

PRESS RELEASE Istanbul – July 26, 2017

JCR Eurasia Rating

affirmed its evaluation of **Rönesans Holding A.Ş.’s** consolidated structure and the **“Cash Flows of the Bond Issuances”** within the scope of periodic review and maintained its high investment grade credit rating of **“AA- (Trk)”** on the Long Term National Scale with a **“Stable”** outlook. Long Term International Foreign and Local Currency ratings are affirmed as **“BBB-”** with **“Stable”** outlooks.

JCR Eurasia Rating maintains its evaluation of **Rönesans Holding A.Ş.’s** consolidated structure and the **“Cash Flows of the Bond Issuances”** within the scope of periodic review and affirmed its high investment grade credit rating of **“AA- (Trk)”** on the Long Term National Scale with a **“Stable”** outlook. Long Term International Foreign and Local Currency ratings are affirmed as **“BBB-”** with **“Stable”** outlooks. The credit ratings and their details are given in the table below:

Long Term International Foreign Currency	: BBB- / (Stable outlook)
Long Term International Local Currency	: BBB- / (Stable outlook)
Long Term International Issue Rating	: BBB-
Long Term National Local Rating	: AA- (Trk) / (Stable outlook)
Long Term National Issue Rating	: AA- (Trk)
Short Term International Foreign Currency	: A-3 / (Stable outlook)
Short Term International Local Currency	: A-3 / (Stable outlook)
Short Term National Local Rating	: A-1+ (Trk) / (Stable outlook)
Short Term National Issue Rating	: A-1+ (Trk)
Sponsor Support	: 2
Stand Alone	: AB

As a Group with activities and investments in construction-contracting, real estate development and energy sectors, Renaissance Holding currently has presence in 23 countries and a wide area including CIS region, Turkey and Europe. Rönesans, which had a rapid growth performance during its nearly quarter-century past, has strengthened its efficiency and know-how owing to the strategic acquisitions of European-based long-established companies, particularly in the areas of infrastructure investments. Partnerships with global-scale engineering and contracting companies and international investors provide Rönesans with a widespread business network. The real estate development division of the Group has the largest Public Private Sector cooperation portfolio of Turkey comprised of health projects, along with commercial properties, which are completed in synergy with the construction unit. Thanks to the distinguished nature of its corporate culture and financial position, the Group has signed a shareholding agreement with IFC, leading international development and investment organization in 2016. IFC, which owns 5.25% of the group, contributes to Rönesans's global competitive power.

Rönesans, historically generating a significant part of the revenues in the construction sector and location-wise in the CIS region, the geography in which it is established, managed diversify the business segment and geographic concentration thanks to Europe-based strategic acquisitions and the healthcare investments realized by the Public-Private Sector Cooperation model in Turkey. In this context, the Group completed the first city hospital PPP project in Yozgat in 2017. The potential risk factors that accompany the high margins of emerging markets are expected to be balanced with the European market. On the other hand, due to the loss-making position of the Netherlands-based Ballast Nedam (BN) and full financial consolidation of the unit with Holding financial results as of 2016, there has been a decline in profitability ratios despite of an increase in the Group's revenues. Additionally, the net income was lower due to one-off expenses related to the process of restructuring of BN and other provisions. However, these costs are projected to normalize in the following period having realized a sizable reorganization in 2016, and it is predicted that the profitability of the Holding will reach the trend of increasing profitability in the light of the internal risk management and cost control team's contribution to BN. Rönesans Holding maintains its strict financial management approach and maintains strong access to funding sources including long-term, project financing facilities, particularly in global funds and creditors.

The position of Rönesans Holding as a global contracting and real estate development company and its organic and inorganic growth trend is supported by international partnerships with Meridiam and Sojitz in the field of healthcare PPP projects and with GIC in real estate development. Emphasizing the importance of workplace health and safety and operational risk management, improvements in corporate governance structure and in the area of risk management, thanks to the capital investment realized by IFC are among important factors. The Group's international business network, characterized by its success in the areas of tendering, cost management and hit rate, strategic acquisitions and synergies created, diversified revenue sources encompassing multiple business lines and geographies, effective and conservative financial management, sustainable cash flows, ability to raise long-term financing from global markets are the main pillars of the long-term National Rating affirmed as **“AA- (Trk) / Stable”**. On the other hand, taking into account the development of Europe-based investments, the Group's international foreign and local currency ratings at the long-term might exceed the country ceiling, which is currently affirmed as **“BBB-”**. The development of revenue streams of Rönesans Holding, the actualization of financial performance expected from acquisitions, particularly Ballast Nedam, and developments regarding operational cash flows and profitability figures will continue to be monitored.

Ilicak Family is the principal and ultimate owners of the Group and they are considered to have the willingness and the financial capacity to provide liquidity to the Group in case of need, accounting for size of the Group's ongoing and projected investments, its geographically extended business activity and enhanced employment generation capacity along with contracting services with value added projects. In this sense, the Company's Sponsor Support Grade is determined as **(2)** within the JCR Eurasia Rating scale, indicating an adequate level. The Holding's Stand- Alone Grade, which demonstrates the ability to meet its commitments and obligations through solely internally generated revenues without resorting to its shareholders for external support is determined as **(AB)** within JCR Eurasia Rating Scale, corresponding to a high service level.

For more information related with the rating results you may visit our internet site <http://www.icrer.com.tr> or contact our analyst **Mr. Özgür Fuad Engin**.

JCR EURASIA RATING
Administrative Board