

**Corporate Credit Rating
(Update)**

**Wholesale Trade
[Leather Footwear, Apparel & Accessories]**

DERİMOD			Long Term	Short Term
International	Foreign currency		BBB-	A-3
	Local currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating		BBB	A-3 (Trk)
	Outlook		Stable	Stable
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign currency		BBB-	-
	Local currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by Japan Credit Rating Agency, JCR on August 28, 2015

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Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş.					
Financial Data	2015/6*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	53,338	57,239	59,321	57,070	35,789
Total Assets (000 TRY)	154,626	132,731	126,378	101,448	67,601
Equity (000 TRY)	34,042	31,155	27,902	25,137	15,142
Net Sales (000 TRY)	81,547	155,787	172,387	132,431	103,784
Net Profit (000 TRY)	2,887	2,525	2,053	1,625	1,861
Net Profit Margin (%)	3.54	1.62	1.19	1.23	1.79
ROAA (%)**	-	2.56	2.54	2.51	4.38
ROAE (%)**	-	11.24	10.89	10.53	18.99
Equity / Total Assets (%)	22.02	23.47	22.08	24.78	22.40
Net W. Cap. / T. Ast. (%)	42.69	29.55	31.08	14.26	20.07
Debt Ratio (%)	77.98	76.53	77.92	75.22	77.60
Asset Growth Rate (%)	16.50	5.03	24.57	50.07	21.72

* End of year

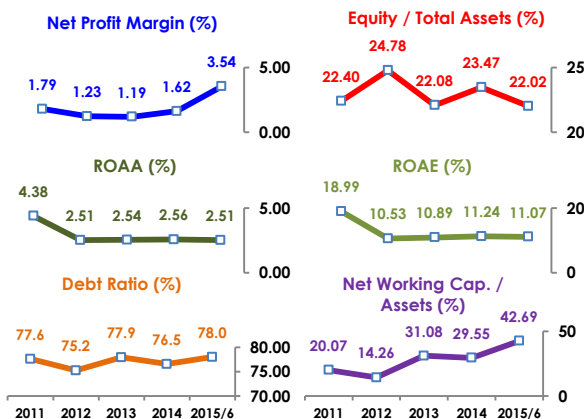
Overview

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş. (Derimod, the Company) is a wholesale leather footwear and apparel trader and manufacturer which sells the vast majority of its merchandise to Derimod Deri Konfeksiyon Paz. San. ve Tic. A.Ş. (Derimod Pazarlama) which manages the retail operations such as marketing and distribution. The analysis is restricted to Derimod Konfeksiyon, even though Derimod Pazarlama's financial and operational performance are also evaluated. The Derimod Group, founded by Ümit Zaim as the pioneer leather fashion company of Turkey has a history dating back to 40 years and currently operates with more than 95 local and 8 international stores.

Derimod offers leather footwear, coats, accessories and purses, distributed through its retail branch network and online sales channels. Derimod is prominent fashion brand enjoying strong brand recognition and reputation. The Group emphasizes fast fashion mode of production and distribution so as to maintain a dynamic and competitive edge. The Company also widens its product offering with innovative products which have several features such as breathability and lightweight profile.

Derimod is the first Turkish leather fashion brand to open a retail store in a foreign market and it is poised to penetrate the Russian and Middle Eastern markets. The Group had 9 shops in Russia and franchise stores in Saudi Arabia, Iran and TRNC.

As of 2014, the Group employed 836 employees.



Strengths

- Ability to preserve the profit margins, factoring for the retail operations as well
- Established brand name supported with marketing campaigns
- Proven track record of 40 years in the leather footwear and apparel market as a pioneer in fashionable leather products
- Dynamic distribution channels composed of retail branch network and online sales facilities
- Growth potential for leather fashion products particularly in emerging markets in the hinterland
- Financial and operational advantages of the Turquality program, facilitating international investments through subsidies and consultancy

Constraints

- Sizable asset to equity ratio indicating the prevalent use of external resources
- Large interest expenses arising from financial loans and credit merchandise purchases
- Concentration of sales to Derimod Pazarlama
- Intensive competition in the fashion sector, manifesting itself in forms of aggressive pricing and call for unique designs
- Challenging investment environment volatilities in Russia and growing security concerns in the Middle East

Publication Date: December 4, 2015

"Global Knowledge supported by Local Experience"

1. Rating Rationale

Derimod Group's operations and financial assets are consolidated on two main companies; Derimod Konfeksiyon and Derimod Pazarlama which manufactures/procures leather footwear & apparel and manages retail sales respectively. This rating analysis is strictly based on the former, while the financial and operational performance of the latter are evaluated so as to increase the quality and integrity of the analysis. Therefore, even though Derimod Pazarlama is not individually rated with this report, its financial effects on Derimod Konfeksiyon are evaluated.

The Company's asset composition, sales performance, funding and liquidity structure, capitalization level, debt service capacity, profitability of the Group, cash management cycle and financial & operational risks such as market, liquidity, credit and operational risks.

JCR Eurasia Rating has affirmed Derimod Konfeksiyon's Long Term National credit rating as "BBB (Trk)" and short term rating as "A-3 (Trk)". The Company's Long Term International Local and Foreign Currency grades are affirmed at the country ceiling of "BBB-", accounting for the share of export sales, foreign currency position, FX structure of costs and income streams.

The rating is based on the independently audited financial statements of Derimod Konfeksiyon, prepared in compliance with the Turkish Financial Reporting Standards. Furthermore, income statements and balance sheets of Derimod Pazarlama prepared in accordance with are also analyzed.

This report is based on the independently audited financial statements of Derimod Konfeksiyon, The business plan, projections, details about the operations and strategies are provided and/or clarified by the Company management.

The sector overview is based on several studies by industry think-tanks, International Trade Centre statistics, NGO's, governmental organizations.

Principal Rating drivers are:

Proven Track Record with 40 Years of Experience in Leather Fashion Sector as a Pioneer

Founded in 1974 by Ümit Zaim, a leading business figure in the Turkish leather apparel sector, Derimod is an established company enjoying a rich and diverse expertise in leather fashion products. The Company has

profound knowledge concerning demand characteristics of fashion sector and it has a strong design know-how accumulated over the years. The Group converges its resources and efforts on core design and creative aspects of the value generation chain, outsourcing the manufacturing process to reliable third-parties. Derimod facilitates its experience and established business connections with high-quality, and dedicated suppliers.

Strong Brand Recognition and Successful Marketing Campaigns

The Company operates with the 'Derimod' brand, nationally recognized as a high quality and fashionable leather footwear, apparel and handbags brand. The Company's marketing power and brand image in the Sector is supported by penetrative marketing campaigns and commercials featuring internationally and nationally known models and celebrities. The Derimod Group also operates a retail network exceeding 95 stores in central commercial venues, shopping malls and other high-traffic locations, serving both as marketing beacons and retail outlets.

Steady Sales and Asset Growth Performance

Adjusting for an accounting policy adopted by the Group in 2014, implemented by Derimod Konfeksiyon which covers a discount to sales to Derimod Pazarlama instead of sharing the marketing and sales expenses with the latter as it did in the previous periods; net sales sustained its growing trend. Supported with funds derived from the bond issue, the Group increased the size of its inventories and asset base, reflecting the preparations for the high season and international expansion.

Turquality Program Participant, Enjoying Subsidies for the International Business Development Plan

Derimod is a prominent leather fashion company in Turkey and it aims to reach other emerging markets through establishing a strong brand position. In this regard, Derimod Group has expanded its retail marketing and sales operations to Russia, leasing retail outlets and opening franchise stores in Iran, Saudi Arabia and TRNC. As a beneficiary of the Turquality Program, Derimod received subsidies from the government which cover marketing, retail store establishment and decoration and designs. Considering the increasing demand to luxury items and leather outwear in the emerging markets, the Group's international sales are expected to support its financial structure.

Modest Profitability Levels, Accounting for the Performance of Retail Operations

Derimod Group's profitability is the combination of the retail operations managed by sister Derimod Pazarlama and the wholesale operation of Derimod Konfeksiyon. Factoring the performance of the both companies, the Group maintained its profitability performance even though the fluctuations in the FX markets are reflected in the purchasing costs of merchandise. The business potential in Russian and Middle Eastern markets might boost the revenues in the upcoming periods.

High Leverage Level and Debt Covenants Impose Certain Constraints

Asset to equity ratio of Derimod stayed at high levels, as the trade and financial liabilities maintained their large shares. Nevertheless, the vast majority of the financial loans were concentrated in the long term, alleviating the short term liquidity needs. The long term bank loan used in 2013 is subject to certain covenants such as restrictions on dividend distribution, asset acquisition, facilitation of additional loans. On the other hand, we expect Derimod to preserve its solvency and maintain a sufficient debt service capacity in the upcoming periods.

Unfavorable Outlook and Economic Sanctions Concerning Russia and Rising Security Concerns Centered in the Middle East

Russian market has faced major obstacles in the recent periods such as the economic sanctions imposed by the Western countries and the plummeting oil prices which disrupted the country's export revenues. As for the Middle East, the intensifying security concerns due to terrorist activities and potential spillovers to several countries curtail the economic prospects. On the flipside, the abolishment of economic sanctions to Iran following the resolution signed with the P5+1 countries might facilitate trade with this state.

2. Outlook

Derimod is expected to sustain the current revenue growth trend, possibly boosting the total revenues accounting for the sales in Russia and other emerging markets. Considering the Company's ongoing business expansion plans, current indebtedness level and liquidity position, we expect Derimod to preserve its credit quality in the upcoming periods. The political and economic uncertainties and the growing security concerns and their impact on the Company's performance will be continuously monitored.

Affirmative developments with respect to resolution of the political uncertainties and tensions in core & potential markets, restoration of the economic performance to the potential levels, improved profitability metrics and acceleration of the sales, stronger debt service capacity might induce a positive rating action, even though the Company's already high rating necessitates substantial improvement over existing financial and operational performance to justify an upside movement as the rating scale is larger in the higher credit grades.

Deterioration of the fundamental debt service and interest coverage indicators, poor cash management, excessive risk appetite and imprudent credit policies, narrower profit margins and exacerbation of the political tensions are possible factors for a negative rating action.

3. Sponsor Support and Stand-Alone Assessment

The Sponsor Support grade assesses the financial capabilities and willingness of the shareholders to assist the Group if such a need arises. The Group's majority shareholder is the Zaim Family, operating in the sector for more than 40 years. Considering the long track record of the Group, the Family is considered to have the willingness to provide support to the Derimod if needed. In conclusion, we assigned a Sponsor Support Grade of "2", which denotes adequate level of external financing.

The Company's Stand Alone grade reflects its financial strength 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 position, related party transactions and liquidity profile. Noting the fact that Derimod Konfeksiyon's profitability and liquidity structure is essentially related with the collection periods from Derimod Pazarlama and sales prices to the aforementioned company, Derimod Konfeksiyon's Stand Alone rating is determined as 'B', signifying an adequate level.

4. Company Profile

a. History & Activities

Founded in 1974, Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş. is a leather apparel manufacturing company characterized by elegant style and innovative designs. Pioneered by Ümit Zaim, The Company's uncompromising dedication to quality and effective marketing & advertising policies helped it become and preserve its position as a premium brand of leather

products over the course of 40 years. The Company contracted its in-house production and outsourced majority of leather shoes, accessories, bags and apparel production to domestic suppliers, in order to focus on design and marketing aspects of its business. The primary customer of Derimod Konfeksiyon is Derimod Pazarlama, which has a very similar owner structure and manages the widely known "Derimod" brand and its stores.

Derimod is the first Turkish leather fashion group to open a retail store with its own brand name in a foreign country. The Group has gained a preliminary foothold in Russia and certain Middle Eastern countries in the recent years.

b. Organization & Employees

Derimod's headquarters is based in Zeytinburnu, Istanbul while it has various warehouses in Ikitelli Organized Industrial Zone. Derimod Konfeksiyon's only customer is Derimod Pazarlama, hence it does not have a sophisticated distribution as the distribution and promotion activities are carried out by the sister firm Derimod Pazarlama.

Derimod Konfeksiyon's Board of Directors is composed of 7 members, consisting of 3 members of the Zaim Family who hold the majority of shares, and 4 other members, of whom 2 are independent. The Company's senior management is composed of divisional managers supervising sales, marketing, purchasing, product design, logistics, human resources, information technologies, finance, architecture and budget planning headed by the general manager. The Council of Advisors, consisting of legal, financial, management and occupational safety and health advisors support the senior management in specific areas requiring expertise.

The Company employed 83 people as of June 30, 2015 (FYE2014: 83). On the other hand, the sales force, distribution, marketing and other retail function staff are employed by Derimod Pazarlama.

c. Shareholders, Subsidiaries & Affiliates

Zaim Family is the principal shareholder of the Company and 34.40% of the shares are traded publicly on the Borsa Istanbul (BIST). The table below exhibits the detailed shareholding structure of Derimod Konfeksiyon.

Shareholders	3Q2015		FY2014	
	Paid Capital (000 TRY)	Share %	Paid Capital (000 TRY)	Share %
Ümit Zaim	2,510,824	46.50	2,510,824	46.50
Zerrin Zaim	882,431	16.34	882,431	16.34
Asuman Zaim	148,557	2.75	148,557	2.75
Cavidan Tepe	540	0.01	540	0.01
Others	1,857,648	34.40	1,857,648	34.40
	5,400,000	100	5,400,000	100

d. Corporate Governance

Derimod's Board of Directors defines the framework and the compliance objectives for corporate governance principles. Internal Audit Committee serves as the supervisory body for the assurance and internal control functions of the Company.

Since Derimod's shares are publicly traded on BIST, the Company is subject to certain obligations in the framework of Capital Markets Law. The independently audited financial statements, annual reports, articles of association and amendments to the articles along with important notifications related with the Company's operations are announced on the Public Disclosure Platform.

Derimod is a participant of the government endorsement program named "Turquality®" aiming to support export companies and help them build internationally recognized brands. Sponsored by the Ministry of Economy of Turkey, the Company is entitled to several subsidies covering 50% of consultancy fees, retail store decoration and rent expenses, advertising, marketing and designer fee subsidies up to certain limits. Derimod commenced receiving the benefits from the incentives provided by the program in 2014.

The Company's overall compliance level with Corporate Governance Principles is considered as moderate, accounting for the frequency, consistency and the scope of the publicly available information.

e. The Company & its Group Strategies

Derimod Group contemplates expanding its operations to emerging countries in Turkey's hinterland and to increase its resilience to external shocks and volatilities through prudent financial policies and adopting measures to curb market risk and implementing a new financial management software. As a prominent leather apparel and shoes market is supported by extensive and successful marketing and promotion strategies.

The Group's plan consists of two channels; (a) opening stores under the ownership of separate entities which will be owned by Derimod Pazarlama and (b) building a franchise network. The Group's growing presence in the Russian market, 9 stores as of report date is determined as a foothold established to be able to capture the demand in the market as soon as it recovers. As for the Middle East region, the Group aims to start a franchise network in Iran, Saudi Arabia among others. As a "Turquality®" program beneficiary, Derimod Group plans to open stores in the affluent cities of these aforementioned markets where consumer spending is on the rise and luxury brands are sought after.

The Company's supply chain strategy has been modified in order to adapt to the changing market conditions following an increase in tariffs on imported leather shoes on August 2014, which had a significant impact on the prices of imported leather shoes. Derimod Konfeksiyon plans to provide the leather shoes exclusively from domestic suppliers. Moreover, the Group managed to renegotiate the terms with its suppliers such that purchases are quoted in TRY, rather than USD.

5. Sector Overview & Operational Environment

Derimod Konfeksiyon operates in the wholesale of leather shoes, apparel and accessories. Derimod Pazarlama, owned by the Zaim Family and Derimod Konfeksiyon's only customer, realizes the retail sales of these products through its branch network.

The leather and leather products trade comprises of raw, semi-processed and processed leather and leather products mainly grouped as apparels, footwear and accessories. Typically a luxury and high-end product, leather appeals to relatively affluent individuals. Moreover, as leather products offer superior protection to harsh weather conditions, consumers living in cold climates have a strong demand for leather apparel and footwear.

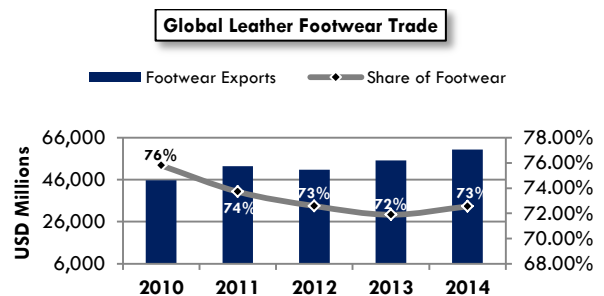
Domestic leather clothing products show sensitivity to fashion factors, exclusivity, consumer wealth and spending habits. The leather coats, trunks and jackets are also responsive to the climate conditions.

The market is shared by several local brands and numerous foreign brands. The main distribution channels are the retail stores, located in high-end shopping districts, streets and shopping malls along with online sales hubs owned by third parties. However, most companies are incorporating online sales through their own websites.

➤ **Global Leather Market**

We confined the leather market analysis to the end products such as footwear, apparel and handbags, as Derimod mainly operates in these segments. Therefore, raw and semi processed leather trade and production is excluded.

The global leather products trade benefits from a growing affluent consumer base particularly in the emerging markets, despite of the relative slowdown of prominent emerging economies. Between 2010 and 2014, the CAGR of global leather exports was 8.38%.



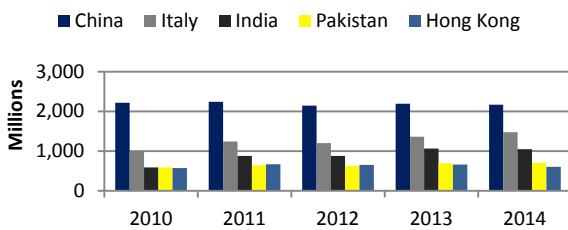
Leather footwear has a commanding position in terms of total export value of total leather wearable and accessories market. Total exports reached 60.4bn USD as of FYE2014, marking a 9.47% growth.

Global leather handbags exports demonstrate a rapid increase, with a CAGR of 18.07% in the last 4 years boosting a lead over apparel such as coats, trunks etc.



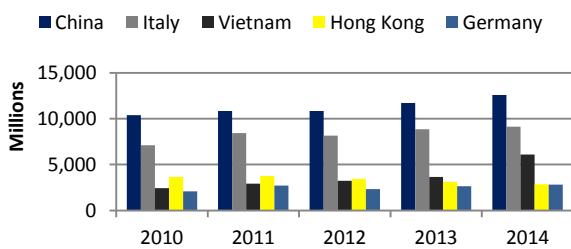
China ranks highly with respect to both production and consumption of leather products, owing to its growing middle class. As of FYE2014, total Chinese leather products exports reached USD 18.76bn, easily surpassing its competitors such as Italy, Vietnam and France.

Top Leather Apparel Exporters



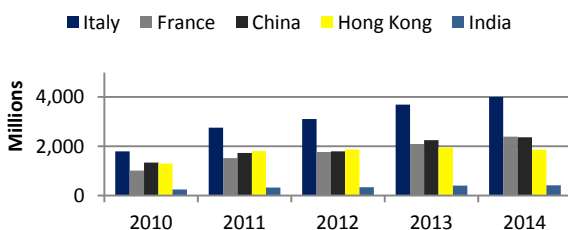
It is noted that the increasing wages and middle class in China is eroding its competitive advantage and raising the manufacturing costs, shifting the production to peripheral countries such as Vietnam. The Western manufacturers mostly based in France and Italy continue to command a larger premium over Chinese counterparts. Studies point to the domination of the luxury brands based in France, Switzerland and Italy.

Top Leather Footwear Exporters



Italian manufacturers lead the leather handbag markets with export total exceeding USD 4bn with a CAGR increase of 22.24%. France and China followed Italy's lead, where the former is boosting exports with a faster pace.

Top Leather Handbag Exporters



➤ **Turkish Leather Production & Exports**

Turkish leather producers have significant experience in shoe, purse, accessories and leather apparel production accumulated over the years. Being mostly craftsmen, artisans and family owned companies, these leather manufacturers are predominantly SMEs; however there are few yet effective large scale enterprises. The intensive competition and disruptive prices of low cost producers negatively affected small scale producers. Even though the manufacturers associations' efforts

resulted in stronger tariff regulations over imported leather shoes, local producers need to focus on designer value and quality products.

Turkish leather sector faced several challenges in the past year, most of which are expected to spill over to the next few years. One of the fundamental problems affecting the sustainability of the production and cost structure is the lack of sufficient domestic raw leather production. Turkey ranks as the second largest raw small cattle leather importer in the world as approximately 70% of all raw leather used in production sourced from imports. Secondly, the plummeting energy prices, economic sanctions and political tensions with neighbors severely affected Turkey's top export destination Russia. The country's GDP growth is expected to be negative, with falling commodity prices and restrained demand deteriorating the prospects for investors. Lastly, the security concerns, prevailing insurgency in the Middle East and political uncertainties pressurize market confidence and aforementioned conflicts and tensions limit export opportunities.

On the flipside, Turkey leather sector managed to compensate the loss of potentials in key sectors with effective marketing and design of fashionable products. Furthermore, the currency crises in Russia forced a decline in the retail store lease prices, helping prospective companies to enter the market with lower costs.

The top destinations for the Turkish leather exporters are Russia, Italy, France, Iraq and Saudi Arabia. As of FYE2014, total exports amounted to USD 1.14bn. CIS region is also an important market, along with the rest of Middle East.

Total Leather Products Exports			
(000 USD)	2012	2013	2014
Russia	160,189	166,582	140,730
Italy	160,189	166,582	140,730
France	85,302	112,942	120,310
Iraq	74,935	86,111	100,155
Saudi Arabia	88,595	93,281	91,814
UAB	56,118	62,382	75,104
Others	326,372	385,092	468,699
Total	951,700	1,072,972	1,137,542

Footwear is the primary product category for Turkish exports as it is the case for the global exports. Russia remains the top market despite of the domestic and international factors curbing its demand. Turkey's other major trade partners, EU and Middle East are observed in the list, indicating the potentials and dependencies to

the aforementioned zones. The abolition of Western countries' economic sanctions to Iran might induce opportunities to Turkish companies.

(000 USD)	2012	2013	2014
Footwear			
Russia	29,430	30,898	29,900
UK	28	9,378	18,222
Iraq	9,128	17,859	13,755
Apparel			
France	21,106	29,652	29,273
Russia	34,261	29,072	27,538
UK	4,644	11,169	14,974
Handbags			
Italy	27,530	35,006	39,375
UK	24,264	21,936	18,397
Iraq	1,776	3,437	4,009

The challenges faced by the sector are noted as scarcity of locally provided raw leather, shortage of trained blue-collar personnel and absence of long-term strategic marketing and brand building efforts. On the flipside, easy access to potential bearing Middle East and the CIS region and high-quality production are the sector's strong suits. The Turkish leather footwear and apparel sector is expected to maintain its upward growth trend in the following periods owing to expanding retail network in emerging markets.

Sources: International Trade Center – Trademap, The General Secretariat of Istanbul Textiles and Apparel Exporters' Association – Leather and Leather Products Sector Review Report, Ministry of Science, Industry and Technology of Republic of Turkey – Textile, Apparel and Leather Products Sector Review Report

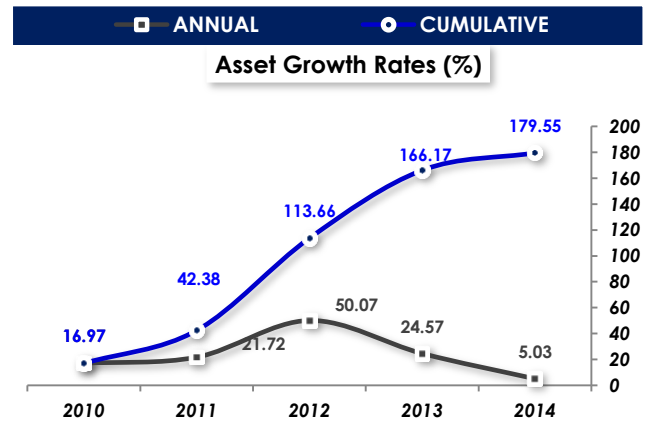
6. Financial Foundation

a. Financial Indicators & Performance

i. Indices Relating to Size

The Company's size serves as an estimate of its market share, bargaining power with the supplier and market position. Since Derimod is the wholesale leather footwear, apparel and accessories supplier of Derimod Pazarlama, the sister company executing the retail functions and management of distribution channels, the market share and market power is evaluated at the Group level as a whole.

Derimod's asset growth decelerated in 2014, in the wake of slowing down consumption in domestic market. Furthermore, the expansion plans to access Middle East and Russian markets were suspended or maintained at a slower pace than initially expected. As a result, its assets reached TRY 132.73mn, displaying a 5.03% growth over the previous year. The compound annual growth rate (CAGR) was 24.34% for the last 4 years.



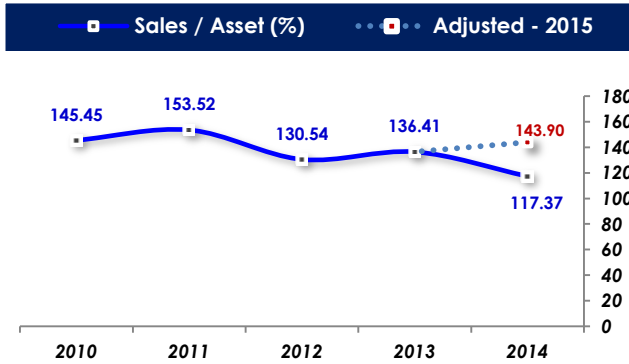
Derimod Group management plans to establish a permanent presence in Russia and Middle East through leased offices and franchises, respectively. Several retail stores have been opened and franchise agreements have been signed as of report date. The Group does not expect to incur significant investments in Russia and plans to build a sufficient coverage in the market so as to capture market share as soon as the demand recovers.

ii. Indices Relating to Profitability

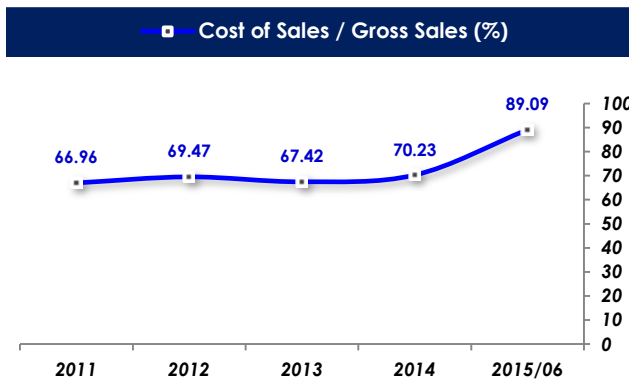
As of FYE2014, 93.78% of Derimod's sales were directed to Derimod Pazarlama, sister company executing the retail operations and distribution (FYE2013: 94.02%). The analysis of Derimod's solo profitability performance cannot give a complete picture of the Group's and the brand's actual profitability. The final retail profits of the Group and the brand is therefore a combination of both companies.

The Group management adopted a new policy for accounting for the marketing and distribution expenses reflected to Derimod Konfeksiyon. Until 2013, the Company shared half of the marketing and distribution expenses incurred by the Derimod Pazarlama. However, in 2014, the Group decided not to reflect these expenses and rather apply a 20% discount to Derimod Pazarlama; hence the fall in the Sales/Avg. Assets ratio. Adjusting for the new policy, the ratio would have stood at 143.90%.

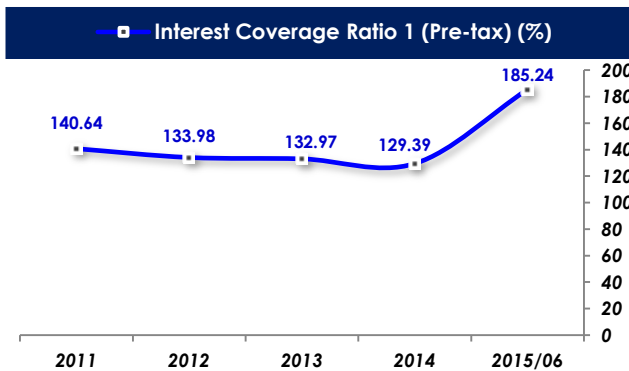
The Company's sales and operational expenses display seasonality, where the costs typically peak at third quarter and the sales reach highs in the year end and the first quarter. In the assignment of the credit rating, we have eliminated the seasonality, even though the original audit based financial figures are displayed throughout the report.



So as to eliminate the effect of the discount policy, gross sales are used to examine the cost structure of the merchandise and production materials. The increasing costs was mainly attributable to rising FX rates and the increasing regulatory costs, such as extensive AZO testing of leather shoes.



The ability of the Company to meet its financing payments via its internally generated resources is measured with the interest rate coverage ratio. The reduction of factoring expenses due in 2015 helped improve the short term debt service capacity of Derimod.



Sales performance by three main product groups for the past 4 years are displayed below, with JCR ER projections for FYE2015, based on previous trends.

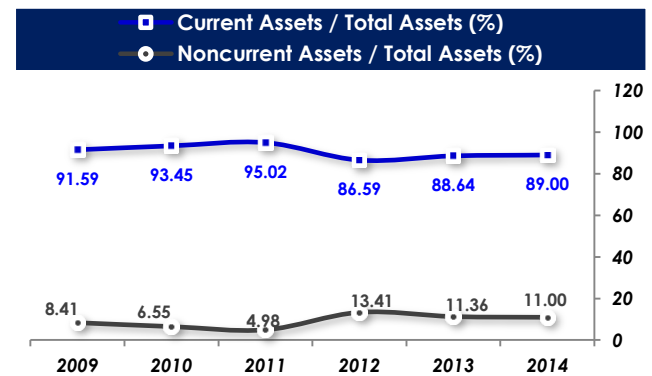
Period	Apparel	Shoes	Acces.
2010/12	165,993	612,997	71,655
2011/12	163,818	811,211	99,862
2012/12	188,173	1,027,586	116,696
2013/12	193,002	1,308,721	199,169
2014/12	196,623	1,430,646	237,709
2015/12*	140,790	1,390,404	307,112

* JCR ER estimates, does not necessarily reflect Company's own projections and commitments

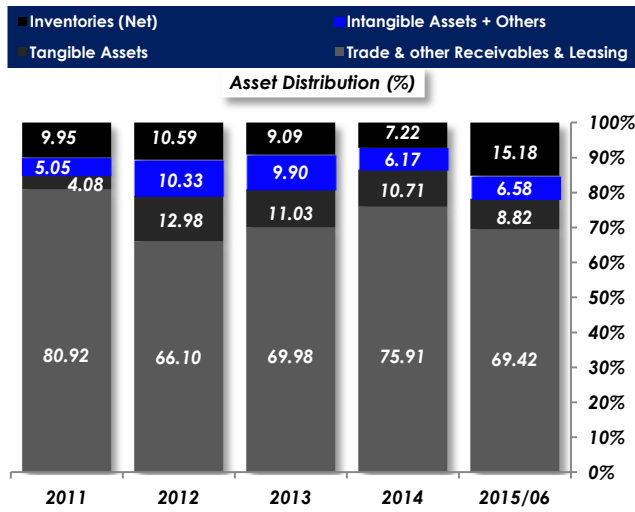
Considering the profitability and sales performance of the retail operations, the Group's total internal resource generation performance is expected to be adequate.

b. Asset Quality

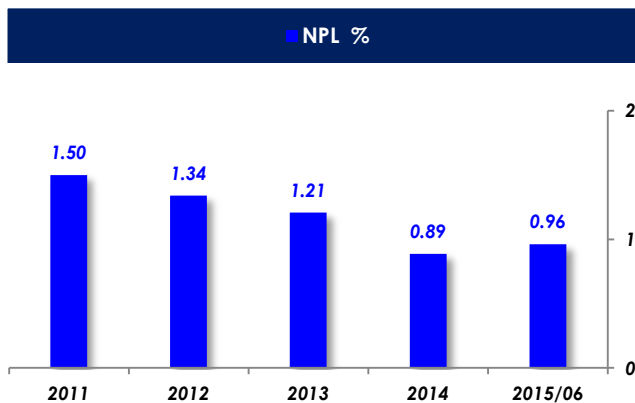
The majority of the Company's assets are composed of trade receivables (69.42%) from sister company Derimod Pazarlama followed by inventories (15.18%) as of 2Q2015. In this regard, the asset quality of Dermid is practically determined by the performance and the financial structure of Derimod Pazarlama. The retail operations of the Group indicate the continuation of fair performance.



As of 2Q2015, the non-trade balance with the related parties stood at TRY 4.18mn which were accrued 11% interest for TRY denominated receivables and 2.5% for the USD balance. The maturities of these receivables are not specified.

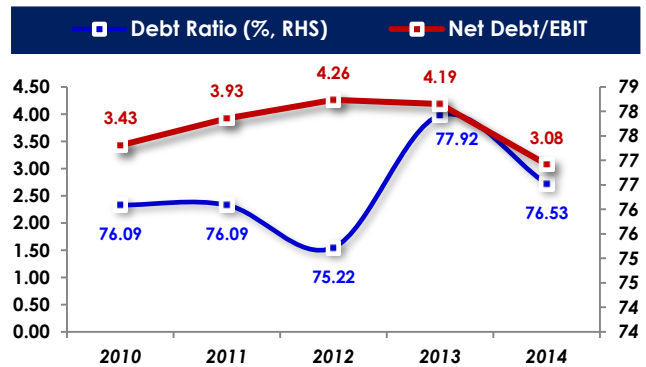


Owing to the wholesale trade relationship with Derimod Pazarlama, the impaired receivables of the Company are fairly low. The impaired receivables are fully provisioned (TRY 1.04mn).

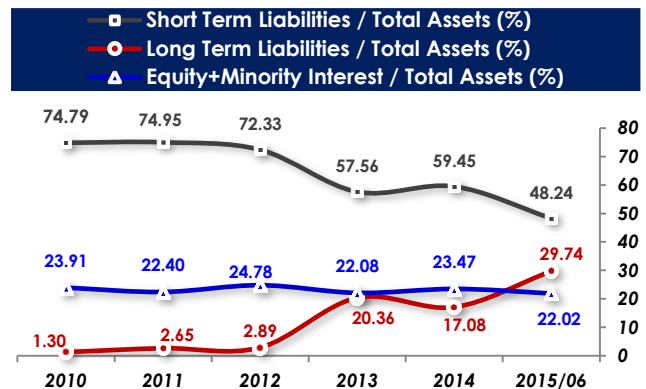


c. Funding & Adequacy of Capital

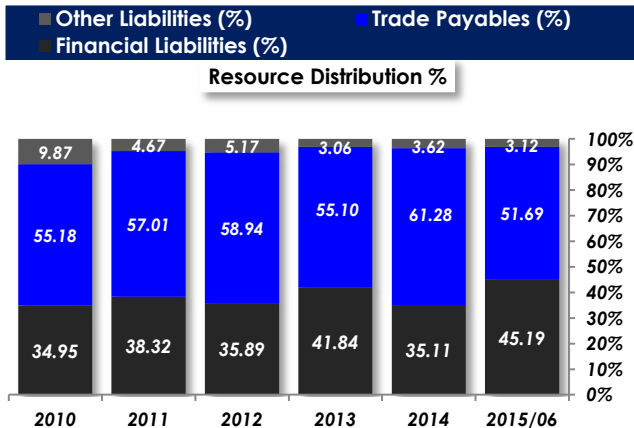
The Company's assets to equity ratio, leverage, stood at 4.54 as of 2Q2015 (FYE2014: 4.26, 2Q2014: 4.04). Derimod retains its profits so as to provide additional financing for the ongoing and planned investment plans. However, we do not expect a significant improvement or deterioration of the leverage and the funding structure considering the sector's outlook and the Company's sales performance. Net Debt to EBIT multiplier was 3.08, indicating a higher than moderate leverage level, even though considered within acceptable reference values.



As of 2Q2015, the average maturity of the Company's receivables was estimated to be 2.01 years (FYE2014: 2.49 years). The bond with a nominal value of TRY 25mn is the definitive factor of the maturity profile as it accounts for 45.88% of the total financial liabilities. Derimod eliminated most of the factoring operations with the financial restructuring carried out in 2015, allowing to limit the financing expenses.



Trade payables to suppliers accounted for 51.69% of total liabilities and amounted to TRY 62.34mn (FYE2014: 61.28%, TRY 62.24mn). The Company's financial liabilities mainly consisted of long term loans and bonds. As of FYE2014, the Company on average took 151.36 days to pay its suppliers, as opposed to 146.03 days in the previous year.



7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

Derimod's risk management policy is created and managed by the Board of Directors. Corporate Governance and Internal Audit Committee supports the Board in the with respect to supervision and compliance.

The Board of Directors comprises 7 members, two of whom are independent. The independent members chair the aforementioned committees. As a publicly listed company, Derimod is subject to the regulations and legal framework defined in the Capital Markets Law.

b. Credit Risk

Since Derimod practically sells of its merchandise to sister company Derimod Pazarlama, the credit risk arising from the receivables from the customers is defined by the solvency and the performance of the retail operations executed by the latter company. As for the credit risk exposed by Derimod Pazarlama, due to its retail nature the Company does not suffer from any significant sales risk concentration.

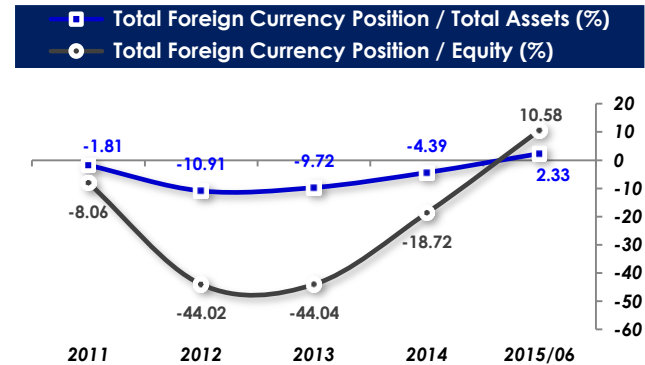
93.20% of the total credit as of FYE2014 stemmed from trade receivables from the related parties, amounting to TRY 96.51mn.

Impaired receivables amounted to TRY 1.04mn as of 2Q2015, all of which were provisioned. Most of the impaired receivables were due from the subcontractors who were given advances.

c. Market Risk

The volatilities in the FX markets affect the Company's financial position due to its USD and EUR denominated trade receivables and payables. Derimod did not carry

foreign currency financial loan balance as of 2Q2015, whereas the net FX position stood at TRY 3.60mn as a result of long USD balance and short EUR. This denotes a significant improvement over the previous periods where the Company was exposed to a short position with a larger absolute value.



While the FX long position results in a parallel movement in profitability with the appreciation of USD, the relatively low share to assets and equity indicates more robustness to FX fluctuations.

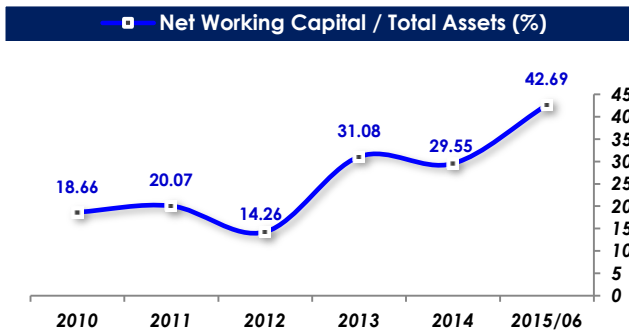
Derimod Group successfully renegotiated the terms of trade with its core suppliers and managed to quote the prices in TRY, instead of USD. The new agreement with the suppliers is expected to alleviate the pressure engendered by the volatilities in the foreign currency markets.

The float rate capital market instrument issued by the Company carries and interest risk with regards to the coupon payments.

d. Liquidity Risk

Derimod management monitors the maturity profiles of the receivables and payables so as to match the cash flows. The receivables of the Company are collected from sister Derimod Pazarlama in 182 days on average in the last 3 years. The retail sales are mostly finalized with installment sales, typically up to 6 months to the end customers.

Derimod's current ratio stood at 188.48% as of 2Q2015. The Company's inventories increased considerable in 2Q2015, due to accumulation of inventories for the Fall-Winter season.



e. Operational, Legal Regulatory & Other Risks

Derimod is exposed to operational risks stemming from system and human errors at various stages of value generation chain and business transactions. The Company establishes and oversees internal controls at material milestones of process flows. As per system security and the quality of the internally generated financial and operational records, the Company is adopting a new enterprise resource planning and reporting tool, which is expected to be active and operational in 2016.

The Internal Audit Unit provides reasonable assurance to the Board of Directors that the workflows comply with the internally devised and externally mandated requirements. The findings and recommendations of the internal audit division of the Company are reported to the Board of Directors.

The Company follows the legal regulations and requirements closely and complies with the updated external policies.

8. Budget

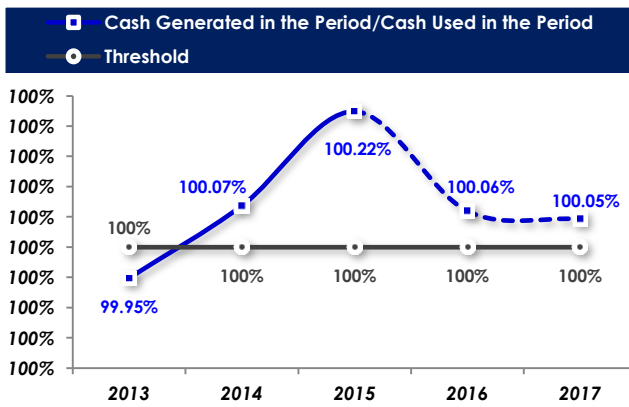
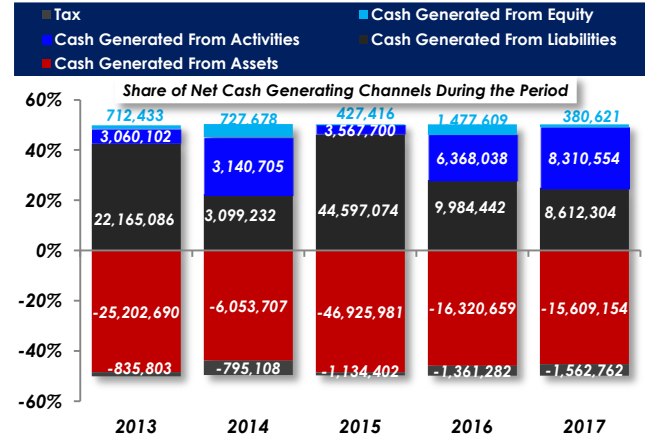
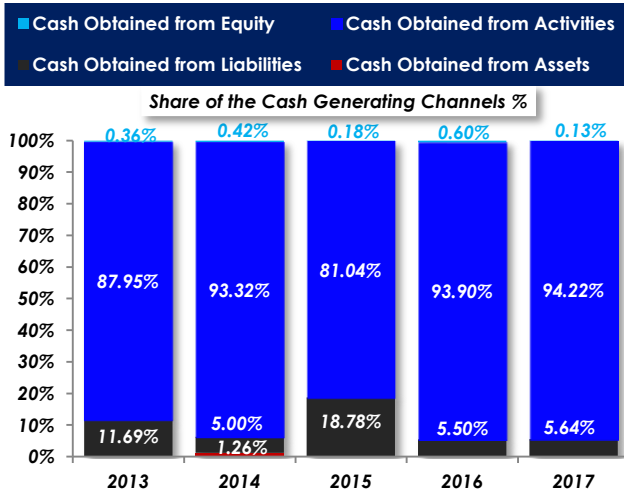
Derimod Konfeksiyon's internally prepared projections up to 2017 along with the cash flow dynamics based on them are displayed below.

Projected Income Statement				
(TRY 000)	2014	2015	2016	2017
Net Sales	155,787	187,961	225,553	258,936
COGS	-140,475	-172,470	-206,963	-237,595
Gross Profit	15,865	15,491	18,589	21,341
Activities Expenses	-7,031	-9,488	-11,386	-13,071
Net P&L Principal Activities	8,835	6,003	7,204	8,270
Income & Profit From Other Act.	2,947	15,019	18,023	20,691
Exp. & Losses From Other Act. (-)	-978	-9,616	-11,539	-13,247
Financing Income	3,814	0	0	0
Financing Expenses (-)	-11,298	-6,933	-7,320	-7,403
Operating Profit & Loss	3,320	4,473	6,368	8,311
Taxes (-/+)	-795	-1,134	-1,361	-1,563
Net Profit For The Period	2,525	3,339	5,007	6,748

Projected Balance Sheet				
(TRY 000)	2014	2015	2016	2017
Current Assets	118,132	162,163	176,846	191,520
- Trade Receivables & Leasing	96,555	125,196	132,485	140,594
Fixed Assets	14,598	18,931	20,717	21,783
- Tangible Assets	14,212	18,397	20,077	21,048
Total Assets	132,731	181,094	197,563	213,304
Short Term Liabilities	78,908	99,748	114,448	145,887
- Financial Liabilities	15,634	9,270	11,124	27,270
- Trade Payables	62,241	89,135	101,712	116,766
Long Term Liabilities	22,667	46,424	41,709	18,882
- Financial Liabilities	20,026	42,725	37,270	13,786
Total Liabilities	101,575	146,172	156,157	164,769
Equity	31,155	34,922	41,406	48,535
Total Liabilities & Equity	132,731	181,094	197,563	213,304

The Company's expectation reflect the preparation for the next seasons with more efficient deliveries and elimination of bottlenecks encountered at the testing of the imported leather footwear at testing stations due to flooding demand from footwear importers following the unforeseen new regulations. As the Company currently requests the tests to be conducted by the manufacturers themselves before they are delivered, new merchandise will be ready to sold to end customers without significant delay, which is expected to help increase the sales.

CASH FLOW & FUND FLOW STATEMENTS- Summary	Budget			
	2014	2015	2016	2017
Initial Cash Balance	90	209	741	889
Cash Generated	173,533	237,483	247,100	282,711
from Assets	2,186	-	-	-
from Liabilities	8,675	44,597	13,585	15,950
from Activities	161,944	192,459	232,037	266,380
from Equity	728	427	1,478	381
Cash Used for	173,414	236,951	246,952	282,579
Assets Acquisition	8,239	46,926	16,321	15,609
Liabilities Repayments	5,576	-	3,601	7,337
Activities	158,804	188,891	225,669	258,070
Dividends	-	-	-	-
Tax for the Period	795	1,134	1,361	1,563
Net Cash Generated During the Period	119	532	148	132
Cash at the End of the Period	209	741	889	1,020
Positive Valuation Differences	180	906	-	-
Negative Valuation Differences and Depreciation	-	-	-	-
Net Fund Change	180	906	-	-
Net Cash Position Change	298	1,437	148	132



The bond issuance of TRY 25mn with 728 days maturity completed in 06.02.2015 gives the Company certain leverage and flexibility for financial management and alleviates the short term liquidity pressures. Given the Company's current and projected profitability and sales performance, we expect Derimod to fulfill its interest obligations on the existing bond, provided that the operational efficiency and liquidity position is maintained. Furthermore, we expect to rollover the existing bond at/before the maturity date so as to maintain the current term structure of the liabilities.

The majority of the funding requirements were covered by the external resources, where the trade payables are the major source of the liquidity. As the trade liabilities of Derimod Konfeksiyon are due to several leather footwear and apparel suppliers of various sizes, the Company has a certain degree of leverage and flexibility of managing its commercial liabilities. According to the bank loan reports provided by the Company, Derimod Konfeksiyon has available committed credit lines from various banks, while the collateral conditions are not specified and the final discretion to transfer funds from the available lines is reserved at the respective banks'



DERİMOD KONF. AYAKKABI DERİ SAN.VE TİC.A.Ş. BALANCE SHEET - ASSET TRY	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	As % of	As % of	As % of	2015	2014	2013
	2015/06	2015/06	2015/06	2014	2014	2013	2013	2012	2015	2014	2013			
	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Rate	Rate	Rate
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)			
I. CURRENT ASSETS	48,499,625	140,600,412	129,366,437	118,132,461	115,078,689	112,024,917	99,936,404	87,847,891	90.93	89.00	88.64	19.02	5.45	27.52
A. Liquid Assets	1,169,634	3,390,768	1,799,852	208,936	149,536	90,136	140,572	191,008	2.19	0.16	0.07	1,522.87	131.80	-52.81
B. Marketable Securities	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	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	35,574,956	103,131,797	99,843,447	96,555,097	92,487,159	88,419,221	77,729,865	67,040,509	66.70	72.75	69.96	6.81	9.20	31.89
1. Customers & Notes Receivables	35,574,956	103,131,797	99,843,447	96,555,097	92,487,159	88,419,221	77,729,865	67,040,509	66.70	72.75	69.96	6.81	9.20	31.89
2. Other Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	360,429	1,044,884	975,275	905,665	995,503	1,085,340	999,777	914,213	0.68	0.68	0.86	15.37	-16.55	18.72
4. Provision for Doubtful Trade Receivables (-)	-360,429	-1,044,884	-975,275	-905,665	-995,503	-1,085,340	-999,777	-914,213	-0.68	-0.68	-0.86	15.37	-16.55	18.72
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)	16,189	46,933	25,883	4,833	2,123,209	4,241,585	3,890,361	3,539,137	0.03	0.00	3.36	871.09	-99.89	19.85
E. Other Receivables	1,449,916	4,203,306	4,200,544	4,197,781	2,109,296	20,811	18,561	16,311	2.72	3.16	0.02	0.13	20,070.97	27.59
1. Other Receivables	1,449,916	4,203,306	4,200,544	4,197,781	2,109,296	20,811	18,561	16,311	2.72	3.16	0.02	0.13	20,070.97	27.59
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	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
G. Inventories (net)	8,098,476	23,477,481	16,529,684	9,581,887	10,537,382	11,492,877	11,116,722	10,740,567	15.18	7.22	9.09	145.02	-16.63	7.00
H. Contract Progress Income (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
I. Deferred tax Assets	1,410,251	4,088,318	4,551,840	5,015,361	6,367,459	7,719,556	7,019,958	6,320,359	2.64	3.78	6.11	-18.48	-35.03	22.14
J. Other Current Assets	780,203	2,261,809	2,415,188	2,568,566	1,304,649	40,731	20,366	0	1.46	1.94	0.03	-11.94	6,206.17	n.a
1. Other Current Assets	780,203	2,261,809	2,415,188	2,568,566	1,304,649	40,731	20,366	0	1.46	1.94	0.03	-11.94	6,206.17	n.a
2. Provision for Other Current Assets (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II. NON-CURRENT ASSETS	4,837,988	14,025,326	14,311,724	14,598,122	14,475,803	14,353,484	13,976,652	13,599,819	9.07	11.00	11.36	-3.92	1.70	5.54
A. Trade Receivables & Leasing	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
1. Customers & Notes Receivables & Leasing	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
2. Other Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
3. Doubtful Trade Receivables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4. Provision for Doubtful Trade Receivables (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
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
B. Due From Related Parties (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C. Other Receivables	100,753	292,084	290,957	289,830	285,092	280,353	286,468	292,583	0.19	0.22	0.22	0.78	3.38	-4.18
1. Other Receivables	100,753	292,084	290,957	289,830	285,092	280,353	286,468	292,583	0.19	0.22	0.22	0.78	3.38	-4.18
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 Receivable (-)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
D. Financial Fixed Assets (net)	24,310	70,474	70,474	70,474	70,474	70,474	70,474	70,474	0.05	0.05	0.06	0.00	0.00	0.00
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)	24,310	70,474	70,474	70,474	70,474	70,474	70,474	70,474	0.05	0.05	0.06	0.00	0.00	0.00
3. Subsidiaries (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4. Other Financial Fixed Assets (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E. Tangible Assets	4,702,238	13,631,788	13,922,072	14,212,355	14,075,428	13,938,500	13,553,320	13,168,140	8.82	10.71	11.03	-4.08	1.96	5.85
F. Other Fixed Assets	10,686	30,980	28,222	25,463	44,810	64,157	66,390	68,622	0.02	0.02	0.05	21.67	-60.31	-6.51
TOTAL ASSETS	53,337,612	154,625,738	143,678,161	132,730,583	129,554,492	126,378,401	113,913,056	101,447,710	100.00	100.00	100.00	16.50	5.03	24.57



DERİMOD KONF. AYAKKABI DERİ SAN.VE TİC.A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	(Year end)	As % of	As % of	As % of			
	2015/06	2015/06	2015/06	2014	2014	2013	2013	2012	2015	2014	2013	2015	2014	2013
	USD (Converted)	TRY (Original)	TRY (Average)	TRY (Original)	TRY (Average)	TRY (Original)	TRY (Average)	TRY (Original)	Assets (Original)	Assets (Original)	Assets (Original)	Growth Rate	Growth Rate	Growth Rate
I. SHORT TERM LIABILITIES	25,731,620	74,595,965	76,751,808	78,907,650	75,827,141	72,746,631	73,063,070	73,379,508	48.24	59.45	57.56	-5.46	8.47	-0.86
A. Financial Liabilities	3,940,925	11,424,743	13,529,512	15,634,281	16,802,523	17,970,764	22,614,819	27,258,873	7.39	11.78	14.22	-26.93	-13.00	-34.07
B. Trade Payables	21,502,406	62,335,474	62,288,096	62,240,717	58,251,009	54,261,301	49,619,264	44,977,226	40.31	46.89	42.94	0.15	14.71	20.64
C. Due to Related Parties	0	0	0	0	17,407	34,814	55,810	76,805	n.a	n.a	0.03	n.a	-100.00	-54.67
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	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
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	55,350	160,461	281,210	401,958	202,467	2,976	152,558	302,139	0.10	0.30	0.00	-60.08	13,406.65	-99.02
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	232,938	675,287	652,991	630,694	553,735	476,776	620,621	764,465	0.44	0.48	0.38	7.07	32.28	-37.63
II. LONG TERM LIABILITIES	15,863,252	45,987,567	34,327,527	22,667,486	24,198,380	25,729,273	14,330,292	2,931,310	29.74	17.08	20.36	102.88	-11.90	777.74
A. Financial Liabilities	14,855,195	43,065,210	31,545,693	20,026,175	21,628,390	23,230,605	11,680,443	130,280	27.85	15.09	18.38	115.04	-13.79	17,731.29
B. Trade Payables	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	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	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
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	717,745	2,080,744	1,978,712	1,876,679	1,892,345	1,908,011	2,077,701	2,247,391	1.35	1.41	1.51	10.87	-1.64	-15.10
H. Provisions for Liabilities	290,311	841,613	803,123	764,632	677,645	590,657	572,148	553,639	0.54	0.58	0.47	10.07	29.45	6.69
I. Other Liabilities (net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
TOTAL LIABILITIES	41,594,871	120,583,532	111,079,334	101,575,136	100,025,520	98,475,904	87,393,361	76,310,818	77.98	76.53	77.92	18.71	3.15	29.05
F- EQUITY	11,742,741	34,042,206	32,598,827	31,155,447	29,528,972	27,902,497	26,519,695	25,136,892	22.02	23.47	22.08	9.27	11.66	11.00
a) Prior year's equity	10,746,963	31,155,447	29,528,972	27,902,497	26,519,695	25,136,892	20,139,502	15,142,112	20.15	21.02	19.89	11.66	11.00	66.01
b) Equity (Added from Internal & External Resources in the Current Year)	0	0	363,839	727,678	720,056	712,433	4,540,931	8,369,428	n.a	0.55	0.56	100.00	2.14	-91.49
c) Minority Interest	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
h) Profit & Loss	995,778	2,886,759	2,706,016	2,525,272	2,289,222	2,053,172	1,839,262	1,625,352	1.87	1.90	1.62	14.31	22.99	26.32
TOTAL LIABILITY	53,337,612	154,625,738	143,678,161	132,730,583	129,554,492	126,378,401	113,913,056	101,447,710	100.00	100.00	100.00	16.50	5.03	24.57
USD Rates 1=TRY		2.8990		2.3189		2.1304		1.7776						

DERİMOD KONFEKSİYON AYAKKABI DERİ SAN.TİC.A.Ş. INCOME STATEMENT	2015/6	2014	2013	2012
I. Principal Activity Revenues	11,402,025	15,865,488	49,820,541	37,072,865
A. Sales Revenues (Net)	81,547,286	155,879,572	172,664,491	132,576,325
1.Domestic Sales	81,547,286	190,906,256	181,388,326	138,227,943
2.Export Sales	0	9,216,791	2,832,154	2,229,638
3.Sales Deductions (-)	0	-44,243,475	-11,555,989	-7,881,256
B. Cost Of Sales (-)	-72,652,399	-140,474,967	-124,020,648	-97,480,772
C. Service Revenues (net)	0	0	0	0
D. Other Revenues From Principal Activities	2,507,138	460,883	1,176,698	1,977,312
1.Interest	2,507,138	406,869	1,176,698	1,977,312
2.Dividend	0	54,014	0	0
3.Rent	0	0	0	0
4.Other	0	0	0	0
GROS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	11,402,025	15,865,488	49,820,541	37,072,865
Activities Expenses (-)	-4,001,670	-7,030,736	-37,484,184	-28,554,423
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	7,400,355	8,834,752	12,336,357	8,518,442
Income & Profit From Other Activities	629,815	2,947,069	306,789	206,434
Expenses & Losses From Other Activities (-)	-188,566	-977,632	-992,786	-366,953
Financing Income	0	3,814,120	0	0
Financing Expenses (-)	-4,233,282	-11,297,929	-8,761,385	-6,237,974
OPERATING PROFIT & LOSS	3,608,322	3,320,380	2,888,975	2,119,949
Net Monetary Position exc. And Other Profit & Loss (+/-)	0	0	0	0
PRETAX PROFIT & LOSS	3,608,322	3,320,380	2,888,975	2,119,949
Taxes (-/+)	-721,563	-795,108	-835,803	-494,597
NET PROFIT FOR THE PERIOD	2,886,759	2,525,272	2,053,172	1,625,352
Total Income	84,684,239	207,345,119	185,703,967	142,641,327
Total Expense	-81,075,917	-204,024,739	-182,814,992	-140,521,378
INCOMES OR EXPENSES FOR THE PERIOD	3,608,322	3,320,380	2,888,975	2,119,949

DERİMOD KONF. AYAKKABI DERİ SAN.VE TİC.A.Ş. FINANCIAL RATIOS %	FYE 2014	FYE 2013	FYE 2012
I. PROFITABILITY			
Relationship Between Capital and Profit			
ROAE - Pre-tax Profit / Equity (avg.)	11.24	10.89	10.53
ROAA - Pre-tax Profit / Total Assets (avg.)	2.56	2.54	2.51
Total Income / Equity (avg.)	702.18	700.25	708.27
Total Income / Total Asset (avg.)	160.04	163.02	168.76
Net Profit & Loss From Principal Activities / Total Assets (avg.)	6.82	10.83	10.08
Financial Expenses / Inventories Ratio (avg.)	107.22	78.81	71.42
Return on Avg. Long Term Sources	4.70	5.03	7.22
Relationship Between Sales and Profit			
Gross Profit Margin = Principal Activities Income / Net Sales Income	10.18	28.85	27.96
Operating Margin = Net Profit & Loss From Principal Activities / Net Sales Income	5.67	7.14	6.43
Net Profit Margin = Net Profit / Net Sales Income	1.62	1.19	1.23
Cost of Sales / Net sales Income	90.12	71.83	73.53
Activities Expenses / Net Sales Income	4.51	21.71	21.54
Financing Expenses / Net Sales Income	7.25	5.07	4.71
(Pre-Tax Profit + Financing Expenses) / Net Sales Income	9.38	6.75	6.30
Relationship Between Financing Liabilities and Profit			
Interest Coverage Ratio 1 = Pre Tax Profit + Financing Expenses / Financing Expenses	129.39	132.97	133.98
Interest Coverage Ratio 2 = Net Profit + Financing Expenses / Financing Expenses	122.35	123.43	126.06
Structure of Income and expenditure account			
Financing Expenses / T. Asset (avg.)	8.72	7.69	7.38
Financial Liabilities / T. Assets	26.87	32.60	27.00
II. LIQUIDITY			
(Liquid Assets + Marketable Securities) / T. Assets	0.16	0.07	0.19
(Liquid Assets +Marketable Securities) / T. Liabilities	0.21	0.09	0.25
Net Working Capital / Total Assets	29.55	31.08	14.26
Liquid Assets / Equity	0.67	0.32	0.76
Current Ratio	149.71	153.99	119.72
Acid Test Ratio	128.99	138.11	105.06
Cash Ratio	0.26	0.12	0.26
Inventories / Current Asset	8.11	10.26	12.23
Inventories / Total Asset	7.22	9.09	10.59
Inventories Dependency Ratio	821.33	632.19	681.42
Short Term Receivables / Total Current Assets	85.29	82.73	80.36
Short Term Receivables / Total Assets	75.91	73.34	69.59
III. CAPITAL and FUNDUNG			
Equity / Total Assets	23.47	22.08	24.78
Equity / Liabilities	30.67	28.33	32.94
Net Working Capital/Total Resources	29.55	31.08	14.26
Equity generation/prior year's equity	2.61	2.83	55.27
Internal equity generation/prior year's equity	9.05	8.17	10.73
Tangible Assets/Total Asset	10.71	11.03	12.98
Financial Fixed Assets/(Equity +Long Term Liabilities)	0.14	0.14	0.28
IV. EFFICIENCY			
Net Profit Margin Growth	36.24	-3.01	-31.64
Net Sales Growth	-9.72	30.24	27.74
Equity Growth	11.66	11.00	66.01
Asset Growth	5.03	24.57	50.07
Inventories Turnover	1,333.11	1,115.62	1,116.12
Days Inventories Utilization	27.38	32.72	32.70
Receivables Turnover	168.54	222.13	217.85
Days' Accounts Receivable	216.56	164.32	167.55
Efficiency Period	243.94	197.03	200.25
Payables Turnover	241.15	249.94	260.35
Days' Payments In Accounts Payables	151.36	146.03	140.19
Cash Turnover Cycle	92.59	51.00	60.05
Current Assets Turnover	135.45	172.77	174.34
Net Working Capital Turnover	397.13	642.51	945.69
Tangible Assets Turnover	1,107.46	1,273.96	1,664.87
Fix Asset Turnover	1,076.83	1,235.38	1,563.11
Equity Turnover	527.89	651.08	658.29
Asset Turnover	120.32	151.58	156.85
Export sales/Total sales	4.61	1.54	1.59
V. ASSET QUALITY			
Non-Performing Receivables / Total Receivables	0.89	1.21	1.34
Non-Performing Asset / Total Assets	17.98	20.18	23.64
Financial Fixed Assets / Non-Current Assets	0.48	0.49	0.52
VI. SENSITIVITY OF FOREIGN CURRENCY			
Total Foreign Currencies Position/Asset	-4.39	-9.72	-10.91
Total Foreign Currencies Position/Equity	-18.72	-44.04	-44.02
VII. INDEBTEDNESS			
Debt Ratio	76.53	77.92	75.22
Short Term Liabilities/Total Asset	59.45	57.56	72.33
Long Term Liabilities/Total Asset	17.08	20.36	2.89
Long Term Liabilities/(Equity+ Long term Liabilities)	42.11	47.97	10.44
Fixed Asset/Liabilities	14.37	14.58	17.82
Fixed Asset/(Long Term Liabilities +Equity)	27.12	26.76	48.45
Short Term Liabilities/ T. Liabilities	77.68	73.87	96.16
Short Term Financial Liabilities/Short Term Liabilities	19.81	24.70	37.15
Tangible Assets/Long Term Liabilities	62.70	54.17	449.22
Financial Liabilities/Total Liabilities	35.11	41.84	35.89
Off Balance Liabilities/(Assets +Off Balance Liabilities)	13.86	17.56	16.85
Off Balance Liabilities/(Equity +Off Balance Liabilities)	40.68	49.11	44.99