Corporate Credit Rating
(Update)

Contracting & Real Estate Development

RÖNESANSHOLDİNG			Long Term	Short Term
International	Foreign currency		BBB-	A-3
	Local currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		BBB-	A-3
National	Local Rating		AA- (Trk)	A-1+ (Trk)
	Outlook		Stable	Stable
	Issue Rating		AA- (Trk)	A-1+ (Trk)
Sponsor Support			2	-
Stand Alone			AB	-
Sovereign*	Foreign currency		BBB-	A-3
	Local currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable

*Affirmed by Japan Credit Rating Agency, JCR on July 19, 2016

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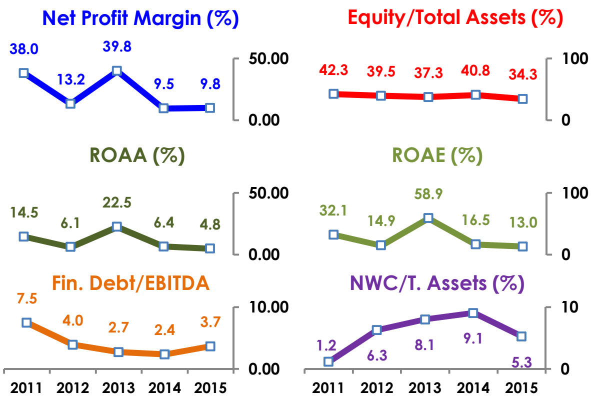

Rönesans Holding A.Ş.

Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (mn USD)	5,513	4,940	5,389	3,873	3,022
Total Assets (mn TRY)	16,030	11,455	11,501	6,884	5,708
Equity (mn TRY)	5,506	4,679	4,295	2,716	2,416
Net Profit (mn TRY)	540	619	1,782	342	530
Sales (mn TRY)	5,500	6,544	4,480	2,588	1,394
EBITDA (mn TRY)	1,273	1,403	1,149	492	224
Fin. Debt/EBITDA	3.69	2.38	2.73	3.96	7.50
Net Profit Margin (%)	9.82	9.47	39.78	13.21	38.04
ROAA (%)	4.81	6.44	22.46	6.08	14.55
ROAE (%)	12.99	16.47	58.88	14.92	32.15
Financial Leverage	2.91	2.45	2.68	2.53	2.36
Net WC/Assets (%)	5.26	9.08	8.06	6.32	1.18
Asset Growth Rate (%)	39.93	-0.40	67.07	20.61	57.63

* End of year, includes JCR-ER adjustments

Overview

The roots of Rönesans Holding A.Ş. (hereinafter Rönesans, Holding, Company or Group) dates back to Renaissance Construction founded by Mr. Erman Ilıcak in 1993, St. Petersburg, Russia. Solid business origination and project completion in Russia and CIS region allowed Rönesans to transform from a regional contracting firm to a global contractor & commercial real estate developer rapidly growing with both internal capabilities and acquisitions.

The Group's operational footprint includes more than 21 countries with a service catalogue including infrastructure, heavy industry, general buildings, medical facilities and commercial properties. Strategic acquisitions of Europe based specialized contracting companies completed in the recent years provided additional engineering know-how and leveraged the Group's international network.

Strong presence in the Russian market and subsequent exposure to sensitivities in the region is mitigated with growing geographical diversification and development of backlog in other markets. The weight of the activities and pipeline of the projects are expected to be more evenly distributed between CIS region and Europe, Turkey and other prospect markets thanks to the growing size of PPP projects, ability to muster larger resources to heavy industry and infrastructure projects.

On July 11 2016, IFC's equity investment of USD 215mn as a capital injection into Rönesans Holding providing additional liquidity to the Group to assist its global expansion, was announced. The international financial institution (IFI) investment in Rönesans is expected to contribute to Group's investments in mainly Africa, Middle East and industrial & infrastructure segments as well as to the corporate governance framework of the Group. Along with EBRD's participation in Company's TRY 200mn bond issue with TRY 100m in early 2016, the IFC equity deal marks a significant increase in Rönesans' exposure to IFIs.

As of December 2015, the number of the Group's employees was in excess of 35,000 including the outsourced workers based on internal records.

Strengths

- Diversification of revenues and declining dependency on single markets, supported by adequate estimated operating cash flow
- Prudent financial management and relatively low indebtedness profile
- Synergies of contracting and development businesses, resulting in increased capabilities and quality, supported by the higher value add in line with the contribution of heavy industry and infrastructure businesses
- International network and partnerships with global engineering and contracting companies, resulting in a competitive advantage in business origination and pipeline growth
- Strong investor base at the Holding level as well as the real estate and infrastructure development platforms, composed of a mix of IFIs, a sovereign wealth fund and specialized asset managers, resulting in enhanced corporate governance as well as environmental and social practices
- Adaptive global positioning owing to strategic acquisitions
- Proven track record as an international contractor

Constraints

- Volatilities in major markets such as Russia and Turkey, manifested as fluctuating currency rates, political risks and rapidly altering business environment & sentiment
- Higher operational risks and qualified human capital requirements of relatively new heavy industry and infrastructure segments, which might require additional management focus and resources
- Slight increase in the indebtedness level, alleviated to a certain extent with more favourable estimated financial figures
- Absence of independent board members on the Holding level yet, even though appointment thereof is planned within in a year

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