

PRESS RELEASE

Istanbul – December 29, 2015

JCR Eurasia Rating
has evaluated "**Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş. (and its subsidiaries) and the Cash Flows from Planned Bond Issues**"
in an investment grade category and assigned ratings of '**BBB /Stable**' on the Long Term National Scale along with ratings of '**BBB-/Stable**' on the International Foreign and Local Currency Scale.

JCR Eurasia Rating evaluated "**Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş. (and its subsidiaries) and the Cash Flows from Planned Bond Issues**" in an investment level category on a national and international level and assigned ratings of '**BBB (Trk)/Stable**' on the Long Term National Scale. JCR Eurasia Rating has assigned the Long Term International Foreign and Local Currency Ratings as '**BBB-**' representing the country ceiling level. 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) / (Stable 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) / (Positive Outlook)
Sponsor Support	:	2
Stand Alone	:	B

Teknik Yapı, with foundations laid out by Mr. Nazmi DURBAKAYIM in 1980, produces real estate projects occupying an aggregate construction space in excess of ten million square meters in the intensely competitive Turkish construction sector primarily through the models of "flat for land", "revenue sharing" and "urban transformation". It offers lucrative returns for its investors through appreciating concept projects that incorporate innovative design, quality materials and modern construction techniques whilst having achieved a competitive advantage through its brand reputation, customer satisfaction and successful sales policies. Minimizing seasonal sales risk by engaging in real estate projects in different locations and segments, the Company creates regional added value by the construction of mass housing projects in the regions of Istanbul that carry development potential and preserves its status as a leader in the concentrated areas of activity. Although the production and sale of residential housing constitutes the Group's core operating activity, the Company ensures a stable cash flow through the subsidiaries contained within its structure in the diversified fields of external paint product and system manufacturing and sales, site management and security services and management of sports complexes and restaurants The Company maintains the production, sales and marketing activities in the field of construction and services through its experienced workforce in Istanbul and continues its contribution to employment via rising personnel numbers.

The major factors underlying the assignment of **Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş.'s** Long Term National Rating as '**BBB (Trk)**' include the support lent towards financing costs through the contribution of the financing of a large portion of construction activity via customer advances to liquidity position and management, diversification in the funding base through the planned bond issues, absence of foreign currency risk due to lack of foreign currency debt despite the fluctuations in exchange rates, the retention of internal resources generated via high net profit margin projects within the Group and the funding of its growth via the mentioned auto-financing model, the maintenance of the support for its asset quality through a low non-performing receivables level via rising level of trade receivables, future increases in market share and brand value via the maintenance of strong sales effectiveness especially through ongoing projects in Fikirtepe and Denizli along with other planned projects, increased capabilities by the Company relating to the realization of plans, and the formation of cash flows to meet principal capital and interest payments. In addition, Group assets, primarily composed of inventory and investment property, the market value of which is highly related to economic conjuncture, increases the correlation of the asset quality regarding the mentioned elements with the future economic environment. However, inventory, which occupies a significant share among the Company's balance sheet, has the capability to be easily converted into cash, relieving possible liquidity needs. The outlook associated with the determined ratings has been assigned as '**Stable**', taking into account the volatile conjuncture in the construction sector which remains susceptible to macroeconomic developments along with political and economic uncertainty in the domestic markets, the downward pressure exerted on investor preferences and risk appetite due to the realized rate rise by the Federal Reserve and the high intensity competition in the construction sector.

The Durbakayım Family, which retains control in the shareholder structure, is assumed to possess the financial strength and willingness to provide liquidity and effective operational support for "**Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş.**" should such a need arise, subject to their financial strength. In this regard, the Sponsor Support grade has been assigned as **(2)** on JCR Eurasia Rating's notation scale, denoting an adequate level.

On the other hand, regardless of the support from its shareholders, taking into account the profitability ratios supported by rising sales volume, the upward trend in the level of equity, growth rates, competitive advantage through quality materials and intra-group synergies, presence of an experienced management team, advantages generated with respect to financing expenses and fund diversification through high level of customer advances, attained level of market recognition, increase in revenues and cash inflows through ongoing projects, inventory that could be converted into cash and current risks in the markets and operating environment, the Company is assumed to have reached a level of experience to manage the incurred risks on its balance sheet provided that the current customer base and effectiveness in the market is preserved along with the maintenance of current macro-economic conditions. In this context, the Stand Alone grade has been assigned as **(B)** 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 Mrs. **Merve HAYAT**.

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Administrative Board