

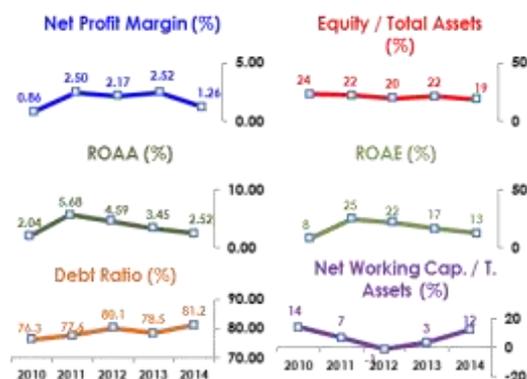
**Corporate Credit Rating**  
Annual Review

**Manufacturing & Industry**  
[Milk and 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 August 28, 2015

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**Strengths**

- Maintenance of operational volume growth throughout the completed financial year reflected by the growth in sales revenues and assets
- Significant room for growth in the medium and long term with respect to the consumption of packaged milk products in Turkey
- Notable market share in the dairy products industry and position as the leading supplier to the largest national retail supermarket chain
- Operationalization of milk powder and whey plants in late FY2015 projected to positively impact future cash flows and profitability with plans to establish a new feed factory
- Low level of impaired receivables, foreign currency risk and high technology investments contributing to asset quality
- Successive bond issues in the completed and current financial year along with the improvement in the level of compliance with Corporate Governance Practices

**Constraints**

- High levels dependence on external financial leverage in order to support the expansion of operational volume
- Decline in the principle profitability indicators throughout FY2014 stemming from high operating expenses and rising financial expenses weakening internal equity generation capacity
- Fall in milk prices globally along with the increase in stock levels across the domestic market due to the imbalance between supply and demand
- Maintenance of short-term weighted funding composition exerting pressure on the net working capital levels despite the improvement recorded through bond issues
- High share of informal economy in the dairy products industry along with the dependence on imports for raw materials utilized for feed production
- Difficulties in exports to the European Union (EU) and the Russian markets along with the ongoing political and social unrest in the neighboring region

Aynes Gıda Sanayi ve Ticaret A.Ş.						
Financial Data	09/2015**	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	193,965	182,675	157,044	155,438	106,959	97,518
Total Assets (000 TRY)	496,010	423,606	334,566	276,307	202,035	149,944
Equity (000 TRY)	64,775	79,754	71,963	54,859	45,241	35,553
Net Profit (000 TRY)	5,461	7,523	14,272	9,042	8,525	2,309
Sales (000 TRY)	561,566	598,453	567,226	415,794	341,217	269,043
Net Profit Margin (%)	0.97	1.26	2.52	2.17	2.50	0.86
ROAA (%)	N/A	2.52	3.45	4.59	5.68	2.04
ROAE (%)	N/A	12.59	16.62	21.93	24.73	7.99
Equity / Total Assets (%)	13.06	18.83	21.51	19.85	22.39	23.71
Net Working Capital / T. Assets (%)	29.83	12.37	3.49	-1.19	6.61	13.98
Debt Ratio (%)	86.94	81.17	78.49	80.15	77.61	76.29
Asset Growth Rate (%)	N/A	26.61	21.08	36.76	34.74	25.19

\*End of year

\*\*Unaudited Results

**Overview**

Aynes Gıda Sanayi ve Ticaret A.Ş., (hereinafter referred to as the Company or Aynes Gıda), the roots of which date back to the establishment of Ay-yem in the Acıpayam region of Denizli in 1997, operates in the fields of dairy and ruminant feed production and has consistently increased its capacity to become one of the leading players in the Turkish dairy sector with annual revenues of TRY 600mn as of FYE2014. The Company attained the 161<sup>st</sup> position at FYE2014 in the annual list of 500 Leading Industrial Enterprises compiled by the Istanbul Chamber of Industry.

The principle product groups of the Company include UHT milk, yoghurt, cheese and animal feeds, comprising more than 90% of sales revenues as of FYE2014. There were a total of 1,206 personnel (FYE2013: 1,068) employed across Company operations as of November, 2015 with the marketing headquarters based in Istanbul and distribution and sales activity taking place through organized and widespread distribution channels along with marketing offices in Georgia. The Company is one of the few players in the dairy sector that was authorized for exports into the European Union (EU) and Russia.

Mr. Nevzat **SERİN** (37.07%) and Mr. Ayhan **BATUR** (37.07%) are the two qualified individual shareholders of the Company, the shareholder structure of which contained 15 individuals as of FYE2014.

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