

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

Earnings Presentation, 9M 2015



Q3 2015 – Highlights

- The total dairy market turnover grew by 6% in 9M 2015, YoY. The market volume narrowed by 3% due to the contraction in yoghurt category.
- The cheese segment was the fastest-growing category in the market in terms of volume.
- Pınar Süt strengthened its power in the market.
- Although raw milk prices have remained stable the average base price was 7% higher year-on-year in 9M 2015.
- The third plant, Şanlıurfa Factory, has been put into operation and the production volume at the facility is increasing gradually.

Factories



1975 - İZMİR

Total Area	110,075 m²
Closed Area	51,110 m²

1997 - ESKİŞEHİR

Total Area	150,000 m²
Closed Area	35,825 m²

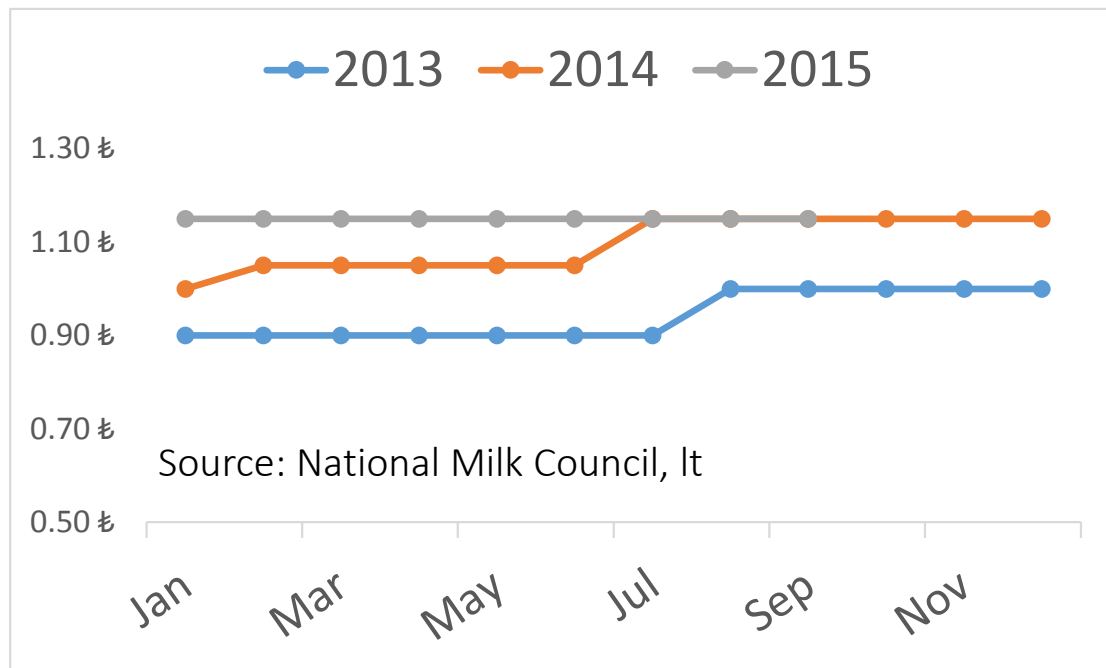
2015 - ŞANLIURFA

Total Area	96,962 m²
Closed Area	18,239 m²

PINAR SÜT

Total Area	356,342 m²
Closed Area	105,174 m²

Market Dynamics



Raw Milk Base Prices

- The raw milk base price which is set by National Milk Council remained stable since July, 2014.

%7

The average raw milk base prices was higher by 7% in 9M 2015, compared to 9M 2014.

Packaged Dairy Products

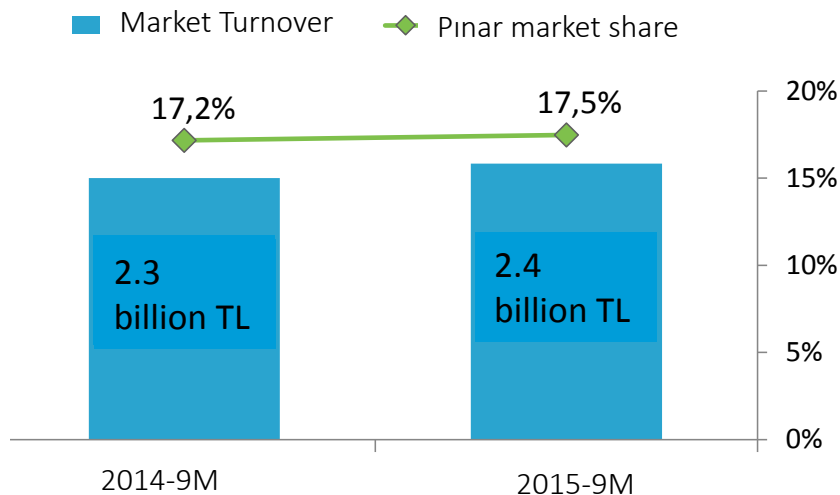
	Volume Share		Penetration	
	9M 2014	9M 2015	9M 2014	9M 2015
UHT Milk	44.0%	42.8%	91.8	92.9
Pastorised Milk	2.9%	2.9%	20.3	22.3

	Volume Share		Penetration	
	9M 2014	9M 2015	9M 2014	9M 2015
Packaged Cheese	42.5%	45.4%	90.9	93.2
Unackaged Cheese	57.5%	54.6%	87.3	86.2

Source: IPSOS

Strong Position in the Market

Dairy Market*

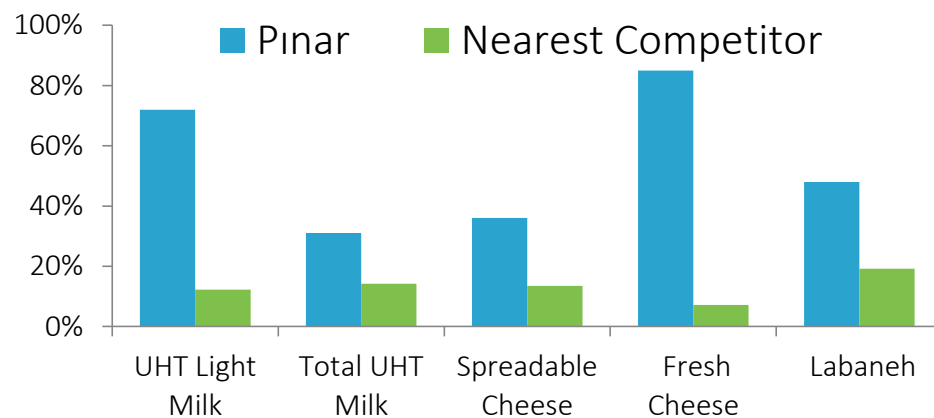


Source: Nielsen, 2015 9M (exc. BIM&A101)

- Measurable dairy market grew by 6% in 9M 2015, compared to the same period in 2014. The volume contraction was 3% in the market due to the narrow in yoghurt category.

* milk, yoghurt, spreadable cheese, ayran, butter

Product	Market Share	Position
Total UHT Milk	32%	#1
Organic Milk (est.)	92%	#1
Enriched Milk (Kids)	76%	#1
Homogenized Yoghurt	10%	#3
Spreadable Cheese	36%	#1
Fresh Cheese	85%	#1
Labaneh	49%	#1
Cream Cheese	19%	#1



Source: Nielsen, 2015 9M (exc. BIM&A101)

New Products

Value Added Products

- 500 ml
- 1000 ml



- 100 g
- 250 g
- 500 g
- 800 g



The share of new products* in net sales is 26%.

* The new products and new packages launched since 2013.

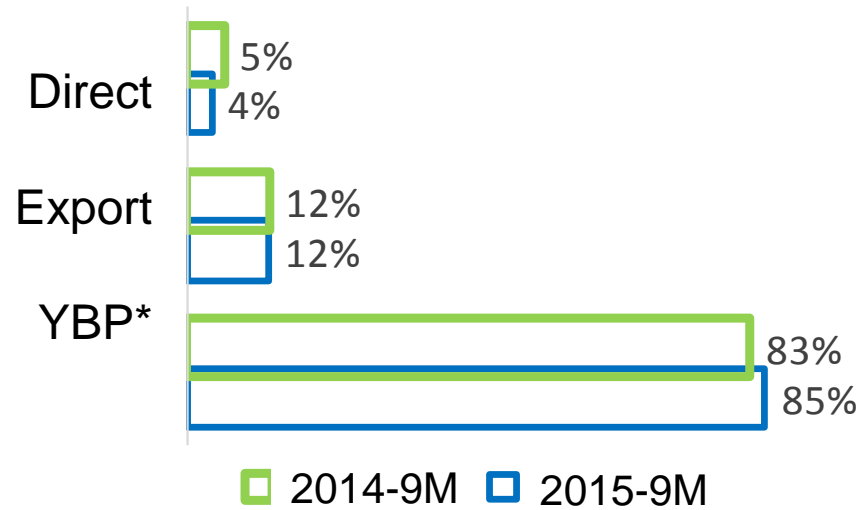
Income Statement

(Million TL)	Sep 30, 2015	Sep 30, 2014	Difference	% Change
Net Sales	750.4	699.8	50.5	7.2
Cost of goods Sold	(631.5)	(582.7)	(48.8)	8.4
Gross Profit	118.9	117.1	1.8	1.5
R&D Expenses	(6.7)	(5.6)	(1.2)	20.8
Sales, Distribution and Marketing Expenses	(49.6)	(47.2)	(2.5)	5.3
General Administration Expenses	(24.9)	(23.0)	(2.0)	8.6
EBIT	37.5	41.4	(3.9)	(9.3)
Share of Results of Investments in Associates	7.4	5.4	2.0	36.2
Other Income	11.1	8.8	2.3	26.8
Other Expenses	(14.0)	(6.1)	(7.9)	130.5
Financial Income (Net)	(2.5)	(0.3)	(2.2)	(682.8)
Profit Before tax	39.5	49.2	(9.7)	(19.6)
Tax	(1.4)	5.5	(6.8)	(125.0)
Net Profit for the Period	38.2	54.7	(16.5)	(30.2)
EBITDA	55.2	54.8	0.4	0.7
Total Assets	801.8	756.7	45.1	6.0
Equity	496.7	494.9	1.9	0.4

The Breakdown of the Net Sales

Sale Channels

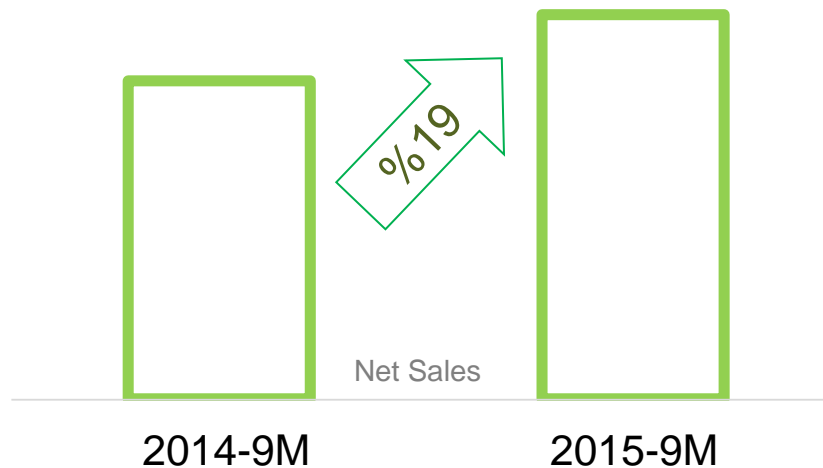
Net Sales



*The Distribution Company

Product Portfolio

- Increasing share of value added products

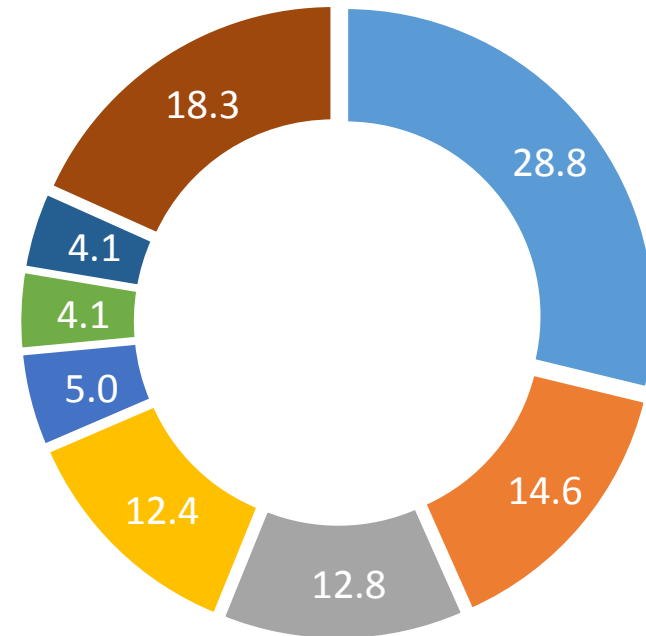


Growth in Cheese

Exports

Countries

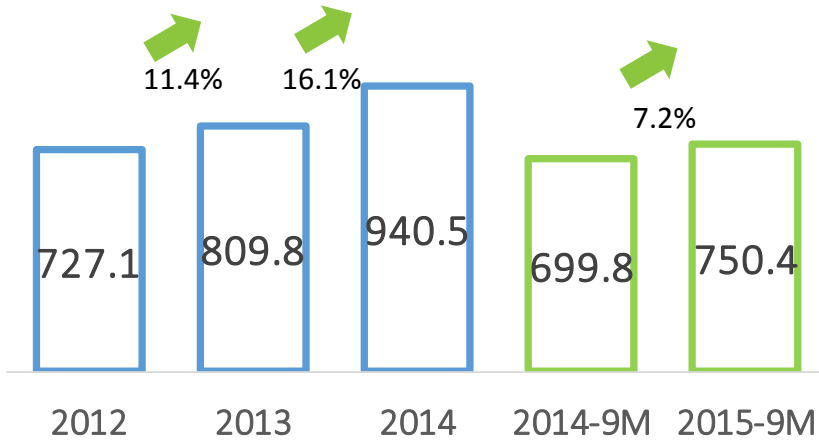
- S. Arabia
- Kuwait
- UAE
- Iraq
- TRN Cyprus
- Azerbaijan
- Qatar
- Others



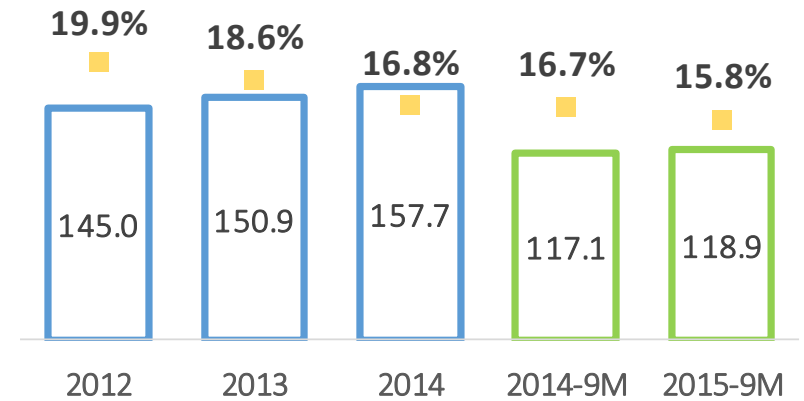
	2007	2008	2009	2010	2011	2012	2013	2014	2015/ 09
Export sales share in total sales	7.0%	7.0%	9.0%	8.0%	8.5%	10.0%	10.3%	12.0%	12.0%

Sales and Profitability

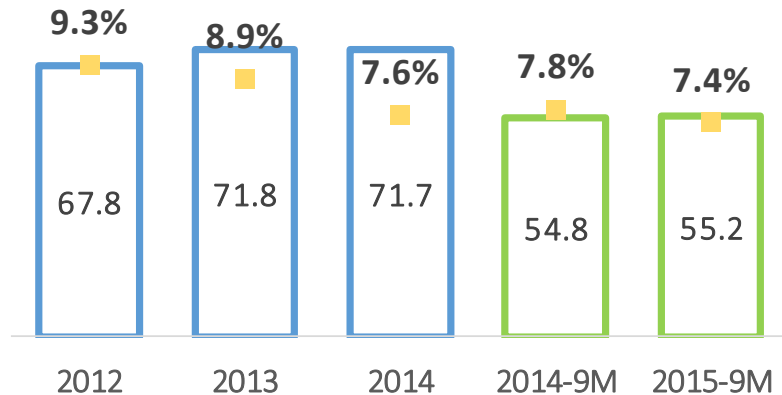
Net Sales (m TL)



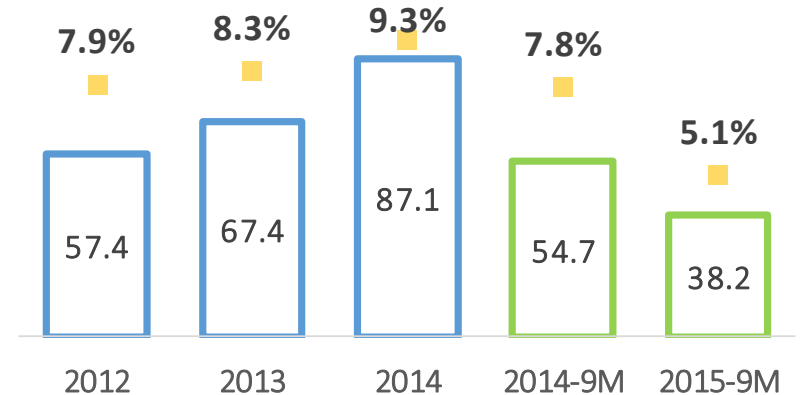
Gross Profit (m TL)



EBITDA* (m TL)



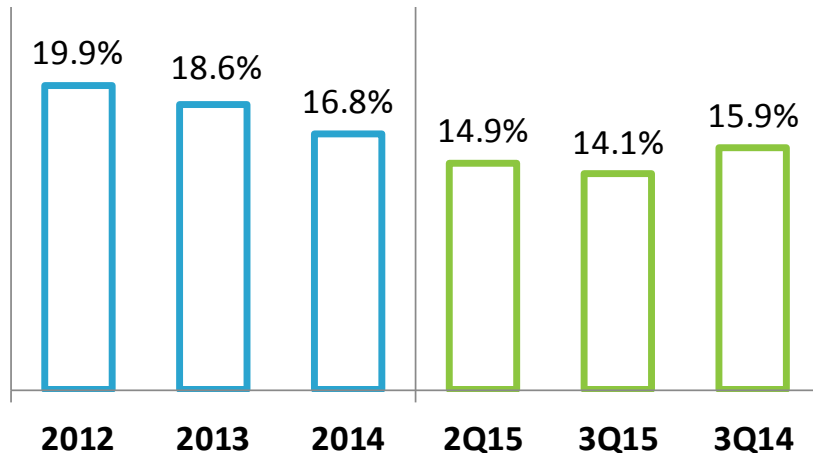
Net Profit (m TL)



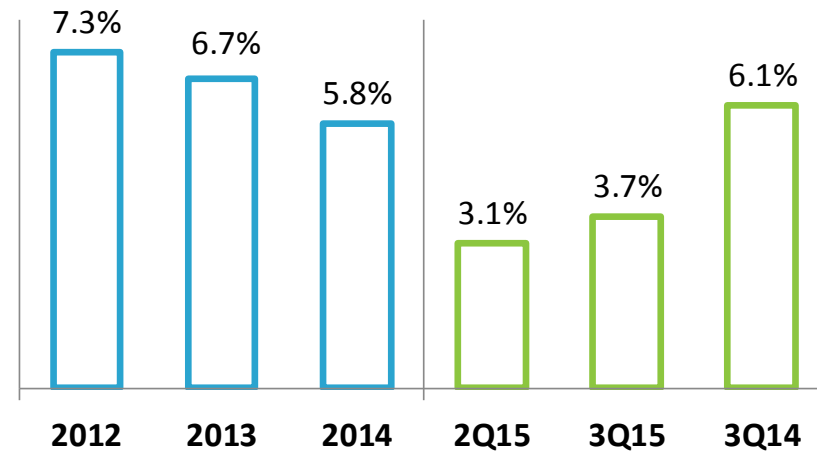
■ margin

Profit Margins

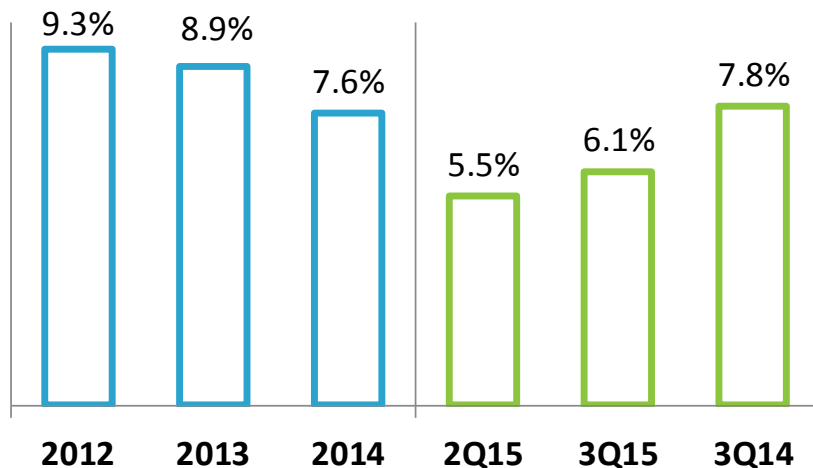
Gross Margins



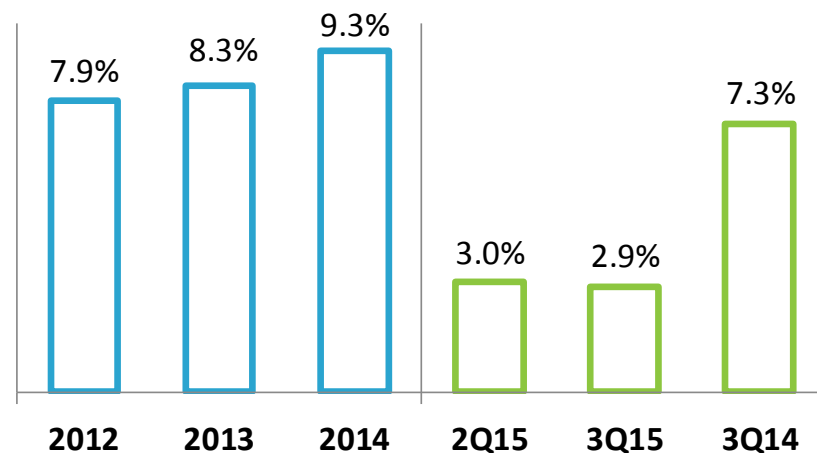
EBIT Margins



EBITDA* Margins



Net Profit Margins



Investments

Şanlıurfa Investment

- The facility commenced its operations in May 2015.
- 65 million TL CAPEX

Pınar Süt Raw Milk Processing Capacity (annually)

Before	After
600 m lt	710 m lt

- Capable of producing dairy and juice products

Capital Expenditures

	2012	2013	2014	2015-9M
Capex	31.4 m TL	49.5 m TL	64.1 m TL	25.2 m TL

Financial Ratios

Balance Sheet Ratios

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

	2012/12	2013/12	2014/12	2015/03	2015/06	2015/09
Current Ratio	1.64	1.51	1.42	1.10	1.13	1.14
Leverage Ratio	0.29	0.30	0.32	0.40	0.37	0.38
Current Borrowings/Total Borrowings	0.99	1.00	0.55	0.74	0.69	0.93
Net Borrowings/EBITDA	0.17	0.05	0.15	0.20	0.11	0.38
Total Borrowings/Equity	0.04	0.01	0.03	0.03	0.03	0.06
Return on Equity	13.12%	14.73%	17.26%	18.80%	16.72%	14.23%

Working Capital

	2013/12	2014/12	2015/03	2015/06	2015/09
Working Capital/Revenue	10.2%	10.5%	11.5%	10.7%	10.9%

Strategies

- Effective price management
- Widespread distribution network
- Efficient utilization of social media
- Developments in “Away From Home” channel
- Increasing export sales also in countries falling outside Gulf region
- Continuous marketing investment
- Growing above market growth rates in the segments we operate in

Ownership & Participation Structure & Auditors

Ownership Structure

Yaşar Holding A.Ş.	61%
Free Float	39%

Participations

	Share in Capital %
Yasar Birleşik Pazarlama A.Ş.	31.8
Bintur Catering A.Ş.	1.3
Desa Enerji A.Ş.	30.5
Camlı Yem A.Ş.	5.5
Pınar Su A.Ş.	8.8
Pınar Et A.Ş.	12.6
Yaşar Dış Ticaret A.Ş.	1.8
Pınar Foods Gmbh	44.9

Auditors

Financial Affairs

Nexia

Ernst&Young

Production

Bureau Veritas

TSE

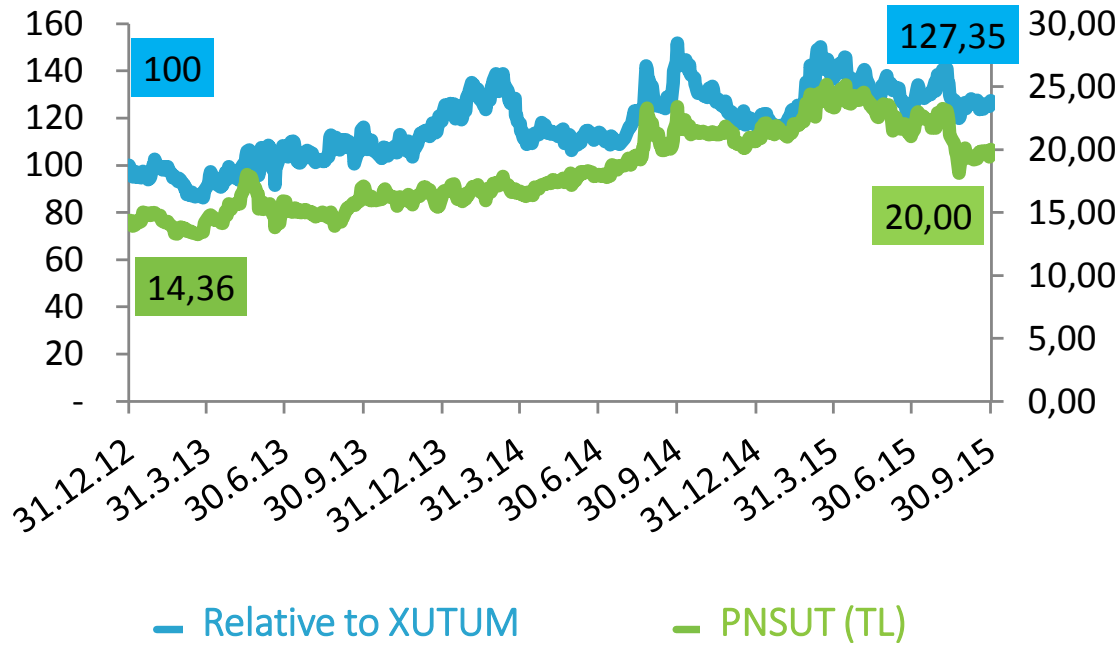
Alberk QA

Food and Drug Administration

Corporate Governance

Saha Rating

Stock Performance



Corporate Governance Rating : 9,09

Borsa İstanbul Ticker Symbol: PNSUT

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