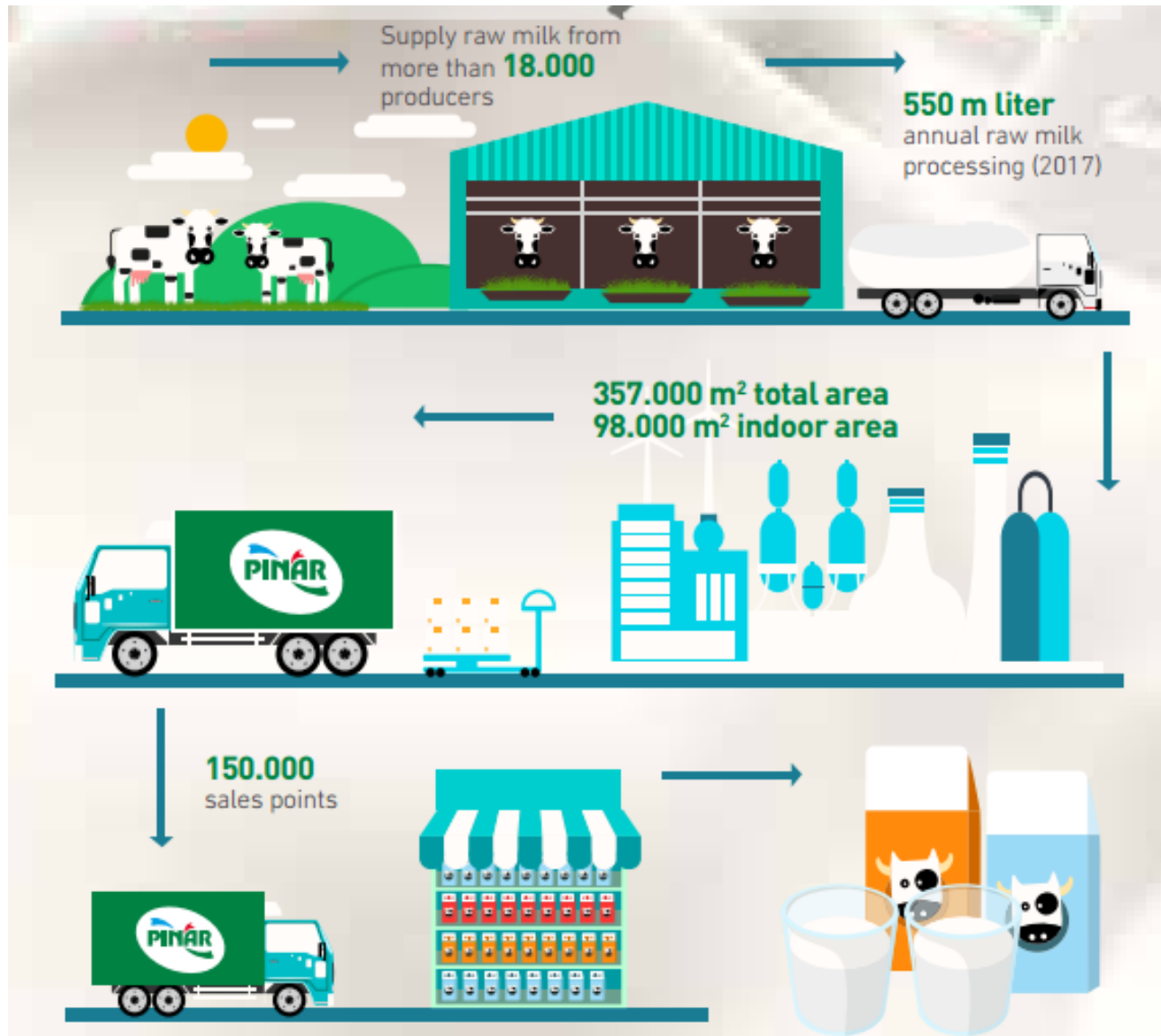




Pinar Süt

Earnings Presentation
3rd Quarter of 2018

PINAR SÜT AT A GLANCE

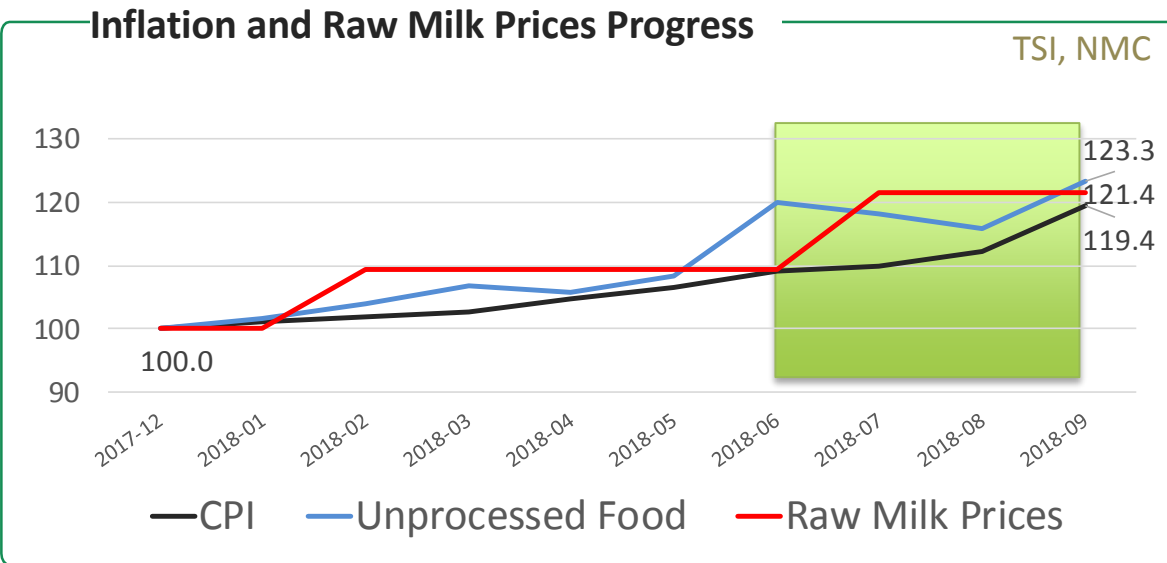
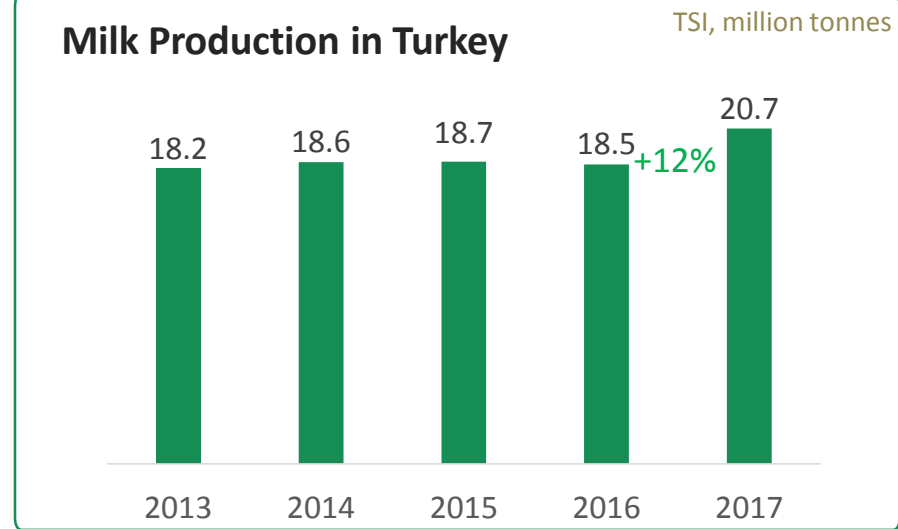
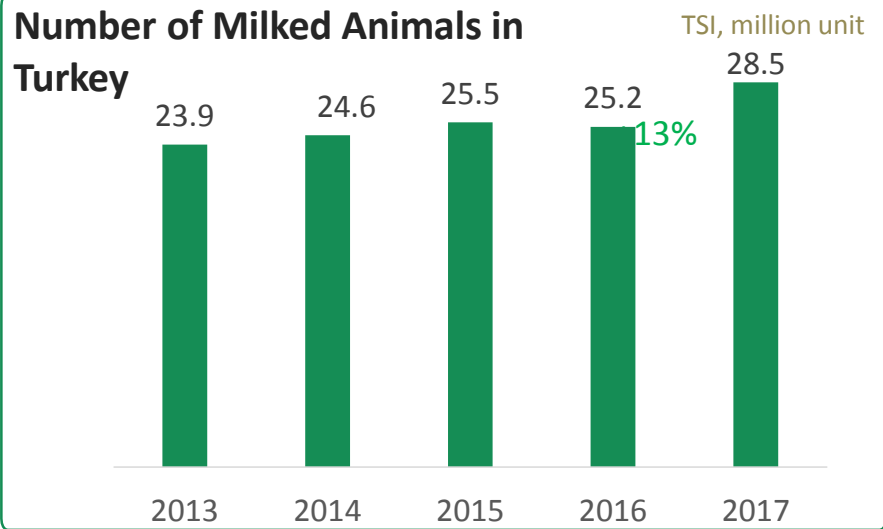


HIGHLIGHTS

1,114.1million TL
Net Sales**24.2%**Growth
in Net Sales**80.5**million TL
EBITDA**34.5**million USD
Export Sales**23.9**million TL
Capex**1,110**Number of
Employees in 9M-18

- Following the National Milk Council decision on the raw milk base prices which is an increase to 1.70 TL/liter starting from 15 August the prices have gone up by 21.4% since the beginning of the year.
- In the first nine months of 2018 milk, cheese and yoghurt grew by 25%, 19%, 17% respectively in terms of turnover while milk grew by 3% and cheese and yoghurt contacted by 2% and 0.3% in volume basis. (Nielsen)
- According to a research, which is conducted by a business magazine Platin with cooperation of Ipsos, classifies the pioneer companies in «Platin Global 100 Index» in the international trading, Pinar Süt was awarded in the beverage sector.
- 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).

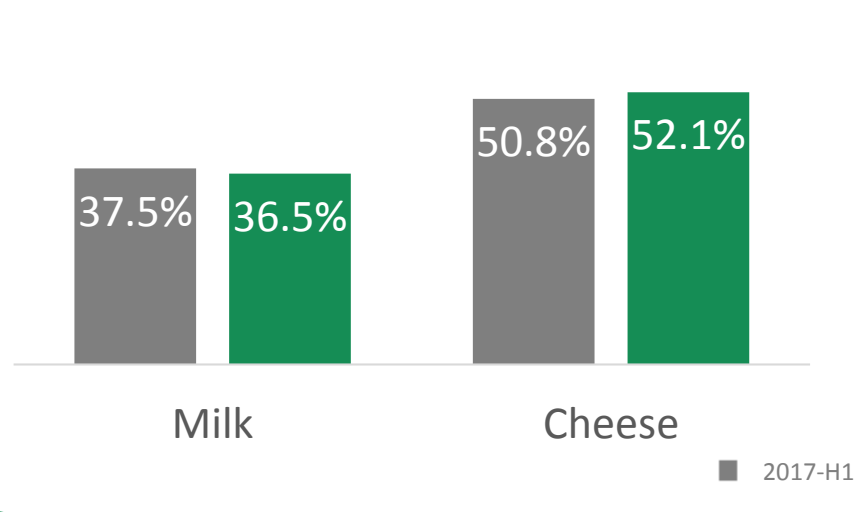
PRODUCTION AND COST



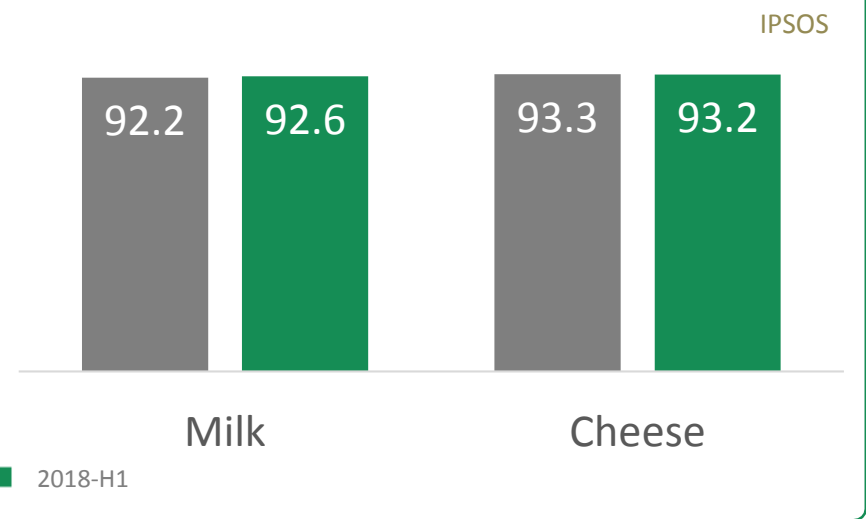
- The National Milk Council raised the raw milk base price per liter to TL 1.70 as of August 15.
- After the price increases in raw milk the average raw milk base price realized 26.8% above in **2018-9M** while 30.8% was higher in **2018-Q3** compared to the same period of previous year.

CONSUMPTION AND MARKET

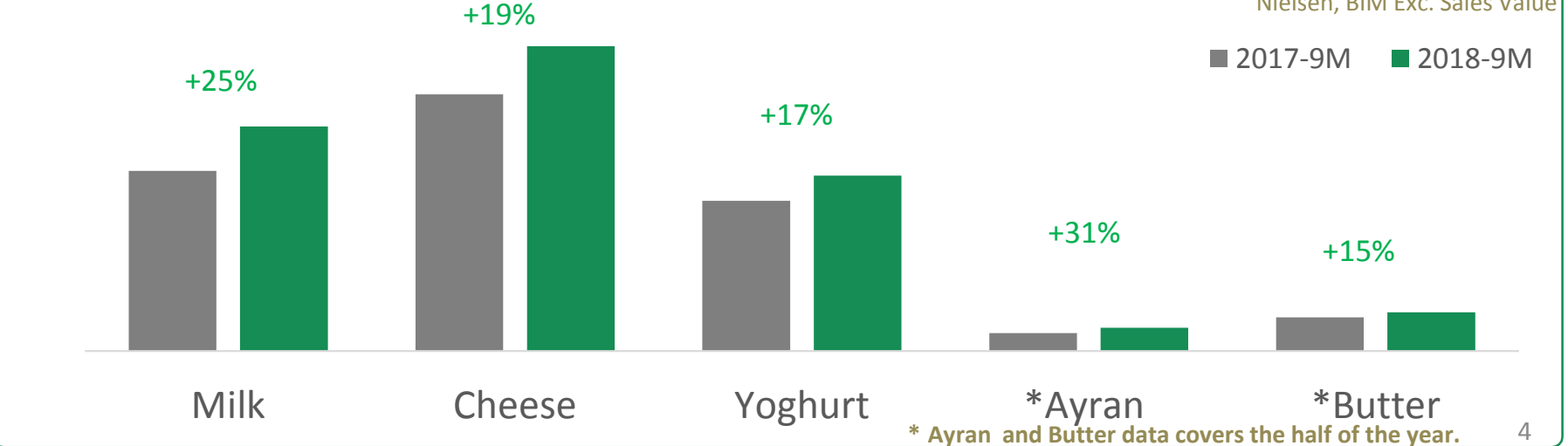
Share of Packaged Products



Packaged Products Penetration

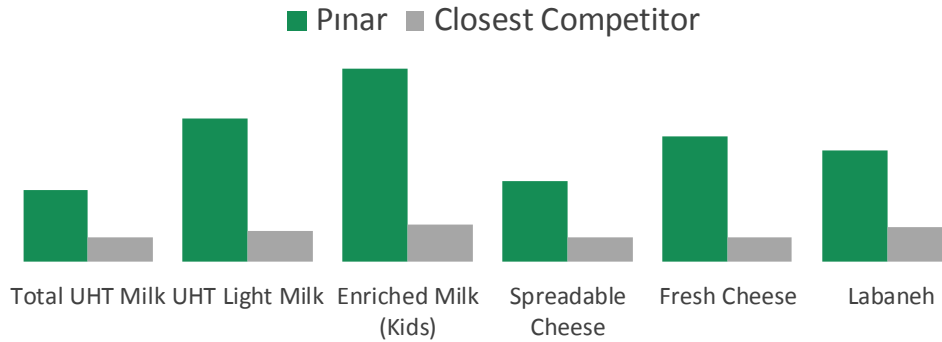


Dairy Market



Pinar Süt and the Competitors

Nielsen, 2018-9M, BIM Excl.



Market Shares Based on Products

Nielsen, 2018-9M, BIM Excl.

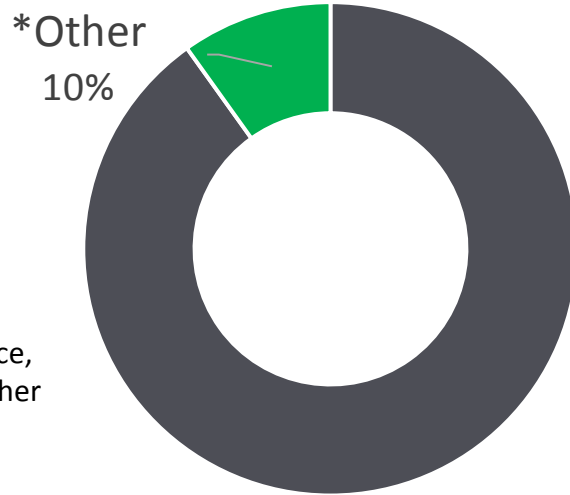
Product	Market Share	Position
Total UHT Milk	30.1%	#1
UHT Light Milk	60.5%	#1
Enriched Milk (Kids)	81.3%	#1
Protein Milk	67.4%	#1
Total Cheese	11.3%	#2
Spreadable Cheese	34.3%	#1
Fresh Cheese	52.7%	#1
Labaneh	47.2%	#1
Cream Cheese	12.2%	#3
Strained White Cheese	15.6%	#2

- Pinar Süt preserves its leading position in many product categories.
- Pinar sauce product portfolio has been diversified with Pinar Mustard with Honey and Pinar Glass Mustard Series. Pinar Orange Beverage has been added to Pinar Fruit Juice Family.
- TV, digital and outdoor advertising campaigns continued.



NET SALES BREAKDOWN

Based on Product Groups



*Fruit juice, sauce, other

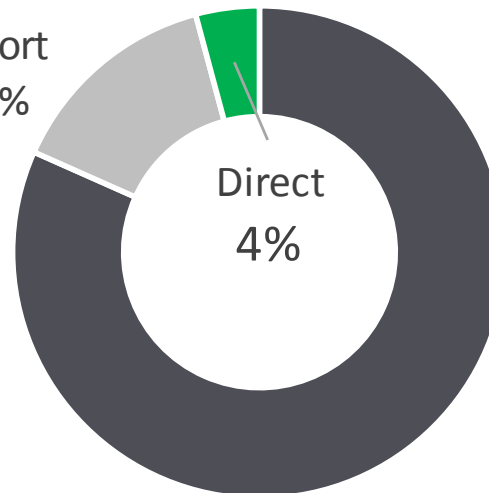
Dairy Products 90%

Based on Sales Channel

34.5 million Dollar



Export 14%



*YBP 82%

S. Arabia	25.3%
Kuwait	11.0%
Iraq	11.0%
UAE	10.7%
Qatar	10.2%
Cyprus	5.0%
Bahrain	4.4%
Other	22.4%

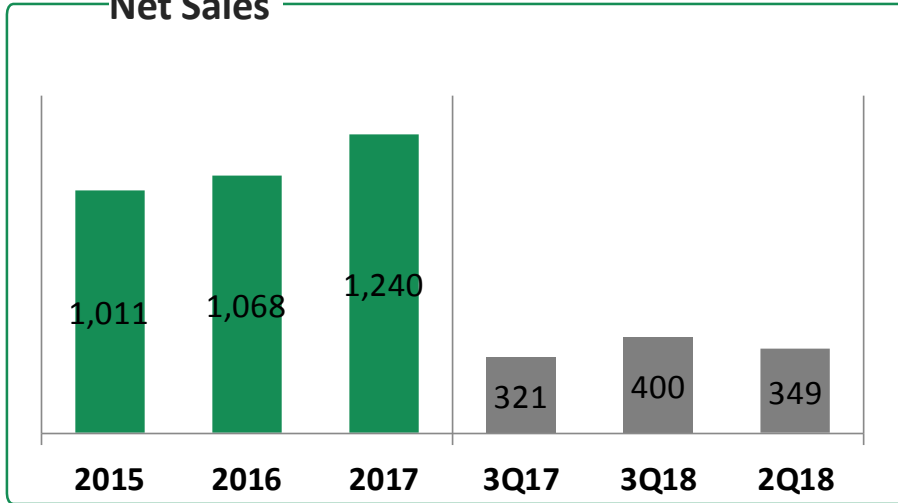
**Yaşar Birleşik Pazarlama is the distribution company of Yaşar Group which ranked as 126 in Fortune Magazine top 500 ranking in Turkey according to 2017 data.*

INCOME STATEMENT

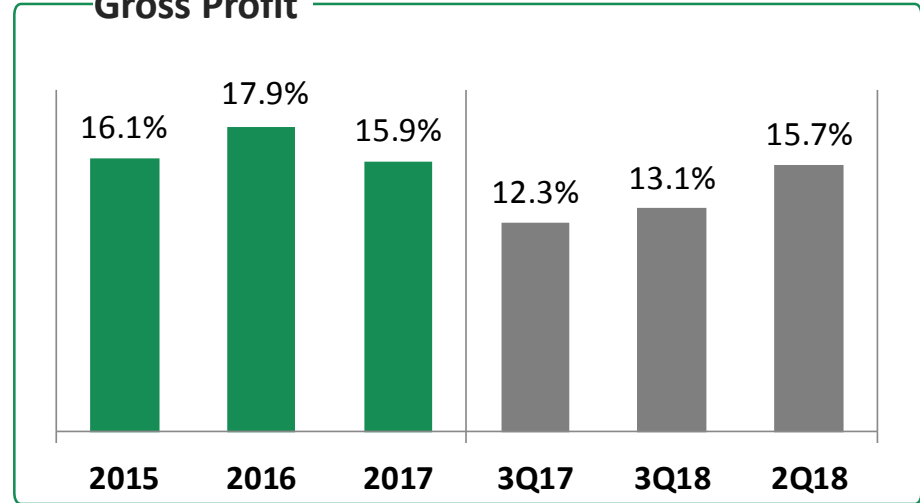
(Million TL)	9M-2018	9M-2017	Difference	Change
Net Sales	1,114.1	897.1	216.9	24.2%
Cost of Goods Sold	(940.4)	(755.3)	(185.2)	24.5%
Gross Profit	173.6	141.9	31.8	22.4%
R&D Expenses	(9.4)	(8.9)	(0.5)	5.4%
Sales, Distribution and Marketing Expenses	(79.1)	(64.6)	(14.4)	22.3%
General Administration Expenses	(31.6)	(28.8)	(2.8)	9.7%
EBIT	53.5	39.5	14.0	35.6%
EBITDA	80.5	61.9	18.6	30.0%
Shares of Results of Investments				
in Associates	7.5	5.2	2.3	45.0%
Other Expenses (Net)	16.0	6.0	10.0	167.3%
Financial Expenses (Net)	(72.0)	(16.7)	(55.3)	331.3%
Profit Before Tax	5.1	34.0	(28.9)	-85.1%
Tax	4.4	1.5	2.9	188.9%
Net Profit for the Period	9.5	35.5	(26.0)	-73.3%

SALES AND PROFITABILITY - QUARTERLY

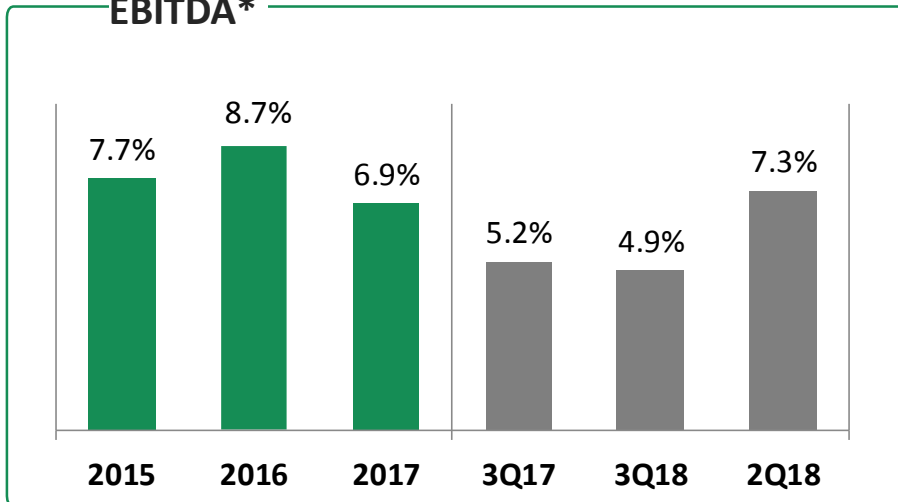
Net Sales



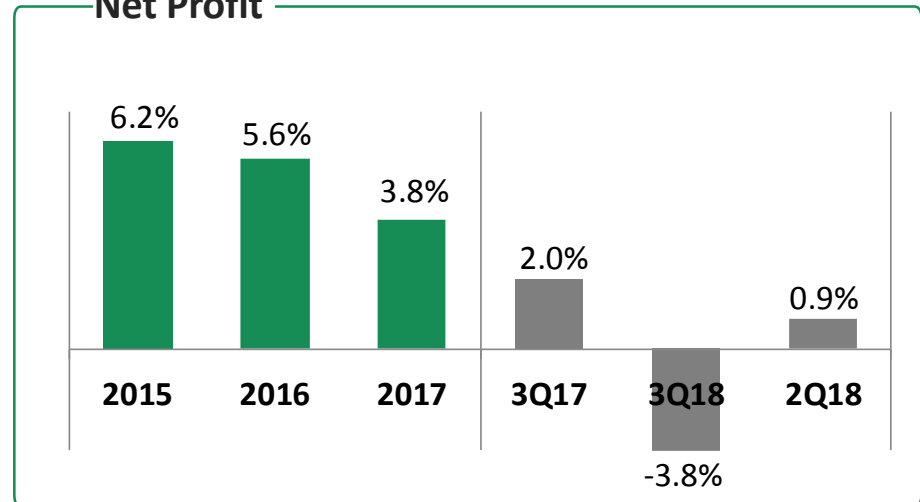
Gross Profit



EBITDA*



Net Profit



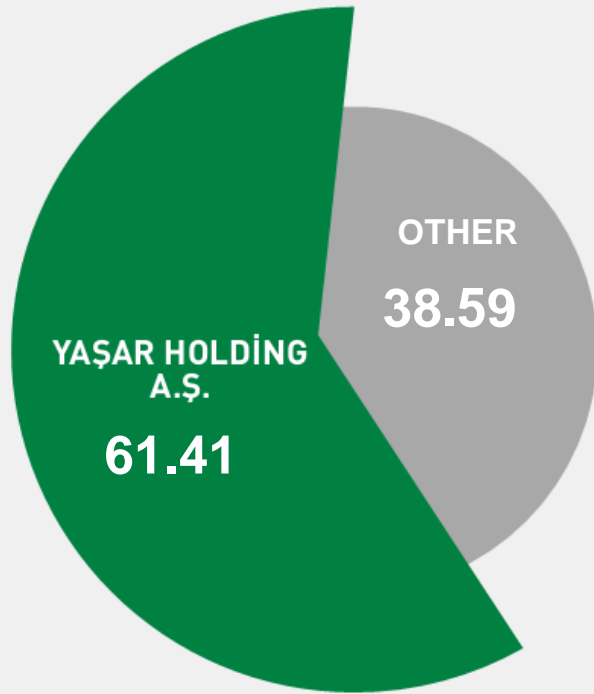
FINANCIAL RATIOS

	2015/12	2016/12	2017/12	2018/06	2018/09
Current Ratio	1.16	1.23	1.21	1.20	1.13
Leverage Ratio	0.34	0.36	0.43	0.45	0.49
Current Borrowings/Total Borrowings (Fin.)	0.93	0.56	0.64	0.57	0.69
Net Fin. Borrowings/EBITDA	0.35	0.74	1.69	1.36	1.70
Net Fin. Borrowings/Equity	0.05	0.12	0.21	0.20	0.27
Return on Equity (ROE)	11.1%	10.2%	7.3%	6.8%	3.4%

CAPITAL EXPENDITURES

	2014	2015	2016	2017	2017-09	2018-09
Capital Expenditures	64 m TL	37 m TL	38 m TL	55 m TL	28.3 m TL	23.9 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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