

PRESS RELEASE
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JCR Eurasia Rating

has determined the credit ratings of ‘**Ata Gayrimenkul Yatırım Ortaklığı A.Ş.**’ and the ‘**Cash Flows on Prospective Bond Issue**’ in an investment-level category of “**BBB- (Trk)/Positive**” on the Long Term National Local Scale and “**BB+ / Stable**” on the Long Term International Foreign and Local Currency Scale

JCR Eurasia Rating has evaluated “**Ata Gayrimenkul Yatırım Ortaklığı A.Ş.**” in an investment-level category on the national scale and assigned a Long Term National Scale rating of ‘**BBB- (Trk)**’ with a ‘**Positive**’ outlook. Additionally, JCR Eurasia Rating has assigned the Long Term International Foreign and Local Currency Ratings as ‘**BB+**’. Other notes and details of the ratings are given in the table below:

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

Ata Gayrimenkul Yatırım Ortaklığı A.Ş. (Ata GYO), a publicly investment trust company, was established as Ata Yatırım Ortaklığı A.Ş. in 1997 and obtained its current title and statue in 2012 upon conversion to an incorporated company meeting the legal requirements relating to real estate investment trusts determined by the Capital Markets Boards. The Company is group company of Ata Holding A.Ş., which operates with a large workforce of over 16,000 in a wide-variety of sectors beginning with Seri İnşaat in 1969, the company responsible for the construction of the Atatürk Dam and Hydroelectric Plant. Ata GYO focuses on street retail investments and projects a high yield portfolio of geographically diversified commercial real estate properties providing rental income and increased value.

The majority of Ata GYO’s rental portfolio belongs to Tab Gıda, consisting of well-known international corporate companies including Burger King, Popeyes, Sbarro, Arbys. The portfolio provides the Company with a steady rental income from corporate companies such as Burger King, Popeyes and Vakıfbank, through long term lease agreements. With the on-going projects in Lüleburgaz and Nevşehir, the Company aims to sustain regular rental income. The Company differentiated itself from other real estate investment trusts with its diversified projects around Turkey which have the potential to be converted into cash quickly. Although dollar based rental income increased as a result of the strengthening of the dollar against the Turkish Lira, it has negatively affected tenant demand. Ata GYO has planned a bond issuance to support the current cash need and the implementation of capital market instruments to provide liquidity advantage. In addition to the economic crises in Europe, the political uncertainties in Turkey curbing the appetite of the sector, a negative NWC due to the liquidity needs and increase in off balance sheet liabilities pressuring the asset quality. On the other hand, the Company has recorded an upward performance in assets size and sales income despite its short operations in the sector. Moreover, the activities of the Company were supported by risk management implementation via a strong committee structure and corporate governance practices, the strengthened ability to provide regular rental income with the completion of on-going projects, minimized FX risk through the USD-based rental contracts despite borrowings in foreign currency have contributed to the determination of the Company’s outlook in the long term perspective as ‘**Positive**’ and assignment of the Long Term National Grade as ‘**BBB- (Trk)**’ with the opinion that the projects have a high realization capability and the stream of cash flows will be realized in accordance with the principal and interest payments.

While the majority of shares are publicly listed, **Ata Gayrimenkul Yatırım Ortaklığı A.Ş.**’s Sponsor Support Grade has been assigned as **(2)** within **JCR Eurasia Rating**’s scale considering the willingness and experience of the controlling corporate shareholder of **Ata Yatırım Menkul Kıymetler A.Ş.** and the real person shareholder the **Kurdoğlu Family** to provide operational support of the Company in terms of long term liquidity and capital based on their financial capacities, denoting an adequate level.

On the other hand, regardless of any external support it may receive, the Company is considered to have achieved the infrastructure necessary to meet its commitments due to its equity level, growth rates, sales volume supported by the increasing rental income, ownership structure, asset quality, minimized FC risk, liquid portfolio which can easily convert into cash, along with the current risks in the markets and operational environment, provided that the current rental portfolio and market efficiency are improved and the macroeconomic activities persevere. In this regard, the Stand Alone Rating is assigned as **(BC)**, which denotes a sufficient level within the JCR Eurasia Rating scale.

For more information related to the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst Ms. Merve **HAYAT**.

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