

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)
	Issue Rating	A (Trk)	A-1 (Trk)
	Outlook	Positive	Positive
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-

NET HOLDING A.Ş.						
Financial Data	June, 2016	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	992,852	974,273	938,541	705,737	345,905	263,177
Total Assets (000 TRY)	2,864,181	2,832,798	2,176,384	1,506,255	614,881	497,114
Equity (000 TRY)	2,053,918	2,039,391	1,273,091	868,214	334,432	321,590
Net Profit (000 TRY)	-15,221	97,379	23,293	181,047	65,950	2,910
Sales (000 TRY)	184,392	403,136	308,439	194,717	106,815	102,322
Net Profit Margin (%)	-5.65	24.16	7.55	92.98	61.74	2.84
ROAA (%)	-0.57	4.97	0.44	18.43	12.39	0.81
ROAE (%)	-0.83	7.52	0.76	32.51	21.00	1.16
Equity / Total Assets (%)	71.71	71.99	58.50	57.64	54.39	64.69
Net Working Capital / T. Assets (%)	7.18	12.99	18.03	1.15	-3.61	5.49
Debt Ratio (%)	28.29	28.01	41.50	42.36	45.61	35.31
Asset Growth Rate (%)	30.73	30.16	44.49	144.97	23.69	13.49

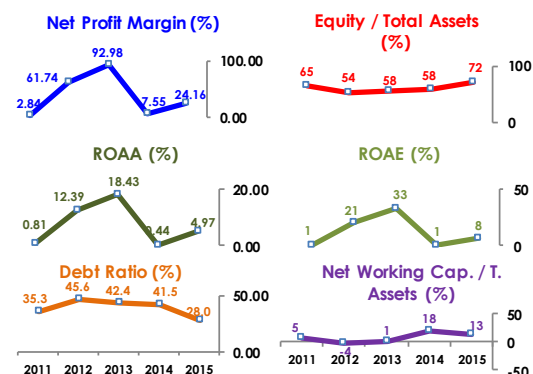
*End of year

Overview

With roots dating back to the establishment of Net Turizm Ticaret ve Sanayi A.S. in 1974, **Net Holding A.S.** (referred to as the Group or the Company) began operations in 1981 to coordinate the planning and auditing of Group companies. The Company currently has 32 consolidated subsidiaries, 1 of which is listed with the majority operating in the domestic and foreign tourism sectors.

The Company derives the vast majority of its revenues from the hotel and casino segments under the Merit brand name across the TRNC. There are currently 9 hotels (7 in TRNC and 2 in Turkey) and 5 casinos in the Group's tourism portfolio, whilst the operations in Merit Halki Palace in Heybeliada has been suspended. In line with its vision of becoming an international chance games operator and the partnership established with Scientific Games, the Company operationalized casinos in neighboring countries including Montenegro and Croatia with plans underway for Macedonia and Bulgaria. Furthermore, the merger between Net Holding and Net Turizm is expected to be finalized by the end of the current financial year, expected to lead to an improvement in transparency and compliance with Corporate Governance Practices. Company shares have been traded on Borsa Istanbul with a current free float rate of 83.33%. As of June, 2016, the average number of personnel employed across Company operations was 3,590. (FYE2015: 3,329)

*Assigned by Japan Credit Rating Agency, JCR on October 7, 2016
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Strengths

- Sustained operational volume and earnings growth throughout FY2015 and the 1H2016 despite the downturn in the tourism industry across Turkey
- Established market-leading position in the TRNC luxury hotel and chance games industry under the Merit brand
- Low levels of financial leverage and high share of equity in the funding of Company operations setting a suitable base for further expansion
- Absence of foreign currency risk along with the high share of tangible assets and real estate portfolio creating a wealth effect and contributing to asset quality
- Future strategies relating to regional expansion in the chance games industry along with plans regarding National Lottery privatization
- Expected contribution of the merger between Net Holding and Net Turizm to productivity, transparency and compliance with Corporate Governance Practices

Constraints

- Reduction in the gross operating margin throughout FY2015 due to the effects of non-recurring payment associated with the lottery privatization tender in April, 2015
- High level of operating expenses inherent in the tourism and casino management sectors
- Losses in the 1H2016 largely due to the seasonality of earnings in the TRNC tourism and casino sectors
- Effects of the ongoing slow-down in economic activity and rise in political instability following the failed coup attempt on the capability to raise funds from the national and international markets
- The maintenance of TRNC's isolated status acting as a barrier on the Company's growth potential in the medium and long-term

Publication Date: October 7, 2016

"Global Knowledge supported by Local Experience"

1. Rating Rationale

Ratings provided by JCR Eurasia Rating for **Net Holding A.S.** are based mainly on (i) the Company's year-end consolidated independent audit reports belonging to the FY2013-15 period prepared in line with the Capital Markets Board (CMB) communiqués of "Principles of Financial Reporting in Capital Markets" (ii) JCR Eurasia Rating's own studies and records, (iii) information and clarifications provided by the Company directly and (iv) non-financial figures.

Profitability performance, equity level and structure, past growth patterns with regards to sales revenues and assets along with future projections, trends in debt, asset quality and efficiency, funding composition and maturity, liquidity dynamics, development of risks in the market, risk management practices and the extent of compliance with Corporate Governance Practices are the principal factors taken into account in the assignment and risk assessment of the long term international local and foreign currency notes as well as the national ones of Net Holding A.S. In addition, the Company's track record, know-how, market shares and degree of competition in its principle fields of activity, namely the luxury hotel and chance games industries in the TRNC, growth potential in the medium and long-term, the risks facing the TRNC tourism sector and chance games industry at the local and global level, management's skill and expertise, incentives provided at the state level along with the financial and non-financial positions of the main controlling shareholders and their expected support were also considered equally significant.

The principle rating considerations are,

Operating Volume Growth Sustained throughout FY2015 and 1H2016 Despite a Difficult Tourism Season

Despite the difficulties experienced in the Turkish tourism sector over the last year, Net Holding managed to increase its sales revenues by 30.70% and 8.77% throughout FY2015 and 1H2016 respectively. On the other hand, the asset growth rate of the Company attained a value of 30.16% in FY2015, primarily driven by tangible assets and investment property. The hotels operating under the Group have higher rates of occupancy in comparison to the average in the TRNC stemming from their attachment to casinos which ensure a loyal customer base drawn from different regions of the globe contributing to the sustainability of earnings/cash flows.

Established Brand Name and Market Share in the TRNC Luxury Hotel and Entertainment Sector

With a collection of 8 hotels and 5 casinos across the TRNC under the 'Merit' brand, the Company currently holds 34% of the island's 5-star bed capacity with over 4,000 beds and 40% of its total gaming capacity, providing it with a leading market share in the luxury tourism segment. As the only luxury hotel chain operating across the island, the Company derives approximately two-thirds of its revenues from foreign customers and attracts clientele from the

Russian, Middle Eastern and European markets owing to its sound brand reputation and established track record.

Low Levels of Financial Leverage along with Significant Share of Equity in the Funding of Company Operations

Having peaked in FY2014 with a value of TRY 725.51mn, total financial liabilities reached TRY 455.06mn at FYE2015 and TRY 460.76mn in the 1H2016, indicating a reduction of 36.49%. It must also be noted that cash & equivalents attained a value of TRY 349.94mn in 1H2016, indicating a net financial debt of TRY 110.81mn, which remains very low in relation to an equity of TRY 1.56bn. The equity to total assets ratio realized a value of 71.99%, the highest level attained over the last 5 years whilst the equity to total liabilities ratio reached 257.04%, the highest level observed over the last 5 years. The equity level was strengthened by the increase in valuation gains that amounted to TRY 374.23mn along with the rise in retained profits that totaled TRY 77.81mn. The low level of leverage reduces dependence on external sources of funding and sets a suitable base for further expansion.

Robust Asset Quality and Large Real Estate Portfolio

The Company's asset quality is supported by the absence of foreign currency risk (-1.48% and -2.06% in relation to total assets and equity) which safeguards the Company against future fluctuations in the value of the TRY against the USD/EUR in the current context of market volatility. Furthermore, the Company has a large real estate portfolio consisting of tangible assets and investment property which comprise a significant part of fixed assets and total assets. (70.17% at FYE2015) In addition, the Company has a large off-balance sheet real estate portfolio in Bodrum, along with those in Baku, Azerbaijan and TRNC which represents a significant opportunity for development and cash-flow generation potential in the medium and long-term.

Regional Expansion Plans in the Casino Sector along with Participation in the National Lottery Tender

Following the success of the 'Merit' brand across the TRNC, Net Holding put into place the policy of regional expansion and operationalized 3 casinos in Montenegro in 2016 with plans to open 2 casinos in Croatia by the end of 3Q2016 along with 2 further casinos in Macedonia and Bulgaria with an expected positive contribution to the Company's ebitda and aims to limit the single market exposure risk to the TRNC. In the medium term, the Company plans to group all casinos under the Merit Gaming brand and subsequently undertake a listing in the London, Hong Kong or Toronto stock exchanges. Furthermore, it plans to re-participate in the National Lottery Privatization tender scheduled to be re-held by FYE2016 which if realized carries the potential to diversify its income streams in the medium and long-term.

Expected Contribution of the Merger between Net Holding and Net Turizm to Corporate Governance Practices

Net Turizm Ticaret ve Sanayi A.Ş. which is also listed on Borsa Istanbul currently holds 8.36% of shares belonging to Net Holding A.Ş. In order to eliminate the cross-holding structure and improve transparency, Net Holding has decided to fully take over Net Turizm including all of its assets and liabilities and will be making an application to the CMB based on the financial results at June, 2016. The completion of the process is expected to take place before the end of the current financial year and upon completion, the capital structure of Net Holding would be strengthened further along with an increase in the level of compliance with Corporate Governance Practices and greater cost-savings. This would also lead to a rise in the potential for dividend distribution increasing the appeal of Group's listed shares to foreign and domestic institutional investors.

Reduction in Gross Operating Margin in FY2015 due to the Withdrawal Costs from the National Lottery Privatization Tender

The Company's gross operating profitability (before financing expenses and investment income are factored in) underwent a decline from 16.08% in FY2014 to 6.46% in FY2015, largely stemming from the withdrawal costs which amounted to TRY 26.42mn that were transferred to the accounts of the Privatization Administration in April, 2015. It must be noted that this is a non-recurring expense and will not have a negative impact on the Company's earnings in the future. On the other hand, the general administrative and marketing expenses underwent an increase of 30.48% throughout FY2015 and comprised 26.32% of net sales revenues (26.37% in FY2014), and is an inherent feature of the tourism sector, placing pressure on operating profitability.

Losses in the 1H2016 due to the Seasonality of Earnings in the TRNC Tourism Sector

Net Holding A.S. made pre-tax losses of TRY 14.42mn in the 1H2016 which was lower than the losses of TRY 32.04mn in the 1H2015. This largely results from the seasonality of earnings in the TRNC tourism industry with weak performance in the 1st and 2nd quarters of the calendar year. This is demonstrated by the average occupancy of 28.5% and 45.9% in the December-February and March-May periods in FY2015 respectively which is lower than the average seasonal occupancy of 48.8% and 62.5% in the May-October period in the TRNC tourism sector. It must be noted that Net Holding is well-positioned in comparison to other competitors to weather seasonal fluctuations in the sector due to its international clientele and attachment of hotels to casinos. Across the TRNC, hotels with casinos generally enjoy higher rates of occupancy (53.6%) in comparison to those without. (38.9%)

Notable Slow-down in the Turkish Tourism Sector and its Effects on the TRNC

The Turkish tourism sector is experiencing a sharp slow-down in FY2016, largely stemming from an increase in

unrest and terrorist activity throughout the country and deterioration in the diplomatic relationships with the Russian Federation, representing a large source of visitors to Turkey, following the shooting down of a plane in November, 2015. Although relations have improved since and the bans on travel to Turkey has been abolished, the failed military intervention attempt in mid-July at the peak of the season and the declared state of emergency that followed raised security concerns with significant impact on the number of incoming visitors. The TRNC tourism sector remains exposed to political and economic developments in Turkey as its international isolation continues. It is anticipated that visitor numbers will be down by 40% by the end of the current financial year if there's no significant recovery in the last quarter.

Increase in Political and Economic Uncertainty throughout FY2015 and FY2016 and subsequent Negative Impact on Debt Markets

The slow-down in economic growth over the last 3 financial years, the persistently high inflation levels, rising unemployment, increase in political uncertainty following the failed military intervention attempt and declared state of emergency, consistent weak private sector investment, heavy debt burden of real sector companies, deterioration in economic confidence and downgrade of sovereign ratings by a number of rating agencies are all factors that will increase the difficulty/cost of raising funds from local and international capital markets for Turkish corporates. Net Holding plans a total bond issuance of TRY 350mn for the 2016-18 period in order to meet the obligations arising from past issues, however is not expected to be effected negatively given its track record of successful past issues and timely payments.

Maintenance of the TRNC's Isolated Status and Its Limiting Effects on the Group's Growth Potential in the Medium and Long-term

Despite the steps taken to accelerate the peace process following the presidential elections in the TRNC in April, 2015 the island remains isolated from the international community with the presence of barriers on international flights. Net Holding is the only listed company in Turkey that would benefit significantly from the abolition of international isolation of TRNC. This would substantially contribute to the value of the Company's assets due to the appreciation of land and property along with its operating volume and occupancy in casinos and hotels due to the attraction of greater number of visitors given the close proximity of the TRNC to Europe and the Middle East.

Based on the above-mentioned factors, the Long Term International Foreign and Local Currency Ratings were affirmed as 'BBB-', the same as that of the sovereign ratings of the Republic of Turkey and the TRNC, and Long Term National Ratings were affirmed as 'A (Trk)' by JCR Eurasia Rating which denotes a high-level investment grade.

2. Outlook

JCR Eurasia Rating has assigned a **'Positive'** outlook for the National Long and Short Term Rating perspectives of Net Holding A.Ş. taking into consideration the maintenance of operating volume growth and sales revenues throughout FY2015 and 1H2016 despite the weakness observed in the Turkish tourism sector, low levels of dependence on external resources, the attachment of hotels to casinos providing a safeguard against volatility in tourism activity as demonstrated by the high rates of occupancy throughout FY2015 and 1H2016, the improvement in relations with Israel and Russia, representing two major source of visitors for the casino industry, re-structuring at the Group level and the resulting synergies and cost-savings that would follow, strengthening of the Board structure and management, along with the ownership of a large real estate portfolio in TRNC, Bodrum and Azerbaijan with the opportunity for future development and cash generation.

On the other hand, the ongoing difficulties faced by the Turkish tourism sector due to the rising domestic and regional unrest and declared state of emergency following the failed coup attempt in July 2016, complex capital structure involving numerous subsidiaries, the negative impact of the depreciation of the Turkish Lira on economic confidence and consumer spending, weak growth, high real sector debt burden and inflation along with the preservation of the island's isolated status are some of the major factors exerting downward pressure on the Company's outlook.

In addition, JCR Eurasia Rating has affirmed the **'Stable'** outlooks on the International Long and Short Term Rating perspectives of Net Holding A.S., respectively, in line with the sovereign rating outlooks on

Some of the principle changes that can affect current outlook status include changes in Turkey's sovereign ratings which remains highly sensitive to domestic and international economic/political developments, further improvements in ebitda and operating margin, realization of solid progress with respect to the group's ongoing projects in the fields of chance games and real estate and the opening of the TRNC to international air traffic with a positive impact on the number of incoming visitors.

3. Sponsor Support and Stand Alone Assessment

The Sponsor Support ratings and associated risk assessments reflect the financial and non-financial positions of the controlling shareholders of Net Holding A.Ş., with a free float rate of 83.33%, along with the other group companies of Net Turizm and Asyanet Turizm holding minority shares. Taking into consideration the commitment of the shareholders to support the Company's mission and continuation of operating activity given the value of Merit brand in the TRNC tourism and chance games industry, completed investments, operational track record and generated employment opportunities along with the level

of incentives provided at the state level, the Sponsor Support grade of Net Holding A.S. has been affirmed as **(2)**, indicating an adequate level.

On the other hand, the Stand Alone grade has been affirmed as **(B)** by JCR Eurasia Rating, denoting an adequate level taking into consideration the low level of financial leverage, market share in the TRNC luxury hotel and casino segment, attachment of hotels to casinos reducing volatility of the cash generation potential, successful track record of bond issuances in the capital markets, established partnerships with internationally renowned players including Scientific Games, steadily expanding operating volume growth in the examined period, planned diversification of income streams through regional investments in the chance games and national lottery sectors along with the presence of a skilled and experienced senior management team.

4. Company Profile

a. History and Activities

➤ Current Activities

The principle sectors in which Net Holding continues to maintain operations are grouped under 4 major categories and provided below.

- Tourism
 - Hotel management
 - Tourist shops, car rental and parking services
- Chance Games Sector
 - Chance Games Services Management
 - Regional Lottery Management
- Publication
- Holding Activities and Others
 - Real Estate Development
 - Others

Revenues from the hotel and casino business contributed over 90% of the Company's income throughout FY2015. There are 7 hotels located across the TRNC, 5 of which are in Kyrenia, 1 in Famagusta and 1 in Nicosia. Current bed capacity is in excess of 4,000, comprising 34% of the island's 5-star bed capacity.

It must be noted that in addition to hotels in the TRNC, the Company continues to operate Merit Şahmaran in Van, Eastern Turkey whilst the Merit Halki Palace located in Heybeliada terminated its operations in May, 2016.

Under the brand name of Merit Casinos, the Group continues to operate 5 casinos across the TRNC since FY2000, 3 of which are located in Kyrenia, 1 in Famagusta and 1 in Nicosia. The Company is ranked as the world's 8th largest casino operator with 24,000 sq meters of casino floor space, 2,700 slot machines and 400 live game tables.

Touristic shops are managed under the Bazaar 54 brand and operates contracts on a revenue/profit sharing model with positive impact on cost-savings and productivity. In addition, under the 'Inter Limousine' brand, the Group maintains its status as one of the leading operators in the field of luxury car rental services with drivers.

Net Turistik Yayınlar, one of the Company subsidiaries, maintains operations in the areas of production, sales, marketing and distribution of children's books and touristic publications.

In the field of real estate development, the Group was not particularly proactive throughout FY2016 with the Bodrum-Milas project under a revenue sharing agreement with the Agaoglu Group, entitling Net Holding to 19% of revenues from the project. The Company will not be investing into the construction, sales and marketing stages of the stated project.

➤ **Recent Developments**

- **Lottery Management**

Net Hitay Ortak Girişim Grubu (Net Hitay Joint Venture Group), in which Net Holding has a 90% share through its subsidiary of Net Şans Oyunları A.Ş. won the tender to manage Turkey's national lottery for 10-year duration in July, 2014 for an amount of USD 2.76bn plus VAT. However, the deal couldn't be finalized for April, 2015 as set by the Privatization Administration given the demands of foreign investors for the inclusion of state banks and the significant depreciation of the Turkish Lira against the USD on the currency markets. Subsequently, the Group paid USD 9mn corresponding to the collateral for the letter of guarantee in April, 2015 to the Privatization Administration.

Currently, Net Holding is the leading contender for the tender that plans to be re-held by FYE2016 and recently completed the specifications. The Company maintains its close collaboration with Scientific Games in this process, utilizing its technical know-how as one of the world's leading chance games operators. Furthermore, Net Holding is evaluating investment opportunities in 25 neighboring countries in line with its vision of becoming a regional player in this segment as part of the agreement signed with Scientific Games.

- **Regional Casino Operator**

In line with its vision to become an international casino operator in the medium and long-term, Net Holding initially focused its growth strategy on the Balkans and Eastern Europe, willing to provide its customer portfolio with alternatives outside of TRNC. As such, the Company operationalized 3 casinos in Montenegro, 1 of which is located in the capital city of Podgorica with the other 2 in the coastal resort of Budva. In addition, 2 casinos located in Croatia are expected to become operational by the end

of September, whilst 2 further casinos are expected to be opened in Skopje, Macedonia and Svilengrad in Bulgaria. In the long-term, there are plans to gather all operations under the Merit Gaming brand in order to prepare the foundations for listings in the London, Hong Kong or Toronto Stock Exchanges.

- **Merger of Net Holding and Net Turizm**

In order to increase transparency further and reduce the cross shareholding structure, the Company decided to merge Net Holding and Net Turizm both of which are listed on Borsa Istanbul. As such, Net Turizm will be fully taken over by Net Holding including all of its assets and liabilities based on the financial statements dated June, 2016. The process has taken longer than expected due to the ongoing structural changes at the administration of the Capital Markets Board, however is planned to be finalized by the end of the current financial year with the issue of an extraordinary AGM. The completion of the process is expected to enhance the level of compliance with Corporate Governance Practices and lead to greater institutional investor interest in the Company.

- **Financial Services Sector**

The Group acquired all shares belonging to Ekspres Yatırım Menkul Değerler in November, 2015 and was certified as an intermediary institution with broad authority in April, 2016 following its application to the CMB. The Group aims to address a gap in the market and as such create a full scale investment bank over the course of the next 2-3 years and position itself as a leading player in this segment. Upon the establishment of Ekspres Yatırım as a mature player, Net Holding will also evaluate the establishment/acquisition of a bank in the TRNC.

b. Organization and Employees

The Company's senior management remained unchanged in comparison to the previous year and consists of a General Coordinator to whom the Chief Financial Report reports. The Senior Vice-Presidents in charge of Real Estate Development, Budget and Planning, Fiscal Affairs, Procurement and Internal Audit along with Legal Affairs report to the CFO and indirectly to the General Coordinator. On the other hand, the directors of Business Development, Investor Relations, Finance and Information Technology report directly to the CFO. The General Coordinator and the CFO are executive members of the Board.

The general principles of the Company's human resources policy have been laid out in its half-yearly annual report. The average number of personnel employed across Group operations in the 1H2016 reached 3,590. (FYE2015: 3,329)

c. Shareholders, subsidiaries and affiliates

The following table provides the changes in the Company's shareholder structure over the last 3 years. As of 1H2016, 83.33% of the Company's shares are publicly held, followed by Net Turizm Tic. ve San. A.Ş. and Asyanet Turizm San. ve Tic. A.Ş. Mr. Besim TIBUK, holding 11.16% of the shares is the qualified individual shareholder and Chairman of the Company.

Net Holding A.Ş. Shareholder Structure	Share (%)			
	June, 2016	2015	2014	2013
Asyanet Turizm San. ve Tic. A.Ş.	7.40	7.40	9.79	36.21
Net Turizm Tic. ve San. A.Ş.	8.36	8.36	19.04	32.69
Sunset Turistik İşletmeleri A.Ş.	0.91	0.91	0.91	0.91
Public & Other	83.33	83.33	70.26	30.19
TOTAL	100.00	100.00	100.00	100.00
Paid Capital (TRY/000,000)	366.00	366.00	366.00	366.00

❖ **Net Turizm Ticaret ve Sanayi A.S.**

Established in 1975 under the leadership of Mr. Besim TIBUK with the partnership of 100 interpreters, the Company underlies the basis of Net Holding A.S. and maintains operations in the fields of real estate development, luxury car rental services, management of tourist stores. As of June, 2016, the Company had a paid-in capital of TRY 350mmn whilst Net Holding was the leading shareholder with a rate of 69.13%. 27.77% of shares are listed on BIST and the Company had an equity and asset size of TRY 1.50bn and 1.60bn respectively whilst employing an average of 745 personnel. (FYE2015: 700)

❖ **Asyanet Turizm Sanayi ve Ticaret A.S.**

The Company is placed among Net Holding group companies and had a paid-in capital of TRY 120mn and equity of TRY 290.79mn as of June, 2016. Net Turizm Ticaret ve Sanayi A.S. is the qualified shareholder of the Company with a rate of 51.29%, followed by Net Holding and Sunset Turistik İşletmeleri with rates of 48.63% and 0.08% respectively.

❖ **Sunset Turistik İşletmeleri A.S.**

Sunset Turistik İşletmeleri A.S. was established in 1985 and used to operate the Sunset Holiday Resort located in Kusadası, Aydın and joined Net Holding in 1992. As of 1H2016, the Company had an equity of TRY 128.36mn along with an asset size of TRY 129.45mn.

As of June, 2016, the list of the Company's consolidated subsidiaries and affiliates are provided in the table below.

Consolidated Companies (June 2016)		Country	Activities	Share % (Direct)	Share % (Indirect)
Subsidiary	Net Turizm Ticaret ve Sanayi A.Ş.	Turkey	Tourism	69.13	69.89
Subsidiary	Asyanet Turizm Sanayi ve Ticaret A.Ş.	Turkey	Tourism	48.63	84.54
Subsidiary	Sunset Turistik İşletmeleri A.S.	Turkey	Tourism	10.16	82.01
Subsidiary	Loylas Laleli Otelcilik Yatırım ve Ticaret A.Ş.	Turkey	Tourism	90.31	100.00
Subsidiary	Göksele Denizcilik Ticaret A.S.	Turkey	Tourism	0.00	99.67
Subsidiary	İnter Turizm ve Seyahat A.S.	Turkey	Tourism	40.24	82.89
Subsidiary	Netel Net Otelcilik Yatırım ve İşletme A.Ş.	Turkey	Tourism	76.79	100
Subsidiary	Halkınas Turizm Merkezi Ticaret ve Sanayi A.Ş.	Turkey	Tourism	100	100
Subsidiary	Net Yapı Sanayi ve Ticaret A.S.	Turkey	Construction	100	100
Subsidiary	Net Turistik Yayınlar Sanayi ve Ticaret A.Ş.	Turkey	Publishing	99.60	99.60
Subsidiary	Gökova Turizm Ticaret ve Sanayi A.Ş.	Turkey	Tourism	100	100
Subsidiary	Green Karml Tatil Köyü Limited	TRNC	Tourism	0.03	84.52
Subsidiary	Elite Development and Management Limited	TRNC	Tourism	0	81.17
Subsidiary	Voyager Kıbrıs Limited	TRNC	Tourism	27.53	86.24
Subsidiary	Merit Turizm Yatırım ve İşletme A.Ş.	Turkey	Tourism	47.81	57.10
Subsidiary	Barometre Yayıncılık Sanayi ve Ticaret A.Ş.	Turkey	Publishing	0	100
Subsidiary	Cyprus Holiday Village Limited	TRNC	Tourism	0	90.89
Subsidiary	Başkaya Limited	TRNC	Tourism	0	84.52
Subsidiary	Net Turistik Hizmetler Limited	TRNC	Tourism	50.00	93.12
Subsidiary	Azer Net Turizm	Azerbaijan	Tourism	99.30	99.30
Subsidiary	Melrab Mehdud Mesuliyetli Cemiyyeti	Azerbaijan	Construction	100	100
Subsidiary	Enef İnternet Yayıncılık Hiz. Yatırım ve Tic. A.Ş.	Turkey	Publishing	94.91	95.36
Subsidiary	Voyur Travel Ltd.	TRNC	Tourism	0	83.90
Subsidiary	Net Piyango ve Şans Oyunları A.Ş.	Turkey	Chance Games	0	99.72
Subsidiary	Operis Gümrüksüz Mağaza İşletmeciliği Ltd. Şti.	Turkey	Duty Free	0	41.86
Subsidiary	Net Montenegro D.O.O.	Croatia	Tourism	100	100
Subsidiary	Merit Montenegro D.O.O.	Croatia	Tourism	100	100
Subsidiary	Ekspres Yatırım Menkul Değerler A.Ş.	Turkey	Financial Serv.	100	100
Subsidiary	Merit Casino D.O.O.	Turkey	Tourism	100	100
Subsidiary	Kıbrıs Diyalog Gazetecilik Limited	TRNC	Journalism	0.00	75.46
Subsidiary	Net Şans Oyunları Yatırım Anonim Şirketi	Turkey	Chance Games	99.72	99.72
Affiliate	İntersans Limited	Turkey	Chance Games	0	42.13

d. Corporate Governance

With a high free float rate of 83.33% as of June, 2016, Net Holding remains under an obligation to exhibit a high degree of compliance with the Corporate Governance Practices of the CMB.

The Company has a relatively well-organized website that contains information such as the articles of association, corporate history, mission and vision statements, list of board members, up-to-date corporate presentation, general assembly details, share price information, audit and annual reports. In order to further improve the level of transparency, the Company needs to include an updated shareholder structure, an organization chart, biographies of senior executives and board members. It shares important developments effecting Company operations on its website as well as the Public Disclosure Platform.

The number of board members remained unchanged at 11 as of June, 2016. The board members were elected for a duration of 3 years for the 2015-18 period. 4 members have independent status. The Company established the 3 committees of audit, corporate governance and early detection of risk under the Board.

Each committee is led by an independent member. Mr. Besim TIBUK is the qualified individual shareholder and also acts as the Company's chairman. The total annual compensation for the Board members and executive managers has been disclosed in the Company's annual report. The investor relations director which holds the appropriate CMB license also sits on the Corporate Governance Committee.

Although no privileges exist with respect to profit distribution, Group A shares carry privileges regarding the determination of Board members. This is a factor that reduces the level of compliance with Corporate Governance Practices. It must also be noted that the planned merger between Net Holding and Net Turizm is expected to improve transparency and the cross shareholding structure and improve compliance with the Corporate Governance Practices.

We, as JCR Eurasia Rating, are of the opinion that the Company's senior management is adequate in terms of education, experience and managerial skills.

e. The Company and its Group Strategies

Net Holding currently maintains its position as the world's 8th largest casino operator based on the number of slot machines and live game tables. It is the only company to operate a casino chain in Northern Cyprus. In addition, with a bed capacity in excess of 4,000, the Company holds 34% of the island's 5-star bed capacity.

In addition to the operations in the hotel and casino segments, the Company owns a large plot of land in Bodrum which has been valued in excess of USD 620mn that has not been placed on the balance sheet. The Company's property portfolio include swathes of land in Turkey, TRNC and Azerbaijan which will be the subject of development upon recovery in current market circumstances.

The Company is a serious contender in the privatization tender of the National Lottery due to be held before the end of the current financial year and maintains its partnership with Scientific Games. In addition, the process of regional expansion has been put into place in line with the vision of becoming an international games operator. To this extent, a number of casinos have been operationalized in Montenegro and Croatia, with plans in place to be operational in the Macedonia and Bulgaria markets by FYE2016.

It is expected that the completion of the merger between Net Turizm and Net Holding based on 1H2016 financial results will help to eliminate the cross shareholding structure, improving transparency and the level of compliance with Corporate Governance Practices.

5. Sector Overview and Operating Environment

As of FYE2015, revenues from hotel and casino management comprised 95% of total sales. As such, those were chosen as the sectors subject to analysis by JCR Eurasia Rating. As the Group's hotels are located in TRNC, it was the tourism sector in the TRNC that formed the topic of analysis.

Tourism Sector in TRNC

The TRNC economy maintained the expansion in its GDP throughout FY2015 which attained a value of TRY 10.21bn at FYE2015 with a gdp per capita of USD 13.72k. Trade and tourism related activities comprised 19.69% of the total economic activity in the island, followed by the public sector and construction sectors with shares of 16.80% and 4.71% respectively. The growth in the trade and tourism sector reached 10.05% which was mainly driven by the 24.04% expansion in the hotel and restaurants sub-segment.

The net tourism income of TRNC reached USD 747mn in FY2015, indicating an increase of 9.91% in comparison to the previous year based on dollar terms whilst the ratio of net tourism income to the trade balance attained a value of 43.4%, which is higher than the 41.2% figure attained in FY2014.

The number of incoming tourists into the TRNC hotels reached 876k, indicating an increase of almost 9% in comparison to the previous year. Visitors from Turkey comprised 67% of total visitors, followed by foreigners and those from the TRNC with shares of 27% and 6% respectively. The number of foreign visitors recorded an increase of 4.8% throughout FY2015. Germany, United Kingdom and Iran represented the three largest sources of entry in terms of foreign tourist numbers with shares of 16%, 15% and 5% respectively.

The touristic bed capacity of the island reached 20,974 as of FYE2015, indicating an increase of 8.45% in comparison to the previous year. The total number of touristic facilities across the island reached 140 at FYE2015 and the number of 4 and 5 star hotels reached 4 and 18 respectively whilst they collectively comprise 60% of the island's total bed capacity. Girne was the center that housed the largest number of hotels with a share of 65%, followed by Iskele and Gazimagusa with rates of 20% and 7% respectively. The number of personnel employed across the hotel and casino sectors reached 6,563 and 5,615 respectively.

The average occupancy rate in all touristic accommodation establishments attained a rate of 48.8% in FY2015 which was slightly higher than the 47.6% level recorded in FY2014. The occupancy rate exhibits a fluctuating pattern throughout the year, with the highest levels attained in the July-September (68.6%) period whilst the lowest levels were observed in the December-

February (28.5%) period. Gazimagusa had the highest level of occupancy with a rate of 64%, followed by Girne and Lefkosa with rates of 51.5% and 41.1% respectively. It must be noted that hotels with casinos enjoy higher rates of occupancy (53.6%) than those without (38.9%).

According to the annual report published by the Ministry of Tourism in June, 2016, the number of touristic facilities with completed investments amounted to 3 whilst the construction of 35 facilities with a bed capacity of 8,092 is still ongoing. It is estimated that the bed capacity will total 40,503 by FYE2019. The sustainable development program for the 2013-2015 period set out that the investments in the selected tourism sites should be completed, tourism policies should be diversified in order to raise awareness about TRNC's natural and historical beauties and aims to increase quality of tourism services and tourism revenues by investing into marketing and publicity.

Resources: KKTC State Planning Organization, KKTC Ministry of Tourism, Environment and Culture

Global Casino Gaming Industry

The global gambling market recorded a fall of 3.4% in 2015, mainly due to the performance of the key markets in Asia. In assessing the global gambling market the trio of China, Macau and Hong Kong is an influential force. Between them they amassed nearly US\$ 80 billion in GGY (gross gambling yields) from their various gambling activities in 2014, contributing around 18% of the GGY of the entire global gambling market. These three markets had a combined GGY of US\$ 63 billion in 2015, a fall of 22%. The future fortunes of these markets will have an influence on the overall global gambling picture.

It is anticipated that global gaming revenues will stabilize in 2016 following a sharp downturn last year. A mixture of anti-graft campaign and closer monitoring of VIP customers in the Chinese region of Macau resulted in the plummeting of gaming revenues by a third in 2015, the lowest level attained for the last 5 years. Most large casino operators have experienced significant drops in their returns on assets and equity stemming from their ties with Macau. Casino operators embarked on a series of high profile expansions into both domestic and international markets. High profile players including Las Vegas Sands, Wynn and MGM have large Macau casino developments opening soon.

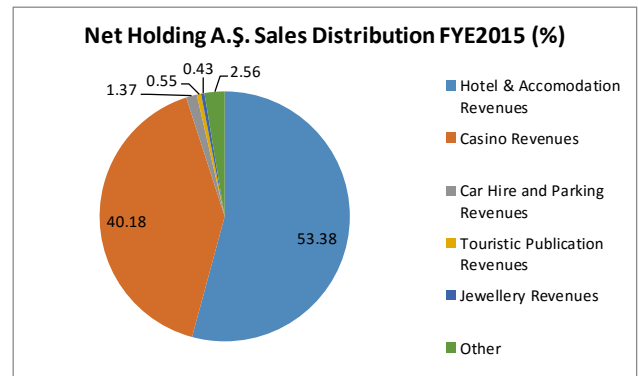
Economic conditions remain supportive of gaming with expected increases in travel volumes across Europe, United States and Asia Pacific region through this year. China's economic slow-down is unlikely to weigh down on tourism expenditures, as the nation shifts to consumption based growth as opposed to resource extraction and manufacturing. It is anticipated that a rapidly growing middle class and rising wages in China will boost gaming revenues in the region.

Resources: Reportlinker, PwC, Global Betting and Gambling Consultant

6. Financial Analysis

a) Financial Indicators and Performance

The net sales revenues of the Company amounted to TRY 403.14mn at FYE2015, indicating an increase of 30.70%. There was an increase in the share of revenues derived from the hotel and accommodation sector (53.38% at FYE2014) to 54.92% at FYE2015. On the other hand, there was a reduction in the share of revenues derived from the casino segment which amounted to 40.18% at FYE2015. The remainder of revenues consisted of publication income, car hire services and others.

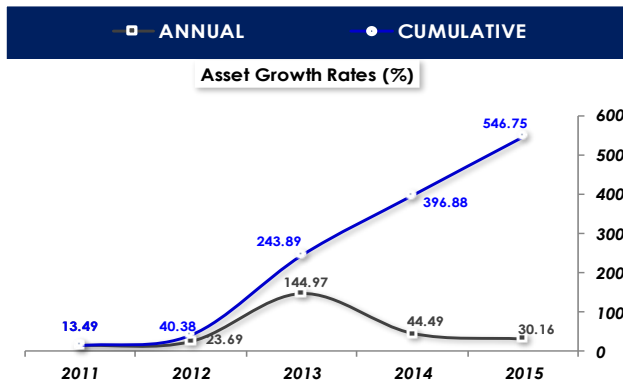


The sales revenues amounted to TRY 184.39mn at 1H2016 with an increase of 8.77% in comparison to 1H2015. The increase was primarily driven by the rise in hotel & accommodation revenues (5.84%) along with the 10.71% rise in casino income. The collective share of revenues from hotel & accommodation and casinos amounted to 95.25% at 1H2016, almost equal to that of 95.98% at 1H2015.

i. Indices Relating to Size

The cumulative asset growth rate of the Company maintained its upward trend over the last 5 years and amounted to 546.75% at FYE2015.

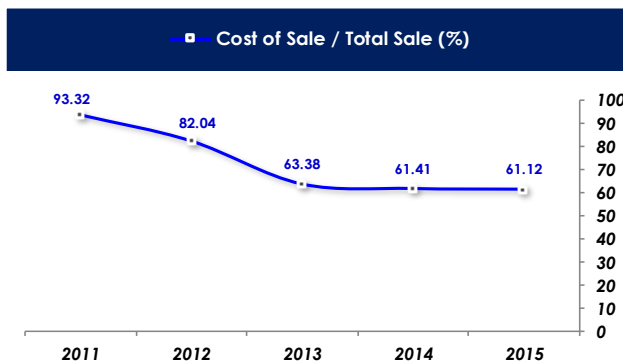
The asset growth rate of the Company maintained its downward trend throughout FY2015 and attained a value of 30.16%. The growth in assets was particularly driven by the 76.51% rise in investment property along with the 56.70% increase in property, plant and equipment.



ii. Indices relating to profitability

The "cost of sales to total sales" ratio of the Company attained a value of 61.12% in FY2015 and was in line with the previous year's figure of 61.41%. The increase in the sales revenues (30.70%) almost equalled that of cost of sales (30.08%) which underlines the maintenance of the ratio at the same level. The principle drivers of the increase in sales revenues were the 34.78% rise in hotel revenues along with the 25.61% rise in casino revenues.

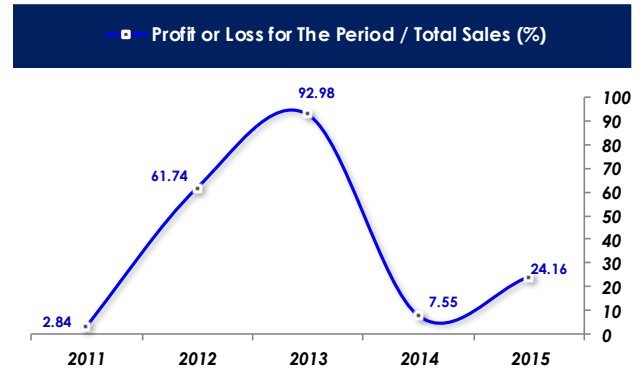
At FYE2015, upon examination of the composition of the cost of sales, cost of sales relating to hotels comprised 47.26% of the total cost of sales (55.95% at FYE2014), followed by casino and depreciation costs with shares of 33.43% (FYE2014: 24.59%) and 16.77% (FYE2014: 16.98%) respectively. The collective share of the three mentioned major items comprised 97.46% of total cost of sales at FYE2015 which was almost unchanged from the 97.52% figure attained at FYE2014.



On the other hand, the cost of sale to total sales ratio in the 1H2016 realized a value of 71.28% which was higher than the figure of 66.09% recorded in 1H2015.

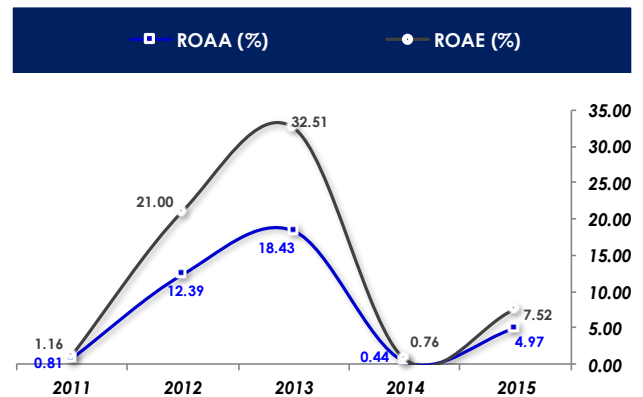
The net profit ratio maintained an upward trend throughout FY2015 and attained a value of 24.16% at FYE2015. Although there was a significant decline in the gross operating margin from 16.08% in FY2014 to 6.46% in FY2015, profitability was boosted by the rise in valuation income from investment property which amounted to TRY 127.52mn. The increases in general administrative expenses (26.19%) and marketing expenses (53.79%) along with the letter of guarantee for the national lottery

tender which is a one-off expense that amounted to TRY 26.42mn in FY2015 were the principle reasons that led to the reduction in the gross operating margin throughout FY2015.



The Company ended the 1H2016 with a net loss of TRY 10.42mn which was a reduction from the loss of TRY 35.27mn in 1H2015. The reduction in net losses principally stemmed from the decrease in financing expenses despite the rise in cost of sales. The losses in the first half of the financial year is a common feature for the TRNC tourism sector as activity remains weak.

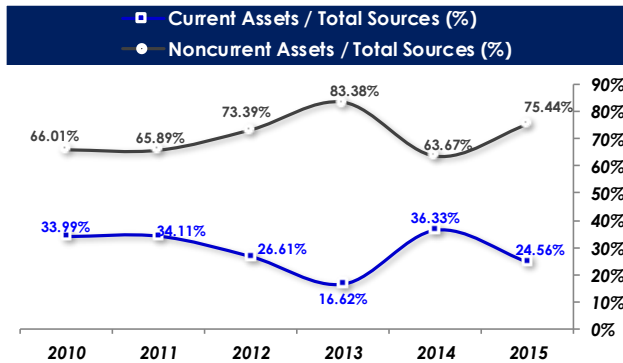
Having dipped in FY2014, the two major profitability indicators of ROAE and ROAA recovered throughout FY2015 and attained values of 7.52% and 4.97% respectively. The increases in pre-tax profitability which amounted to TRY 124.59mn at FYE2015 from TRY 8.09mn at FYE2014 largely outperformed the rises in equity and asset size, contributing to the Company's internal equity generation capacity.



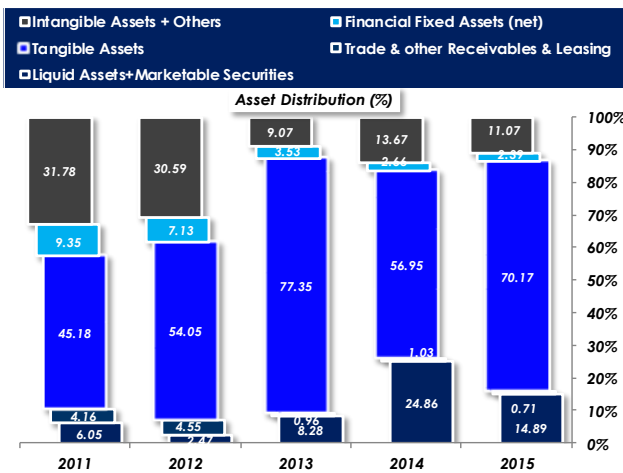
b) Asset quality

The asset structure of the Company remained largely unchanged and was dominated by non-current assets with a share of 75.44% at FYE2015, indicating an increase from the 63.67% figure recorded at FYE2014. The non-current assets largely consisted of investment property and tangible assets with shares of 14.38% and 55.79% respectively. The share of tangible assets (including investment property) to total assets realized values of 70.17% and 56.95% respectively for FYE2015 and

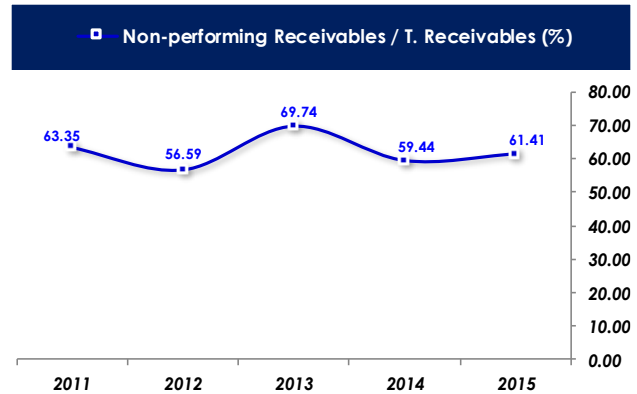
FYE2014. It must be noted that the high share of fixed and tangible assets generates a wealth effect, contributing to the Group's asset quality.



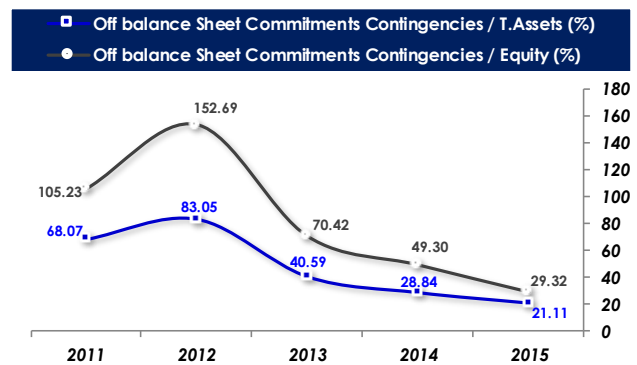
The asset distribution of the Company at FYE2015 remained largely unchanged in comparison to the previous year. There was a reduction in the share of liquid assets from 24.86% at FYE2014 to 14.89% at FYE2015 whilst there was an increase in the share of tangible assets from 56.95% at FYE2014 to 70.17% at FYE2015.



As of FYE2015, the ratio of non-performing receivables to total receivables underwent a drop from 69.74% at FYE2014 to 59.44% at FYE2015, indicating an improvement. However, the ratio of impaired receivables to total asset size attained a value of 1.28% at FYE2015, a reduction from the 1.58% figure at FYE2014. The impaired receivables do not represent a source of significant risk for the Company. Net Holding set full provisioning for the impaired trade receivables amounting to TRY 6.28mn and impaired related party receivables amounting to TRY 30.12mn.

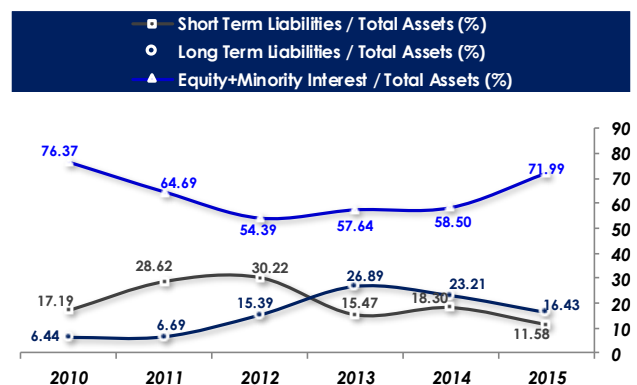


The off-balance sheet liabilities which principally consisted of property and debentures given as collateral, letters of guaranty obtained from banks maintained its downward trend throughout FY2015 and attained values of 29.32% and 21.11% at FYE2015 in relation to equity and assets. In absolute terms, the off balance sheet commitments recorded a decrease of 4.74%. The reduction in the ratio of off balance sheet liabilities to equity and assets is a factor that contributes to asset quality.

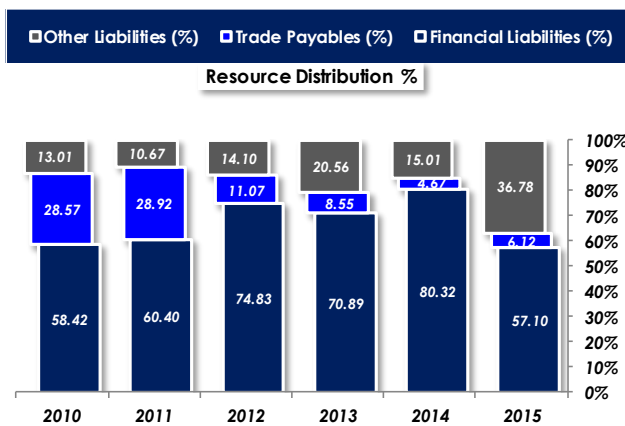


c) Funding & Adequacy of Capital

In comparison to FY2014, the share of equity in the funding of Company operations underwent a significant increase and realized a value of 71.99% at FYE2015. The share of short-term liabilities stood at a low level, indicating a healthy funding structure with low dependency on external resources.

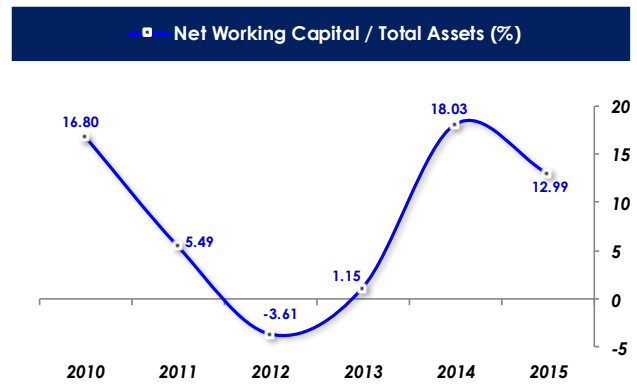


There was a reduction in the share of financial liabilities in the Company's resource distribution, and total financial liabilities amounted to TRY 455.06mn at FYE2015, indicating a reduction of 37.28% in comparison to the previous year. Although short-term financial liabilities underwent a reduction (24.66%) in absolute terms, their share in relation to total financial liabilities realized a value of 55.55% at FYE2015, indicating an increase from the 46.24% figure attained at FYE2014. As of FYE2015, 76.91% of financial liabilities consisted of issued bonds, followed by local currency bank loans and foreign currency debt with shares of 14.47% and 8.62% respectively. Other liabilities largely consisted of deferred tax liabilities that amounted to TRY 258.32mn at FYE2015.

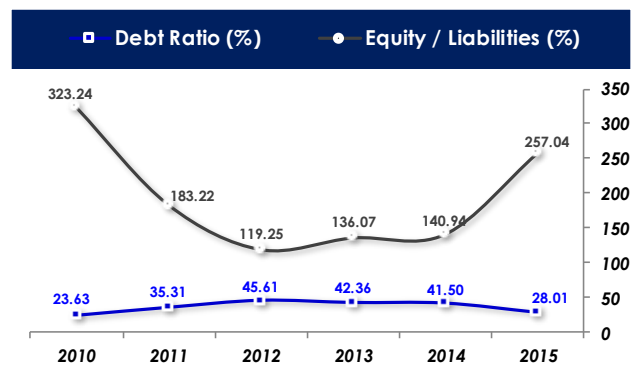


As of the 1H2016, total financial liabilities amounted to TRY 460.76mn, of which the vast majority comprised of short and long-term domestic bonds with values of TRY 300mn and 50mn respectively. Foreign currency denominated debt comprised 19.70% of total financial liabilities at 1H2016. It must be noted that 76.67% of the financial liabilities was short-term however net working capital levels remained positive.

Despite exhibiting a decline throughout FY2015, the net working capital levels of the Company remained in the positive territory and realized a value of TRY 367.94mn as of FYE2015. The net working capital ratio in relation to assets underwent a further decline in the 1H2016 and attained a value of 7.18%, stemming from the reduction (6.84%) in current assets coupled with the 34.94% increase in current liabilities, particularly driven by the increase in short-term financial liabilities.



There was a decline in the Company's debt ratio (total liabilities/equity) throughout FY2015. The total liabilities of the Company underwent a reduction of 12.17%, particularly driven by the reduction in both short and long-term financial liabilities whilst the equity expanded by 60.19%, underlying the fall in the mentioned ratio. It must be noted that the rise in equity particularly stemmed from the valuation gains of land and property belonging to Net Holding amounting to TRY 374.23mn along with the increase in minority interest that amounted to TRY 196.26mn.



7. Risk Profile and Management

a) Risk Management Organization & Its Function-General Information

The principle types of risk the Company is exposed to include credit, foreign currency, liquidity, interest rate and operational risks stemming from its operations in a number of sectors, primarily hotel, casinos and real estate development. The Internal Control function is carried out by the Company's legal, accounting and finance divisions with the reports from subsidiaries and affiliates collated at the Group level. As such, the company departments are audited in order to ensure the compliance of their activities with the legal regulations and communiques. The Company also established the Committee for the Early Detection of Risk in March, 2013 in order to diagnose the risks and take measures against those that could endanger the presence, development and continuity of operations.

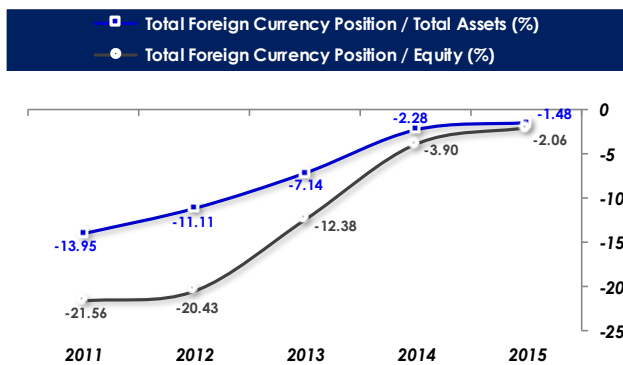
b) Credit Risk

As outlined in the audit report, Net Holding manages credit risk by trying to limit the average risk for the counterparties involved in a transaction. The utilization of credit lines is being continuously monitored whilst their credit quality is evaluated based on their financial position, past experiences and other factors. On the other hand, provisions are set in the event of objective proof that no collection possibility remains for the mentioned receivables/loans. Furthermore, financial assets are examined and any difference between their book value and net value is noted.

As stated in the audit report, trade receivables, receivables from related parties and bank deposits constitute the principal items exposed to credit risk. As of FYE2015, total credit risk exposure amounted to TRY 513.15mn, indicating a reduction of 22.65% in comparison to the previous year. Furthermore, total credit risk exposure in relation to assets amounted to 18.11% at FYE2015, a reduction from the 30.48% figure attained at FYE2014.

c) Market risk

The principle items exposed to foreign currency risk are financial assets, trade payables and financial liabilities. The total foreign currency position maintained its downward trend throughout FY2015 and attained a values of -1.48% and -2.06% in relation to assets and equity respectively. The FX risk is dealt with by continuously monitoring the foreign currency position and is limited in that sense. When all other factors are kept constant, the audited financial statements of the Company had a variance range of (+/-) TRY 4.21mn in case of an increase or decrease of 10% in exchange rates, the effects of which remains negligible on the net profit figure for FY2015 which was TRY 97.38mn. The low level of FX risk is a factor that safeguards asset quality offering protection against market volatility.



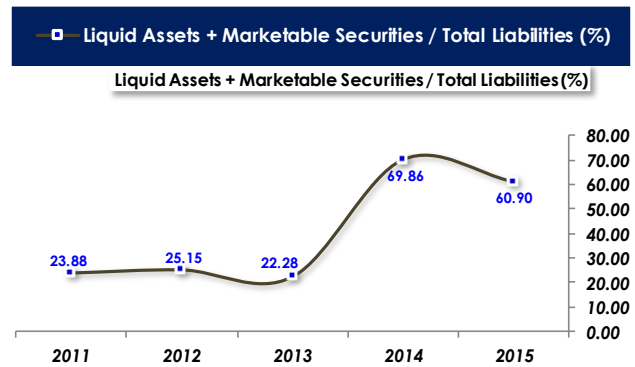
Interest rate risk primarily stems from the changes in the value of financial instruments due to fluctuation in prices. The interest rate risk of Net Holding arises mainly from its utilization of bank loans. Net Holding manages the cost of interest by utilizing a mixture of fixed and variable interest rate financial loans. The total value of financial liabilities that have variable interest rates amounted to TRY 350mn

at FYE2015 comprising 76.91% of total financial liabilities, indicating an increase of 48.61% in comparison to the previous financial year.

d) Liquidity risk

Prudent liquidity risk management policies involve the provision of sufficient cash and securities, facilitate funding via adequate supply of credit, and ability to close short position. Regular meetings are held with credit suppliers in order to fund current and future debt requirements and plans are made accordingly.

The ratio of liquid assets and marketable securities to total liabilities underwent a decline throughout FY2015 and attained a value of 60.90% at FYE2015. The reduction (23.42%) in the liquid assets which amounted to TRY 483.20mn at FYE2015 was greater than the decrease (7.84%) in total liabilities, leading to the fall in the underlying ratio.



As of September, 2016, credit lines amounting to TRY 120.67mn have been extended to the Company by 7 financial institutions, with 16% of the line utilized and a cash free line amounting to TRY 101.81mn.

e) Operational, Legal and Regulatory Risks

As a registered Company operating under the Turkish Commercial Code, Net Holding has a duty to comply with the necessary legal framework in place across Turkey and TRNC along with the Health and Safety Regulations.

The legal affairs department supplied a detailed list of the cases brought against the Company, however there seems to be no fines that could have a profound impact on its operations.

As stated in the FYE2015 audit report, the value of total insurance on company assets amounted to TRY 1.17bn. Tangible assets are covered under an insurance scheme worth TRY 1.09bn with TRY 16.06mn on inventory and the remainder TRY 57.50mn is placed on cash and other items.

8. Budget and Bond Issuance

The Company undertook three successive bond issues throughout FY2014 and FY2015, the first of which took place in December, 2014 with a value of TRY 200mn and maturity of 2 years, followed by two separate bond issues both of which took place in February, 2015 with a values of TRY 50mn and TRY 100mn with maturities of 3 and 2 years respectively. As such, the upcoming bond issue payments over the next financial year will amount to TRY 300mn.

The Company plans to undertake a roll-over of the current bond issue of TRY 200mn with the principal capital payment due in December, 2016, followed by another issue of TRY 100mn by February 2017, both of which will have a maturity of 2 years and coupon payments every month. The proceeds from the planned bond issues will be used to meet the obligations arising from past issues.

The budget projections for the current and upcoming 2 financial years have been provided in the table below. The major assumptions which have been taken into account in the formation of budget projections have been listed below.

- ✓ USD/TRY parity of 3.00, 3.40 and 3.75 for FYE2016, FYE2017 and FYE2018 respectively,
- ✓ Bond issuance of TRY 200mn by FYE2016, followed by bond issuances of TRY 100mn and TRY 50mn in FY2017 and FY2018 respectively,
- ✓ Cash proceeds of TRY 80mn from the sale of Net Holding shares with a profit of TRY 28.6mn in FY2016,
- ✓ Advance payments of TRY 170mn and TRY 244mn in FY2017 and FY2018 respectively for the residential projects in Azerbaijan and the TRNC,
- ✓ Collection of TRY 1.88bn from the Bodrum-Milas project in FY2018 classified under Investment Income
- ✓ Sale of 4 properties from the investment property portfolio with total projected profits of TRY 174.35mn in FY2018,
- ✓ Depreciation costs of TRY 58.82mn, TRY 63.32mn and TRY 67.82mn for FY2016, FY2017 and FY2018 respectively
- ✓ Contribution to sales revenues of TRY 74.66mn, TRY 235.69mn and TRY 319.31mn from regional casino operations in FY2016, FY2017 and FY2018 respectively,
- ✓ Contribution to sales revenues of TRY 424mn, TRY 505mn and TRY 605mn from TRNC operations in FY2016, FY2017 and FY2018 respectively
- ✓ Total financial liabilities of TRY 478.56mn, TRY 470.70mn and TRY 528.47mn for FY2016, FY2017 and FY2018 respectively corresponding to 16.11%, 14.26% and 8.62% of projected asset size.
- ✓ General administrative expenses estimated at 17.30%, 13.76% and 13.62% of projected sales revenues for FY2016, FY2017 and FY2018 respectively,
- ✓ Marketing, sales and distribution expenses estimated at 7.17%, 5.50% and 4.98% of projected sales

revenues for FYE2016, FYE2017 and FYE2018 respectively

As observed in the table below, the Company projects to maintain the share of equity at above 70% in the FY2016-18 period. With the exception of FY2017, the majority of financial debt will be short-term, however net working capital will remain positive. The increase in the cash position for FY2018 is expected to be due to the projected revenues from the Bodrum-Milas land estimated at USD 500mn along with sales from the investment property portfolio.

Balance Sheet TRY (000)	Actual		Budgeted		
	FYE2015	June, 2016	FYE2016	FYE2017	FYE2018
Current Assets	695,871	648,269	878,147	1,203,232	4,139,995
Cash&Cash Equivalents	421,801	349,943	576,670	856,534	3,741,292
Non-Current Assets	2,136,926	2,215,912	2,092,804	2,098,733	1,990,903
Tangible Assets	1,580,468	1,646,079	1,525,261	1,510,554	1,455,347
Investment Property	407,247	403,375	404,105	400,964	320,927
Total Assets	2,832,798	2,864,181	2,970,951	3,301,965	6,130,898
Short Term Liabilities (STL)	327,935	442,522	341,216	252,164	479,851
ST Borrowings	4,898	4,768	116	133	153
STL of LT Borrowings	247,884	348,487	258,433	156,962	370,369
Long Term Liabilities (LTL)	465,471	367,741	509,530	816,544	954,581
LT Borrowings	202,275	107,503	220,014	313,601	157,947
Deferred Tax	258,322	256,057	284,154	326,777	375,794
Equity	2,039,391	2,053,918	2,120,205	2,233,258	4,696,466
Retained Earnings/Losses	434,122	381,141	535,776	642,232	776,879
Fixed Asset Revaluation Fund	711,925	684,033	676,329	642,513	610,387
Net Profit/Loss	66,057	-15,221	72,640	102,522	2,121,545
Total Liabilities	2,832,798	2,864,181	2,970,951	3,301,965	6,130,898
Annual Asset Growth %	30.16	30.73	4.88	11.14	85.67
Equity/Total Asset %	71.99	71.71	71.36	67.63	76.60
ROAA % *	4.97	-0.57	2.53	3.85	47.90
ROAE % *	7.52	-0.83	3.53	5.55	65.20

(*): YoY basis semi-annual and quarterly figures

The Company will maintain the upward trend in its sales revenues over the next 2 years, whilst lowering the cost of sales level along with the ratio of general administrative/marketing expenses in relation to sales revenues in order to raise operating profitability. The noteworthy jump in net profitability in FY2018 stems from the projected sales of Bodrum-Milas land valued at USD 500mn.

Income Statement TRY (000)	Actual		Budgeted		
	FYE2015	June, 2016	FYE2016	FYE2017	FYE2018
Sales Revenues	403,136	184,392	513,210	769,504	976,692
Cost of Sales	246,379	131,439	359,113	519,165	606,603
Profit and Loss from Principal Activities	26,032	-2,757	71,425	151,527	245,204
Investment Income (Net)	135,270	2,198	31,024	2,781	2,052,553
Financing Income	85,731	24,305	51,040	58,696	67,500
Financing Expenses	122,447	38,170	80,157	92,181	106,008
Net Profit	97,379	-10,418	72,640	102,522	2,121,545
Annual Sales Growth Rate %	30.70	8.77	27.30	49.94	26.92
Cost of Sales/Total Sales %	61.12	71.28	69.97	67.47	62.11
Net Profit Margin %	24.16	-5.65	14.15	13.32	217.22

Cash flow analysis of the supplied balance sheet and income statements revealed that the Company will be left with a cash balance of TRY 208.53mn and TRY 446.07mn at FYE2016 and FYE2017 respectively. The cash at the end of the period to liabilities ratio is expected to be 24.51% and 41.74% at FYE2016 and FYE2017 respectively, sufficient to cover its liabilities.




NET HOLDING A.Ş. BALANCE SHEET - ASSET TRY	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	As % of	As % of	As % of	2015 Growth Rate	2014 Growth Rate	2013 Growth Rate
	2015 USD (Converted)	2015 TRY (Original)	2015 TRY (Average)	2014 TRY (Original)	2014 TRY (Average)	2013 TRY (Original)	2013 TRY (Average)	2012 TRY (Original)	2015 Assets (Original)	2014 Assets (Original)	2013 Assets (Original)			
I. CURRENT ASSETS	239,328,364	695,871,151	743,223,927	790,576,703	520,439,732	250,302,761	206,957,427	163,612,093	24.56	36.33	16.62	-11.98	215.85	52.99
A. Liquid Assets	145,068,591	421,801,436	481,449,797	541,098,158	332,871,451	124,644,743	69,915,229	15,185,714	14.89	24.86	8.28	-22.05	334.11	720.80
B. Marketable Securities	21,116,220	61,397,522	75,656,300	89,915,077	53,710,852	17,506,626	36,427,597	55,348,567	2.17	4.13	1.16	-33.87	1,449.55	-68.37
1.Bond	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2.Share Certificates	15,951,220	46,379,768	39,796,034	33,212,299	17,915,046	2,617,793	1,308,897	0	1.64	1.53	0.17	39.65	1,168.71	n.a
3.Other	5,165,000	15,017,754	35,860,266	56,702,778	35,795,806	14,888,833	35,118,700	55,348,567	0.53	2.61	0.99	-73.51	280.84	-73.10
4.Provision for Decrease in Value of Marketable Securities (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C. Trade Receivables & Leasing	6,571,015	19,105,883	19,690,278	20,274,673	17,015,502	13,756,330	16,036,291	18,316,251	0.67	0.93	0.91	-5.76	47.38	-24.90
1.Customers & Notes Receivables	1,097,658	3,191,551	2,841,386	2,491,221	4,189,193	5,887,164	8,976,178	12,065,191	0.11	0.11	0.39	28.11	-57.68	-51.21
2.Other Receivables	6,123,994	17,806,125	18,001,353	18,196,581	13,540,397	8,884,213	7,801,825	6,719,436	0.63	0.84	0.59	-2.15	104.82	32.22
3.Doubtful Trade Receivables	2,160,327	6,281,367	5,289,083	4,296,798	5,056,611	5,816,423	6,040,379	6,264,335	0.22	0.20	0.39	46.19	-26.13	-7.15
4.Provision for Doubtful Trade Receivables (-)	-2,160,327	-6,281,367	-5,289,083	-4,296,798	-5,056,611	-5,816,423	-6,040,379	-6,264,335	-0.22	-0.20	-0.39	46.19	-26.13	-7.15
5.Rediscout on Notes Receivables (-)	-650,637	-1,891,793	-1,152,461	-413,129	-714,088	-1,015,047	-741,712	-468,376	-0.07	-0.02	-0.07	357.92	-59.30	116.72
D. Due From Related Parties (net)	44,543,389	129,514,359	107,676,814	85,839,269	70,960,930	56,082,591	35,294,946	14,507,301	4.57	3.94	3.72	50.88	53.06	286.58
E. Other Receivables	372,019	1,081,683	1,573,015	2,064,347	1,377,152	689,957	5,165,680	9,641,402	0.04	0.09	0.05	-47.60	199.20	-92.84
1.Other Receivables	372,019	1,081,683	1,573,015	2,064,347	1,377,152	689,957	5,165,680	9,641,402	0.04	0.09	0.05	-47.60	199.20	-92.84
2.Other Doubtful Receivables	10,358,062	30,117,100	30,117,100	30,117,100	30,787,668	31,458,235	31,467,051	31,475,866	1.06	1.38	2.09	0.00	-4.26	-0.06
3.Rediscouts on Other Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	-10,358,062	-30,117,100	-30,117,100	-30,117,100	-30,787,668	-31,458,235	-31,467,051	-31,475,866	-1.06	-1.38	-2.09	0.00	-4.26	-0.06
F. Live Assets (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Inventories (net)	7,463,232	21,700,094	19,970,300	18,240,506	15,278,054	12,315,601	9,893,254	7,470,907	0.77	0.84	0.82	18.97	48.11	64.85
H. Contract Progress Income (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
I. Deferred Tax	5,963,017	17,338,069	16,638,034	15,937,998	14,904,955	13,871,911	12,036,313	10,200,715	0.61	0.73	0.92	8.78	14.89	35.99
J. Other Current Assets	8,230,879	23,932,105	20,569,390	17,206,675	14,320,839	11,435,002	22,188,119	32,941,236	0.84	0.79	0.76	39.09	50.47	-65.29
1.Other Current Assets	8,230,879	23,932,105	20,569,390	17,206,675	14,320,839	11,435,002	22,188,119	32,941,236	0.84	0.79	0.76	39.09	50.47	-65.29
2.Provision for Other Current Assets (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II. NON-CURRENT ASSETS	734,945,097	2,136,926,363	1,761,366,653	1,385,806,942	1,320,879,635	1,255,952,327	853,610,735	451,269,142	75.44	63.67	83.38	54.20	10.34	178.32
A. Trade Receivables & Leasing	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
1. Customers & Notes Receivables & Leasing	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2. Other Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4. Provision for Doubtful Trade Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
5. Rediscout on Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B. Due From Related Parties (net)	1,135,965	3,302,933	3,126,242	2,949,551	3,022,143	3,094,735	1,547,368	0	0.12	0.14	0.21	11.98	-4.69	n.a
C. Other Receivables	271,464	789,308	761,415	733,522	721,888	710,253	619,962	529,670	0.03	0.03	0.05	7.61	3.28	34.09
1. Other Receivables	271,464	789,308	761,415	733,522	721,888	710,253	619,962	529,670	0.03	0.03	0.05	7.61	3.28	34.09
2.Other Doubtful Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscouts on Other Notes Receivable (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Financial Fixed Assets (net)	23,274,286	67,672,314	62,750,246	57,828,178	55,495,767	53,163,356	48,506,873	43,850,390	2.39	2.66	3.53	17.02	8.77	21.24
1. Long Term Securities (net)	271,525	789,485	789,485	789,485	739,584	689,682	707,814	725,946	0.03	0.04	0.05	0.00	14.47	-5.00
2. Affiliates (net)	23,002,761	66,882,829	61,960,761	57,038,693	54,756,184	52,473,674	47,799,059	43,124,444	2.36	2.62	3.48	17.26	8.70	21.68
3. Subsidiaries (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Other Financial Fixed Assets (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Tangible Assets	683,627,208	1,987,714,470	1,613,529,040	1,239,343,610	1,202,222,766	1,165,101,922	748,722,645	332,343,367	70.17	56.95	77.35	60.38	6.37	250.57
F. Other Fixed Assets	26,636,173	77,447,338	81,199,710	84,952,081	59,417,071	33,882,061	54,213,888	74,545,715	2.73	3.90	2.25	-8.83	150.73	-54.55
TOTAL ASSETS	974,273,461	2,832,797,514	2,504,590,580	2,176,383,645	1,841,319,367	1,506,255,088	1,060,568,162	614,881,235	100.00	100.00	100.00	30.16	44.49	144.97



NET HOLDING A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	As % of	As % of	As % of	2015	2014	2013
	2015	2015	2015	2014	2014	2013	2013	2012	2015	2014	2013	2015	2014	2013
	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Growth	Growth	Growth
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate	Rate	Rate
I. SHORT TERM LIABILITIES	112,785,473	327,935,041	363,083,966	398,232,891	315,607,872	232,982,852	209,391,438	185,800,023	11.58	18.30	15.47	-17.65	70.93	25.39
A. Financial Liabilities	85,289,775	247,988,550	291,746,575	335,504,599	249,153,097	162,801,595	142,822,675	122,843,754	8.75	15.42	10.81	-26.08	106.08	32.53
B. Trade Payables	15,752,339	45,801,501	42,975,537	40,149,572	47,341,284	54,532,995	42,648,432	30,763,868	1.62	1.84	3.62	14.08	-26.38	77.26
C. Due to Related Parties	23,103	67,173	46,688	26,203	94,990	163,776	10,469,506	20,775,236	0.00	0.00	0.01	156.36	-84.00	-99.21
D. Other Financial Liabilities	1,648,639	4,793,584	2,396,792	0	0	0	0	0	0.17	n.a	n.a	n.a	n.a	n.a
E. Advances Received	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
H. Provisions for Liabilities	254,108	738,845	585,052	431,258	418,856	406,454	1,397,698	2,388,941	0.03	0.02	0.03	71.32	6.10	-82.99
I. Other Liabilities	9,817,509	28,545,388	25,333,324	22,121,259	18,599,646	15,078,032	12,053,128	9,028,224	1.01	1.02	1.00	29.04	46.71	67.01
II. LONG TERM LIABILITIES	160,087,851	465,471,435	485,265,595	505,059,755	455,059,178	405,058,600	249,853,790	94,648,980	16.43	23.21	26.89	-7.84	24.69	327.96
A. Financial Liabilities	69,567,811	202,275,366	296,138,625	390,001,883	339,758,013	289,514,143	188,259,855	87,005,567	7.14	17.92	19.22	-48.13	34.71	232.75
B. Trade Payables	858,354	2,495,749	2,262,334	2,028,919	1,014,460	0	143,866	287,731	0.09	0.09	n.a	23.01	n.a	-100.00
C. Due to Related Parties	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Other Financial Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Advances Received	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	88,843,693	258,321,923	184,709,516	111,097,109	112,359,263	113,621,417	59,527,211	5,433,004	9.12	5.10	7.54	132.52	-2.22	1,991.32
H. Provisions for Liabilities	717,025	2,084,822	1,867,222	1,649,621	1,651,714	1,653,807	1,430,062	1,206,316	0.07	0.08	0.11	26.38	-0.25	37.10
I. Other Liabilities (net)	100,968	293,575	287,899	282,223	275,728	269,233	492,798	716,362	0.01	0.01	0.02	4.02	4.82	-62.42
TOTAL LIABILITIES	272,873,324	793,406,476	848,349,561	903,292,646	770,667,049	638,041,452	459,245,228	280,449,003	28.01	41.50	42.36	-12.17	41.57	127.51
F- EQUITY	701,400,137	2,039,391,038	1,656,241,019	1,273,090,999	1,070,652,318	868,213,636	601,322,934	334,432,232	71.99	58.50	57.64	60.19	46.63	159.61
a) Prior year's equity	368,122,169	1,070,352,020	875,690,640	681,029,260	428,684,240	176,339,220	178,407,006	180,474,792	37.78	31.29	11.71	57.17	286.20	-2.29
b) Equity (Added from Internal & External Resources in the Current Year)	173,172,340	503,515,895	434,772,587	366,029,278	344,836,202	323,643,126	126,779,026	-70,085,075	17.77	16.82	21.49	37.56	13.10	-561.79
c) Minority Interest	126,614,328	368,143,819	285,441,399	202,738,979	194,961,678	187,184,376	172,638,694	158,093,012	13.00	9.32	12.43	81.59	8.31	18.40
h) Profit & Loss	33,491,300	97,379,304	60,336,393	23,293,482	102,170,198	181,046,914	123,498,209	65,949,503	3.44	1.07	12.02	318.05	-87.13	174.52
TOTAL LIABILITY	974,273,461	2,832,797,514	2,504,590,580	2,176,383,645	1,841,319,367	1,506,255,088	1,060,568,162	614,881,235	100.00	100.00	100.00	30.16	44.49	144.97
USD Rates 1=TRY		2.9076		2.3189		2.1343		1.7776						

NET HOLDİNG A.Ş. INCOME STATEMENT TRY	2015	2014	2013	2012	2011
I. Principal Activity Revenues	208,244,901	130,231,120	156,976,232	127,540,937	9,870,245
A. Sales Revenues (Net)	403,136,468	308,438,741	194,717,297	106,814,508	102,322,030
1.Domestic Sales	406,538,247	310,292,256	196,013,607	107,376,468	103,022,057
2.Export Sales	0	0	0	0	0
3.Sales Deductions (-)	-3,401,779	-1,853,515	-1,296,310	-561,960	-700,027
B. Cost Of Sales (-)	-246,379,452	-189,405,332	-123,420,086	-87,628,567	-95,491,099
C. Service Revenues (net)	0	0	0	0	0
D. Other Revenues From Principal Activities	51,487,885	11,197,711	85,679,021	108,354,996	3,039,314
1.Interest	51,487,885	11,197,711	4,375,587	2,021,445	3,039,314
2.Dividend	0	0	81,303,434	106,333,551	0
3.Rent	0	0	0	0	0
4.Other	0	0	0	0	0
GROS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	208,244,901	130,231,120	156,976,232	127,540,937	9,870,245
Activities Expenses (-)	-106,112,280	-81,325,954	-58,960,282	-44,302,843	-31,774,902
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	102,132,621	48,905,166	98,015,950	83,238,094	-21,904,657
Income & Profit From Other Activities	138,118,211	11,265,451	128,755,099	3,008,904	5,689,803
Expenses & Losses From Other Activities (-)	-27,586,507	-449,798	-1,678,074	-110,178	-4,133,376
Financing Income	3,221,156	4,175,610	8,182,074	1,452,765	340,366
Financing Expenses (-)	-86,788,166	-55,604,249	-38,059,785	-21,484,935	-17,712,055
OPERATING PROFIT & LOSS	129,097,315	8,292,180	195,215,264	66,104,650	-37,719,919
Net Monetary Position exc. And Other Profit & Loss (+/-)	-4,511,366	-199,674	284,861	2,787,966	41,516,265
PRETAX PROFIT & LOSS	124,585,949	8,092,506	195,500,125	68,892,616	3,796,346
Taxes (-/+)	-27,206,645	15,200,976	-14,453,211	-2,943,113	-886,675
NET PROFIT FOR THE PERIOD	97,379,304	23,293,482	181,046,914	65,949,503	2,909,671
Total Income	599,365,499	336,931,028	418,629,801	220,193,133	112,091,540
Total Expense	-474,779,550	-328,838,522	-223,129,676	-151,300,517	-108,295,194
NET INCOMES OR EXPENSES FOR THE PERIOD	124,585,949	8,092,506	195,500,125	68,892,616	3,796,346

NET HOLDING A.Ş. FINANCIAL RATIOS %	FYE 2015	FYE 2014	FYE 2013
I. PROFITABILITY			
Relationship Between Capital and Profit			
ROAE - Pre-tax Profit / Equity (avg.)	7.52	0.76	32.51
ROAA - Pre-tax Profit / Total Assets (avg.)	4.97	0.44	18.43
Total Income / Equity (avg.)	36.19	31.47	69.62
Total Income / Total Asset (avg.)	23.93	18.30	39.47
Economic Rentability ((Financing Expenses + Pre-tax Profit)/ (Total Liabilities) (avg.)	8.44	3.46	22.02
Operating Profit / Total Assets (avg.)	4.08	2.66	9.24
Financial Expenses / Inventories Ratio (avg.)	434.59	363.95	384.70
Return on Avg. Long Term Sources	4.55	1.53	21.27
Relationship Between Sales and Profit			
Gross Profit Margin of Operating = Ordinary Activities Incomes / Net Sales Income	51.66	42.22	80.62
Operating Margin = Operating Incomes / Net Sales Income	25.33	15.86	50.34
Net Profit Margine = Net Profit / Net Sales Income	24.16	7.55	92.98
Cost of Sales / Net sales Income	61.12	61.41	63.38
Activities Expenses / Net Sales Income	26.32	26.37	30.28
Financing Expenses / Net Sales Income	21.53	18.03	19.55
EBIT = (Gross Profit + Financing Expenses) / Net Sales Income	52.43	20.65	119.95
Relationship Between Financing Liabilities and Profit			
Interest Coverage Ratio 1 = Pre Tax Profit + Financing Expenses / Financing Expenses	243.55	114.55	613.67
Interest Coverage Ratio 2 = Net Profit + Financing Expenses / Financing Expenses	212.20	141.89	575.69
Structure of Income and expenditure account			
Financing Expenses / T. Asset (avg.)	3.47	3.02	3.59
Financial Liabilities / T. Assets	15.89	33.34	30.03
II. LIQUIDITY			
(Liquid Assets + Marketable Securities) / T. Assets	17.06	28.99	9.44
(Liquid Assets + Marketable Securities) / T. Liabilities	60.90	69.86	22.28
Net Working Capital / Total Assets	12.99	18.03	1.15
Liquid Assets / Equity	23.69	49.57	16.37
Current Ratio	212.20	198.52	107.43
Acid Test Ratio	197.95	189.10	96.94
Cash Ratio	147.35	158.45	61.01
Inventories / Current Asset	3.12	2.31	4.92
Inventories / Total Asset	0.77	0.84	0.82
Inventories Dependency Ratio	-715.50	-1,276.17	737.53
Short Term Receivables / Total Current Assets	21.51	13.68	28.18
Short Term Receivables / Total Assets	5.28	4.97	4.68
III. CAPITAL and FUNDING			
Equity / Total Assets	71.99	58.50	57.64
Equity / Liabilities	257.04	140.94	136.07
Net Working Capital/Total Resources	12.99	18.03	1.15
Equity generation/prior year's equity	47.04	53.75	183.53
Internal equity generation/prior year's equity	9.10	3.42	102.67
Tangible Assets/Total Asset	70.17	56.95	77.35
Financial Fixed Assets/(Equity + Long Term Liabilities)	3.02	3.48	4.59
Minority Interest/Equity	18.05	15.92	21.56
IV. EFFICIENCY			
Net Profit Margine Growth	219.85	-91.88	50.59
Net Sales Growth	30.70	58.40	82.29
Equity Growth	60.19	46.63	159.61
Asset Growth	30.16	44.49	144.97
Inventories Turnover	1,233.73	1,239.72	1,247.52
Days Inventories Utilization	29.59	29.44	29.26
Receivables Turnover	14,188.02	7,362.73	2,169.27
Days' Accounts Receivable	2.57	4.96	16.83
Efficiency Period	32.16	34.40	46.08
Payables Turnover	544.63	391.69	288.42
Days' Payments In Accounts Payables	67.02	93.19	126.55
Cash Turnover Cycle	-34.86	-58.79	-80.47
Current Assets Turnover	54.24	59.27	94.09
Net Working Capital Turnover	106.05	150.58	-7,999.85
Tangible Assets Turnover	24.98	25.66	26.01
Fix Asset Turnover	22.89	23.35	22.81
Equity Turnover	24.34	28.81	32.38
Asset Turnover	16.10	16.75	18.36
Export sales/Total sales	0.00	0.00	0.00
V. ASSET QUALITY			
Non-Performing Receivables / Total Receivables	61.41	59.44	69.74
Non-Performing Asset / Total Assets	73.32	60.44	81.70
Financial Fixed Assets / Non-Current Assets	3.17	4.17	4.23
VI. SENSITIVITY OF FOREIGN CURRENCY			
Total Foreign Currencies Position/Asset	-1.48	-2.28	-7.14
Total Foreign Currencies Position/Equity	-2.06	-3.90	-12.38
VII. INDEBTEDNESS			
Debt Ratio	28.01	41.50	42.36
Short Term Liabilities/Total Asset	11.58	18.30	15.47
Long Term Liabilities/Total Asset	16.43	23.21	26.89
Long Term Liabilities/(Equity + Long term Liabilities)	18.58	28.40	31.81
Fixed Asset/Liabilities	269.34	153.42	196.84
Fixed Asset/(Long Term Liabilities + Equity)	85.31	77.94	98.64
Short Term Liabilities/ T. Liabilities	41.33	44.09	36.52
Short Term Financial Liabilities/Short Term Liabilities	75.62	84.25	69.88
Tangible Assets/Long Term Liabilities	427.03	245.39	287.64
Financial Liabilities/Total Liabilities	56.75	80.32	70.89
Off Balance Liabilities/(Assets + Off Balance Liabilities)	17.43	22.38	28.87
Off Balance Liabilities/(Equity + Off Balance Liabilities)	22.67	33.02	41.32

The Historical Development of the Company's Credit Rating Notes													
		October 19, 2012		May 29, 2013		September 13, 2013		June 26, 2014		September 4, 2015		October 7, 2016	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
International	Foreign Currency	BB	B	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3
	Local Currency	BB	B	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3
	Outlook	Positive	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)	BBB (Trk)	A-3 (Trk)	A- (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)
	Outlook	Positive	Stable	Positive	Stable	Positive	Stable	Stable	Stable	Stable	Stable	Positive	Positive
Sponsor Support		2	-	2	-	2	-	2	-	2	-	2	-
Stand Alone		BC	-	BC	-	B	-	B	-	B	-	B	-
Sovereign*	Foreign Currency	BB	B	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-
	Local Currency	BB	B	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-
	Outlook	Positive	Stable	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-
		(*)Affirmed by JCR on June 28, 2012		(*)Affirmed by JCR on May 23, 2013		(*)Affirmed by JCR on May 23, 2013		(*)Affirmed by JCR on May 23, 2013		(*)Affirmed by JCR on August 28, 2015		(*)Affirmed by JCR on October 7, 2016	