JCR-ER **JCR Eurasia Rating**
"Global Knowledge Supported by Local Experience"

TURKEY

Corporate Credit Rating

Logistics

			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
	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 Currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR Eurasia Rating, JCR-ER on Oct 7, 2016

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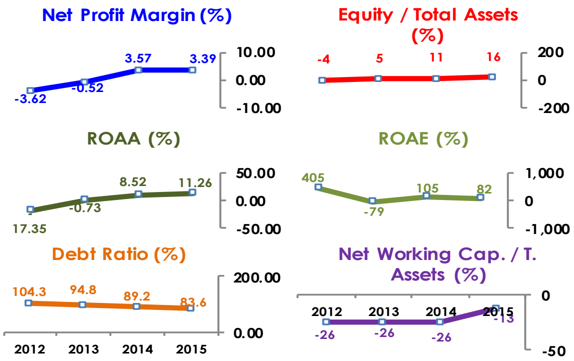
KARINCA LOJİSTİK A.Ş.

Financial Data	Sept,2016**	2015*	2014*	2013*	2012*
Total Assets (000 USD)	23,662	23,286	25,704	25,610	24,938
Total Assets (000 TRY)	70,996	67,707	59,604	54,659	44,331
Equity (000 TRY)	13,273	11,077	6,420	2,817	-1,900
Net Profit (000 TRY)	408	5,553	4,636	-610	-3,468
Sales (000 TRY)	113,954	163,859	129,863	117,035	95,859
Net Profit Margin (%)	0.36	3.39	3.57	-0.52	-3.62
ROAA (%)	n.a.	11.26	8.52	-0.73	-17.35
ROAE (%)	n.a.	81.94	105.44	-78.55	404.69
Equity / Total Assets (%)	18.70	16.36	10.77	5.15	-4.29
Net Working Capital / T. Assets (%)	-6.87	-12.90	-25.51	-25.61	-25.68
Debt Ratio (%)	81.30	83.64	89.23	94.85	104.29
Asset Growth Rate (%)	4.86	13.59	9.05	23.30	n.a

*End of year
**Unaudited, TPL compliant



Overview

Karınca Lojistik A.Ş. (referred to as Karınca Lojistik or the Company) entered the logistics sector in 1986 in the field of customs clearance, followed by air transport in 1987 and subsequently added road and marine transportation in 1999 to its fields of activity. The Company began to provide storage and internal transfer services in 2000 and focused on the storage and distribution of textile products following the acquisition of Meyer & Meyer's Turkish subsidiary in 2003. The Company entered into the transport of dangerous goods in 2006, followed by the provision of services into the mining and construction sector in 2010. Karınca Lojistik A.Ş. operates in the fields of international transport, domestic logistics, transport of dangerous goods, energy and project logistics and customs clearance.

Headquartered in Istanbul with country-wide coverage and international network through agencies, Mr. Hüseyin **GÖÇER** is the qualified individual shareholder of the Company that had a paid-in capital of TRY 22.50mn at FYE2015 with a fleet size of 325 and employed 888 personnel.

Strengths

- Strong revenue growth performance over the examined period and rising ebitda margin
- Established track record and long-term contracts with large, reputable corporates increasing cash flow predictability and sustainability
- Notable market share in the national dangerous materials transportation sector supported by high level of compliance with HSSE standards
- Absence of foreign currency risk with a significant portion of export revenues
- Growth prospects of the Turkish logistics market in the medium and long term and convergence with developed countries
- Presence of Company strategies focusing on productivity and profitability along with entry into new markets

Constraints

- Reduction in profitability performance throughout FY2016 due to the decrease in the contribution of revenues from the energy logistics business and rise in minimum wage
- High level of dependence on external financial resources in order to fund operational expansion
- Short-term weighted funding structure exerting pressure on net working capital levels despite the improvement in FY2015 and the current year
- Potential negative impact of the slow-down in the sectors comprising the customer base in the domestic transportation segment
- Contraction in global and local trade due to ongoing economic slow-down with negative impact on the logistics sector
- Improvement needs in the level of compliance with Corporate Governance Practices

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