

Corporate Credit Rating

NON-FOOD AND ELECTRONICS RETAIL SECTOR
[Retail, Textile, Department Stores]

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.						
Financial Data	1H2015**	2014*	2013*	2012*	2011*	2010*
Total Assets (000,000 USD)	1,514	1,752	1,832	598	662	579
Total Assets (000,000 TRY)	4,066	4,062	3,903	1,063	1,250	891
Equity (000,000 TRY)	692	133	361	-3	307	307
Net Profit (000 TRY)	-321,921	-225,889	428,593	-62,826	28,031	77,697
Sales (000,000 TRY)	1,582	3,160	1,901	597	610	374
ROAA (%)	N.A	-5.55	17.46	-5.36	2.89	11.14
ROAE (%)	N.A	-89.24	242.22	-40.83	10.07	31.26
Net Debt / EBITDA(X)	N.M	4.02	5.36	7.89	n.a	n.a
Net Debt / Equity(X)	2.02	9.02	2.78	-137.91	n.a	n.a
Net Working Capital / T. Assets (%)	-15.92	-32.66	-14.11	-10.20	2.11	18.54
Debt Ratio (%)	82.96	96.71	90.74	100.32	75.44	65.54
Asset Growth Rate (%)	0.09	4.09	267.07	-15.00	40.34	45.21

*End of year, **Half of year

Company Overview

"Boyner Perakende ve Tekstil Yatirimlari A.Ş.", (hereinafter referred to as 'Boyner Perakende or 'the Company'), is a Turkey-based Company, the leading listed non-food and non-electronics retail group in Turkey and is engaged in the operation retail store, textile and apparel products manufacturing, textile product sales and marketing, real estate development-management. Formerly known as Altinyildiz Mensucat ve Konfeksiyon Fabrikalari AS, the Company was founded in 1952 by the Boyner family.

The Boyner Group operates its own clothing brands Beymen, Network, Altinyildiz Divarese, Fabrika, along with department stores Boyner and Beymen, has a sizeable net sales area of 368k sqm with its total 123 department stores/multi brand stores, 205 single category stores/speciality stores, 50 outlet stores with a staff force of 10,547 personnel with its 7 subsidiaries as of June 30, 2015.

Boyner Perakende's main subsidiaries are-Altinyildiz Tekstil ve Konfeksiyon A.Ş. , Beymen Mağazacılık A.Ş.,AY Marka Mağazacılık A.Ş. and Boyner Büyük Mağazacılık A.Ş. producing textile and apparel products manufacturing BYN Gayrimenkul focusing real estate development and management.

The major qualifying shareholders of the Company's shares are Boyner Holding A.Ş., Mayhoola for Investment OPC and IPO holding 54.83%, 30.68% and 14.49%, respectively as of June, 2015.

Strengths

- Upward growth trend in retail sector demand particularly fueled 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 favorable pricing and location of the stores,
- Upward trend of EBITDA generation thanks to capacity expansion and advancement in product range and operational efficiency,
- Enhanced bargaining strength with suppliers and expected optimization in inventory levels via the huge boost in its market share obtained through organic and inorganic growth opportunities,
- Gaining a competitive edge through rapid development of online sales channels,
- Improved compliance level with corporate governance practices.

Constraints

- The extent of the meltdown cash position stemming from continuously required capacity expansion and acquisitions squeezing liquidity management,
- The unpredictable volatility in global economies impacting the textile markets, and demand in major consuming economies turning cautious and slower,
- Likely large movements in the foreign exchange and interest expenses reducing the Company's headroom under the current financial position due to high level of liabilities,
- Ongoing economic headwinds, rising domestic violence increasing funding costs, decrease in risk appetite of investors and downside risks to growth and pressure to be exerted on profit margins.

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