

Corporate Credit Rating

Construction

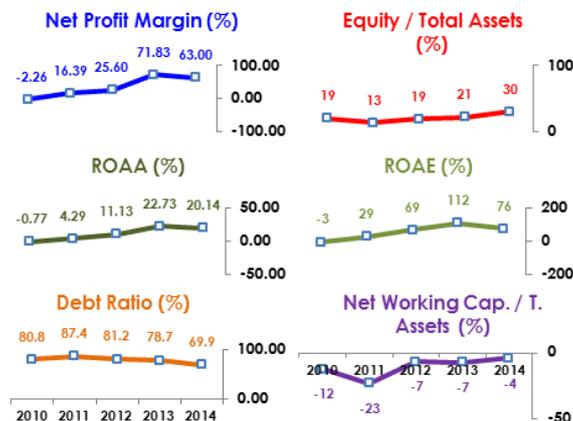
		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Positive	Positive
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	FC	Stable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

SUR YAPI ENDÜSTRİ SANAYİ VE TİCARET A.Ş.					
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	685,232	515,262	458,785	349,543	244,147
Total Assets (000 TRY)	1,588,985	1,097,714	815,537	660,253	375,400
Equity (000 TRY)	478,736	233,822	153,503	83,337	72,075
Net Profit (000 TRY)	241,184	191,964	68,610	22,238	-1,649
Sales (000 TRY)	382,805	267,235	267,958	135,705	73,077
Net Profit Margin (%)	63.00	71.83	25.60	16.39	-2.26
ROAA (%)	20.14	22.73	11.13	4.29	-0.77
ROAE (%)	75.95	112.30	69.38	28.62	-3.41
Equity / Total Assets (%)	30.13	21.30	18.82	12.62	19.20
Net Working Capital / T. Assets (%)	-4.11	-7.31	-6.72	-23.11	-12.17
Debt Ratio (%)	69.87	78.70	81.18	87.38	80.80
Asset Growth Rate (%)	44.75	34.60	23.52	75.88	21.89

*End of year

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

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Overview

Sur Yapı Endüstri Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Sur Yapı" or "the Company") was founded under the trade name Sur Yapı İnşaat Taahhüt Ticaret Limited Şirketi on October 13, 1992 in Turkey to operate in the real estate development business. Under its prominent SUR YAPI brand, the Company develops projects containing flats, residences, houses, offices and shopping centers. Sur Yapı's activities include all aspects of development, from the project stage, development, architecture, construction and production to the turnkey phase.

With an operational track record spanning over 20 years, the Company has completed numerous housing, office and commercial unit projects in desirable areas of Istanbul and is currently undertaking even more challenging and luxurious projects which have drawn international attention. The Company has built many remarkable projects such as Exen Istanbul Residential and Commercial Area, Metrogarden, Corridor, Ada Park, Mahalle Istanbul and Dora Park. The company launched Mirage Residence and İlkbahar Projects in Istanbul as of the first half of 2015.

As of December 31, 2014, the Company employed a workforce of 382, including its subsidiaries (FYE2013:352). Company shares are fully owned by the Elmas Family.

Strengths

- Remarkable sales growth in FYE2014, fueled by new projects and expected contribution of foreign currency denominated rental income
- Consistent increases in assets and equity over the reviewed period
- High share of received advances, contributing to the liquidity level despite being displayed as debt in accounting standards and accounting
- Steadily decreasing financial liabilities along with lower debt ratio
- Prestigious and reputable brand value and increase in market perception
- Cooperation with Turkey's leading real estate developers to create synergy in marketing and project management while reducing aggregate financial need through combined financial strength
- Increased visibility for future revenues arising from the Company's proven track record and on-going projects in desirable districts
- Existence of experienced and visionary management team and high level of reporting standards

Constraints

- Increasing share of property valuation gains in the total income reducing the support to the revenue streams than indicated
- Foreign currency positions exerting pressure on profit and profitability ratios despite increasing foreign currency denominated rental income
- Increasing costs of sales limiting gross profit margin in FYE2014
- Downward pressures exerted on profitability by the high level of financial expenses
- Need of a separate and efficient risk management unit and committees in the Board of Directors
- 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

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"Global Knowledge supported by Local Experience"