

"Global Knowledge Supported by Local Experience"

Corporate Credit Rating

			Long- Term	Short- Term	
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			В	-	
Sovereign*	Foreign Currency		BBB-	-	
	Local Currency		BBB-	-	
	Outlook	FC	Stable	Stable	
		LC	Stable	Stable	

*Assigned by Japan Credit Rating Agency, JCR on August 28,2015 Analysts: Merve HAYAT/+90 212 352 56 74 merve.bolukcu@jcrer.com.tr



Equity/Total Assets (%) 200.00



Strengths

- Expected cash flow generation through housing unit sales with high Despite remaining manageable, noticeable increase in financial 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

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 7.06 n.a n.a 71,21 n.a n.a

14.11

8,35

85,89

n.a

11.61

4.63

88,39

25,07

TURKEY

7.79

-0.66

92,21

n.a

Construction

*End of year **Half of Year

Equity / Total Assets (%)

Asset Growth Rate (%)

Net Working Capital / T. Assets (%)

ROAA (%)

ROAE (%)

Debt Ratio (%)

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).

Constraints

- 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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