

Corporate Credit Rating

Non-Financial Sector Holding

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

*Assigned by JCR Eurasia Rating, JCR-ER on July 11, 2014

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Holding in Numbers	
Number of Subsidiaries and Affiliates	13
Fields / Sectors	8
Employees of the Holding Companies	1,165
Publicly Listed Since	1988
Free Float Rate (%)	57.29
Listed Subsidiaries	2
Paid-up Capital (TRY)	300,000,000

Strengths

- Leading market share of the Holding's largest investment in the road passenger transport sector
- Positive externalities of the governments vast highway investments considering the core sectors of the Holding
- Solid capital structure of the investments providing buffer for risks and a base for further growth
- Dividends received from investments for the last two consecutive years despite originating from a single investment
- Listed assets in the investment portfolio and available credit lines smoothing liquidity management
- Synergy created between businesses, supporting the operations of the subsidiaries
- Lack of foreign exchange risks reducing currency risk exposure
- Long presence in the stock market and improvements in Corporate Governance Compliance practices

METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş.					
Financial Data	2014 3Q**	2013*	2012*	2011*	2010*
Total Assets (000 USD)	515,729	457,698	456,361	n.a.	n.a.
Total Assets (000 TRY)	1,094,686	976,726	811,229	n.a.	n.a.
Equity (000 TRY)	993,722	888,117	744,695	n.a.	n.a.
Net Profit (000 TRY)	105,659	138,777	69,078	n.a.	n.a.
Investing Activity Revenues (000 TRY)	110,138	202,534	169,599	n.a.	n.a.
Dividends from Investments (000 TRY)	15,834	24,220	0,00	n.a.	n.a.
ROAA (%)	n.a.	15,52	n.a.	n.a.	n.a.
ROAE (%)	n.a.	16,99	n.a.	n.a.	n.a.
Equity / Total Assets (%)	90.77	90.92	91.79	n.a.	n.a.
Net Working Capital / T. Assets (%)	-5,29	-4,37	-5,52	n.a.	n.a.
Interest & Administrative Exp. / Dividends Received (%)	26.60	25.00	n.a.	n.a.	n.a.
Debt Ratio (%)	9.23	9.08	8.21	n.a.	n.a.
Asset Growth Rate (%)	n.a.	20.40	n.a.	n.a.	n.a.

*End of year **Unaudited Financial Results

Overview

Metro Ticari ve Mali Yatırımlar Holding A.Ş. (hereafter, 'Metro Holding' or the Holding) holds investments in 13 subsidiaries and affiliates operating in five major sectors; national and international road passenger transportation, roadside facilities and gas station management, meat and processed meat production, mining and energy. The Holding is headquartered in Levent, Istanbul and employed a staff of 14 as of 3Q2014.

A large portion of Holding investments are concentrated in three companies, **Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş.** and the publicly listed **MEPET Metro Petrol ve Tesisleri San. ve Tic. A.Ş.** and **Vanet Gıda Sanayi İş ve Dış Ticaret A.Ş.** The main controlling shareholder is **Mr. Galip OZTURK** and Holding shares have been traded on the Borsa Istanbul (BIST) since 1988 with a free-float rate of 57.29% as of November 7, 2014.

In line with the recent Public Oversight, Accounting and Auditing Standards Authority regulations dated March 5, 2014, Metro Holding prepared and published solo based financial statements beginning 31 March 2014.

Constraints

- Interrupted track record due to readjustment of financial statements
- Large concentration in sectors which could otherwise provide protection to cyclical fluctuations
- High level of cost of sales to total sales ratio in the fields of the core investments and low profit margins
- Inability to generate operational cash flow and dependence on the performance of its main subsidiaries
- Challenges of the road passenger transportation sector such as high level of competition of other modes of transport and high rate of informally operations
- Unlisted subsidiaries, one of which has the largest share in the investments reduce the transparency
- Frequent changes in the senior management causing disruptions in the sustainability of the Group strategies

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1. Rating Rationale

The ratings assigned by JCR Eurasia Rating for **Metro Ticari ve Mali Yatırımlar Holding** are a reflection of the Company's independent audit report prepared in conformity with International Financial Reporting Standards (IFRS), Capital Markets Board (CMB) communiqués of "Principles of Financial Reporting in Capital Markets", on and off-balance sheet figures, general market conditions in its fields of activity, information and clarifications provided by the Company and non-financial figures.

The Holding began to release its financial statements beginning 30 June 2014 in line with the recent communiqué of the Public Oversight, Accounting and Auditing Standards Authority defining the concept of the "investment company" which provides the opportunity for the companies to appreciate their subsidiaries through fair value measurement and reflect the differences in its statement as profit or loss. The implementation of the recent regulation made significant changes in the Holding's financial outlook. Therefore, the revised audited financial statements dating back to 2012 were taken into consideration in the rating process.

The Company's asset quality, equity structure, risk management practices, profitability figures, growth rates and expected sponsor support and the financial and non-financial positions of the main shareholders and related companies were taken into consideration when determining the risk assessment of the long-term international local currency and foreign currency grades as well as national grades.

The main driving forces behind the Company's long-term national grade are;

Leading Market Share in the Field of its Core Investment

Owing to its business model of incorporating individual busses into its operations and agency franchises as business partners, Metro Turizm, the largest investment of the Holding, exhibited a rapid growth and dominated the road passenger transportation sector with a market share of approximately 11% as of 3Q2014. Through a young and modernized fleet, Metro Turizm increased its passenger number to almost 24mn in 2014 and plans to enrich the type of services provided through its agencies in order to enhance its revenue channels.

Synergy Created among Holding Subsidiaries

Operations of the main investments, Metro Turizm and Mepet, are complimentary, with Mepet providing fuel oil to the Metro Turizm fleet and road side facility services to both to the fleet and the passengers, enhancing the value created by the investments and creating a unique collaboration in the market. Despite having smaller shares among investments, the expanded facilities of Mepet provide a wide distribution channel for food productions of Samsun Gıda San. ve Tic. A.Ş. and processed products of Vanet.

Solid Capital Structure

Paid-up capital of the publicly listed Holding reached TRY 300mn following a capital increase in 2011. Moreover, readjustment of the financial statements boosted the total equity to TRY 888mn as of FYE2013 (TRY 745mn in 2012), mainly supported by profits stemming from revaluation of the investments in line with the recent adjustment of the financial

statements. The debt to assets ratio fell to 9%, which leaves room for borrowing to expand investments.

Liquid Assets and Dividend Received from Subsidiaries

The Group's negative net working capital increased the pressure in liquidity management. Moreover the Holding is not able to generate operational cash flow. However, Metro Turizm's two-year dividend distribution of TRY 15.8mn in 2014 and 24.2mn in 2013 compensated for the lack of cash flow generation. The relatively liquid asset portfolio of the Holding, shares of the listed subsidiaries which increase the liquidity of the portfolio, also favors liquidity management of the Holding.

Interrupted Track Record

Due to the implementation of the recent regulation in order to release solo base statements beginning June 30, 2014, the Holding readjusted its financial statements covering the 2012 and 2013 year-end results, while the rating methodology ordinarily takes into account the recent three years financial results. Moreover, subsidiaries gathered under financial investment in the balance sheet and the classification of such assets generated a vast amount of profit stemming from the fair value appreciation which in fact does not provide cash flow to the Holding. Therefore, dramatically improved financial indices compared to the previous rating reports have not been solely considered in assigning the notch.

Concentration and Low Profit Margins in the Fields of Businesses

The largest investment of the Holding, Metro Turizm, comprised 70% of total financial investments, while Mepet and Vanet held 23% and 3%, respectively, as of FYE2013. The limited diversification of the businesses may expose the Holding to cyclicalities and make cash flow generation more volatile. Moreover, the fields of the major subsidiaries are high cost fields, which reduce profit margins and cash flow to the Holding through dividend distribution.

Frequent Changes in Senior Management

Over the reviewed period there have been frequent changes in the senior management team and the members of the Board which reduced the sustainability of the strategies of the Holding while the concentration in the few core fields require constant monitoring of the sectors.

With respect to the above mentioned factors, JCR Eurasia Rating has assigned the long term international foreign currency and local currency ratings of Metro Holding as 'BB-' and affirmed the long term national local rating as 'BBB- (Trk)' in JCR Eurasia Rating's notation system, which denotes an investment grade.

2. Outlook

A 'Stable' outlook has been assigned for the Company's long term and short term national grade, considering the solid presence of the investments in their field of business, track record and transparency of the subsidiaries and the Holding in the stock market, the strong know-how the Holding has built in its fields of activity, robust equity structure and low level of leverage promising opportunities for further growth in the medium and long-term, synergy created among subsidiaries and the presence of competitors operating under the informal economy.

Additionally, JCR Eurasia Rating has affirmed and assigned 'Stable' outlooks on the international long and short term local currency rating perspectives of Metro Holding, which are the sovereign ratings' outlooks of the Republic of Turkey.

The main driving forces that can call forth a revision in the current outlook status include legislative regulations to the sectors in which the Holding has investments, dramatic fluctuations in fuel oil prices which have a direct effect on the financial results of the core activities, continuous disruption in the senior management, Turkey's sovereign rating which is highly responsive to domestic and foreign political and economic uncertainties which would ultimately have effects on the Company's asset quality, liability profile and profitability.

3. Sponsor Support & Stand Alone Assessment

The recent High Court decision relating to the imprisonment of the utmost qualified shareholder, with a 37.69% share as of the reporting date, and former chairman of the Holding, Mr. Galip ÖZTÜRK, have adverse results in rating considerations. Due to impairment in public perception of the Group's corporate image and limited the support of the utmost shareholder, the Company's **Sponsor Support Note** has been downgraded to "3" from "2".

On the other hand, the appointment of a new Vice Chairman, CEO and General Manager during the year restructured the senior management with a focus to develop corporate structure by constant monitoring of the investments through improved reporting systems and avoiding the adverse effects of weakened public perception and its possible outcomes. The investments of the Holding's activities and performances indicators exhibited no deterioration and cash generating potential with the exception of fluctuations of its shares in the stock market.

The Stand Alone grade has been constituted with respect to the Company's asset quality, equity level, market shares of its investments, organizational structure, changes in the senior management team, its track record as a listed company, risk management practices, scale of operating fields and the development of existing risks in the market and business environment. In light of these factors, we, as JCR Eurasia Rating, are of the opinion that Metro Holding has reached the level of adequate experience and facilities to manage the incurred risks on its balance sheet provided that it manages and coordinates its asset portfolio efficiently. Within this context, the Stand Alone grade of the Group has been confirmed as (B) in the JCR Eurasia Rating Notation system.

4. Company Profile

a) History & Activities

Metro Ticari ve Mali Yatırımlar Holding A.Ş., commenced its operations in 1977 under the name Vanet A.Ş. Today the Holding has established itself as a major "investment holding", incorporating 11 subsidiaries and 2 affiliates operating in five major sectors; national and international road passenger transportation, roadside facilities and gas station management, meat and meat product production, mining and energy.

Being an investment company, Metro Holding

- Gathers funds from one or more investors in order to provide investment management services,
- Commits to its investor(s) that the mere business purpose is to invest the funds to generate capital appreciation, investment income or both, and
- Appreciates the performance of all (or almost all) of its investments through fair value measurement

in line with the recent legislative change in the Turkish Accounting Standards. Shares of the Holding are publicly traded and the investments and its operations are concentrated in Turkey. The core businesses of the holding companies are road passenger transportation, fuel station management and meat production. The Holding generates a large portion of its revenues from the companies;

✓ Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş. (Metro Turizm)

Metro Turizm, the largest player in the Turkish road passenger transport sector based on sales and number of passengers, exhibited a rapid growth in its sector and became the leading company of the Holding. With a modernised fleet of 1,350 buses, 590 of which owned by the company, operations extended to 77 cities through approximately 1,000 agencies and ticket offices and carried 21mn passengers in 2013. The company is on track to reach the 2014 target of 24mn (over 20mn passengers in the first ten months). The company is active in the fields of domestic and international road transportation and operates under the name METRO, which includes a tourism agency, domestic and international flight ticket sales and a commercial operation of land motor vehicles.

The Holding continued the expansion of its operations during FY2012, despite the intensity of competition posed by alternative forms of transport such as airlines, sea travel and railways thanks to its well established nation-wide franchising network of agencies. The Group aims to maximise its coverage network throughout Turkey, focusing on providing the highest quality service in line with the needs of its customers. As such, the company undertakes regular upgrades of its infrastructure, helping it to maintain an average fleet age below that of the sector. As stated in the public disclosure platform the Holding intends to offer Metro Turizm to the public following an approval in the general assembly meeting to strengthen its capital and diversify its operations to enhance its revenues.

The company employed a staff of approximately 600 as of 2013. The two subsidiaries of Metro Turizm;

Metro Rent A Bus Otobüs Kiralama A.Ş. was established in 2011 for the purpose of renting all sort of busses, minibuses and similar vehicles and

Metro Otomotiv Pazarlama San. ve Tic. A.Ş. carries out maintenance, repair and spare part operations of self-owned and individual busses operating under Metro Turizm.

✓ **MEPET Metro Petrol ve Tesisleri Sanayi ve Ticaret A.Ş. (MEPET)**

Mepet, another leading company of the Holding, has broad experience in fuel station and road facilities management and has been listed on the Borsa Istanbul Stock Exchange (BIST) since July 2011. The company provides petroleum, petroleum products, fuel-like gasoline, diesel oil, paraffin oil, fuel oil, solvent and jet fuel, mineral oil and grease oil based on distributorship agreements with the established oil companies. Moreover, with its widespread road side facilities, Mepet hosts and offers services to bus and private vehicle passengers, long-distance drivers and other travellers on the highways.

MEPET operated 24 fuel stations and 89 roadside recreation facilities across Turkey and employed 240 staff as of 2013. The Company maintains investments along the Mecca – Medina Highway in Saudi Arabia to complete a major facility including a fuel station, shopping mall, hotel, roadhouse and mosque. Moreover, the company is seeking opportunities in order to participate in highway projects based on the model of build-operate-transfer. Mepet acquired another Holding company, Metro Yağlı Turistik Tesis İşletmeciliği ve Petrol Ürünleri Ticaret A.Ş. for TRY 14.7mn in February 2014. The negotiations by the Holding with the London based Awa Invest Ltd. for the purpose of selling Mepet in June 2014 was terminated before reaching a conclusion.

✓ **Vanet Gıda Sanayi İç ve Dış Ticaret A.Ş. (Vanet)**

The Company, established in Van with the sponsorship of the World Bank in 1977, operates in the field of integrated red meat processing and packaging. Facilities include 56 hectare fields and a 24,000m² indoor space. The daily processing capacity of Vanet consists of 240 cattle, 1,250 sheep and 4,000 poultry and 24 thousand tonnes of red meat and 10 tonnes of charcuterie with a storage capacity of 1,500 tonnes carcase and related products.

Vanet meets the certifications for ISO 9001, HCCP 13001, TSE Quality Certifications and Halal Slaughter Certifications. Providing products to 21 shops in 20 different cities through dealership agreement and employing a staff of 54 as of FYE2013, the Company is currently seeking opportunities to widen its distribution channels to increase its market share with major retailers.

b) Organization & Employees

Metro Ticari ve Mali Yatırımlar Holding maintains investments in different sectors, although its organization structure has been simplified in line with its transformation into a holding. Daily managerial and operational tasks are delegated to the group companies while macro decisions are taken by the Board of the Holding. Headquartered in Levent, Istanbul, the Holding employs a workforce of 11 as of FYE2013.

The organizational structure of the Holding includes 4 departments set up under the general management; Financing, Accounting, Corporate Governance and Law Departments. As of the reporting date the Board of the Holding is comprised of 6 members, 2 of whom are independent.

Board of Directors

Çağla ÖZTÜRK	Chairman
Abdulkadir EMEK	Vice Chairman
Fatma ÖZTÜRK GÜMÜŞSU	Member
Erdem YÜCEL	Member
Nurkan ZAIM	Independent Member
Levent GÜMÜŞ	Independent Member

c) Shareholders, Subsidiaries & Affiliates

Company shares have been traded on the Borsa Istanbul (BIST) since 1988 and had a free-float rate of 57.29% as of November 1, 2014. The main controlling shareholder is Galip Öztürk, with a stake of 37.69%. The following table provides the Company's shareholder structure and realized changes over the last three years.

Metro Holding Shareholding Structure	June, 14	2013	2012	2011
Galip Öztürk	37.69	46.69	46.69	25.08
Public & Other	62.31	53.31	53.31	74.92
TOTAL (%)	100.00	100.00	100.00	100.00
PAID CAPITAL (TRY / 000)	300,000	300,000	300,000	300,000

The Holding has 11 subsidiaries and 2 affiliates gathered under the holding roof. Mepet incorporated Mepet Yağlı Tur. Tes. İşl. ve Pet. Ürün. Tic. A.Ş. in February 2014. On the other hand, the Holding invested TRY 18.3mn in the textile sector through the purchase of 38% of the shares of Herry Hazır Giyim Tekstil ve Ticaret A.Ş. in February 2014, before selling them in May 2014. The shareholding structures of the subsidiaries and affiliates as of June 30, 2014 are shown below.

Subsidiaries	Shares
Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş.	99.69 %
Mepet Metro Petrol ve Tesisleri Sanayi Ticaret A.Ş.	82.14 %
Vanet Gıda Sanayi İç ve Dış Ticaret A.Ş.	66.26 %
Metro Turizm Otelcilik ve Petrol Ürünleri Ticaret A.Ş.	96.00 %
Van-Bes Besicilik Sanayi Ticaret A.Ş.	99.86 %
Metro Civa Kıymetli Maden İşl. San. ve Ticaret A.Ş.	99.99 %
Metro Maden Pazarlama Dağıtım Hizmetleri A.Ş.	94.00 %
Metro Altın İşletmeciliği Sanayi Ve Ticaret A.Ş.	99.87 %
Metro Grup Elektrik Enerjisi Toptan Satış A.Ş.	97.00 %
Metro Rent A Bus Otobüs Kiralama A.Ş.	99.99 %
Metro Otomotiv Pazarlama Sanayi Ticaret A.Ş.	99.99 %
Affiliates	Shares
Metro Kargo Taşımacılık ve Lojistik Hizmetleri A.Ş.	5.06 %
Samsun Gıda Sanayi ve Ticaret A.Ş.	9.63 %

Though investments have been made in various fields of businesses, the performance of the Holding Company is mainly determined and reliant on the activities of road transportation, roadside facilities and livestock raising and

meat processing. Moreover, the Company owns the well-known registered trademarks of 'Metro' and 'Van Et'.

d) Corporate Governance

Metro Holding has been publicly traded on the Istanbul Stock Exchange (BIST) since 1988. Over the years the Holding has made progress in compliance with corporate governance principles and begun to provide useful information. However, there is still further room for progress. The presence of two publicly listed subsidiaries in addition to the Holding is a factor that further raises the overall financial and operational transparency within the Group. Moreover, the Holding is planning to offer the shares of Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş. to the public.

The Board of Directors of the Holding is comprised of 6 members, a decrease from 7 after the resignation of a member in July 2014. The Board covers two independent non-executive members. In line with the Corporate Governance regulations of the Capital Markets Board of Turkey, several committees were established, including the Audit Committee, Corporate Governance Committee and a Committee for the Early Identification of Risk, all of which have two independent members. Moreover, the Board has two female members which support practices of the principles. Compensation arrangements of Board members and senior executives including attendance fees, bonuses and dividends were disclosed in the Company's annual report in total amounts where independent payments disclosure would be preferred considering the principles.

The Holding established an Investors Relationship Department in order to facilitate the use of shareholders rights and meet their fair requests. There are no barriers on the transfer of shares of the Holding and no privileged shares exist. The Holding also enables the shareholders to attend general assembly meetings via electronic means and the website of the Holding discloses documents related to such meetings. On the other hand, the website does not provide sufficient information in English.

The Holding website contains useful information about the Company profile, vision and mission statements, sectors the Group operates in, CVs of senior executives, Group companies, the articles of incorporation, annual reports, audit reports, ethic rules, human resources & recruitment policies and the Company's stock market performance. However some of the information provided on the website has lost its currency and needs to be updated, including the organization chart, shareholding structure and Corporate Social Responsibility Policy. In addition, the frequent changes in the Holding's Board Members together with the change of the CEO carry the potential to generate short-term uncertainty. All of these are factors which reduce the quality of the Corporate Governance Practices.

e) The Company & Its Group Strategies

Metro Holding states in its articles of association that its main purpose is to contribute to the capital or participate to the management of new or already established companies to generate capital gain or a satisfactory return. Therefore, the Company both invests in expanding the activities of its current

companies and seeking opportunities to invest new companies or sell them when convenient.

The Holding held negotiations with Lukoil, Russia's second largest oil company and with London based Awa Invest Ltd. to sell its second leading affiliate Mepet in 2014. Both negotiations were terminated before reaching a conclusion. On the other hand, the Holding invested TRY 18.3mn in the textile sector through the purchase of 38% of shares of Herry Hazır Giyim Tekstil ve Ticaret A.Ş. in February 2014 but sold the shares of the Company in May 2014 for TRY 21mn.

The Holding plans to offer shares of Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş. to the public and increase its presence in the road passenger transportation through additional funds generated by the IPO. While major investments and improvements in the highways for the last 10 years has enabled the growth potential for the passenger transportation sector, the Holding is eager to benefit more profit through modernising and renewing its fleet with better services to its customers while competing with alternative forms of travel.

Another strategy of the Holding is to constitute an uninterrupted senior management and ensure sustainability of the Group strategies. Overall, the Company aims to build a successful track record by making successful exits from its long-term investments and use the resulting revenues to increase its capital and expand operational volume.

5. Sector Overview & Operational Environment

The activities and investments of Metro Holding are concentrated in Turkey and the following sectors;

- ✓ Fuel station and road facilities management
- ✓ Road passenger transport
- ✓ Meat production
- ✓ Mining
- ✓ Energy

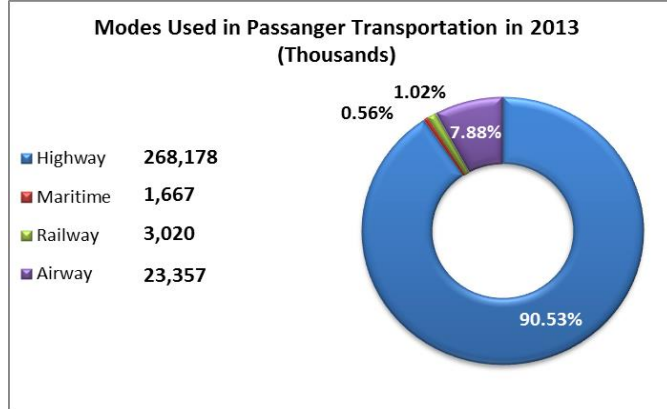
It must be noted that the vast majority of the investments of the Holding are comprised of the road passenger transport and fuel station management sectors.

❖ Road Passenger Transport Sector

According to the Turkish Ministry of Transport, the logistics and transportation sector accounted for 12.3% of Turkey's GDP in 2013, having had an average share of 12% in the last 10 years. The logistics and transport sector showed an annual growth rate of 20% for the last 5 years and is forecasted to have a total size of US\$ 120 billion in 2015 in line with the increasing domestic and foreign trade volume and strategies of the Turkish Government for 2023. Road transport enables flexible, fast, easy transportation depending on the topography and the volume and also compatible in interconnecting different modes.

Road transportation makes up the largest section of freight and passenger transportation in Turkey accounting for approximately 90% of total passenger transport and 80% of goods' transport. As of 2013, 268mn passengers were transported through highways while only 23mn passengers

used airways despite continuous investments and competition of the airway companies. Currently, it is estimated that there are 420 companies operating in tariff based intercity road passenger transportation with around 9,862 busses and 448,888 seat capacity offering intercity bus services across Turkey.



In line with the rise in urbanization, major investments reaching TRY 100bn since 2003 on highway networks and increasing GDP per capita, the volume for road freight and passenger transport is steadily increasing in Turkey. The road passenger transportation sector is wholly owned by private sector companies and requires less capital for entry into the market compared to the airway and maritime transportation which increases the competition. The sector has a two-tier structure with larger corporate players on one end whereas the rest of the market is dominated by local firms operating on a smaller scale with more limited resources. In addition to Metro Tourism, the leading player in the market, the other major players include Kamil Koç, Pamukkale Turizm, Ulusoy and Nilüfer.

As of today, total highways reached 65,627kms through the combination of state roads (32,029), province roads (31,354) and motorways (2,244). The divided road network in Turkey currently reached 23,051 kms including motorways, which was 7,463kms in 2003 which increased the safety and helped saving both time and costs in road and good transportation. Fatal accidents per 100 million vehicle-km resulting from traffic accidents decreased dramatically to 2.63 from 5.72 in line with the extended divided road network. On the other hand, highway traffic security of Turkey is still low compared to developed countries.

There are a number of issues that pose serious challenges to the sector in the medium and long-term. These include the low productivity of firms operating in the sector many of which are far from reaching economies of scale, the threat of competition arising from the widespread use of low-cost airlines, the excessive supply of bus operators resulting from the large number of firms operating under the informal sector. High levels of Value-added Taxes (VAT) and Excise Duties have a negative impact on the profitability and capacity utilization in the sector.

In addition to competition arising as a result of liberalization in the airline sector, the initiation of high-speed rail services between the country's major cities represents another threat for the sector in the long run. As a result of all these factors combined with the competition among a vast number of

companies' occupancy rates of intercity buses across the sector decreased to approximately 50%. Moreover, constant rise in oil prices reduced the profit margins of the companies over the years however a recent decline of Brent prices to a four-year low of \$82.93 in October, 2014 due to oversupply and decreasing demand may contribute to the margins of the sector.

Despite the presence of the above-stated issues, it is estimated that the importance of the sector will continue to rise in the medium and long-term. Turkey's strategic location, improvements in the country's road network, modern and comfortable road side facilities, successful economic performance and the government's ambitions to turn Turkey into a major intercontinental transport hub will be the major factors that will contribute to this growth. Furthermore, the threat of competition from other sectors means that the sector might undergo consolidation which should provide larger companies with a competitive advantage.

Sources: Coacher Federation of Turkey, Investment Support and Promotion Agency of Turkey, Ministry of Transport & Communications, TUIK.

❖ **Fuel station Management and Road Recreation Facilities**

Global supply and demand instantly affect oil prices and projections for the sector present major shifts of the exporters and importers in the oil industry for the next 20 years. It is estimated that for the upcoming decades, net demand increase will be stimulated by the transportation industry in the developing countries. Access to reserves, government policies and regulations, uncertainties, efficiency concerns, price volatilities, exploring alternative energy sources and environmental risks are the main challenges of the oil and gas industries.

The sector is regulated by the Energy Markets Regulatory Board (EMRB) which was established in 2001. In line with the 5105 Petroleum Market Law, the sector has adopted a free market model since 2005 where state interference has remained at a minimum. The price of petrol is determined via reference pricing which takes into account prices in the neighbouring Mediterranean Countries. EMRB also sets the "ceiling price" which distributors aren't allowed to exceed. It also holds the right for the distribution of new licences and suspension of existing licenses if necessary. Entry into the sector remains difficult as a result of the requirement for substantial investment and the regulation criteria that need to be met.

As of FY2013, there are 82 fuel oil distributors and approximately 13,000 petrol stations in the fuel station management market. Despite the presence of various players in the market, the sector shows an oligopolistic market structure with the 5 leading players enjoying a market share of 73.1% of total sales. The major operators in the market are OMV Petrol Ofisi (23.7%), Shell & Turcas Petrol (17.6%), Opet Petrolcülük (17.2%), British Petroleum (9.4%) and Total Oil (5.2%). Total consumptions in the sector increased by 5% and reached 19.5mn tonnes mainly driven by increasing demand for diesel oil and LPG despite the stationary level of demand in oil compared to previous year. At the end of

FY2013, the total sales volume of the sector reached TRY 112bn, and the sector showed an annual growth rate of 5.1% in 2013 based on total sales which was higher than the GDP growth rate of 4%.

The presence of indirect taxes on petrol results in a large difference between the refinery exit price and pump prices. There are three compounds of the oil prices; base price, taxes (Special Consumption and Value added Tax) and the profit margin shared by oil refineries, distributors, and stations. As a result of the high level of Value-added Tax (VAT), Excise Duty, distributor and franchise fees and EMRB costs, Turkey currently has one of the highest petrol prices in the world with around 2.2 US Dollars per litre. The sector collectively had tax receipts of TRY 60.1bn in 2013 with an increase of 17.6% compared to previous year, forming 16.34% of the total tax receipts for FY2013, which highlights the significance of the sector for Turkey's economy.

EMRB data shows that Turkey is dependent on imports for 88.68% of its total oil needs which exposes the sector to fluctuations in the price of oil, determined in the global markets, resulting in foreign exchange risks for firms operating in the sector. In addition, the payment of petrol in instalments creates cash flow problems for sector companies as taxes are paid in advance. Moreover illegal trade of oil adversely affect the sector and increase the burden on the distributors and dealers and exert pressure on the profit margins.

Road recreation facilities which offer integrated services along with petrol stations, cafes, restaurants is another field that has growth potential in the medium and long-term. The factors that drive this growth will be the rise in motor vehicle ownership which has almost doubled in the last 10 years, having reached 15 million and the government's plans to construct 36,000km of divided roads till 2023.

Sources: Economic Policy Research Foundation of Turkey, Energy Markets Regulatory Board, Petroleum Industry Association, TUIK.

❖ **Meat Production**

According to the UN Food and Agriculture Organisation, the average meat consumption in Turkey is 12 kgs per head compared to EU and USA averages of 36kgs and 60 kgs respectively, offering major opportunities for catch-up growth.

The small scale of firms operating in the sector, lack of necessary technological infrastructure, widespread presence of animal diseases due to the shortage of qualified staff and technical know-how, and inadequacies relating to animal breeding and high-quality animal feed production together with the interference of the government in the red meat market are among the major issues facing the sector.

On the other hand, the rise in per capita incomes, the increased extent of regulation by the state authorities, the reduction in the number of firms operating under the informal sector and increased consumer awareness are factors that will contribute to the sector's growth and development in the medium and long term.

6. Financial Foundation

a) Financial Indicators & Performance

The Holding began to release its financial statements beginning 30 June 2014 in line with the recent communiqué of the Public Oversight, Accounting and Auditing Standards Authority defining the concept of the "investment company". The regulations provide the opportunity for companies to appreciate their subsidiaries through fair value measurement and reflect the differences in the statement of profit or loss. The implementation of the recent regulation has created a significant revision of the financial outlook. Therefore, the revised audited financial statements of the Holding dating back to 2012 have been taken into consideration in the rating process.

As an investment holding, Metro Ticari ve Mali Yatırımlar Holding generates its main income through capital appreciation of and dividends from its investments. In realizing capital gain, the market value of the publicly traded companies are taken into account while the fair value measurement of non-public companies are determined by independent audit companies based on the discounted cash flow analysis. Financial investments constitute the major part of the total assets of the Holding and among the investments 3 companies Metro Turizm, Mepet and Vanet held the most significant share. Financial indices of the leading investments are shown below.

• Indices Relating to Size

Growth of the total assets of Metro Holding has been driven by the increase in the fair value of the financial investments as a consequence of the implementation of recent changes in the presentation of the financial statements. Mepet and Vanet are publicly traded companies and their market values are stated in the balance sheet. Metro Holding exhibited an annual growth of 20% in 2013 and expanded over TRY 1,000 after a 12% growth in the first 3Q of 2013. The following table shows the concentration of activities in a few sectors through limited companies.

Holding's Assets (TRY 000)	3Q 2014	2013	2012
FINANCIAL INVESTMENTS	1,069,010	932,365	802,929
Metro Turizm	684,773	652,462	697,936
Mepet	288,422	215,854	43,246
Vanet	59,632	28,093	11,128
Other Companies	36,183	35,956	50,619
TOTAL ASSETS	1,094,686	976,726	811,230

A strong capital structure and favourable level of leverage of both the Holding and its companies promise further opportunities for growth. However, market values of the publicly traded Companies may change in relation to the movements in the stock market which respond to daily economic and political developments. On the other hand, depending on the outcome of negotiations for the sale of Mepet may have an impact on the size and the financial indices of the Holding in the following periods.

• Indices Relating to Profitability

Evaluation of financial investments, dividend revenues and other incomes constitute the principle sources of revenue for the Holding. Fair value evaluation gains of the investments had a significant effect on the revenues from investment activities and the net profit does not solely reflect the performance of the Holding. On the other hand, investing activity expenses stemming from the fair value evaluations losses have the largest impact on the net profit. The Holding announced a net profit of TRY 105mn as of September 30, 2014 with TRY 15.8mn arising from the dividend distribution of Metro Turizm Seyahat Organizasyon ve Ticaret A.Ş..

Revenues from Investing Activities (TRY 000)	3Q 2014	2013	2012
Fair Value Evaluation Gains	93,796	178,045	0,00
Dividend	15,834	24,220	0,00
Other Revenues	508	368	169,599
TOTAL REVENUE	110,138	202,534	169,599
Investing Activity Expenses	118	52,962	95,160
NET PROFIT	105,659	138,762	69,067

To assess the activities and performance of the Holding in the long-term perspective, the consideration of the financial profile of the main subsidiaries is essential.

Metro Turizm generates its revenues from ticket sales, bus management, facilities, bus sales and rentals and airline ticket commissions. Highway passenger transportation has been assessed under two main titles: ticket sale organization and passenger transportation. Ticket sale organization is fully in the hands of the company and generates the vast majority of Metro Turizm's total income. After ticket sale revenues are collected under the responsibility of the company, they are shared with the other constituents of the organization. At this stage, the company obtains commission revenue and insurance revenue per ticket sold under different titles.

Metro Turizm increased its revenues over the years thanks to the increasing capacity of its fleet serving more passengers, although profit margins remained low due to vast cost of sales mainly due to the nature of the structuring of the passenger transportation businesses which is widely dependent of the agencies and individual bus drivers included within the system with their own vehicles. The Company exhibited a growth in terms of both assets and sales over the years and increased its presence in the road passenger transportation sector. Moreover, the Company distributed a dividend payment of TRY 15.8mn to the Holding in 2014 in line with the decision of the Board of the Company taken on 24, June 2014.

The role of the short term liabilities increased in supporting growth, with a significant increase from 46.77% of total liabilities to 60.78% in FYE2013 mainly comprised of bank loans. Managing liquidity has a core importance in the daily operations of the Company. However, the positive net working capital with a solid cash flow and solid relationship between constituent of the organization (agencies, individual bus providers, vendors etc.) ease the liquidity management of the Company. The strong capital structure with a paid up capital of TRY 100mn provides an equity buffer for the Company.

METRO TURIZM* (TRY 000)	June, 2014	2013	2012
Total Assets	n.a.	380,764	248,751
Liabilities	n.a.	258,197	119,881
Short Term Liabilities	n.a.	231,413	116,237
Long Term Liabilities	n.a.	26,783	3,643
Equity	n.a.	122,567	128,870
Net Sales	402,038	784,430	668,302
Cost of Sales	398,021	766,332	646,986
Net Profit	5,917	7,469	8,446

*Unaudited Financial Statements

Although the sector has suffered from an average occupancy rate of 50%, Metro Turizm had an occupancy rate per service of above 80% for the last three years in the context of long-distance travel. The Company is the largest player in its sector in terms of fleet, total passengers and agency network. Despite the competition of alternative transportation, mainly arising from low-cost airlines, Metro Turizm has managed to increase its passenger numbers over the years to 21mn in 2013.

Operational Profile	2013	2012	2011
Number of Buses	1,350	1,325	1,300
Occupancy Rate %	82.50	79.62	81.34
Number of Passengers (million)	21.0	20.5	19.5
Number of Services	492,531	483,912	465,199
Number of Agencies	976	1,172	1,100

Continuous investment will increase the capacity of the fleet and the Company is expected to gain passengers through widening its lines in Turkey. The expected investment spending of Metro Turizm together with projected revenues and number of passengers are shown below. High level of cost of sales, generally around 92% excluding depreciation expenses, is also expected in the following periods and considering the similar operating expenses no major improvement is expected considering the nature and the organisation of the business.

Investment & Revenue Projections (TRY 000)	2014	2015	2016
Planned Investments	21,476	38,636	19,183
Number of Passengers (million)	24.0	25.0	26.0
Ticket Sales Revenues	834,112	924,652	1,027,566
Other Revenues	989,690	1,098,003	1,221,566
Cost of Sales	920,739	1,010,693	1,123,209

Another core sector is fuel station and road side facility management, in which Mepet Metro Petrol ve Tesisleri Sanayi ve Ticaret A.Ş., a listed Company, operates. Mepet has advantages as a member of a Holding with the largest road passenger transportation fleet. However, due to strict regulations, taxes and other fees the Company suffers from a high level of costs and low profit margins.

The company has two sources of income; fuel oil sales and facility services revenues. Mepet generated TRY 226mn revenue from fuel oil sales and TRY 21mn from its facilities as of FYE2013. Despite comprising 8.5% of total revenues, facility management has almost the same gross profit (TRY 3.7mn) with fuel oil stations (TRY 3.9mn). Despite having a negative operating profit, the Company announced a net profit of TRY 467,170 thanks to a TRY 4mn income from

investment activities (non-recurring incomes from disposing operating licence) as of FYE2013. As the second largest investment of the Holding, the contribution of Mepet to the cash flow and profits was rather limited.

Moreover, another listed Company of the Holding, Vanet, also suffers from negative operating profit margins and the year-end positive net profit of TRY 1,109mn in 2013 stemmed from appreciation of the shares of Mepet which the Company is holding and classified as available-for-sale financial assets. As with Mepet, the contribution of Vanet is also limited to the Holding's cash flow. On the other hand, the Company undertake a modernization process to increase its capacity and improve efficiency. Despite an interruption of 45 days during the installation of new facilities, the Company has managed to increase its production and sales in 2014. Moreover, the strategy to penetrate in the north Iraq and Russian market increased the volume of net exports of the Company.

MEPET (TRY 000)	June, 2014	2013	2012
Total Assets	156,190	158,266	136,887
Equity	114,495	113,263	115,396
Sales	101,983	247,333	232,874
Cost of Sales	97,883	239,608	221,806
Net Profit	1,207	467	(3,122)
VANET (TRY 000)	June, 2014	2013	2012
Total Assets	39,034	34,715	30,680
Equity	30,967	26,690	26,669
Sales	4,352	6,872	6,759
Cost of Sales	4,337	7,457	7,009
Net Profit	(462)	1,109	(7,810)

Net revenues of the Holding arise from dividends and fair value appreciation income from its investments. The Holding does not generate an operating cash flow and to meet the administrative and financing expenses adequate dividend should be received from financial investments in order not to dispose its investments. Metro Holding received dividends of TRY 15mn from one of investments, Metro Turizm, during the reviewed period. It is vital to monitor the activities of strategic investments and support core investments during distressed situations. The strong net profit levels following 2012 does not reflect the mere operational performance of the investments, and instead reflects the readjustment of financial statements in line with recent regulations as stated above.

Investment & Revenue Projections (TRY 000)	2014, 09	2013	2012
Net Revenues from Investments	110,120	149,571	74,438
Financing Expenses	1,040	1,134	105
Administrative Expenses	3,174	4,923	7,071
Net Profit	105,659	138,777	69,078

b) Asset Quality

Financial investments of the Holding comprised 93.75% of total assets as of FYE2013. Metro Turizm (70%), Mepet (23%) and Vanet (3%) have the largest shares in financial investments among other subsidiaries of the Holding. Metro Holding is the biggest road passenger transportation company while Mepet and Vanet are publicly listed notable companies with wide extended operations in their sectors.

In the valuation report released by an independent audit firm as of September 30, 2013 the value of Metro Turizm has been calculated as TRY 874mn, mainly based on the assumptions of discounted cash flows analysis. The Holding took a decision in order to offer the shares of Metro Turizm to the public. As a leading investment of the Group, the potential of the funds generated from the IPO could boost the operations and market share of Metro Turizm in its sector and increase the revenues of the Holding through distributing further profits.

Trade receivables from third parties have an insignificant amount, TRY2.8mn considering the total assets of the Holding. Third party receivables of TRY13mn are largely to subsidiary company, MEPET. Impaired receivables of 737,000 are not considered sufficiently significant to adversely affect the asset quality of the Holding.

c) Funding & Adequacy of Capital

Paid-up capital of the publicly listed Holding reached and stood at TRY 300mn following a capital increase in 2011. Moreover, readjustment of the financial statements boosted the total equity of the Holding to TRY 888mn as of FYE2013 (TRY 745mn in 2012), mainly supported by profits stemming from the revaluation of the investments in line with the recent adjustment of the financial statements. Fallen debt to assets ratio therefore stood at 9%, which leaves room for borrowing when expanding investments.

The Holding has bank borrowings of TRY 6mn as of FYE 2013 (reduced to TRY 4,7mn in 3Q, 2014) for only short term, comprising 10% of the short term liabilities. Short term liabilities are mainly to related parties, where liabilities to the major shareholder Galip Öztürk have the largest portion, TRY 29mn in 2013 and 3Q 2014. The Holding does not have an operating cash flow and short term bank loans are usually preferred for administrative purposes. Long term liabilities of the Holding are mainly tax and employee benefit related items.

7. Risk Profiles & Management

a) Risk Management Organization & Its Function – General Information

The organizational structure of the Holding is simplified and operations are mainly focused on coordinating and monitoring the activities of its core investments and participating in strategic decisions through senior management team. As of the report date, 14 staff is employed within the Holding (11 as of FYE2013) and the average experience of the staff is 12 months. Excluding senior management, few personnel are responsible for daily administrative tasks.

A comprehensive and detailed risk management structure has not been established with the exception of the committees formed within the Board that carry out the risk management function. On the other hand, financial investments of the Holding have their own risk management units and procedures which are not directly the issue of the Holding's rating assessment.

b) Credit Risk

The Holding's credit risk mainly arises from trade receivables from both third and related parties which takes an insignificant place in the balance sheet limiting the counterparty risks. The Holding has a full provisioning policy for its doubtful receivables and its impaired receivables stood at reasonable levels, representing effective credit risk management.

On the other hand, off-balance sheet commitments of the Holding were composed of collaterals pledges to bank, TRY 2.9mn (TRY 4.9mn as of 3Q 2014) and Letter of Guarantees of TRY1.92 as of FYE 2013 in relation to the activities of the subsidiaries (financial investments) of the Holding. Total off-balance sheet commitments have limited exposure on the credit risk of the Holding.

c) Liquidity Risk

The Holding itself does not generate an operating cash-flow. The funding of operations and cash generation potential of the Holding therefore is highly dependent on the realization of satisfactory dividends from its investments, asset disposal, diversification of financial investments and the sustainability of access to the banking system at all times.

The Group's negative net working capital increased the pressure on the liquidity management. Moreover, the Holding lacks a cash position for new funds or to expand current investments. For the last two years the dividend distribution of Metro Turizm (TRY 15.8mn in 2014 and 24.2mn in 2013) compensated the lack of cash flow generation of the Holding. The relatively liquid asset portfolio of the Holding and shares of the listed subsidiaries also favors the Holding's liquidity management.

Diversified credit lines of the Holding are present to meet the administrative expenses of the Group and utilized only TRY 5.3mn of TRY 25mn disposable limits in around 10 institutions as of the report date.

d) Market Risk

The Holding is exposed to market fluctuations mainly through its financial investments comprising 95% of its balance sheet. The Holding was not exposed to currency risk as of our report date. The amount of short term liabilities also does not exert pressure in the case of volatility on the interest rates. Moreover, the Holding does not have operating activities, and therefore avoids the risk of changes in the price of goods/services or commodities.

On the other hand, the operating subsidiaries of the Holding are exposed to market risk. Considering the core investments of the Holding, Metro Turizm and Mepet, dramatic changes in oil prices may have results on the financial performance of the subsidiaries. The possible realization of the market risks may affect the Holding through lower dividend distributions and decreases in the fair values of the investments. Therefore the management should continuously monitor the outlook of the sector of its core investments.

e) Operational, Legal Regulatory & Other Risks

Currently, ongoing litigations stem from the ordinary course of the Holding's operations and no major financial loss is expected. The High Court's decision on the imprisonment of former chairman Mr. Galip Öztürk had an adverse effect on the reputation of the Holding, although the current management team of both the subsidiaries and the Holding is focused on maintaining their operations to avoid and minimize the reputation risk.



METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş. BALANCE SHEET	(Year end) 2013 USD (Converted)	(Year end) 2013 TL (Original)	(Year end) 2013 TL (Average)	(Year end) 2012 TL (Original)	(Year end) 2012 TL (Average)	As of 2013 Assets (Original)	As of 2012 Assets (Original)	2013 Growth Rate	2012 Growth Rate
ASSETS									
I. CURRENT ASSETS	9,005,299	19,184,888	10,149,764	1,114,639	557,320	1.96	0.14	1,621.18	n.a
A. Liquid Assets	73,547	156,684	119,239	81,793	40,897	0.02	0.01	91.56	n.a
B. Financial Asset	0	0	0	0	0	n.a	n.a	n.a	n.a
1.Bonds, Notes & Bills	0	0	0	0	0	n.a	n.a	n.a	n.a
2.Common Stocks	0	0	0	0	0	n.a	n.a	n.a	n.a
3.Mutual Funds and Other	0	0	0	0	0	n.a	n.a	n.a	n.a
4.Provision for Decrease in Value of Financial Assets (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
C. Trade Receivables	675,286	1,438,630	810,836	183,041	91,521	0.15	0.02	685.96	n.a
1.Customers & Notes Receivables	675,286	1,438,630	719,315	0	0	0.15	n.a	n.a	n.a
2.Other Receivables	0	0	91,521	183,041	91,521	n.a	0.02	-100.00	n.a
3.Doubtful Trade Receivables	0	0	0	0	0	0.00	0.00	0.00	n.a
4.Provision for Doubtful Trade Receivables (-)	0	-1	-1	-1	-1	0.00	0.00	0.00	n.a
5. Rediscount on Notes Receivables (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
D. Due From Related Parties (Net)	6,692,221	14,257,107	7,131,359	5,610	2,805	1.46	0.00	254,037.38	n.a
E. Other Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
1.Other Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
2.Other Doubtful Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
3.Rediscunts on Other Notes Receivable (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
F. Live Assets (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
G. Inventories (Net)	1,178,183	2,510,000	1,255,000	0	0	0.26	n.a	n.a	n.a
H. Contract Progress Income (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
I. Deferred Tax Assets	0	0	0	0	0	n.a	n.a	n.a	n.a
J. Other Current Assets	386,062	822,467	833,331	844,195	422,098	0.08	0.10	-2.57	n.a
1.Other Current Assets	386,062	822,467	833,331	844,195	422,098	0.08	0.10	-2.57	n.a
2.Provision for Other Current Assets (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
II. NONCURRENT (FIXED) ASSETS	449,465,485	957,541,270	883,827,813	810,114,902	405,057,178	98.04	99.86	18.20	n.a
A. Trade Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
1. Customers & Notes Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
2.Other Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
4. Provision for Doubtful Trade Receivables (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
5. Rediscount on Notes Receivables (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
B. Due From Related Parties (Net)	11,042,203	23,524,309	14,497,871	5,471,432	2,735,716	2.41	0.67	329.95	n.a
C. Other Receivables	0	0	0	546	0	n.a	0.00	-100.00	n.a
1.Other Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
2.Other Doubtful Receivables	0	0	0	0	0	n.a	n.a	n.a	n.a
3.Rediscunts on Other Notes Receivable (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	n.a	n.a	n.a	n.a
D. Financial and non-Financial Investments (net)	436,726,951	930,403,096	865,666,333	800,929,570	400,464,785	95.26	98.73	16.17	n.a
1. Long Term Securities (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
2. Affiliates (NET) and Participation (Net)	436,726,951	930,403,096	865,666,333	800,929,570	400,464,785	95.26	98.73	16.17	n.a
3. Investment Accounted for Under Equity Method	0	0	0	0	0	n.a	n.a	n.a	n.a
4.Other Financial Fixed Assets (NET)	0	0	0	0	0	n.a	n.a	n.a	n.a
E. Tangible Assets	1,695,815	3,612,764	3,662,404	3,712,043	1,856,022	0.37	0.46	-2.67	n.a
F. Other Fixed Assets	517	1,101	1,206	1,311	656	0.00	0.00	-16.02	n.a
TOTAL ASSETS	458,470,784	976,726,158	893,977,577	811,229,541	405,614,498	100.00	100.00	20.40	n.a



METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş. BALANCE SHEET	(Year end) 2013 USD (Converted)	(Year end) 2013 TL (Original)	(Year end) 2013 TL (Average)	(Year end) 2012 TL (Original)	(Year end) 2012 TL (Average)	As of 2013 Assets (Original)	As of 2012 Assets (Original)	2013 Growth Rate	2012 Growth Rate
LIABILITIES									
I. SHORT TERM LIABILITIES	29,043,839	61,874,995	53,885,352	45,895,709	22,947,855	6.33	5.66	34.82	n.a
A. Financial Liabilities	2,907,782	6,194,738	6,551,215	6,907,691	3,453,846	0.63	0.85	-10.32	n.a
B. Trade Payables	41,255	87,890	101,032	114,174	57,087	0.01	0.01	-23.02	n.a
C. Due to Related Parties	25,994,850	55,379,428	41,942,841	28,506,253	14,253,127	5.67	3.51	94.27	n.a
D. Other Financial Liabilities	0	0	0	0	0	n.a	n.a	n.a	n.a
E. Advances Received	0	0	0	0	0	n.a	n.a	n.a	n.a
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	0	0	0	0	0	n.a	n.a	n.a	n.a
H. Provisions for Liabilities	48,906	104,189	52,095	0	0	0.01	n.a	n.a	n.a
I Other Liabilities	51,047	108,750	5,238,171	10,367,591	5,183,796	0.01	1.28	-98.95	n.a
II. LONG TERM LIABILITIES	12,548,758	26,733,875	23,686,211	20,638,547	10,319,274	2.74	2.54	29.53	n.a
A. Financial Liabilities	0	0	0	0	0	n.a	n.a	n.a	n.a
B. Trade Payables	0	0	0	0	0	n.a	n.a	n.a	n.a
C. Due to Related Parties	0	0	0	0	0	n.a	n.a	n.a	n.a
D. Other Financial Liabilities	0	0	0	0	0	n.a	n.a	n.a	n.a
E. Advances Received	0	0	0	0	0	n.a	n.a	n.a	n.a
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	12,541,252	26,717,883	23,671,037	20,624,191	10,312,096	2.74	2.54	29.55	n.a
H. Provisions for Liabilities	7,507	15,992	15,174	14,356	7,178	0.00	0.00	11.40	n.a
I Other Liabilities (net)	0	0	0	0	0	n.a	n.a	n.a	n.a
TOTAL LIABILITIES	41,592,598	88,608,870	77,571,563	66,534,256	33,267,128	9.07	8.20	33.18	n.a
MINORITY INTEREST	0	0	0	0	0	n.a	n.a	n.a	n.a
F- EQUITY	416,878,186	888,117,288	816,406,287	744,695,285	372,347,643	90.93	91.80	19.26	n.a
a) Prior year's equity	349,556,555	744,695,285	522,347,643	300,000,000	150,000,000	76.24	36.98	148.23	n.a
b) Equity (Added from internal & external recourses at this year)	2,180,283	4,644,874	190,130,728	375,616,582	187,808,291	0.48	46.30	-98.76	n.a
c) Minority Interest	0	0	0	0	0	n.a	n.a	n.a	n.a
h) Profit & Loss	65,141,349	138,777,129	103,927,916	69,078,703	34,539,352	14.21	8.52	100.90	n.a
TOTAL LIABILITY	458,470,784	976,726,158	893,977,850	811,229,541	405,614,771	100.00	100.00	20.40	n.a

METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş.	2013	2012
INCOME STATEMENTS-TL		
I. Principal Activity Revenues (Net)	154,201,312	82,763,094
1.Sales Revenues (Net)	0	0
From Sales of Investment	0	0
From Other Transactions	0	0
From Other	0	0
2.Commissions and Other Income (net)	154,201,312	82,763,094
From Private & Public Bonds & Treasury Bills & Mutual Funds & Interest Revenues	0	0
From Dividend	15,834,000	24,220,000
From Consulting Services	0	0
From Value Increase/Decrease Earnings (+/-)	149,571,172	74,438,782
From Trading and Other Activity Gains	4,630,140	8,324,312
Deductions from Returns/Discounts (-)	0	0
3.Interest & Derivative Income from Operating Activities (net) (- / +)	0	0
4.Cost of Sales (-)	0	0
GROSS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	154,201,312	82,763,094
Activities Expenses (-)	-4,948,291	-7,071,458
Provision Expenses (-)	0	0
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	149,253,021	75,691,636
Income & Profit From Other Activities	0	0
Expenses & Losses From Other Activities (-)	-3,242,800	-2,787,091
Financing Income	0	0
Financing Expenses (-)	-1,134,696	-105,640
OPERATING PROFIT & LOSS	144,875,525	72,798,905
Net Monetary Position Profit & Loss (+/-)	0	0
Share of Profit or Loss of Financial Investments (+ / -)	0	0
PRETAX PROFIT & LOSS	144,875,525	72,798,905
Taxes (-/+)	-6,098,396	-3,720,202
NET PROFIT FOR THE PERIOD	138,777,129	69,078,703

METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş.	2013	2012
FINANCIAL RATIOS - %		
Profitability		
Equity Margin	17.00	18.55
ROAA - Pre-tax Profit/Total Assets (avr.)	16.21	17.95
Total Income/Equity (Avr)	18.89	22.23
Total Income/Total Asset (Avr)	17.25	20.40
ROAE- Pre-tax Profit/Equity (avr.)	17.75	19.55
Assets Margin (Avr)	15.52	17.03
Operating Profit/Total Assets (avr.)	17.25	20.40
Net Profit/(Equity +Long Term Liabilities)	16.52	18.05
Total Operating expense/Total Income	3.21	8.54
Operating ROAA = Operating Net income/Asset (avr.)	16.33	17.97
Operating ROAE = Operating Net income/Equity Capital (avr.)	17.88	19.58
Net Profit/Total Income	90.00	83.47
Pretax income/Total Income	93.95	87.96
Total expense/Total Liabilities	1.04	2.46
Gross Profit Margine = Gross Profit/Principal Activity Revenues (net)	96.79	91.46
Net Profit Margine = Net Profit/Principle Activity Revenues (net)	90.00	83.47
Total Income/Total Expense	1,653.49	830.61
Activities Expenses/Principal Activity Revenues (net)	3.21	8.54
Financing Expenses/Principal Activity Revenues (net)	0.74	0.13
EBIT=(Gross Profit +Financing Expenses)/Principal Activity Revenues (net)	94.69	88.09
Interest Coverage Ratio 1= Pretax Profit +Financing Expenses/Financing Expenses =EBIT/Interest Expense	12,867.78	69,012.25
Interest Coverage Ratio 2=Net Profit +Financing Expenses/Financing Expenses	12,330.34	65,490.67
Financing Expenses/T. Liabilities	0.13	0.03
Liquidity		
(Liquid Assets +Financial Asset)/ T. Assets	0.02	0.01
(Liquid Assets +Financial Assets)/ T. Liabilities	0.18	0.12
Liquidity Requirement Ratio	64.23	0.47
Liquid Assets/Equity	0.02	0.01
Current Ratio	31.01	2.43
Acid Test Ratio	25.62	0.59
Cash Ratio	0.25	0.18
Cash and cash equivalents/working capital	-0.37	-0.18
Short Term Receivables/Current Assets	81.81	16.92
Working Capital / T.Asset	-4.37	-5.52
Capital and Funding		
Equity/T. Assets	90.93	91.80
Equity/T. Liabilities	1,002.29	1,119.27
Equity generation/prior year's equity	0.62	125.21
Internal equity generation/prior year's equity	18.64	23.03
Tangible Assets/Total Asset	0.37	0.46
Fixed Assets/(Equity +Long Term Liabilities)	104.67	105.85
Tangible Assets/(Equity +Long Term Liabilities)	0.41	0.50
Financial Fixed Assets/Equity	104.76	107.55
Efficiency		
Asset Growth Rate	20.40	n.a
Asset utilization ratio	17.25	20.40
Net working capital turnover	-361.21	-184.82
Growth rate of gros profit & loss from principal activites	86.32	100.00
Equity and long term liabilities growth rate	19.54	n.a
Equity utilization ratio	18.89	22.23
Asset Quality		
Impairment of Receivables /T. Receivables	0.00	0.00
Provision for Receivables/Doubtful Receivables	100.00	100.00
Non Performing Asset/T. Assets	95.88	99.19
Financial and non-Financial Investments (net)/Non Current Assets	97.17	98.87
Total Foreign Currencies Position/Asset	-0.04	0.00
Total Foreign Currencies Position/Equity	-0.05	0.00
Impaired receivable/equity	0.00	0.00
Indebtedness		
Leverage Ratio	9.07	8.20
Short Term Liabilities/Total Asset	6.33	5.66
Fixed Asset/Liabilities	1,080.64	1,217.59
Fixed Asset/(Long Term Liabilities +Equity)	104.67	105.85
Financial Liabilities/Total Liabilities	6.99	10.38
Off Balance Liabilities/(Assets +Off Balance Liabilities)	0.55	7.23
Off Balance Liabilities/(Equity +Off Balance Liabilities)	0.61	7.83

The Historical Development of the Company's Credit Rating Notes

		June 2, 2011		May 11, 2012		September 11, 2012		May 29, 2013		October 24, 2013		November 10, 2014	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
International	Foreign Currency	BB-	B	BB-	B	BB-	B	BB+	B	BB+	B	BB+	B
	Local Currency	BB	B	BB	B	BB	B	BB+	B	BB+	B	BB+	B
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
National	Local Rating	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable
Sponsor Support		2	-	2	-	3	-	3	-	2	-	3	-
Stand Alone		B	-	B	-	B	-	B	-	B	-	B	-
Sovereign*	Foreign Currency	BB	B	BB	B	BB	B	BBB-	-	BBB-	-	BBB-	-
	Local Currency	BB	B	BB	B	BB	B	BBB-	-	BBB-	-	BBB-	-
	Outlook	Stable	Stable	Stable	Stable	Positive	Stable	Stable	-	Stable	-	Stable	-
		(*): Affirmed by JCR on February 21, 2011		(*): Affirmed by JCR on February 21, 2011		(*): Affirmed by JCR on June 28, 2012		(*): Affirmed by JCR on May 23, 2013		(*): Affirmed by JCR on May 23, 2013		(*): Affirmed by JCR on July 11, 2014	