

Corporate Credit Rating

Non- Financial Sector

[(Textile, Tractor Sectors)]

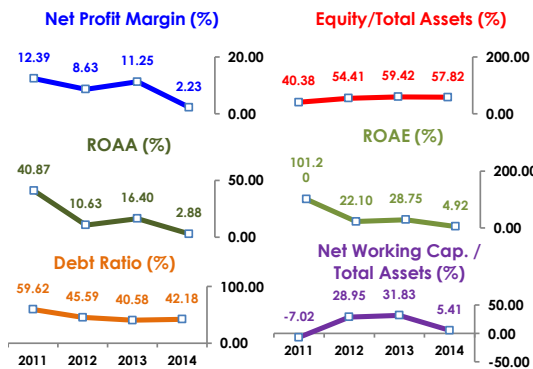
EREĞLİ TEKSTİL		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		BC	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-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

EREĞLİ TEKSTİL TURİZM SAN. VE TİC. A.Ş. VE BAĞLI ORTAKLIKLARI				
Financial Data	2014*	2013*	2012*	2011*
Total Assets (000 USD)	187,488	197,342	216,768	166,560
Total Assets (000 TRY)	434,765	420,418	385,327	314,614
Equity (000 TRY)	251,362	249,824	209,640	127,041
Net Profit (000 TRY)	9,713	51,270	28,234	52,843
Sales (000 TRY)	436,355	455,860	327,151	426,547
Net Profit Margin (%)	2.23	11.25	8.63	12.39
ROAA (%)	2.88	16.40	10.63	40.87
ROAE (%)	4.92	28.75	22.10	101.20
Equity / Total Assets (%)	57.82	59.42	54.41	40.38
Net Working Capital / T. Assets (%)	5.41	31.83	28.95	-7.02
Debt Ratio (%)	42.18	40.58	45.59	59.62
Asset Growth Rate (%)	3.41	9.11	22.48	n.a

*End of year

* Assigned by Japan Credit Rating Agency, JCR on July 11, 2014

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Strengths

Constraints

- Negligible non-performing loans despite high level of trade receivables
- Continuity of sales revenue of Group companies providing consistency in cash flows
- The main subsidiary's weighted share in the Group's consolidated structure in terms of the asset, sales and generated profit
- Increasing reputation of Tümosan Motor through large nationwide number of dealers and sales points
- Long operational track record history of main shareholder through diversified business activities
- Softened the Company's risk level through the opportunities and risks created by intra-group synergy
- Negligible level of foreign exchange contributing to risk levels compared to asset size
- The continuation of bond issuance in the diversification of external fund resources and planned to be maintained in the on-going financial year

- A slight downturn in capitalization level due to external financing of funding needs and descending asset growth rate
- Underperforming main profitability ratios derived from increased financial expenses and commissions given to distributors in tractor field detrimentally exerting pressure on profitability and noticeably decreasing net profit
- Changing composition of debt structure with short term borrowing profile derived from reclassifying long term bond issuances into short term and dominated bank loans in funding structure
- Need for improvement in the level of compliance with Corporate Governance Practices, risk management and auditing strategies
- Considerably decreased level of NWC distressing the Company's short term financial health and efficiency
- Significant level of off-balance sheet contingencies and commitments may trigger Company financial structure and asset quality
- High level on a client basis and business risk concentration due to heavy focus on a single textile customer
- Possible distribution of accumulated retained earnings may pressure resource reduction in consequence of the non-inclusion of an important portion of the capital resources
- Pressure in sales revenue and also in profitability of textile and tractors activities due to seasonal fluctuations and pricing strategies
- Persistent political and economic stresses along with regional tensions hosting uncertainties and exerting pressure on business prospects

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