

Corporate Credit Rating

**Non-Financial Industry
Food [Canned & Frozen Seafood]**

DARDANEL®		Long Term	Short Term	
International	Foreign Currency	BB	B	
	Local Currency	BB	B	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating		n.a.	n.a.	
National	Local Rating	BB+(Trk)	B(Trk)	
	Outlook	Positive	Positive	
	Issue Rating	n.a.	n.a.	
Sponsor Support		3	-	
Stand Alone		BC	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

Dardanel Öntaş Gıda Sanayi A.Ş.					
Financial Data	1H2016	2015*	2014*	2013*	2012*
Total Assets (000 USD)	17,774	19,606	33,066	15,992	26,525
Total Assets (000 TRY)	51,276	57,007	76,676	34,132	47,150
Equity (000 TRY)	-157,421	-167,089	-152,644	-145,489	-361,844
Net Profit (000 TRY)	9,561	-24,742	-14,995	232,255	7,151
Total Sales (000 TRY)	135,538	215,437	147,509	98,742	46,287
Net Profit Margin (%)	n.m	-11.48	-10.17	235.21	15.45
ROAA (%)	n.m	-36.89	-27.12	571.21	11.73
Net Sales Growth (%)	n.m.	46.05	49.39	113.32	-6.01
Equity / T. Assets (%)	-307.01	-293.10	-199.08	-426.05	-767.43
Net Working Capital / T. Assets (%)	-302.18	-279.72	-112.05	-245.34	-798.23
Debt Ratio (%)	n.m	n.m	n.m	n.m	n.m
Asset Growth Rate (%)	-10.05	-25.65	124.64	-27.61	-36.63

*End of the year

Company Overview

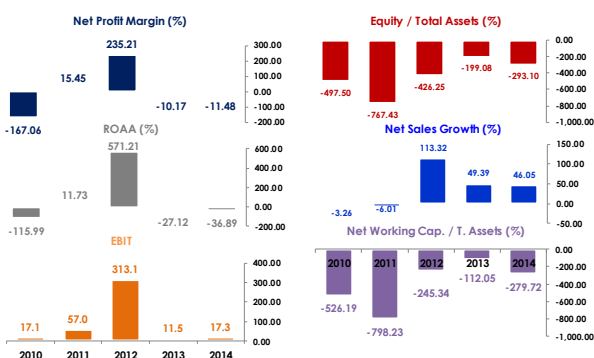
Dardanel Öntaş Gıda Sanayi A.Ş. (herein referred to as 'Dardanel Group', or 'the Company'), was founded in 1984, manufactures cooked and packed fish products in Turkey. It offers tuna, sardine, anchovy, mackerel, and salmon fish products, as well as canned sweet corn and tomato paste. The company's products are marketed domestically and internationally. The Company markets its canned tuna under the Dardanel brand. The Company has 3 subsidiaries-including "Dardanel Enez Konserve A.Ş.", "Dardanel Spor Faaliyetleri A.Ş.", "Ton Radyo Televizyon ve Yayıncılık A.Ş."

The major qualifying shareholder holding 68.60% of the Company's shares is Mr. Osman Niyazi Önen and 31.40% of Company shares are publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "**DARDL**". The Company has been on the watchlist companies market since FY2011.

The Company's long term national grade has affirmed at '**BB+(Trk)**' with a '**Positive**' outlook.

*Affirmed by Japan Credit Rating Agency on October 7, 2016

Chief Analyst: Orkun İNAN / +90 212 352 56 73
orkuni@jcrer.com.tr



Strengths

- Stable expansion of operational volume over the period supported via domestic and export sales figures,
- Low per capita consumption of Canned sea food in Turkey promising significant growth opportunities in the medium and long-term,
- Maintaining a dominant market share position and brand reputation in the sector thanks to low competitive environment,
- Increased sales force by diversifying its product range in all consumer segments with different brands,
- Relative abatement beginning in FY2013 in the uncertainty level regarding the continuity of its activities via a debt liquidation agreement.

Constraints

- High level of debt ratio, foreign currency position and dramatic capital increase needs,
- High cost of sales level exerting downward pressure on profitability from core fields of activity
- Dependence on imports for production and rising cost of raw material procurement,
- Large off-balance sheet commitments and contingencies increasing risk level and pressure on assets,
- Insufficient level of net working capital pressuring liquidity management,
- Pledge on shares encumbering the production facilities and properties,
- Growing perception of pressure in the markets through risks arising from the current social unrest, political instability on economic influences, global environment, and the economic impacts of unsuccessful coup attempt.

Publication Date: December 15, 2016 "Global Knowledge supported by Local Experience"