

Chairperson's Message



İdil Yiğitbaşı
Chairperson of the Board of Directors

we are focused
on growth and on
strengthening our
leadership

Ever since it was originally established in 1975 as the most innovative enterprise in Turkey's dairy industry, Pınar Süt has made huge contributions not just to our country's livestock and food production but also to the health and wellbeing of its people.

Keeping a close watch on worldwide developments and trends in its sector, Pınar Süt makes the most beloved flavors and the most healthful products. It carries out its operations in modern production facilities that employ the most advanced technology under the safest conditions and it supplies its products in the most modern forms of packaging available today.

For 36 years Pınar's wholesome, superior, nourishing, delicious, and natural products have made it an indispensable part of people's lives. According to a survey conducted every year by the independent research firm of Nielsen, Pınar Süt ranks first (with a rating of 30.5%) as the "Most Recognizable Brand" in the "Milk" category.

Our market position remained strong in 2010 as well.

In 2010 our company once again maintained its leadership in all of its main product groups while also significantly increasing both its sales tonnages and its sales revenues.

Last year Pınar Süt registered a 20% rise in its total sales, which reached TL 577.1 million in value. Our company ships goods to 29 countries and in 2010 it booked export sales amounting to USD 29 million in value. Our total assets last year were worth TL 532.6 million while our net profit reached TL 60.1 million.

Due to the effects of our strong brand, our technical experience, and our extensive distribution network, we maintained our profitability in 2010.

Many of our products are the leaders of their market.

According to Nielsen market research reports in 2010, Pınar Süt maintained its leadership in the UHT milk and the light milk business lines with total turnover shares of 27% and 59% respectively. In the enriched children's milk category, Pınar is the unchallenged leader with a 50% market share.

Pınar Süt drives and dominates the market with its expertise in spreadable cheeses and is the leader of that segment with a 39% market share. The company's products in the fresh cheese category command market turnover shares of 78% ("Pınar Beyaz"), 53% ("Pınar Labne"), and 17% ("Pınar Krem Peynir").

We only work with dairy farms that commit to Pınar Süt's approach to quality.

Pınar Süt operates out of plants located in İzmir and Eskişehir. Supplying consumers with milk and dairy products that are EU-standard compliant and produced with the most modern technology, Pınar Süt obtains its superior-quality raw

milk through an extensive milk procurement network from more than 200 contractual dairy farms and more than 21,000 producers. From the moment that it is harvested, raw milk is registered by means of a computerized system that keeps regular track of herd and animal health data throughout all production stages.

To ensure freshness and quality, Pınar Süt picks up its suppliers' raw milk twice a day (morning and evening) from more than 300 milk collection and chilling centers. This milk is taken immediately to the company's processing plants.

We offer products specially designed to meet consumers' needs at different stages of their lives.

As food consumption habits change, so too do consumers' expectations about what those foods should be and do. The most fundamental expectation however is that food should be of high quality and wholesome. In 2010 we introduced to the market a number of new products capable of better satisfying consumers' needs; we also made changes in our packaging lineup in order to better respond to new market trends.

We keep a close watch on developments in consumer preferences.

As a company with vision and a sense of responsibility, we have introduced many innovations to the Turkish market designed to appeal to the Turkish consumer. Pınar has always been a company whose innovations are imitated and taken as models by others.

Pınar Süt's production and trade cycles are based on the principle of offering the best-quality products to customers and consumers at exactly the right price. In addition, we also give great importance to logistics and timing and we are scrupulously mindful of responding to customer needs in the best possible way.

In order to ensure that they are capable of responding quickly and completely to consumer wishes, our sales and marketing policies are formulated according to the following essential considerations:

- Planning production effectively
- Developing new products
- Keeping sufficient stocks on hand
- Identifying fair price levels
- Determining appropriate payment terms.

We take a total quality approach in the conduct of every aspect of our business.

Pınar Süt has identified the following as its primary goals:

- Pursue growth together with producers and suppliers
- Be a global brand that consumers identify with
- Increase profitability and productivity through employees.

In the conduct of all of our production processes, we give priority to making efficient use of natural resources and to conserving energy. Since 1994 we have been carrying out all of our business processes under TS ISO 9001 Quality Management System certification, which we were the first member of the Turkish dairy industry to qualify for. We structure those processes in such a way as to continuously improve ourselves and to focus on our customers and consumers.

The superior-quality raw materials that we use in production are processed and transformed into final products in full compliance with the requirements of regulatory communiques and standards and with the rules of good hygiene and health. All of our products are subjected to detailed physical, chemical, organoleptic, and microbiological analyses before being sent out, under cold chain conditions wherever necessary, to be sold to consumers.

Pınar Süt's activities are also conducted subject to ISO 14001 Environmental Management System certification with the aims of increasing the effectiveness and of minimizing the environmental impact risks of its İzmir and Eskişehir plants.


We keep watch on the world's trends and developments as we ready ourselves for the future.

Pınar Süt is focused on increasing market share, on growing, and on strengthening its leadership through new ventures that it plans to take and new products that it plans to develop in national and international markets.

In the nearer term, our goals are to maintain our profitability and to pursue growth through correct strategies and appropriate activities with priority being given to investments in high added value products and in products for children.

We will continue our marketing investments while concentrating on managing our price structure effectively, on building up our portfolio with products appealing to consumers in different segments, and on expanding our distribution network. In all of these efforts, we will remain committed to defending our market leadership as we achieve above-market growth rates in all the segments in which we are active.

In closing, I extend my thanks to our valued customers and consumers for choosing to do business with us, to our employees whose creative ideas and dedicated efforts make it possible for us to maintain our leadership in the sector, and to our esteemed shareholders for their unstinted confidence.



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