

UNIT ELEKTRİK		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 October 07, 2016

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UNIT ELEKTRİK ENERJİSİ TOPTAN SATIŞ İHR. VE İTH. A.Ş.						
Financial Data	June, 2016	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	119,595	64,450	89,345	72,778	21,603	10,830
Total Assets (000 TRY)	345,008	187,395	207,182	155,329	38,510	20,456
Equity (000 TRY)	49,892	20,398	-23,265	-1,205	4,606	5,347
Net Sales (000 TRY)	346,169	665,392	1,001,550	407,859	211,299	125,419
Net Profit (000 TRY)	27,215	43,662	-28,585	-3,906	1,894	3,033
EBITDA (000 TRY)	51,630	79,896	-20,674	370	4,880	4,253
EBITDA Margin (%)	14.91	12.01	-2.06	0.09	2.31	2.42
ROAA (%)	2.38	27.67	-19.71	-5.01	8.06	16.18
ROAE (%)	19.21	NS	NS	-285.32	47.72	72.93
Equity / T. Assets (%)	14.46	10.88	-11.23	-0.78	11.96	26.14
Net Working Capital / T. Assets (%)	15.05	10.10	-16.22	-3.24	6.87	15.91
Debt Ratio (%)	85.54	89.12	111.23	100.78	88.04	73.86
Asset Growth Rate (%)	51.60	-9.55	33.38	303.35	88.25	-23.07

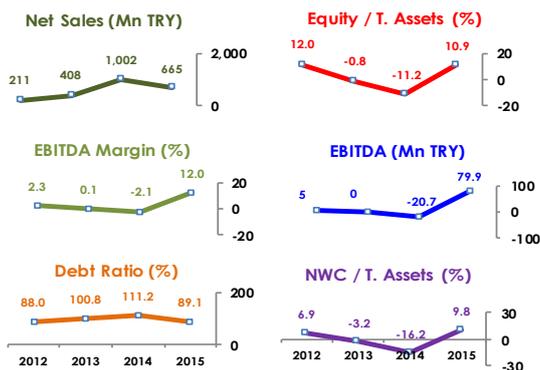
*YoY figures, NS: Nonsense due to negative or null denominator

Overview

Unit Elektrik Enerjisi Toptan Satış İhr. Ve İth. A.Ş., (hereinafter referred to as "Unit Elektrik" or "the Company"), established in 1998; is a subsidiary of the **Unit Group** having investments and operations in the energy, engineering, procurement, and construction (EPC), and operations & management (O&M) businesses, wholesale and retail electricity sales & trading, tourism, and real estate. The Company has performed the domestic and overseas (Bulgaria, Romania and Greece) wholesale and retail electricity trading activities of the Unit Group in Turkey since 2010 through its wholesale license with 20-year validity period obtained from Republic of Turkey Energy Market Regulatory (EMRA) in 2005.

As of June 2016, the Unit Group 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.

With 99.6% of shares, Unit International SA, owned by Ünal Aysal, the founder of the group, is the ultimate controlling shareholder of the Company. The Company employed a workforce of 22 as of December 31, 2015 (FYE2014: 24).



Strengths

- Improved efficiency in customer portfolio and pricing leading to enhancement in profit generation capacity
- Satisfactory liquidity level and regulated market structure regarding financial netting, relieving liquidity management
- Current assets weighted balance sheet composition with comparatively short collection period and negligible level of credit and interest rate risk exposures contributing positively its risk perception
- Advantages of being in a leading independent power producer (IPPs) group in Turkey with installed capacity approximating 2,000 MW and having required means, skills, and experience for cross-border trading, enabling flexibility in supply and pricing
- Group's diversified power plant portfolio in terms of energy sources and geographic location together with their strategic locations, mitigating supply and market risks and enabling comfort in pricing
- Complementary activity fields of Group companies adding to intra-group synergy and market power, and after to operational efficiency and performance
- Improved ability to create beneficial and collaborative international and local partnerships achieved through the group's over 30 years of experience in the energy sector
- Growing energy needs of Turkey and improving competitive market conditions providing potential for future growth to companies and groups having electricity generation capability from diversified resources

Constraints

- Increased volatility potential on future profit figures derived from comparatively high foreign exchange position
- Comparatively high debt ratio stemming from its financing provider role in the group
- Deteriorated sales revenues and customer and subscriber numbers together with improved profit generation capacity
- Need for improvement in corporate governance practices
- Relatively high off-balance sheet commitments and contingencies level though limited to the exposure as they are mostly derived from the market regulations
- Restrained level of competition in the sector
- Ongoing volatility in the markets, global economic slump leading to economic slowdown and upward pressure on interest and exchange rates