

Corporate Credit Rating

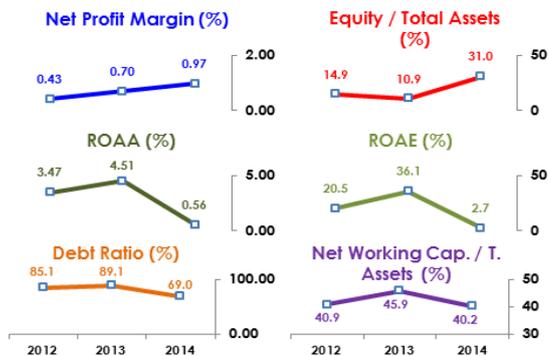
**Construction
Technical Service Provider**

		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	A-(Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by JCR Eurasia Rating, JCR-ER on July 11, 2014

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Strengths

- The ability and know-how to provide integrated technical services to complex and large projects in a wide region
- Improvement in the funding structure through capitalizing loans to related parties and shareholders
- Positive net working capital over the reviewed period, indicating a healthy liquidity profile
- Increasing number of on-going and a large number of prestigious completed projects, indicating a strong management while increasing visibility for future revenues
- Strong order book position along with significant growth opportunities in the medium and long-term due to potential in emerging economies
- Sound risk management imposed by the operating environment
- Partnership with a leading global technical service provider
- Strong relationship with global customers and vendors

Constraints

- Low return on assets and equity, a widely observed sector characteristic, further pressurized by FX losses in recent year
- Instability in the Middle East region and economic sanctions on Russia along with recession risk resulting in pressure on growth
- Volatility of the currencies of the operating countries against USD as the contracts are largely denominated in USD
- Fluctuations in commodity prices throughout project life cycle
- Potential negative impact of operating in a wide geography increasing exposure to social, economic and political risks throughout the operating countries
- Room for improvement in compliance with Corporate Governance Best Practices

AE ARMA-ELEKTROPANÇ ELEKT. SAN.MÜH.TAAH.VE TİC.A.Ş.			
Financial Data	2014*	2013*	2012*
Total Assets (000 USD)	133,987	154,156	127,491
Total Assets (000 TRY)	310,703	328,413	226,628
Equity (000 TRY)	96,358	35,669	33,696
Net Profit (000 TRY)	3,767	2,318	1,119
Sales (000 TRY)	386,935	330,524	260,861
Net Profit Margin (%)	0.97	0.70	0.43
ROAA (%)	0.56	4.51	3.47
ROAE (%)	2.69	36.07	20.50
Equity / Total Assets (%)	31.01	10.86	14.87
Net Working Capital / T. Assets (%)	40.21	45.86	40.90
Debt Ratio (%)	68.99	89.14	85.13
Asset Growth Rate (%)	-5.39	44.91	38.89

*End of year

Overview

AE ARMA-ELEKTROPANÇ (or the Company) was established in October 2001 following the merger of two long-established family companies, Arma Mühendislik Sanayi ve Ticaret A.Ş. and Elektropanç Elektrik Sanayi ve Ticaret Ltd. Şti. with experience of over 30 years in the sector to provide integrated turn-key electric, electronic and mechanical engineering (MEP services) in the field of construction in Turkey and the surrounding Region.

Royal Imtech N.V. (Imtech), a listed Dutch company and a European technical solutions provider in the fields of electrical and mechanical solutions and automation with around 23,000 employees and annual revenue of approximately EUR 4bn, acquired 80% shares of AE Arma-Elektropanç in March 2012. Partnership between the parties was finalized in November 2013 and Imtech initially transferred 31% of its shares and reduced its shareholding to 49% by the end of 2014.

Operations of AE Arma-Elektropanç expanded outside of Turkey into Russia, Abu Dhabi, Dubai, Azerbaijan and Algeria, in which the Company is currently conducting 24 large projects. The Company has offices in Moscow (Russia), Baku (Azerbaijan), Abu Dhabi and Dubai (United Arab Emirates), Beirut (Lebanon) and Doha (Qatar). As of 2014, the Company employed 2,247 personnel.

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"Global Knowledge supported by Local Experience"