

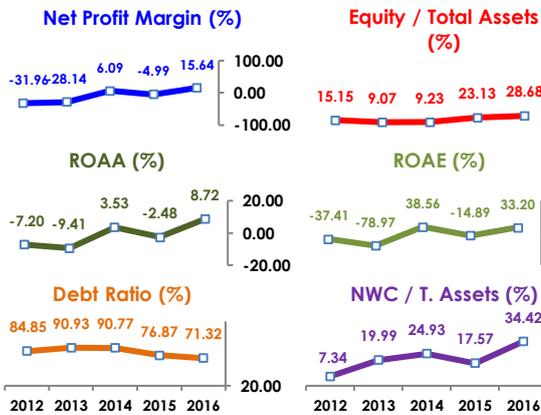
Corporate Credit & Issue Rating

Construction & Contracting

TAŞYAPI		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	-

*Assigned by Japan Credit Rating Agency, JCR on November 10, 2017

Analyst: Ozan SIVACI / +90 212 352 56 73
ozan.sivaci@jcrer.com.tr



Strengths

- Continuous increase in net sales revenues and EBITDA generation reflecting the Group's successful operational performance
- Successful completion of renowned projects and Taşyapı's reputable brand name in the sector
- Robust increases in the share of equities supporting the Group's solvency and additional borrowing capacity
- Diversification of revenue generating channels, somewhat increasing the Group's resilience to downward pressures in its main sector
- The Group and the chairman's notable experience in the construction sector
- Robust increases in the level of liquid assets and net working capital, supporting the liquidity position
- Positive cash flow expectations from the future operations

TAŞYAPI İNŞAAT TAAHHÜT SAN. VE TİC. A.Ş. & ITS SUBSIDIARIES						
Financial Data	2017/Q3**	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	773,869	595,408	557,963	612,946	545,697	576,438
Total Assets (000 TRY)	2,748,860	2,095,361	1,622,332	1,421,361	1,164,681	1,024,675
Equity (000 TRY)	390,589	601,029	375,193	131,144	105,632	155,216
Net Sales (000 TRY)	48,710	798,868	734,043	488,545	300,242	158,404
Net Profit (000 TRY)	-92,115	124,979	-36,605	29,767	-84,501	-50,620
Net Profit Margin (%)	-189.11	15.64	-4.99	6.09	-28.14	-31.96
ROAA (%)	n.a.	8.72	-2.48	3.53	-9.41	-7.20
ROAE (%)	n.a.	33.20	-14.89	38.56	-78.97	-37.41
Equity/Total Assets (%)	14.21	28.68	23.13	9.23	9.07	15.15
NWC / T. Assets (%)	23.71	34.42	17.57	24.93	19.99	7.34
Asset Growth Rate (%)	n.a.	29.16	14.14	22.04	13.66	28.46
NFD / EBITDA (%)	n.a.	3.22	2.08	2.33	3.72	n.m.

(* End of the year, consolidated and audited financial figures, NWC: Net Working Capital, NFD: Net Financial Debts, n.m.: not meaningful, n.a.: not applicable.)

(**) September-end 2017, combined and unaudited financial statements. Consolidated financial statements are not available for interim periods. Presented for information purposes only and not suitable for exact comparison with IFRS financial statements.

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 mainly in residential, commercial and infrastructure projects. Taşyapı's increasingly complex and challenging projects have earned the Group a prominent position in the construction sector. Taşyapı has completed more than 1.5 million m² of superstructure construction since its inception, including well-known projects such as Trump Towers, Mashattan and Four Winds Residence. In addition to its construction sector activities, the Group operates in the sectors of tourism (Double Tree Hilton Moda), airport operating (Ercan Airport in Lefkoşa) / Turkish Republic of Northern Cyprus, sports, wellness club and car parking management through its subsidiaries and investments in associates.

Core superstructure projects expected to generate cash inflows in the upcoming periods include the Okmeydanı and Göztepe Training Research Hospitals and sales from the Four Winds Residence, Koşuyolu Kuru Evleri, Taşyapı Residence, Reşadiye Villaları and Mashattan projects. Infrastructure projects included ongoing road construction works in: Konya, Afyon, Kangal, Torbalı, Ereğli, Gerede and Balalan and tunnel construction in Amasya.

The Group employed 1,137 full-time employees as of FYE2016 (FYE2015: 1,154), excluding subcontractors and temporary employees.

Constraints

- Significant foreign exchange risk carried in the balance sheet creating additional pressure on profitability through FX losses
- Surging dependence on external financial resource use, increasing financing expenses and pressuring profitability
- Notable increase in off-balance sheet liabilities as of FYE2016, indicating comparably high credit risk and borrowing costs
- Notable level of litigation provisions in the Company balance sheet
- Pressurized construction sector outlook in the midst of political and economic uncertainties coupled with regional conflicts restraining the risk appetite
- Lack of independent members on the Board of Directors and current level of adherence to corporate governance principles necessitating improvement