings/Paid-in Capital	0.003	0.002

(in Million TL)

September 30, 2014 December 31, 2013

	September 30, 2014	December 31, 2013
Cash and Cash Equivalents	8.98	13.78
Current Borrowings	1.16	0.80
Long Term Borrowings	0.0	0.0
Net Borrowings	(7.8)	(13.0)



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

Overview of 2014 9M



- Pinar Et has grown by 17.1% in the first nine months of 2014 when compared to the same period in previous year despite the current raw material price increases.
- The industry is closely watching the effects of acquisitions.
- There continues to be an upward trend on raw material prices which began towards year-end 2013 and has continued throughout 2014 (YTD).
- 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.

- 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
- On the growth segments of the market in providing strategic priority

Ownership & Participation Structure

Share Performance



Shareholder Structure

Yaşar Holding A.Ş.
Pınar Süt
Halka Açık

Share in Capital

54%

13%

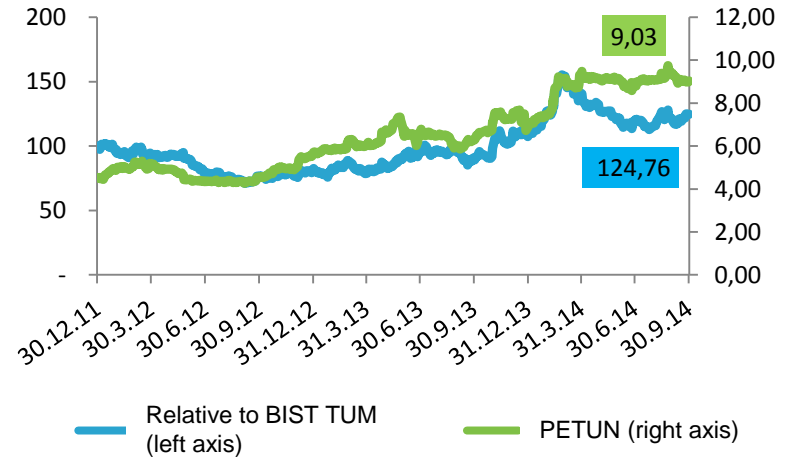
33%

Associates

	Share in Capital
Yasar Birleşik Pazarlama A.Ş.	38.0%
Bintur Catering A.Ş.	1.3%
Desa Enerji A.Ş.	26.4%
Camlı Yem A.Ş.	23.4%
Yaşar Dış Ticaret A.Ş.	1.8%
Pınar Foods GmbH	44.9%

Stock Performance

Relative and Absolute Performance of Pınar Et Shares



Corporate Governance Rating: 9,11

Ticker Symbol: PETUN

Date of Listing at BIST: 03.02.1986

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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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