

Corporate Credit Rating

Marine Transportation
Ship Owning and Management

BAYRAKTAR SHIPPING GROUP		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	BBB-	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
LC		Stable	-

BAYRAKTAR DENIZCILIK ve TICARET A.Ş. & GROUP COMPANIES						
Financial Data	2014 1H**	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	291,605	290,895	301,652	299,427	305,468	291,552
Total Assets (000 TRY)	619,194	619,722	536,216	565,588	469,688	433,625
Equity (000 TRY)	220,099	221,453	205,533	214,319	192,974	171,411
Net Profit (000 TRY)	-6,059	-4,369	-5,544	-32,900	7,405	-7,484
Sales (000 TRY)	37,035	74,985	65,640	84,840	67,900	40,197
Net Profit Margin (%)	-16.36	-5.83	-8.45	-38.78	10.91	-18.62
ROAA (%)	n.a.	-0.76	-1.01	-6.36	1.64	-3.44
ROAE (%)	n.a.	-2.05	-2.64	-16.16	4.06	-8.71
Equity / Total Assets (%)	35.54	35.73	38.33	37.89	41.09	39.53
Net Working Capital / T. Assets (%)	-10.35	-7.69	-10.20	-7.17	5.21	-10.61
Debt Ratio (%)	64.46	64.27	61.67	62.11	58.91	60.47
Asset Growth Rate (%)	n.a.	15.57	-5.19	20.42	8.32	n.a

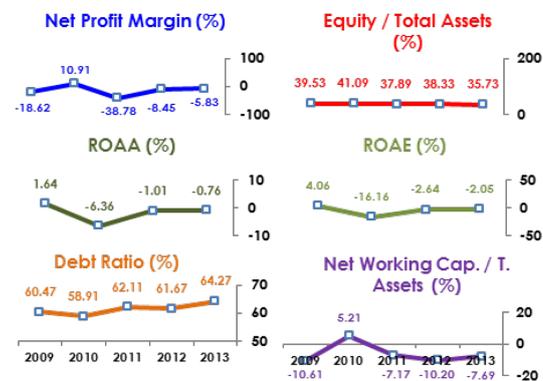
*End of year **Unaudited Financial Results

Overview

Established as a family owned business, **Bayraktar Denizcilik ve Ticaret A.Ş. and Group Companies** (hereinafter referred to as Bayraktar Shipping Group or the Group) consists of 12 related companies and has developed into a major shipping company in the region through its diverse experience and technical service capability.

The Group's history dates back to the 1920s as a small machinery plant repairing pistons and maintaining shafts. Development continued in the 1970s as a builder of steel vessels with their own capital. The Group currently manages 14 ships; 2 bulk ships under the Malta flag, 7 MPP container ships and 5 general cargo vessels under Turkish flags. Due to their capacity, the 2 bulk ships operate in global transport while the 12 short-sea vessels trade in the Black Sea and the Mediterranean Sea.

Bayraktar Shipping Group is headquartered in Istanbul with a full time staff of 24 and approximately 234 seafaring personnel employed on ships. Owing to its wide experience in the industry of ship operating and management, the Group has broad knowledge in sales & purchase of vessels, crew and technical management, supervision of new buildings, bunkering and insurance.



Strengths

- Efficient deployment and cost advantages of the fleet despite higher average crewing costs
- Solid EBITDA performance covering financial expenses strengthening cash flow
- Strong relationship with major charterers and good network of suppliers
- Competitive edge in the region provided by vessels under the Turkish Flag
- Asset and operational risk aversion through insurance coverage
- Ring fence control environment thanks to regional and international regulators
- Corporate tax exemption for Turkish international registered ships
- Versatile use of the fleet enabling it to meet a wide range of customer demands underpinning revenue and cash flow
- Proven track record in the industry and extensive chartering know-how of the experienced management team

Constraints

- Declined freight market due to sluggish global economic growth and geopolitical turmoil following 2008
- Negative profit indicators over the reviewed period due to high level of depreciation and financing costs
- Significant imbalance between supply and demand in the container shipping industry
- Slump in the second hand vessels market which may impair asset quality
- Increasing competition through global network alliances in the container shipping industry
- Weak transparency and practices of corporate governance principles
- The need of the shipping sector for further support and subsidies from government to increase the competitive edge in the global market

Publication Date: October 10 2014

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