

**Corporate Credit Rating**  
Annual Review

**Agricultural Sector**  
(Milk, Dairy Products & Animal Feed Industry)

		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Positive	Positive
Sponsor Support		3	-
Stand-Alone		BC	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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AYNES GIDA SANAYİ ve TİCARET A.Ş.						
Financial Data	Sept. 2013	2012*	2011*	2010*	2009*	2008*
Total Assets (000.000 USD)	131.39	155.44	106.96	96.99	79.55	62.97
Total Assets (000.000 TRY)	267.51	276.31	202.03	149.94	119.77	95.82
Equity (000.000 TRY)	53.37	54.86	45.24	35.55	33.24	29.43
Turnover (000.000 TRY)	444.57	418.35	341.22	269.04	188.15	176.97
Net Profit (000.000 TRY)	5.15	8.95	8.52	2.31	5.12	0.50
Net Profit Margin (%)	1.16	2.15	2.49	0.86	2.72	0.28
ROAA (%)	n.a.	4.54	5.68	2.04	5.72	0.97
ROAE (%)	n.a.	21.70	24.73	7.99	19.67	2.85
Equity/Assets (%)	19.94	19.85	22.39	23.71	27.76	30.71
Net Working Capital/T. Liabilities (%)	15.62	-1.48	8.51	18.33	4.01	5.91
Debt Ratio (%)	80.06	80.15	77.61	76.29	72.24	69.29
Asset Growth Rate (%)	-3.16	36.76	34.74	25.19	25.00	45.89

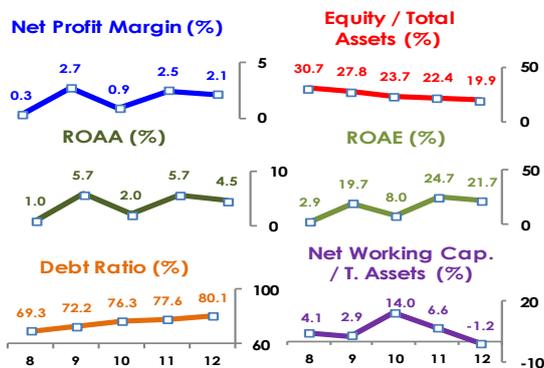
\*End of year

**Company Overview**

**Aynes Gıda Sanayi ve Ticaret A.Ş.** (hereafter referred to as the Company or Aynes Gıda) operates in the fields of milk, dairy products and animal feed production and commenced activities in 1997. Following a merger with its parent company 'Ay-yem Tarım Gıda Sanayi ve Tic. Ltd. Şti' in September, 2011, the Company became one of Turkey's leading industrial enterprises rising to 194<sup>th</sup> place (319<sup>th</sup> in 2011) in the Istanbul Chamber of Commerce's ranking of companies as of FYE2012.

As of FYE2012, the major product groups of the Company constituting more than 95% of sales revenue included UHT Milk, yoghurt, cheese and animal feed. Based in the Acipayam region of the district of Denizli, Turkey, the Company employs 891 personnel and carries out its sales and distribution activities through branches in 13 distribution regions. In addition, the Company was one of a few players granted permission to export milk and dairy products to EU countries.

The shareholding structure of the Company covered 14 individuals as of FYE2012, two of which are the main controlling shareholders, namely Mr. Nevzat SERİN (37.07%) and Mr. Ayhan BATUR (37.07%).



**Strengths**

- Maintenance of high asset growth rates via increasing trade volume, inventories and tangible assets
- Low level of impaired receivables ratio with a decreasing trend along with the full provisioning policy contributing to asset quality
- Increase in tangible assets through completed technology-intensive investments, creating a wealth effect
- Relatively low level of off balance sheet commitments and contingencies contributing to asset quality and risk level despite increasing trend
- Population growth, urbanization, young demographic and the rise in per capita income providing opportunities for growth and market expansion regarding milk consumption and production
- The contribution of being one of the six authorized firms for EU export and participation in the Government's 'school milk' incentive to the Company's reputation

**Constraints**

- Decreasing trend in equity level derived from funding needs fulfilled mostly with external sources, suppressing the asset quality
- High level of operating expenses inherent in the sector, adversely affecting profitability ratios
- Continuing effect of foreign currency position leading to volatility in profit figures despite its downward trend
- Short term weighted year-end dispersion of total liabilities along with increasing trend, despite remarkable improvements through the current financial year
- Widespread presence of small-scale enterprises operating inefficiently under the informal economy exposing companies to unfair competition
- Absence of sector regulation and supervision

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