Corporate Credit Rating

Non- Financial Sector

Update

Holding

BİLKENT HOLDİNG

		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	Positive	Stable
Sponsor Support		4	
Stand Alone		AB	
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook FC	Stable	-
	Outlook LC	Stable	

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

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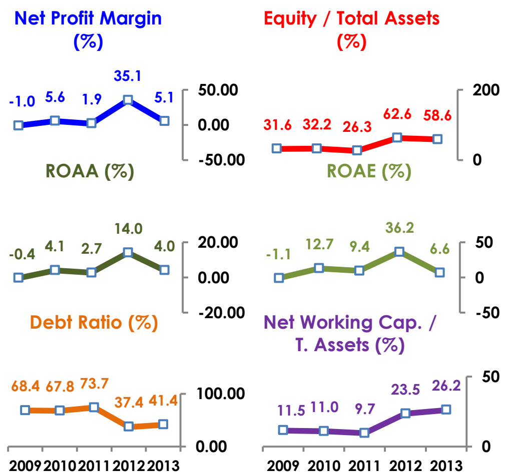

BİLKENT HOLDİNG A.Ş.

Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	1,139,402	1,193,773	2,148,941	2,029,055	1,884,652
Total Assets (000 TRY)	2,427,382	2,122,051	4,059,135	3,119,875	2,803,044
Equity (000 TRY)	1,422,566	1,329,173	1,065,936	1,005,312	885,070
Sales (000 TRY)	1,621,697	1,183,632	2,558,399	1,890,169	1,513,717
Net Profit (000 TRY)	82,984	415,746	47,482	105,446	-15,253
Net Profit Margin (%)	5.12	35.12	1.86	5.58	-1.01
ROAA (%)	4.01	14.02	2.70	4.05	-0.39
ROAE (%)	6.64	36.18	9.36	12.70	-1.10
Equity / Total Assets (%)	58.60	62.64	26.26	32.22	31.58
Net Working Capital / T. Assets (%)	26.19	23.53	9.66	10.96	11.51
Debt Ratio (%)	41.40	37.36	73.74	67.78	68.42
Asset Growth Rate (%)	14.39	-47.72	30.11	11.30	2.93

*End of year

Company Overview

Bilkent Holding A.Ş. (hereinafter the Holding, the Group or the Company) was established in Ankara in 1986 to gather the group companies under the Holding roof. The Holding's foundations date back to the establishment of Dilek Inşaat in 1968. The utmost shareholder Bilkent University, with 99.99% shares of the Holding, was founded in 1984 by prominent scholar İhsan Doğramacı with the aim of creating a centre of excellence in higher education and research. The Holding regularly grants donation to the University in line with this purpose. The Holding is distinguished from other holdings by its shareholder profile and instituting drive.

Bilkent Holding's intensive experience and long-term track record associated with high technology based quality services have led to its good domestic and international reputation. Through its subsidiaries, affiliates and joint venture business, the Holding currently operates in 18 countries on 3 continents in the Middle East, North Africa, Turkish Republics, and Eastern Europe. Although the Holding's activities cover a wide range of sectors, it principally focuses on the Construction, Furniture & Retail, Printing & Paper, Real Estate Management, Services, Airport Services and Marine Transportation sectors.

It should be born in mind that the remarkable contraction in asset size in FY2012 principally resulted from the sale of partial shares in TAV Havalimanları A.Ş. and TAV Yatırım A.Ş. along with the alteration of consolidation methods of jointly controlled entities starting from FYE2013. Thus, the financial statements of 2012 were restated.

As of July 2014, a staff force of 19,262 was employed by the Holding and its subsidiaries.

Strengths

- Satisfactory equity level, underpinned by steady cash equity injection and internal resources engendered from diversified and increasing operating volumes
- Highly liquid firm coupled with lower leverage promising further expansions
- Established presence in both Turkey and the international arena by itself and in its partnerships with well-known national and international firms
- Strong market position and competitive edge in airport and sea transportation services through its affiliates
- Alleviation of risk concentration through geographical and business portfolio diversity
- Existence and continuity of competent and visionary senior management
- Unique shareholder structure and transfer of earnings back to society via significant contributions to education, science and technology

Constraints

- Significantly low collection rate of non performing receivables portfolio
- High level of non-performing receivables level, although fully provisioned, exerting pressure on assets quality and profitability
- Instability in profit and profitability indicators
- Increasing trend in cost of sales pressurizing gross profit margin
- Ongoing and uprising tendency towards greater stress in the market stemming from the social unrest and political turmoil in the region, which spans the Group's operations
- Given its large size and international presence, further improvement needs in the level of compliance with Corporate Governance Practices
- Absence of a functional and separate risk management department, despite inauguration of studies for its establishment

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