

**Corporate Credit Rating**

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

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

AYNES GIDA SANAYİ ve TİCARET A.Ş.						
Financial Data	Sept. 2012	2011*	2010*	2009*	2008*	2007*
Total Assets (000.000 USD)	131.82	106.96	96.99	79.55	63.36	56.39
Total Assets (000.000 TRY)	235.26	202.03	149.94	119.77	95.82	65.68
Equity (000.000 TRY)	43.63	45.24	35.55	33.24	29.43	25.28
Sales (000.000 TRY)	314.67	342.21	269.04	188.15	176.97	134.95
Net Profit (000.000 TRY)	5.25	8.52	2.31	5.12	0.50	2.23
Net Profit margin (%)	1.67	2.49	0.86	2.72	0.28	1.65
ROAA (%)	n.a	5.68	2.04	5.72	0.97	n.a
ROAE (%)	n.a	24.73	7.99	19.67	2.85	n.a
Equity/Assets (%)	18.55	22.39	23.71	27.76	30.71	38.50
Net Working Capital/T. Assets (%)	9.00	8.51	24.23	4.01	5.91	13.16
Debt Ratio (%)	81.45	77.61	76.29	72.24	69.29	61.50
Asset Growth Rate (%)	16.44	34.74	25.19	25.00	45.89	n.a

\*End of year

**Overview**

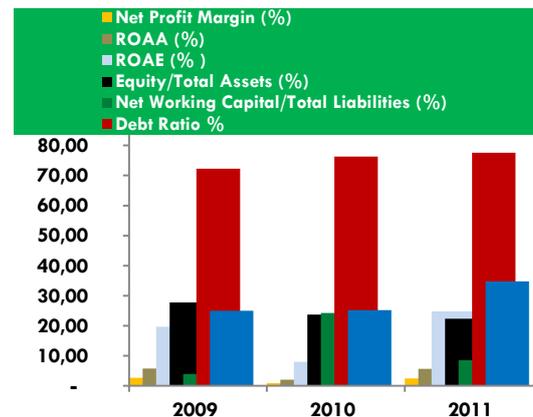
**Aynes Gıda Sanayi ve Ticaret A.Ş.** (hereafter, the Company or Aynes Gıda) commenced its production and packing activities of milk, dairy products and fruit juices in 1997. On September 30, 2011 the Company merged with its parent company 'Ay-yem Tarım Gıda Sanayi ve Tic.Ltd.Şti.', founded in 1993 and operating in the field of animal feed production. The Company became one of the Turkey's Top 500 Industrial Enterprises at the 414<sup>th</sup> position in 2009 (338<sup>th</sup> in 2010 and 319<sup>th</sup> in 2011) and was one of the few Turkish Companies with proficiency in the project to 'export of milk and dairy products to EU countries' conducted by the Republic of Turkey Ministry of Food Agriculture and Livestock.

The Company's main production groups include UHT Milk, yogurt, cheese and animal feed, constituting more than 95% of sales revenue, as of FYE2011. The Company carried out its sales and distribution activities mainly through its branches in 13 distribution regions with an average annual labor force of 753, as of 2011.

The Company's real person shareholding structure covers 14 individuals, two of which are the main controlling shareholders, Mr. Nevzat **SERIN** (37.07%) and Mr. Ayhan **BATUR** (37.07%), as of reporting date.

\*Assigned by Japan Credit Rating Agency, JCR on June 28, 2012

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**Strengths**

- Ongoing and relatively high asset growth rates mainly derived from continuing increase in trade volume and growing investments
- Below reference values impaired receivables ratio along with full provisioning contributing to asset quality
- Completed, ongoing and planned technology-intensive investments that are likely to lead to improvement in productivity, quality and profitability in the future
- Low level of off balance sheet commitments and contingencies contributing to asset quality and risk level
- Relatively low level of milk consumption per capita in Turkey compared to developed countries and increasing consumer tendency towards packaged dairy products, promising further growth in the sector
- Having the proficiency of production in EU standards promising further growth in export volume following the approval of export of milk and dairy products from Turkey to EU countries

**Constraints**

- Fierce competition due to high informality in the Turkish dairy sector mainly deriving from excess number of small scaled enterprises, insufficient sectoral organization and supervision
- Continuing decrease in equity level and increase in debt ratio deteriorating asset quality through increasing financial expenses and relatively low level of interest coverage ratios
- High operating expenses inherit in the sector
- Short term concentration in both total liabilities and financial liabilities
- Relatively high foreign currency positions resulting in substantial effects on profit figures
- Comparatively high volatility in profitability ratios
- Low sector export level mainly due to export prohibitions to EU countries

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**"Global Knowledge supported by Local Experience"**