

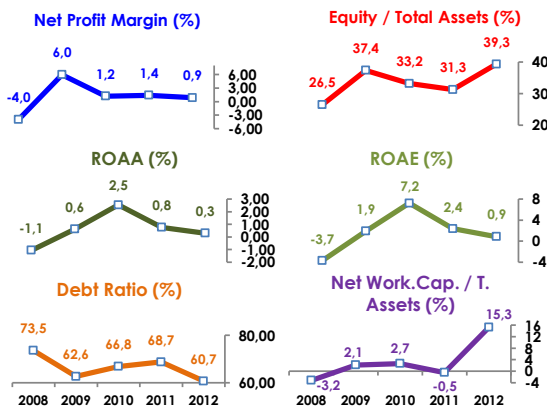
**Corporate Credit Rating**

**Ceramics Industry**

UŞAK SERAMİK		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		3	-
Stand Alone		BC	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	FC	Stable
LC		Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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**Strengths**

- Continuation of significant asset growth rates to sustain market share and ranking
- Strong parental support to underpin the robust growth trend
- Notable increase in net working capital level
- Relatively efficient capacity utilization rates
- Accession facilities for raw material resources
- Sustained improvement in the term structure of liabilities
- Participation in quality improvement programs regarding production and operational processes
- Thanks to its publicly traded company status, improvements regarding compliance level with the corporate governance principles set by Capital Markets Board of Turkey

**Constraints**

- Particularly due to high level of capital expenditures during the previous years, low level of internal equity generation capacity through inadequacy of net profitability indicators – turning into negative values as at the end of 3<sup>rd</sup> quarter, 2013
- Still deteriorating coverage ability of the financial expenses
- Need for improvement in some of the liquidity measurements
- Vertically integrated structure of the sector posing an obstacle on enjoying the advantages of business clusters
- Escalating pressure in the markets through persistency risk of the social unrest and political turmoil in the region
- Reversal of flow of funds from emerging markets given the concerns over exit policy regarding US quantitative easing

UŞAK SERAMİK SANAYİ A.Ş.							
Financial Data	3Q2013	2012*	2011*	2010*	2009*	2008*	2007*
Total Assets (000 USD)	136,496	136,347	110,712	84,917	71,991	53,238	65,080
Total Assets (000 TRY)	277,974	249,370	209,125	131,281	108,397	80,512	75,798
Equity (000 TRY)	93,209	95,316	65,428	43,589	40,516	21,306	23,173
Net Sales (000 TRY)	19,114	115,743	92,247	78,782	73,485	71,398	62,113
Net Profit (000 TRY)	-1,957	998	1,295	956	4,386	-2,826	1,339
Net Profit Margin (%)	-10.24	0.86	1.40	1.21	5.97	-3.96	2.16
ROAA (%)	n.a	0.31	0.76	2.53	0.62	-1.05	2.70
ROAE (%)	n.a	0.86	2.37	7.22	1.90	-3.71	9.26
Equity/Assets (%)	33.53	39.33	31.29	33.20	37.38	26.46	30.57
Net Working Capital/T. Assets (%)	12.07	15.26	-0.70	5.14	3.42	-4.37	-1.75
Debt Ratio (%)	66.47	60.67	68.71	66.80	62.62	73.54	69.43
Asset Growth Rate (%)	11.47	19.24	59.29	21.11	34.63	6.22	n.a

\*End of year

**Overview**

Uşak Seramik Sanayi A.Ş. (to be referred hereinafter as **Uşak Seramik**, **Uşak** or **Company**), with its roots dating back to 1972, started its operations in the ceramics industry regarding current range of products, wall and floor tiles, in 1991 and obtained its current title in 1986.

The major qualifying shareholder of Uşak Seramik is **Durmuş TANIŞ** from the **Taniş Family**. Tanser Seramik Sanayi ve Ticaret A.Ş., controlled by the Taniş Family, currently owns a total of 19.42% of the Company's shares which began to be publicly traded on the BIST (Borsa İstanbul) in 1990.

The Company maintains its production activities in Uşak, Turkey in a total area of 216,947 Sq. m. within a yearly capacity of 10.5 million Sq. m. and had a staff force of 423 as of September, 2013 (December, 2012: 377). In addition to retail stores owned by Tanişlar Group, the Company performs its sales operations on project basis and also through the dealers established by the Group companies across the seven regions in Turkey.