

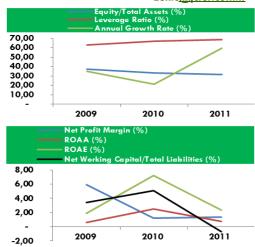
Corporate Credit Rating

Ceramics Industry

<mark>υşακ</mark> ∳seramiκ			Long Term	Short Term	
International	Foreign currency		ВВ	В	
	Local currency		ВВ	В	
		FC	Stable	Stable	
	Outlook	LC	Stable	Stable	
National	Local Rating		BBB (Trk)	A-3 (Trk)	
	Outlook		Stable	Stable	
Sponsor Support			3	-	
Stand Alone		ВС	-		
Sovereign*	Foreign currency		ВВ	В	
	Local currency		ВВ	В	
	Outlook	FC	Stable	Stable	
		LC	Positive	Stable	

^{*}Assigned by Japan Credit Rating Agency, JCR on June 28, 2012

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Strengths

- Sustained market share and ranking through significant asset growth rates, particularly in FY2011
- Comparative efficiency in capacity utilization
- The capital injection during FY2012 improving funding structure and underpinning the robust growth uptrend
- Ease of access to raw material resources
- Positive outlook in the sector wherein the Company has operations
- Improvement in the term structure of liabilities
- Advantages obtained through regional incentives
- Increasing compliance level with the corporate governance principles set by SPK supported by the publicly traded company status

UŞAK SERAMİK SANAYİ A.Ş.											
Financial Data	1H2012	2011*	2010*	2009*	2008*	2007*	2006*				
Total Assets (000 USD)	120,468	110,712	84,917	71,991	53,238	65,080	55,681				
Total Assets (000 TL)	217,626	209,125	131,281	108,397	80,512	75,798	78,265				
Equity (000 TL)	94,817	65,428	43,589	40,516	21,306	23,173	21,834				
Net Sales (000 TL)	58,393	92,247	78,782	73,485	71,398	62,113	46,496				
Net Profit (000 TL)	499	1,295	956	4,386	-2,826	1,339	-740				
Net Profit Margin (%)	0.86	1.40	1.21	5.97	-3.96	2.16	-1.59				
ROAA (%)	n.a	0.76	2.53	0.62	-1.05	2.70	n.a				
ROAE (%)	n.a	2.37	7.22	1.90	-3.71	9.26	n.a				
Equity/Assets (%)	43.57	31.29	33.20	37.38	26.46	30.57	27.90				
Net Working Capital/T. Assets (%)	25.36	-0.70	5.14	3.42	-4.37	-1.75	-2.21				
Debt Ratio (%)	56.43	68.71	66.80	62.62	73.54	69.43	72.10				
Asset Growth Rate (%)	4.07	59.29	21.11	34.63	6.22	n.a	n.a				

^{*}End of year

Overview

Uşak Seramik Sanayi A.Ş. (to be referred hereinafter as **Uşak Seramik, Uşak** or **Company**), with initiation of its activities dating back to 1972, started its operations in the ceramics industry regarding current range of products, wall and floor tiles, in 1991 and obtained its current title in 1986.

The major qualifying shareholder of Uşak Seramik is **Durmuş TANIŞ** from the **Tanış Family**. Tanser Seramik Sanayi ve Ticaret A.Ş., controlled by the Tanış Family, currently owns a total of 19.42% of the Company's shares, which began to be publicly traded on the IMKB (ISE-Istanbul Stock Exchange) in 1990.

The Company maintains its production activities in Uşak, Turkey in a total area of 216,947 Sq. m. within a yearly capacity of 10.5 million Sq. m. and had a staff force of 379 as of September, 2012. In addition to retail stores owned by Tanışlar Group, the Company performs its sales operations on project basis and also through the dealers established by the Group companies across the seven regions in Turkey.

Constraints

- Inadequacy of net profitability indicators to the extent of generating internal equity particularly due to the high level of capital expenditures during the previous years
- Need for improvement in the fundamental liquidity measurements
- Deficiency in the coverage ability of the financial expenses
- Foreign currency position putting additional exposure on the predictability of profitability indicators
- Vertically integrated structure of the sector posing an obstacle on enjoying the advantages of business clusters
- Political turmoil in the neighboring countries
- Continuation of the soft-landing phase of the Turkish economy in the periods to come

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"Global Knowledge supported by Local Experience"