

Corporate Credit Rating

Update

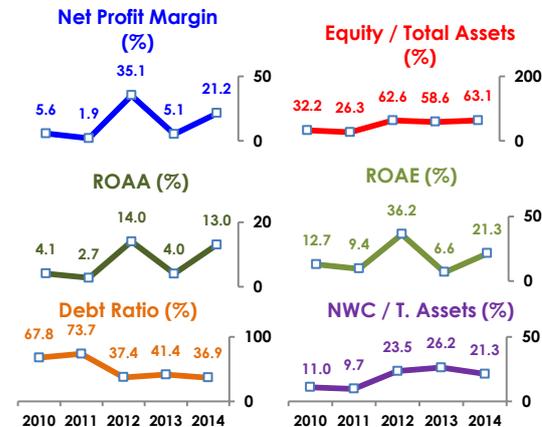
Non- Financial Sector

Holding

BILKENT HOLDING		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	A+ (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		4	
Stand Alone		AB	
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Stable	-
		LC Stable	

*Assigned by Japan Credit Rating Agency, JCR on August 28, 2015

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Strengths

- Continuous profit despite fluctuation in sales and net profit figures year by year
- High debt service coverage capacity
- Good capitalization strengthened by steady cash equity injection and internally generated resources through largely recurring income components from diversified business lines
- High liquidity and remarkably low indebtedness level providing a strong shield against incidental external shocks
- Risk mitigation due to geographic and business portfolio diversity
- Sound international standing resulting from its own reputation and collaboration with leading local and international players
- Solid market place and competitive power in airport and sea transportation services through its affiliates
- Presence and endurance of highly qualified administration team
- Unique shareholder structure and transfer of earnings back to society via significant contributions to education, science and technology

BILKENT HOLDING A.Ş.					
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	1,217,508	1,139,402	1,193,773	2,148,941	2,029,055
Total Assets (000 TRY)	2,823,280	2,427,382	2,122,051	4,059,135	3,119,875
Equity (000 TRY)	1,781,449	1,422,566	1,329,173	1,065,936	1,005,312
Sales (000 TRY)	1,515,536	1,621,697	1,183,632	2,558,399	1,890,169
Net Profit (000 TRY)	321,774	82,984	415,746	47,482	105,446
Net Profit Margin (%)	21.23	5.12	35.12	1.86	5.58
ROAA (%)	13.00	4.01	14.02	2.70	4.05
ROAE (%)	21.31	6.64	36.18	9.36	12.70
Equity / Total Assets (%)	63.10	58.60	62.64	26.26	32.22
NWC / T. Assets (%)	21.31	26.19	23.53	9.66	10.96
Debt Ratio (%)	36.90	41.40	37.36	73.74	67.78
Asset Growth Rate (%)	16.31	14.39	-47.72	30.11	11.30

*End of year

Overview

Bilkent Group's origins date back to the establishment of Dilek İnşaat to operate in the construction industry in 1968 which was followed up by the establishment of Tepe Ağaç and Meteksan in 1969 along with other companies. Bilkent Holding A.Ş. (hereinafter the Holding, the Group or the Company) was established in Ankara in 1986 to gather the group companies under the Holding roof. Currently, the Holding's activities cover a wide range of sectors such as construction and construction materials, furniture production and retail, printing and paper, real estate, tourism and hotel management, defense and security, fitness, and airport and maritime transport operations. Bilkent Holding's intensive experience and long-term track record associated with high technology based quality services have led to its respected domestic and international reputation. As a result, through its subsidiaries, affiliates and joint ventures, the Holding's operations spread overseas to the Middle East, North Africa, Turkic Republics and Eastern Europe.

The largest shareholder (99.99%) of the Holding, Bilkent University, was founded in 1984 by prominent scholar İhsan Doğramacı with the aim of creating a center of excellence in higher education and research. The Holding regularly grants donations to the University in line with this purpose. The Holding is distinguished from other holdings by its shareholder profile and instituting drive.

Improvement in profitability ratios, high debt service coverage capacity, continuation of cash equity injection, remarkably low indebtedness level, and progress in the compliance level with corporate governance principals are the main determining factors supporting the upgrade of the Long Term National Local Rating Note to "A+ (Trk)" from "A (Trk)".

As at 31.12.2014, 18,883 employees were employed by the Holding and its subsidiaries.

Constraints

- Pressure on assets quality from the high level of non-performing receivables, despite gradual progress and fully provisioned
- Necessary improvements in regard to Corporate Governance Practices, despite improvement in compliance level
- Persistence of conflicts and unrest in the Middle East and some bordering countries coupled with increasing tension with Russia tilted to greater stress in the region in which the Group operates
- Fluctuations in foreign exchange rates and depreciation of TRY reducing disposable income of households and the debt service capacity of real sector that increases the risk level in the market
- Heavy debt burden and financial expenses of affiliate IDO, potentially rolling back overall Holding profit

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