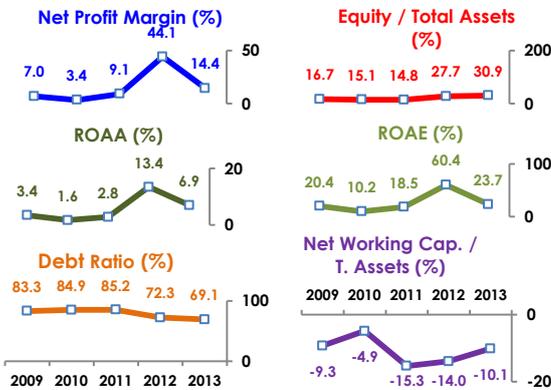


Corporate Credit Rating
 (Update)

Construction

Ağaoğlu Architect of Life		Long-Term	Short-Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	A- (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		AB	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-
		Stable	-

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

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Strengths

- Remarkable sales growth in 2013, fueled by new luxury projects
- Consistent asset and equity increase over the reviewed period
- Steadily decreasing financial liabilities
- Although technically displayed in short term liabilities, high share of advances received helps to manage liquidity levels
- Prestigious and reputable brand value, built over 30 years
- Increasing sales to foreign investors, predominantly from Gulf countries
- Profitable and efficient pricing policies
- Sound contribution in the field of social responsibility to education through building schools, donations, and scholarships
- Visionary management team

Constraints

- Short foreign currency position pressurizing profitability, despite improvement
- Sizable off-balance sheet commitments pose risks
- Serious room for improvement with regard to Corporate Governance Principles
- Legal disputes over violation of development and zoning plans of certain projects
- Lack of elaborate risk management framework and committees
- Political uncertainties and tensions in the bordering countries along with volatile currency rates incurring potential limits on growth
- The Board decision to distribute all of 2013 year's profits limits internally generated resources' contribution to equity

AKDENİZ İNŞAAT VE EĞİTİM HİZMETLERİ A.Ş. & ITS SUBSIDIARIES					
Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	1,459,902	1,710,314	1,200,332	1,089,919	1,001,183
Total Assets (000 TRY)	3,110,175	3,040,255	2,267,306	1,675,860	1,489,059
Equity (000 TRY)	960,216	843,567	334,968	252,437	248,621
Net Profit (000 TRY)	166,002	284,046	37,486	14,411	22,425
Net Profit Margin (%)	14.37	44.12	9.13	3.43	6.99
ROAA (%)	6.94	13.41	2.75	1.62	3.40
ROAE (%)	23.68	60.41	18.47	10.24	20.38
Equity / Total Assets (%)	30.87	27.75	14.77	15.06	16.70
Net Working Capital / T. Assets (%)	-10.13	-13.96	-15.34	-4.92	-9.28
Debt Ratio (%)	69.13	72.25	85.23	84.94	83.30
Asset Growth Rate (%)	2.30	34.09	35.29	12.54	n.a

 *End of year
Overview

Established in 1981, Akdeniz İnşaat ve Eğitim Hizmetleri A.Ş. (hereinafter referred to as "Ağaoğlu", "the Group" or "the Company") has been operating in the construction sector for over 30 years. The Group constructs residential projects ranging from housing to villas, along with commercial units and luxury residences under the widely-known "Ağaoğlu" brand. Additionally, the Group has investments in renewable energy production and tourism sectors.

The Company has completed numerous housing, office and commercial unit projects in desirable areas of Istanbul and is undertaking even more challenging and luxurious projects which have drawn international attention. The Company carries out construction of multiple major projects simultaneously.

The Group obtained production licenses for several wind, geothermal and hydroelectricity power plants and aims to achieve an installed capacity of 1,000MW before the end of 2015. The Group's interest and investments in renewable energy production are expected to yield positive returns in the future.

Through its affiliates and subsidiaries, the Group employed more than 2,200 people as of 2013 year-end.

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"Global Knowledge supported by Local Experience"