

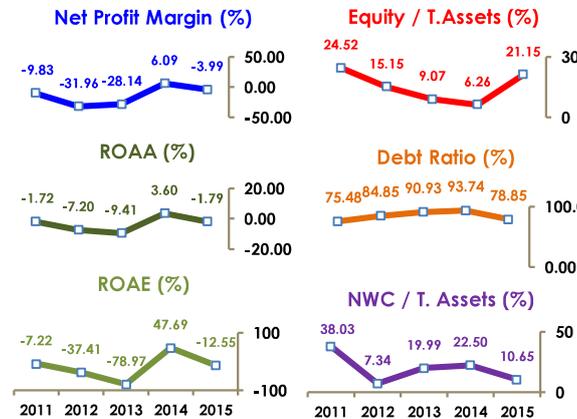
**Corporate Credit & Issue Rating**

**Construction**

<b>TAŞYAPI</b>		<b>Long Term</b>	<b>Short Term</b>	
<b>International</b>	<b>Foreign currency</b>	<b>BBB-</b>	<b>A-3</b>	
	<b>Local currency</b>	<b>BBB-</b>	<b>A-3</b>	
	<b>Outlook</b>	<b>FC</b>	<b>Stable</b>	<b>Stable</b>
		<b>LC</b>	<b>Stable</b>	<b>Stable</b>
<b>Issue Rating</b>		<b>n.a.</b>	<b>n.a.</b>	
<b>National</b>	<b>Local Rating</b>	<b>BBB- (Trk)</b>	<b>A-3 (Trk)</b>	
	<b>Outlook</b>	<b>Stable</b>	<b>Stable</b>	
	<b>Issue Rating</b>	<b>BBB- (Trk)</b>	<b>A-3 (Trk)</b>	
<b>Sponsor Support</b>		<b>2</b>	<b>-</b>	
<b>Stand Alone</b>		<b>B</b>	<b>-</b>	
<b>Sovereign*</b>	<b>Foreign currency</b>	<b>BBB-</b>	<b>-</b>	
	<b>Local currency</b>	<b>BBB-</b>	<b>-</b>	
	<b>Outlook</b>	<b>FC</b>	<b>Stable</b>	<b>-</b>
		<b>LC</b>	<b>Stable</b>	<b>-</b>

\*Assigned by Japan Credit Rating Agency, JCR on October 7, 2016

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**Strengths**

- Successful completion of renowned projects and the reputable brand name of the Company in its sector
- Continuous increase in sales revenues and EBITDA realized between FY2012-FY2015 reflecting the successful operational performance
- Diversification of revenue generating channels, somewhat increasing the Company's resilience to downward pressures in its main sector
- Notable experience of the shareholder and the Company in the construction sector
- Accumulated increase in the value of construction projects are not accurately reflected in the Company's balance sheets
- Positive cash flow expectations from the future operations of the Company

**Constraints**

- No profit generation in four of the five review periods, despite generation of EBITDA from operations
- Continuous net losses eroding the Company's equity base and lack of cash flow generation from the in-kind capital increase realized in FY2015
- Significant foreign exchange risk carried in the balance sheet creating additional pressure on the Company profitability through FX losses
- Notable increase in off-balance sheet liabilities in FY2015 indicating comparably high borrowing costs and credit risk
- Pressurized sector outlook in the midst of political uncertainties, coupled with volatile exchange rates and regional conflicts
- Lack of independent members on the Board of Directors and current level of adherence to corporate governance principles
- Notable level of litigation provisions in the Company balance sheet

<b>TAŞYAPI İNŞAAT TAAHHÜT SAN. VE TİC. A.Ş. &amp; ITS SUBSIDIARIES</b>						
<b>Financial Data</b>	<b>2016/Q3**</b>	<b>2015*</b>	<b>2014*</b>	<b>2013*</b>	<b>2012*</b>	<b>2011*</b>
<b>Total Assets (000 USD)</b>	770,436	547,343	590,713	545,697	576,438	422,273
<b>Total Assets (000 TRY)</b>	2,308,149	1,591,456	1,369,803	1,164,681	1,024,675	797,631
<b>Equity (000 TRY)</b>	515,684	336,672	85,808	105,632	155,216	195,543
<b>Net Sales (000 TRY)</b>	153,163	746,444	488,545	300,242	158,404	194,950
<b>Net Profit (000 TRY)</b>	45,655	-29,791	29,767	-84,501	-50,620	-19,155
<b>Net Profit Margin (%)</b>	29.81	-3.99	6.09	-28.14	-31.96	-9.83
<b>ROAA (%)</b>	n.a.	-1.79	3.60	-9.41	-7.20	n.a.
<b>ROAE (%)</b>	n.a.	-12.55	47.69	-78.97	-37.41	n.a.
<b>Equity/Total Assets (%)</b>	22.34	21.15	6.26	9.07	15.15	24.52
<b>NWC / T. Assets (%)</b>	35.05	10.65	22.50	19.99	7.34	38.03
<b>Asset Growth Rate (%)</b>	n.a.	16.18	17.61	13.66	28.46	n.a.
<b>NFD / EBITDA (%)</b>	n.a.	1.84	2.33	3.72	-24.10	6.77

(\*) End of the year, NWC: Net Working Capital, NFD: Net Financial Debts, n.a.: not applicable/available  
(\*\*) September-end 2016, combined and unaudited financial statements. Consolidated financial statements are not available for interim periods.

**Overview**

Established in 1985 by Mr. Emrullah Turanlı, Taşyapı İnşaat Taahhüt San. Ve Tic. A.Ş. (hereinafter referred to as "Taşyapı", "the Group" or "the Company") is a leading construction company based in Istanbul/Turkey specializing in residential, commercial and infrastructure projects. The Group has completed more than 3 million m<sup>2</sup> of construction since its inception, including well-known projects such as Trump Towers, Mashattan, and Four Winds Residence. Taşyapı's increasingly complex and challenging projects have earned the Group a prominent position in the construction sector. In addition to its construction sector activities, the Group operates in the sectors of tourism (Double Tree Hilton Moda), airport management (Ercan Airport in Lefkoşa) / Turkish Republic of Northern Cyprus\*, sports and fitness club management, and car parking management through its subsidiaries and investments in associates.

(\*) The Group obtained the management right for a period of 25 years, and 21 years were remaining as of the report date.

The Group employed 1,154 full-time employees on average in FY2015 (FY2014: 1,061). However, if employees of subcontractors and temporary employees are also included, the Group employed more than 13,000 in FY2015.