

Corporate Credit Rating

Textile

[Formal & Smart Casual, Denim, Sports, Shirting]

Bossa		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
National	Local Rating	A-(Trk)	A-1(Trk)
	Outlook	Positive	Positive
Sponsor Support		3	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
		LC	Stable

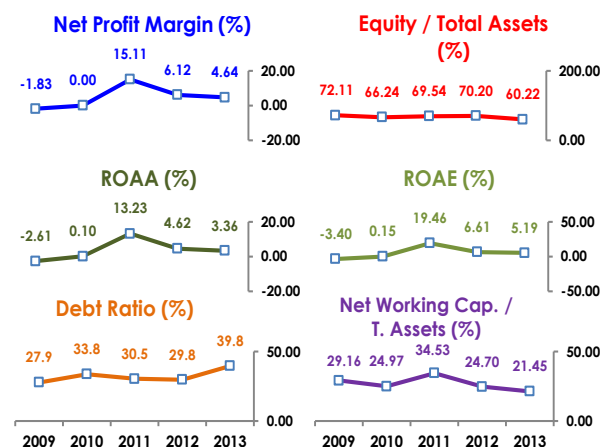
*Affirmed by Japan Credit Rating Agency, JCR on July 11, 2014

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Strengths

- Continually upward domestic and export sales figures thanks to enhanced demand and international brand identity through its over 60 year background in the textile sector,
- Asset growth rates for the last three years positively contributing market share growth,
- Steady profitability supports internal equity generation,
- Large market share thanks to its high technologic, modern, leading fashion and integrated production facilities, strong network, experienced labour,
- Negligible level of overdue loans comparing the volume of trade of the Company indicating high level of risk management processes,
- Positively affected asset quality derived from credit risk analyses through limits for each customer and balanced customer concentration diminishing credit risk,
- Being among few textile companies listed on the BIST, contributing to corporate governance principles compliance level,

*End of year **Half of year

Company Overview

Bossa Ticaret ve Sanayi İşletmeleri T.A.Ş. (hereafter referred to as "**Bossa**" or "**the Company**"), established in 1951 in Adana, operates as one of the major manufacturers and marketers in the textile sector. Following the transfer of the majority of shares from "Hacı Ömer Sabancı Holding A.Ş." to Akkardan Sanayi ve Ticaret A.Ş." (hereinafter 'Akkardan') in 2008, Akkardan became the main shareholder of the Company with a share of 91.13%. The remaining 8.87% of Company shares have been publicly traded on the BIST since 1995.

The Company is one of the leading integrated textile corporations in Turkey with 3 manufacturing facilities and operates in the fields of manufacturing, sales, marketing and export of textile products, with a total annual production capacity of 84.5mn meters. Bossa, an integrated entity, offers high quality products to the market through spinning, dyeing, weaving and finishing processes. The Company exports to more than 50 countries, mainly Germany, Italy and USA.

The Company has captured a sustainable growth path in a textile sector with an increased turnover. As of FYE2013 the labor force was 1,988 (FYE2012: 1,992) ranged in manufacturing fields.

Constraints

- Resource need stemming from its related party pressure on asset quality,
- Continued distressing financial position of main shareholder and high amount of receivables from related parties,
- On-going noteworthy level of off balance sheet commitments contingencies,
- Upward activities expenses and financing costs as well as high interest rates and FX movements pressuring the net profitability, over the years,
- Despite the increase of internal equity generation, declined equity level in parallel with the increase in assets growth,
- High level of risk of textile sector's sensitivity to input prices including raw materials creating uncertainty over the sales prices,
- Growing perception of pressure in the markets through risks arising from the current social unrest and political instability on economic influences,
- Highly intensive and fragmented international market competition

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