



PRESS RELEASE
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JCR Eurasia Rating

has reviewed and revised the Long Term National credit ratings of **Say Reklamcılık Yapı Dek. Proje Taah. San. ve Tic A.Ş.** and the **Cash Flows of its Issued Bonds** to **'BBB (Trk)/Stable'** and affirmed the Long Term International Foreign Currency rating as **'BB+/Stable'**.

JCR Eurasia Rating has revised and downgraded the Long Term National credit rating of **Say Reklamcılık Yapı Dek. Proje Taah. San. ve Tic A.Ş.** and the **Cash Flows on Bond Issues** to **'BBB/Stable'** from **'BBB+(Trk)/Stable'** and affirmed the Long Term International Foreign and Local Currency rating as **'BB+/Stable'**. Details of the ratings are given in the table below.

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

Say Reklamcılık Yapı Dekorasyon Proje Taahhüt Sanayi ve Ticaret A.Ş. (henceforth Say Reklam or the Company), established by the **Güldoğan Family**, provides turn-key corporate identity projects to retail store chains. The Company acquired 100% shares of **"Imm Network GmbH"**, a project management company founded in 1999 specializing in corporate visual designs, in 2014 and in 2015 purchased 49.9% shares of **"Borsi GmbH & Co. KG."**, which has an extensive expertise in producing brand symbols and advertising elements. In July 2015 Say Reklam became the sole owner of the Izmir-based **Plaka Mobilya Taahhüt Sanayi ve Ticaret A.Ş.**, a provider of manufacturing and installation of interior furniture. The Company sold its 13.04% stake in **Ateş Çelik İnşaat Proje Taah. San. ve Tic. A.Ş.** in 2016. The shares of Company have been listed on the Borsa Istanbul A.Ş. since June 2013.

The rating action reflect the negative bottom line results in 2016 due to declined revenues following the cancellation of agreement with Daimler AG and provisions regarding the obsolete inventories allocated for that project. Furthermore, the Company's asset base was contracted in line with the narrowed business volume, sale and leaseback of its lands and production facilities, divesting its share in Ateş Çelik and reclassification of Borsi in equity method which were previously consolidated.

On the other hand, the Management focused on reorganizing production facilities to establish cost efficiency, restructuring its financing conditions, and exploring new project opportunities while adapting to new business conditions. The Company's net financial burden was considerably reduced in 2016 while the Management has managed to diversify its funding structure through to issued bond and utilized credit guarantee fund facility. Say Reklam's project pipeline was rebounded thanks to its sound expertise on turn-key corporate identity solutions, strong track record and redefinition of strategy and business lines to increase the diversification on its revenue streams. The development of revenue growth of Say Reklam, the actualization of financial performance expected from growing numbers of tenders, and profitability figures will continue to be monitored which would drive the rating upwards.

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.

It is considered that the Company's qualified shareholder, the **Güldoğan Family**, maintains the willingness to supply long-term liquidity and efficient operational support to the Company should such a need arise. In this regard, the Company's Sponsor Support grade has been determined as **(2)** in JCR Eurasia Rating's notation scale.

Taking into consideration the Company's foreign investments which expanded its presence on an international scale, reputable and wide customer base, and organizational development, JCR Eurasia Rating has reached the opinion that the Company has attained a level of infrastructure 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**.

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