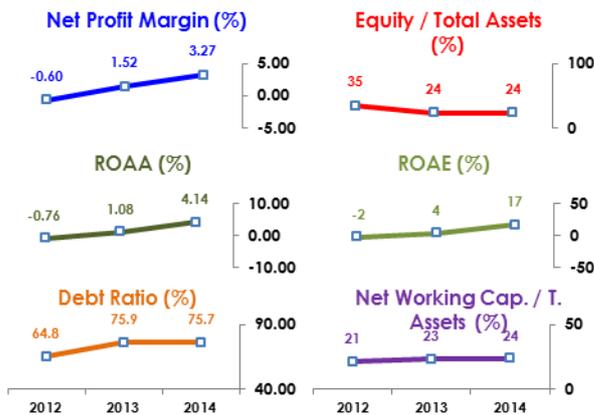


		Long-Term	Short-Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
		LC	Stable

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

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\*End of year \*\*Unaudited &amp; End of Period

**Overview**

**İnanlar İnşaat A.Ş.** (hereinafter referred to as "İnanlar İnşaat" or "the Company"), with roots dating back to 1965, was established in 1994 to operate in the real estate development business. Under its prominent **İNANLAR** brand, the Company develops flats, residences, houses, offices and commercial building projects. In addition, the Company carries out the activities of selling new and second hand vehicles, after-sales servicing support and insurance servicing through its headquarters in Istanbul and five branches.

With an operational track record spanning over 50 years, the Company has completed over 220 projects and is currently undertaking in desirable areas of Istanbul even more challenging and luxurious projects which have drawn international attention. The Company has built many remarkable projects such as Terrace Fulya, Avlu 138, Terrace Lido, Terrace Bahçe, Terrace Feri, As'l Bahçe, Terrace Tema, Terrace Mix and Terrace Doğa. The Terrace concept has contributed to the Turkish construction sector and become a brand denoting a luxury life and highlighting elegance, comfort and esthetic.

The Company carries out its activities through its headquarters in Istanbul and five branches with a total labor force of 577 as of September 2015.

**Strengths**

- Remarkable sales growth in FYE2014, fueled by new projects and automotive sales
- Consistent increases in assets and equity over the reviewed period
- High share of received advances, contributing to the liquidity level despite being displayed as debt in accounting standards and accounting
- Adequate level of NWC along with access to funding channels supporting the Company's short term financial health and efficiency
- International marketing capabilities successfully generating revenue from overseas
- Prestigious and reputable brand value through the "Teracce Projects" granting robustness to market sensitivities
- Increased visibility for future revenues arising from the Company's completed and on-going projects in desirable districts
- Proven track record as a contractor completing hundreds of projects
- Opportunities for growth and market expansion regarding housing demand provided by population growth, urbanization, young demographic and rises in per capita income
- Competent and qualified senior management team

**Constraints**

- Increasing costs of sales limiting gross profit margin
- Augmented trade payables exerting downward pressure on liquidity management
- Highly competitive and fragmented market structure and severe price competition among national contractors in the key markets such as Istanbul, limiting the sector profit margin
- Need of a separate and efficient risk management unit and risk committee in the Board of Directors
- Political uncertainties and tensions in the bordering countries along with volatile currency and interest rates incurring potential limits on growth
- Composition of the Board of Directors without independent members
- Further need for improvement in compliance with Corporate Governance best practices

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**"Global Knowledge supported by Local Experience"**