Corporate Credit Rating

Poultry Meat Sector

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

**Assigned by Japan Credit Rating Agency, JCR on Aug,28, 2015*

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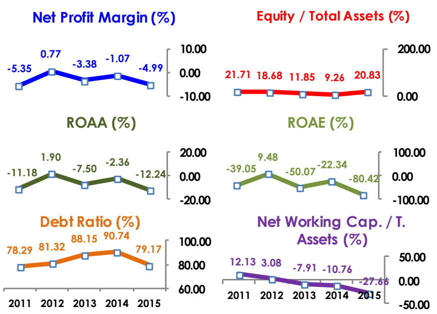

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ A.Ş.

Financial Data	1Q2016**	2015*	2014*	2013*	2012*
Total Assets (000 USD)	362,430	361,382	426,342	456,240	463,022
Total Assets (000 TRY)	1,023,829	1,050,753	988,644	973,753	823,067
Equity (000 TRY)	208,295	218,865	91,583	115,409	153,748
Net Profit (000 TRY)	-14,764	-99,675	-20,634	-55,979	9,669
Sales (000 TRY)	429,606	1,997,627	1,932,527	1,655,216	1,260,408
Net Profit Margin (%)	-3.44	-4.99	-1.07	-3.38	0.77
EBITDA Margin (%)	6.28	5.30	6.70	5.50	6.90
ROAA (%)	n.a	-12.24	-2.36	-7.50	1.90
ROAE (%)	n.a	-80.42	-22.34	-50.07	9.48
Equity / Total Assets (%)	20.34	20.83	9.26	11.85	18.68
Net Working Capital / T. Assets (%)	-4.38	-27.66	-10.76	-7.91	3.08
Debt Ratio (%)	79.66	79.17	90.74	88.15	81.32
Asset Growth Rate (%)	n.a	6.28	1.53	18.31	18.04

*End of year **First Quarter of 2016

Overview

Banvit Bandırma Vitaminli Yem Sanayii A.Ş. ve Bağlı ortaklıkları (referred to as 'the Company' or 'the Group' or 'Banvit') was established in 1968 in Bandırma. Having originally focused on feed manufacturing, the Company broadened its operational scope to include the production, slaughtering, and marketing of turkey, chicken, and red meat and extended its product range to include cooked meat-balls, kebabs, burgers, salami, sausages, and ham, positioning the Company as a primary player in the Turkish poultry meat market.

The Company operates through 3 main production centres in Izmir, Bandırma, and Elazıg and marketing activities through 18 branch offices and 52 dealers. Through operations in Dubai and Romania, the Company also distributes products to Dubai and Gulf Countries under the Banvit brand.

Control of the Company belongs to the Görener Family with a share of 44.08%, the Koçman Family with a share of 19.01%, and the corporate shareholder, Aabar Investments PJS, with a share of 16.32%. 20.59% of shares have been publicly traded on the BIST since 1992.

Despite the increased turnover in the poultry sector, the Company has captured a sustainable growth. The average number of personnel employed across Company operations increased to 4,592 from 4,214 in FYE2015.

Strengths

- As a leading poultry producer, improvements in EBITDA generation thanks to widened production capacity via integrated production facilities, cost efficiency as a result of financial statement discipline and higher sales price of poultry,
- Strengthened funding structure through successful refinancing aggrements signed with the largest Turkish banks in January 2016
- Consistency and expected increase in cash flows thanks to the established presence and inter/national brand identity via continously upward sales figures
- Higher margin added product sales with a potentially supporting profitability
- Eliminated FX risk through converting bank loans in TRY as of FYE2016 softening the detrimental effect of high level of short position on profit/loss
- Competitive edge through high-tech machine park, a flexible manufacturing capability, product diversity, and steady investments in machinery
- Enhanced strategic targets promising further growth thanks to an experienced management team and well organized risk management infrastructure
- Enhanced practice of corporate governance principles as a BIST listed company

Constraints

- Pressure on net profitability from activities and financing expenses including high interest payments and FX movements majorly derived from bank loans
- The pressure of ongoing loss' on Company's internal equity generation capacity and in parallel upside accelerated equity erosion
- The need of market share augment through hike in sales revenue for Company growth
- Due to fully external funding needs pressuring asset quality despite recently softened refinancing loan aggreement
- Deterioration in export levels (mainly to Iraq) due to the disease related risks, regional tensions, and political issues
- Demand and low level of poultry sales prices pressure on sector margin
- Despite being a leader in the sector not obtained an advantage of price power profile due to intensity of competition in the operating environment, internationally inadequate market competition and low poultry prices leading to a descending net profit margin
- Continuosly negative net working capital pressuring liquidity management, softened after refinancing process as of 1Q2016
- Insufficient domestic soybean production resulting in uncertainty and high cost of sales and exerting pressure on profitability from core fields of activities
- Growing perception of pressure in the markets through risks arising from the regional tensions, social unrest, and political instability on economic influences

Publication Date: May 25, 2016

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