

PRESS RELEASE

Istanbul – July 22, 2014

JCR Eurasia Rating

has assigned the credit ratings of **Altınyağ Kombinaları A.Ş. and Its Consolidated Subsidiaries** as **'BBB- (Trk) / Positive'** on the Long Term National Scale and upgraded the Long Term International Foreign and Local Currency Ratings to the investment grade level of **'BBB-/Stable'**.

JCR Eurasia Rating has evaluated "Altınyağ Kombinaları A.Ş." in an investment grade category on a national and international level, affirmed the Long Term National Ratings of **'BBB- (Trk)'** and assigned the outlook associated with the mentioned ratings as **'Positive'**. On the other hand, the Long Term International Foreign and Local Currency ratings have been upgraded to **'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-3 (Trk) / (Stable Outlook)
Sponsor Support	: 3
Stand Alone	: BC

With an operational track record spanning over 50 years, Altınyağ maintains operations in the vegetable oil production sector along with its subsidiaries of "Gürtaş Tarım Enerji Yatırımları Sanayi ve Ticaret A.Ş." and "Altınyağ Biodizel Petrol Ürünleri Enerji Üretim A.Ş." active in the fields of animal feed and renewable energy production, respectively. The largely publicly listed Company is focused on the manufacturing of raw oil offering a lesser degree of competition and greater levels of profitability and has begun works concerning animal oil production in line with efforts to diversify its fields of activity via partnerships established throughout the sector.

The intensity of competition in the vegetable oil sector containing over 100 companies, the oligopolistic market structure, the high level of dependence on imports for raw material requirements, the high level of operational and production expenses and the maintenance of political and economic instability in the Middle East representing the sector's largest export market continued to exert downward pressure on players throughout the sector. Despite the aforementioned issues, Altınyağ maintained its growth trend in the completed fiscal year in accordance with company policies aiming to raise operational productivity and made significant progress in the management of operational expenses, successfully turning its profitability and net working capital into positive levels. Despite the difficulties experienced in the global supply of raw materials, the engagement of plans concerning increases in the current production capacity in order to meet established and rising market demand, the improving level of equity and high levels of expected future cash-flows, the rising trend in domestic demand, the high level of collaboration and integration established with the sector's leading players together with the progress recorded in the corporate governance field lending greater support to the Company's public perception have been the major factors forming the basis of the upgrade in the Company's International Ratings from **(BB+)** to **(BBB-)**, leading to a positive outlook for the future period.

It is considered that the major controlling shareholders of the Company, the **Çevik Family**, have the willingness and experience to ensure the supply of long term liquidity and equity within their financial capability when required and to provide efficient operational support to Altınyağ Kombinaları A.Ş.. However, taking into consideration the absence of institutions responsible for the central regulation and supervision of activity in the vegetable oil sector along with the prevention of potential systemic risks that could be formed, the Company's Sponsor Support grade has been determined as **(3)**, denoting an adequate level.

On the other hand, taking into account the Company's current level of equity, rising profitability ratios, the operational effectiveness and growth-centered strategies formed in line with re-structuring plans, progress in the field of compliance with Corporate Governance practices and the synergies created with other Group companies, it is anticipated that the Company has reached the sufficient level of experience and infrastructure to manage its obligations regardless of any assistance that may be provided by the shareholders, given that it maintains its established market share supported via its brand reputation and the current macro-economic conditions are maintained. Within this context, the Stand Alone grade of Altınyağ Kombinaları A.Ş. has been affirmed as **(BC)**, based on JCR Eurasia Rating's 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 analysts Mr. **Sevket GULEC** and Mr. **Dinçer SEMERCİLER**.

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