

**Corporate Credit Rating**
**Energy**

Bis Enerji		Long Term	Short Term	
International	Foreign currency	BBB-	A-3	
	Local currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	BBB- (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

BİS ENERJİ ELEKTRİK ÜRETİM A.Ş.						
Financial Data	June, 2014**	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	329,144	340,276	385,157	346,772	343,223	302,796
Total Assets (000 TRY)	698,641	724,923	684,655	655,017	527,740	450,349
Equity (000 TRY)	318,467	327,562	365,463	362,837	296,324	220,290
Net Profit (000 TRY)	-9,095	9,837	1,826	12,513	33,491	131,450
Sales (000 TRY)	329,178	635,036	502,504	414,971	330,866	487,817
Net Profit Margin (%)	-2.76	1.55	0.36	3.02	10.12	26.95
ROAA (%)	n.a.	1.63	0.21	3.38	7.14	41.47
ROAE (%)	n.a.	3.31	0.39	6.07	13.51	106.36
Equity / Total Assets (%)	45.58	45.19	53.38	55.39	56.15	48.92
Net Working Capital / T. Assets (%)	13.77	17.73	-3.30	5.99	11.84	22.20
Debt Ratio (%)	54.42	54.81	46.62	44.61	43.85	51.08
Asset Growth Rate (%)	-3.63	5.88	4.52	24.12	17.18	29.74

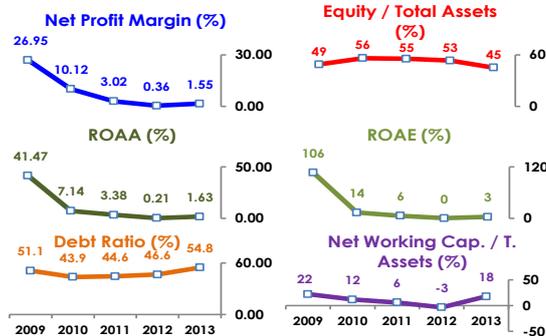
\*End of year  
\*\*Unaudited Financial Statements

**Overview**

**Bis Enerji Elektrik Üretim A.Ş.** (herein after referred to as **"Bis Energy"** or **"the Company"**) was originally established in Bursa in 1992 under the autoproducer group with the aim of meeting the electricity requirements of its shareholders and underwent a change of status during 2005 within the framework of electricity market law with the receipt of a license from the Energy Markets Regulatory Authority (EMRA), entitling it to electricity production for a 20-year period.

The Company is currently engaged in the production of electricity, establishment of plants as well as commissioning, hiring and sale of produced electricity and capacity to customers. It has progressively increased its installed capacity to 486 MW by undertaking successive investments, turning it into one of the largest players in the sector.

The Agim Family is the ultimate individual qualified shareholder of the Company which was ranked as the 127<sup>th</sup> largest industrial enterprise based on sales in the annual list of 500 Leading Industrial Companies of Turkey and employed a workforce of 106 as of FYE2013.


**Strengths**

- Stable expansion of operational volume reflected by the growth in assets and sales volume over the last 5 years
- Ongoing and anticipated full liberalization in the electricity generation sector to positively impact Company's business and profitability
- Competitive advantages in the market stemming from infrastructural set up and plant design
- Strong know-how base and experience resulting from the shareholder family's well-established operational track record in the electricity generation industry and other sectors
- Robust equity level providing further growth opportunities via greater leverage
- Low levels of electricity consumption in Turkey along with the projected high share of natural gas for electricity generation offering significant market expansion potential in the medium and long-term
- Terms of electricity sales, working capital level and collection capabilities easing liquidity management

**Constraints**

- High cost of sales level exerting pressure on profitability
- Moderate exposure to foreign exchange risk resulting from financial liabilities
- High levels of dependence on natural gas imports for electricity generation across the sector
- Past changes in the regulatory and legal framework impacting Company profitability expected to resolve in the upcoming period
- Business risk concentration due to heavy focus on a single sector
- Need for improvement in the level of compliance with Corporate Governance Practices
- Significant level of off-balance sheet contingencies and commitments though limited to the exposure and with a substantial part stemming from yet unredeemed pledges for partially repaid loans

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