

**Corporate Credit Rating**

**Construction  
Real Estate Development**

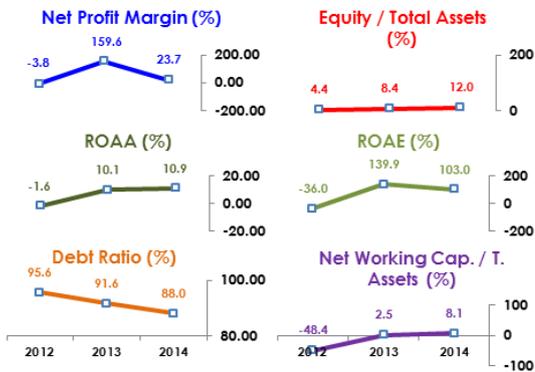
nef		Long Term	Short Term
International	Foreign Currency	BB+	B
	Local Currency	BB+	B
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
LC		Stable	-

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

Analyst:

Abdurrahman TUTGAÇ/+90 212 352 56 73

[abdurrahman.tutgac@jcrer.com.tr](mailto:abdurrahman.tutgac@jcrer.com.tr)



**Strengths**

- Notable sales and asset growth performance over the reviewed period
- A healthy liquidity profile as indicated by positive net working capital along with access to funding channels
- The high share of non-cash requiring advances received among liabilities, alleviating the indebtedness outlook
- Distinguished position in the field of real estate development via its innovative concepts and strong brand image
- Increased visibility for future revenues arising from the Company's proven track record and on-going projects in desirable districts
- Strategic alliances with prominent real estate developers
- Cooperation with outstanding architectures and designers adding further value to its projects
- Competent and qualified senior management team

**Constraints**

- High leverage level despite an increase in equity stemming from property valuation gains
- Increasing share of property valuation gains in the total income reducing the support to the revenue streams than indicated
- Increasing competition and the existence of widespread informal economy in the unregulated real estate market
- Further need for improvement in compliance with Corporate Governance best practices
- Fairly volatile foreign currency rates, the rise in political risk associated with the upcoming election period and anticipated interest rate hike by FED in the short term, curbing investor appetite and thus pressurizing the sector's outlook

NEF - TİMUR GAYRİMENKUL GELİŞT. YAPI VE YAT.A.Ş.			
Financial Data	2014*	2013*	2012*
Total Assets (000 USD)	700,314	465,599	233,837
Total Assets (000 TRY)	1,623,957	991,913	415,669
Equity (000 TRY)	194,452	83,125	18,113
Net Profit (000 TRY)	112,445	57,193	-3,128
Sales (000 TRY)	474,796	35,835	82,725
Net Profit Margin (%)	23.68	159.60	-3.78
ROAA (%)	10.93	10.06	-1.57
ROAE (%)	103.02	139.88	-36.03
Equity / Total Assets (%)	11.97	8.38	4.36
Net Working Capital / T. Assets (%)	8.12	2.49	-48.36
Debt Ratio (%)	88.03	91.62	95.64
Asset Growth Rate (%)	63.72	138.63	n.a

\*End of year

**Overview**

A family owned business, **Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş.** (herein after referred to as the Timur Gayrimenkul or the Company) was founded by the Timur Family in 2007 in Turkey to operate in the real estate development business. Under its prominent NEF brand and licensed 'foldhome' and 'foldoffice' concepts, the Company develops projects containing flats, residences, houses, suites, offices and retail outlets.

The Company has managed to develop numerous projects following the success of its innovative concept under the NEF brand. The foldhome concept was introduced in 2009 with the commencement of the Company's first residential project, Nef O4 Kemerburgaz, which was completed in 2011. The patented foldhome and foldoffice concepts enable residents to utilize a wide range of facilities including a guestroom, cinema hall, music room, business room and archive room on a "pay-per-use" system.

Company projects are concentrated in central and upcoming districts on the European side of Istanbul. The Company has established a partnership with the prominent real estate development trust, IS GYO, to undertake one of its largest projects. The Company employed a total of 257 people as of 2014.

**Publication Date: May 14, 2015**

**"Global Knowledge supported by Local Experience"**