

**Corporate Credit Rating**  
Annual Review

**Tourism & Real Estate Development**  
[Casino, Hotels, Duty Free, Real Estate Development]

NET HOLDING A.Ş.		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-

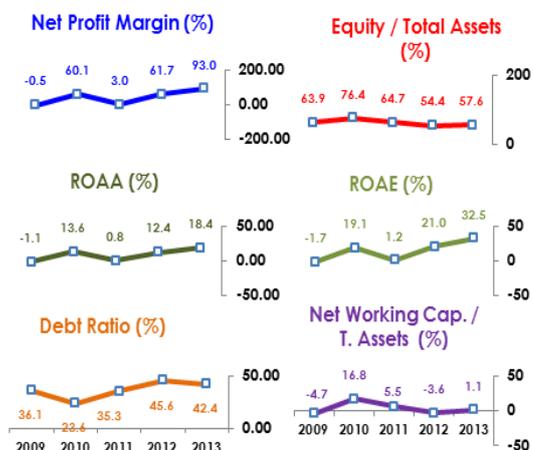
\*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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**Strengths**

- Long operational track record in hotel & casino management resulting in extensive know-how and experience
- Significant market share and brand reputation in the TRNC along with an internationally established marketing network
- Maintenance of high profitability indicators and strong level of equity expected to support Company growth in the medium and long-term
- Changing composition of debt structure with rising share of long-term liabilities via the ongoing and planned bond issues
- Expansion plans relating to the lottery and duty free sectors through domestic and international joint ventures, promising new sources of revenue
- Ongoing resolution negotiations regarding TRNC's political status with potentially positive impacts on the Company's performance

**Constraints**

- High level of operating expenses in the tourism sector exerting downward pressure on profitability levels
- Complex capital structure with a large number of subsidiaries involving inactive companies reducing transparency level
- Seasonal fluctuations in activity across the tourism and casino sectors
- Political isolation of TRNC limiting the growth and development of the tourism sector
- Ongoing economic and political instability in Turkey and across the region leading to volatility in the markets

Financial Data	Net Holding A.Ş.					
	March, 2014	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	706,317	707,029	345,905	263,177	284,865	219,573
Total Assets (000 TRY)	1,522,607	1,506,255	614,881	497,114	438,008	326,571
Equity (000 TRY)	944,729	868,214	334,432	321,590	334,518	208,623
Sales (000 TRY)	47,738	181,047	65,950	3,083	59,298	69,771
Net Profit (000 TRY)	-6,493	194,717	106,815	102,322	98,695	-358
Net Profit Margin (%)	n.a.	92.98	61.74	3.01	60.08	-0.51
ROAA (%)	n.a.	18.43	12.39	0.81	13.58	-1.08
ROAE (%)	n.a.	32.51	21	1.16	19.12	-1.72
Equity / Total Assets (%)	62.05	57.64	54.39	64.69	76.37	63.88
Net Working Capital / T. Assets (%)	-2.91	1.15	-3.61	5.49	16.8	-4.69
Debt Ratio (%)	37.95	42.36	45.61	35.31	23.63	36.12
Asset Growth Rate (%)	1.09	144.97	23.69	13.49	34.12	-5.96

\*End of year

**Overview**

**Net Holding A.Ş.;** (referred to as the Group or the Company), with origins dating back to the foundation of Net Turizm Ticaret ve Sanayi A.Ş. in 1975, was established in 1981 to oversee the planning and auditing of its group companies. At present, the Company has 23 subsidiaries, two of which are publicly traded with the vast majority operating in the domestic and foreign tourism sectors.

The management of casinos and hotels constitute the major sources of revenue for the Group. In addition, the Group operates in the fields of tourist store facilities management, real estate development, luxury car rental services (Inter Limousine) and publishing with intentions to expand into the duty free and scratch lottery sectors. As of FYE2013, the Company employed a total workforce of 1,955 as of FYE2013. (FYE2012:1,435)

The Group holds a total of nine hotels, seven of which are located in the Turkish Republic of Northern Cyprus and two in Turkey under the brand name 'Merit'. In addition, the Company runs a chain of 5 casinos in the TRNC. Shares of the Company have been listed on the Borsa Istanbul (BIST) with a free-float rate of 43.01% as of March 2014. The Company's long term national rating was upgraded to 'A (Trk)' from A- (Trk) along with a 'Stable' outlook.