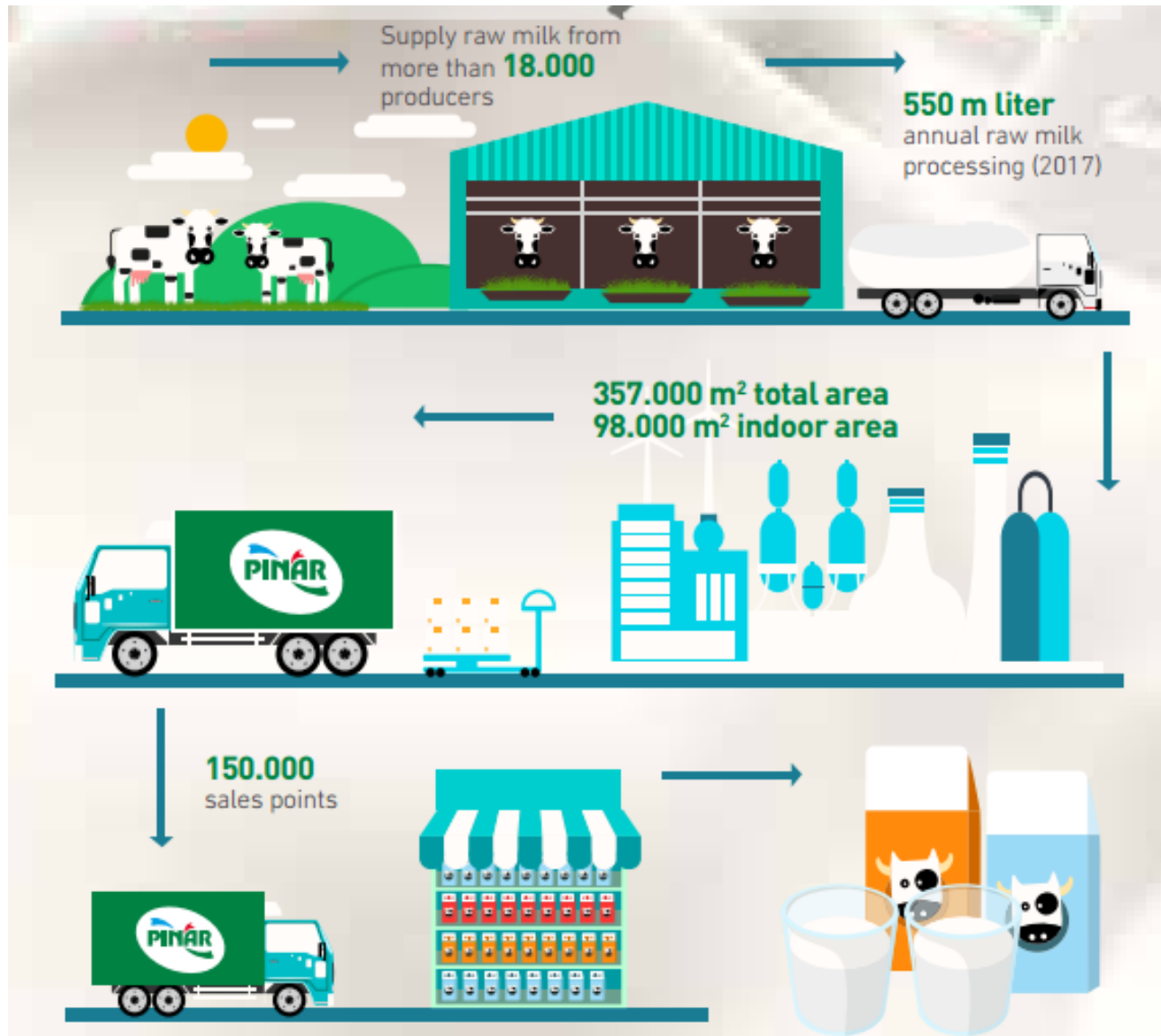




Pinar Süt

Earnings Presentation
2018-H1

PINAR SÜT AT A GLANCE



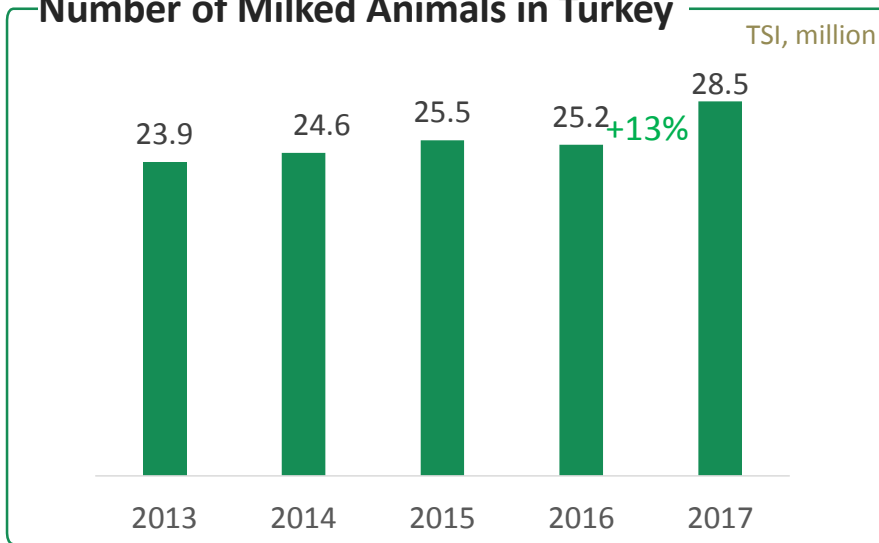
HIGHLIGHTS

713.6million TL
Net Sales**23.8%**Net Sales
Growth**60.9**million TL
EBITDA**24.3**million USD
Export Sales**12.1**million TL
Capex**1,118**2018-H1 Number of
Employees

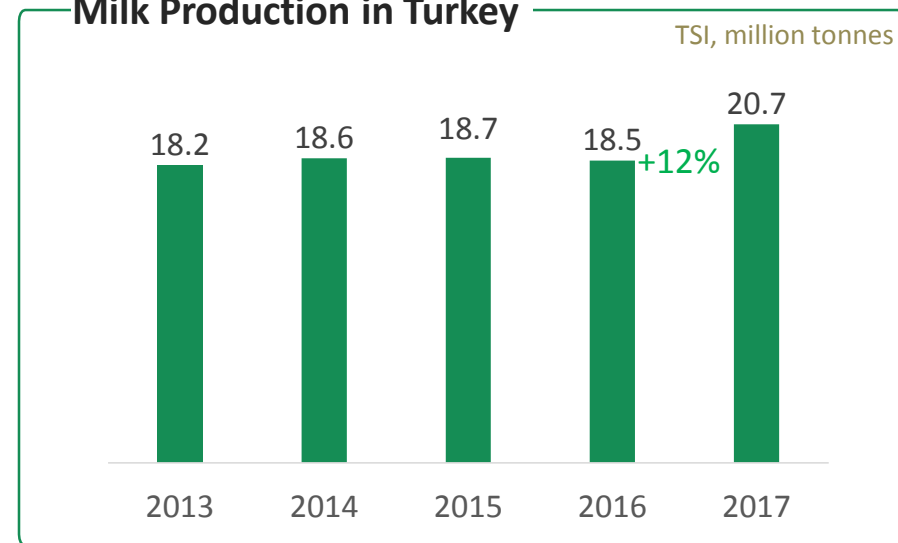
- The raw milk base price has increased by 9.3% since the beginning of the year and determined as TL 1.70 starting from 15 August.
- The dairy market achieved a growth of 1.5% in volume and 19.1% in turnover according to Nielsen data in the first half of 2018. (It consists of milk, cheese, yoghurt, ayran and butter)
- Pinar Protein products received grand prize in value-added dairy products category in “Survey of Selected Product of the Year” held by Nielsen. Pinar Protein Milk with Cocoa, Pinar Protein Milk with Vanilla and Pinar Protein Lactose Free Milk with Cocoa products granted «Superior Taste Award» by International Taste and Quality Institute (ITQI).
- Pinar Kefir with plain and fruity varieties and Pinar Organic Strained White Cheese presented to consumers’ taste.

PRODUCTION AND COST

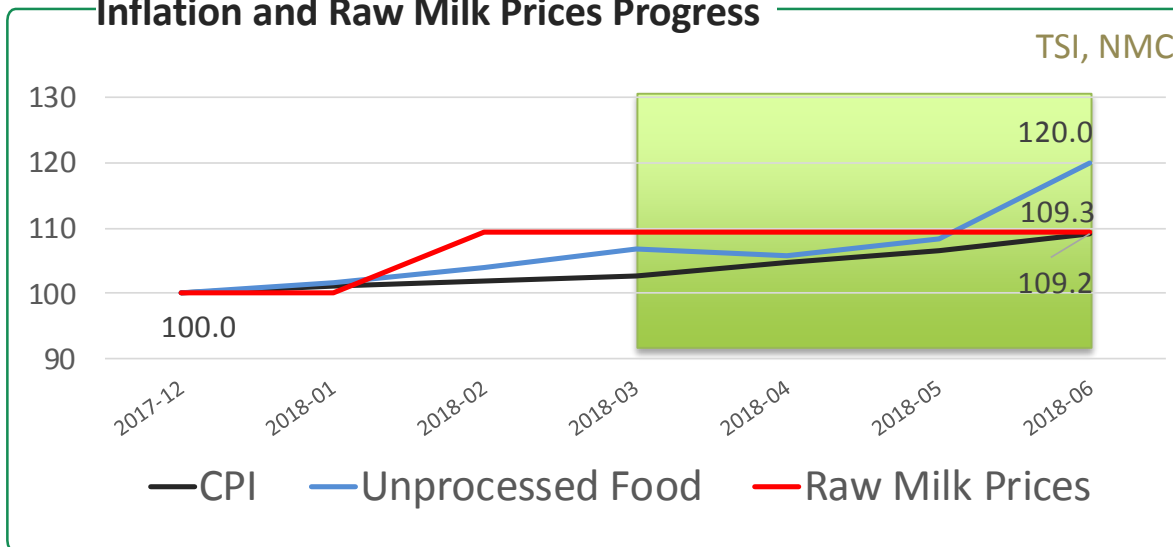
Number of Milked Animals in Turkey



Milk Production in Turkey



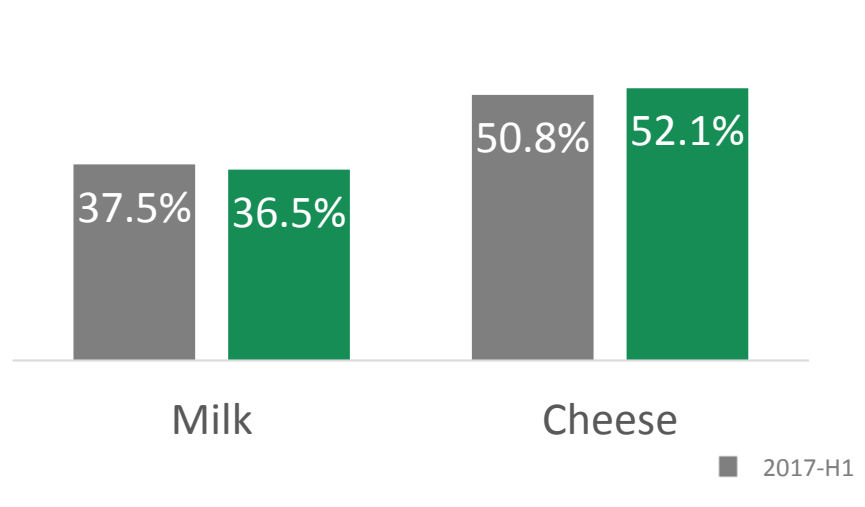
Inflation and Raw Milk Prices Progress



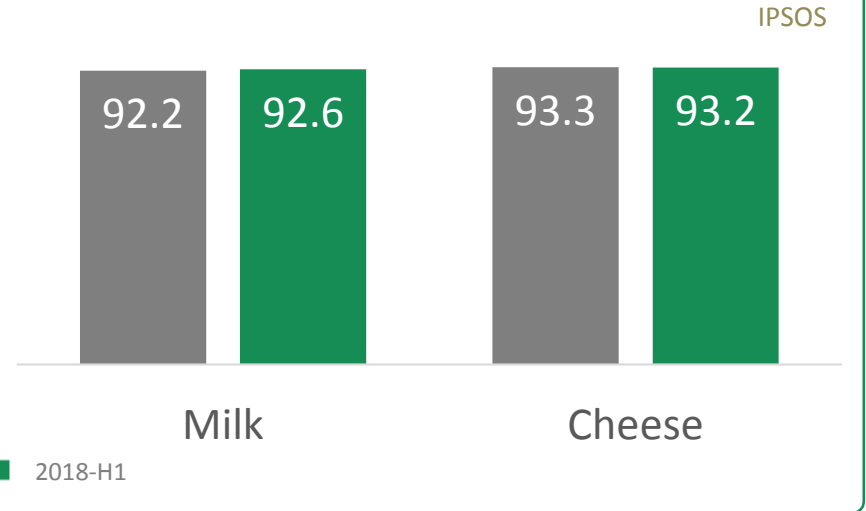
- The National Milk Council raised the raw milk base price per liter from TL 1.53 to TL 1.70 as of August 15.
- Compared to the same period of last year, the raw milk base price increased 24.7% in 2018-H1.
- The prices occurred 26.4% above in 2018-Q2 in average compared to same period of previous year .

CONSUMPTION AND MARKET

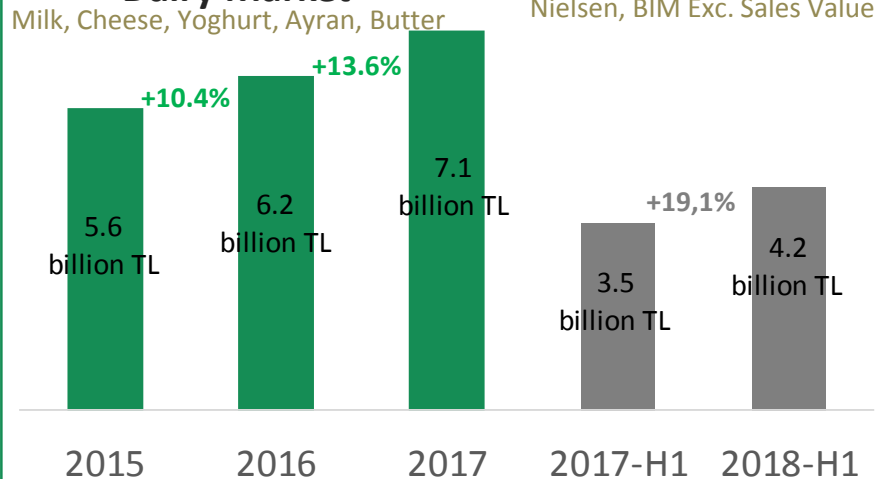
Share of Packaged Products



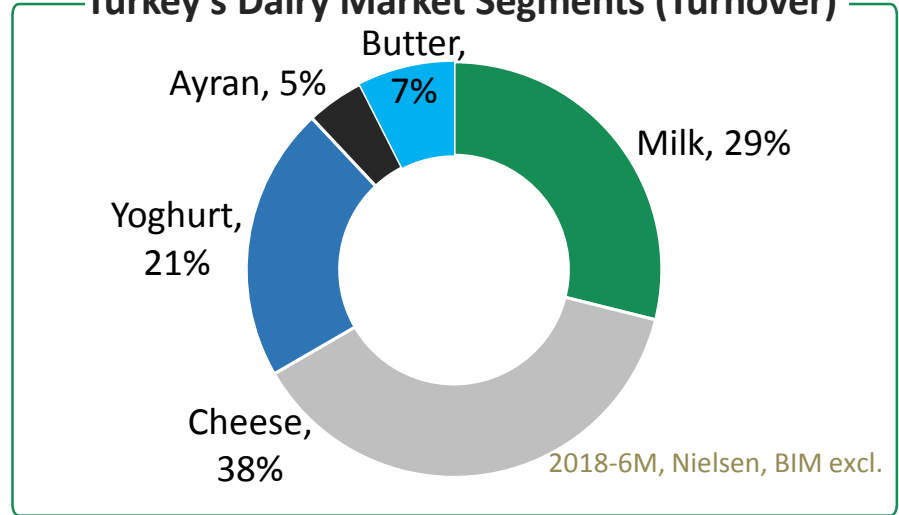
Packaged Products Penetration



Dairy Market



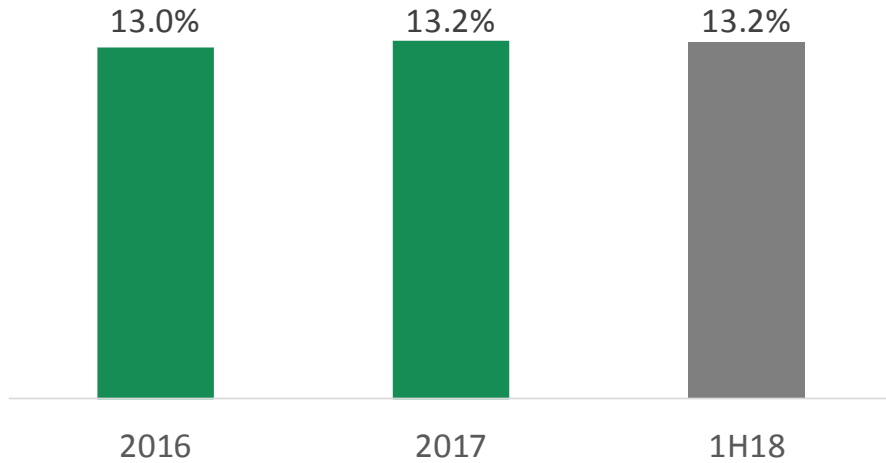
Turkey's Dairy Market Segments (Turnover)



MARKET POSITION

Market Share in Dairy Market

Milk, Cheese, Yoghurt, Ayran, Butter Nielsen, BIM Excl. Sales Value



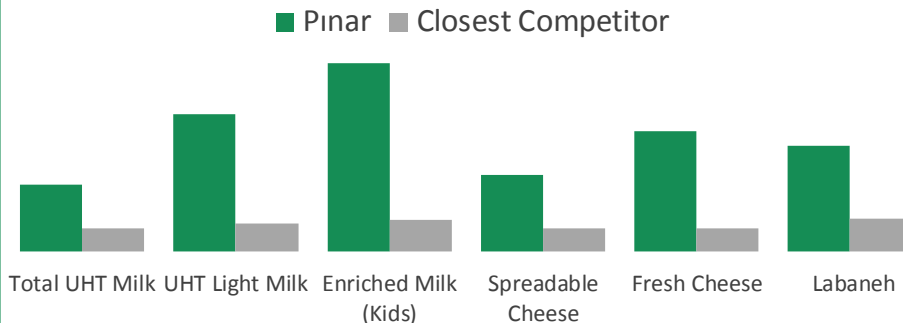
Market Shares Based on Products

Nielsen, 2018-6M, BIM Excl.

Product	Market Share	Position
Total UHT Milk	29.9%	#1
UHT Light Milk	60.8%	#1
Enriched Milk (Kids)	83.6%	#1
Protein Milk	67.5%	#1
Total Cheese	11.1%	#2
Spreadable Cheese	34.3%	#1
Fresh Cheese	53.2%	#1
Labaneh	46.7%	#1
Cream Cheese	12.1%	#3
Strained White Cheese	14.8%	#2

Pinar Süt and the Competitors

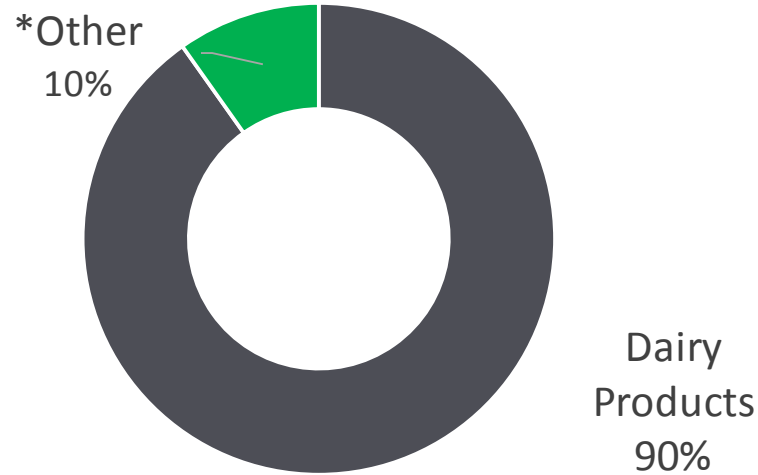
2018-6M, Nielsen, BIM Excl.



- Pinar Süt has retained its market share in the dairy market with a share of 13.2%.
- Pinar Süt preserves its leading position in many product categories.
- Pinar's market share has increased from 32.3% to 34.3% in spreadable cheese category since end of 2017.

NET SALES BREAKDOWN

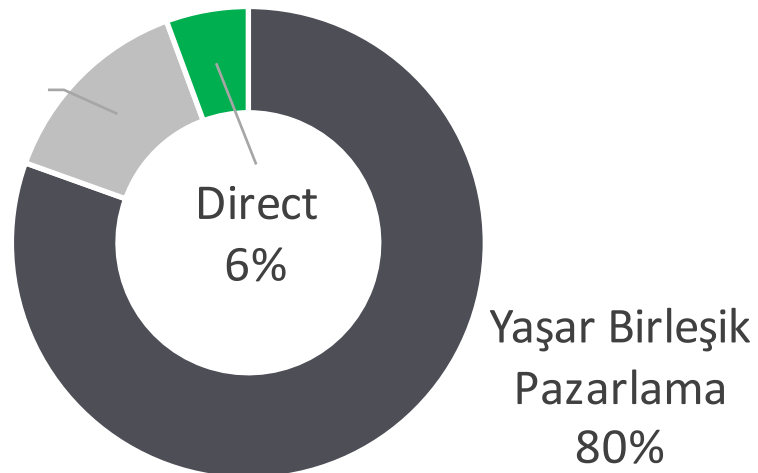
Based on Product Groups



*Fruit juice, sauce, other

Based on Sales Channel

Export 14%



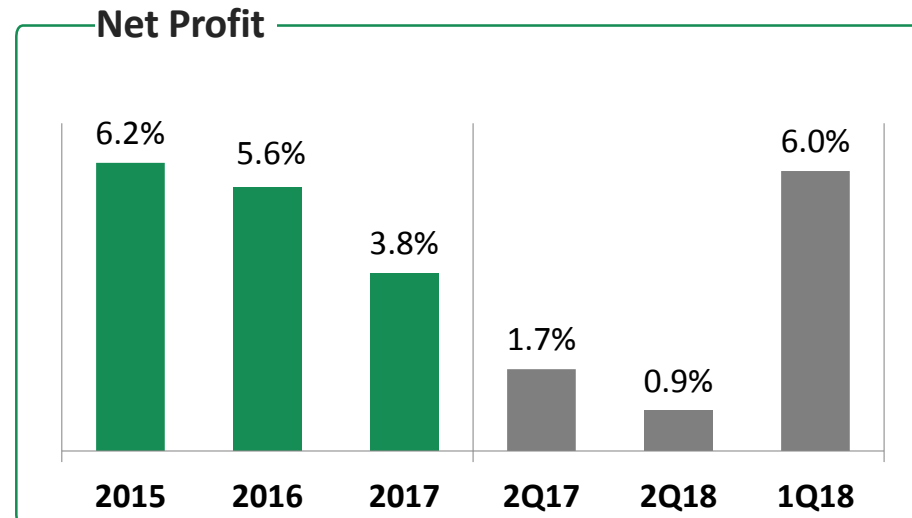
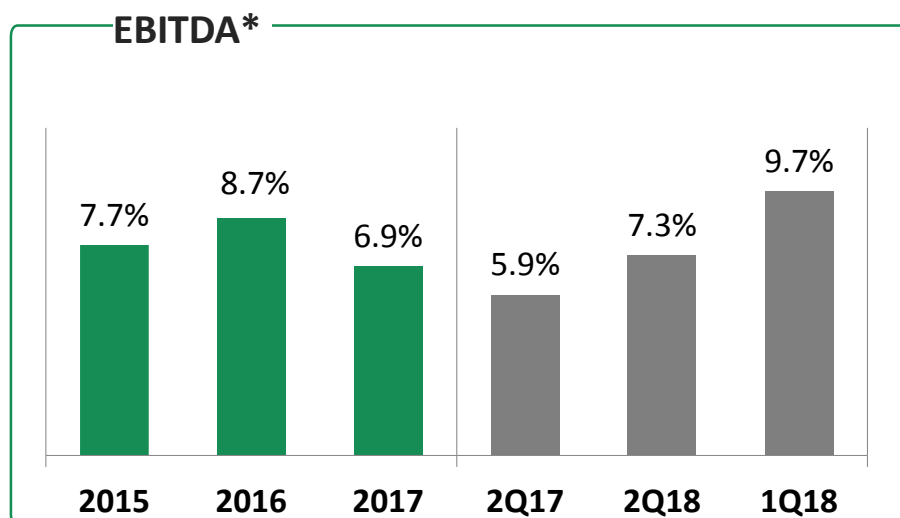
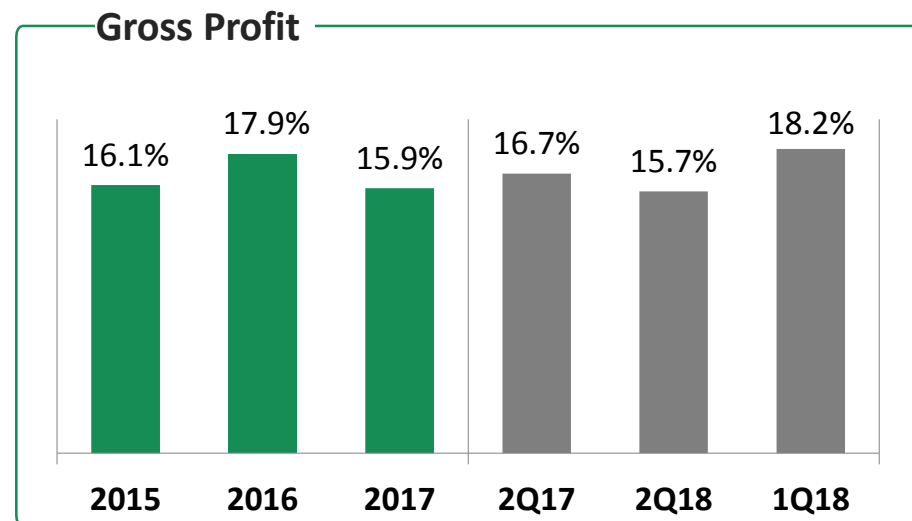
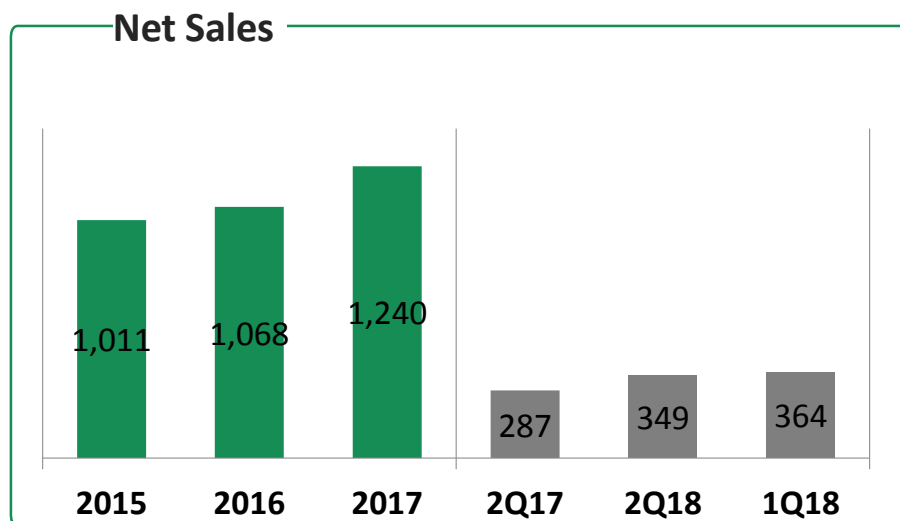
24.3 million USD

<i>S. Arabia</i>	23.9%
<i>Kuwait</i>	10.9%
<i>UAE</i>	10.6%
<i>Iraq</i>	10.6%
<i>Qatar</i>	8.7%
<i>Other</i>	35.3%

INCOME STATEMENT

(Million TL)	H1-2018	H1-2017	Difference	Change
Net Sales	713.6	576.6	137.0	23.8%
Cost of Goods Sold	(592.4)	(474.1)	(118.3)	24.9%
Gross Profit	121.2	102.4	18.8	18.3%
R&D Expenses	(5.9)	(5.8)	(0.0)	0.6%
Sales, Distribution and Marketing Expenses	(50.9)	(46.6)	(4.3)	9.2%
General Administration Expenses	(21.4)	(19.4)	(2.0)	10.5%
EBIT	43.0	30.6	12.4	40.5%
EBITDA	60.9	45.3	15.5	34.2%
Shares of Results of Investments in Associates	5.2	2.6	2.6	101.9%
Other Expenses (Net)	10.0	5.6	4.4	78.8%
Financial Expenses (Net)	(32.5)	(9.5)	(23.0)	241.8%
Profit Before Tax	25.7	29.2	(3.5)	-12.1%
Tax	(0.9)	(0.3)	(0.6)	209.8%
Net Profit for the Period	24.8	28.9	(4.2)	-14.4%

SALES AND PROFITABILITY - QUARTERLY



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

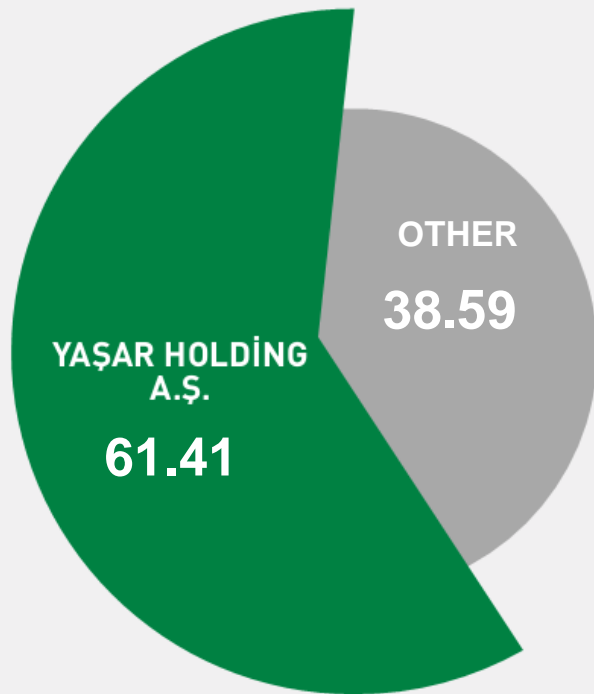
FINANCIAL RATIOS

	2015/12	2016/12	2017/12	2018/03	2018/06
Current Ratio	1.16	1.23	1.21	1.18	1.20
Leverage Ratio	0.34	0.36	0.43	0.46	0.45
Current Borrowings/Total Borrowings (Fin.)	0.93	0.56	0.64	0.68	0.57
Net Fin. Borrowings/EBITDA	0.35	0.74	1.69	1.72	1.32
Net Fin. Borrowings/Equity	0.05	0.12	0.21	0.22	0.20
Return on Equity (ROE)	11.1%	10.2%	7.3%	7.1%	6.8%

CAPITAL EXPENDITURES

	2014	2015	2016	2017	2017-06	2018-06
Capital Expenditures	64 m TL	37 m TL	38 m TL	55 m TL	14.9 m TL	12.1 m TL

SHAREHOLDING STRUCTURE OF PINAR SÜT (%)



Shareholder	Share Rate (%)	Share Amount(TL)
YAŞAR HOLDİNG A.Ş.	61.41	27,603,901.57
OTHER	38.59	17,347,149.68
Total	100.00	44,951,051.25

The company's shares are traded at Borsa İstanbul Star Market under the ticker symbol PNSUT.

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