Corporate Credit Rating

(Annual Review)

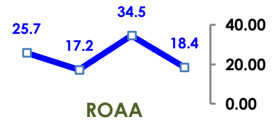
Foreign Trade (Export)

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

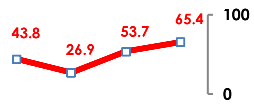
*Affirmed by Japan Credit Rating Agency, JCR on October 07, 2016

Senior Chief Analyst: Gökhan **IYIGUN**/+90 212 352 56 74
gokhan.iyigun@jcrer.com.tr

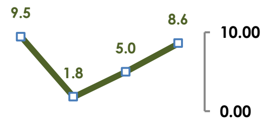
Net Profit Margin (%)



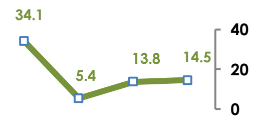
Equity / Total Assets (Adjusted) (%)



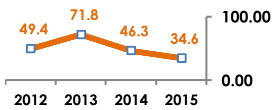
ROAA (Adjusted) (%)



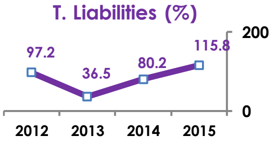
ROAE (%)



Leverage Ratio (Adjusted) (%)



Net Working Cap. / T. Liabilities (%)



TGS Dış Ticaret A.Ş.					
Financial Data	**Sept.2016**	**2015***	**2014***	**2013***	**2012***
Total Assets (000 USD)	508,764	309,405	222,001	320,684	301,306
Total Assets (000 TRY)	1,526,497	899,627	514,799	683,185	535,602
Total Assets (Adjusted) (000 TRY)	52,812	37,216	40,926	77,038	47,827
Equity (000 TRY)	26,628	24,342	21,980	20,697	20,952
Net Profit (000 TRY)	2,288	2,371	2,290	871	3,112
Principal Activity Revenue (000 TRY)	7,020	12,876	6,640	5,056	12,091
Net Profit Margin (%)	32.59	18.42	34.49	17.23	25.74
ROAA (%)	6.45	8.60	4.98	1.79	9.46
ROAE (%)	11.49	14.52	13.77	5.38	34.11
Equity / Total Assets (Adjusted) (%)	50.42	65.41	53.71	26.87	43.81
Net Working Cap. / T. Liabilities (%)	n.a.	115.76	80.17	36.51	97.17
Leverage Ratio (%)	49.58	34.59	46.29	71.84	49.43
Asset Growth Rate (Adjusted) (%)	45.65	-9.06	-46.88	61.07	41.85

*End of year

Overview

TGS Dış Ticaret A.Ş. (hereafter, TGS or the Company) is one of 53 'Foreign Trade Capital Company' (FTCC) companies annually approved by the Turkish Foreign Trade Undersecretaries in 2016. The Company was established and became operational in 1999 under the statue of 'Sectoral Foreign Trade Company' (SFTC) and gained FTCC status, in 2004. The Company's activity field is to intermediate as an 'agent exporter' with the status of 'class A certificated person' in the export of goods of manufacturers and suppliers. The Company shares have been publicly traded on the Borsa Istanbul (BIST) Second National Market since June 2012 under the code TGSAS and had a free-float rate of 43.57% as of 3Q2016.

The Company ranked 10th in the '2015 Largest Exporters' list of the Turkish Exporters Assembly (TIM) with a 2015 year-end export volume of USD 1,0004mn. In addition, it maintained its leading position in the exports ranking of the 'ready-made clothing' sector achieved in 2012 by continuously improving export volume since 2009.

The Company carries out its activities through its headquarters and the Aegean Regional Office established in February 2015 as of the report date. The Company had a subsidiary, **TGS Kumaş Ürünleri Pazarlama A.Ş.**, with a 99% stake consolidated in its audit reports.

Strengths

- Quite a long operating history and the cofounder's experience in the textile sector that weights most in its export volume, contributing to market efficiency and recognition
- Comparatively high equity level and low debt ratio within the considerations of adjusted financials, lowering the risk level and enabling room for future growth
- High transparency and compliance levels with corporate governance principles as its publicly traded company status
- Negligible levels of credit and foreign risks exposures due to the nature of activity mostly composed of intermediating to exports
- Awarded export volume achieved through the management approach of implementing best practices in the sector and the diversified services
- Improved export volume and profit generation capacity despite the volatile market conditions and suppressed exports across the country

Constraints

- Sector specific issue of comparatively low revenue generation capacity due to the nature of activity based on commission and interest revenue
- Sector related issue of probable delays in collection of VAT returns leading to more challenging liquidity management and need for improvement in available funding sources
- High concentration of textile and apparel sectors in the Company's export volume together with their relatively high effects in case of sectors-specific positive or negative developments
- Sector wide issue of high dependence level of operating volume to export regime, relations between countries, changes and volatility in global and domestic economies which are all highly sensitive and volatile

Publication Date: December 23, 2016

"Global Knowledge supported by Local Experience"

1. Rating Rationale

TGS Dış Ticaret A.Ş.'s rating grades are the culmination of a rating process that has taken into account all aspects of the Company's 2015 year-end and 3Q2016 consolidated independent audit reports which involve the consolidated financial statements of the Company's one subsidiary, JCR Eurasia Rating's own studies and records, information and clarification provided by the Company itself and non-financial figures.

TGS Dış Ticaret A.Ş. intermediates the export of goods of manufacturers and suppliers and provides the services of collecting value added tax (VAT) return on behalf of its customers and pre-financing its customers against their export and VAT receivables. Accordingly, some of the items in the Company's financial statements include non-Company values arising from its export intermediary activities. As these non-Company values held a large share in the Company's balance sheet, adjustments were required and the adjusted financial statements taken into account in the ratio calculation and analysis.

In addition to the Company's financial indicators regarding equity structure, liquidity position, asset quality, indebtedness, efficiency, growth rates and expected support, the main shareholders' financial and non-financial positions, risk exposures, activity field, problems and expectations in the field of activity were also taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency grades as well as national grades.

Prominent Rating Considerations are;

Quite a Long Operating History together with Experience in the Textile Sector Contributing to Market Efficiency

TGS Dış Ticaret A.Ş.'s foundation dates back to before onset of Foreign Trade Capital Companies in 1999 and commenced operations with the 'Sectoral Foreign Trade Company' status. Within the scope of new legislation in 2004, the Company obtained the 'Foreign Trading Capital Company' statute and gained the priority to benefit from various government incentives through its improving export volume and customer portfolio. Moreover, the cofounder of the Company had a long operating experience in the textile sector before the establishment of the Company. All the stated issues contributed positively to the Company's market efficiency and recognition as well as being a publicly traded company.

Comparatively High Equity Level and Low Debt Ratio Contributing Positively to Risk Level and Enabling Room for Future Growth

The IPO realized in 2012 generated a noteworthy improvement in the Company's equity. The equity of the Company exercised a cumulative growth of 16.18% since IPO through its internal equity generation capability and stood at 65.4% as of FYE2015 within the consideration of adjusted assets, representing a satisfactory equity level for future growths. Accordingly, The Company's equity level meeting all the external liabilities with a 101.69% ratio considerably contributes to risk level. Moreover, the relatively low 2014 year-end debt ratio of 34.6% holds the benefits of low leverage at the disposal for future growth.

High Transparency and Compliance Levels with Corporate Governance Principles

TGS Dış Ticaret A.Ş. is a publicly traded company since 2012. Accordingly, the Company had a relatively high transparency and compliance level with corporate governance principles through its website covering a separate investor relations heading composed of satisfactory information about the Company, its Board of Directors covering 2 independent members and the committees meeting all the requirements of the Corporate Governance regulations of the Capital Markets Board of Turkey, positively contributing to its transparency and risk level.

Negligible Levels of Credit and Foreign Exchange Risk Exposures

As the Company's existing operating structure and core business is to act as an intermediary in exports of manufacturers and suppliers, there is no credit or foreign exchange risk exposure on the Company revenues. The Company signs an 'intermediary exporter' agreement with all its customers and all the payments to manufacturers or suppliers are conditional on realizing the collections from importers and receipt of the tax returns from the tax authorities. Thereby, payment risk is completely eliminated. Additionally, foreign exchange gains and losses are reflected on the customers.

Awarded Export Volume Achieved through Management Approach of Implementing Best Practices in the Sector

The Company's export volume displayed a remarkable improvement trend since 2009, despite a decrease in 2014, and exercised a 318% cumulative growth to USD 1,004mn in 2015 from USD 240mn in 2008. Accordingly, the Company ranked 10th with the export volume of USD 1.14bn in 2013, 11th with USD 908mn in 2014 and 10th with USD 1,004mn in 2015. The Company with its export volume concentrated mostly (approximately 75%) in the 'ready-made clothing' sector ranked 1st on the list of TIM's largest exporters regarding this sector over the last four years. The management approach of implementing the best practices in the sector such as holding the 'A class certificated person' status, thus shortening the custom procedures, and payment to customer without delay on the collection day enables high customer satisfaction and loyalty. On the other hand, the state of emergency declared following the failed coup attempt reduced the effectiveness of the stated 'A class' certificate through increased staff turnover rate in public institutions leading to slowed public services, and increased information and documentation request. Moreover, the Company diversified its services to enhance its customer portfolio by providing raw materials to customers through its subsidiary, TGS Kumaș, against their export and VAT receivables.

Improved Export Volume and Profit Generation Capacity Despite the Volatile Market Conditions and Suppressed Exports across the Country

Although, the Turkey's export volume followed an increasing trend since 2011, excluding 2013, it decreased by 8.7% to USD 143.83bn FYE2015 from USD 157.61bn FYE2014. On the other hand, the Company's export volume increased by 10.57% to USD 1,004mn from USD 908mn in the same period. Moreover, the main revenue source of the Company, commissions received from intermediation to export transactions, remarkably increased remarkably (75.49%) to TRY 11.65mn from TRY 6.64mn, indicating an improvement in profit generation capability.

Sector Specific Issue of Comparatively Low Revenue Generation Capacity

The activity field of TGS Dış Ticaret A.Ș. is to intermediate for the export of goods of manufacturers and suppliers and to provide the services of collecting value added tax (VAT) return on behalf of its customers and pre-financing to its customers against their export and VAT receivables. Accordingly, the Company's principal activity revenues were composed of commissions of export intermediary activities, interests of pre-financing and domestic sales revenue of its subsidiary. The subsidiary of the Company realised TRY 1.22mn sales revenue as of FYE2015. The Company's average commission rate was approximately 4%. Pre-financing services with a higher income generation capacity through interest gains had a low share (1.2%) in the Company's 3Q2016 total assets. Accordingly, the Company's revenue generation capacity stayed at comparatively low levels due to the above stated issues.

High Concentration of Textile and Apparel Sectors in the Company's Export Volume

The ready-made clothing and apparel sector holds an approximately 75% share in the Company's export volume, while adding the sectors of textile & raw material and leather & leather products approaches the ratio to 90%. This renders the Company's export volume sensitive to market changes in the stated sectors. Accordingly, sector-specific positive or negative developments would lead to major impacts on the Company's export volume.

Sector Related Issues of More Challenging Liquidity Management Highly Sensitive and Volatile Market Conditions

As of September 2016, cash credit lines worth of approximately TRY 15mn have been extended to the Company by financial institutions. Of this, 10.16% has been drawn upon, with a cash free line amounting to TRY 13.4mn. Accordingly, although the Company's liquidity risk exposure level appears low, timely collection of VAT returns regarding provided pre-financing has a vital importance for the Company's liquidity management and the finance provider companies' risk appetite for the Company can differ due to unrealized redemption of debt instrument and highly volatile market conditions. Accordingly, the Company could not redeem its debt instrument issuance with TRFTGSD71612 ISIN code and TRY 15mn nominal value at the redemption date of July 22, 2016 due to slowing public services, increased information and documentation request, increased staff turnover rate in public institutions and decreased risk appetite of finance provider companies all stemming from the highly anxious market conditions derived mainly from the state of emergency declared following the following the failed coup attempt. It was observed that the Company realized improvements rather than deteriorations in the fields of service generation capacity along with profit and cash generation potential from its activities but it is concluded by JCR Eurasia Rating that the Company's existing liquidity squeeze and default position is derived from an unforeseen delay in collection of VAT receivables and deficiency in liquidity management.

With respect to the above-mentioned factors and high correlation of the Company's activity volume with Turkish export volume, JCR Eurasia Rating has affirmed Long Term International Foreign Currency and Local Currency Ratings of **'BBB-'**, the same as that of the sovereign ratings of the Republic of Turkey, and Long Term National Local Ratings of **'BBB+ (Trk)'** in JCR Eurasia Rating's notation system.

On the other hand, the Company's National Notes regarding the issue rating was downgraded to **'BB+ (Trk)'** within the considerations of differentiated repayment resources consisting of VAT returns collection, continuing delays regarding the pay up of principal and interest payments of unredeemed debt instrument, cancellation of the debt instrument issuance limit by CMB, continuing state of emergency in the country together with its possible adverse effects on timely collection of VAT returns, agreement between the Company and the bono investors and obtained CMB approval to pay up the bono principal and interest payments at a later date, February 13, 2017, and realized partial payments corresponding to approximately one-third of the total principal amount of debt.

2. Outlook

JCR Eurasia Rating has assigned **'Stable'** outlooks on the National Long and Short Term Rating perspectives of **TGS Dış Ticaret A.Ş.** within the considerations of October-end operating volume amounting approximately 86% of 2015 year-end figure indicating preserved service income generation capacity, improved commission generation capability together with deteriorated profitability ratios due to increased doubtful receivables stemming from receivables from pre-IPO shareholder, and 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.

Additionally, JCR Eurasia Rating has assigned **'Stable'** outlooks on the International Long and Short Term Local Currency Rating perspectives of TGS Dış Ticaret A.Ş., which are that of the Long and Short Term Sovereign Rating Outlooks of the Republic of the Republic of Turkey.

The main driving forces that can call forth a revision in the current outlook status include Company related issues affecting its financial figures along with Turkey's sovereign rating which is highly responsive to domestic and foreign political and economic uncertainties, tensions and developments.

3. Sponsor Support & Stand Alone Assessment

Sponsor Support notes and risk assessments mainly reflect the financial and non-financial positions and assistance capability of the controlling shareholders, TANRIVERDİ family members, of the publicly listed TGS Dış Ticaret A.Ş. and the systematic support level of the sectoral regulations, associations and public institutions. It is considered that TANRIVERDİ Family members have the willingness to supply long term liquidity or equity within their financial capability when required, and that they have adequate experience to provide efficient operational support to the Company. On the other hand, the Company could not realize the redemption of its debt instrument issuance mainly due to VAT collection delays, changing risk appetite of finance providers and deficiencies in liquidity management.

Under these assessments, JCR Eurasia Rating has revised the Sponsor Support grade as **'3'**, reflecting adequate levels of tendency to support, financial state and capability of shareholders accompanied by adequate social and public support despite some uncertainties, and the Stand Alone grade as **'BC'**, reflecting an above moderate company regarding profitability, balance sheet composition, management and operating environment attached with the expectation to honor its outstanding financial commitments without any external support.

4. Company Profile

a) History & Activities

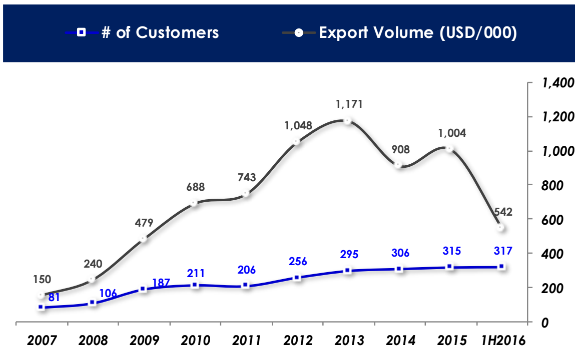
TGS Dış Ticaret A.Ş., founded in May 1999, obtained the 'Sectoral Foreign Trade Company' status within the scope of the related communiqué in the same year. Following the improvement in its export volume and customer portfolio together with the new legislation in 2014, the Company gained the status of 'Foreign Trading Capital Company', a company with priority to benefit from various government incentives.

Tanrıverdi Yatırım Holding A.Ş. and its group companies became the majority shareholder of the Company in 2007. The Company changed its trade name to TGS Dış Ticaret A.Ş. in 2011 and 33.33% of its shares began to be publicly traded in Borsa Istanbul (BIST) Second National Market in 2012 mostly through the sale of Tanrıverdi Yatırım Holding A.Ş. shares. As of 3Q2016, the Company shares had a 43.57% free-float rate.

The company is one of 53 companies determined as FTCCs in 2016 by the Turkish Foreign Trade Undersecretaries. TGS intermediates the export of goods of manufacturers and suppliers acting as an 'agent exporter' with the statue of 'class A certificated person', a certificate that provides a certain ease of customs procedures. In addition, the Company realizes the collection of value added tax (VAT) return on behalf of its customers and provides pre-financing to its customers against their export and VAT receivables. The Company also provides raw materials to customers through its subsidiary, TGS Kumaş, against their export and VAT receivables.

The collection of VAT returns is a demanding and costly process for exporting companies. TGS collects the VAT returns on behalf of its customers in a shorter time and at a lower cost. The Company provides pre-financing services in two ways. The first method is the pre-financing of VAT returns and the second method is the down-payment for the export receivables. Moreover, the Company offers convenience in acquiring credit from Eximbank, especially for SMEs.

TGS usually exports to European Union countries with the highest share to Germany. The Company located in the top rankings in the largest exporters list of the TIM since 2009 through the momentum captured in the transaction volume increase and was ranked 11th with the export volume of USD 908mn in 2014 and 10th with USD 1,004mn in 2015. Ready-made clothing sector had a 72.5% share in the Company's export volume as of FYE2015. Accordingly, The Company ranked first on the TIM's largest exporters list regarding 'ready-made clothing' sector over the last four years. Textiles, ready-made clothing and leather sectors held above 90% shares in the Company's export volume. Accordingly, the Company had 'platinum certificate of achievement' of two exporters' association, the Istanbul Ready-Made and Apparel Exporters Ass. (İHKİB) and the Istanbul Textile and Raw Material Exporters Ass. (İTHİB). The following table and graph provide information about the Company's export volume, number of customers and ranking within the exporters in Turkey over the years. By the end of 1H2016, the Company's export volume amounted to USD 542mn. The October-end export value of TRY 865k and the export volume trend increasing in the fourth quarter of the year prognosticate an achievable 2016 year-end target of USD 1.05bn.



Rankings of TGS in Turkish Exporters		
Year	* Sector	Turkey
2005	8	80
2006	8	77
2007	7	64
2008	7	58
2009	3	19
2010	2	15
2011	2	16
2012	1	12
2013	1	10
2014	1	11
2015	1	10

(*): Ready-made Clothing Sector
Source: TIM

b) Organization & Employees

The Company's Board was composed of 5 members, two of which are independent, as of the report date. Within the scope of the relevant article of the Company's articles of association, the stakeholders owning privileged 'A Group' shares have the right to propose candidates for board membership. If the Board consists of five members, two are chosen from among candidates proposed by 'A Group' shareholders. In the case of the Board consisting of 'six to seven' and 'eight to nine' members, the number of members chosen among 'A Group' shareholders' candidates will be three and four, respectively.

Board Members	
Ali **TANRIVERDİ**	Chairman
Burak **TANRIVERDİ**	Vice Chairman
Engin **NUKAN**	Member
Mustafa **ÖZÇINAR**	Independent Member
Ebubekir **DOĞAN**	Independent Member

The Company's organizational chart consists of 8 departments (accounting, exportation, marketing, investor relations, VAT control, financing, staff & administrative affairs and Aegean Regional Office) reporting directly to the General Manager, General Coordinator and Coordinator of Financial and Administrative Affairs. The Company carries out its activities through its headquarters and the Aegean Regional Office established in February 2015.

c) Shareholders, Subsidiaries & Affiliates

The Company's 3Q2016 shareholding structure is shown in the following table. The table provides the shareholding ratios and paid-capital amounts together with the realized changes over the years. The Initial Public Offering (IPO) of the Company was performed in 2012 mostly through the sale of shares held by the Tanrıverdi Group's holding company, Tanrıverdi Yatırım Holding A.Ş, and the Company's paid-capital was increased to TRY 7mn from TRY 5mn through generated premium on issued shares. The Company's paid capital remained unchanged since IPO. As of 3Q2016, the Company shares had a 43.57% free-float rate, an increase from the IPO figure of 33.61% through the use of the '10% bonus share' technique implemented to shareholders holding shares for at least three months and through the sales of shares held by the other shareholders. 40% of Company shares were classified as 'A Group' and the remaining 60% as 'B Group' shares. A and B group shares equally benefit from the dividend payments. Within the scope of the relevant articles of the Company's article of association, 'A group' shares have the privileges of proposing candidates to the Company Board and 15 voting right per each share in general assembly meetings.

TGS DIŞ TİCARET A.Ş. Shareholders Structure	Share Group and %										
	3Q2016		2015		2014		2013		2012		2011
	A	B	A	B	A	B	A	B	A	B	-
Tanrıverdi Yatırım Holding A.Ş.	-	-	-	-	-	-	-		-		30.15
İnci Tekstil Ürünleri San. ve Tic. A.Ş.	-	-	-	-	-	-	-		-		20.55
Burak TANRIVERDİ	26.44	7.79	17.46	7.79	12.18	5.99	12.18	5.99	12.18	5.99	9.51
Çağla POLAT	10.47	3.30	6.47	3.30	4.95	3.30	4.95	3.30	4.95	3.30	9.00
Duruteks Emp. Baskı Teks. San. ve Tic.Ltd. Şti.	-	-	-	-	-	-	-		-		7.20
Feza Mefruşat San. ve Tic. Ltd. Şti.	-	-	-	-	2.69	1.79	2.69	1.79	2.69	1.79	6.73
İstanbul İntertrade Dış Tic. Ltd. Şti.	-	-	-	-	-	-	-		-		6.25
TGS Dış Ticaret A.Ş.	-	2.67	-	2.67	-	2.67	-	-	-	-	10.60
Ahmet AKCAN	-	-	3.40	-	3.40	-	3.40	0.87	3.40	0.87	0.01
İrfan ÖZORTAÇ	-	-	2.87	0.80	2.87	0.80	2.87	0.80	2.87	0.80	-
Sedat ÖZDEMİRCİ	3.08	0.83	3.08	0.83	3.08	0.83	3.08	0.83	3.08	0.83	-
Çağlar ÇAĞ	-	-	2.71	0.73	2.71	0.73	2.71	0.73	2.71	0.73	
Public	-	43.57	-	41.30	-	39.66	-	33.61	-	33.61	
Other	0.01	1.85	4.01	2.59	8.12	4.23	8.12	12.08	8.12	12.08	
TOTAL	40.00	60.00	40.00	60.00	40.00	60.00	40.00	60.00	40.00	60.00	100.00
Paid Capital (TRY/000)	3,000.00	4,500.00	3,000.00	4,500.00	3,000.00	4,500.00	3,000.00	4,500.00	3,000.00	4,500.00	
Total Paid Capital (TRY/000)	7,500.00		7,500.00		7,500.00		7,500.00		7,500.00		5,000.00

Additionally, TGS Dış Ticaret A.Ş. had a subsidiary with a 99% stake, **TGS Kumaş Ürünleri Pazarlama A.Ş.**. The subsidiary was established in 2011 to supply raw material to manufacturer customers and to support the marketing activities of the Company. TGS Kumaş provides fabric and yarn to TGS Dış Ticaret's customers in favorable conditions against their VAT and export receivables without claiming checks or any other collateral. The following table provides the shareholding structure and main financial figures of the subsidiary.

Shareholders (%)	TGS Kumaş Ürünleri Pazarlama A.Ş.		
	2015	2014	2013
Ali TANRIVERDİ	0.20	0.20	0.20
Burak TANRIVERDİ	0.60	0.60	0.60
Çağla POLAT	0.20	0.20	0.20
TGS DIŞ TİCARET A.Ş.	99.00	99.00	99.00
TOTAL (%)	100.00	100.00	100.00
Paid Capital	500,000.00	500,000.00	500,000.00
Total Assets	UN	3,041,328.67	1,443,857.11
Equity	UN	66,470.36	410,626.55
Pre-tax Profit	UN	- 344,156.16	- 143,865.55
Net Profit	UN	UN	591,384.90

UN: Unreachable

d) Corporate Governance

TGS Dış Ticaret A.Ş. is publicly traded on the Second National Market of the Borsa Istanbul Stock Exchange (BIST) since June 2012 under the code TGSAS. In line with the Corporate Governance Principles, the Company's website incorporates a separate investor relations heading and provides useful information about its activities and information regarding the Company profile and performance, organization chart, affiliates, corporate information, shareholding structure, board of directors, initial public offering (IPO), corporate governance reports, dividend, disclosure and remuneration policies, ethical rules, general assembly internal guideline and details (meeting record and attendance sheet), audit and annual reports, vision and mission statements as well as material disclosures disclosed through the Public Disclosure Platform.

The Company's Board of Directors was composed of 5 members, 2 of which are independent. The board members' CVs are presented in the annual reports located under the heading of 'Investor Relations' on its website. The Company established all the sub-committees (audit, corporate governance and early detection of risk) required by the Corporate Governance regulations of the Capital Markets Board of Turkey. All the committees involve two independent members and their operating procedures and principles have been constituted in line with the legislative regulations. The Early Detection of Risk Committee meets a minimum of 6 times a year and others 4. The Corporate Governance Committee also fulfills the tasks of remuneration and nomination committees. Additionally, the Company has improved processes regarding public disclosure and essential communication/coordination with capital market institutions and committed to monitoring regulatory requirements to take any necessary actions.

As mentioned before, 40% of Company shares were classified as 'A Group' and the remaining 60% as 'B Group'. 'A' and 'B' group shares equally benefit from dividend payments. Within the scope of relevant articles of the Company's article of association, 'A group' shares have the privileges of proposing candidates to the Company Board and 15 voting right per each share in general assembly meetings. In addition, minority shareholders are not represented in the management and the 'cumulative voting' method is not applied in the Company. There is no limitation in the transfer of 'B' group shares. On the other hand, the transfer of 'A' group shares is subject to a limitation in such a way that 'A' group shares to be transferred are offered first to other 'A' group shareholders and then may be transferred to others if there is no buyer within three months.

The Company's dividend payment policy aims to disburse the distributable profit with a metered approach within the considerations of the responsibilities associated with being a publicly traded company and the shareholders should be able to benefit from annual profit. On the other hand, the Company realized no dividend payment following the TRY 1,125k in 2012.

A human resource policy has not been established due to the Company's operational structure and number of personnel (FYE2015: 18) required for the existing business. The Company has adopted an organizational structure that does not involve strict hierarchical rules and employees can directly contact top management and work intertwined with senior executives.

In the issue of corporate social responsibility, although the annual donations ceiling is specified in the General Assembly meetings, there were no donations over the last three years. A TRY 100k donation ceiling was set for 2016.

e) The Company Strategies

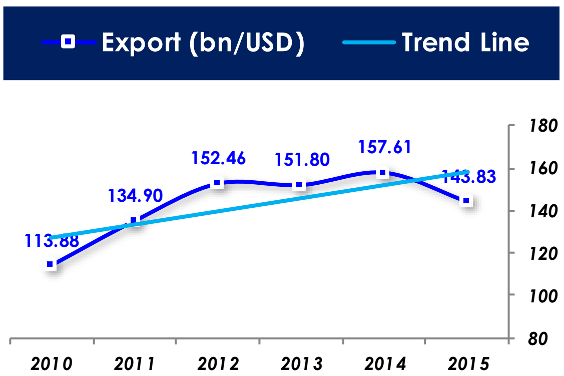
The first priority objective of the Company is to improve its standing in the Turkish export volume through increasing the number of manufacturers or suppliers that it serves. Another is to improve sector diversification, particularly those gathered under the 'other' classification holding approximately a 10% share in the Company's export volume such as beverages, chemicals, plastics & rubber, wood, cement & glass, precious stones, metals, machinery, transport vehicles and optical instruments. Additionally, to increase the share of sectors with 18% rate of VAT is among the objectives of the Company's management as they would generate higher commission income and need for more pre-financing.

5. Sector Analysis and Operating Environment

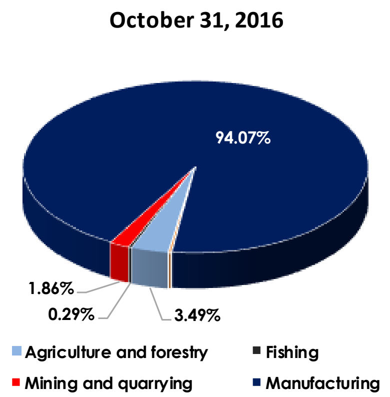
Foreign Trade (Export)

The Turkish economy has experienced a period of significant growth since the 1980s due to the liberalization movements which boost the foreign trade and market. Export activities has been made by mainly "Sectoral Foreign Trade Companies" (SFTC) and "Foreign Trade Capital Companies" (FTCC) in Turkey. While the SFTC include small and medium sized companies which operating under one organization for export purposes, the FTCC include larger firms. Moreover, a paid in capital of TRY 2mn and TRY 100mn export performance is required for companies operating as FTCCs. Furthermore, legislation regarding the legal basis for the establishment of trading companies was announced on December 8, 2004 in the official gazette in Turkey and was effectively applied as of 1 January, 2005.

Although, Turkey's export volume followed an increasing trend since 2011excluding 2013, the export volume decreased to USD 143.83bn as of the end of 2015 from USD 157.61bn as of the end of 2014. In addition, with the exports of USD 143.83bn in 2015, Turkey maintained its 31st place in world exports and there was no change during that time. The table below shows Turkey's export volume by years;



In addition, the chart below illustrates the sector distribution of Turkey's exports as of FYE2014. The manufacturing sector held the largest share with a rate of 93.31% and was followed by agriculture and forestry, mining and quarrying and fishing with shares of 3.83%, 2.16% and 0.22%, respectively.



Textile exports has a vital role in terms of Turkey's manufacturing exports. In parallel with Turkey's decreasing export volume, textile and apparel exports decreased to USD 16.75bn with a decrease of -9.3 % as of the end of 2015 compared to previous year figures. On the other hand, while Turkey realized USD 12.40bn textile and apparel export between January – September 2015, textile and apparel export reached USD 12.71bn with an increase of 2.5% between January- September 2016. The table below presents Turkey's textile and apparel export by years:

Turkey's Textile and Apparel Export (USD)

Years	Export	Change (%)
2007	15,563,491,645	
2008	15,234,868,195	-2.1
2009	12,854,444,401	-15.6
2010	14,205,917,174	10.5
2011	15,648,660,734	10.2
2012	15,753,400,255	0.7
2013	17,158,866,915	8.9
2014	18,484,603,209	7.7
2015	16,756,309,314	-9.3
January-September 2015	12,409,704,774	
January-September 2016	12,718,176,864	2.5

Source: İHKİB

Moreover, Turkey's textile and raw material export shows a decreasing trend in parallel with Turkey's decreasing Turkey's textile and apparel export volume as of the end of 2015. Turkey's textile and raw material export decreased to USD 7.49bn with a -11.1% reduction rate as of the end of 2015 from USD 8.53bn as of the end of 2014. In addition, while Turkey's textile and raw material export realized USD 5.64bn export volume between January- September 2015, Turkey's textile and raw material export decreased to USD 5.60bn between January – September 2016 period. The table below exhibits Turkey's textile and raw material export by years:

Turkey's Textile and Raw Material Export (USD)

Years	Export	Change (%)
2007	6,363,917,840	
2008	6,640,492,320	4.3
2009	5,374,056,670	-19.1
2010	6,352,784,994	18.2
2011	7,709,384,326	21.4
2012	7,749,225,552	0.5
2013	8,370,751,010	8.0
2014	8,535,980,789	2.0
2015	7,590,798,394	-11.1
January-September 2015	5,646,384,637	
January-September 2016	5,608,591,726	-0.7

Source: İHKİB

On the other hand, the most important event affecting world textile and apparel export trade is that China has entered as a member of World Trade Organization (WTO) in 2001. With this membership, China has been subject to WTO's textile and clothing agreement and with the lifted of quotas in 2005, China's textile and apparel exports have increased considerably. At the same time, China, which has a population of 1.3bn, has also become a major market.

According to information from Turkish Statistical Institute, Turkey ranked 6th in 2014, achieving 4.00% of world textile and apparel exports. China ranks first with a 41.00% share in the sector export. China is followed by India (5.40%), Italy (5.30%) and Germany (5.00%), respectively.

Additionally, Textile and apparel sector realized 18.70% of Turkey's exports with USD 29.50bn in 2014. This rate decreased from 40.70% in 1995 to 26.00% in 2005 and to 19.30% in 2010. Sector's share in world trade is also considerable decreased. The share of the sector, which was 7.00% in 1995, decreased to 4.6% in 2014.

According to data from the Turkish Statistical Institute, the largest export volume of USD 47.46bn and 44.17% of Turkey's total export volume as of October 31,2016, was located in Istanbul. This was followed by Bursa, Kocaeli Izmir and Antep with values of USD 10.59bn, 8.34bn, 6.57bn and 5.14bn, respectively.

The table below indicates Turkey's export by top 10 provinces as of October 31,2016;

Exports by Top 10 Provinces (USD/000) As of October 31, 2016	
Istanbul	47,460,991
Bursa	10,591,320
Kocaeli	8,340,147
Izmir	6,573,044
Gaziantep	5,144,850
Ankara	5,105,327
Manisa	3,053,501
Denizli	2,284,443
Sakarya	1,673,170
Hatay	1,348,722

Source: Turkish Statistical Institute

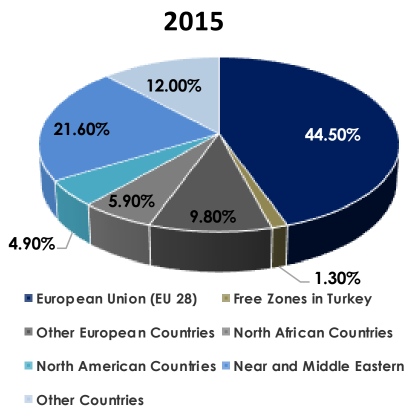
In addition, Germany is Turkey's largest export market, in the amount of USD 13.41bn as of the end of 2015. Germany was followed by, the United Kingdom, Iraq, Italy and USA with values of USD 10.55bn, 8.54bn, 6.88bn and 6.39bn, respectively.

The table below shows Turkey's top 20 export markets according to 2015 data.

Exports by country and year (top 20 country in exports) (1000 USD)					
	2015	2014	2013	2012	2011
Germany	13.417.033	15.147.423	13.702.577	13.124.375	13.950.825
United Kingdom	10.556.393	9.903.172	8.785.124	8.693.599	8.151.430
Iraq	8.549.967	10.887.826	11.948.905	10.822.144	8.310.130
Italy	6.887.399	7.141.071	6.718.355	6.373.080	7.851.480
USA	6.395.842	6.341.841	5.640.247	5.604.230	4.584.029
France	5.845.032	6.464.243	6.376.704	6.198.536	6.805.821
Switzerland	5.675.424	3.207.526	1.014.523	2.124.525	1.484.320
Spain	4.742.270	4.749.584	4.334.196	3.717.345	3.917.559
UAE	4.681.255	4.655.710	4.965.630	8.174.607	3.706.654
Iran	3.663.760	3.886.190	4.192.511	9.921.602	3.589.635
Russia	3.588.331	5.943.014	6.964.209	6.680.777	5.992.633
Saudi Arabia	3.472.514	3.047.134	3.191.482	3.676.612	2.763.476
Netherlands	3.154.867	3.458.689	3.538.043	3.244.429	3.243.080
Egypt	3.124.876	3.297.538	3.200.362	3.679.195	2.759.311
Romania	2.815.506	3.008.011	2.616.313	2.495.427	2.878.760
Israel	2.698.139	2.950.902	2.649.663	2.329.531	2.391.148
Belgium	2.557.805	2.939.108	2.573.804	2.359.575	2.451.030
China	2.414.790	2.861.052	3.600.865	2.833.255	2.466.316
Poland	2.329.176	2.401.689	2.058.857	1.853.700	1.758.252
Azerbaijan	1.898.520	2.874.608	2.960.371	2.584.671	2.063.996
Others	45.369.972	52.443.825	50.769.896	45.970.523	43.786.984
Total	**143.838.871**	**157.610.158**	**151.802.637**	**152.461.737**	**134.906.869**

Source: Turkish Statistical Institute

Moreover, the European Union (EU 28) was the largest export market with a share of 44.50% in terms of regional distribution. The EU was followed by the Near and Middle East region with a rate of 21.60% as of the end of 2015. The chart below provides detailed information about the regional distribution of Turkey's exports.



Furthermore, sea transportation has played a very significant role in terms of Turkey's exports. Sea transportation accounted for USD 63.79bn of exports as of October 31, 2016. Road, air, other and rail transportation accounted for exports worth USD 37.16bn, 14.98bn, 0.58bn and 0.49bn, respectively.

The table below indicates Turkey's export by made of transport and year;

Export by made of Transport (1000 USD)						
	Sea	Rail	Road	Air	Other	Total
2012	77.983.403	1.017.753	50.440.156	21.781.595	1.238.830	152.461.737
2013	82.930.885	956.521	53.674.535	12.960.697	1.279.999	151.802.637
2014	86.304.496	922.776	55.270.960	14.103.312	1.008.613	157.610.158
2015	78.036.876	806.721	46.708.755	17.275.523	1.010.997	143.838.871
2016*	63.795.312	490.800	37.166.012	14.984.707	584.136	117.020.967

* As of October 31, 2016 Source: Turkish Statistical Institute

Finally, 2023 Turkey Export Strategy and Action Plan was prepared in coordination with the Ministry of Economy and was approved by the higher planning council and published in the official gazette no 28322 on June 13, 2012. The Ministry of Economy reported 2023 export projections of USD 500bn in export volume, a 1.5% share of total global exports, and a place in the top ten world economies.

Sources: Turkish Statistical Institute and Istanbul Textile and Apparel Exporters' Association

6. Financial Foundation

The activity field of the TGS Dış Ticaret A.Ş. is to intermediate the export of goods of manufacturers and suppliers and to provide the services of collecting value added tax (VAT) returns on behalf of its customers and pre-financing its customers against their export and VAT receivables. Accordingly, the Company's financial statements include some non-Company values stemming from its export intermediation activities. Moreover, they constitute the major part of the Company's total asset size. Accordingly, adjustments were made and the adjusted financial statements were taken into account in the ratio calculation and analysis.

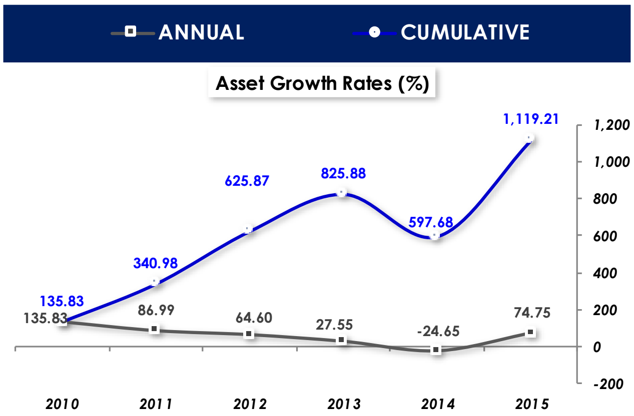
Balance sheet items subject to adjustment are trade receivables mostly composed of receivables regarding exports, other current assets mostly composed of receivables regarding VAT returns, inventories fully composed of transactions that are not actually exported but billed, pre-paid expenses mostly composed of pre-financing and trade payables mostly composed of payables regarding exports. The Company's adjusted and un-adjusted balance sheet sizes regarding the last three years are as follows;

TGS Dış Ticaret A.Ş. Balance Sheet Sizes (TRY/000)					
Un-adjusted			Udjusted		
2015	2014	2013	2015	2014	2013
899,626.98	514,799.23	683,185.33	37,216.14	40,925.73	77,037.62

a) Financial Indicators & Performance

- **Indices Relating to Size**

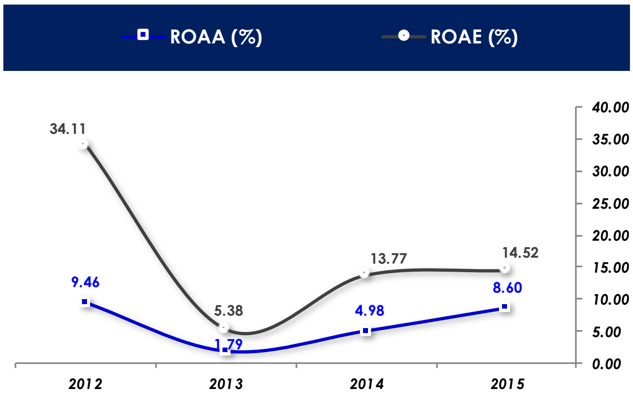
The Company achieved its peak annual unadjusted asset growth of 135.83% in 2009 based mainly on an approximately 125% increase in export volume. As a natural consequence of reaching a peak point in 2009, the Company's annual asset growths exhibited a decreasing trend despite export growth performances mostly exceeding the growths in the Turkey's textile and related sub-sectors exports. The Company realised a 74.75% growth in the last year following a 24.65% contraction in the previous year and its six-year cumulative growth increased to 1,119.21% since 2008.



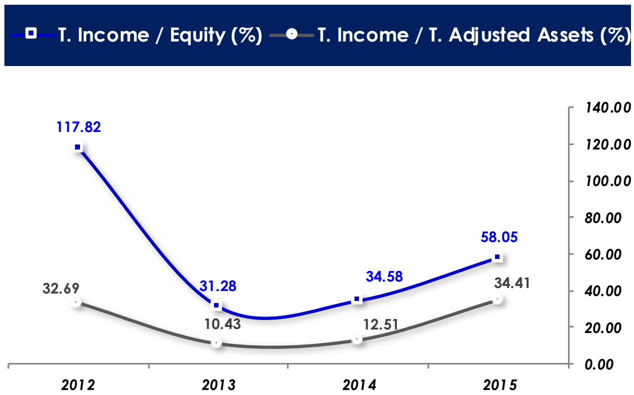
- **Indices Relating to Profitability**

The Company generates revenue mostly through the commissions of export intermediary and interests of pre-financing activities, and rarely through the domestic sales of its subsidiary and commissions of bilateral agreements subject to special provisions regarding the utilization of the Company's Eximbank limits. As mentioned before, the adjusted asset sizes have been taken into account in the ratio calculation and analysis.

The Company's profitability indicators ROAA (pre-tax profit to average adjusted assets) and ROAE (pre-tax profit to average equity) decreased in 2013 due to a 70.98% decrease in pre-tax profit together with 53.13% and 67.99% increases derived from the positive contribution of IPO in the average adjusted assets and average equity, respectively. A higher increase in pre-tax profit (14.42%) than the increase in average equity (8.54%) together with a 33.76% contraction in average adjusted asset culminated in improving profitability indicators in 2015.

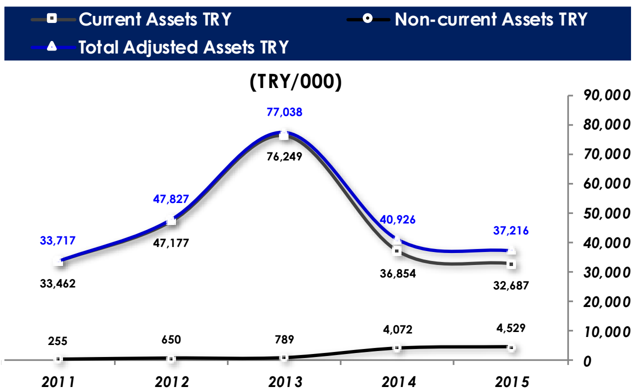


Additionally, the income generation capacities of the Company's annual average equity and adjusted total assets exhibited an improving trend over the last two years, following the deterioration in 2013 due to positive contribution of the IPO on average equity and adjusted assets. A 75.49% increase in commissions together with TRY 1.22mn merchandise sales revenue generated through the consolidated subsidiary, TGS Kumaş Ürünleri Pazarlama, led to an 82.23% increase in the Company's total income in 2015. Moreover, a lower increase of 8.54% in equity average and a 33.76% contraction in adjusted assets average culminated in a noteworthy improvement in the Company's total income generation related ratios.

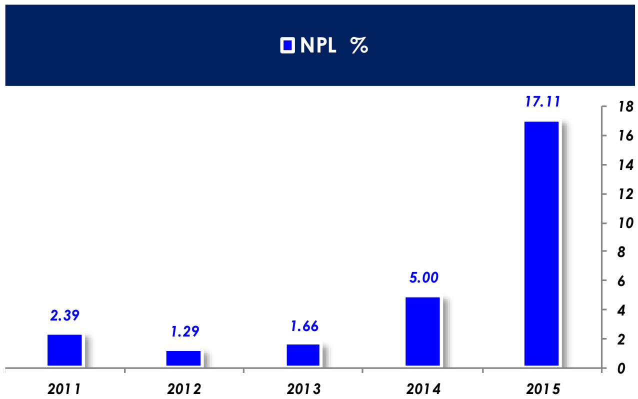


b) Asset Quality

As a natural consequence of its activities, the Company's adjusted assets exhibited an almost fully current assets weighted dispersion over the years. The purchase of a headquarters in 2014 increased the non-current assets' level. The current assets weighted dispersion contributed to asset quality and liquidity management.

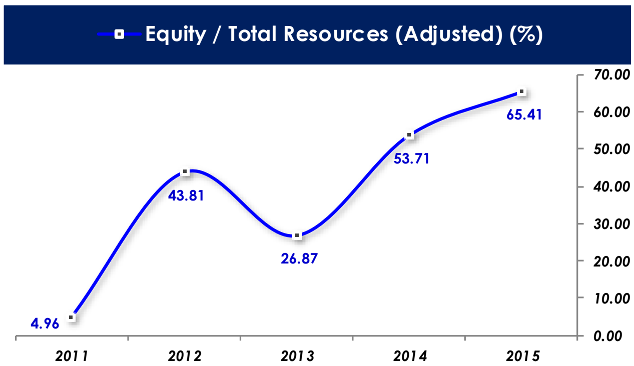


The Company's below reference values NPL ratio displayed an increasing trend over the last two years, suppressing the asset quality. A 148.01% and 255.78% increases in doubtful receivables in 2014 and 2015, respectively, together with a 1.99% decrease in trade receivables culminated in the stated increasing trend in NPL ratio. As of FYE2015, the doubtful receivables amounted to TRY 4.5mn.

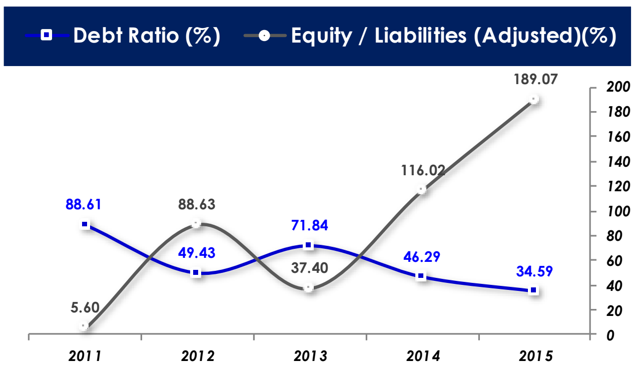


c) Funding & Adequacy of Capital

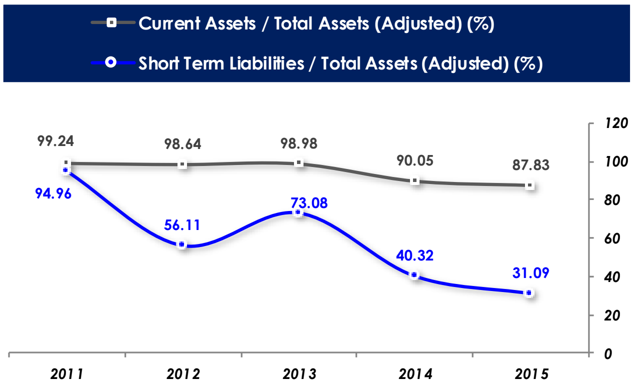
The equity of the Company exhibited a steep increase in 2012 due to the IPO. Although the Company's equity exercised a 16.18% cumulative increase in the following three years, the equity to total adjusted assets ratio exhibited a fluctuating pattern due to the comparatively high increase in 2013 and contractions in 2014 and 2015 in adjusted assets. The stated ratio increased to 65.41% as of FYE2015, representing a robust equity level enabling room for future growths.



Accordingly, The Company's equity level met all external liabilities with the ratio of 189.07% as of FYE2015 and considerably contributes to the risk level. Moreover, the relatively low 2015 year-end debt ratio improved to 34.59% and held the benefits of low leverage at the disposal for future growth.



Additionally, the current assets level of the Company continuously remained above the short-term liabilities level and exhibited an improving trend regarding spread over the years enabling positive net working capital, contributing to risk level and relieving liquidity management.



7. Risk Profiles & Management

As the Company's existing operating structure and core business is to act as an intermediary in exports of manufacturers and suppliers, there is no credit or foreign exchange risk exposure on the Company revenues. The Company signs an 'intermediary exporter' agreement with all its customers and all the payments to manufacturers or suppliers are conditional on realizing the collections from importers and receipt of the tax returns from the tax authorities. Thereby, payment risk is completely eliminated. Additionally, foreign exchange gains and losses are reflected on the customers. In this aspect, the Company has not developed a specific risk identification policy. On the other hand, as the requirement of being a publicly traded company, all the committees including audit and early detection of risk have been properly established.

The Company provides pre-financing and Eximbank credits to its customers against their VAT returns and export receivables. Accordingly, the interest rate risk is also reflected to customers. The problems faced in the collection from importers or out of business activity receivables can lead to bad debts. Although the NPL ratio of the Company increased from 5.11% to 17.11% as of FYE2015 due to doubtful receivables from pre-IPO shareholder, İnci Tekstil Ürünleri San. ve Tic. A.Ş., that enforcement proceedings are initiated, the receivables amounting to TRY 21.78mn constituted 2.42% of the total asset, reducing the adverse effect of NPLs on asset quality. Moreover, the Company implemented a full provisioning policy for its doubtful receivables, balancing the adverse effect of increased NPL ratio. As the VAT returns are collected from the government, they are not subject to collection risk but delays may be experienced in the collection period. Accordingly, the Company could not redeem its debt instrument issuance with TRFTGSD71612 ISIN code and TRY 15mn nominal value at the redemption date of July 22, 2016 due to slowing public services, increased information and documentation request, increased staff turnover rate in public institutions and decreased risk appetite of finance provider companies all stemming from the highly anxious market conditions derived mainly from the state of emergency declared following the following the failed coup attempt.

As of September 2016, cash credit lines worth of approximately TRY 15mn have been extended to the Company by financial institutions. Of this, 10.16% has been drawn upon, with a cash free line amounting to TRY 13.4mn. Accordingly, although the Company's liquidity risk exposure level appears low, timely collection of VAT returns regarding provided pre-financing has a vital importance for the Company's liquidity management and the finance provider companies' risk appetite for the Company can differ due to unrealized redemption of debt instrument and highly volatile market conditions.

Operational risks pose a particular importance for the Company due to the nature of its activity containing certain standards, deadlines and requirements to comply with legal regulations and procedures. Accordingly, the Company established a separate VAT control department and adopted an analysis and follow-up process to determine the compliance of its customers to intra-company and legal criteria. But as stated before, the information, clarification and document request of the tax authorities may differ in the state of emergency period, relatively reducing the benefits of the Company's 'A class certificated person' status shortening the custom procedures.

8. Budget & Debt Issue

The Company projects the export volumes of USD 1.05bn and USD 1.2bn for the year-ends of 2016 and 2017, respectively. The 2016 year-end export volume of USD 1.05bn and net profit figure of TRY 5.59mn are perceived as achievable within the considerations of USD 865k export volume by the end of October 2016 and TRY 2.29 net profit as of 3Q2016, almost approximating to 2015 year-end figure, together with the increasing export transactions trend in the 4th quarter of the year.

The Company mainly funds its operations via equity and loans from financial institutions. The Company issued a TRY 15mn bono in January 22, 2016 within the scope of CMB's TRY 40mn issue limit dated December 28, 2015 to provide pre-financing to its customers against their export or VAT receivables. As stated before, the Company could not redeem its debt instrument issuance at the redemption date of July 22, 2016 due to slowing public services, increased information and documentation request, increased staff turnover rate in public institutions and decreased risk appetite of finance provider companies all stemming from the highly anxious market conditions derived mainly from the state of emergency declared following the failed coup attempt. On the other hand, the Company agreed with the bono investors and obtained CMB approval to pay up the bono principal and interest payments at a later date. As of the report date, the Company realized TRY 4.96mn payment regarding bono debt and have the residual TRY 10.04mn principal and interest payment to be paid on February 13, 2017. Moreover, the stated amount is guaranteed through the Company's TRY 69.5mn accumulated VAT return receivables in the tax office, TRY 18.22mn of which is the guarantee of the Company's pre-financing activities. In conclusion, it was observed that the Company realized improvements rather than deteriorations in the fields of service generation capacity along with profit and cash generation potential from its activities and it is concluded by JCR Eurasia Rating that the Company's existing liquidity squeeze and default position is derived from an unforeseen delay in collection of VAT receivables. Moreover, the Company does not project a bond issuance until the volatility declines and stability occurs in the markets.

Foreign Trade (Export)

TGS Dış Ticaret A.Ş. BALANCE SHEET - ASSET TRY	(Year end) 2015 USD (Converted)	(Year end) 2015 TRY (Original)	(Year end) 2015 TRY (Average)	(Year end) 2014 TRY (Original)	(Year end) 2014 TRY (Average)	(Year end) 2013 TRY (Original)	(Year end) 2013 TRY (Average)	(Year end) 2012 TRY (Original)	As % of 2015 Assets (Original)	As % of 2014 Assets (Original)	As % of 2013 Assets (Original)	2015 Growth Rate	2014 Growth Rate	2013 Growth Rate
I. CURRENT ASSETS	**307,847,532**	**895,097,485**	**702,912,241**	**510,726,997**	**596,561,668**	**682,396,338**	**608,673,962**	**534,951,586**	**99.50**	**99.21**	**99.88**	**75.26**	**-25.16**	**27.56**
A. Liquid Assets	**336,437**	**978,223**	4,784,833	**8,591,442**	**27,041,039**	**45,490,635**	**25,395,747**	**5,300,859**	**0.11**	**1.67**	**6.66**	**-88.61**	**-81.11**	**758.17**
B. Marketable Securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**n.a**
1.Bond	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2.Share Certificates	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Other	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Decrease in Value of Marketable Securities (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C. Trade Receivables & Leasing	**7,472,693**	**21,727,602**	**21,948,512**	**22,169,421**	**25,826,056**	**29,482,691**	**34,157,831**	**38,832,970**	**2.42**	**4.31**	**4.32**	**-1.99**	**-24.81**	**-24.08**
1.Customers & Notes Receivables	564,006	1,639,905	1,562,293	1,484,681	8,515,022	15,545,362	17,826,686	20,108,010	0.18	0.29	2.28	10.46	-90.45	-22.69
2.Advances to Customers	6,908,687	20,087,697	20,386,219	20,684,740	17,311,035	13,937,329	16,331,145	18,724,960	2.23	4.02	2.04	-2.89	48.41	-25.57
3.Doubtful Trade Receivables	1,545,997	4,495,141	2,879,298	1,263,455	886,445	509,434	509,434	509,434	0.50	0.25	0.07	255.78	148.01	0.00
4.Provision for Doubtful Trade Receivables (-)	-1,545,997	-4,495,141	-2,879,298	-1,263,455	-886,445	-509,434	-509,434	-509,434	-0.50	-0.25	-0.07	255.78	148.01	0.00
5.Rediscount on Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Due From Related Parties (net)	**0**	**0**	**487**	**974**	**487**	**0**	**22,960**	**45,919**	**n.a**	**0.00**	**n.a**	**-100.00**	**n.a**	**-100.00**
E. Other Receivables	**17,826**	**51,831**	**939,474**	**1,827,116**	**1,233,490**	**639,864**	**332,670**	**25,476**	**0.01**	**0.35**	**0.09**	**-97.16**	**185.55**	**2,411.63**
1.Other Receivables	17,826	51,831	939,474	1,827,116	1,233,490	639,864	332,670	25,476	0.01	0.35	0.09	-97.16	185.55	2,411.63
2.Other Doubtful Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscounts on Other Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Receivables Belonging to Customers	**261,134,736**	**759,275,357**	**589,841,132**	**420,406,906**	**487,091,314**	**553,775,722**	**499,083,395**	**444,391,068**	**84.40**	**81.66**	**81.06**	**80.60**	**-24.08**	**24.61**
G. Inventories & Customs Procedures Ongoing Export Goods	**20,424,339**	**59,385,808**	**41,681,808**	**23,977,808**	**25,782,630**	**27,587,451**	**18,700,474**	**9,813,496**	**6.60**	**4.66**	**4.04**	**147.67**	**-13.08**	**181.12**
H. Tax Receivables	**16,072,956**	**46,733,726**	**39,877,803**	**33,021,879**	**28,903,206**	**24,784,532**	**29,177,063**	**33,569,593**	**5.19**	**6.41**	**3.63**	**41.52**	**33.24**	**-26.17**
I. Deferred tax Assets	**1,935,312**	**5,627,114**	**3,153,072**	**679,029**	**631,619**	**584,209**	**1,451,322**	**2,318,435**	**0.63**	**0.13**	**0.09**	**728.70**	**16.23**	**-74.80**
J. Other Current Assets	**453,234**	**1,317,824**	**685,123**	**52,422**	**51,828**	**51,234**	**352,502**	**653,770**	**0.15**	**0.01**	**0.01**	**2,413.88**	**2.32**	**-92.16**
1.Other Current Assets	453,234	1,317,824	685,123	52,422	51,828	51,234	352,502	653,770	0.15	0.01	0.01	2,413.88	2.32	-92.16
2.Provision for Other Current Assets (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II. NON-CURRENT ASSETS	**1,557,811**	**4,529,490**	**4,300,859**	**4,072,228**	**2,430,610**	**788,991**	**719,461**	**649,930**	**0.50**	**0.79**	**0.12**	**11.23**	**416.13**	**21.40**
A. Trade Receivables & Leasing	0	0	0	0	0	0	0	0	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
1. Customers & Notes Receivables & Leasing	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2. Other Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4. Provision for Doubtful Trade Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
5. Rediscount on Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B. Due From Related Parties (net)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
C. Other Receivables	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
1. Other Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2.Other Doubtful Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscounts on Other Notes Receivable (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Financial Fixed Assets (net)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
1. Long Term Securities (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2. Affiliates (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Subsidiaries (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Other Financial Fixed Assets (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Tangible Assets	**1,245,616**	**3,621,752**	**3,374,182**	**3,126,612**	**1,620,933**	**115,254**	**135,651**	**156,047**	**0.40**	**0.61**	**0.02**	**15.84**	**2,612.80**	**-26.14**
F. Other Fixed Assets	**312,195**	**907,738**	**926,677**	**945,616**	**809,677**	**673,737**	**583,810**	**493,883**	**0.10**	**0.18**	**0.10**	**-4.01**	**40.35**	**36.42**
TOTAL ASSETS	**309,405,343**	**899,626,975**	**707,213,100**	**514,799,225**	**598,992,277**	**683,185,329**	**609,393,423**	**535,601,516**	**100.00**	**100.00**	**100.00**	**74.75**	**-24.65**	**27.55**

TGS Dış Ticaret A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY	(Year end) 2015 USD (Converted)	(Year end) 2015 TRY (Original)	(Year end) 2015 TRY (Average)	(Year end) 2014 TRY (Original)	(Year end) 2014 TRY (Average)	(Year end) 2013 TRY (Original)	(Year end) 2013 TRY (Average)	(Year end) 2012 TRY (Original)	As % of 2015 Assets (Original)	As % of 2014 Assets (Original)	As % of 2013 Assets (Original)	2015 Growth Rate	2014 Growth Rate	2013 Growth Rate
I. SHORT TERM LIABILITIES	**300,585,635**	**873,982,791**	**682,179,210**	**490,375,629**	**576,410,597**	**662,445,565**	**588,526,782**	**514,607,998**	**97.15**	**95.26**	**96.96**	**78.23**	**-25.97**	**28.73**
A. Financial Liabilities	402,381	1,169,964	5,874,201	10,578,438	28,782,467	46,986,496	31,551,809	16,117,122	0.13	2.05	6.88	-88.94	-77.49	191.53
B. Trade Payables	0	0	309,297	618,593	1,704,752	2,790,910	1,516,884	242,858	n.a	0.12	0.41	-100.00	-77.84	1,049.19
C. Due to Related Parties	1,702,435	4,950,000	2,564,066	178,131	249,652	321,173	218,365	115,556	0.55	0.03	0.05	2,678.85	-44.54	177.94
D. Other Financial Liabilities	0	0	115,544	231,088	115,544	0	0	0	n.a	0.04	n.a	-100.00	n.a	n.a
E. Advances Received	926,318	2,693,362	2,636,057	2,578,751	2,309,449	2,040,146	2,376,789	2,713,432	0.30	0.50	0.30	4.44	26.40	-24.81
F.Trade Payables to The Manufacturer Related to Cost of Goods	296,605,736	862,410,837	668,142,165	473,873,492	540,510,015	607,146,538	549,077,960	491,009,381	95.86	92.05	88.87	81.99	-21.95	23.65
G.VAT Refund Arrears Payable to Producers	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
H. Provisions for Liabilities	144,310	419,595	351,664	283,733	260,271	236,808	472,761	708,714	0.05	0.06	0.03	47.88	19.82	-66.59
I Other Liabilities	804,455	2,339,033	2,186,218	2,033,403	2,478,449	2,923,494	3,312,215	3,700,935	0.26	0.39	0.43	15.03	-30.45	-21.01
II. LONG TERM LIABILITIES	**447,893**	**1,302,293**	**1,872,820**	**2,443,346**	**1,243,148**	**42,949**	**42,203**	**41,457**	**0.14**	**0.47**	**0.01**	**-46.70**	**5,588.95**	**3.60**
A. Financial Liabilities	413,726	1,202,949	1,787,931	2,372,913	1,186,457	0	0	0	0.13	0.46	n.a	-49.30	n.a	n.a
B. Trade Payables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C. Due to Related Parties	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Other Financial Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Advances Received	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
H. Provisions for Liabilities	34,167	99,344	84,889	70,433	56,691	42,949	42,203	41,457	0.01	0.01	0.01	41.05	63.99	3.60
I. Other Liabilities (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
TOTAL LIABLITIES	**301,033,527**	**875,285,084**	**684,052,030**	**492,818,975**	**577,653,745**	**662,488,514**	**588,568,985**	**514,649,455**	**97.29**	**95.73**	**96.97**	**77.61**	**-25.61**	**28.73**
F- EQUITY	**8,371,816**	**24,341,891**	**23,161,071**	**21,980,250**	**21,338,533**	**20,696,815**	**20,824,438**	**20,952,061**	**2.71**	**4.27**	**3.03**	**10.74**	**6.20**	**-1.22**
a) Prior year's equity	7,559,585	21,980,250	21,338,533	20,696,815	20,824,438	20,952,061	12,396,125	3,840,189	2.44	4.02	3.07	6.20	-1.22	445.60
b) Equity (Added from Internal & External Resources in the Current Year)	-3,376	-9,816	-508,289	-1,006,761	-1,066,674	-1,126,586	6,436,708	14,000,001	-0.00	-0.20	-0.16	-99.02	-10.64	-108.05
c) Minority Interest	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
h) Profit & Loss	815,606	2,371,457	2,330,827	2,290,196	1,580,768	871,340	1,991,606	3,111,871	0.26	0.44	0.13	3.55	162.84	-72.00
TOTAL LIABILITY	**309,405,343**	**899,626,975**	**707,213,100**	**514,799,225**	**598,992,277**	**683,185,329**	**609,393,423**	**535,601,516**	**100.00**	**100.00**	**100.00**	**74.75**	**-24.65**	**27.55**
USD Rates 1=TRY		**2.9076**		**2.3189**		**2.1304**		**1.7776**						

TGS Dış Ticaret A.Ş. INCOME STATEMENT TRY	2015	2014	2013
I. Principal Activity Revenues	**11,701,064**	**6,640,009**	**4,514,493**
A. Sales Revenues (Net)	**1,222,914**	**0**	**591,385**
1.Domestic Sales	1,222,914	0	591,385
2.Export Sales	0	0	0
3.Sales Deductions (-)	0	0	0
B. Cost Of Sales (-)	**-1,174,493**	**0**	**-541,911**
C. Service Revenues (net)	**0**	**0**	**0**
D. Other Revenues From Principal Activities	**11,652,643**	**6,640,009**	**4,465,019**
1.Commission	11,652,643	6,640,009	4,465,019
2.Dividend	0	0	0
3.Rent			
4.Other	0	0	0
GROS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	**11,701,064**	**6,640,009**	**4,514,493**
Activities Expenses (-)	-4,488,526	-3,338,712	-2,918,342
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	**7,212,538**	**3,301,297**	**1,596,151**
Income & Profit From Other Activities	260,803	227,321	77,902
Expenses & Losses From Other Activities (-)	-3,758,168	-420,353	-722,231
Financing Income	309,632	511,329	1,379,655
Financing Expenses (-)	-662,878	-681,323	-1,211,825
OPERATING PROFIT & LOSS	**3,361,927**	**2,938,271**	**1,119,652**
Net Monetary Position exc. And Other Profit & Loss (+/-)	0	0	0
PRETAX PROFIT & LOSS	**3,361,927**	**2,938,271**	**1,119,652**
Taxes (-/+)	-990,470	-648,075	-248,312
NET PROFIT FOR THE PERIOD	**2,371,457**	**2,290,196**	**871,340**
Total Income	**13,445,992**	**7,378,659**	**6,513,961**
Total Expense	**-10,084,065**	**-4,440,388**	**-5,394,309**
NET INCOMES OR EXPENSES FOR THE PERIOD	**3,361,927**	**2,938,271**	**1,119,652**

TGS Dış Ticaret A.Ş. FINANCIAL RATIOS %	FYE 2015	FYE 2014	FYE 2013
I. PROFITABILITY			
Relationship Between Capital and Profit			
ROAE - Pre-tax Profit / Equity (avg.)	14.52	13.77	5.38
ROAA - Pre-tax Profit / Total Assets (avg.)	8.60	4.98	1.79
Total Income / Equity	58.05	34.58	31.28
Total Income / Total Adjusted Asset (avg.)	34.41	12.51	10.43
Economic Rentability ((Financing Expenses + Pre-tax Profit)/ (Total Liabilities) (avg.)	10.30	6.14	3.73
ROAA - Net Profit & Loss / Total Assets (av.)	6.07	3.88	1.40
Operating Profit / Total Assets (avg.)	29.95	11.26	7.23
Return on Long Term Sources	9.47	10.14	4.18
Relationship Between Sales and Profit			
Gross Profit Margin of Operating = Ordinary Activities Incomes / Commission Income	99.59	100.00	98.90
Operating Matgin = Operating Incomes / Principal Activity Revenues	61.64	49.72	35.36
Net Profit Margine = Net Profit / Principal Activity Revenues	18.42	34.49	17.23
Cost of Sales / Net sales Income			
Activities Expenses / Principal Activity Revenues	38.36	50.28	64.64
Financing Expenses / Net Sales Income	5.67	10.26	26.84
EBIT = (Gross Profit + Financing Expenses) / Principal Actvity Revenues	34.40	54.51	51.64
Relationship Between Financing Liabilities and Profit			
Interest Coverage Ratio 1 = Pre Tax Profit + Financing Expenses / Financing Expenses	607.17	531.26	192.39
Interest Coverage Ratio 2 = Net Profit + Financing Expenses / Financing Expenses	457.75	436.14	171.90
Structure of Income and expenditure account			
Financing Expenses / Total Liabilities (Adjusted)	1.70	1.16	1.94
Financial Liabilities / Total Assets (Adjusted)	6.38	31.65	60.99
II. LIQUIDITY			
(Liquid Assets + Marketable Securities) / T. Assets (Adjusted)	2.63	20.99	0.78
(Liquid Assets +Marketable Securities) / T. Liabilities (Adjusted)	7.60	45.35	1.08
Net Working Capital / Total Assets (Adjusted)	48.72	41.09	27.19
Liquid Assets / Equity	4.02	39.09	2.90
Current Ratio	102.42	104.15	103.01
Acid Test Ratio	330.52	256.52	135.35
Cash Ratio	2.63	20.99	6.67
Short Term Receivables / Total Current Assets	73.33	72.02	39.51
Short Term Receivables / Total Assets	58.52	58.64	39.10
III. CAPITAL and FUNDING			
Equity / Total Assets (Adjusted)	65.41	53.71	26.87
Equity / Liabilities (Adjusted)	189.07	116.02	37.40
Net Working Capital / Total Liabilities	115.76	80.17	36.51
Equity Generation / Prior Year's Equity	-0.04	-4.86	-5.38
Internal Equity Generation / Prior year's Equity	10.79	11.07	4.16
Tangible Assets / Total Asset (Adjusted)	9.73	7.64	0.15
Financial Fixed Assets / (Equity +Long Term Liabilities)	0.00	0.00	0.00
Minority Interest / Equity	9.74	10.42	4.21
IV. EFFICIENCY			
Net Profit Margine Growth	-46.60	100.15	-33.04
Net Commission Income Growth	75.49	48.71	-47.67
Equity Growth	10.74	6.20	-1.22
Asset Growth (Adjusted)	-9.06	-46.88	61.07
Brokerage Trading Volume Size Ratio	4.14	7.95	11.28
Receivables Turnover	748.97	77.98	25.32
Days' Accounts Receivable	48.94	468.07	1,457.27
Current Assets Turnover	1.66	1.11	0.73
Net Working Capital Turnover	56.20	32.95	22.16
Tangible Assets Turnover	345.35	409.64	3,291.56
Fix Asset Turnover	270.94	273.18	620.61
Equity Turnover	50.31	31.12	21.44
Asset Turnover (Adjusted)	31.31	16.22	5.80
V. ASSET QUALITY			
Impairment of Receivables / Total Receivables	17.11	5.00	1.66
Non-Performing Asset / Total Assets	9.73	7.64	0.15
Financial Fixed Assets / Non-Current Assets	0.00	0.00	0.00
VI. SENSITIVITY OF FOREIGN CURRENCY			
Total Foreign Currencies Position / Assets	3.42	14.76	1.51
Total Foreign Currencies Position / Equity	5.23	27.48	5.61
VII. INDEBTEDNESS			
Debt Ratio	34.59	46.29	71.84
Short Term Liabilities / Total Assets (Adjusted)	31.09	40.32	71.78
Long Term Liabilities / Total Assets	3.50	5.97	0.06
Long Term Liabilities / (Equity + Long Term Liabilities)	5.10	10.03	0.21
Fixed Asset / Liabilities	35.18	21.49	1.43
Fixed Asset / (Long Term Liabilities +Equity)	17.66	16.67	3.80
Short Term Liabilities / Total Liabilities	89.88	87.10	99.92
Short Term Financial Liabilities / Short Term Liabilities	989.09	156.00	117.69
Tangible Assets / Long Term Liabilities	278.11	127.96	268.35
Financial Liabilities / Total Liabilities	18.43	68.36	84.90
Off Balance Liabilities / Total Assets	18.81	17.10	38.43
Off Balance Liabilities / Equity	28.76	31.85	143.03