

**PRESS RELEASE**  
**Istanbul – March 10, 2017**

**JCR Eurasia Rating**

has reviewed and upgraded the Long Term National credit ratings of **Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş** and **Cash Flow of Its Issued Bonds** to **'A-(Trk)/Positive'** and affirmed **'BBB-/Stable'** on the Long Term International Foreign and Local Currency Scale.

JCR Eurasia Rating has upgraded **"Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş."** and **cash flows of its issued bonds** to **"A- (Trk)/Positive"**. The Long Term International Foreign and Local Currency rating and outlooks have been affirmed as **"BBB-/Stable"**. Details of the ratings are given in the table below.

Long Term International Foreign Currency	:	BBB-/ (Stable Outlook)
Long Term International Local Currency	:	BBB-/ (Stable Outlook)
Long Term National Local Rating	:	A- (Trk) / (Positive Outlook)
Long Term National Issue Rating	:	A- (Trk)
Short Term International Foreign Currency	:	A-3 / (Stable Outlook)
Short Term International Local Currency	:	A-3 / (Stable Outlook)
Short Term National Local Rating	:	A-1 (Trk) / (Stable Outlook)
Short Term National Issue Rating	:	A-1 (Trk)
Sponsor Support	:	2
Stand Alone	:	B

**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 established a strong brand awareness in the highly fragmented and competitive real estate market through need-oriented solutions and innovative concepts located largely in central Istanbul. The Company extended its project base out of Istanbul with new summer house concepts and hotel investments. Additionally, the Company is investing in the qualified dormitories under the **NOVA** brand in line with the growing need for high-quality dormitories.

The outlook of the Turkish construction sector is generally dependent on various global and domestic factors. Geopolitical and regional conflicts arising around Turkey, the coup attempt in July 2016, waning investment appetite in emerging markets and tightening financing conditions and their impact on domestic investment climate and related sectors will define the construction sector dynamics in the upcoming years. The housing market generates approximately 60% of the construction sector in Turkey and is the driving force behind construction production. The growing trend in housing sales was maintained in 2016 through a 4% growth in unit sales. Total unit sold reached 1.34 million thanks to the demographic dynamics of the country, growing number of major projects and attempts to revive the sector in the second half of 2016.

Timur Gayrimenkul established a solid presence in the Turkish housing market and maintained strong sales figures despite the financial and political challenges of 2016 through effective marketing efforts and widening sales channels. The Company's asset base demonstrated a sound growth reflecting a growing project base which increased the visibility of the Company's future sales and revenue streams. The Company's ample liquidity base provide a sound buffer against ongoing construction expenses and abrupt cash needs. Additionally, establishment of strategic partnerships in undertaking new projects, diversified funding structure and reasonable financial leverage, liquidity management, use of effective tools to maintain customer oriented approach, efficient internal reporting mechanism exhibit a prudent financial management supporting the upgrade and positive short term outlook. The Company's net foreign currency balance sheet position, its projections regarding substantial debt service in the upcoming years, progress in the project base and sales figures will be closely monitored.

No separate rating report has been compiled for the bond issuances as the resources obtained from the bond issue will be carried in the Company's balance sheet and are subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating.

The Timur Family, the sole owner of the Timur Gayrimenkul, is considered to have the willingness to provide long term liquidity and capital depending on their financial strength. In this regard, the Company's Sponsor Support Grade has been determined as **(2)** within the JCR Eurasia Rating scale.

On the other hand, taking into consideration the Company's sound project base, its strong recognition in the real estate development market and strong customer base, JCR Eurasia Rating has reached the opinion that the Company has attained a level of organizational base to manage its obligations regardless of any assistance that may be provided by the shareholders. Within this context, the Company's Stand Alone grade has been determined as **(B)** in JCR Eurasia Rating's notation scale.

For more information, you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst **Mr. Abdurrahman TUTĞAÇ**.

**JCR EURASIA RATING**  
**Administrative Board**