

Corporate Credit & Issue Rating

**Construction
Real Estate Development**

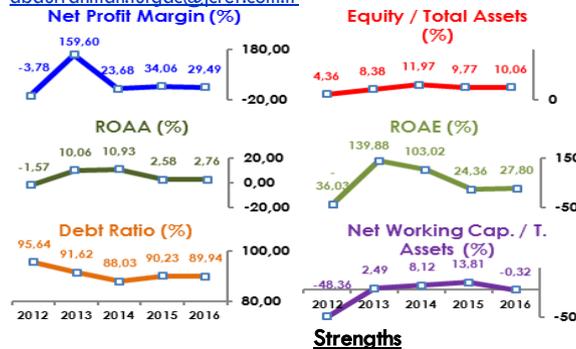
nef			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
	Local Currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		n.a.	n.a.
National	Local Rating		A- (Trk)	A-1 (Trk)
	Outlook		Positive	Stable
	Issue Rating		A- (Trk)	A-1 (Trk)
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
LC		Stable	-	

*Assigned by JCR Eurasia Rating, JCR-ER on October 7, 2016

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Strengths

- Strong recognition of NEF Brand
- Remarkable overperformance of the previous year's sales figures in the first two months of 2017
- Prudent financial management reflected in the strong liquidity cushion to meet construction liabilities and to absorb abrupt cash flow needs along with a diversified funding mix
- Visible projections to gradually reduce net financial liability which will provide additional liquidity buffer from financial institutions
- Establishing strategic partnerships in undertaking new projects to mitigate the business risk and to reduce cash expense needs
- Efficient marketing efforts focused on customer satisfaction
- Sound project pipeline to realize the future sales projection
- Expanding project base out of Istanbul with new summer house and hotel concepts
- Demographic figures underpinning the Turkish housing market

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	1.045.840	922.255	700.314	464.749	233.837
Total Assets (000 TRY)	3.680.519	2.681.550	1.623.957	991.913	415.669
Equity (000 TRY)	370.216	261.935	194.452	83.125	18.113
Net Profit (000 TRY)	61.553	41.569	112.445	57.193	-3.128
Sales (000 TRY)	208.752	122.058	474.796	35.835	82.725
Net Profit Margin (%)	29,49	34,06	23,68	159,60	-3,78
ROAA (%)	2,76	2,58	10,93	10,06	-1,57
ROAE (%)	27,80	24,36	103,02	139,88	-36,03
Equity / Total Assets (%)	10,06	9,77	11,97	8,38	4,36
NWC / T. Assets (%)	-0,32	13,81	8,12	2,49	-48,36
Debt Ratio (%)	89,94	90,23	88,03	91,62	95,64
Asset Growth Rate (%)	37,25	65,12	63,72	138,63	n.a

*End of year

Overview

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. (Timur Gayrimenkul) has operated in the real estate development business since its establishment in 2007. The Company develops real estate projects containing flats, residences, houses, suites, offices, hotels, summer houses and retail outlets under its prominent NEF brand and 'fold-home' and 'fold-office' concepts. The Company has established a strong brand awareness in the highly fragmented and competitive real estate market through need-oriented solutions and innovative concepts largely located in central Istanbul. The Company extended its project base out of Istanbul with new summer house concepts and hotel investments.

The Company's focus on developing projects with small-ticket size units in central business and residential districts of Istanbul ensures continuous demand from buyers thanks to the patented concepts which enable residents to utilize a wide range of facilities including a guestroom, cinema hall, music room, business room and archive room on a "pay-per-use" system.

Timur Gayrimenkul is headquartered in Istanbul, Turkey has had a total workforce of 259 as of FYE2016. The Timur Family is the sole owner of the Company.

Constraints

- Net foreign currency denominated financial liabilities incurring sensitivity to volatility in the foreign currency markets, although these FX liabilities are financings for projects where the sales prices are either FX or indexed to FX
- High levels of financial leverage prevalent in the construction sector
- Global and regional macroeconomic pressures as growth rates are pressured with downside risks
- Geopolitical risks and uncertainties in the local market constraining prospects and exposing vulnerabilities to interest rates while squeezing disposable income
- Fierce competition in the unregulated real estate market

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"Global Knowledge supported by Local Experience"