

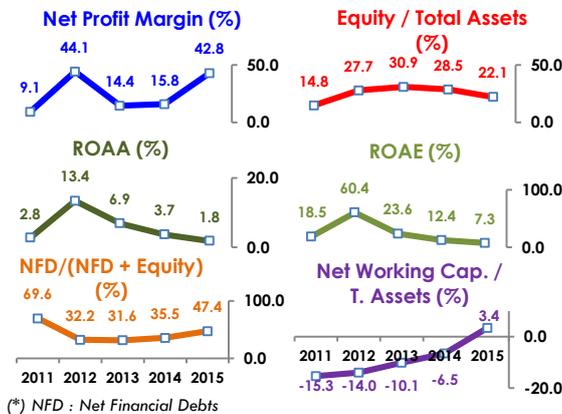
Corporate Credit & Issue Rating

Construction

		Long Term	Short Term	
International	Foreign currency	BBB-	A-3	
	Local currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	n.a.	n.a.	
National	Local Rating	A- (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A- (Trk)	A-1 (Trk)	
Sponsor Support		2	-	
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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(*) NFD : Net Financial Debts

Strengths

- Reputable brand name, granting robustness to market sensitivities
- Ability to fund large share of operations with customer advances and various prepayments, contributing to liquidity management
- Sustained housing and commercial unit sales performance, mainly driven from the flagship Maslak 1453 project
- Experienced and competent management team
- International marketing capabilities successfully generating revenue from overseas investors diversifying the country risk
- Valuable developable land providing ample growth opportunities
- Efforts to establish an effective corporate management framework emphasizing sustainability
- Increasing revenues from energy and tourism activities helping to diminish the volatility of sales revenues from construction activities

Constraints

- Large share of fair value gains in total revenues, which do not contribute to the cash inflows
- Significant increase in net financial debts and decrease in net sales due to the undelivered housing units that are carried in inventories
- Pressurized sector outlook in the midst of political uncertainties, coupled with volatile exchange rates and regional conflicts
- Lack of independent members on the Board of Directors
- Notable increase in the impaired receivables ratio in percentage terms, despite low nominal value compared to the total asset size

AKDENİZ İNŞAAT VE EĞİTİM HİZMETLERİ A.Ş. & ITS SUBSIDIARIES					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	1,719,774	1,562,454	1,459,902	1,710,314	1,200,332
Total Assets (000 TRY)	5,000,415	3,623,176	3,110,175	3,040,255	2,267,306
Equity (000 TRY)	1,106,075	1,033,441	960,216	843,567	334,968
Net Sales (000 TRY)	200,533	634,434	1,155,534	643,805	410,548
Net Profit (000 TRY)	85,757	100,264	166,002	284,046	37,486
Net Profit Margin (%)	42.76	15.80	14.37	44.12	9.13
ROAA (%)	1.82	3.68	6.91	13.40	2.75
ROAE (%)	7.32	12.43	23.57	60.36	18.47
Equity/Total Assets (%)	22.12	28.52	30.87	27.75	14.77
Net Working Capital / T. Assets (%)	3.39	-6.54	-10.13	-13.96	-15.34
Asset Growth Rate (%)	38.01	16.49	2.30	34.09	35.29
Net Sales/ Net Financial Debt (%)	20.15	111.48	260.64	160.89	53.57

*End of year

Overview

Established in 1981, Akdeniz İnşaat ve Eğitim Hizmetleri A.Ş. (hereinafter referred to as "Ağaoğlu", "the Group" or "the Company") is a leading real estate development company based in Turkey specializing mainly in housing solutions. The Company primarily develops upscale residential and mixed-use projects with commercial and business segments. In addition to real estate development, the Group also manages tourism facilities and has investments in the renewable energy production sector.

Ağaoğlu's increasingly complex and challenging projects have earned the Group a prominent position in the market, as well as attracting interest from international investors. The Group has formed strategic partnerships and business relations with several global real estate investors in recent years.

The Company's energy investments are planned to be completed in the medium to long term and to reach a total energy generation capacity of approximately 1,000 MW is planned.

As of FYE2015, the Group employed 2,137 employees (FYE2014: 2,136), including the subsidiaries and affiliates.