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PRESS RELEASE

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JCR Eurasia Rating
has evaluated the **Consolidated Structure** of **TGS Dış Ticaret A.Ş.**
in an investment grade category and assigned credit ratings and outlooks of
'BBB+ (Trk) / Positive' on the Long Term National Scale
and **'BBB- / Stable'** on the Long Term International Scale.

JCR Eurasia Rating has assigned the investment grade credit ratings of **'BBB+ (Trk)'** on the Long Term National Scale and **'A-2 (Trk)'** on the Short Term National Scale along with a **'Positive'** outlook on the Long Term National Scale to the **"Consolidated Sutructure of TGS Dış Ticaret A.Ş."**. JCR Eurasia Rating has assessed the Long Term International Foreign Currency and Local Currency ratings as **'BBB-'**. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	:	**BBB-** / (Stable Outlook)
Long Term International Local Currency	:	**BBB-** / (Stable Outlook)
Long Term National Local Rating	:	**BBB+ (Trk)** / (Positive Outlook)
Short Term International Foreign Currency	:	**A-3** / (Stable Outlook)
Short Term International Local Currency	:	**A-3** / (Stable Outlook)
Short Term National Local Rating	:	**A-2 (Trk)** / (Stable Outlook)
Sponsor Support	:	**2**
Stand Alone	:	**B**

TGS Dış Ticaret A.Ş. was established in 1999 and commenced operations under the status of 'Sectoral Foreign Trade Company' (SFTC) and before becoming one of the first companies to gain the status of 'Foreign Trading Capital Company' (FTCC) within the scope of increasing export volume, number of customers and the related communiqué. The Company is one of 60 companies determined as a FTCC by the Turkish Foreign Trade Undersecretaries in 2015. The main activity of the Company is to intermediate as an 'agent exporter' in the export of goods of manufacturers and suppliers and to collect value added tax (VAT) returns on behalf of its customers. Additionally, the Company provides pre-financing to its customers against their exports and VAT receivables.

The Company has achieved the top rankings in the largest exporters list of the TIM since 2009 due to the management approach of implementing the best practices in the sector such as obtaining 'A class certificated person' status allowing for the shortening of custom procedures and payment to customers on the day of collection thus ensuring high customer satisfaction and loyalty, resulting in an increase in transaction volume and diversified services enhancing its customer portfolio. In addition, the Company was ranked 10th with an export volume of USD 1.14bn in 2013 and 11th in 2014 at USD 908mn. With its export volume concentrated mostly in the 'ready-made clothing' sector, the Company ranked 1st on the TIM's largest exporters list in this sector over the last three years.

The Company exhibited a comparatively low revenue generation capacity as in the overall sector due to the nature of activities based on commission and interest revenue together with a low level of pre-financing services. On the other hand, the Company relieved liquidity management and lowered its risk level through high net working capital and liquid assets level and created opportunity for future growth and increase in interest income by enhancing pre-financing services through high equity level and low debt ratio. Additionally, the Company aims at sector diversification with higher VAT rates to both improve sector concentration in its operating volume and to increase commission and interest income. TGS Dış Ticaret A.Ş. exhibited a **'Positive'** outlook for the upcoming periods due to high corporate memory derived from a stable management team and low staff turnover rate and the resultant effective operational processes, increasing market efficiency and recognition, relatively high levels of transparency and compliance with corporate governance principles due to its status as a publicly traded company, an August end operating volume approaching the 2014 year-end figures, an upward trend in the annual export volume in the last quarter of the year and deriving force impact of devalued TRY on Turkey's and particularly the Company's export volume.

JCR Eurasia Rating is of the opinion that **TANRIVERDI Family** members, the controlling shareholders in the publicly listed Company, have the capability and willingness to supply the necessary liquidity and lend operational support to **TGS Dış Ticaret A.Ş.** should such needs arise depending on the sufficiency of their financial strength, taking into account the high equity level, comparatively high free float rate, incentives provided at the system level to support the country's export volume and effective association structures. In this regard, the Sponsor Support grade of the Company has been assigned as **(2)** on JCR Eurasia Rating's notation.

Taking into account the Company's long operating track record, robust equity level, continuously improving operating volume and customer portfolio, relatively high levels of transparency and compliance with corporate governance principles due to its status as a publicly traded company and experienced and qualified human resources, JCR Eurasia Rating has reached the conclusion that the Company has the sufficient experience and infrastructure to manage its obligations regardless of any assistance that may be provided by the shareholders, on condition that it maintains its customer portfolio and efficiency in the market. Within this context, the Stand Alone grade of the Company has been determined as **(B)** in the JCR Eurasia Rating notation system, denoting an 'adequate' level

For more information regarding the rating results you may visit our internet site **http://www.jcrer.com.tr** or contact our analyst **Mr. Gokhan IYIGUN.**

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