

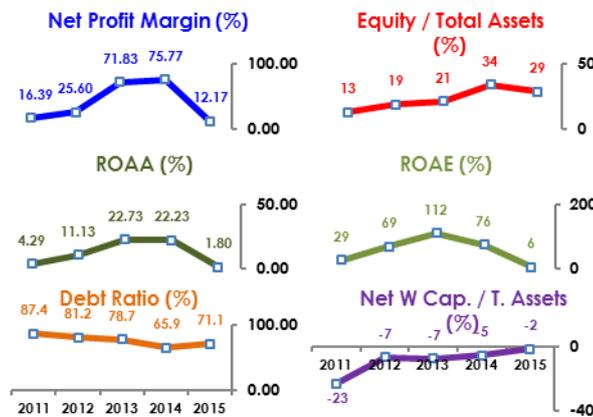
Corporate Credit Rating

Construction

SURYAPI		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Positive	Positive
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

- Increased visibility for future revenues arising from the Company's proven track record, expanding business territory, and sound project backlog
- Consistent increases in assets and equity over the reviewed period
- Ability to fund large share of operations with customer advances, contributing to liquidity management despite being displayed as debt in accounting standards and accounting
- Cooperation with Turkey's leading real estate developers to create synergy in marketing and project management while reducing aggregate financial need through combined financial strength
- Distinguished brand recognition in the sector and need-oriented marketing serving as a buffer against sales risk
- Opportunities for growth and market expansion regarding housing demand provided by population growth, urbanization, young demographic and rises in per capita income
- Robust cash cushions reflecting increasing prudence in liquidity preferences
- Existence of experienced and visionary management team

Constraints

- Large share of property valuation gains in total income, which do not contribute to cash inflows
- Foreign currency positions exerting pressure on profit and profitability ratios despite increasing foreign currency denominated rental income
- Highly competitive and fragmented market structure and price competition among national contractors in the key markets such as Istanbul, limiting the sector profit margin
- Downward pressures exerted on profitability by the high level of financial expenses
- Need for a separate and efficient risk management unit and risk committee in the Board of Directors
- Lack of independent members in the Board of Directors
- Geopolitical risks and uncertainties in the local market constraining prospects and exposing vulnerabilities to interest rates while squeezing disposable income

SUR YAPI ENDÜSTRİ SANAYİ VE TİCARET A.Ş.					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	779,219	793,695	514,320	458,785	349,543
Total Assets (000 TRY)	2,265,658	1,840,498	1,097,714	815,537	660,253
Equity (000 TRY)	654,899	627,655	233,822	153,503	83,337
Net Profit (000 TRY)	44,320	292,412	191,964	68,610	22,238
Sales (000 TRY)	364,073	385,934	267,235	267,958	135,705
Net Profit Margin (%)	12.17	75.77	71.83	25.60	16.39
ROAA (%)	1.80	22.23	22.73	11.13	4.29
ROAE (%)	5.77	75.81	112.30	69.38	28.62
Equity / Total Assets (%)	28.91	34.10	21.30	18.82	12.62
Net Working Capital / T. Assets (%)	-1.60	-5.49	-7.31	-6.72	-23.11
Debt Ratio (%)	71.09	65.90	78.70	81.18	87.38
Asset Growth Rate (%)	23.10	67.67	34.60	23.52	75.88

*End of year

Overview

Sur Yapı Endüstri Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Sur Yapı" or "the Company"), a prominent Turkish construction and contraction company, was incorporated under the trade name Sur Yapı İnşaat Taahhüt Ticaret Limited Şirketi on October 13, 1992. The Company primarily develops upscale residential and mixed-use projects with commercial and business segments. Sur Yapı's activities include all aspects of development, from the project stage, development, architecture, construction and production to the turnkey phase.

Sur Yapı's increasingly complex and challenging projects have earned the Company a prominent position in the market and attracted interest from international investors. The Company has formed strategic partnerships and business relations with Turkey's leading real estate investors in recent years. In the context of real estate development, the Company has built many remarkable projects such as Exen İstanbul, Axis İstanbul Shopping Center, Metrogarden, Tilia and Corridor.

The Lavender, Gölbağçe, and İlkbahar projects, located in a fast-growing location on the Anatolian side of İstanbul, Bursa Marka, a residence and shopping mall complex in the city of Bursa, Koşuyolu, one of the Anatolian side's most prestigious residence project located in Kadıköy, and Exen Office, located on the skirts of Camlica are core projects expected to generate revenue in the upcoming years. As of 31 December 2015, the Company and its subsidiaries employed a workforce of 347 (FYE2014:382). Company shares are fully owned by the Elmas Family.

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