

PRESS RELEASE

Istanbul – September 26, 2017

JCR Eurasia Rating,
has evaluated "Ata GYO A.Ş." and "Cash Flows of Bond Issues" and affirmed the ratings as **BBB (Trk)/Stable** on the Long Term National Local Scale and **BBB-/Stable** on the Long Term International Foreign and Local Currencies.

JCR Eurasia Rating has evaluated 'Ata GYO A.Ş.' in an investment-level category on the national and international scales and affirmed the ratings on the Long Term National Scale as '**BBB (Trk)**' and affirmed the Short Term National Scale as '**A-3 (Trk)**'. Additionally, JCR Eurasia Rating has affirmed the Long Term International Foreign and Local Currency Ratings as '**BBB-**'. Outlooks for aforementioned ratings are determined as '**Stable**'. Other ratings and details of the ratings are provided 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)
Long Term National Issue Rating	:	BBB (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-3 (Trk) / (Stable Outlook)
Short Term National Issue Rating	:	A-3 (Trk)
Sponsor Support	:	2
Stand Alone	:	B

Ata Gayrimenkul Yatırım Ortaklığı A.Ş. (Ata GYO), a publicly investment trust company, was established as Ata Yatırım Ortaklığı A.Ş. in 1997 and obtained its current title and statute in 2012 upon conversion to an incorporated company. As a compulsory legal requirement relating to real estate investment trusts determined by the Capital Markets Boards of Turkey, Ata GYO is a publicly listed company and the shares are traded in Borsa Istanbul with the ticker of ATAGY. Ata GYO is a group company of Ata Holding, whose roots are back to the company named 'Seri Insaat', contractor of 'Ataturk Barajı Project' and founded over 45 years ago. Today, Ata Holding operates in several sectors like finance, food, textile, construction. Ata GYO focuses on street retail investments and projects a high yield portfolio of geographically diversified commercial real estate properties providing rental income and increased value.

Ata GYO's business cycle is mostly based on earning rental revenue from its property portfolio. Majority of current tenants are fast-food restaurants under the brand of Burger King, Popeyes, and Sbarro operated by 'Tab Gıda', which is a group company of Ata Holding. It promises a sustainable cash flow to Ata GYO that the tenants are the companies of Ata Holding and the rental contracts are signed in long-term scale. The properties that the Company have are not concentrated in a specific region or Istanbul city. Instead, the Company has real estates in cities located in Anatolia like Ordu, Giresun, Kayseri, Adana, and Kocaeli. The strategy of geographical diversification mitigates the local risks may the Company face with and it gives an advantage to the Company to fast mover of a new market.

The Company, that closed the year of 2016 with positive net profit just like in 2015, distinguishes itself with strong paid-in capital, low debt ratio, active participation in private sector bond market, geographical diversification of its portfolio, and steady revenue structure. As a company listed in Borsa Istanbul (BIST), Ata GYO exhibits maximum effort in being compliant with Corporate Governance Principles. The Company operates with an efficient business model thanks to the operational support from Ata Holding which harbours the Company as the group. On the other hand, deterioration in Net Working Capital and liquidity ratios, slowdown in cash flow velocity in 2016, shortened funding maturity due to the issued bond classified under short term liabilities and a potential contraction in retail business market that might directly decline demand for the Company's operations are deemed as negative indicators. All in all, considering the risk mitigating factors of asset quality, low debt ratio, stable cash generation capacity, and geographically diversified portfolio; the Company's outlooks in the short and long term perspective have been determined as '**Stable**' and the Long Term National Grade affirmed as '**BBB (Trk)**'. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and was subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization, as such the notations outlined in the corporate credit rating report also reflect the issue rating.

The macroeconomic indicators at national and international markets, as well as changes in financing costs, profitability performance and equity level are to be primarily monitored by **JCR Eurasia Rating**. Effects of the failed coup attempt in 2016, restructuring of the state organs and the prolonged State of Emergency applications as well as the result constitutional changes on the Holding will continue to be monitored.

It is inferred that Ata GYO is in tight relationship with the Group, Ata Holding, based on the fact that the service suppliers and tenants of the Company are subsidiaries of Ata Holding. It is considered that the Group, successfully operates in several sectors over 45 years, and the other real person investors have the adequate willingness and experience to ensure long-term liquidity and equity within their financial capability when required and to provide efficient operational support to Ata GYO. In this regard, the Company's Sponsor Support Grade has been determined as **(2)** in **JCR Eurasia Rating's** notation.

Taking into account the Company's current equity level, ongoing operations, liquidity availability, and internal equity generation capacity, we, as JCR Eurasia Rating, are of the opinion that the Company has reached the level of adequate experience to manage the incurred risks on its balance sheet regardless of any assistance from the shareholders, if it preserves its current customer level, efficiency, and existing macroeconomic level in the market. Within this context, the Stand Alone grade of the Company has been determined as **(B)** in the **JCR Eurasia Rating** notation system.

For detailed information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst Mr. **Utku KARAGÜLLE**.

JCR EURASIA RATING
Administrative Board