

Corporate Credit Rating

Non- Financial Sector

[(Textile, Tractor & Casting Sectors)]

EREĞLİ TEKSTİL		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		BC	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	-
		LC	-

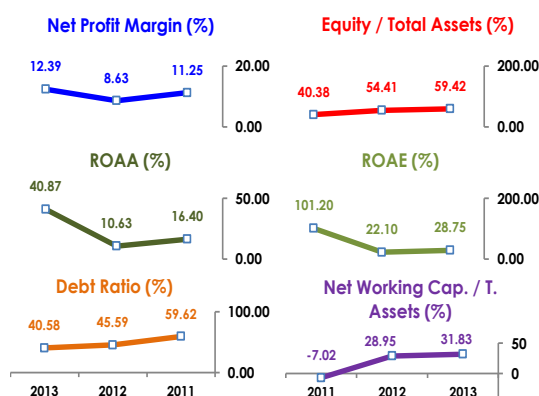
* Affirmed by Japan Credit Rating Agency, JCR on July 11, 2014

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Strengths

- Sustainability of sales revenues and market position based on domestically dominated sales income through the Group's activities
- Tümosan Motor's largest share in the Group's consolidated structure thanks to its expanding sales points and logistic centres
- The positive outlook of the acquisition of the Altay Tankı Güç Geliştirme Project of Tümosan Motor, promising further growth in both sales and assets
- Equity generation supported by the steady profitability
- High level of NWC supporting the Company's short term financial health and efficiency
- The reversal of short term borrowing through long term bond issuances, relieving the liquidity management
- Commercial and operational intra-group synergy through group companies

EREĞLİ TEKSTİL TURİZM SANAYİ VE TİCARET A.Ş.				
Financial Data	1H2014**	2013*	2012*	2011*
Total Assets (000 USD)	219,563	197,342	216,768	166,560
Total Assets (000 TRY)	466,880	420,418	385,327	314,614
Equity (000 TRY)	254,751	249,824	209,640	127,041
Net Profit (000 TRY)	8,503	51,270	28,234	52,843
Sales (000 TRY)	220,293	455,860	327,151	426,547
Net Profit Margin (%)	n.a	11.25	8.63	12.39
ROAA (%)	n.a	16.40	10.63	40.87
ROAE (%)	n.a	28.75	22.10	101.20
Equity / Total Assets (%)	54.56	59.42	54.41	40.38
Net Working Capital / T. Assets (%)	26.21	31.83	28.95	-7.02
Debt Ratio (%)	45.44	40.58	45.59	59.62
Asset Growth Rate (%)	n.a	9.11	22.48	n.a

*End of year **Unaudited&End of Period

Company Overview

'Ereğli Tekstil Turizm Sanayi ve Ticaret A.Ş.' (herein referred to as 'Ereğli Tekstil' or 'the Company') was founded in 1937 by Sümerbank and purchased by Albayrak Group in 1997. Facilities including spinning, weaving, paint factory, printing, garment and sewing yarn factories that have been modernized after joining the Group. The main activities of Ereğli Tekstil are the production and sale of all kinds of fabrics, fabric dyeing services, manufacture and sale services of textile and garment products and supply of a wide range of products and services to local and international clients via its subsidiaries.

The Istanbul-based Albayrak Turizm Seyahat İnşaat Ticaret A.Ş. is the main shareholder of Ereğli Tekstil with a share of 45%. Control of the Company is also held by Albayrak Family members. Subsidiaries include Tümosan Motor ve Traktör Sanayi A.Ş. which produces agricultural machineries such as diesel engines and tractors and Tümosan Döküm A.Ş. which operates in the metal casting sector. Tümosan Motor went public in 2012.

Company facilities are located on a covered area of 46.500 m2 with a daily production capacity of 18k meter of fabric and 12k meter of yarn, producing 40% of the Turkish Armed Forces uniforms.

Constraints

- Possible distribution of accumulated retained earnings may pressure resource reduction in consequence of the non-inclusion of an important portion of the capital resources
- On-going noteworthy level of off balance sheet commitments contingencies detrimentally affecting the Group's financial structure
- Low compliance level with corporate governance principles and weak transparency
- Poor tractor-stock management which negatively pressures financing expenses
- Unique customer concentration risk throughout the textile sector
- Increasing risk level through absence of a specific auditing mechanism
- Growing perception of pressure in the markets through risks arising from the current social unrest and political instability on economic influences

Publication Date: November 04, 2014

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