

**Corporate Credit Rating**

**Retail Sector**  
**Ready Made Garment**

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

DeFacto Perakende Ticaret Anonim Şirketi					
Financial Data	1Q2015**	2014*	2013*	2012*	2011*
Total Assets (000 USD)	341,143	354,724	312,332	244,880	205,794
Total Assets (000 TRY)	891,543	822,568	665,392	435,300	388,724
Equity (000 TRY)	285,855	240,108	159,471	139,106	83,883
Net Profit (000 TRY)	-38,011	88,451	32,062	41,505	22,576
T. Sales (000 TRY)	285,566	1,191,438	868,982	632,561	539,651
ROAA (%)	n.a	54.32	27.54	48.66	67.46
ROAE (%)	n.a	14.59	7.43	13.08	14.56
Net Debt / EBITDA(x)	n.a	1.64	3.40	2.20	2.65
N. W.C. / T. Assets (%)	38.26	20.59	20.31	16.34	21.92
Net Debt / Equity(x)	0.82	1.06	1.63	0.89	1.91
Debt Ratio (%)	67.94	70.81	76.03	68.43	78.42
Asset Growth Rate (%)	8.39	23.62	52.86	11.98	n.a

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

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\*End of year, \*\*Unconsolidated

**Company Overview**

**DeFacto Perakende Ticaret Anonim Şirketi and Its Subsidiaries** (to be referred hereinafter as 'DeFacto, or 'the Company') is one of leading smart casual designer groups, which produces cheap-chic fashion. DeFacto offers a range of clothes and accessories for men, women and kids.

DeFacto, established in 2004 as a Turkey-based company, has 12 subsidiaries, which are engaged in the operation of department stores, retailing apparel, clothing and technology. The Company has reached to a sizeable net sales area of 174k sqm with its total 153 shopping mall stores, 106 single category stores across 63 provinces of Turkey, 20 stores abroad and an online store with a staff force of 6,438 personnel.

The major qualifying shareholders of the Company's shares are Mr. Z. Cemal Özen, Mr. İhsan Ateş and DF Retail Holdco Coöperatif U.A. holding 68.7%, 13.8% and 8.0%, respectively as of May, 2015.

**Strengths**

- Maintenance of sound operational volume growth as indicated by the stable expansion of assets and sales revenues,
- Upward growth trend in retail sector demand particularly fuelled by median age targeting and price policy, expected to outpace the economic growth by far,
- Increasing gross profit per sqm encouraging sign for future sales primarily driven by favourable pricing,
- Potential to generate high sales revenues while incurring low investment expenditures particularly in less penetrated locations,
- Gaining a competitive edge through rapid development of online sales channel

**Constraints**

- Insufficient levels of equity and possibility of distribution of accumulated retained earnings may pressure resource reduction in consequence of the non-inclusion of a significant portion of the capital resources
- Fragmented market aggravating fierce competition through price cutting among retailers leading to margin pressure in view of price sensitivity of customers
- Increase in quantity of the companies through online stores at breakneck pace
- Improvements needed in corporate governance compliance
- Stiff political headwinds aggravated further by the upcoming uncertainties of the recent election together with decrease in risk appetite of investors, downside risks to growth and pressure to be exerted on profit margins

