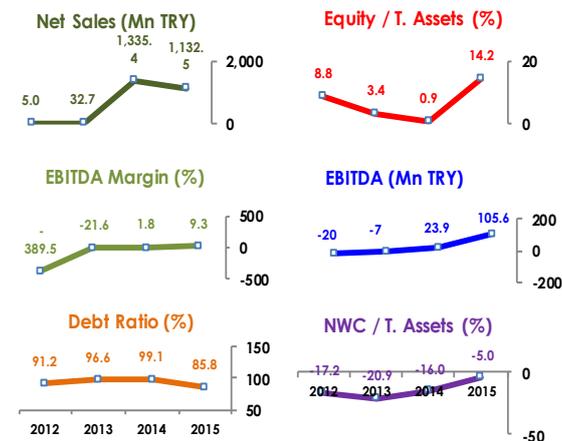


Corporate Credit & Issue Rating
Energy

UNIT		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	BBB (Trk)	A-3 (Trk)	
	Outlook	Positive	Stable	
	Issue Rating	BBB (Trk)	A-3 (Trk)	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

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

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Strengths

- Diversified investment portfolio in terms of energy sources and geographic location, mitigating market and supply risks
- The investment portfolio developed or acquired in line with the management strategy emphasizing on projects at strategic locations and/or under a feed-in-tariff mechanism or various agreements, lowering market risk and uncertainty and relieving liquidity management
- Improved ability to create beneficial and collaborative international and local partnerships through over 30 years of experience in the energy sector and the reputable shareholding structure, enabling structural flexibility in financial and strategic issues
- One of the leading independent power producers (IPPs) in Turkey with installed capacity approximating to 2,000 MW
- Growing energy needs of Turkey ensuring strong demand for electricity production and ongoing legal regulations to achieve a liberal and efficient energy market, both promising further growth potential and opportunities in the future
- Improved balance sheet composition together with short collection terms, negligible credit risk exposure and long term weighted borrowing structure, all contributing to asset quality

UNIT INVESTMENT N.V. and Its Consolidated Subsidiaries				
Financial Data	2015*	2014*	2013*	2012*
Total Assets (000 USD)	1,134,076	1,156,564	1,179,053	1,183,597
Total Assets (000 TRY)	3,304,413	2,734,106	2,531,214	1,952,307
Equity (000 TRY)	470,850	23,949	85,904	171,754
Net Sales (000 TRY)	1,132,485	1,335,366	32,695	5,009
Net Profit (000 TRY)	-267,840	-229,809	-119,938	-40,700
EBITDA (000 TRY)	105,597	23,889	-7,060	-19,510
EBITDA Margin (%)	9.32	1.79	-21.59	-389.53
ROAA (%)	-7.36	-9.29	-5.22	-6.05
ROAE (%)	-89.79	-445.32	-90.76	-68.82
Equity / T. Assets (%)	14.25	0.88	3.39	8.80
Net Working Capital / T. Assets (%)	-5.00	-16.05	-20.92	-17.24
Debt Ratio (%)	85.75	99.12	96.61	91.20
Asset Growth Rate (%)	20.86	8.02	29.65	n.a

*End of year

Overview

Unit Investment N.V., (hereinafter referred to as "Unit Investment" or "the Company"), established in Amsterdam in 1992, is a subsidiary of the Unit Group having investments and operations in energy, EPC (engineering, procurement, and construction), and O&M (operations & management) businesses, retail electricity sale & trading, tourism, and real estate. Engaging in the development, ownership and operation of independent power producer (IPP) projects since 1984, Unit Investment N.V. is the flagship of the Unit Group. As of the report date, the Company had an installed power of 1,927MW in 6 power plants located in Turkey (4), Croatia, and Bulgaria; two combined cycle gas turbines (CCGT), two hydroelectric power plants (HEPP), one biomass, and one wind plants. The Company had an investment project at financing phase in the Dohuk/North Iraq for a 1,260MW CCGT Zalkho IPP project through a consortium with Ansaldo (Italy) and Gama Power Systems (Turkey).

The ultimate controlling party of the Company is European Power System SA which is owned by Ünal Aysal, the founder of the group and chairman, for 77%. International Finance Corporation (IFC), a member of the World Bank Group, became a 23% stakeholder of the Company in October 21, 2015. The Company employed a workforce of 191 as of December 31, 2015 (FYE2014: 120).

Constraints

- Comparatively high cost of sales and financing expenses restraining profit generation capacity following a heavy investment period together with an investment portfolio composed of fully consolidated assets with relatively short operating history
- Relatively high concentration in revenue generating sources
- Exchange rate and interest rate risk exposures leading to comparatively high volatility on profit figures despite improvement in the last year
- Net working capital figures giving rise to more demanding liquidity management together with improvement in the last year through IFC's share investment
- Need for improvement regarding the corporate governance practices
- Ongoing volatility in the markets, global economic slump leading to economic slowdown and upward pressure on interest and exchange rates
- Relatively high off-balance sheet commitments and contingencies level though limited to the exposure mostly derived from the signed project finance agreements