Corporate Credit Rating

Contracting, Energy & Heavy Equipment

STFA			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-2(Trk)
	Outlook		Positive	Stable
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign currency		BBB-	-
	Local currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

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

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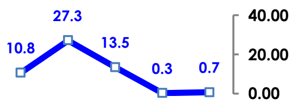
STFA YATIRIM HOLDİNG A.Ş.

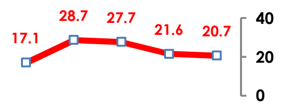
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	1,297,349	1,142,198	1,076,862	829,924	797,395
Total Assets (000 TRY)	3,008,422	2,433,339	1,914,230	1,567,644	1,226,075
Equity (000 TRY)	623,505	525,589	531,185	450,591	209,489
Net Profit (000 TRY)	22,919	8,401	155,486	273,883	141,844
Sales (000 TRY)	3,100,192	2,531,695	1,147,921	1,003,874	1,319,171
EBITDA (000 TRY)	197,450	158,776	238,010	108,015	217,027
Net Debt/EBITDA	1.54	0.50	n.m.+	n.m. +	n.m. +
ROAA (Pre-Tax, %)	0.97	0.98	9.54	20.61	13.65
ROAE (Pre-Tax, %)	4.58	4.02	33.84	87.23	109.53
Financial Leverage	4.83	4.63	3.60	3.48	5.85
Net WC/Assets (%)	13.32	5.15	10.14	17.05	-1.11
Asset Growth (%)	23.63	27.12	22.11	27.86	0.17

* **End of year** + **n.m:** not meaningful, net debt is negative

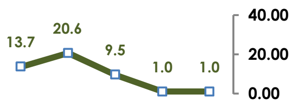
Net Profit Margin (%)



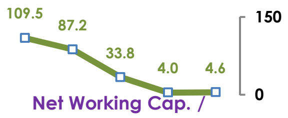
Equity / Total Assets (%)



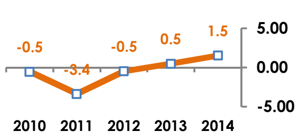
ROAA (%)



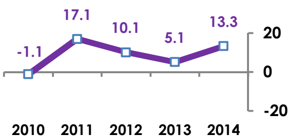
ROAE (%)



Net Debt/EBITDA



Net Working Cap. / Assets (%)



Overview

Established in 1938 as construction and contracting company, **STFA Yatırım Holding A.Ş.** (hereinafter referred to as STFA or the Company) currently operates in the sectors of contracting, energy and heavy equipment trade. With its roots deep in the contracting business, the Company specializes in the construction of bridges, marine and pile works, roads, tunnels, dams, hydrological projects, water treatment plants and buildings. Throughout its 75-year history, STFA has completed various projects covering bridge and tunnel construction, marine and harbour works, highway construction and power plant works.

Currently, STFA offers engineering and construction services in Turkey, North Africa, the Middle East and the CIS countries. Moreover, following investments in the early 2000s, the Company initiated natural gas distribution and trade in 2003 and 2009, respectively. The Group's energy sector investments have been bolstered by the commencement of renewable energy production activities in 2013. Moreover, the Company continues all sales and marketing operations of JCB branded machines under the name SIF İş Makinaları and Hyundai branded machines under the name HMF Makina ve Servis San. Tic. A.Ş..

As of 31 December 2014, the Company employed a staff force of 7,348 including its subcontractors (31 December 2013: 5,705).

Strengths

- Steady consolidated sales growth owing to momentum of the energy business, international construction contracts and heavy equipment services
- Liquidity position supported by short collection periods of natural gas sales, reducing the net debt
- Access to international long-term credit facilities, funding capital expenditures with favourable maturities
- More than 75 years of experience in the contracting sector with a knowledge base in niche and sophisticated projects
- Sizable pipeline of projects, particularly in the Gulf Region
- Global partnerships with prominent groups, funding and accelerating growth
- Highly competent and experienced management, with a noteworthy planning and execution track record

Constraints

- Tight gross profit and EBIT margins of the energy business in the previous periods pressurizing past profitability indicators, which is on the recovery track with the upward revision of the tariffs
- Intensive competition in the Gulf Region, perpetuated by several global contracting companies
- Heavy investment requirements in the energy segment which use voluminous cash flows, though the investments are funded with a long term credit facility
- High level of dependency on imports inherent in the sector along with the monopoly of BOTAS with respect to natural gas supply, limiting the room for private sector players

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