PINAR SÜT MAMULLERİ SAN. A.Ş

2011 Earnings Presentation

Yaşar
for a better life

Pınar Süt Highlights

- Innovator and pioneer
- More than 200 SKUs
- R&D expertise

Product Portfolio

- #1 brand that comes to mind*
- Best brand in dairy **
- Most sincere milk brand ***
- Among top 4 brands Turkish consumers feel closest to****
- Best fruit juice brand *****
- One of the top ten most reputable brands ******

Brand

- Hygienic and EU standard production
- Technical Expertise and sectoral know-how

Production

- Healthy, pure and standardized products
- ISO 9001-2008
- ISO 14001
- ISO 22000 HACCP
- FSSC 22000

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

- Supply from more than 30000 producers
- Continuous quality control in each step
- Strong relations with farmers
- More than 200 contracted farms producing in EU standards
- Farms which are free of illness and approved
- Training and consultancy services

Supply

Yaşar for a better life

*** GFK 2011 ** Kalder (TMME Index) 2011 ***Mediacat&IPSOS 2011 ****Nielsen 2010 ***** Kalder (2011 TMME Index) ****** GFK&Repman 2012**

Market Dynamics

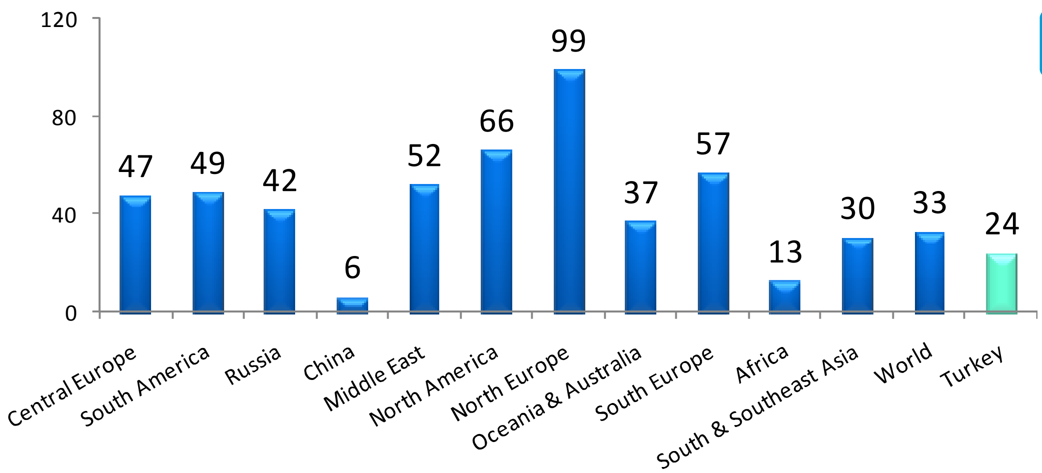
- ▶ Annual raw milk production is 714 million tons in the world; about 13 million tons in Turkey, Source:Tetrapak, National Milk Council
- ▶ Turkey is 15th in world's league,
- ▶ Growth is expected in the milk production/import of developing and growing countries.
- ▶ Global milk market reached to 269 billion litres by growing CAGR %2,2 during 2006-2010

Source:Tetrapak

IMPORTERS	
China	↑
Russia	↑
Southeast Asia, Mexico, MENA, India	↔
EXPORTERS	
Brazil	↑
Ukraine	↑
New Zealand	↓
European Union	↓
Australia, Argentina, Belarus	↔

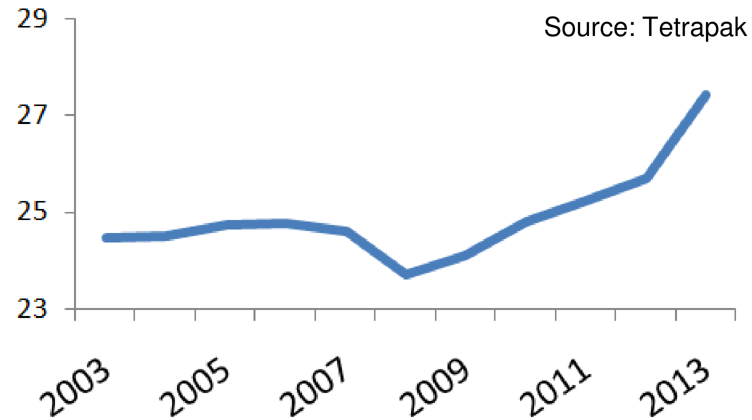
Source: Innovation Center For U.S. Dairy

Per Capita Milk Consumption (lt)



Source: Tetrapak

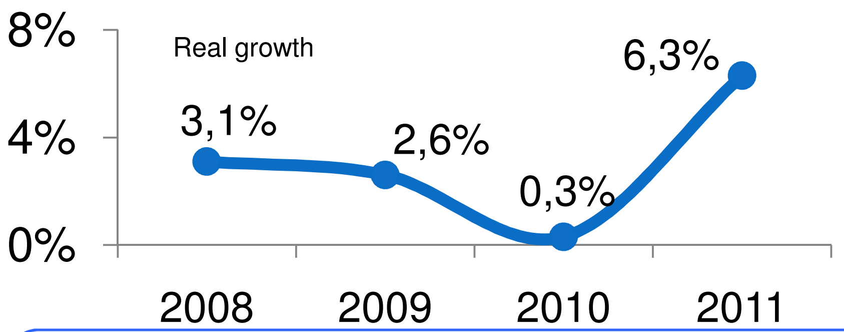
Per Capita Milk Consumption in Turkey (lt)



Source: Tetrapak

Market Dynamics - II

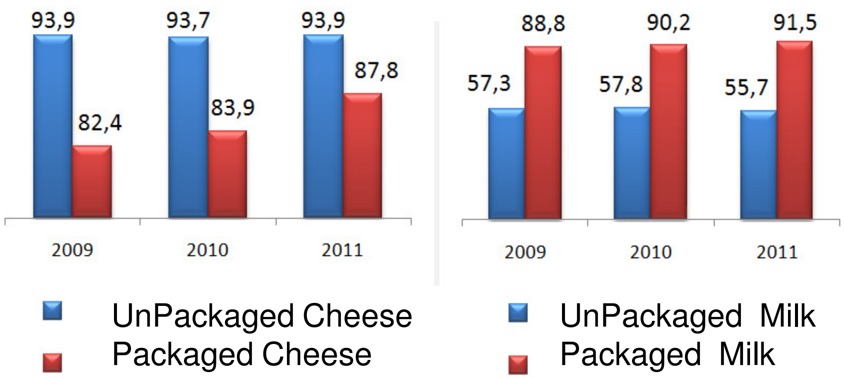
FMCG Value Growth (ex. tobacco)



▶ Food category which has increased its share within FMCG from %46 to %48 through a value growth in 2011

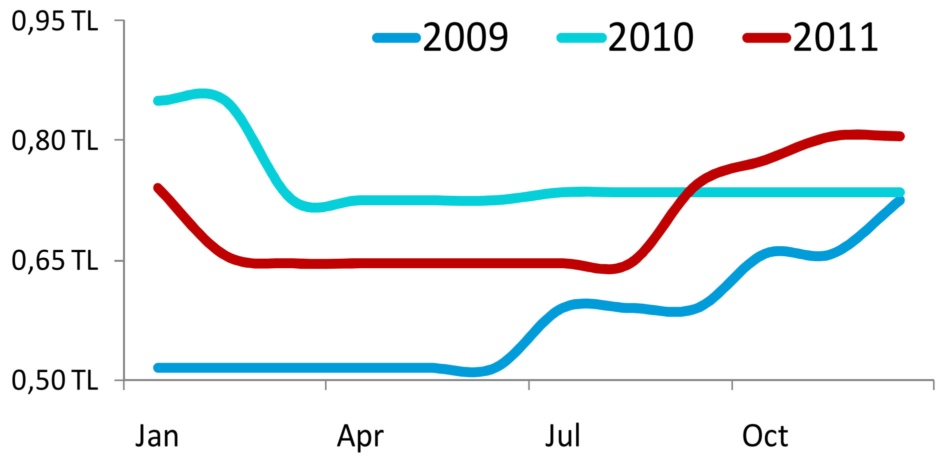
Source: Nielsen

Milk and Cheese Penetrations



Source: IPSOS

Raw Milk Base Price in Turkey (TL/lt)



Raw Milk Base Prices for Producers

▶Trend for packaged dairy goods,

▶Economic segment as the first step for those transferring from unpackaged to packaged dairy food,

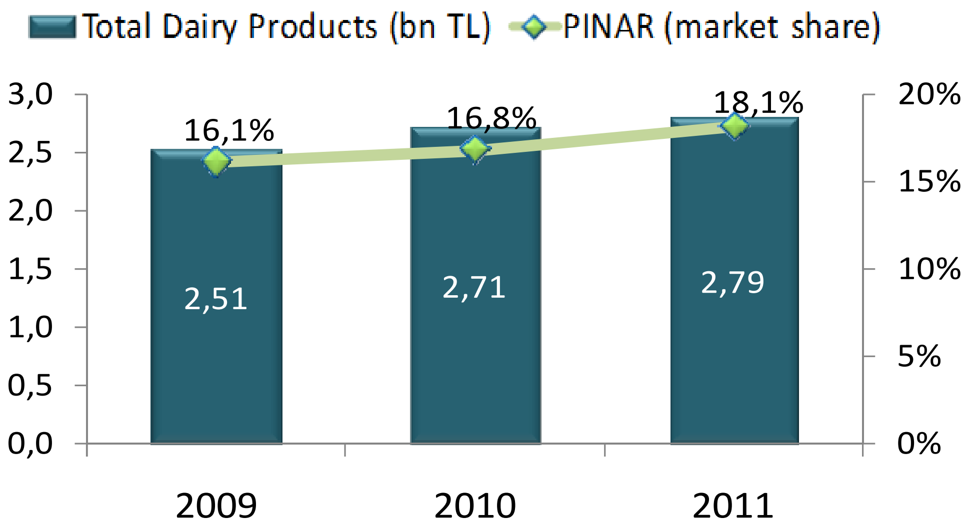
▶Trend towards value-added/organic/natural products,

▶Growth in "Away from Home" market,

▶Increased price competition in the market.

Ahead of competition

- There are national (e.g. Sutas, Ulker) and multinational (e.g. Nestle) competitors.



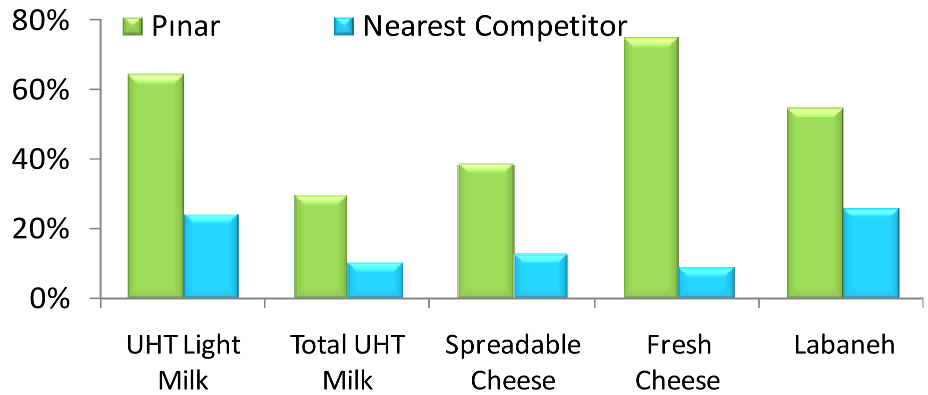
Source: Nielsen

Total dairy products are included milk, yoghurt, spreadable cheese, butter and ayran.

Source: Nielsen, 2011 - Value Share

Products	Market Share	Position
UHT Light Milk	**64%**	Leader
Total UHT Milk	**30%**	Leader
Organic Milk	**100%**	Leader
Enriched Milk (Kids)	**54%**	Leader
Butter	**17%**	Second
Homogenized Yoghurt	**11%**	Third
Spreadable Cheese	**39%**	Leader
Fresh Cheese	**75%**	Leader
Labaneh	**55%**	Leader
Cream Cheese	**18%**	Leader

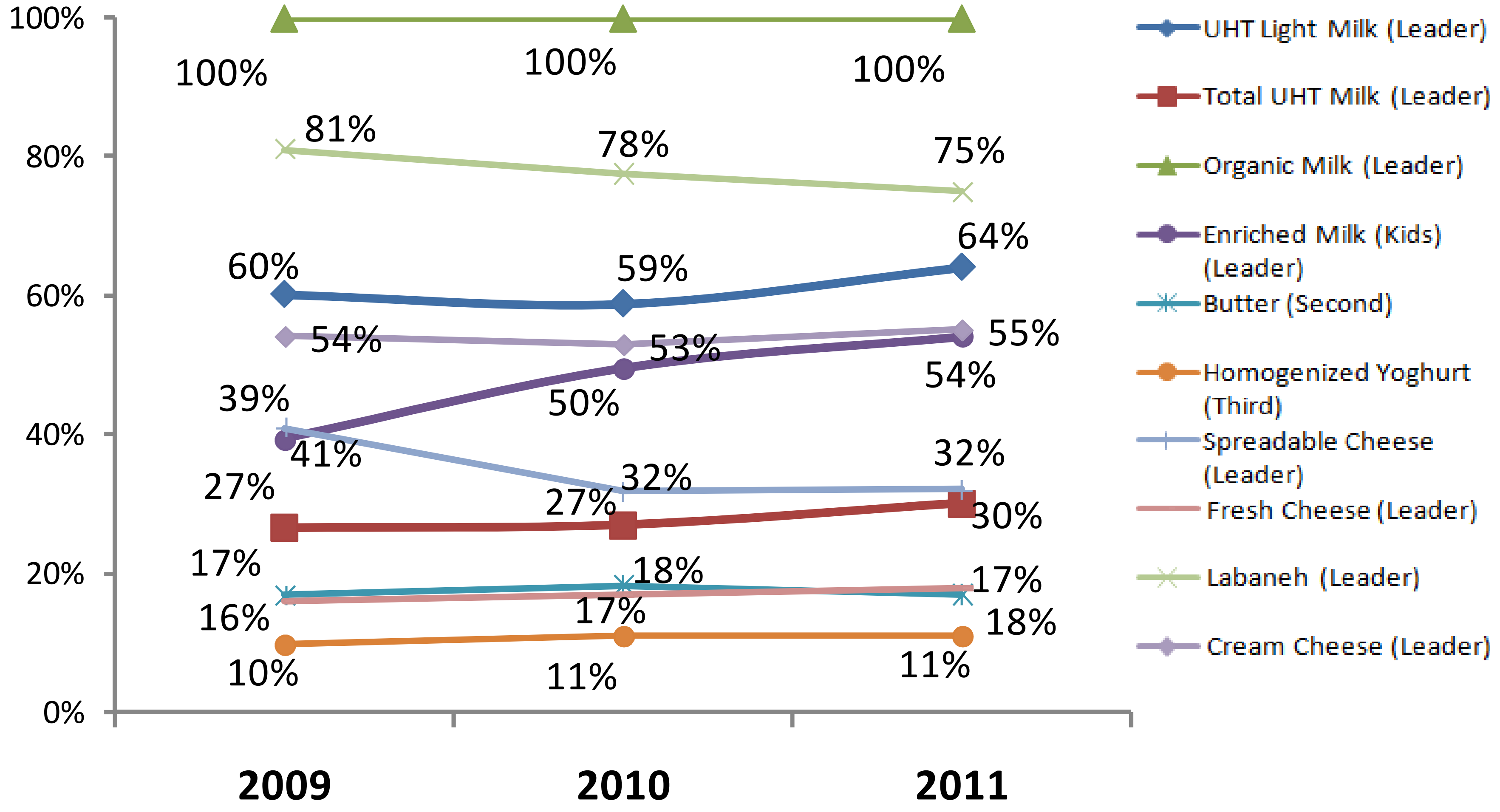
- Measurable dairy market has grown by 3,1% in 2011, compared to 2010. (Nielsen)
- In 2011 penetration of Pınar (milk and cheese) has increased to 57,2%. (2010: %54,8) (IPSOS)
- Our marketing activities continued in 2011.



Source: Nielsen, 2011 - Value Share

Yaşar
for a better life

Ahead of competition - II



Source: Nielsen - Value Share

New Launches & Product Differentiations

NEW TASTES

PRODUCT DIFFERENTIATIONS

NEW PACKAGE DESIGNS

CATEGORY CREATING PRODUCTS

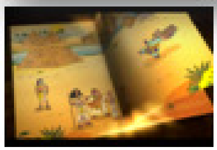
New tastes that respond to market tastes , reinforcing our expertise. New launches for different consumer segments. Multipackages and promotions providing convenience for consumers.

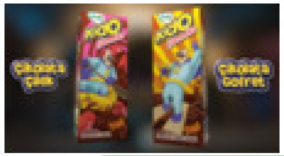
Marketing Campaigns

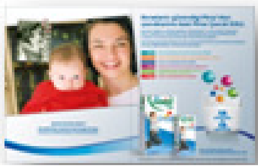
- Marketing campaigns have continued in profitable and strategic categories.

Major Campaigns in 2011:

- Pınar Kido
- Pınar Süt
- Pınar Çocuk Sütü
- Pınar Labne
- Pınar Yoğurt
- Ramadan ve Feast Campaigns

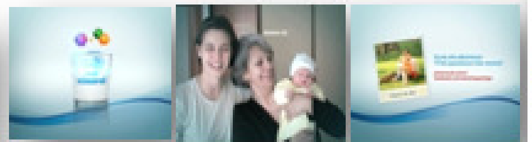






- Pınar Child Milk "Story of Three Generations" has invited consumers to the campaign via renewed web site and new Facebook applications, starting from 31 Jan 2011. Two new consumer movies have been produced at the end of the campaign and broadcasted for two weeks. Pınar Kids "Diary of Mom" has attained a fan number of 12.089.
- "Secrets of Light Life" page starting in July 2011, has reached to a fan number of 15.040.
- "Balanced Life" page starting in February 2012 has reached a fan number of 4.700.
- www.kido.com.tr web site was visited by 121.269 people in one month.
- Our new packages for Gurme Cheese were awarded prices.
- Pınar Beyaz advertisement movies awarded Kristal Elma award.
- Pınar Süt was selected as the "Most Sincere Milk Brand" by MediaCat *
- Ramadan and feast Campaigns were made for basic food categories (Yogurt, Butter, White Cheese, Kashkaval Cheese, Ayran)

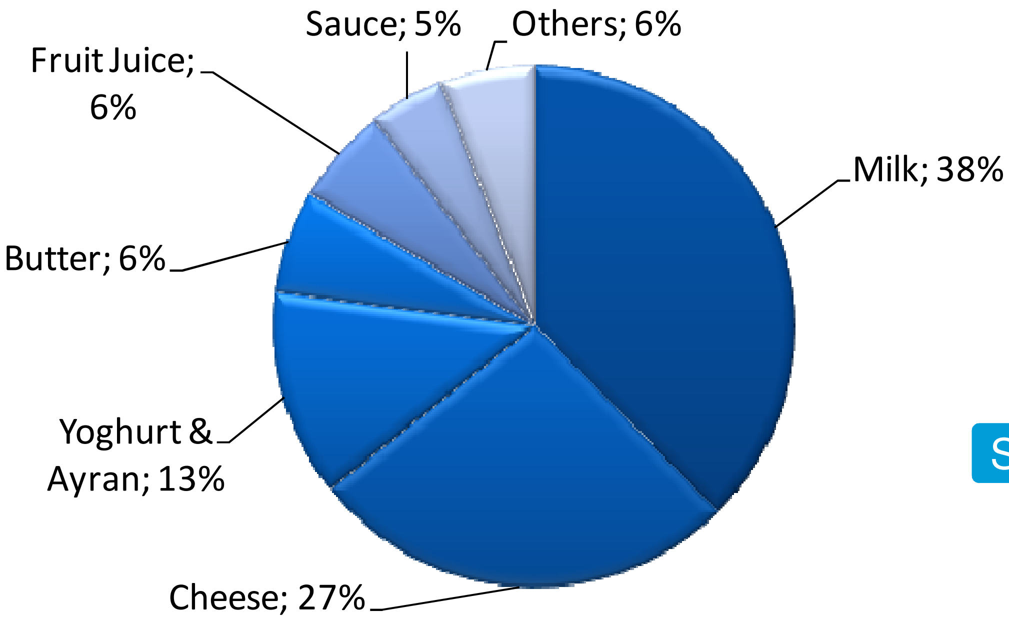
*IPSOS



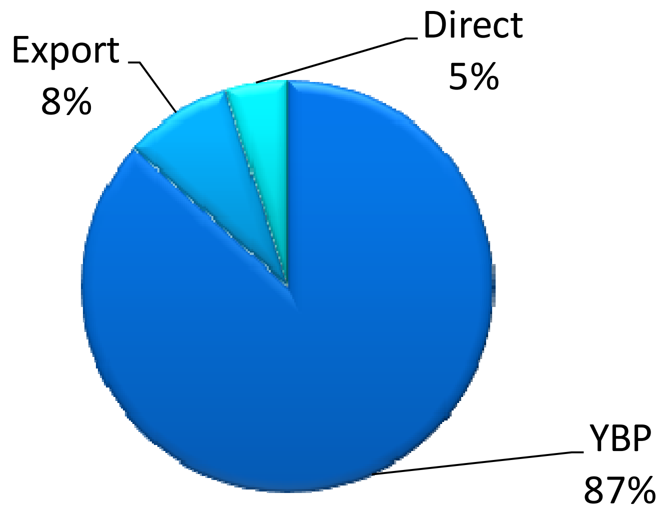
Product Groups & Sales Channels

Net Sales

Products Groups (2011)

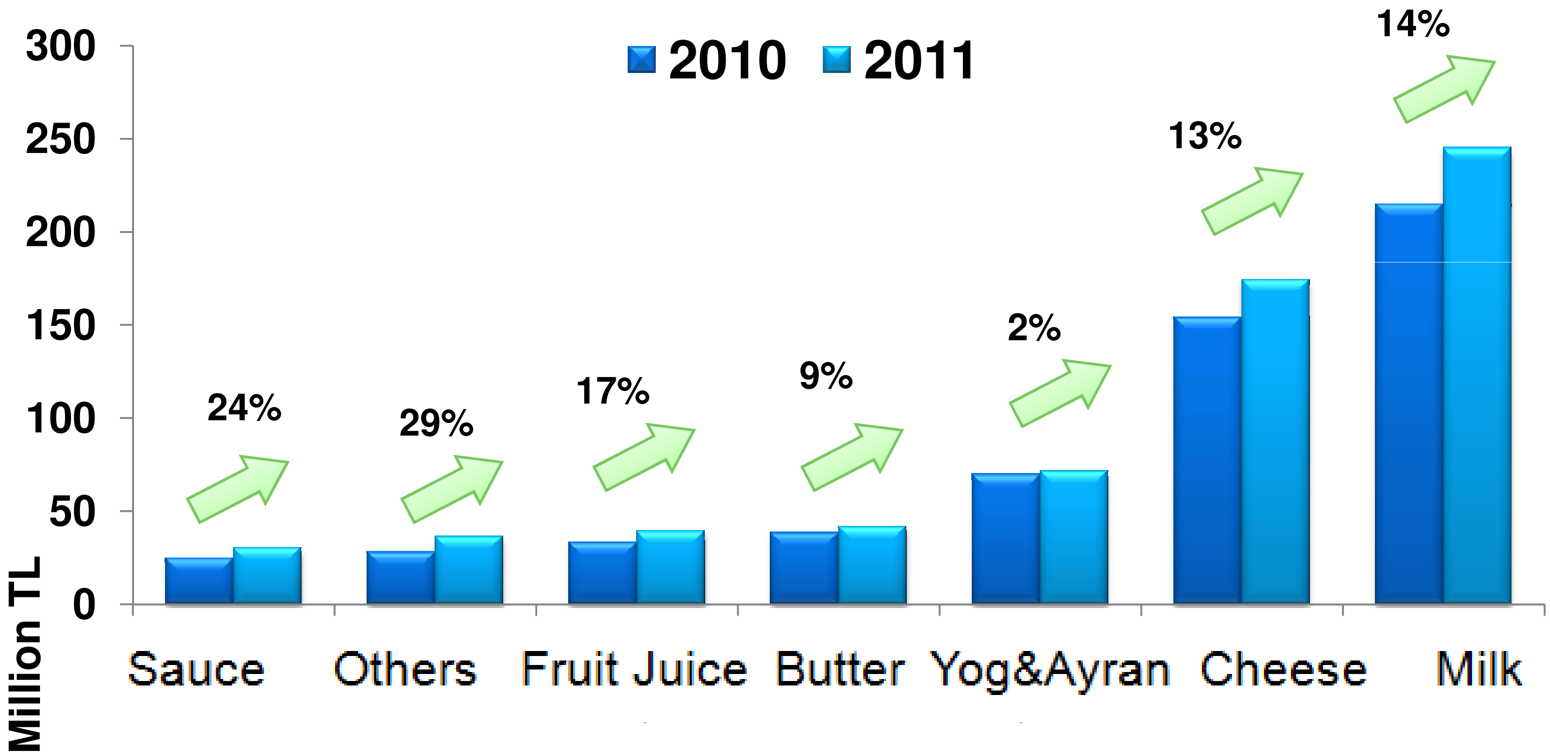


Sales Channels (2011)



Growth in Sales

Growth Rates of Product Groups



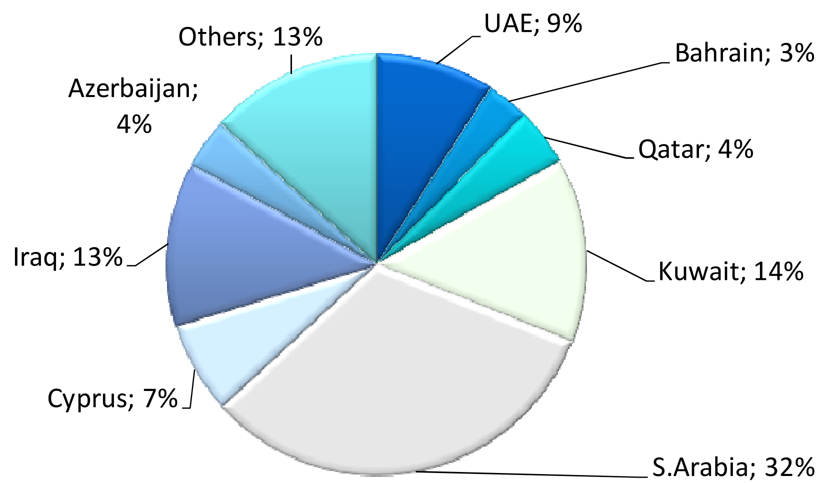
Net Sales has grown by 12,8% in 2011.

Yaşar
for a better life

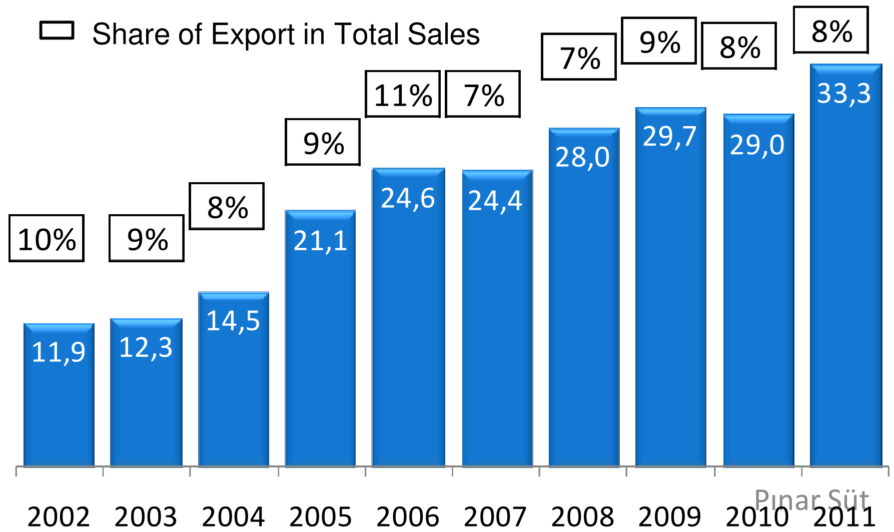
Export

- Pınar realizes 17% of Turkey's Dairy Products Exports bu itself
- Export to 29 countries from Middle East to Europe, from U.S.A. to Asia
- Market leader in Saudi Arabia and Kuwait with Packaged Labaneh Cheese with 45% market share
- Moreover, long-life milk, white cheese, Pınar Beyaz, whole cream, fruit juice, yoghurt and ayran is exported to Gulf countries.
- Export sales have tripled from 2002 to 2010
- As one of the most valuable Turkish brands, part of the TURQUALITY® project supported by the Turkish government..
    - Turquality® is the first and unique branding program in the world supported by Turkish Government in order to create competitive Turkish brands worldwide.
    - The vision of Turquality® is "Create 10 world brands in 10 years".

Foreign Sales by Countries (2011)



Foreign Sales by years (Million USD)



Yaşar for a better life

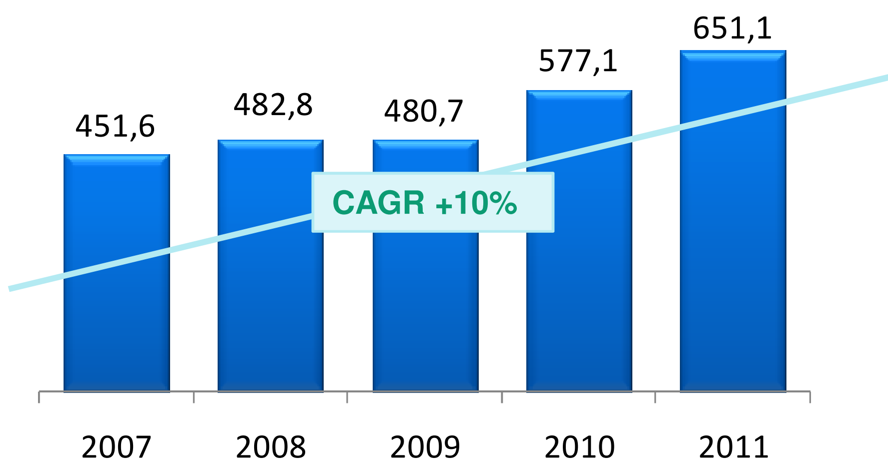
CORPORATE GOVERNANCE RATING

- Pınar Süt is assigned a rating score of 8.34 (%83.43), on 24 November 2011, over 10.0 by SAHA Corporate Governance Rating Company (SAHA A.Ş.) which is licensed by th Turkish Capial Markets Board of Turkey (CMB).
- Based on this report ,the company has been accepted to be one of the companies in ISE Corporate Governance Index.

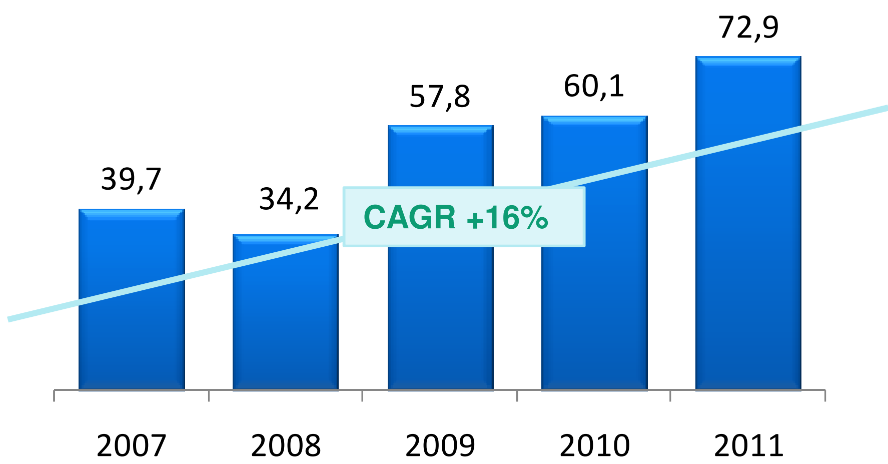
FINANCIAL RESULTS

Sales and Profitability

Net Sales (Mn TL)

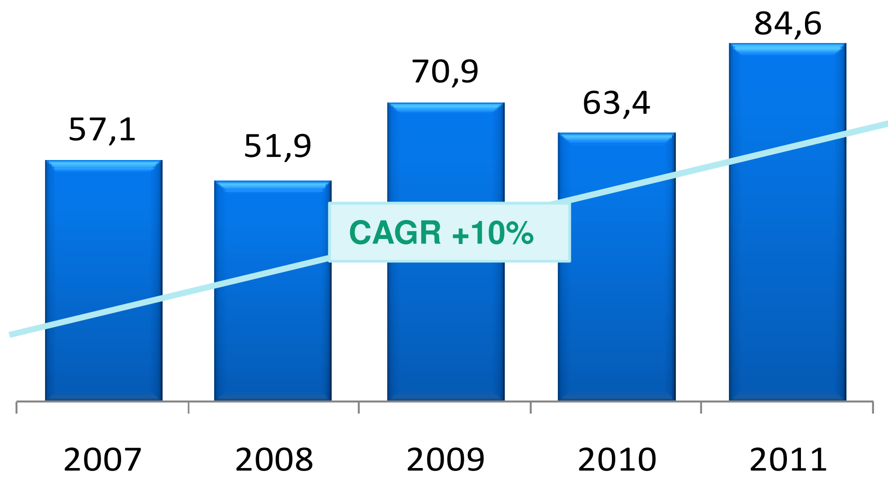


Net Profit (Mn TL)



- Our sales grew by %11, in volume terms, in 2011.
- In accordance with our strategies, we have focused on market investments and achieved growth in sales and market shares.
- The cost advantage that we gained from raw milk procurement in 1H11, effected positively our profit margins.
- Competition in the market is continuing.

EBITDA* (Mn TL)

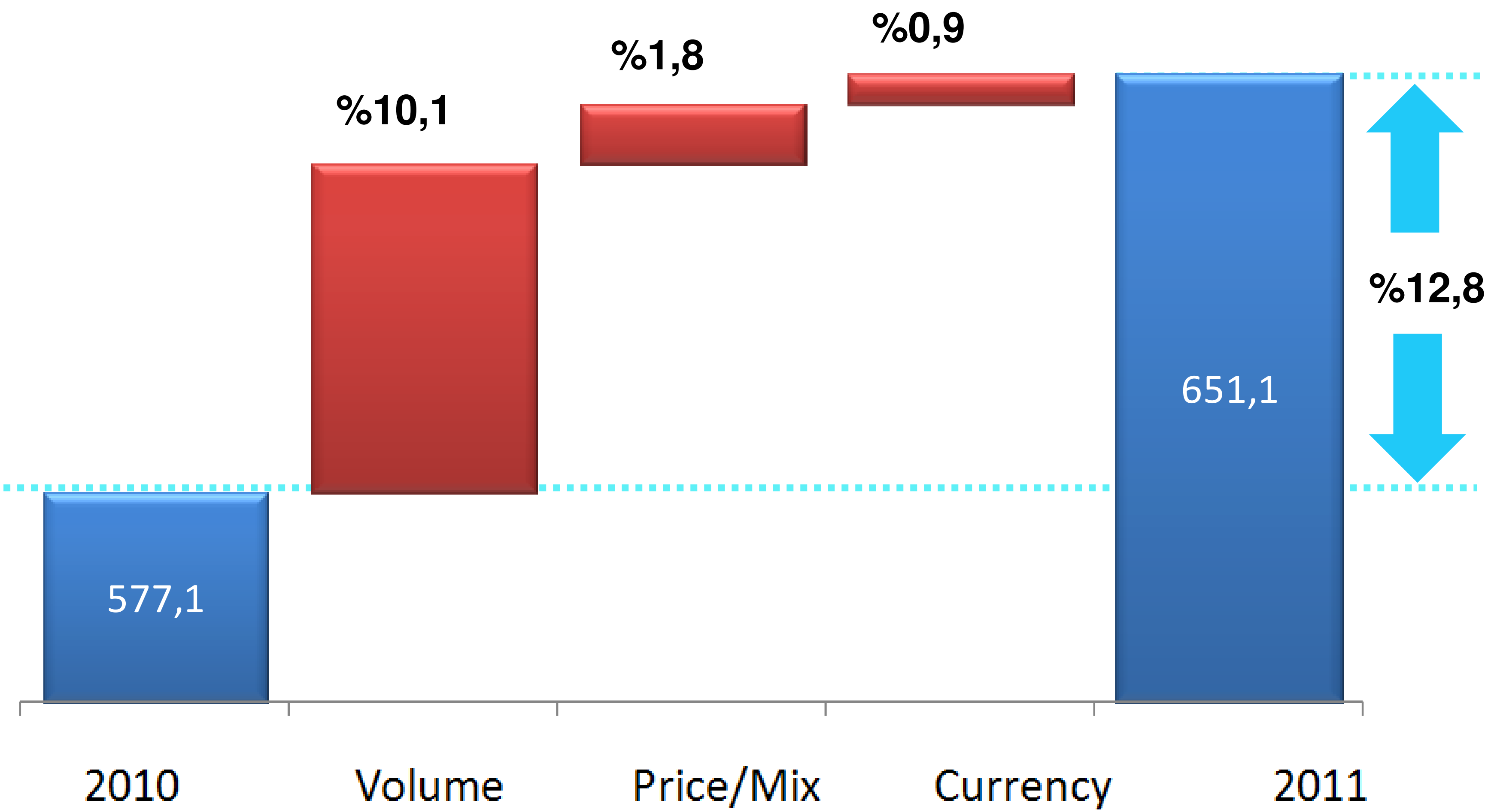


* Earnings before Interest, Tax, Depreciation, and Amortization

Income Statement

(Million TL)	31.12.2011	31.12.2010	Fark	% Değişim
Net Sales	**651,1**	**577,1**	**74,0**	**12,8**
Cost of goods Sold	(517,3)	(473,2)	(44,1)	9,3
Gross Profit	**133,8**	**103,8**	**30,0**	**28,8**
R&D Expenses	(5,6)	(4,7)	(0,9)	19,5
Sales, Distribution and Marketing E	(35,3)	(28,5)	(6,8)	23,8
General Administration Expenses	(24,5)	(22,4)	(2,1)	9,6
EBIT	**68,4**	**48,3**	**20,1**	**41,6**
Share of Results of Investments in Associates	7,4	12,7	(5,3)	(41,8)
Other Income	8,6	6,9	1,7	25,4
Other Expenses	(2,8)	(2,8)	0,1	(2,8)
Financial Income (Net)	1,7	6,4	(4,8)	(73,9)
Profit Before tax	**83,3**	**71,4**	**11,9**	**16,6**
Tax	(10,4)	(11,4)	1,0	(8,4)
Net Profit for the Period	**72,9**	**60,1**	**12,8**	**21,4**
EBITDA	84,6	63,4	21,2	33,5
Total Assets	**625,6**	**532,6**	**93,0**	**17,5**
Equity	439,0	384,8	54,2	14,1

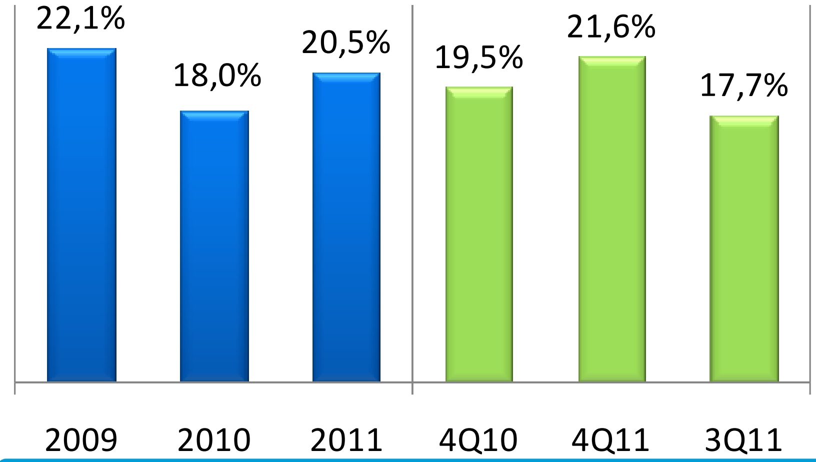
Growth Analysis



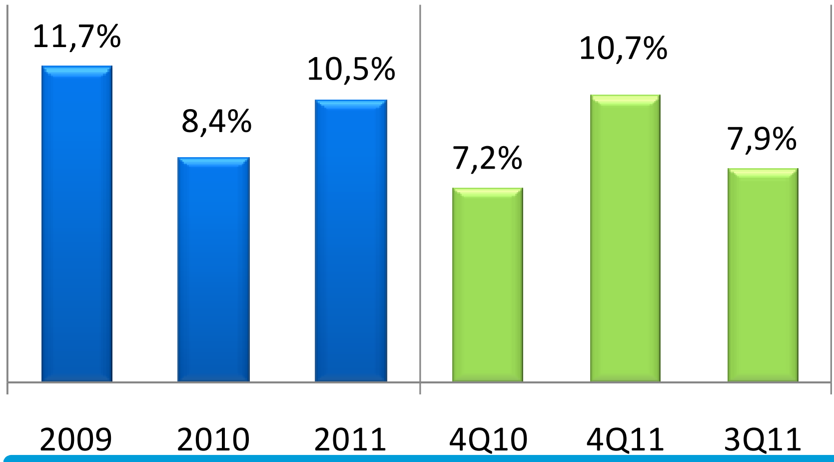
Net Sales – Million TL

Profit Margins

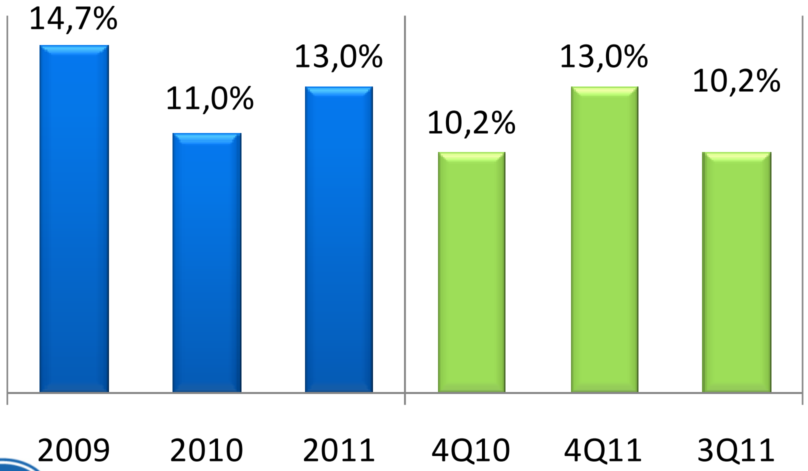
Gross Profit Margins(%)



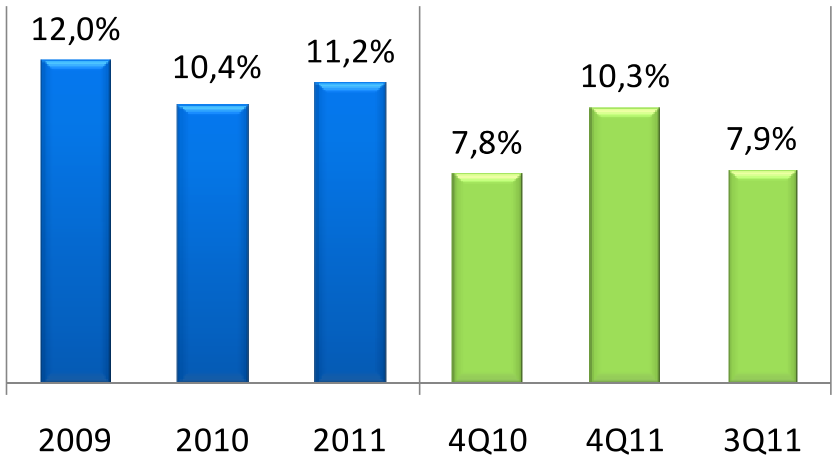
Operating Margins* (%)



EBITDA Margins ** (%)



Net Profit Margins (%)

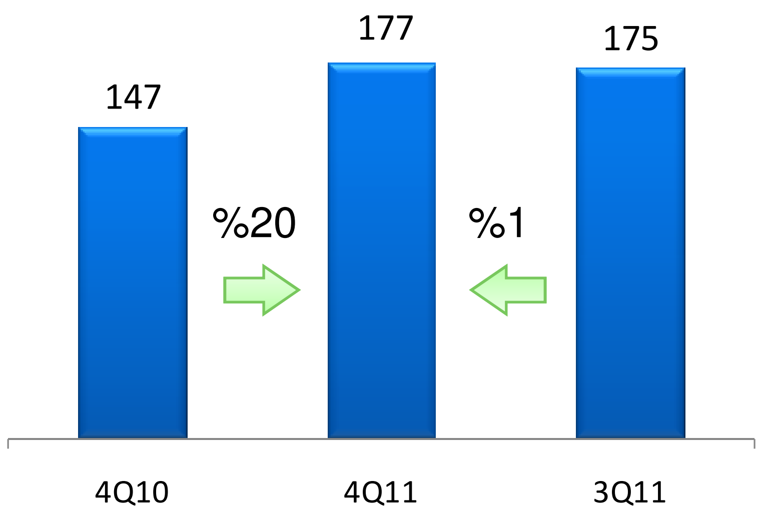


* Ex. Other income and expenditures

** Earnings before Interest, Tax, Depreciation, and Amortization

Quarterly Results

Net Sales (Mn TL)



▶Our net sales grew in 4Q11 compared to both 4Q10 by 20%.

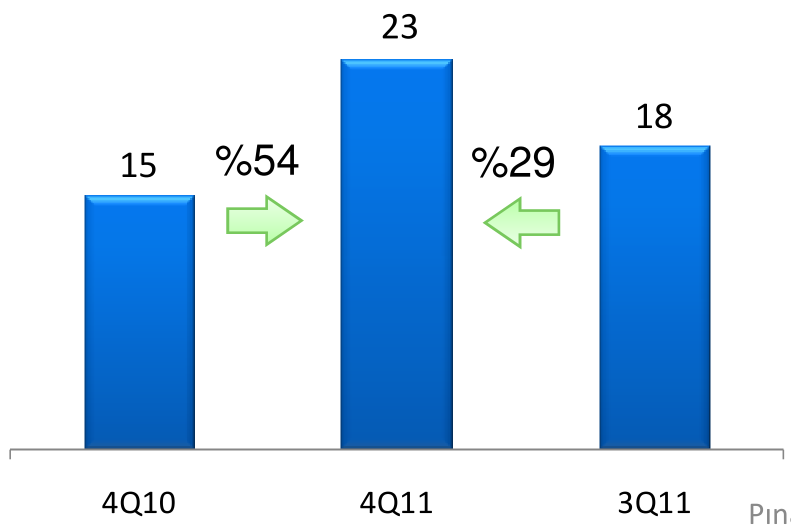
▶Ongoing selective price policy and lower raw milk prices made a positive effect on our profit margins in 2011.

▶Raw milk prices declined in 1Q11 and stayed at these levels in also 2Q11. The raw milk prices afterwards went up somewhat in second half of the year.

▶ Our EBITDA Margin grew by %54 in 2011, compared to that of 2010, since we have reflected raw milk price increase to our products and decreased operating expenses.

▶Following our strategy of growing beyond the market, our marketing investments have continued in 2011.

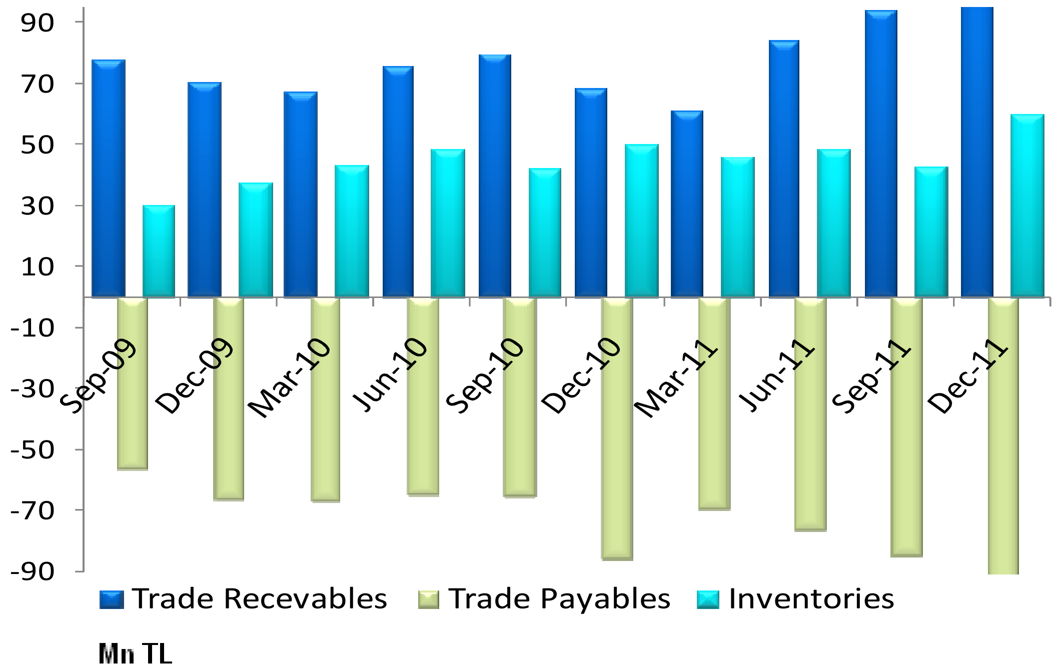
EBITDA* (Mn TL)



Basic Ratios, Net Financial Debt & Net Working Capital

	December 31, 2011	December 31, 2010
Current ratio	1,81	1,92
Leverage ratio	0,30	0,28
S/T Fin Debt/T. Fin Debt	0,58	0,13
Net Financial Debt/EBITDA	0,36	-
Total Fin Debt/Equity	0,08	0,04

(Million TL)	December 31, 2011	December 31, 2010
Cash & Cash Equivalents	4,99	17,21
S/T Bank Borrowings	20,45	1,93
L/T Bank Borrowings	15,07	13,03
Net Financal Debt	30,54	(2,3)



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

Overview of 2011

▶In 2011 , we have achieved a sales growth of 12,8% (2011 Target: %10-%12) and an EBITDA Margin of 13,0% (2011 Target: %11-%12), which are both beyond our announced targets.

▶Raw milk prices diminished in 1H2011 , however gone up somewhat in the second half.

▶ Low levels of raw milk prices in 2011 have affected positively our profit margins.

▶ Following our strategy of increasing our market shares we have focused on marketing investments and increased our market shares.

▶New products and new variations in packaging have been launched.

▶Cost savings, measures to decrease expenses and projects improving efficiency in production have continued. (OMI-Lean Six Sigma Projects)

Strategies and Targets

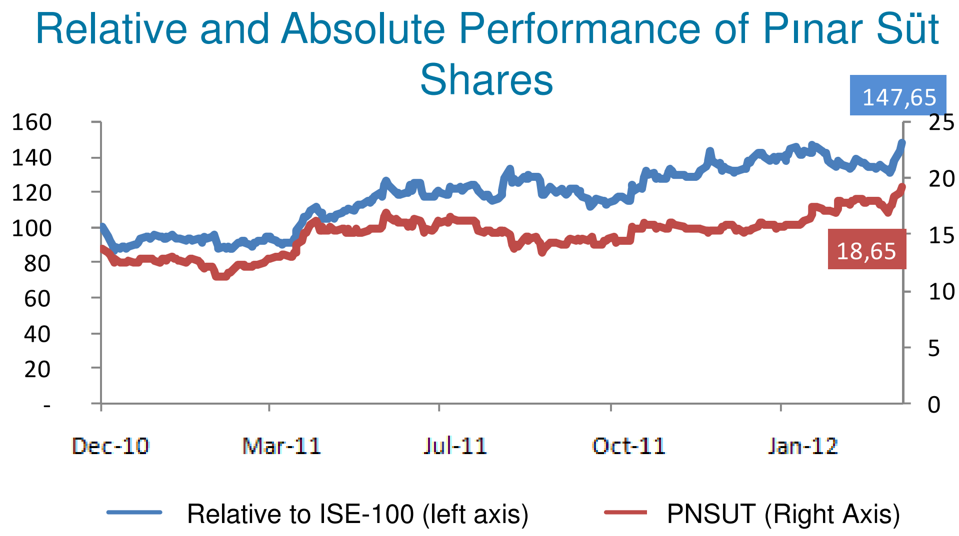
Growing above market growth rates in the segments we operate in, with ;

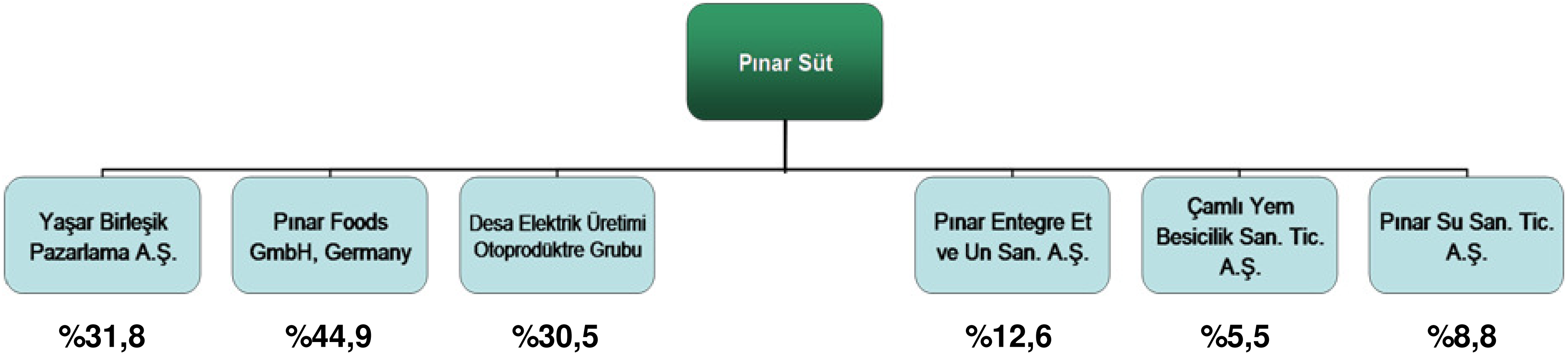
- Effective price management
- Product portfolio targeting consumers in various segments
- Widespread distribution network
- Efficient utilization of social media
- Concentration on “Away From Home” channel
- Increasing export sales also in countries falling outside Gulf region
- Continued marketing investment.

2012 TARGETS

Growth in Net Sales: %18-%20
EBITDA Margin: %11-%12
Capex: 40-50 Million TL

Ownership & Participation Structure
Share Performance





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 Süt Mamulleri 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@pinarsut.com.tr

PINAR

Thank you.

Yaşar
for a better life

APPENDIX

Company History

Pioneer and Leader of Modern Turkish Dairy

1975...

The first UHT milk and packaged dairy products plant in Turkey was founded (biggest milk production facility in the Middle East): PINAR SÜT

1982

Milk, cheese, butter, yoghurt amd milk with tarwberry began to be exported the Central European and Middle East countries and the TRNCyprus.

1997

Pınar SÜT new plant founded in Eskişehir

2003

Agreement with Sodima SAS for the production of fruit yoghurt under Yoplait brand was introduced to Turkish customer

2005

First organic milk in Türkiye, Pınar Organic Milk, probiotic products, were introduced

2008

Pınar Süt, Lean Six Sigma has been started to applied for the first time in the F&B sector in Turkey

2010

Pınar Kido with Biscuit, Pınar Çocuk with Honey and Kahvaltı Keyfi white cheese are introduced

2011

Cream Cheese with cheddar and thyme-olive

Organic Yognurt

1975 '80 '85 '90 '95 '00 '02 '04 '06 '08 '09 10 11

1978

Pınar Sliced Kaşar Cheese and Cream Cheese were introduced

1980

Kraft-Pınar Cooperation was established

1983

Pınar Fodder was established

1984

Production of Labne, milk, ayran, butter, yoghurt, cheese, mayonnaise, cream. Export of many products to Kuwait, Cyprus and Germany began.

1985

Labne was introduced in the domestic market

1994

Light mayonnaise was introduced

1999

Functional milk was introduced

2001

UHT plastic bottled milk introduced

2004

Pınar Kafela, Karamela and Çikola were introduced

www.pinarmutfagi.com was established

2007

YOPİ is introduced

2008

Milk for children, Pınar Çocuk is introduced

2009

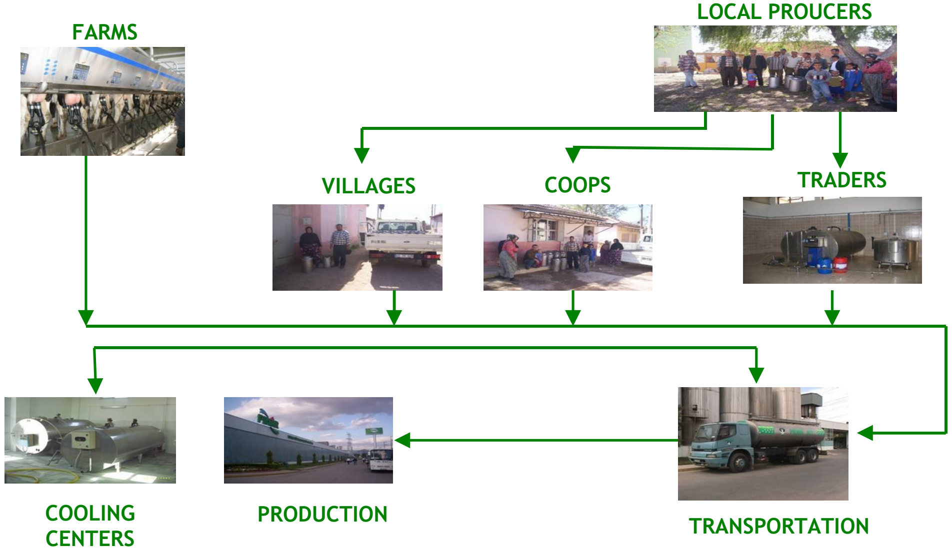
Pınar Lemonade

Yaşar for a better life

Supply - Raw Milk Collection Process

Keen focus on milk collection processes:

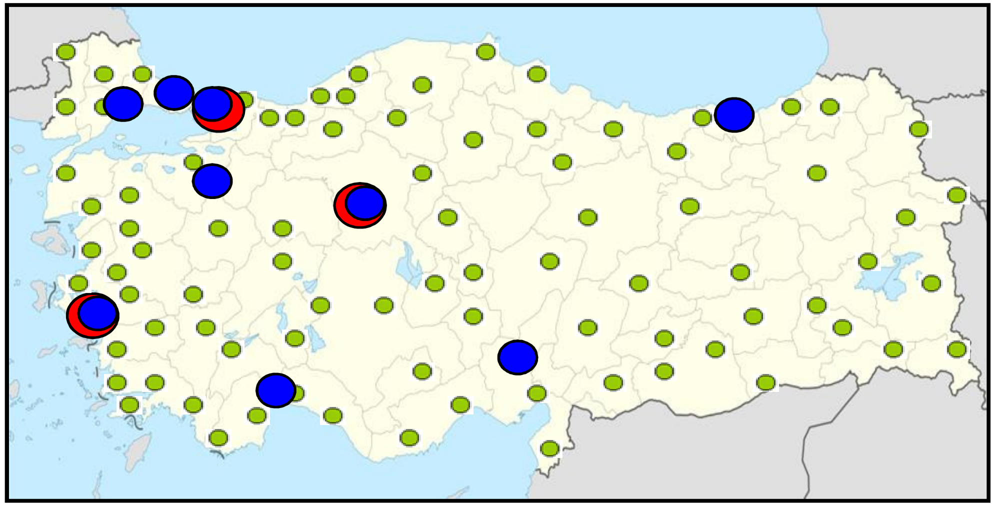
- Route optimization; increase in truck fill rate and L/km rate (TL 1m cost savings)
- Successful Raw milk supply constitutes an important entry barrier to potential competitors



- Competitive advantage due to strong long term relationship with milk suppliers since 1975
- **Agreements with suppliers to ensure a steady raw milk supply**
- Continuous quality and control in each step of milk collection (fully complied with EU requirements, 6000 tests in raw milk laboratories on daily basis)
- Raw milk from 327 cooling centers through advanced collecting systems twice a day
- 53 % total of milk is obtained from circa 217 units farms.
- As of June 2005, the first and only organic milk production in Turkey.

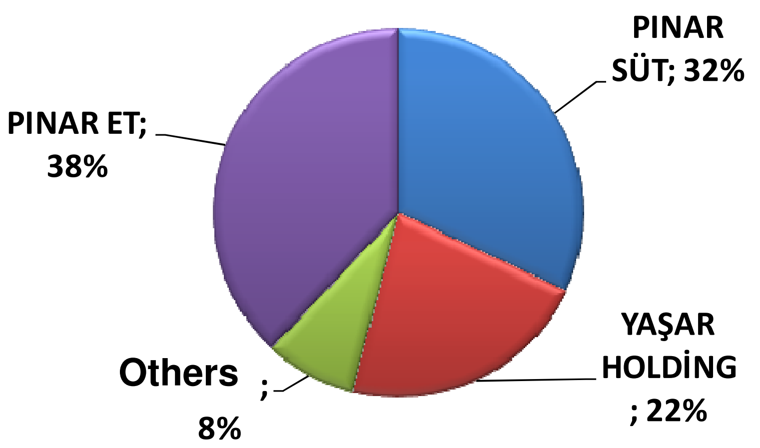
Sales & Distribution

- 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˚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 155,000 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



Yaşar
for a better life