

**Corporate Credit Rating
(Update)**

Construction & Real Estate Development

RÖNESANS HOLDING		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

Rönesans Holding A.Ş.					
Financial Data	1Q2017**	2016*	2015*	2014*	2013*
Total Assets (mn USD)	6,712	6,393	5,547	4,940	5,389
Total Assets (mn TRY)	24,424	22,497	16,128	11,455	11,501
Equity (mn TRY)	7,691	7,334	5,506	4,679	4,295
Net Profit (mn TRY)	228.55	527.32	540.22	619.50	1,782.40
Sales (mn TRY)	2,822	10,239	5,500	6,544	4,480
EBITDA (mn TRY)	182.80	744.31	433.50	739.14	581.30
Net Debt/EBITDA	n.a.	4.16	6.35	2.34	2.83
Net Profit Margin (%)	8.10	5.15	9.82	9.47	39.78
ROAA (%)	n.a.	3.62	4.80	6.44	22.46
ROAE (%)	n.a.	10.88	12.99	16.47	58.88
Financial Leverage	3.18	3.07	2.93	2.45	2.68
Net WC/Assets (%)	0.81	3.95	4.69	9.08	8.06
Asset Growth Rate (%)	8.57 ***	39.49	40.79	-0.40	67.07

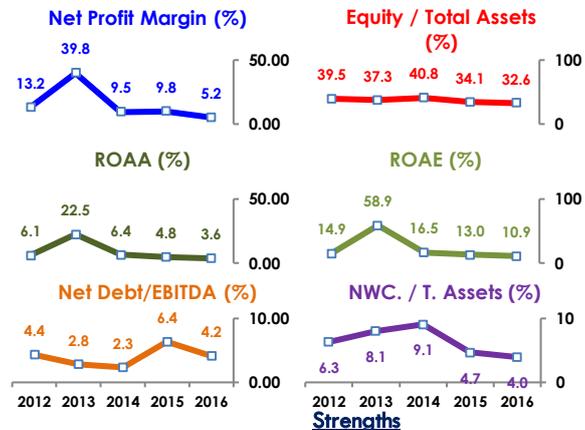
* End of year, includes JCR-ER adjustments, ** Unaudited figures as of March 31, 2017
*** Over 2016 year-end

Overview

* Sovereign rating affirmed by Japan Credit Rating Agency, October 7, 2016

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The origin of Rönesans Holding A.Ş. (hereinafter Rönesans, the Holding, or the Group) dates back to Renaissance Construction founded by Mr. Erman Ilıcak in 1993, St. Petersburg, Russia. The Group is currently an international construction and real estate development company with investments in energy sector as well. Rönesans Group's construction segment includes general construction, heavy industries, infrastructure and medical construction. Development arm is active in commercial real estate development in Russia and Turkey and also includes healthcare PPP participations in the latter.

Rönesans has operations in 23 countries owing to a growth path comprising of both organic expansion and acquisitions, particularly in the European construction & contracting market. This expansion phase has diversified the Group's initially larger exposure in the CIS region.

The Group has several international partnerships in the form of business ventures, equity and funding facilities. Rönesans has attracted strong international financial institution (IFI) interest, evidenced by the IFC's equity investment (5.25%) in July 2016, EBRD's participation in the LCY bond issuances as well as sovereign wealth fund established by the Government of Singapore GIC's 21.44% in its real estate development arm in Turkey, in addition to several international funding arrangements for the ongoing projects.

Among Group's notable acquisitions is Ballast Nedam (hereinafter BN), a major construction company based in the Netherlands, now fully owned by the Group and consolidated in the financials of 2016. The Group has completed a transformational restructuring in BN in 2016 and expects to improve financial performance as a result of pricing discipline, tendering know-how, reduced overhead and better oversight.

The Group had a workforce in excess of 39K as of year-end 2016.

Constraints

- Increased and diverse operating cash flows and revenue base
- Growing European market exposure, reducing country risk
- Prudent financial management and relatively low indebtedness profile despite slight increase
- Ability to generate synergies between construction and development 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
- Proven track record as an international contractor
- Consolidation effects of Ballast Nedam, reducing the bottom-line profitability ratios and slightly increasing the consolidated leverage levels
- Exposure to emerging markets, prone to economic and political volatilities
- Increase in the indebtedness, counterbalanced with cash holdings, order book and projections with respect to European operations
- Operational risks and specific expertise requirements of heavy industry and infrastructure segments & transition and restructuring of Ballast Nedam, which demands additional management focus