Corporate Credit & Issue Rating

☐New ☒Update

Sector: Real Estate Development

Publishing Date: 16/05/2018

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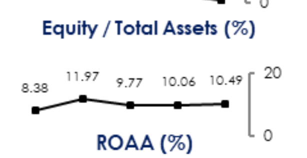
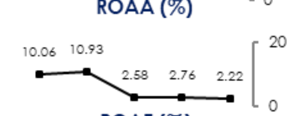
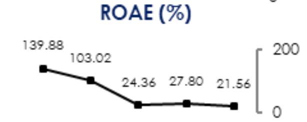
RATINGS

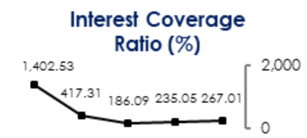
			Long	Short
International	Foreign		BBB-	A-3
	Local Currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		-	-
National	Local Rating		A+(Trk)	A-1(Trk)
	Outlook		Stable	Stable
	Issue Rating		A+(Trk)	A-1(Trk)
Sponsor Support			2	-
Stand-Alone			B	-
Sovereign*	Foreign		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

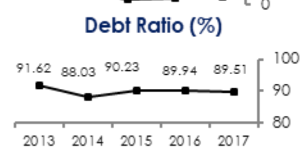
*Affirmed by JCR on November 10, 2017











Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş.

Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	1,163,876	1,045,840	922,255	700,314	464,749
Total Assets (000 TRY)	4,390,025	3,680,519	2,681,550	1,623,957	991,913
Equity (000 TRY)	460,388	370,216	261,935	194,452	83,125
Net Profit (000 TRY)	69,793	61,553	41,569	112,445	57,193
Sales (000 TRY)	814,015	208,752	122,058	474,796	35,835
Net Profit Margin (%)	8.57	29.49	34.06	23.68	159.60
ROAA (%)	2.22	2.76	2.58	10.93	10.06
ROAE (%)	21.56	27.80	24.36	103.02	139.88
Equity / Total Assets (%)	10.49	10.06	9.77	11.97	8.38
Interest Coverage Ratio (%)	267.01	235.05	186.09	417.31	1,402.53
Debt Ratio (%)	89.51	89.94	90.23	88.03	91.62
Asset Growth Rate (%)	19.28	37.25	65.12	63.72	138.63

* Audited financial statements

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. (Timur Gayrimenkul) is a real estate developer having a wide project range including flats, residences, houses, suites, offices, hotels, summer houses, and retail outlets under its prominent NEF brand. The Company has extended and diversified its project base and formed a visible structure to engage overseas projects in the upcoming years. The Company has established a strong brand awareness in the highly fragmented and competitive real estate market through need-oriented solutions and innovative concepts

Timur Gayrimenkul has cemented its presence in the real estate development market thanks to its business model which helped the Company enhance its cooperation with prominent domestic and real estate investment trusts, real person investors, and prominent architects and designers. Moreover, the joint venture **Nef EBRD Gayrimenkul Geliştirme A.Ş.** in partnership with **the European Bank of Reconstruction and Development (EBRD)** was incorporated to invest in modern, highly sustainable, and earthquake-proof developments and in residential and student housing redevelopment.

Strengths

- Adding upscale projects expected to improve profit margins
- Diversifying project base in terms of geography and designs
- Visible future sales and cash flow streams
- Growing cooperation with international financial institutions and project developers
- Forming solid structure for global project development
- Hands on and experienced board
- Strict subcontractor management
- Fairly diversified funding bundle and reasonable level of leverage
- Sound marketing effort and growing strength of Nef brand

Constraints

- Declining share of paid-in capital in total equity
- Increasing interest rate environment creating pressure on the level of mortgaged sales
- Persistent headwinds in the medium term macroeconomic outlook despite significant incentives and growth figures
- Turnover in the senior management team and room for improvement in the application of risk management and governance principles

1. Rating Rationale

The ratings assigned by JCR Eurasia Rating for Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS), on and off-balance sheet figures, general market conditions in its fields of activity, information and clarifications provided by the Company and non-financial figures.

The Company's asset quality, shareholding structure, risk management practices, market position, profitability figures, growth rates and the expected sponsor support and the financial and non-financial positions of the main shareholders and related companies have been taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency grades as well as national grades. The main driving forces behind the Company's long-term national grade are;

Established Brand Name and Sound Marketing Effort
The Management maintains its strong marketing effort under a fairly competitive real-estate market. Extended customer reach through a wide range of channels along with sponsorship agreements extends the Company's brand awareness and underpins sales performance.

Diversified Project Base and Track Record Strength
The Company has extended and diversified its project base despite its relatively short presence in the real estate development sector. The Company initially focused on developing projects in central districts. However, recent projects developed on a wider geography has extended the Company's project base. Timur Gayrimenkul's track record includes over 25 projects with more than 1 million sqm.

Improving Sales Figure with Upscale Projects
The Company posted a 44% sales growth in 2017 compared to the previous year and a 38% growth in terms of units sold. Moreover, the Q1 sales results, amounting to TRY 356mn, indicate that the Company is on track with its trajectory and is actually over the budgeted figures of TRY 313mn. The larger increase in sales figures projections per units sold is the reflection of the upscale projects which took place in the Company's portfolio.

Diversified Funding Bundle
Timur Gayrimenkul has diversified its funding base compared to its peers through actively utilizing capital market instruments since 2015 and comfortably rolled over its bonds when they are due. The Company has credit lines and utilized project finance loans from prominent Turkish banks.

Strict Rules for Subcontractor Management
The Company's core business field is the development of real estate projects. Construction work is carried out through subcontractors. Strict policies and procedures regarding the tender process was established in order to employ trustworthy subcontractors to complete projects on time and within budget.

Low Level of Paid-in Capital
Timur Gayrimenkul's pain-in capital was TRY 52.4mn as of FYE2017, which constituted 11.35% of total equity base of TRY 460mn. Retained earnings of TRY 287.6mn, would strengthen the Company's permanent capital base when added to paid-in capital from rating perspective. On the other hand, the Management is planning to add retained earnings to paid-in capital in the upcoming term, which is considered a rating strength.

Volatility in Macroeconomic Indicators
Recent depreciation of the TRY against the USD, political fluctuations, state of emergency in the country, turbulence in the Middle East, and possible increases in future costs of borrowing due to the rise in interest rates by the Federal Reserve are expected to lead increasing stress in economic activities and liquidity in the following periods.

Organizational Headway
A dedicated focus has been put to improve governance practices including establishing an investor relations department, extending internal control procedures, restructuring risk management and increasing the numbers of chairs in the board with independent members.

With respect to the mentioned factors above, JCR Eurasia Rating has upgraded the Long Term National Ratings of Timur Gayrimenkul to **'A+(Trk)'** in JCR Eurasia Rating's notation system. The Long-term International Foreign

Currency and Local Currency ratings of the Holding have been affirmed at the country ceiling of **'BBB-'**.

2. Outlook

JCR Eurasia Rating assigned a **'Stable'** outlook on the National Long-Term Rating of Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. based on the Company's project base, funding composition, established brand awareness in a competitive market, business partnerships and sales figures along with the global projections and domestic macroeconomic expectations of Turkey. The outstanding and planned debt instruments issuances are also evaluated in the determination of the outlook.

Significant factors that may be taken into consideration for any future change in ratings and outlook status:

Positive:
-Persistently generating positive free cash flow,
-Realization of overseas project development,
-Improvement in leverage levels,
-Robust economic growth in the domestic and international markets and diminishing interest rate environment

Negative:
-Deteriorating sales performance,
-Potential loss of flexibility in financing conditions,
-Contraction of project base,
-Considerable increase in leverage level

JCR Eurasia Rating will continue to monitor developments in regard to the proposed projections and the factors listed above.

3. Sponsor Support and Stand-Alone Assessment

The willingness and financial strength of the Company's owners to provide assistance has been assessed with respect to the financial capabilities of the primary shareholders, Musa and Erden Timur. The shareholders are thought to be willing to deliver support to the Company should such a need arise. JCR Eurasia Rating does not have sufficient information about the financial capabilities of the owners. Considering Timur Gayrimenkul's growing cooperation with international financial organizations, widening access to financial sources and established business partnerships, the Company's **Sponsor Support Grade** has been upgraded to **'1'**. This grade signifies a **strong** external support to the Company.

The Company's Stand-Alone grade reflects its financial strength and ability to meet its commitments and obligations through internally generated funds and is measured through returns on assets and equity, indebtedness level, asset quality, growth performance, business profile, related party transactions and liquidity position. **The Stand-Alone** rating has been upgraded to **'AB'** considering the Company's diversified project volume, on-going strong demand from its solid customer base, growing organization and established brand image.

4. Company Profile

a) History & Activities

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. (Timur Gayrimenkul) is a real estate developer having a wide project range including flats, residences, houses, suites, offices, hotels, summer houses, and retail outlets under its prominent NEF brand. The Company has extended and diversified its project base in Istanbul, Bodrum and Turkey while forming a visible structure to engage overseas projects in the upcoming years. The Company has established a strong brand awareness in the highly fragmented and competitive real estate market through need-oriented solutions and innovative concepts.

The Company's initial focus on was the development of projects with small-ticket size units in central business and residential districts of Istanbul. The design and patented concepts which enable residents to utilize a wide range of facilities including a guestroom, cinema hall, music room, business room, and archive room on a "pay-per-use" system and location of the projects attracted significant demand and resulted in strong sales performance.

Timur Gayrimenkul has cemented its presence in the real estate development market thanks to its business model which helped the Company enhance its cooperation with prominent domestic and real estate investment trusts, real person investors, and prominent architects and designers. Moreover, the joint venture Nef EBRD Gayrimenkul Geliştirme A.Ş. in partnership with the European Bank of Reconstruction and Development (EBRD) was incorporated to invest in modern, highly sustainable, and earthquake-proof developments and in residential and student housing redevelopment.

b) Organization & Employees

The Company's core business field is the development of real estate projects. Construction work is carried out through subcontractors. The Company is headquartered in Istanbul Turkey with a growing employee base of 385 as of FYE2017.

The Board is composed of the Chairman Musa Timur and vice chairman Erden Timur, the major shareholder. The organizational chart has been restructured in line with growing project volume and business. Five senior vice presidents report to the CEO assigned to the following departments in addition to legal affairs and internal audit divisions:

- Project Construction and Technical Office
- Procurement, Administrative Affairs & Public Relations
- Financial Affairs, Budget & Reporting
- Marketing & Corporate Communication
- Investment & Business Development

The Board oversees the general operations of the Company. Moreover, an Advisory Board of independent business professionals was established to assist the Board with financial and industry specific risks and corporate governance practices

c) Shareholders, Subsidiaries & Affiliates

The Timur family owns and manages the Company. Erden Timur is the major shareholder. The Company's share capital of TRY 52,390,000 is divided into 523,900 shares, each with a nominal value of TRY 100 as of FYE2017.

Shareholder	Nominal Value TRY	Share %
Erden Timur	49,770,500	95.00
Musa Timur	2,619,500	5.00
TOTAL	**52,390,000**	**100.00**

JCR Eurasia Rating has not presently analyzed the independent risk level of each consolidated companies and joint ventures, therefore no opinion regarding their individual creditworthiness has been formed.

d) Corporate Governance

Timur Gayrimenkul is not a listed company and is therefore required to meet only limited legal requirements regarding corporate governance compliance. On the other hand, the Company gained access to capital markets through a successful bond issuance. Implementing corporate governance best practices will improve governance efficiency, stakeholder value, and market perception.

The Board of the Company consists of shareholders Musa Timur and Erden Timur. No specific committees have been established within the Board as designated in the CMB's corporate governance principles. On the other hand, the Advisory Board, comprised of external business professionals, was established to assist the Board regarding corporate governance practices and industry specific risks.

The Company extended its website disclosures following its bond issuance. Information regarding completed and on-going projects, the Company's mission, vision and background, organization structure, senior management, shareholding structure, and articles of association are presented in the Company's website along with the company policies and brief financial and operational information.

The shareholders of the Company attach great importance to social development projects including framing urbanization plans for 81 cities of Turkey, establishing an Urban Vision Platform in order to create collaboration between public, private and civil sectors, and preparing urban plan schemes for Istanbul to increase awareness regarding the master construction plans. Additionally, the management designated strict workplace safety procedures for the sub-constructer firms to comply with in line with regulations of the Ministry of Labour and Social Security of Turkey.

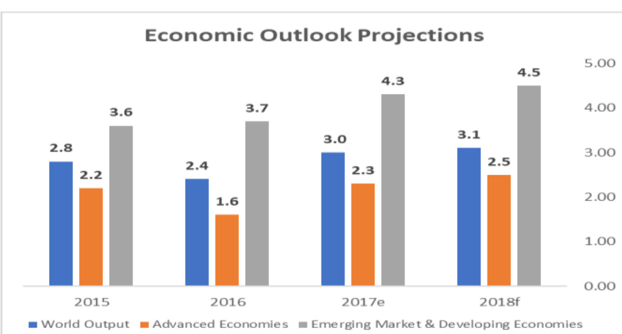
e) The Company Strategies

The Company's core activity area is real estate development and it aims to foster growth in this sector. In the highly competitive and unregulated environment of the housing industry, the Company differentiated itself from its rivals through building a strong brand image and innovations and a proven track record.

Timur Gayrimenul's proven track record including over 25 projects in Turkey attracts a growing number of domestic and overseas investors for future projects. A visible globalization and franchising strategy plan has been formed under Nef GLOBAL concerning the development plans, global strategic alliances, and pipeline log book.

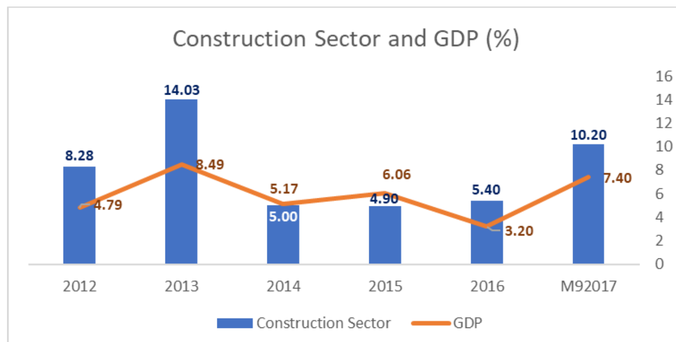
5. Sector Overview & Operational Environment

Global economic activity recovered in both emerging markets and developed countries in 2017 while both IMF and World Bank increased its 2018 global growth expectations to 3.9% and 3.1%, respectively. For developing economies facing structural challenges, vulnerabilities to tightened financial conditions remain along with facing the overheating risk two to three year and Fed's actions to move rates materially higher to head off inflation risk.



The global construction sector growth of 3.5% in 2017 has exceeded global growth expectations of 3%. The construction sector experiences faster growth in developing countries than in developed countries thanks to the relatively more vibrant economic environment and faster growth rates of developing economies.

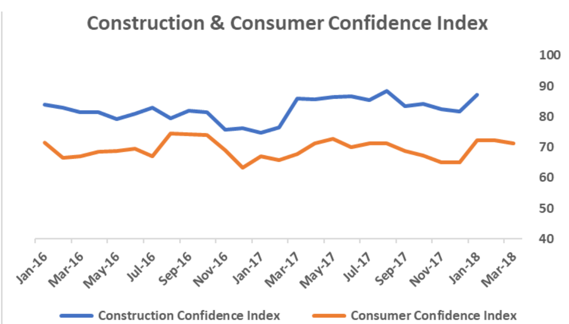
The share of the construction sector within the global economy is estimated to be between 10 and12% for 2017, whereas its share within Turkish economy was approximately 8.5% in the same year. Hence, the construction sector's share within the Turkish gross domestic product (GDP) was below that of its global average. The sector performed a significant real annual growth, 10.2%, in the first three quarter of 2017 compared to Turkish economic growth of 7.4%.



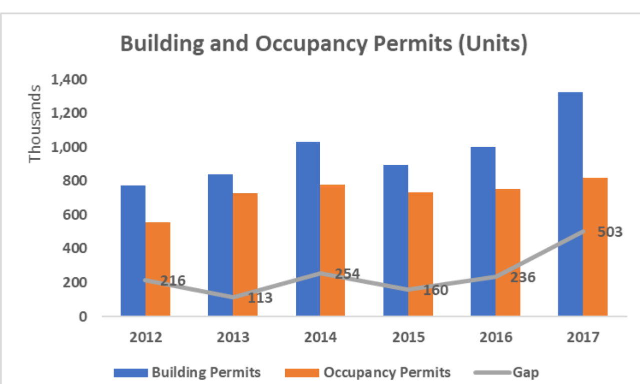
One of the main growth engines of the Turkish economy, the construction sector contributes to economic output not only through principal sector revenues but also through more than 150 subsectors including cement, ceramics, wood and glass. Hence, the cumulative contribution of the sector to the Turkish economy is more than the sole construction figures reflect. The sector employed around 2 million people, approximately 7.4% of the total Turkish workforce as of FYE2017, underlying the sector's importance for the Turkish economy. On the other hand, employment index of the sector exhibited a gradual decline following 2014, showing 9.5% decrease in the first 9 months of 2017 compared to the same period of previous year, indicating a growing number of off the book employment.

The outlook of the Turkish construction sector is generally dependent on various global and domestic factors. Geopolitical and regional conflicts arising around Turkey, election cycle, waning investment appetite to emerging markets, demographic evolution, tightening financing conditions and their impact on domestic investment climate and related sectors will define the construction sector dynamics in the upcoming years. The construction confidence indexe visibly recovered over the next 12-months from 74.87 in January 2017 to 87.04 in January 2018 reflecting the growth figures.

On the other hand, consumer confidence index was more volatile during the same period, however stood at a higher level of 71.3 in Mach 2018 compared to the same month of 2017, which was 67.8. Government spending to revive the economy in line with the upcoming elections in 2018 and 2019, ongoing and planned mega infrastructure and superstructure investments, regulations regarding tax exemptions and residential property ownership of foreigners along with the growing scale of urban transformation projects are expected to underpin the sector.



Statistics obtained from the Turkish Statistical Institute (TUIK) reveal that the number of construction permits provided during 2017 was dramatically increased by 32.2% to 1,323,118 while occupancy permits exhibited a moderate increase of 8.9% and reached 820,526 compared to previous year. The gap between construction permit and occupancy permit has significantly widened in 2017.



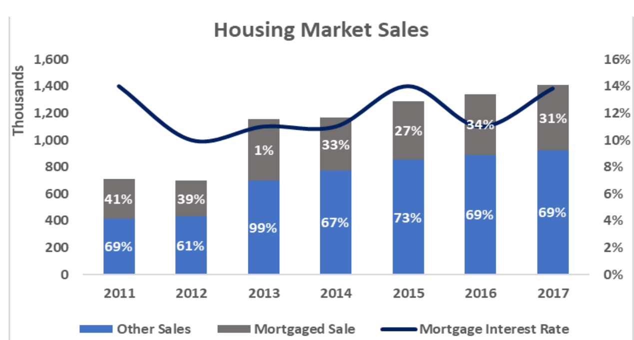
Foreign direct investments (FDI) in Turkey slightly declined by 2017 to USD 8.1bn compared to the previous year of USD 8.9 billion, the lowest annual FDI in the past 7 years. A total of USD 4.6 billion (56.6%) was comprised of net real estate investments. Regulations paving the way for real estate ownership of foreigners drawing the attention of middle eastern investors. However, considering the political instability in the region, trend in the foreign demand to Turkish real estate market make came under pressure.

- **Housing Market**

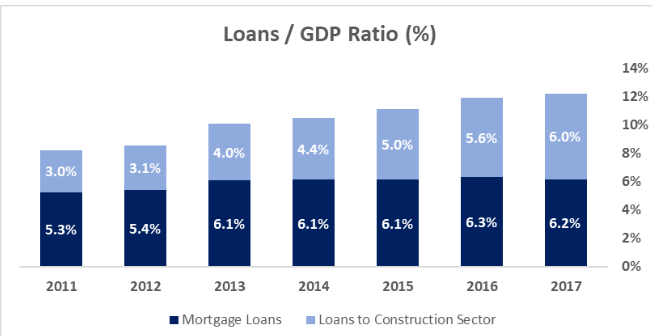
Several subsectors including the housing and office market, public infrastructure projects, tourism, retail, logistics and contracting sectors shape the construction sector figures. However, the housing market generates approximately the 60% of the sector in Turkey and is the driving force of the construction production.

The growing trend in housing sales was maintained in 2017 through a 5% growth in the number of the unit sales. Total unit sold reached 1.40 million thanks to demographic dynamics of the country, growing numbers of major projects and attempts to revive the sector. Around 30-40% of total residential sales were realized with mortgage loans in the sector.

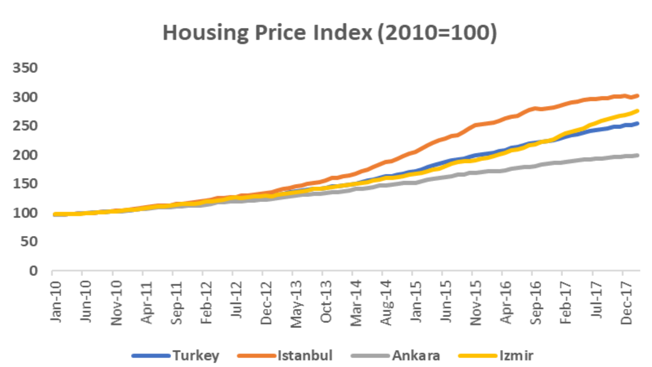
Mortgage interest rate fluctuated over the last five years between 9% and 14%. Mortgage interest rate was declined to approximately 11% in in 2016. On the other hand, the rate accelerated upward in 2017 to around 14% and further increased to around 15% in the first quarter of 2018. Consequently, the share of the mortgaged sales has declined to 31% of total shares in 2017.



As of FYE2017, mortgage loan volume reached TRY 191bn through a 16.5% increase compared to the previous year volume of TRY 164bn. Loans granted to the construction sector on the other hand performed the more significant growth of 28% to TRY 188bn. Non-cash credit loans total to construction sector reached TRY 124bn as in the same period (FYE2016: TRY 108bn). The share of mortgage loan volume to GDP has slightly declined to 6.2% in 2017 while cash loans granted to the construction sector in GDP increased to 6%.



With increasing demand, the average residential prices in Turkey increased by 154% between 2010 and 2017. Most of this increase was observed in Istanbul, where average residential prices increased by over 200%. Although the average residential house price growth rate was significant, one of the main reasons of this significant growth was the base effect of the low prices observed in 2008, the crisis year.



Housing demand generated by the foreign country residents (non-residents of Turkey) has an important contribution to the sector, 1.6% of total sales. Following a declined in 2016, the total number of sales increased to 22k units in 2017 from 18.2k in 2016. Although houses built in tourism destinations were generally preferred by foreign country residents in previous years, with the help of the new prestigious projects developed in Istanbul, most of the new residential sales to foreign residents were realized in Istanbul. The top three cities attracting foreign investors were again Istanbul, Antalya and Bursa with the shares 37%, 21% and 7%, respectively. Iraq, for the first time has the highest demand for residential investment followed by Saudi Arabia and Kuwait in terms of square meter obtained in 2017. Western countries' share has considerably declined in 2017.

- **Offices and Commercial Real Estate Market**

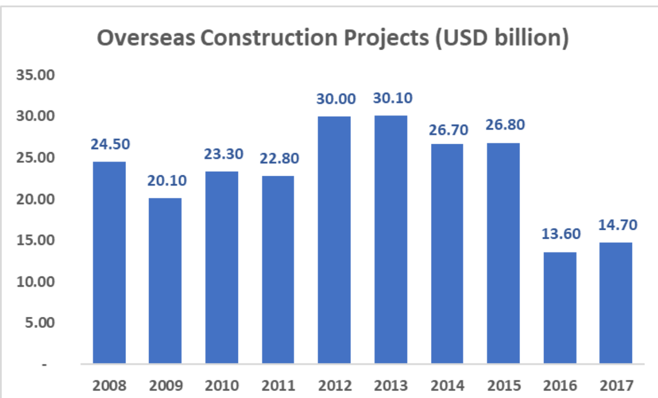
The office market exhibited a strong growth in recent years due to increasing demand for high quality rentable office facilities in Turkey. Despite a rapid growth in the office supply, the vacancy rate was increased to around 31% in A-rated offices in the central business districts due to decelerated economic activity and the increasing costs. A-rated offices in the central business districts comprised around 25% of the total office stocks.

Supply and demand imbalances varies on a regional basis leading to new investments in Istanbul. More convenient transportation opportunities, expanding business regions and public driven projects such as the Istanbul Finance Center attracts new investors. However, both renting activities and average rental income in the sector exhibited a decline.

When commercial real estate market is analysed, it is observed that the total revenue of shopping malls is increased to TRY 110bn as at FYE2017. As of 2017, there were 415 shopping malls in Turkey (387 in 2016) with 12.4 million m2 of total rentable space (11.4 million m2 in 2016). In addition to shopping malls in metropolitan areas, new investments are mainly expected to be realized around Anatolian cities. The retail industry is the driving force behind the growing volume of shopping mall revenues and is strictly correlated with macroeconomic cycles, political climate and consumer confidence index, which has a strong effect on consumer spending.

➢ Overseas Constructing Activities

The Turkish construction sector's significant presence in neighboring countries and the wider international market has shown a decline in 2016 largely due to political unrest in the region and moderately recovered in 2017. In 2017, Turkish contractors have undertaken 241 new projects around the world with a total construction volume of USD 14bn. The volume of new projects increased by 8.1% and the number of projects undertaken by 27%. New projects in the Russian market began do improve in line with improved ties between Turkey and Russia in 2017. Tanzania became the largest market in 2017 with a 17.3% share followed by Saudi Arabia (14.1%), and Russia (12.1%).



Considering the on-going political and economic conflicts in the Middle East and North Africa regions and plummeting commodity prices, Turkish contractors are expected to face additional pressures to find new markets around these regions in 2018. Furthermore, due to decreases in energy prices, the feasibility of new power plant projects has also been negatively affected, which will further hamper new construction projects. Hence, challenges to increase project volume for FY2018 will continue for the constructors operating abroad.

➢ Mega Projects

Continuous investment in public infrastructure in line with the plans of the General Directorate of Highways, the General Directorate of State Hydraulic Works and the Housing Development Administration of Turkey are another important contribution to the sector's growth and development in the long-term. The third Istanbul Airport (expected to be the largest airport in the world with respect to customer capacity), Kanal Istanbul Project, additional investments in the Istanbul-Izmir Highway and Izmit Gulf Bridge are the most important of these infrastructure projects.

Considering the sector's outlook and main trends for 2018, domestic residential and commercial real estate markets are expected to continue their growth with support from the demographic structure of Turkey (young population with a high propensity to spend), rapid urbanization and increasing demand from foreign country citizens. The growth of the domestic construction market is expected to be concentrated in big and branded projects and the competition in the sector is expected to be high due to the large number of companies operating in the sector. The combined projects that include residence, office, entertainment and leisure spaces are expected to be the main attractors of construction sector demand. Construction projects regarding the health sector are expected to increase with robust public and private investments in the sector as well. Due to the ongoing regional unrest within and around Turkey, Turkish construction companies with overseas operations will need to find new markets in place of their existing regional markets. Political instability in the Middle East region is a factor creating downward pressure on the sector as well.

The Turkish government proposed a series of structural reform and incentive policies, including a subsidy package for prospective house owners. Mortgage loans are allowed to cover at most 80% of the total value of the house by law, meaning that the remaining 20% must be provided by the buyer upfront. According to the new plan, individuals who open a specific savings account with the intention of accumulating funds for the initial payment of the house (25% of the house's value), will receive a 15% governmental support to be added to their savings account balance. This incentive is expected to provide support particularly to low & middle-income individuals and increase their housing demand.

Despite the modest outlook noted for the sector in the medium and long-term, it suffers from a number of shortcomings in a number of areas. These include the large share of informality within the sector, the relatively short maturity of housing loans, increasingly short contract terms and difficulties inherent in the financing of new housing projects resulting from high leverage. On the other hand, the technical know-how, experience, high-quality human resources and its international reach are among the sector's major strengths.

Sources: *Turkish Contractors Association, the Association of Real Estate Investment Companies and TURKSTAT, BRSA, CBRT*

6. Financial Foundation

a) Financial Indicators & Performance

Timur Gayrimenkul has consolidated its presence in the Turkish real estate market through the establishment of new partnerships, improvement in sales figures in a highly competitive environment, and diversification of its project base. The Company's business strategy and market prospects underpinning its financial profile include:

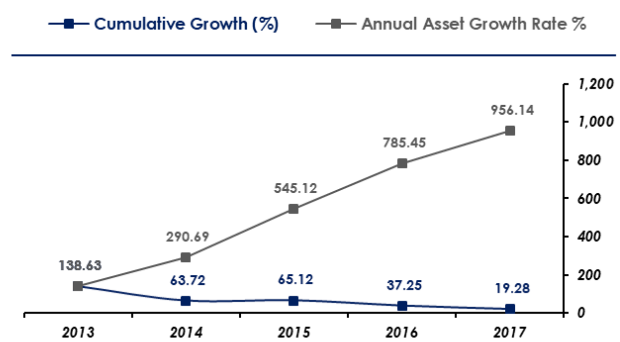
- Upscale and high value-added projects in addition to small-ticket size units with affordable prices
- Strategic partnerships with better terms in undertaking new projects
- Innovative patented concepts and distinguished design in cooperation with prominent architectures and designers
- Customer-oriented approach and detailed analysis and surveys regarding customer satisfaction
- Extended customer reach through a wide range of channels
- Demographic figures and declining average numbers of households and consecutive record high sales in Turkish housing market
- Forming the structure of overseas project development

The Company's on-going project base is provided in the table below.

On-going & Completed Projects	Project Structure	Share	Units sold/ Total units	Cons. Area (m2)
Nef 22 Ataköy*	Revenue Sharing	50%	1,485 / 1,593	185,690
Inistanbul Topkapı*	Land Acquired	50%	2,450 / 2,745	360,383
Nef 25 Şişli*	Flat-for-Share	70%	48 / 56	6,419
Nef 39 Seyrantepe*	Flat-for-Share	50%	74 / 74	9,591
Nef Yalıkavak	Land Acquired	100%	155 / 391	75,891
Nef Sancaktepe	Revenue Sharing	60%	382 / 453	58,320
Nef Bahçelievler	Revenue Sharing	48%	408 / 1,017	213,452
Nef Basınekspress	Revenue Sharing	52%	216 / 513	69,459
TOTAL			**5,218 / 6,842**	**979,205**

i. Indices relating to size

Timur Gayrimenkul's asset size increased by 19.28% to TRY 4.39 billion (USD 1.16 billion) as of FYE 2017. The Company performed a significant cumulative asset growth rate of 956% following 2012 in line with increasing project base and further attracting new investors to underpin future asset growth. Projects in the pipeline including Nef Gölköy, Nef Çekmeköy, and Nef Kandilli will offset the effects of delivered projects.



ii. Indices relating to profitability

The Company's financial reports demonstrated a total revenue of TRY 814mn as of FYE2017, arising from the delivery of the projects including Nef 22 Ataköy, Nef 11 Kağıthane 14, Nef 04 Points, Nef 98 Points, Nef 09 Dört Levent, and Nef 04 Kemerburgaz. In fact, actual sales figures provided by the management is TRY 1,400 mn, corresponding to 1,849 units in 2017. The Company posted a 55% sales growth in 2017 compared to the previous year and a 38% growth in terms of units sold. Moreover, the Q1 sales results, amounting to TRY 356mn, indicate that the Company is on track with its trajectory and is actually over the budgeted figures of TRY 313mn (Q12017: TRY 340mn).

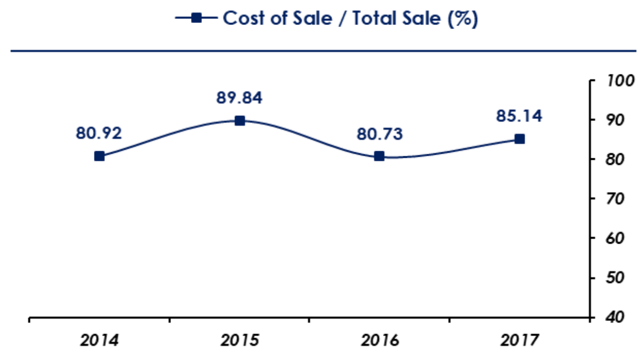
Sales Figures	2018[b]	2017[a]	2016[a]	2015[a]
Sales (Mn TRY)	1,900	1,400	900	1,000
Units Sold	2,037	1,849	1,342	2,257
Gross m²	244,318	191,100	125,579	165,273

Proceeds from the project pipeline expected to lunch in 2017 is forecasted at approximately TRY 3.2 billion. The upcoming projects reflect the expanding business territory of the Company with new locations and new concepts. These upscale projects also support the Company's revenue generation prospects.

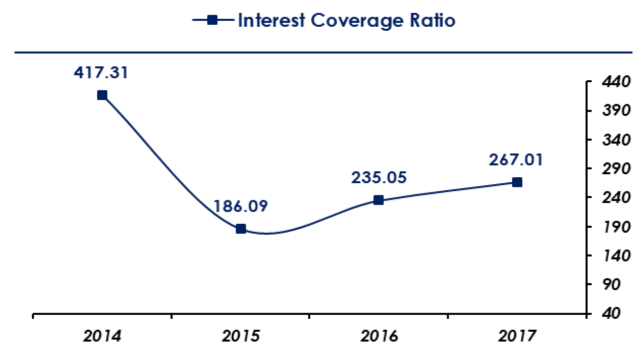
New Projects	Nef's Share	Project Launch	Units on Sale	Projected Revenue (TRY 000)
Nef Çekmeköy	65%	Q42017	1,570	1,172,234
Nef Kandilli*	50%	Q22018	406	1,631,000
Nef Bodrum Gölköy	100%	Q32017	45	506,497

The Company's gross profitability figure and operating profit margin, excluding financial costs, varies greatly (between 8-72% and 0-69%) depending on the features of the projects. Nef Yalıkavak and Nef Gölköy, located on the Aegean coast of Turkey, provide higher gross and operating margins, along with the Inistanbul project, of which lands were acquired in advance. Projects modelled as flat-for-shares offers the lowest margins and constitute a relatively small share of the Company's project portfolio.

The Cost of the Sales to Total Sale ratio fluctuated between 80 and 90% in recent periods and is affected by the features of the delivered projects in the related year. The effects of the volatility on the local currency and interest rates which capitalized in construction costs also affects the gross profitability performance under IFRS figures. On the other hand, further control on unit costs through its standardized modular building system and well-managed business relations with subcontractors increase the Company's cost efficiency.

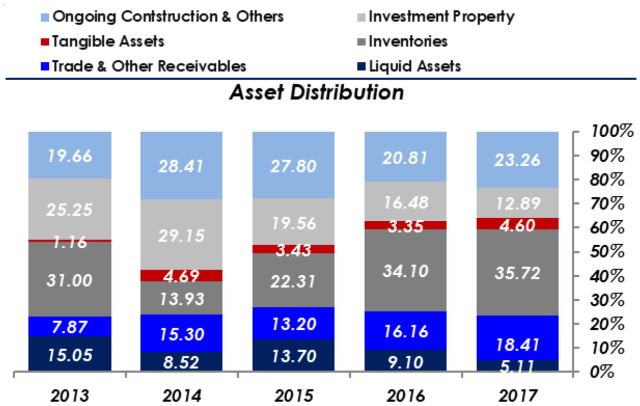


The Company's financing expenses were TRY 53.6mn in 2017. The net interest coverage ratio gradually increased to 267.01% in 2017, reflecting a high level that the Company can pay interest on its outstanding debt.



b) Asset quality

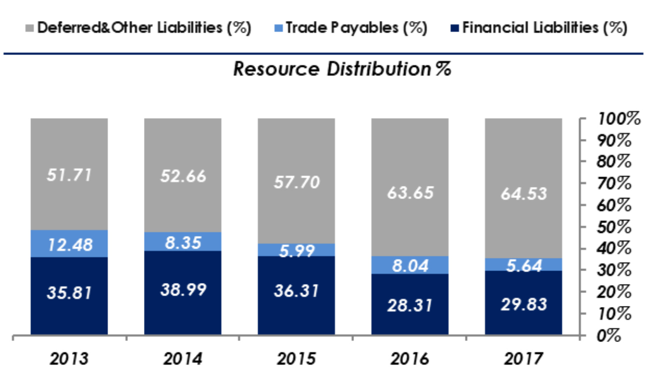
The Company's inventory base maintained its increase in 2017 to a total of TRY 1.57 billion (FYE2016: TRY 1.05 billion), constituting 35.72% of total assets as of FYE2017. Investment properties include buildings and land and constitute 12.48% of total assets. On-going construction, making up 23.26% of assets with other balance sheet items, reflects the Company's accumulated costs regarding its current projects. Timur Gayrimenkul's asset base reflects the ability of the Company to generate future revenue and cash flow streams considering its strong sales record. Company's liquid items declined in nominal value and as share of total assets to 5.11% from the previous year's 9.10%, due to growing investment expenditures for projects under development.



The Company's trade receivables portfolio, 18.41% of total assets, was mostly made up of notes receivables from its credit sales. Pledges on the Company's assets increased to TRY 1,538mn as of FYE2017 from TRY 1,139 the previous year in parallel with the growing project base, which is largely funded by financial loans. Total pledged collateral corresponded to 35% of total assets as of 2017.

c) Funding & Adequacy of Capital

Timur Gayrimenkul's financial liabilities of TRY 1,172mn constituted a portion (29.83%) of its liabilities, as of FYE 2017. Net financial liabilities stood at TRY 948mn, a reasonable level considering the business volume, sales figures, and the value of the asset size of the Company. The Company's largest resource (TRY 2.21 billion as of FYE2017) was advances received from customers, which is categorized in deferred revenue item. These obligations will be removed from the liabilities without incurring cash outflows when the related housing units are delivered to their rightful owners.



Timur Gayrimenkul has diversified its funding base compared to its peers through actively utilizing capital market instruments since 2015 and comfortably rolling over its bonds when they are due. The Company plans to issue a TRY 400mn bond in the second quarter of the year, which will improve the maturity composition of its liabilities through increasing its tenure. The reasonable level of financial leverage and balanced funding mix along with the sound sales figures of the Company provide comfort in access to funding.

7. Risk Profile and Management

a) Risk Management Organization & its Function – General Information

The Company's risks related to its business are managed at the management and board level. Plans have been made to establish a dedicated risk management and audit department. The adopted risk management policies at the entity level and established procedures providing a buffer against undesired outcomes include:

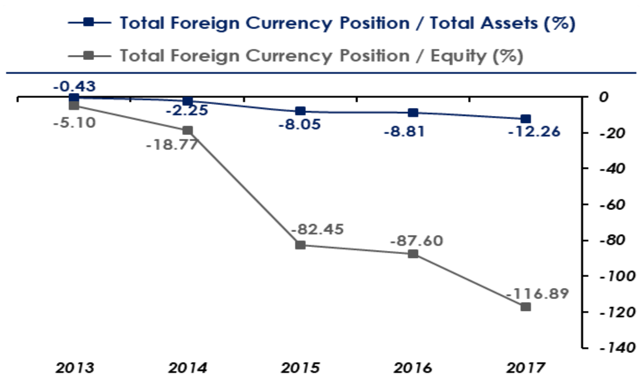
- Strict policies and procedures regarding the tender process in order to employ trustworthy subcontractors to complete projects on time and within budget
- Prudent finance management reflected in the liquidity preferences and sound reserved deposit allocated for ongoing projects and abrupt cash needs
- Buffer against business risk through establishment of cooperation with prominent real estate investors
- Control department's quality assurance activities
- Balanced and diversified funding structure
- Strict occupational safety procedures to avoid operational risks

b) Credit Risk

The Company's primary credit risk exposure emanated from instalment sales of TRY 776mn as of FYE2017. Receivables are covered by notes received from customers whose credibility are evaluated through market intelligence, track record, and judgments based on previous transactions. Moreover, the delivery of deeds is postponed until the customers fully meets its obligations, giving the Company the right to terminate sales if payments are not made, considerably eliminating credit risk.

c) Market Risk

Currency risk exposure was due to the Company's foreign currency denominated financial liabilities. The foreign currency denominated financial loans and trade payables stood at TRY 721mn and net short FX position were TRY 538mn, exposing the Company to the depreciation of the Turkish lira and currency volatility in the market. The majority of the FX liabilities are project finance loans which the Company effectively hedge through its pricing strategy.



The share of fixed rate liabilities increased from 74.5% of total financial liabilities to 84.5%, considerably reducing the exposure the Company against interest rate volatilities.

d) Liquidity Risk

Timur Gayrimenkul's liquid assets declined in both nominal term and percent of total assets to TRY 224mn as of FYE2017 from TRY 335mn in the previous year, corresponding to approximately 5% of total assets. The decline is due to the cash outflows regarding the engagement with new projects. The Company's financial management approach is considered prudent taking into account the ample discretionary reserves in addition to deposits pledged on behalf of financial institutions. Moreover, a free reserve of around TRY 100mn held on the management's initiative increased the comfort of the liquidity management. Total liquid reserves provide a sound buffer for ongoing construction expenses and against abrupt cash needs.

The potential mismatch between the timeline of cash inflows generated via new sales and the collection of billed receivables and the cash outflows due to debt and trade payable repayments generates uncertainty and liquidity risk.

The management adopted a sound approach to reduce the collection period which contributes to liquidity management. The maturity of half of the customers' notes portfolio is less than one year, while the rest has less than 3 years. Mortgaged sales, which has around 15% shares in total sales effectively reduce average cash collection period. However, its share may decline due to business cycles and inflated interest rates on mortgage rates.

8. Budget & Debt Issue

Company projections are subject to some major updates depending upon engaging in new projects which will considerably change future cashflows and the liability structure.

Timur Gayrimenkul maintained its sound sales record in 2017 and expects a sales performance of approximately TRY 1.9 billion in 2018 through the delivery of 2,017 units (TRY 1.4billion sales and 1,849 units in 2017). The larger increase in sales figures compared to units is the reflection of the upscale projects which took place in the Company's portfolio. Additionally, the first quarter sales of TRY 356mn exceeded both the budgeted figure of TRY 313mn and the previous year's quarterly amount of TRY 340mn.

The management put emphasis on gradually reducing net financial liabilities over the upcoming 3-year period. The growing cash balance may not only provide comfort and capability in meeting financial obligations but will also be utilized for new acquisitions for project development. The considerably low average collection periods compared to its peers put additional strength on the Company's solvency.

	2018	2019	2020
Cash Balance (Beginning of Period)	**225,368**	**243,186**	**382,170**
Operating Cash Inflows	**1,562,949**	**2,102,956**	**1,937,641**
Collection from Sales	*1,520,899*	*1,950,511*	*1,900,321*
VAT Return	*42,050*	*152,444*	*37,320*
Operating Cash Outflows	**-1,235,018**	**-1,845,939**	**-1,520,105**
Land Payments	*-562,551*	*-738,002*	*-591,882*
Construction Payments	*-426,673*	*-833,805*	*-740,404*
Overheads	*-145,181*	*-157,789*	*-156,434*
Tax & Other Payments	*-100,614*	*-116,342*	*-31,386*
Cash Flows from Operations	**327,930**	**257,017**	**417,535**
Net Debt Repayment	*-312,113*	*-118,033*	*-303,087*
Cash Balance (End of Period)	**241,186**	**382,170**	**496,618**
Credit Balance (Beginning of Period)	**1,172,094**	**1,019,421**	**990,676**
Net Debt Repayment	*-312,113*	*-118,033*	*-303,087*
Interest & Exchange Differences	*156,440*	*89,288*	*86,716*
Credit Balance (End of Period)	**1,016,421**	**990,676**	**774,305**
Net Debt	**-775,235**	**-608,506**	**-277,687**

Timur Gayrimenkul has two issued bonds with a total nominal amount of TRY 100mn which will be due in 2019. The Company plans to issue new bonds in the amount of TRY 200 to 400mn in the second quarter of the current year with maturities between 2 and 4 years to meet the expenditures related to the Gölköy, Nef 05 Kağıthane, Kandilli, and the 3rd stage of Çekmeköy Projects.

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. BALANCE SHEET - ASSETS TRY	(Year end) 2017 USD (Converted)	(Year end) 2017 TRY (Original)	(Year end) 2017 TRY (Average)	(Year end) 2016 TRY (Original)	(Year end) 2016 TRY (Average)	(Year end) 2015 TRY (Original)	(Year end) 2015 TRY (Average)	(Year end) 2014 TRY (Original)	As % of 2017 Assets (Original)	As % of 2016 Assets (Original)	As % of 2015 Assets (Original)	2017 Growth Rate	2016 Growth Rate	2015 Growth Rate
I. CURRENT ASSETS	479,486,137	1,808,573,760	1,960,006,030	2,111,438,300	1,517,577,683	923,717,066	766,429,182	609,141,298	41.20	57.37	34.45	- 14.34	128.58	51.64
A. Liquid Assets	59,527,384	224,531,340	279,739,538	334,947,736	351,192,243	367,436,749	252,882,052	138,327,355	5.11	9.10	13.70	- 32.97	- 8.84	165.63
B. Marketable Securities	0	0	0	0	0	0	0	0	-	-	-	-	-	n.a
1.Bond	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2.Share Certificates	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Other	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Decrease in Value of Marketable Securities (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C. Trade Receivables & Leasing	128,836,591	485,958,736	435,636,170	385,313,603	299,169,152	213,024,701	158,524,761	104,024,820	11.07	10.47	7.94	26.12	80.88	104.78
1.Customers & Notes Receivables	127,114,118	479,461,742	391,545,779	303,629,815	233,133,820	162,637,824	132,452,620	102,267,415	10.92	8.25	6.07	57.91	86.69	59.03
2.Other Receivables	1,722,472	6,496,994	44,090,391	81,683,788	66,035,333	50,386,877	26,072,141	1,757,405	0.15	2.22	1.88	- 92.05	62.11	2,767.12
3.Doubtful Trade Receivables	314,672	1,186,913	1,203,587	1,220,261	1,036,762	853,262	856,157	859,052	0.03	0.03	0.03	- 2.73	43.01	- 0.67
4.Provision for Doubtful Trade Receivables (-)	-314,672	-1,186,913	-1,203,587	-1,220,261	-1,036,762	-853,262	-856,157	-859,052	- 0.03	- 0.03	- 0.03	- 2.73	43.01	- 0.67
5.Rediscount on Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Due From Related Parties (net)	13,292,177.42	50,136,764.00	34,623,194.50	19,109,625.00	39,477,354.00	59,845,083.00	46,315,675.50	32,786,268.00	1.14	0.52	2.23	162.36	- 68.07	82.53
E. Other Receivables	8,629,943.53	32,551,284.00	25,039,648.50	17,528,013.00	14,041,899.00	10,555,785.00	14,171,928.00	17,788,071.00	0.74	0.48	0.39	85.71	66.05	- 40.66
1.Other Receivables	8,629,944	32,551,284	25,039,649	17,528,013	14,041,899	10,555,785	14,171,928	17,788,071	0.74	0.48	0.39	85.71	66.05	- 40.66
2.Other Doubtful Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscounts on Other Notes Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Live Assets (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
G. Inventories (net)	157,856,914.02	595,420,494.00	621,864,484.00	648,308,474.00	360,898,897.50	73,489,321.00	101,766,792.00	130,044,263.00	13.56	17.61	2.74	- 8.16	782.18	- 43.49
H. Contract Progress Income (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
I. Deferred Tax	17,567,932.61	66,264,485.00	67,639,007.50	69,013,530.00	47,011,662.50	25,009,795.00	31,543,304.00	38,076,813.00	1.51	1.88	0.93	- 3.98	175.95	- 34.32
J. Other Current Assets	93,775,194.73	353,710,657.00	495,463,988.00	637,217,319.00	405,786,475.50	174,355,632.00	161,224,670.00	148,093,708.00	8.06	17.31	6.50	- 44.49	265.47	17.73
1.Other Current Assets	93,775,194.73	353,710,657.00	495,463,988.00	637,217,319.00	405,786,475.50	174,355,632.00	161,224,670.00	148,093,708.00	8.06	17.31	6.50	- 44.49	265.47	17.73
2.Provision for Other Current Assets (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
II. NON-CURRENT ASSETS	684,390,149	2,581,451,204	2,075,266,033	1,569,080,861	1,663,456,787	1,757,832,713	1,386,324,234	1,014,815,755	58.80	42.63	65.55	64.52	- 10.74	73.22
A. Trade Receivables & Leasing	76,834,104.56	289,810,559.00	240,783,651.50	191,756,744.00	161,064,559.50	130,372,375.00	128,538,778.50	126,705,182.00	6.60	5.21	4.86	51.13	47.08	2.89
1. Customers & Notes Receivables & Leasing	76,834,104.56	289,810,559.00	240,783,651.50	191,756,744.00	161,064,559.50	130,372,375.00	128,538,778.50	126,705,182.00	6.60	5.21	4.86	51.13	47.08	2.89
2. Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
4. Provision for Doubtful Trade Receivables (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
5. Rediscount on Notes Receivables (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
B. Due From Related Parties (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
C. Other Receivables	83,004,235	313,083,675	177,791,412	42,499,148	173,456,228	304,413,308	206,097,900	107,782,492	7.13	1.15	11.35	636.68	- 86.04	182.43
1. Other Receivables	83,004,235.27	313,083,675.00	177,791,411.50	42,499,148.00	173,456,228.00	304,413,308.00	206,097,900.00	107,782,492.00	7.13	1.15	11.35	636.68	- 86.04	182.43
2.Other Doubtful Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscounts on Other Notes Receivable (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
D. Financial Fixed Assets (net)	13,017,501	49,100,713	49,478,325	49,855,937	36,204,111	22,552,285	22,901,063	23,249,841	1.12	1.35	0.84	- 1.51	121.07	- 3.00
1. Long Term Securities (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2. Affiliates (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Subsidiaries (net)	13,017,362	49,100,188	49,477,800	49,855,412	25,875,800	1,896,187	948,631	1,074	1.12	1.35	0.07	- 1.51	2,529.25	176,453.72
4.Other Financial Fixed Assets (net)	139	525	525	525	10,328,312	20,656,098	21,952,433	23,248,767	0.00	0.00	0.77	-	- 100.00	- 11.15
E. Tangible Assets	311,514,869	1,175,002,935	848,214,358	521,425,780	568,979,975	616,534,169	583,038,832	549,543,494	26.77	14.17	22.99	125.34	- 15.43	12.19
F. Other Fixed Assets	200,019,439	754,453,322	758,998,287	763,543,252	723,751,914	683,960,576	445,747,661	207,534,746	17.19	20.75	25.51	- 1.19	11.64	229.56
TOTAL ASSETS	1,163,876,286	4,390,024,964	4,035,272,063	3,680,519,161	3,181,034,470	2,681,549,779	2,152,753,416	1,623,957,053	100.00	100.00	100.00	19.28	37.25	65.12

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY	(Year end) 2017 USD (Converted)	(Year end) 2017 TRY (Original)	(Year end) 2017 TRY (Average)	(Year end) 2016 TRY (Original)	(Year end) 2016 TRY (Average)	(Year end) 2015 TRY (Original)	(Year end) 2015 TRY (Average)	(Year end) 2014 TRY (Original)	As % of 2017 Assets (Original)	As % of 2016 Assets (Original)	As % of 2015 Assets (Original)	2017 Growth Rate	2016 Growth Rate	2015 Growth Rate
I. SHORT TERM LIABILITIES	**405,505,436**	**1,529,525,955**	**1,826,368,391**	**2,123,210,826**	**1,338,289,865**	**553,368,904**	**515,299,322**	**477,229,739**	**34.84**	**57.69**	**20.64**	**-28**	**283.69**	**15.95**
A. Financial Liabilities	116,018,027	437,608,396	449,615,285	461,622,174	389,848,920	318,075,665	273,435,536	228,795,406	10.0	12.5	11.9	-5.2	45.1	39.0
B. Trade Payables	58,727,056	221,512,583	226,192,791	230,872,999	140,494,543	50,116,086	84,744,240	119,372,394	5.0	6.3	1.9	-4.1	360.7	-58.0
C. Due to Related Parties	13,592,204	51,268,434	50,775,892	50,283,350	62,918,683	75,554,015	78,633,812	81,713,608	1.2	1.4	2.8	2.0	-33.4	-7.5
D. Other Financial Liabilities	20,492	77,293	102,603	127,913	103,232	78,550	219,408	360,265	0.0	0.0	0.0	-39.6	62.8	-78.2
E. Advances Received	191,214,665	721,242,595	976,782,871	1,232,323,146	662,918,486	93,513,825	54,996,083	16,478,341	16.4	33.5	3.5	-41.5	1,217.8	467.5
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	879,884	3,318,835	1,856,013	393,191	196,596	0	2,223,223	4,446,445	0.1	0.0	n.a	744.1	n.a	-100.0
H. Provisions for Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
I Other Liabilities	25,053,108	94,497,819	121,042,936	147,588,053	81,809,408	16,030,763	21,047,022	26,063,280	2.2	4.0	0.6	-36.0	820.7	-38.5
II. LONG TERM LIABILITIES	**636,313,617**	**2,400,111,331**	**1,793,601,621**	**1,187,091,910**	**1,526,668,777**	**1,866,245,643**	**1,409,260,378**	**952,275,112**	**54.67**	**32.25**	**69.60**	**102.18**	**-36.39**	**95.98**
A. Financial Liabilities	194,768,720	734,648,134	605,059,530	475,470,925	517,910,707	560,350,489	444,380,243	328,409,996	16.7	12.9	20.9	54.5	-15.1	70.6
B. Trade Payables	0	0	17,571,770	35,143,539	65,021,777	94,900,014	47,450,007	0	n.a	1.0	3.5	-100.0	-63.0	n.a
C. Due to Related Parties	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Other Financial Liabilities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Advances Received	380,661,879	1,435,818,541	989,376,763	542,934,985	813,299,362	1,083,663,739	799,672,816	515,681,892	32.7	14.8	40.4	164.5	-49.9	110.1
F. Contract Progress Ongoing Construction Contracts (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Deferred Tax Liabilities	31,530,674	118,930,551	107,923,633	96,916,715	82,781,325	68,645,934	60,471,135	52,296,335	2.7	2.6	2.6	22.7	41.2	31.3
H. Provisions for Liabilities	54,939	207,225	186,969	166,712	130,387	94,061	92,935	91,808	0.0	0.0	0.0	24.3	77.2	2.5
I. Other Liabilities (net)	29,297,404	110,506,880	73,482,957	36,459,034	47,525,220	58,591,406	57,193,244	55,795,081	2.5	1.0	2.2	203.1	-37.8	5.0
TOTAL LIABLITIES	**1,041,819,053**	**3,929,637,286**	**3,619,970,011**	**3,310,302,736**	2,864,958,642	**2,419,614,547**	**1,924,559,699**	**1,429,504,851**	**89.51**	**89.94**	**90.23**	**18.71**	**36.81**	**69.26**
F- EQUITY	**122,057,233**	**460,387,678**	**415,302,052**	**370,216,425**	316,075,829	**261,935,232**	**228,193,717**	**194,452,202**	**10.49**	**10.06**	**9.77**	**24.36**	**41.34**	**34.70**
a) Prior year's equity	95,184,773	359,027,447	310,480,715	261,933,982	228,193,092	194,452,202	138,788,608	83,125,014	8.2	7.1	7.3	37.1	34.7	133.9
b) Equity (Added from Internal & External Resources in the Current Year)	2,454,647	9,258,683	22,399,699	35,540,715	30,726,912	25,913,108	12,397,551	-1,118,006	0.2	1.0	1.0	-73.9	37.2	-2,417.8
c) Minority Interest	5,914,521	22,308,981	16,748,980	11,188,978	5,595,114	1,250	625	0	0.5	0.3	0.0	99.4	895,018.2	n.a
h) Profit & Loss	18,503,292	69,792,567	65,672,659	61,552,750	51,560,711	41,568,672	77,006,933	112,445,194	1.6	1.7	1.6	13.4	48.1	-63.0
TOTAL LIABILITY	**1,163,876,286**	**4,390,024,964**	**4,035,272,063**	**3,680,519,161**	**3,181,034,470**	**2,681,549,779**	**2,152,753,416**	**1,623,957,053**	**100.00**	**100.00**	**100.00**	**19.28**	**37.25**	**65.12**

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş. INCOME STATEMENT TRY	2017	2016	2015
I. Principal Activity Revenues	**149,294,341**	**118,421,968**	**40,581,446**
A. Sales Revenues (Net)	**814,015,245**	**208,751,768**	**122,058,498**
1.Domestic Sales	814,015,245	208,751,768	122,058,498
2.Export Sales	0	0	0
3.Sales Deductions (-)	0	0	0
B. Cost Of Sales (-)	**-693,037,449**	**-168,535,307**	**-109,657,602**
C. Service Revenues (net)	**0**	**0**	**0**
D. Other Revenues From Principal Activities	**28,316,545**	**78,205,507**	**28,180,550**
1.Interest	28,316,545	30,246,283	28,180,550
2.Dividend	0	47,959,224	0
3.Rent	0	0	0
4.Other	0	0	0
GROS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	**149,294,341**	**118,421,968**	**40,581,446**
Activities Expenses (-)	-107,709,437	-75,881,067	-53,338,489
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	**41,584,904**	**42,540,901**	**-12,757,043**
Income & Profit From Other Activities	137,926,903	123,878,132	142,743,811
Expenses & Losses From Other Activities (-)	-44,164,188	-13,490,718	-9,829,336
Financing Income	7,773,403	0	0
Financing Expenses (-)	-53,600,911	-65,060,808	-64,570,541
OPERATING PROFIT & LOSS	**89,520,111**	**87,867,507**	**55,586,891**
Net Monetary Position exc. And Other Profit & Loss (+/-)	0	0	0
PRETAX PROFIT & LOSS	**89,520,111**	**87,867,507**	**55,586,891**
Taxes (-/+)	-19,727,544	-26,314,757	-14,018,219
NET PROFIT FOR THE PERIOD	**69,792,567**	**61,552,750**	**41,568,672**
Total Income	**988,032,096.00**	**410,835,407.00**	**292,982,859.00**
Total Expense	**-898,511,985.00**	**-322,967,900.00**	**-237,395,968.00**
NET INCOMES OR EXPENSES FOR THE PERIOD	**89,520,111.00**	**87,867,507.00**	**55,586,891.00**

Timur Gayrimenkul Geliştirme Yapı ve Yatırım A.Ş.

FINANCIAL RATIOS %	2017	2016	2015
I. PROFITABILITY			
Relationship Between Capital and Profit			
ROAE - Pre-tax Profit / Equity (avg.)	21.56	27.80	24.36
ROAA - Pre-tax Profit / Total Assets (avg.)	2.22	2.76	2.58
Total Income / Equity (avg.)	237.91	129.98	128.39
Total Income / Total Asset (avg.)	24.48	12.92	13.61
Economic Rentability ((Financing Expenses + Pre-tax Profit)/ (Total Liabilities) (avg.)	3.55	4.81	5.58
Operating Profit / Total Assets (avg.)	1.03	1.34	-0.59
Financial Expenses / Inventories Ratio (avg.)	8.62	18.03	63.45
Return on Avg. Long Term Sources	3.16	3.34	2.54
Relationship Between Sales and Profit			
Gross Profit Margin of Operating = Ordinary Activities Incomes / Net Sales Income	18.34	56.73	33.25
Operating Matgin = Operating Incomes / Net Sales Income	5.11	20.38	-10.45
Net Profit Margine = Net Profit / Net Sales Income	8.57	29.49	34.06
Cost of Sales / Net sales Income	85.14	80.73	89.84
Activities Expenses / Net Sales Income	13.23	36.35	43.70
Financing Expenses / Net Sales Income	6.58	31.17	52.90
EBIT = (Gross Profit + Financing Expenses) / Net Sales Income	17.58	73.26	98.44
Relationship Between Financing Liabilities and Profit			
Interest Coverage Ratio 1 = Pre Tax Profit + Financing Expenses / Financing Expenses	267.01	235.05	186.09
Interest Coverage Ratio 2 = Net Profit + Financing Expenses / Financing Expenses	230.21	194.61	164.38
Structure of Income and expenditure account			
Financing Expenses / T. Assset (avg.)	1.33	2.05	3.00
Financial Liabilities / T. Assets	26.70	25.46	32.76
II. LIQUIDITY			
(Liquid Assets + Marketable Securities) / T. Assets	5.11	9.10	13.70
(Liquid Assets +Marketable Securities) / T. Liabilities	5.71	10.12	15.19
Net Working Capital / Total Assets	6.36	-0.32	13.81
Liquid Assets / Equity	48.77	90.47	140.28
Current Ratio	118.24	99.45	166.93
Acid Test Ratio	54.06	38.07	120.23
Cash Ratio	14.68	15.78	66.40
Inventories / Current Asset	32.92	30.70	7.96
Inventories / Total Asset	13.56	17.61	2.74
Inventories Dependency Ratio	219.17	275.84	253.01
Short Term Receivables / Total Current Assets	31.44	19.98	30.68
Short Term Receivables / Total Assets	12.95	11.46	10.57
III. CAPITAL and FUNDING			
Equity / Total Assets	10.49	10.06	9.77
Equity / Liabilities	11.72	11.18	10.83
Net Working Capital/Total Resources	6.36	-0.32	13.81
Equity generation/prior year's equity	2.58	13.57	13.33
Internal equity generation/prior year's equity	19.44	23.50	21.38
Tangible Assets/Total Asset	26.77	14.17	22.99
Financial Fixed Assets/(Equity +Long Term Liabilities)	4.11	5.90	2.74
Minority Interest/Equity	4.85	3.02	0.00
IV. EFFICIENCY			
Net Profit Margine Growth	-70.92	-13.42	43.80
Net Sales Growth	289.94	71.03	-74.29
Equity Growth	24.36	41.34	34.70
Asset Growth	19.28	37.25	65.12
Inventories Turnover	111.45	46.70	107.75
Days Inventories Utilization	327.52	781.61	338.74
Receivables Turnover	128.73	52.96	46.77
Days' Accounts Receivable	283.53	689.25	780.46
Efficiency Period	611.05	1,470.86	1,119.20
Payables Turnover	284.31	82.01	82.95
Days' Payments In Accounts Payables	128.38	445.09	440.01
Cash Turnover Cycle	482.67	1,025.77	679.18
Current Assets Turnover	41.53	13.76	15.93
Net Working Capital Turnover	609.12	116.43	48.60
Tangible Assets Turnover	95.97	36.69	20.93
Fix Asset Turnover	39.22	12.55	8.80
Equity Turnover	196.01	66.04	53.49
Asset Turnover	20.17	6.56	5.67
Export sales/Total sales	0.00	0.00	0.00
V. ASSET QUALITY			
Non-Performing Receivables / Total Receivables	0.11	0.19	0.13
Non-Performing Asset / Total Assets	41.45	33.14	26.57
Financial Fixed Assets / Non-Current Assets	1.90	3.18	1.28
VI. SENSITIVITY OF FOREIGN CURRENCY			
Total Foreign Currencies Position/Asset	-12.26	-8.81	-8.05
Total Foreign Currencies Position/Equity	-116.89	-87.60	-82.45
VII. INDEBTEDNESS			
Debt Ratio	89.51	89.94	90.23
Short Term Liabilities/Total Asset	34.84	57.69	20.64
Long Term Liabilities/Total Asset	54.67	32.25	69.60
Long Term Liabilities/(Equity+ Long term Liabilities)	83.91	76.23	87.69
Fixed Asset/Liabilities	65.69	47.40	72.65
Fixed Asset/(Long Term Liabilities +Equity)	90.24	100.76	82.60
Short Term Liabilities/ T. Liabilities	38.92	64.14	22.87
Short Term Financial Liabilities/Short Term Liabilities	28.61	21.74	57.48
Tangible Assets/Long Term Liabilities	48.96	43.92	33.04
Financial Liabilities/Total Liabilities	29.83	28.31	36.30
Off Balance Liabilities/(Assets +Off Balance Liabilities)	25.95	29.30	26.23
Off Balance Liabilities/(Equity +Off Balance Liabilities)	76.97	80.47	78.45