

Corporate Credit Rating
Construction

		Long-Term	Short-Term
National International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	BBB(Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
		LC	Stable

Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş.			
Financial Data	June,2015**	2014*	2013*
Total Assets (000 USD)	478.591	566.532	493.063
Total Assets (000 TRY)	1.285.640	1.313.730	1.050.421
Equity (000 TRY)	181.376	152.562	81.853
Net Profit (000 TRY)	23.865	62.534	38.432
Sales (000 TRY)	462.576	474.778	165.278
Net Profit Margin (%)	5,16	13,17	23,25
ROAA (%)	n.a	7,06	n.a
ROAE (%)	n.a	71,21	n.a
Equity / Total Assets (%)	14,11	11,61	7,79
Net Working Capital / T. Assets (%)	8,35	4,63	-0,66
Debt Ratio (%)	85,89	88,39	92,21
Asset Growth Rate (%)	n.a	25,07	n.a

*Assigned by Japan Credit Rating Agency, JCR on August 28,2015

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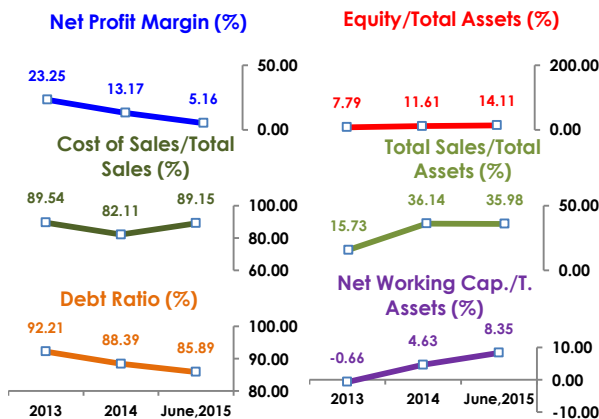
*End of year **Half of Year

Overview

Teknik Yapı Teknik Yapılar Sanayi ve Ticaret A.Ş. (hereinafter referred to as 'Teknik Yapı' or 'the Company' or 'the Group'), with roots dating back to 1980, operates in the field of production and sale of residential and commercial construction, siding products and systems and the management services of housing complexes, security services, yachts, sports complexes and restaurants.

To date, the Company has completed over ten mn square meters of construction, including residential projects ranging from housing to commercial buildings, facilities, holiday villages and villas. The Company has been operating under commitments, force account and flat received for landownership and has achieved a noticeably different position in the sector thanks to applying innovative designs, leading-edge technology and high speed in its projects, enhancing its brand awareness as a symbol of confidence and quality especially in the Asian side of Turkey.

Company shares are held by the Durbakayım Family. The headquarters of the Company is located in Istanbul with a total labor force of 1.169 as of 1H2015 (FYE2014:1.034).


Strengths

- Expected cash flow generation through housing unit sales with high investment values
- High profitability performance as reflected by the strong ROAE and ROAA and steady increase in equity level over the reporting period contributing to net working capital and internal equity generation capacity
- Group synergy created by sector diversity providing advantage against fierce competition
- Negligible level of overdue loans compared to the volume of trade receivables of the Company, increasing asset quality
- Strengthened equity base due to high accumulated earnings and the policy for the retention of profits
- Experienced ownership structure and qualified senior management team
- High level of received advances contributing to the funding base and liquidity level as not requiring cash outflow despite reported in the liability side
- Efforts to diversify funding channels through projected bond issuances enabling long term funding

Constraints

- Despite remaining manageable, noticeable increase in financial expenses due to interest payments for bank loans and financial leasing operations
- Need for improvement in compliance with Corporate governance best practices and lack of committees
- Fierce rivalry in the real estate sector leading to stiff price competition
- Persistent political and economic stresses along with regional tensions and creating uncertainties and exerting downward pressure on the risk appetite of investors and the Fed's interest rate increasing policy's probable negative effect on housing units sales

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