

# For Altın Yunus the guest is everything.



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## goal

As one of the most esteemed Turkish and regional tourism destinations, Altın Yunus is committed to sustaining its long-term viability and to making a difference in people's lives by providing them with a pleasurable service experience.

Distinguished shareholders,

The expansionist monetary policies adhered to immediately after the global financial crisis of 2008 demonstrably prevented that crisis from growing deeper. With global economic activity returning to a semblance of normalcy in 2013, the world's central banks began talking about gradually putting an end to such policies. The first step in this direction was taken by the US Federal Reserve Bank but even its initial signals that it might be winding up its "asset purchases" led to market volatilities at the global level and caused developing countries' currencies in particular to depreciate. The expectation at this time is that the economic landscape of 2014 will be shaped by these developments but that low interest rates will remain in effect for yet some more time even though markets are being supplied with rather less liquidity.

Despite worldwide economic and political volatilities in 2013, the Turkish tourism industry remained on its upward course of growth and development.

Turkey was the only country in its region to increase the number of foreign tourist arrivals in 2013: percentage-wise, there were year-on improvements in visitor numbers in the 10-20% range almost everywhere. Overall last year Turkey's tourism industry revenues amounted to USD 32.3 billion, which corresponds to a year-on rise of 11.4%. Looking at the Turkish Aegean however, which is where our hotel is located, the rate of growth in revenues was only in the 2-3% range. The number of tourists coming to İzmir from European countries other than France and Germany topped 500 thousand in 2013.

One of the most significant developments for our sector last year was the wave of cancellations and a decline in additional bookings prompted by social strife in several of Turkey's biggest cities. The announcement of an international-class travel agency's going into receivership at the beginning of June also led to a substantial reduction in overnight stays and even to a number of flight cancellations.

Although it embarked upon 2013 with good prospects, our sector experienced occupancy rates below expectations owing to the developments that I have just briefly outlined. This was especially true during the summer high season.

Last year the number of beds available in our region increased by 17% and topped 26 thousand. Even meteorological conditions suffered from abnormalities in 2013: Çeşme for example experienced 62 of the windiest and coolest days recorded in the most recent ten years.

## A successful performance in the face of volatile market conditions

In its 40th year of operation, Altın Yunus continues to successfully provide its guests with hospitality services conforming to the highest standards of quality and focused on unconditional customer satisfaction. Rooted as they are in traditional Turkish hospitality, Altın Yunus's service standards are what make it possible for its guests to experience precious moments while having fun in a relaxing environment.

As one of the cornerstones of the Turkish tourism industry, Altın Yunus last year maintained the solid domestic and international market growth that it achieved in 2012 and this impacted favorably on its performance.

In 2013 Altın Yunus booked a total of 145,109 stays and achieved an overall overnight occupancy rate of 49%.

Offering accommodations on an "all-inclusive" basis, a concept greatly appreciated by its guests, Altın Yunus registered a year-on rise of 11.5% in its net sales, which reached TL 22.9 million. Based on our findings, the "all-inclusive" concept generated about 49.5% of Altın Yunus's total revenues in 2013.

Achieved under conditions of severe market volatility, this financial performance is not only evidence of the validity of Altın Yunus's strategy but also provides the underpinnings needed for its sustainable growth in the future as well.

#### The customer is all.

For Altın Yunus the customer—which is to say the guest—is all. The customer is the reason for its existence and the bedrock of its future. This straightforward premise is what has made it possible for Altın Yunus to protect and burnish its brand value and reputation among consumers under market conditions of every kind in the course of four decades.

Altın Yunus owes its unassailable sectoral position to its ability to constantly improve and renew its service standards and processes based on the feedback—both positive and negative—that it solicits and receives from its guests.

Altın Yunus's customer satisfaction rate increased from 86.34% in 2012 to 89.48% in 2013.

The Çeşme-Alaçatı region has become an increasingly more important center of attraction in recent years. This has contributed significantly to Altın Yunus's success by enhancing its brand recognition and bringing it into contact with ever more customers.

An ability to offer guests both "all-inclusive" and "half-board" accommodation plans gives Altın Yunus a substantial competitive advantage over other hospitality providers in the area while its focus on being an establishment that caters to families plays a significant role in improving both market share and guest satisfaction.

In 2012 we renovated our "Marin Plus" rooms. That project was followed up in 2012 with the renovation of our "Marin" rooms. Both investments have contributed substantially both to occupancy rates and customer satisfaction.

Another factor that contributed to customer satisfaction is the fast and convenient online reservation systems that we make accessible to guests through our business partners.

Our success also rests on the efforts of travel agencies and tour operators with which we work.

In 2013 Altın Yunus continued to develop and maintain strong relationships with travel agencies and tour operators in all segments.

Altın Yunus is giving greater importance to efforts to enhance its brand awareness and increase customer demand while never sacrificing its principle of maintaining long-term relationships with suppliers and business partners and sharing its success with them.

#### Our region's potential is strong.

We believe that new accommodation, thermal spa, surfing, and training facilities opened in recent years in and around Çeşme and Alaçatı have contributed to both the visibility and the appeal of our region.

We have been observing a steady, year-round increase in interest shown in the thermal spa and health tourism assets of our region by Balkan and Middle Eastern countries. At the same time, the Turkish tourism ministry is also involved in a number of projects and promotional activities aimed at drawing attention to the Izmir region as a whole.

Activities such as these and others will expand opportunities to accommodate ever-greater numbers of guests not just at Altın Yunus but throughout the region in 2014 and the years that follow. That will further increase the economic value that we create for our stakeholders through the collaborative system in which we work with our suppliers and business partners.

As one of the most esteemed Turkish and regional tourism destinations, Altın Yunus is committed to sustaining its long-term viability and to making a difference in people's lives by providing them with a pleasurable service experience.

As I bring these brief remarks to a close, I acknowledge the debt of gratitude we owe to all of our employees, shareholders, and other stakeholders for the support and confidence that made our 2013 results possible.

#### İdil Yiğitbaşı

Chairperson of the Board of Directors

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