

Corporate Credit Rating

**Production
Clinker & Cement**

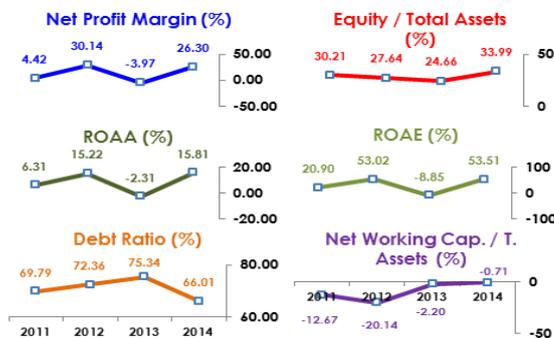
YURTÇİM		Long Term	Short Term
International	Foreign Currency	BB+	B
	Local Currency	BB+	B
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable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

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

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Strengths

- Notable asset growth performance over the reviewed period
- Progress in the gross profit margins thanks to efficiency improvements
- Remarkable and above sector average return on equity performance
- Strong market presence in the region owing to its installed capacity as one of the largest in East Anatolia
- Solid demand prospects in the eastern regions of Turkey and resultant further growth potential for local cement producers
- Extensive know-how and experience of the Group in the cement and mining industries
- Synergy among Group companies

Constraints

- High leverage level despite satisfactory internally generated funds differentiating from the sector average
- Substantial short foreign currency position, exposing the Company to fluctuations in the FX markets and stressing the bottom-line
- Negative net working capital over the reviewed period despite recent progress
- Weak transparency and practices of corporate governance principles
- Sensitivity of the cement industry to macroeconomic conditions and construction sector dynamics

YURT ÇİMENTO SANAYİ VE TİCARET A.Ş.				
Financial Data	2014*	2013*	2012*	2011*
Total Assets (000 USD)	122,540	120,997	141,555	95,105
Total Assets (000 TRY)	284,159	257,771	251,628	179,644
Equity (000 TRY)	96,581	63,563	69,555	54,269
Net Profit (000 TRY)	34,435	-4,761	29,561	4,484
Sales (000 TRY)	130,940	119,787	98,084	101,417
Net Profit Margin (%)	26.30	-3.97	30.14	4.42
ROAA (%)	15.81	-2.31	15.22	6.31
ROAE (%)	53.51	-8.85	53.02	20.90
Equity / Total Assets (%)	33.99	24.66	27.64	30.21
Net Working Capital / T. Assets (%)	-0.71	-2.20	-20.14	-12.67
Debt Ratio (%)	66.01	75.34	72.36	69.79
Asset Growth Rate (%)	10.24	2.44	40.07	24.11

*End of year

Overview

Yurt Çimento San. ve Tic. A.Ş. (henceforth Yurt Çimento or the Company), an **Ado Group** Company, was established in 2007 by **Cem Sak**. The integrated production facility of the Company in **Muş** began clinker production in 2008 and cement in 2009 to meet demand primarily from the eastern and south eastern regions of Turkey. The Company operates a grinding and packing plant in **Silopi, Şırnak**.

Yurt Çimento reached a capacity of 924,000 tonnes of clinker and 2,138,000 tonnes of cement and gained a solid market presence in the eastern regions of the country. The Company was ranked 275 in the ISO second 500, a listing of the largest industrial companies of Turkey in 2014. The Company employed a staff of 187 as of FYE2014.

Cem Sak holds wide investments in the fields of cement, mining and energy under the umbrella of the Ado Group. The Ado Group generated a total revenue of TRY 500mn with more than 750 employees in 2014.