

		Long Term	Short Term
		International	Foreign Currency
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
	Issue Rating	n.a.	n.a.
National	Local Rating	BBB-(Trk)	A-3(Trk)
	Outlook	Positive	Positive
	Issue Rating	BBB-	A-3
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
		LC	Stable

BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİİ A.Ş.					
Financial Data	1Q2017**	2016*	2015*	2014*	2013*
Total Assets (000 USD)	323,199	315,622	361,382	426,342	456,240
Total Assets (000 TRY)	1,175,993	1,110,738	1,050,753	988,644	973,753
Equity (000 TRY)	381,493	342,235	218,865	91,583	115,409
Net Profit (000 TRY)	32,881	62,415	-99,675	-20,634	-55,979
Sales (000 TRY)	570,321	1,928,414	1,997,627	1,932,527	1,655,216
Net Profit Margin (%)	5.77	3.24	-4.99	-1.07	-3.38
EBITDA Margin (%)	14.28	12.75	3.42	6.95	5.34
ROAA (%)	n.a.	7.01	-12.24	-2.36	-7.50
ROAE (%)	n.a.	27.00	-80.42	-22.34	-50.07
Equity / Total Assets (%)	32.44	30.81	20.83	9.26	11.85
Net Working Capital / T. Assets (%)	3.79	0.83	-27.66	-10.76	-7.91
Debt Ratio (%)	67.56	69.19	79.17	90.74	88.15
Asset Growth Rate (%)	5.87	5.71	6.28	1.53	18.31

*End of Year ** First Quarter of 2017

**Assigned by Japan Credit Rating Agency, JCR on October 7, 2016

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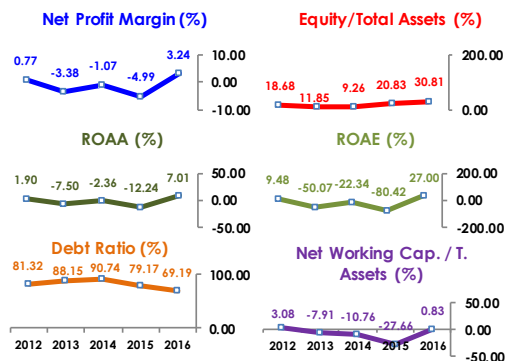
Overview

Banvit Bandırma Vitaminli Yem Sanayii A.Ş. and Its Subsidiaries (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 Elazığ and marketing activities through 19 branch offices and 51 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, which holds a share of 44.08%, the Koçman Family, which holds 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 Borsa İstanbul (BIST) since 1992.

The Company has achieved a sustainable growth over the years. The average number of personnel employed across Company operations slightly dropped to 4,571 from 4,592 in FYE2016.



Strengths

- Strong brand identity and track record in the poultry sector
- Leading poultry producer in Turkey via integrated operations
- Strong EBITDA margin and profitability ratios in FYE2017 enabling the sustainability and expansion of operations
- Cost efficiency as a result of financial statement discipline, diminished cost of sales and higher sales price of poultry positively contributed on profitability
- Significant contribution on liquidity management and net working capital through diversifying the maturity of its borrowings into long terms thanks to strengthened funding composition
- Limited exposure to FX risks on the Company balance sheet mainly through the conversion of foreign currency bank loans into TRY
- The sale process of the shares to BRF GmbH, a subsidiary of the Brazil-based, globally-known BRF S.A
- A wide range of network distribution including inter/national operations promising further growth
- Diversified product portfolio including chicken, turkey, red meat, processed meat and feed and higher margin added product sales with a potentially supporting profitability
- Effective corporate governance practices, high level of regulatory compliance as a BIST listed company and established internal control systems

Constraints

- Despite improvements in finance management via eliminating FX loans, noticeably augmented interest payments and commissions on bank loans pressurizing financial cost,
- Despite being a leader in the sector, lack of advantage of price power profile due to intensity of competition in the operating environment and internationally inadequate market competition
- Reliance on external funding in order to finance the growth in operational volume
- On a sector basis, risk arising from diseases such as avian influenza and detrimentally affecting demand and price
- High level of risk due to the poultry sector's sensitivity to input prices including raw materials resulted in uncertainty over the sales prices
- Internationally inadequate market competition with countries such as Brazil and the USA, due to higher labor, raw material and energy costs