

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

Earnings Presentation, 2015



2015 | Highlights

- The total dairy* market turnover grew by 5.1% in 2015, YoY. The market volume narrowed by 1.9% due to the 6.6% contraction in yoghurt category.
- The spreadable cheese segment was the fastest-growing category in the market in terms of volume.
- Food inflation stood at 10.9% in 2015 which is higher than CPI as it happened last year (TSI).
- The average raw milk base price, which is announced by National Milk Council, was higher than previous year average by 5% in 2015.
- Pinar Süt increased its average market share in 2015.
- The third plant, Şanlıurfa Factory, has been put into operation and the production volume and diversity at the facility are increasing gradually.
- In 2015, the company realized a turnover of 1.01 bn TL and achieved EBITDA of 78.0 m TL and 62.2 m TL net profit.

2015 | Dynamics

The Number of Animals in Turkey

- The number of milking animals in Turkey was 25.5 million with an increase of 4% in 2015. The number of cows milked was 5.6 million (2014: 5,7 m).

	Ovine	Bovine	Total	Growth
2013	38.5 m	14.5 m	53.0 m	
2014	41.5 m	14.3 m	55.8 m	+5.3%
2015	41.9 m	14.1 m	56.1 m	+0.4%

Source: TSI

Packaged Milk Products (%)

	2013	2014	2015
Milk	47.0%	46.9%	45.8%
Cheese	37.2%	42.8%	46.1%

Source: IPSOS

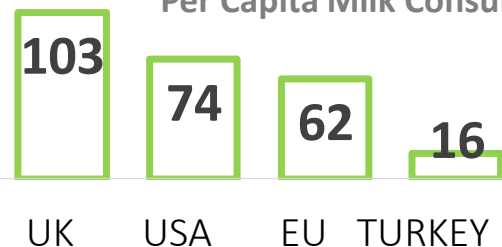
Annual Milk Production in Turkey (m ton)

Year	Milk Production
2002	8.4
2003	10.6
2004	10.7
2005	11.1
2006	12.0
2007	12.3
2008	12.2
2009	12.5
2010	13.5
2011	15.1
2012	17.4
2013	18.2
2014	18.6
2015	18.7

Source: TSI

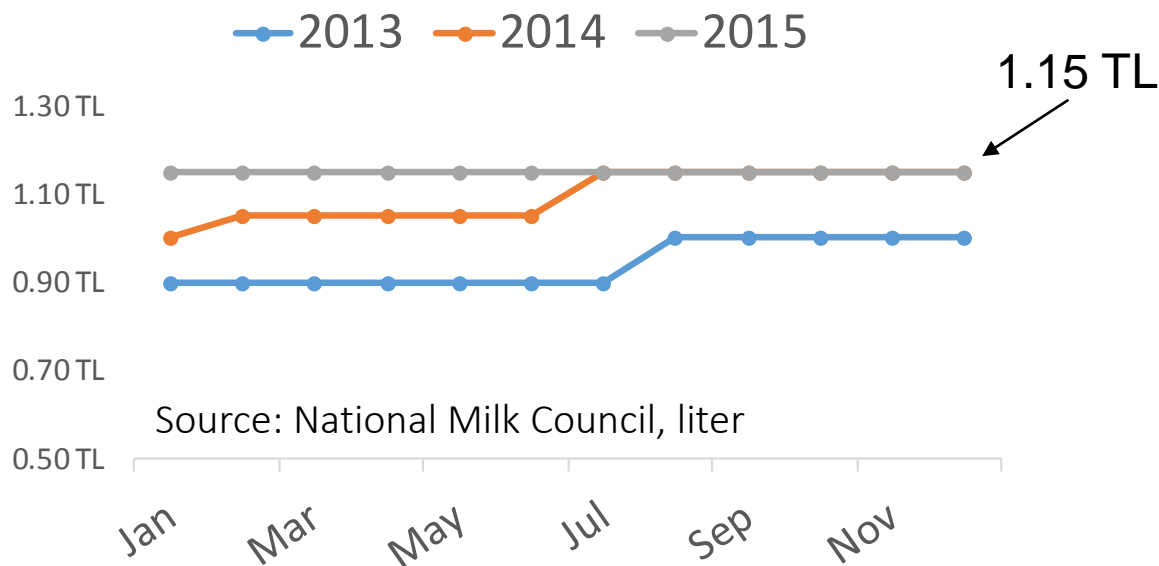
- In 2015, the annual raw milk production was 18.7 m tons which is up by 0.1%.
- Compound growth rate of raw milk production is around 5.9% from 2002 to 2015.

Per Capita Milk Consumption (Lt)



Source: NMC

2015 | Dynamics



Raw Milk Prices

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

%5

The average raw milk base price was higher by 5% in 2015, compared to 2014.

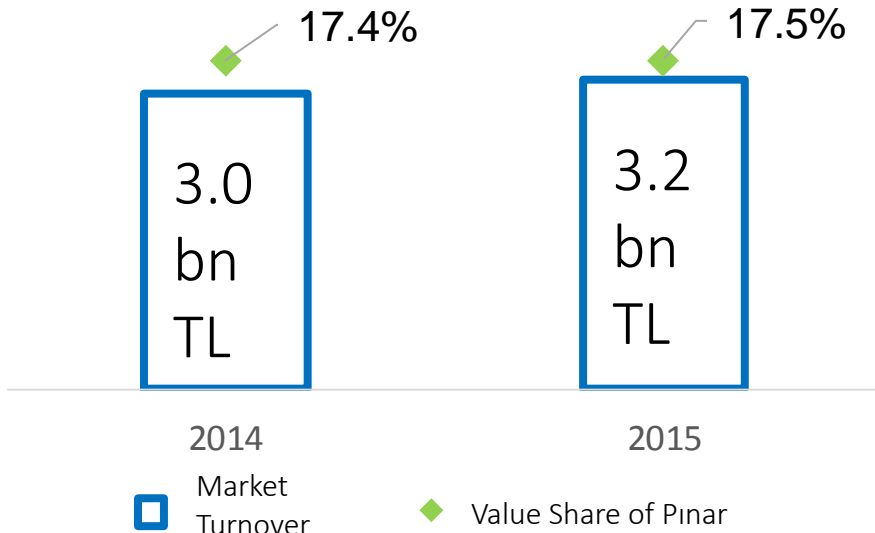
	Volume Share		Penetration	
	2014	2015	2014	2015
UHT Milk	44.1%	43.0%	93.4	94.2

Packaged Milk Products

	Volume Share		Penetration	
	2014	2015	2014	2015
Packaged Cheese	42.8%	46.1%	93.1	94.6
Unpackaged Cheese	57.2%	53.9%	90.0	88.4

- Increasing penetration

2015 | Market



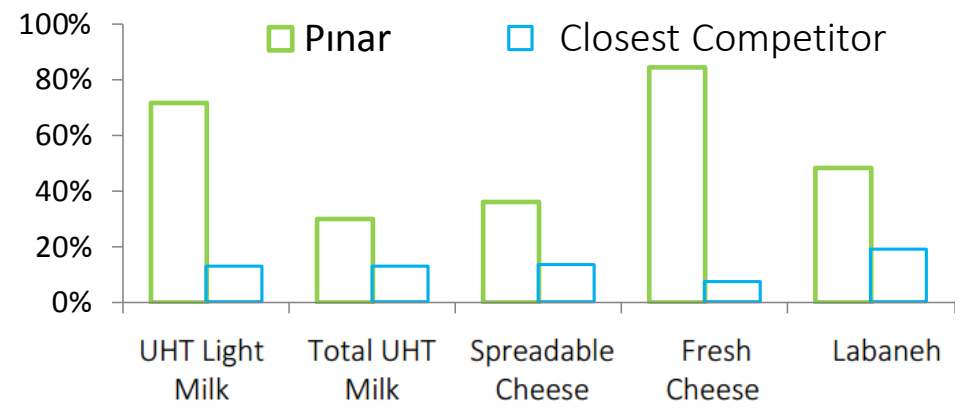
Source: Nielsen - Value Share, 2015 (BIM&A101 excl.)

Product	Share	Position
Total UHT Milk	31.3%	#1
Organic Milk (est.)	92.0%	#1
Enriched Milk (Kids)	75.5%	#1
Homogenized Yoghurt	9.4%	#3
Spreadable Cheese	36.2%	#1
Fresh Cheese	84.6%	#1
Labaneh	48.6%	#1
Cream Cheese	18.8%	#1

Dairy* Market

- Measurable dairy market grew by 5.1% in 2015, YoY. The volume contraction was 1.9% in the market due to the narrow in yoghurt category.

* milk, yoghurt, spreadable cheese, ayran, butter.



Source: Nielsen - Value Share, 2015 (BIM&A101 excl.)





COTTAGE CHEESE

- 30 new packages

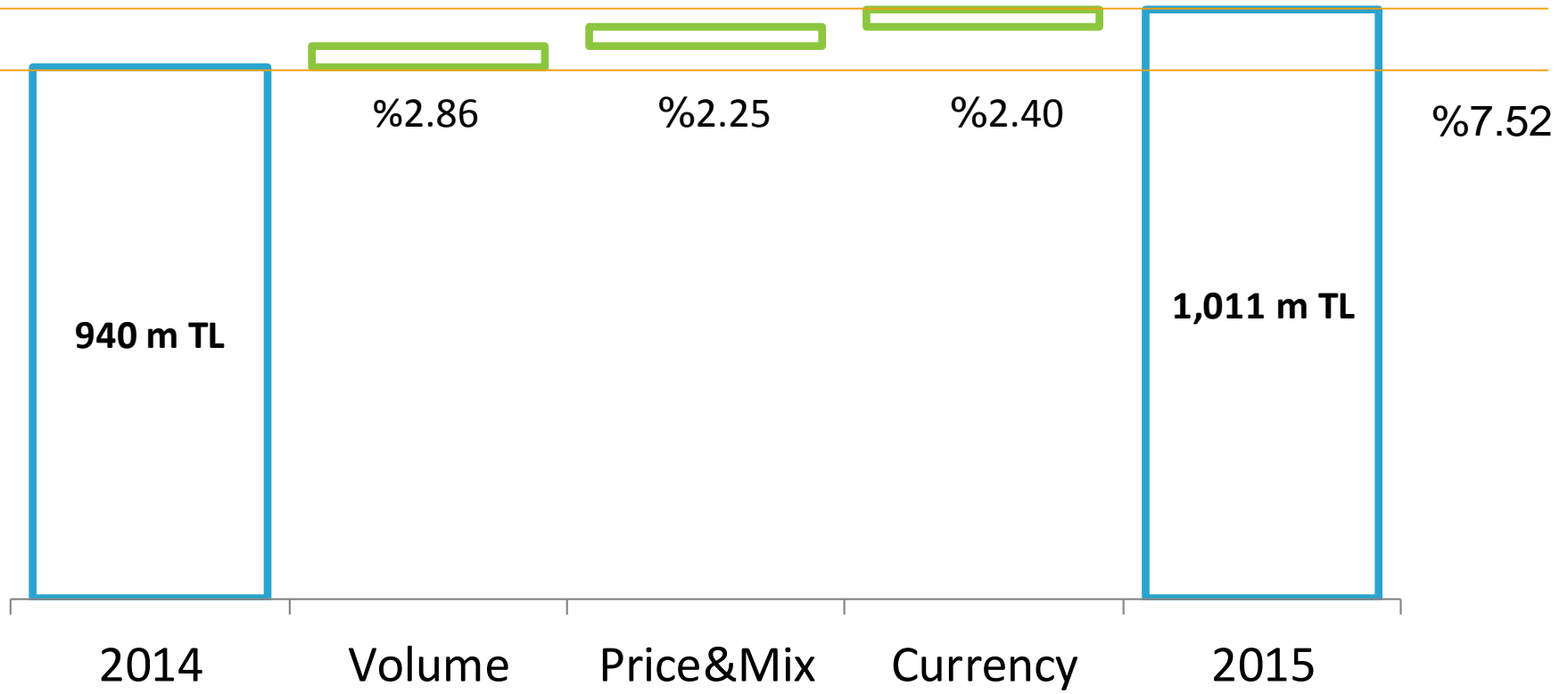
ENJOYMENT CHEESE



2015 | Income Statement

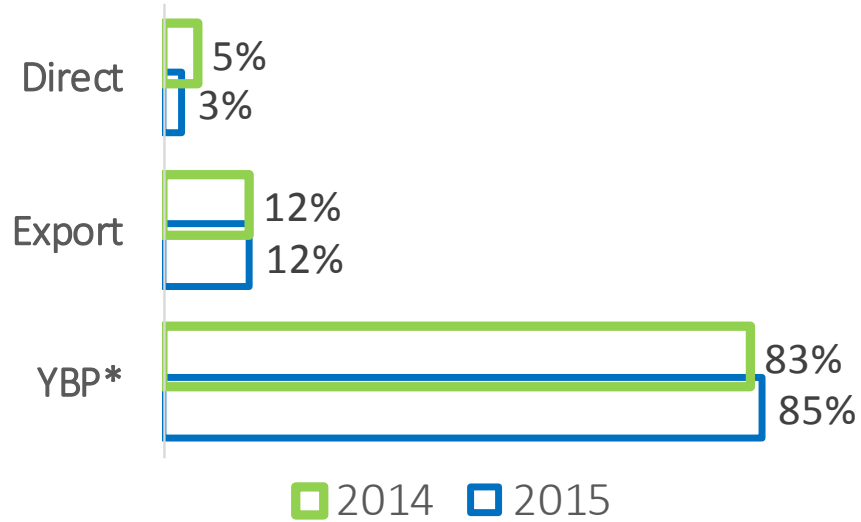
(Million TL)	31-Dec-15	31-Dec-14	Difference	% Change
Net Sales	1,011.2	940.5	70.7	7.5
Cost of goods Sold	(848.8)	(782.8)	(66.0)	8.4
Gross Profit	162.4	157.7	4.7	3.0
R&D Expenses	(9.2)	(7.6)	(1.6)	20.9
Sales, Distribution and Marketing Expenses	(65.4)	(64.4)	(1.0)	1.6
General Administration Expenses	(33.9)	(31.6)	(2.3)	7.2
EBIT	53.9	54.1	(0.1)	(0.3)
Share of Results of Investments in				
Associates	17.2	7.3	9.9	134.4
Other Income	12.0	33.0	(21.0)	(63.7)
Other Expenses	(13.1)	(10.9)	(2.2)	19.8
Financial Income (Net)	(2.4)	(0.9)	(1.5)	(161.0)
Profit Before tax	67.6	82.6	(15.0)	(18.1)
Tax	(5.4)	4.5	(9.9)	(218.5)
Net Profit for the Period	62.2	87.1	(24.8)	(28.5)
EBITDA	78.0	72.4	5.5	7.6
Total Assets	883.8	780.1	103.7	13.3
Equity	587.1	529.3	57.8	10.9

2015 | Growth Analysis

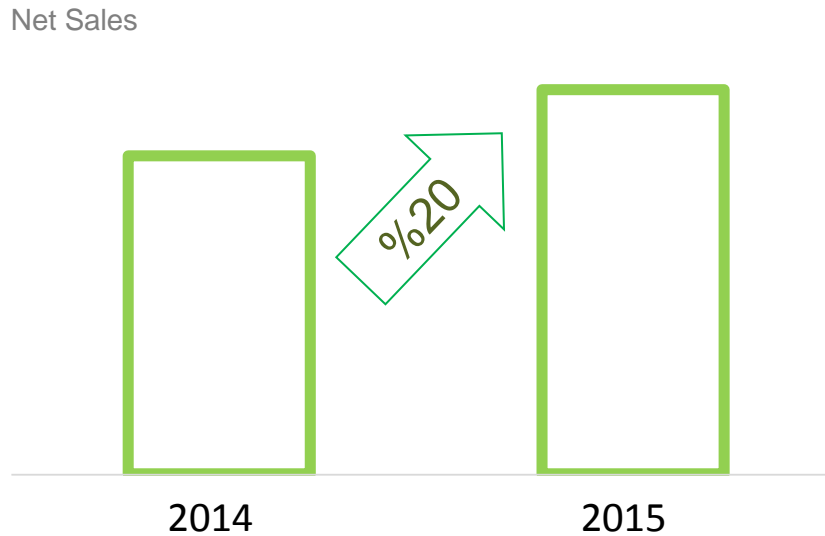


2015 | Sales Breakdown

Sales Channels



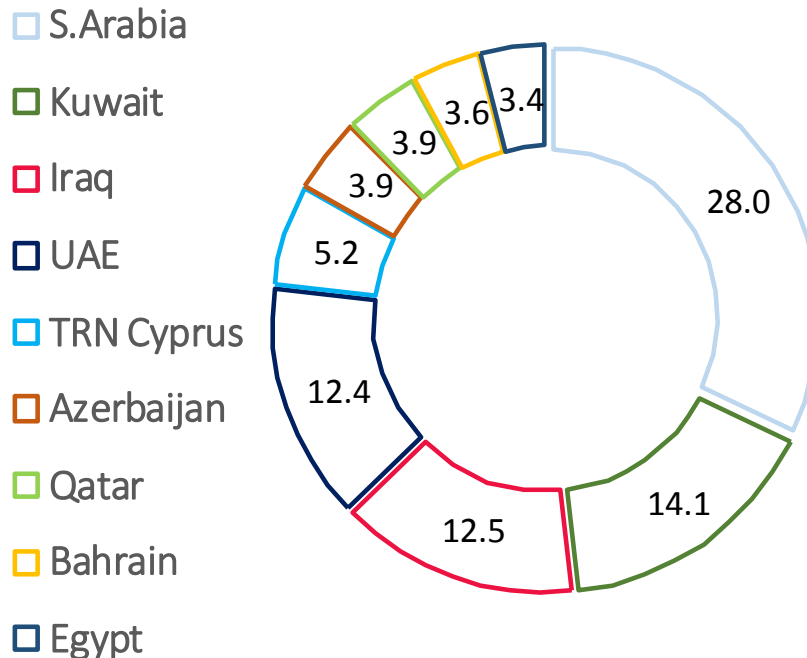
Product Portfolio



Growth in cheese segment

2015 | Sales Breakdown | Export

Exports Breakdown by Country (%)



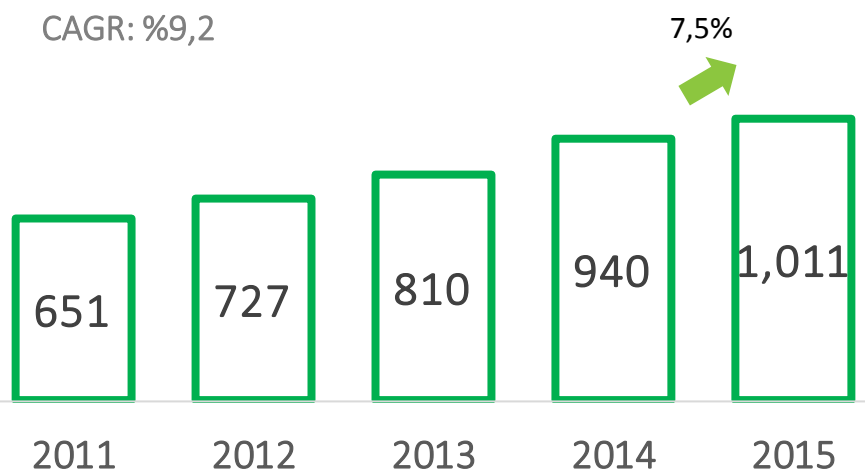
	2011	2012	2013	2014	2015
Share of exports in sales	8.5%	10.1%	10.9%	12.0%	12.3%

■ The total export revenue was 46 m USD in 2015 which is accounting for a %10 increase in terms of TRY.

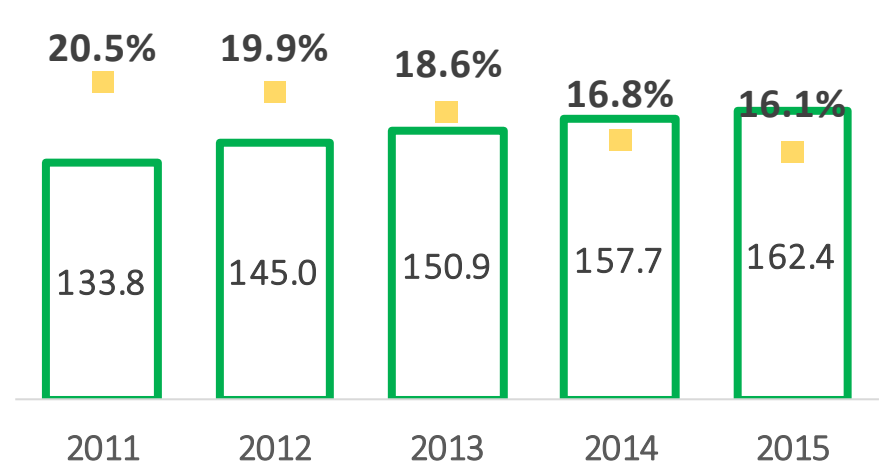
2015 | Sales and Profitability

Net Sales (m TL)

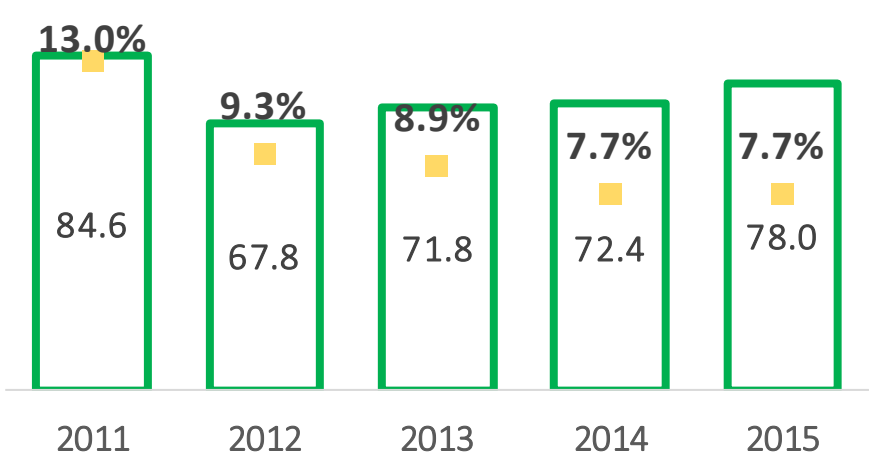
CAGR: %9,2



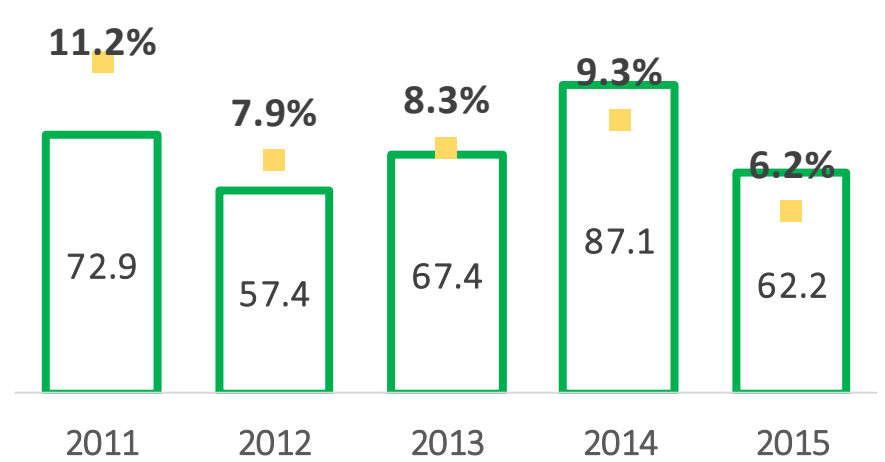
Gross Profit (m TL)



EBITDA* (m TL)



Net Profit (m TL)

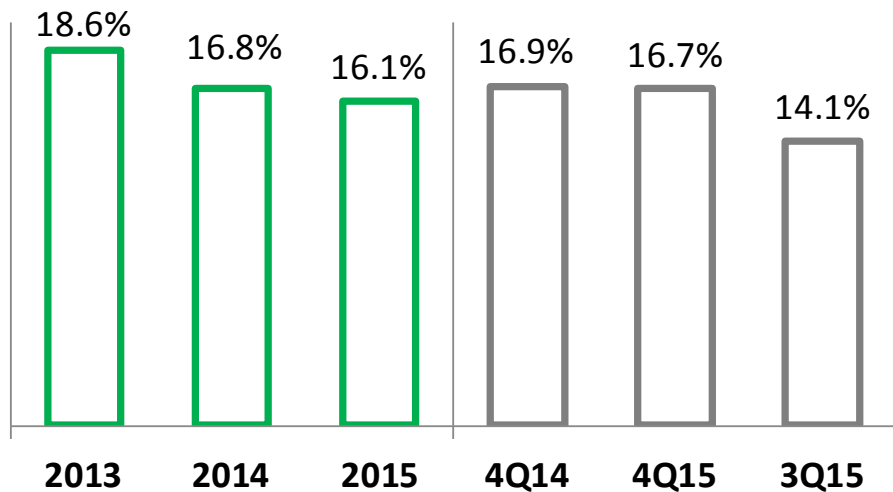


■ Profit margins

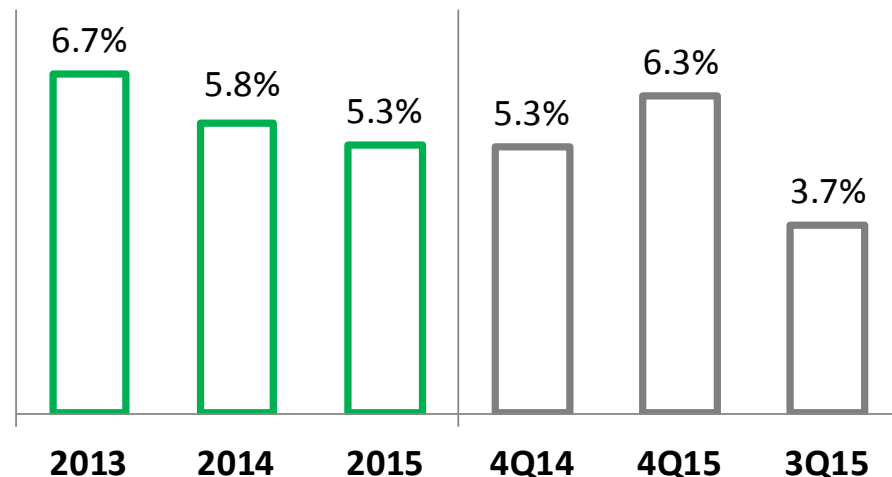
* Earnings before interest, tax, depreciation and amortization (Excl. other income and expenditures)

2015 | Profit Margins

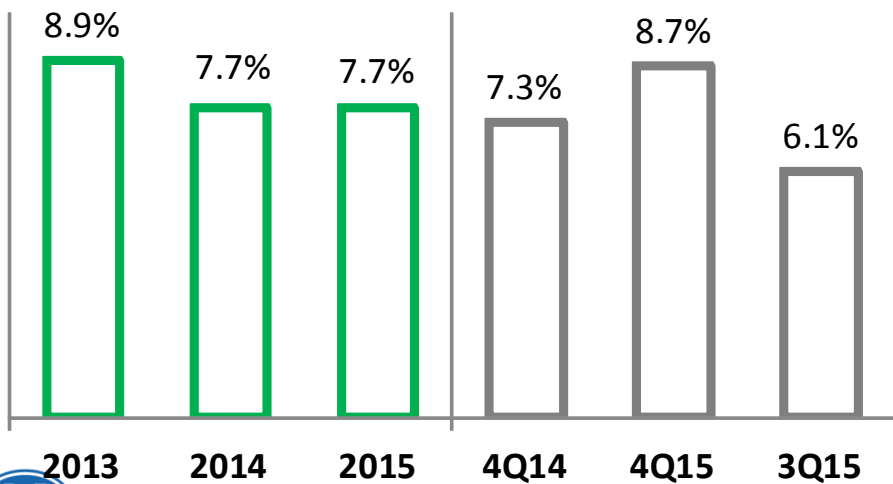
Gross Profit



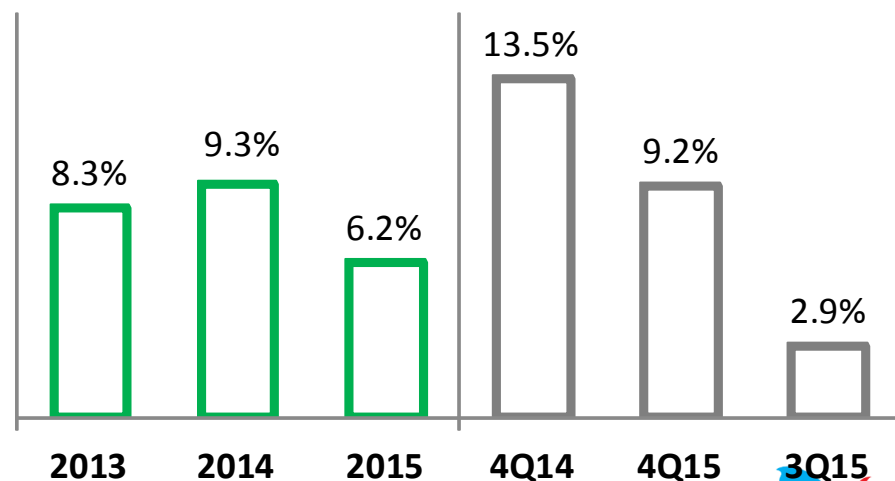
EBIT



EBITDA



Net Profit



2015 | Investments

Şanlıurfa Factory

- 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 Expenditure

	2012	2013	2014	2015
Capex	31.4 m TL	49.5 m TL	64.1 m TL	36.5 m TL

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

Balance Sheet Ratios

	2011/12	2012/12	2013/12	2014/12	2015/12
Current Ratio	1.81	1.64	1.51	1.42	1.16
Leverage Ratio	0.30	0.29	0.30	0.32	0.34
Current Borrowings/Total	0.58	0.99	1.00	0.55	0.93
Net Borrowings/EBITDA	0.36	0.16	0.05	0.15	0.34
Net Borrowings/Equity	0.07	0.03	0.01	0.02	0.05
Return on Equity	17.70%	13.12%	14.73%	17.26%	11.15%

Working Capital

	2011/12	2012/12	2013/12	2014/12	2015/12
Working Capital/Revenue	18.73%	13.50%	10.24%	9.33%	6.14%

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 | Participations | 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.S	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

Breau Veritas

TSE

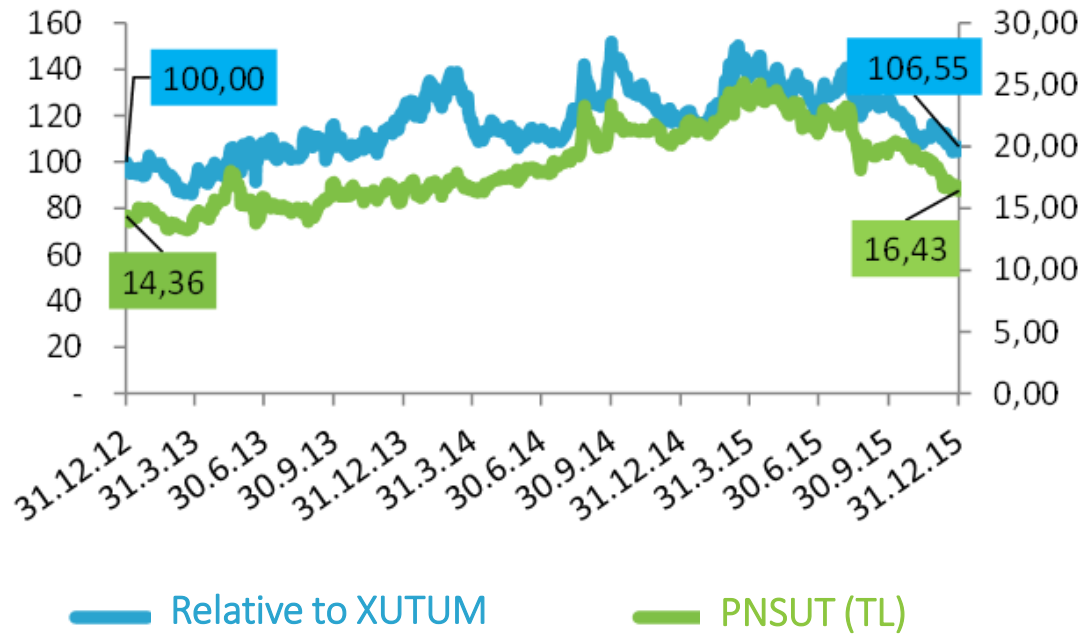
Alberk QA

Food and Drug Administration

Corporate Governance

Saha Rating

2015 | Stock Performance



Corporate Governance Rating : 9.18

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Thank you!

