



PINAR SU SANAYİ VE TİCARET A.Ş.

INVESTOR PRESENTATION



2009, March



PRESENTATION OVERVIEW

Yaşar Group at a Glance

Bottled Water Market

EU Conformity Period

Company Overview

Financial Performance



Disclaimer

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Company's financial statements are available on www.imkb.gov.tr and www.pinar.com.tr/investorrelations websites.



Yasar Group At a Glance

- **Established in 1945**
- One of the Turkey's most important and highly respected conglomerates
- Core businesses: **Food & Beverage and Paint**
- Non-core businesses: Tissue, Trading and Services
- **24 companies, 2 foundations, over 6,600 employees**
- Consolidated revenues of approx. **TL 2 bn** and EBITDA of **TL 197 mn** in FY2008.
- **Six subsidiaries** listed on the **Istanbul Stock Exchange**, combined market cap* **TL 715 mn.**
- Prominently in Turkish economy with 5 companies ranking among **top private 500 of Turkey**
- Widespread and effective **distribution network** in FMCG market
- R&D expertise, proven product innovation capabilities
- Strong track record as an **“innovator”** in Turkey
- **Marketing** expertise, strong brand portfolio
- **Strong presence** in Turkish food & beverage and paint industries
- **IT Systems**
- **Signed the UN Global Compact** on 12 November 2007

* As of July 29,2009

Disclaimer: This presentation must be read with the disclaimer in the Appendix.



Market Leader in Food and Beverages: PINAR

- Launched in **1975**, **Pinar is the market leader** in many sub-segments of FMCG
- **Pinar brand is internationally recognised**, especially in the Gulf countries
- Selected among “**Turkey’s 26 Superbrands**” in 2008
- **#1 Turkish brand** that comes to mind in “**milk**”, “**processed meat**” and “**water**” (bottled and home&office delivery) categories (*source: ACNielsen-2006, 2007*); “**milk**”, “**processed meat**” categories (**2008**).
- **6th** most valuable brand in Turkey with an estimated brand value of **\$802 million** (*source: Brand Finance-2005*)
- As one of the most valuable Turkish brand, part of the **Turquality** project supported by the Turkish government
- According to the “**Turkey Customer Satisfaction Index**”, selected the **best brand** in non-alcoholic beverages sector (*source: Kalder-2006*)



Bottled Water Market In The World

EU CONSUMPTION OF BOTTLED WATER PER COUNTRY

(EXC > 10 LITERS WATERCOOLERS OR DISPENSERS) – (LITERS PER CAPITA)

Italy	176
France	142
Belgium	139
Spain	143
Germany	140
Austria	101
Czech Republic	87
Portugal	84
Slovak Republic	64
Greece	79
Hungary	79

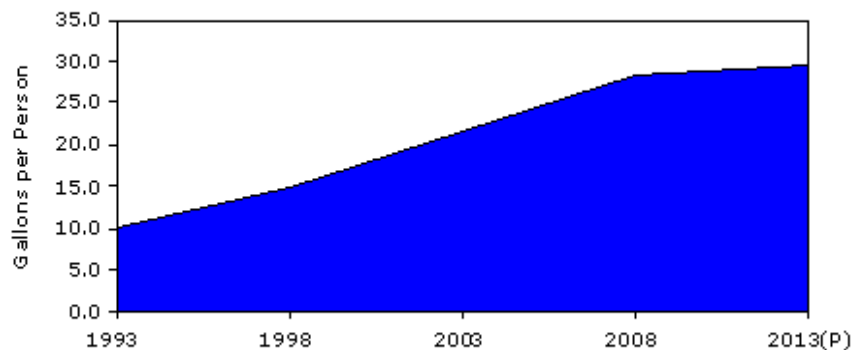
Slovenia	58
Poland	70
Latvia	37
Ireland	26
Lithuania	26
Estonia	25
UK	38
Sweden	20
Netherlands	19
Denmark	17
Finland	16

*In Turkey, bottled water consumption per capita is 96 liters, 70 liters of which is demijons.
The **most important asset** in the world will be “**water**” not “**oil**” **after 30-40 years.***

Bottled Water Market In The World

AVERAGE BOTTLED WATER INTAKE PLATEAUING

Projected per capita consumption, 1993 - 2013(P)

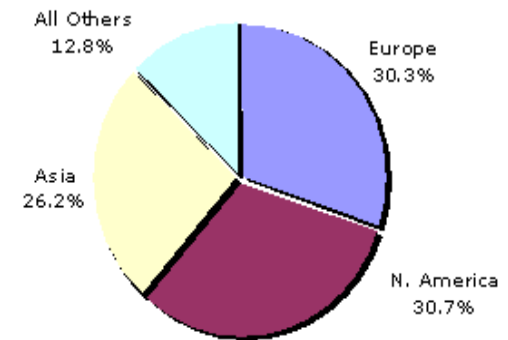


(P) Projected

Source: Beverage Marketing Corporation

NORTH AMERICA LEADS WORLD IN BOTTLED WATER USE

Share of volume by region, 2008(P)



(P) Preliminary

Source: Beverage Marketing Corporation

Exhibit 1.8

GLOBAL BOTTLED WATER MARKET SHARE OF CONSUMPTION BY REGION 2003 – 2008(P)

Regions	2003	2004	2005	2006	2007	2008(P)
North America	29.6%	29.7%	30.2%	30.7%	31.2%	30.7%
Europe	36.8%	35.4%	34.3%	33.5%	31.3%	30.3%
Asia	21.0%	22.2%	22.9%	23.6%	24.9%	26.2%
South America	9.1%	9.2%	9.1%	8.8%	9.2%	9.3%
Africa/Mideast/Oceania	3.6%	3.5%	3.5%	3.4%	3.4%	3.5%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(P) Preliminary

Source: Beverage Marketing Corporation

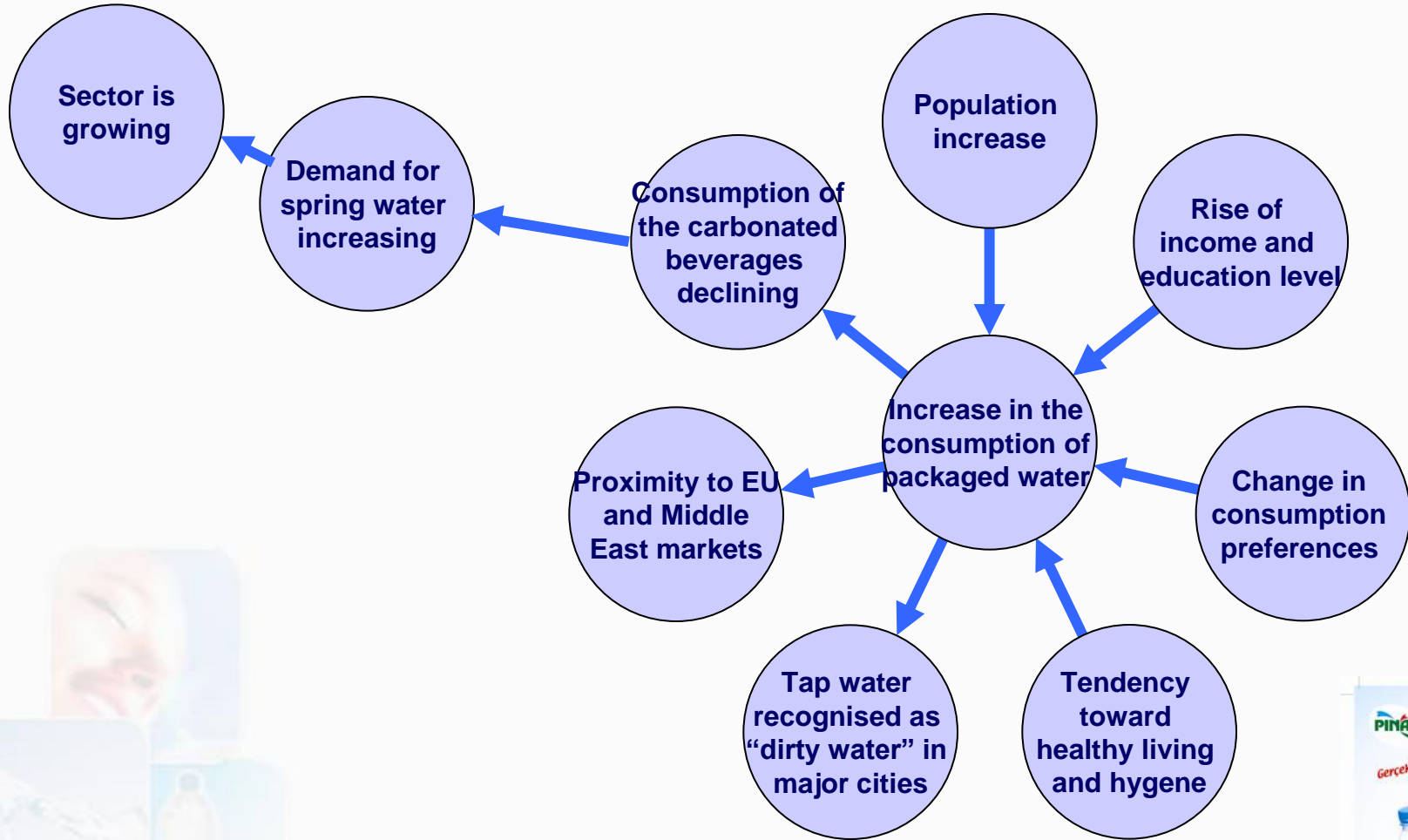
Turkish Market Overview

	2003	2004	2005	2006	2007	2008
Production (billion L)	5,7	6,2	7,0	7,8	8,6	8,6
Market size (billion \$)	0,6	0,8	1,0	1,2	2,1	2,1
Consumption per head (L)	81	83	93	105	96	100

- **Turkish bottled water market grew by 11% in 2006 and reached to 7.8 billion liters, and grew by %10 and reached to 8.6 billion liters in 2007.**
- **No increase/decrease has occurred in 2008. The production volume consists of 6,2 billion L demijohns and 2,4 billion L pet bottles.**
- **80% of the whole consumption in the bottled water sector belongs to 19 L polycarbon water segment, the remaining 20% belongs to PET bottled water segment.**
- **236 firms operating in two main categories (PET and PC)**
- **The polycarbon segment shared among about 140 licensed firms → divided structure**
- **Biggest 10 of them constitute 63%; Biggest 3 constitute 31% of the total PET market share. (AC Nielsen-2007)**



Sector Is Growing and Expanding – Several Reasons





Potential Effects of EU Conformity Period

- **Production and filling conditions** convenient with the regulations
- Increasing **Ministry controls**
- **Disappearing firms** which cannot complete their infrastructures in the sector
- Serious firms becoming more advantageous
- Increasing **sensitivity of the consumers** to the quality
- Increasing **demand for high quality water**
- **Consolidation of the firms** functioning in both categories (**PC and PET**)



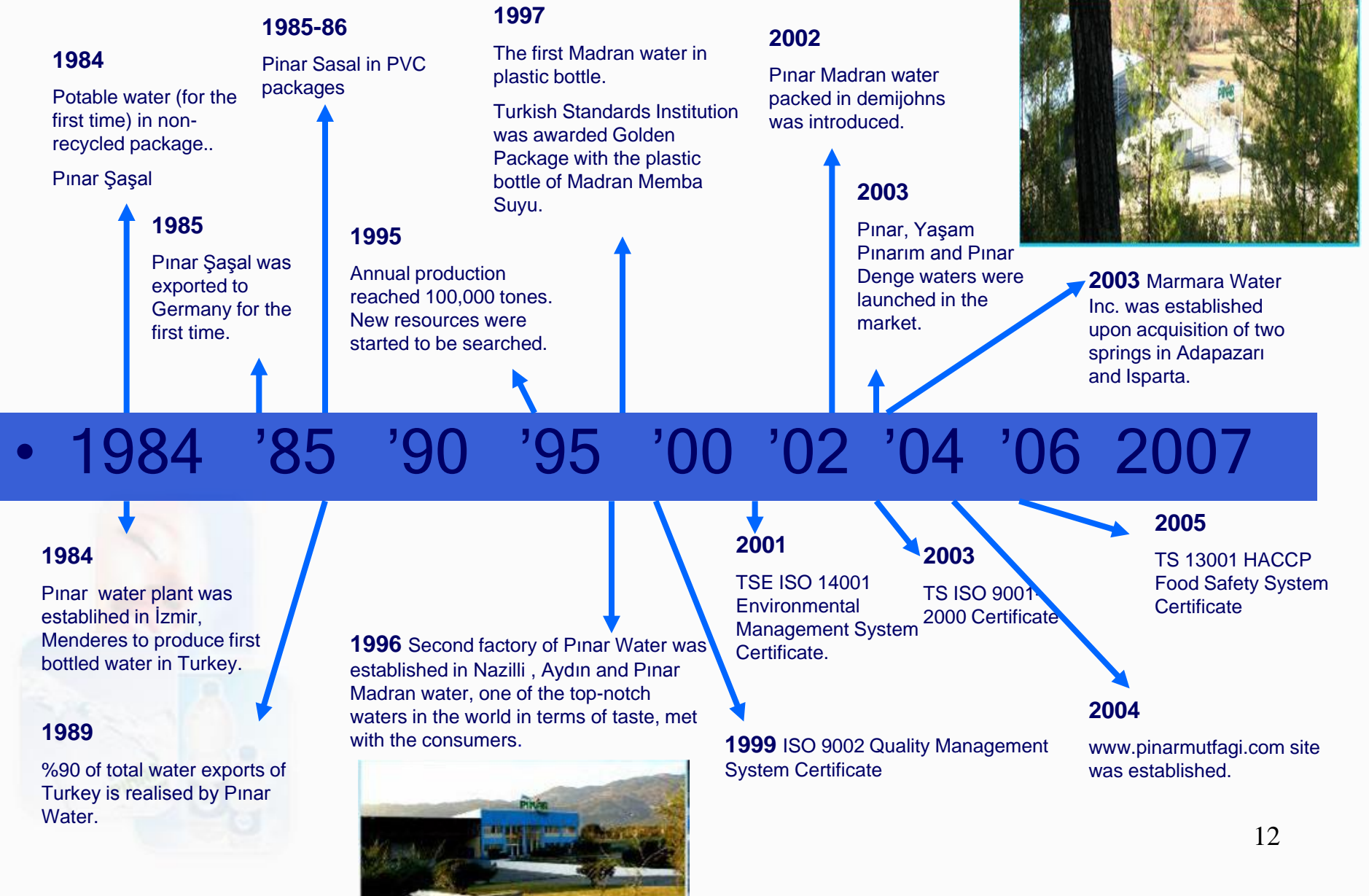


Turkey's Outstanding Global Power

- **Water** becomes the **most important asset** in the world
- **Turkey** has an **outstanding power with its resources**, as the **third country** after France and Spain.
- **9 countries share 60%** of available resources
- Currently **only 20%** of the usable natural water resources **is processed**
- Average **annual capacity usage** rate of the sector: **25%**
- **Turkey** realised a total **export** of **\$30 Mn** in 2006
- A **doubling of bottled water** market is forecasted **by 2012**, in the world.



Company History



Product Range

- Under the brand name of **Pınar Yaşam Pınarım - MADRAN**, production of PET water in 0.33 L, 0.5L, 1.5 L, 2.5 L, 5 L; glass bottle in 0.33 L and 0.5L, polycarbon demijohn water in 19 L is realized.



- Under the brand name of **Pınar Yaşam Pınarım - ÇAMLICA**, production of PET water in 0.33 L, 0.5L, 1.5 L, 5 L and polycarbon demijohn water in 19 L is realized.



- Under the brand name of **Pınar Yaşam Pınarım - TOROS**, production of PET water in 0.5L, 1.5 L, 5 L and polycarbon demijohn water in 19 L is realized.





Distribution Channels

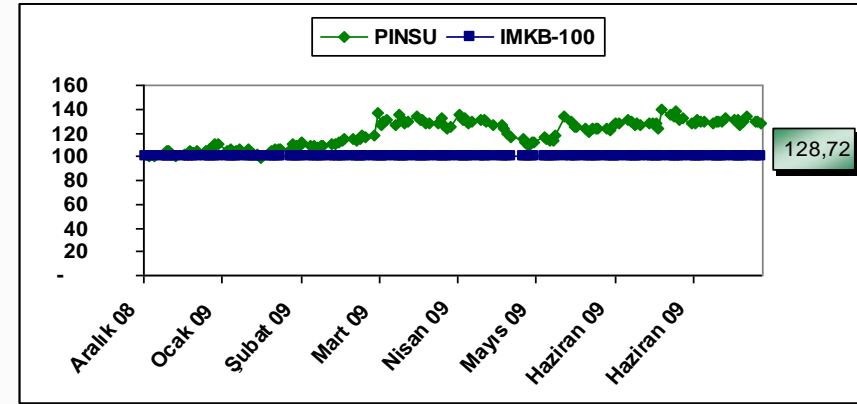
- The products of **PET bottled** water segment are serviced in two main channels: **retail market (houses)** and **foodservice market (hotels, restaurants, cafes, etc.)**. In the retail market, there are also **sub-channels** like **supermarkets, medium markets, groceries, dry fruit vendors, gas station markets**.
- In the **19 L packed polycarbon category (HOD)**, the sales are realized through **dealers (bayii) channel**.



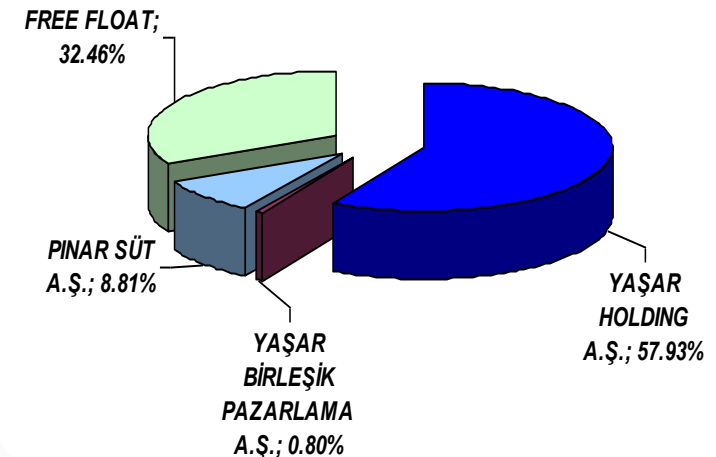
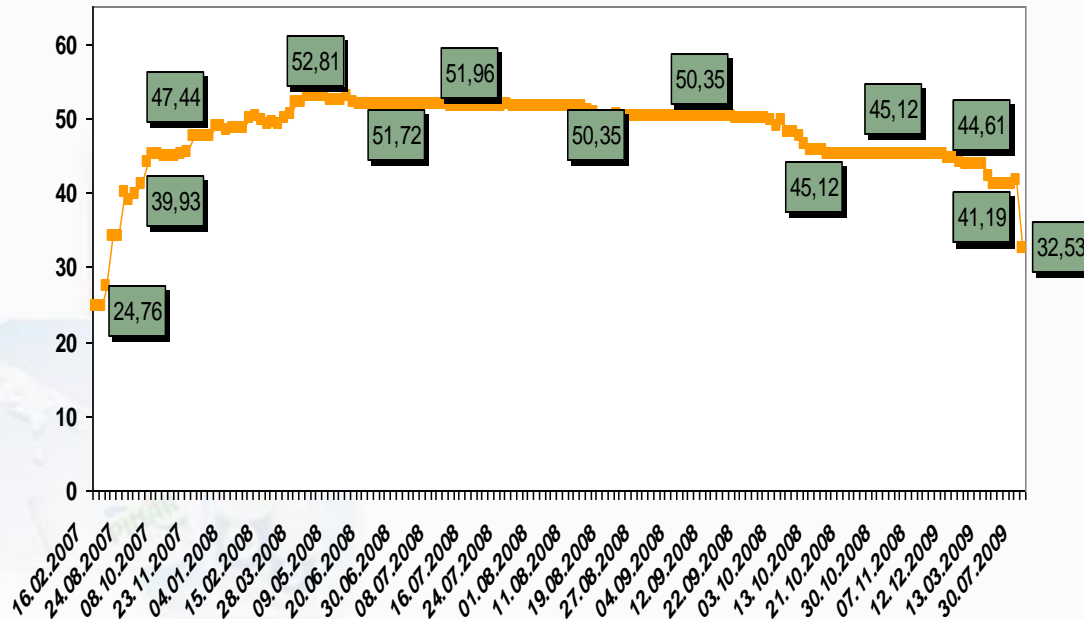


Ownership Structure

- Listed in Istanbul Stock Exchange
- 32% of total outstanding shares in free float
- Price at July 29, 2009 → TRY 5,00
- Market Cap (\$mn) → 43



Foreign Stake in the Free Float (%)





Competitive Advantages of Pinar Su



- **Brand recognition**
- **Corporate image and reputation**
- **Customer loyalty**
- **Clean Room Technology**
- **Consistency of supply**
- **The compatibility of Pinar Madran natural spring water with EU's "Natural Mineral Waters Regulation" and norms has been certified.**
 - **Pinar Madran is the first and the only Turkish beverage company** which gained the right to receive sufficiency certificate from **National Sanitation Foundation (NSF)**
 - The quality of **Pinar Madran** has been inspected and **approved by Fresenius Institute** of Germany
- **Continuing leader position** in the **export of bottled water**
- Possession of **HACCP Food Security Management System**
- **Strong** production-technical **substructure, know-how.**
- Widespread and effective **distribution network**
- **Online traceability** of the production through





Participations

**Yaşar Birleşik
Pazarlama Dağıtım
Turizm ve Ticaret
A.Ş. (YBP)**

Ownership %
4.79

Carrying Value
10.9 M YTL

**Sales and distribution of
products of Pınar Süt,
Pınar Et & other food
products**

**Birmaş Tüketim
Malları Ticaret A.Ş.**

Ownership %
25

Carrying Value
0.3 M YTL

**Sales and distribution of
products of Pınar Su**

**Yaşar Dış Ticaret
A.Ş.**

Ownership %
1.96

Carrying Value
8 M YTL

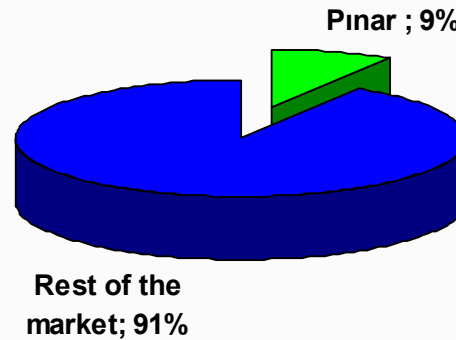
Foreign trade



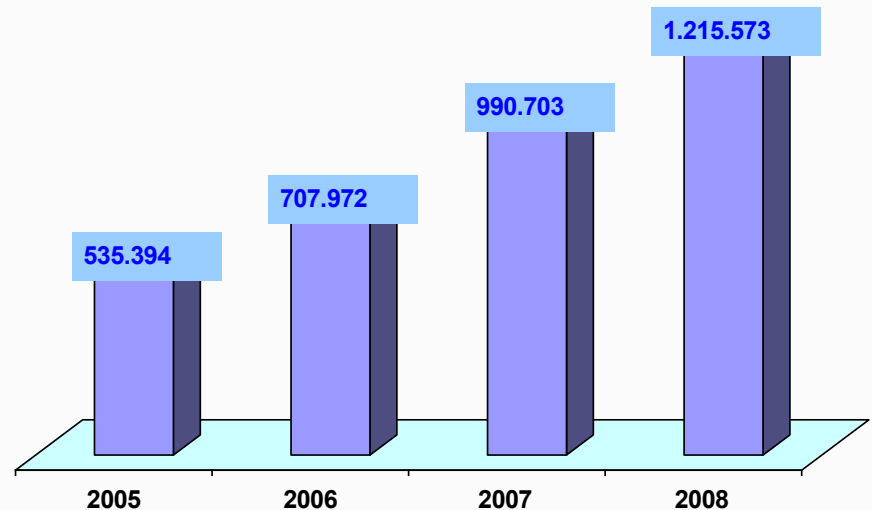


Market Size & Market Share

Value Share



- First brand that comes to mind (2006, 2007 AC Nielsen)
- A rapidly expanding market
- 23% YOY growth in 2008 in Turkey
- Each of the **biggest 5** companies in Turkey possesses a **share %9-13** of the total market





Marketing Success- Market Researches

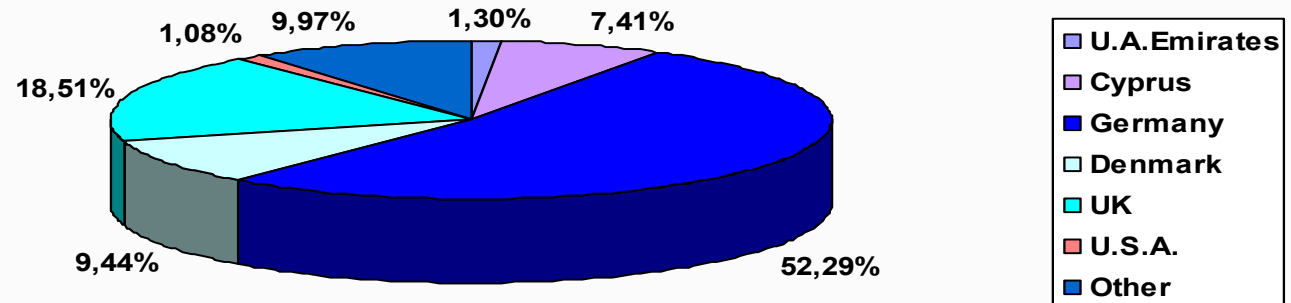
- **Pınar Su** is the first brand that comes to the consumer mind in the PET and PC bottled water categories (AC Nielsen 2006 - 2007).
- When the spontaneous and aided brand awareness in water category is examined, it was seen that **“Pınar”** is the best known brand with the rate of **86.6%** (Procon, 2005).
- According to the **“Turkey Customer Satisfaction Index”**, selected the best brand in non-alcoholic beverages sector (source: **Kalder-2006**)



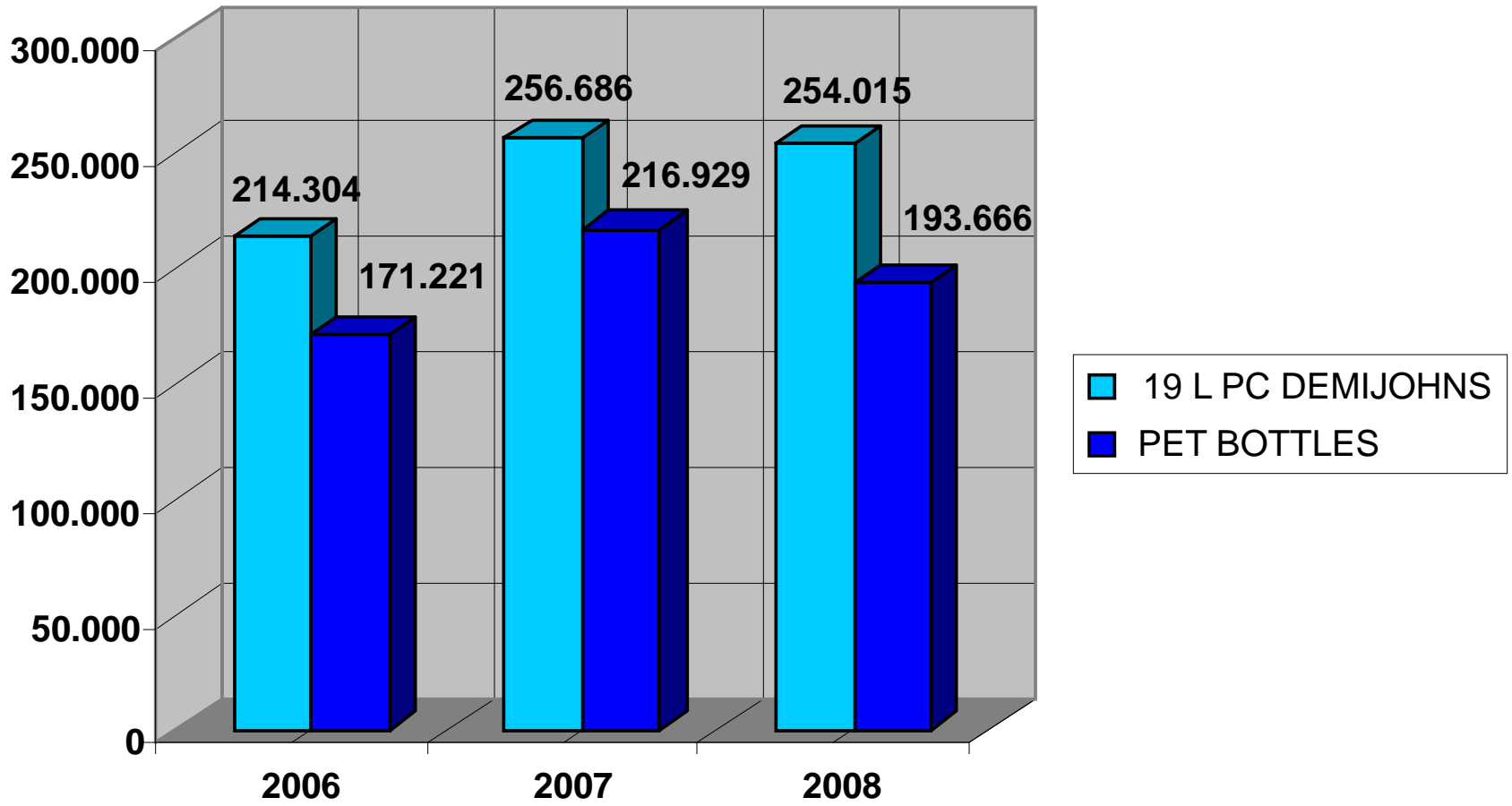


Leader in the Export of Natural Spring Water

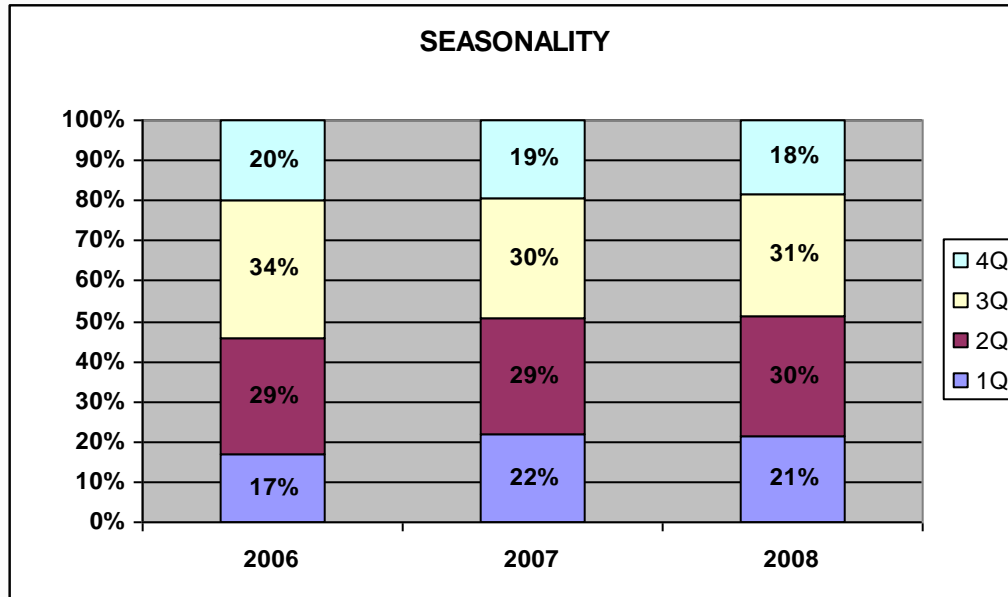
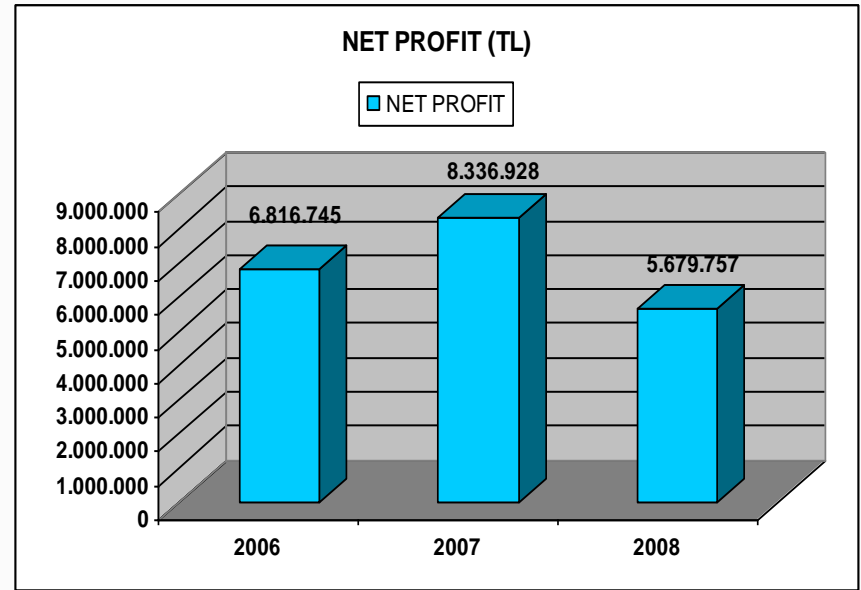
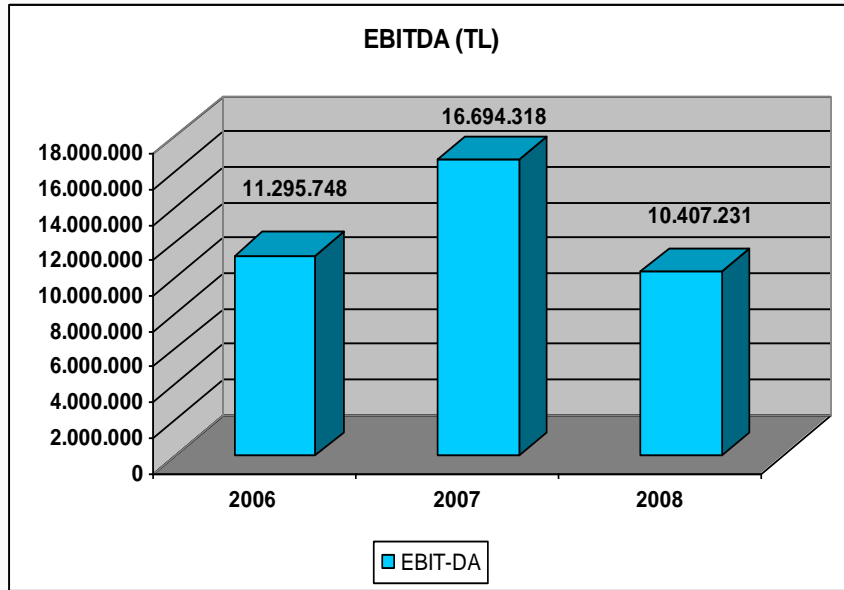
- Pınar Su exports to totally 20 countries
- Germany forms 52 percent of the total exports
- Share of exports in total net sales is around 9%.



Production (Tons)



Performance Highlights



Consolidated Income Statement (Mn TL)

	1 Jan. 2009 - 31 March 2009	1 Jan. 2008 - 31 March 2008
OPERATING REVENUE	11.7	13.0
Net Sales	11.7	13.0
Cost of Sales	(8.0)	(7.4)
GROSS PROFIT	3.7	5.6
Operating Expenses	(2.6)	(3.6)
NET OPERATING PROFIT	1.1	2.0
Other Income	0.8	1.7
Other Expenses	(0.3)	(0.1)
Financial Expenses	(0.6)	(0.8)
OPERATING PROFIT	1.0	2.8
PROFIT BEFORE TAXATION ON INCOME	1.0	2.8
Taxes on Income	(0.3)	(0.4)
NET PROFIT FOR THE YEAR	0.7	2.4
EBITDA	2.2	2.9
EBITDA MARGIN	19%	23%
EBIT	9%	16%
GROSS MARGIN	32%	43%
NET PROFIT MARGIN	7%	18%

Financial Overview

- Net sales of app. TL 11.7 mn and EBITDA of TL 2.3 mn
- EBITDA margin of 20%

KEY PERFORMANCE INDICATORS (IFRS-CONSOLIDATED)			
	31.03.2009	31.03.2008	Change (%)
NET SALES (TL)	11,688,602	13,049,650	-10.4%
COST OF GOODS SOLD (TL)	(7,987,305)	(7,378,559)	8.3%
GROSS PROFIT (TL)	3,701,297	5,671,090	-34.7%
GROSS PROFIT MARGIN	32%	43%	-25.6%
EBITDA (TL)	2,220,779	2,992,231	-25.8%
EBITDA MARGIN	19%	23%	-17.1%

Key Ratios and Net Financial Debt

	March 31, 2009	March 31, 2008
Current Ratio	1.26	1.36
Leverage Ratio	0.25	0.23
Interest Coverage Ratio	26.36	34.61
S/T Financial Debt/Total Financial Debt	0.29	0.27
Net Financial Debt /EBITDA	2.62	0.04
Total Financial Debt / Equity	0.11	0.06

(Mn YTL)		
Cash & Cash Equivalents	(0.6)	(3.4)
S/T Borrowings	2.0	1.0
L/T Borrowings	4.8	2.5
Net Financial Debt	6.2	0.1



Investment Highlights

- Strong brand image
- Hygienic and EU standard production
- High quality production
- Professional management
- Increasing export potential
- Advanced IT structure
- Group synergies
- Wide-spread distribution network

PINAR

*En iyi suyu
anneler
bilir!*

Çocukları için herşeyin
en iyisini düşünen anneler,
Pınar Madran'ı tercih ederler.

Çünkü **Pınar Madran**,
dünyanın en ileri teknolojisi olan
clean room sistemiyle,
hijyenik koşullarda şişelenir.

Bu nedenle, **bebeklere** bile
kaynatmadan içirilebilecek
kadar **sağlıklı** ve **güvenilirdir**.

Pınar Madran

Pınar Ücretsiz Danışma Hattı
Tel: 0 800 415 51 17
www.pinar.com.tr info@pinar.com.tr



Awards and Certificates

- **Pınar Su Aydın / Bozdolan facility** gained the right to receive **TS EN ISO 9001:2000** Quality Management Certificate, **TS 13001 HACCP** Food Security Management System Certificate and **TS EN ISO 14001** Environment Management System Certificate.
- **Pınar Su Hendek/Sakarya and Eskişehir / Isparta facilities** are certified by **TS EN ISO 9001:2000** Quality Management System and **TS 13001 HACCP** Food Security Management System Certificates. All these management systems are periodically inspected by TSE.
- **Pınar Madran, Pınar Yaşam Pınarım and Pınar Denge brands** have proven their qualities with their certificates indicating consistency with TSE and capability for manufacturing.
- According to the “**Turkey Customer Satisfaction Index**”, selected the **best brand** in non-alcoholic beverages sector (source: Kalder-2006Q2)

