JCR Eurasia Rating

"Global Knowledge Supported by Local Experience"

TURKEY

Corporate Credit Rating

Energy

ODAŞ ENERJİ			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-3 (Trk)
	Outlook		Stable	Stable
Sponsor Support			3	-
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

ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.

Financial Data	2015/9**	2014*	2013*	2012*	2011*
Total Assets (000 USD)	219,522	180,549	154,280	152,387	48,587
Total Assets (000 TRY)	589,702	418,674	328,678	270,884	91,776
Equity (000 TRY)	112,838	96,110	68,647	44,368	-976
Net Profit (000 TRY)	-29,613	27,124	-7,147	15,915	-1,504
Sales (000 TRY)	352,883	621,538	599,704	174,566	7,957
EBITDA (000 TRY)	27,058	53,701	47,250	31,518	734
Net Debt/EBITDA	n.a	3.16	2.49	3.51	100.25
Net Profit Margin (%)	-8.39	4.36	-1.19	8.88	-12.92
ROAA (%)	-6.56	9.13	-2.33	13.33	-2.70
ROAE (%)	-31.68	41.43	-15.40	262.54	254.23
Financial Leverage	5.23	4.36	4.79	13.54	-94.06
Net WC/Assets (%)	-23.47	-8.47	5.43	1.35	-1.51
Asset Growth Rate (%)	40.85	27.38	34.39	166.49	n.a

* End of year ** as of September 2015

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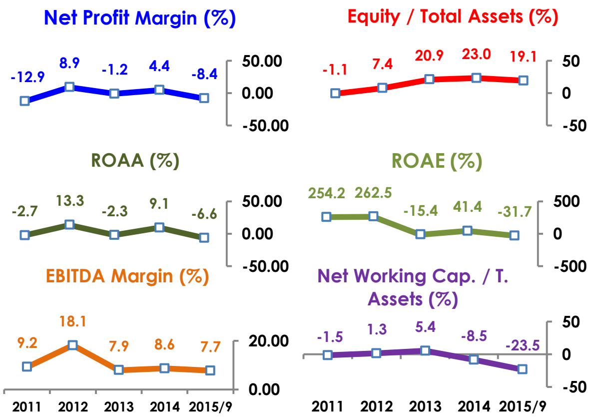

Overview

Odaş Elektrik Üretim Sanayi Ticaret A.Ş. (hereinafter referred to as Odaş Enerji, the Company, and the Group) is founded in 2010 and rapidly grew its operations and expanded its production capacity. The Group currently has three operational power plants of 140.25 MW(natural gas combined cycle (NGCC) with an additional solar power unit) and hydroelectric power plant (HEPP) with 8.2MW capacity, in addition to wholesale electricity business Odaş Enerji Perakende serving more than 18.500 electricity meters as of September 2015. Odaş Group holds a wholesale natural gas distribution license as well, though the vast majority of the revenues are engendered through the electricity sales.

Odaş Group is currently working on a local lignite powered power plant investment project of 330MW planned production capacity integrated with the lignite field and a gold mine in Karaagaç region with inferred reserves of 157K oz. the financial close for Can Coal Fired Power Plant has been finalized and the projects are expected to be operational in 2018.

The Group completed an IPO in May 2013, raising financing for rapidly growing operations. Currently the 37.8% of the shares are traded on BIST.

As of September 2015, the Group employed a staff force of 113 (December 2014: 77).

Strengths

- Strong revenue potential core operations profitability
- Fundamentally profitable lignite fueled power plant and precious metal investments
- High quality lignite reserves, boosting profitability and the efficiency of the power plant
- Favorable market position of regional NGCC plant in Southeastern Turkey, able to command notable premiums over the market spot rates
- Growing private electricity consumer base via Group company Odaş Enerji Perakende, diversifying the sales revenues across different regions and segments
- Successful financial close of the ongoing coal fired power plant investment, providing long term financing with a grace period matching the pre-operation phase
- Commitment to corporate governance best practices concerning investor relations, transparency and communication

Constraints

- Heavily leveraged capital structure as the Group is in currently in rapid investment phase
- Sizable FX exposure due to the project finance loan, requiring close monitoring and incurring hedge expenses
- Potential need for additional funding in case of realization and/or exacerbation of operational risks associated with the Can CPP project
- Pressurized interest coverage until Can CPP becomes operational
- Strong competitive forces in the energy distribution segment and ongoing energy production capacity investments countrywide increasing excess supply risk

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