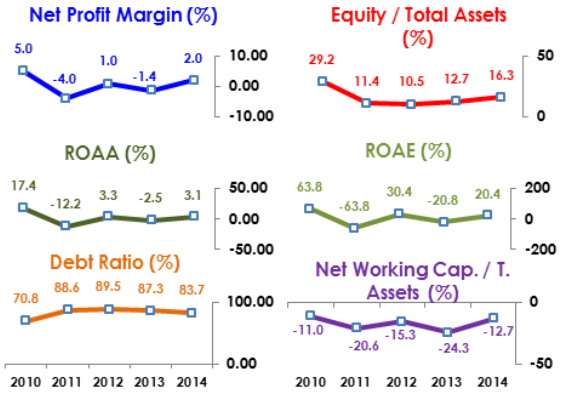
Corporate Credit Rating

LOGISTICS

NETLOG LOJİSTİK GRUBU			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
	Local Currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating		BBB	A-3 (Trk)
	Outlook		Stable	Stable
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR Eurasia Rating, JCR-ER on July 11, 2014

Analyst:
Abdurrahman **TUTGAÇ**/+90 212 352 56 73
abdurrahman.tutgac@jcrer.com.tr



Netlog Lojistik Hizmetleri A.Ş.					
Financial Data	Sept.14	2013*	2012*	2011*	2010*
Total Assets (000 USD)	351,072	208,575	144,912	96,061	90,721
Total Assets (000 TRY)	803,461	444,349	257,596	181,450	139,493
Equity (000 TRY)	130,729	56,355	27,131	20,663	40,768
Net Profit (000 TRY)	18,137	-10,402	6,432	-19,663	18,600
Sales (000 TRY)	889,228	769,284	676,659	496,619	371,323
Net Profit Margin (%)	2.04	-1.35	0.95	-3.96	5.01
ROAA (%)	3.08	-2.48	3.31	-12.21	17.42
ROAE (%)	20.44	-20.85	30.43	-63.78	63.80
Equity / Total Assets (%)	16.27	12.68	10.53	11.39	29.23
Net Working Capital / T. Assets (%)	-12.70	-24.26	-15.29	-20.61	-10.95
Debt Ratio (%)	83.73	87.32	89.47	88.61	70.77
Asset Growth Rate (%)	80.82	72.50	41.97	30.08	53.80

*End of year

Overview

Netlog Lojistik Hizmetleri A.Ş., (hereinafter 'Netlog Logistics Group' or 'the Group') was founded in 1981 under the name of Ülker Beynelmilel Nakliyat ve Ticaret A.Ş. and changed its title to Golden Lojistik ve Akaryakıt Ticaret A.Ş. in 2002. Following the partnership with **Çak Family** in 2005, the title of the Company was changed to "Netlog Lojistik Hizmetleri A.Ş.", later joining with its subsidiaries to become the parent company of Netlog Logistics Group.

The Group is the logistics service provider of numerous well-known local and global brands in the food, cold chain, fashion and lifestyle, pharmaceutical, retail and other sectors. Netlog extended its operations to Europe through creating a joint venture, **Greenbridge Multimodal BV**, with the prominent Dutch transport group **Samskip Multimodal BV** to provide multi-modal transport solutions for trade between Turkey and Europe. The Group also completed the acquisition of Amsterdam based **TNT Fashion Group BV** with **Belspeed**, a fashion and lifestyle logistic company of Belgium in 2014.

Yıldız Holding, with roots dating back to the foundation of Ülker Bisküvi in 1944, operates on a national and international scale and consists of 110 subsidiaries and 7 affiliates and holds 10% of the Group shares while main shareholder Çak Family owns the majority, 90% as of FYE2014. The Group is headquartered in Büyükçekmece/İstanbul and employed over 3,000 personnel as of 2014.

Strengths

- Remarkable asset and sales growth over the reviewed period outperforming sector average
- Progressing operating performance along with improved EBITDA
- Asset and operational risk aversion through insurance coverage
- Competitive fleet, enabling the Group to provide comprehensive transportation services and offer multimodal transportation
- Buffer for FX risk provided by geographically diversified operations
- Synergy created through cooperation and partnership with Yıldız Holding, a leading conglomerate in Turkey
- Strong relationship with customers and subcontractors
- Increasing potential of the logistic sector in Turkey creates further room for third party logistic providers

Constraints

- Considerable leverage level along with a large share of short term loans in total liabilities
- Pressure on liquidity management due to negative net working capital over the reviewed period
- Fierce competition and lower margins in road transportation
- A possible decrease in the volume of trade between Turkey and the Euro area due to prolonged economic recovery in the EU
- Concentration risk from one major customer despite its decreasing share in total sales
- Room for improvement in compliance with Corporate Governance Best Practices

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90 (212) 352.56.75 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. http://www.jcrer.com.tr