Corporate Credit Rating

Retail Sector

Ready Made Garment

DeFacto			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		Stable	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 July 19,2016

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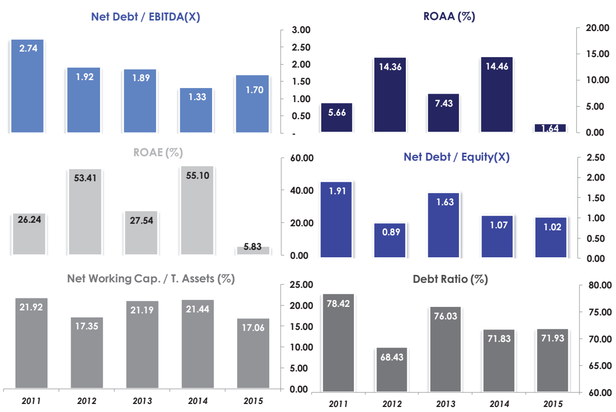

DeFacto PerakendeTicaret Anonim Şirketi

Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	376,030	343,082	311,761	247,861	205,794
Total Assets (000 TRY)	1,093,346	795,573	665,392	440,598	388,724
Equity (000 TRY)	306,853	224,100	159,470	139,106	83,883
Net Profit (000 TRY)	11,029	87,056	32,062	41,505	22,576
Sales (000 TRY)	1,632,181	1,172,460	868,982	632,561	539,651
ROAA (%)	1.64	14.46	7.43	13.08	14.56
ROAE (%)	5.83	55.10	27.54	48.66	67.46
Net Debt / EBITDA(X)	1.70	1.33	1.89	2.09	2.12
Net Debt / Equity(X)	1.02	1.07	1.63	0.89	1.91
Equity / Total Assets (%)	28.07	28.17	23.97	31.57	21.58
Net Working Capital / T. Assets (%)	17.06	21.44	21.19	17.35	21.92
Debt Ratio (%)	71.93	71.83	76.03	68.43	78.42
Asset Growth Rate (%)	37.43	19.56	51.02	13.34	n.a

*End of year

Company Overview

DeFacto PerakendeTicaret Anonim Şirketi and Its Subsidiaries (to be referred hereinafter as '**DeFacto,' the Group'** or '**the Company**') was established in 2004 and is one of the most well-known Groups in the field of ready-made garment, offers a range of clothes and accessories for men, women and kids. DeFacto, as a Turkey-based company, has 15 subsidiaries, which are engaged in the operation of department stores, retailing apparel, clothing and technology.

The Group has reached to a sizeable net sales area of 365k sqm with its total 209 shopping mall stores, 155 single category stores across 68 provinces of Turkey, 70 stores abroad- including 11 franchise stores - (14 different countries) and an online store with a staff force of 11,281 personnel as of June 30, 2016.

The major qualifying shareholders of the Company's shares are Mr. Z. Cemal Özen, Mr. İhsan Ateş and DF Retail Holdco Coöperatief U.A. holding 66.50%, 13.69% and 8.67%, respectively as of December 31, 2015.

Strengths

- Net profitability indicators settling at a solid path enhancing the internal equity generation capacity,
- Very low adjusted debt levels particularly through low levels of financial borrowings and supported by liquidity buffer,
- Resilient and predictable cash flows and revenue streams,
- Sustained asset and business volume growth expected to continue,
- Despite continuation of facing pressures from rising inflation, currency depreciation and weaker consumer confidence, sector benefited by strong growth and expanding population,
- Maintaining gross profit per sqm encouraging sign for future sales primarily driven by favourable pricing,
- Upward growth trend in demand particularly fuelled by median age targeting and price policy, expected to outpace the economic growth by far.

Constraints

- Increased financial expenses due to bank loans denominated in foreign currencies negatively impacting the bottom line earnings,
- Need for improvement regarding the compliance level with corporate governance principles in respect of its magnitude,
- Increasing volatility in the markets, geo-political events global economic slump leading to economic slowdown and upward pressure on interest and exchange rate,
- Fragmented market aggravating fierce competition through price cutting among retailers and online stores at breakneck pace leading to margin pressure in view of price sensitivity of customers.

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