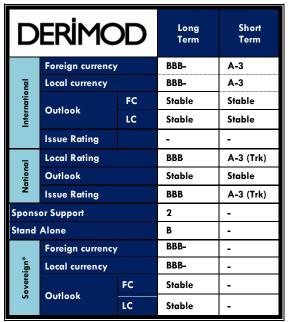
JCR Eurasia Rating

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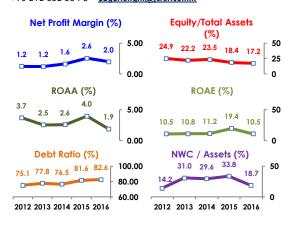
TURKEY

Corporate Credit Rating (Update)



*Affirmed by Japan Credit Rating Agency, JCR on October 7, 2016

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<u>Strengths</u>

- •Continued business growth despite strong headwinds
- Reduction of short FX position owing to restructuring of trade terms with suppliers
- Preservation of the operating margins and internal resource generation capacity
- Diversified funding mix with ability to raise funds from the capital markets
- •Established brand name and market presence
- Financial and operational advantages of the Turquality program, facilitating international investments through subsidies and consultancy

Wholesale Trade [Leather Footwear, Apparel & Accessories]

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş.										
Financial Data	2016/9*	2015*	2014*	2013*	2012*					
Total Assets (000 USD)	80,124	68,745	57,239	59,310	57,179					
Total Assets (000 TRY)	231,846	199,884	132,731	126,585	101,641					
Equity (000 TRY)	40,015	36,821	31,155	28,109	25,330					
Net Profit (000 TRY)	3,194	5,225	2,525	2,053	1,625					
Sales (000 TRY)	161,340	204,399	155,787	172,387	132,431					
Net Profit Margin (%)	1.98	2.56	1.62	1.19	1.23					
ROAA (%)	n.a.	3.96	2.56	2.53	3.70					
ROAE (%)	n.a.	19.38	11.21	10.81	10.48					
Equity / Total Assets (%)	17.24	18.42	23.47	22.21	24.92					
Net Working Capital / T. Assets (%)	18.67	33.76	29.55	31.03	14.23					
Debt Ratio (%)	82.64	81.58	76.53	77.79	75.08					
Asset Growth Rate (%)	15.99	50.59	4.85	24.54	50.35					

* End of year ** End of period

Overview

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş. (Derimod, the Company) is the procurer of the "Derimod" group companies and brand. The Company provides its sister company, Derimod Deri Konfeksiyon Paz. San. ve Tic. A.Ş. (Derimod Pazarlama) with leather footwear, apparel, purses and accessories. Derimod Pazarlama in turns sells the merchandise via its retail branch network and online sales channels. Founded more than 40 years ago, Derimod is among the leading leather fashion companies in Turkey.

Derimod Group is resident in the domestic market with a growing foothold in certain emerging markets such as Russia and Middle East. In this regard, Derimod Group has leased stores in Russian market and adopted a franchise system in Saudi Arabia and Iran.

The Group maintains a "fast-fashion" business model, renewing the inventory in rapid pace to satisfy the customer needs. Restrictive measures to protect domestic leather shoe producers as in additional customs duties and testing requirements induced the Group to supply merchandise from local producers.

Constraints

- •Increasing net debt level, even though partly balance with growing business volume
- •External funding requirement due to long cash conversion cycle, while partly alleviated by the dynamic fund management of the Group
- Rising interest expenses as the external funding increases
- Rigorous competition in the sector, pressurizing pricing policies, necessitating sizable marketing budgets
- •Challenging investment environment in the aftermath of strong political headwinds, insurgence in the Middle East and stagnating global economy

Publication Date: December 7, 2016

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1. Rating Rationale

Derimod Group comprises several companies, while the vast majority of the assets and business volume are concentrated on two companies; Derimod Konfeksiyon and Derimod Pazarlama. As flaaship companies, the former manufactures/procures leather footwear & apparel and the latter company manages retail sales respectively. This rating analysis is strictly based on Konfeksiyon, while the Derimod 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.

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-"**, in the light of the lack of short FX exposure, export sales, foreign subsidiaries and business development plant.

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

In addition to Derimod Konfeksiyon's financial statements, business plan, projections, details about the operations and strategies are provided and/or clarified by the Group 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:

Consistent revenue growth despite of significant headwinds prevalent in the regional economy

Derimod Konfeksiyon's net sales increased by 17.32% in LTM, underpinning the continuation of strong sales growth as of 3Q2016. We note that the sales of the Group materially increase in the next period, in the fallwinter season as the demand for leather coats, boots and shoes increase. Therefore, the sales revenues are expected to reach notably higher compared to the previous year-end. The importance of this performance is accentuated considering the fact that strong political and economic headwinds have been in effect in 2016.

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş.

Limited short foreign currency position, granting resilience in highly volatile market environment

Derimod Konfeksiyon borrows from financial institutions in local currency and the outstanding bond issuance is denominated in LCY as well. Furthermore, the Company managed to negotiate the terms of trade with its suppliers and currently pays them in TRY, eliminating the USD denominated liabilities. Therefore, Derimod Group protects itself from the direct effects of the currency depreciation, providing a notable support to the net income and the cash flows.

Prominent brand value and market presence

One of the most established leather fashion brands of Turkey, Derimod has a nationwide reputation. The Company's long track record and marketing campaigns positions the brand favorably. Furthermore, the Group's retail branch network, exceeding 110 stores in Turkey are generally positioned at prime locations supporting the visibility and brand recognition.

<u>Financial and operational advantages of the</u> <u>Turquality Program</u>

The Group has been a participant of the Turquality program which provides several subsidies such as covering of lease payments, consultancy expenses, operational costs. Furthermore, the program facilitates procurement and fostering of consultancy services, allowing the Company's international business development plan. The program therefore supports Derimod's ambitions to become a regional fashion brand with a solid reputation.

<u>Reasonable operating profits of Derimod Konfeksiyon</u> and continuing performance of the Group

The actual profitability of Derimod Group is the combination of retail operations managed by sister Derimod Pazarlama and the wholesale operation of Derimod Konfeksiyon. Despite of the notable headwinds affecting both companies' performance, the Group maintained its profitability performance. Business potential in Russian and Middle Eastern markets could increase revenues in the coming periods.

Leveraged financial structure and increasing net debt, while partly balanced with growing business volume

Derimod's asset to equity ratio continues to be high due to its commercial debts and financial liabilities in the last period. Nevertheless, short-term liquidity is not suppressed by the fact that current financial debts are mostly in long-term structure. There are some covenants such as dividend distribution on the long-term bank loan



used in 2013. On the other hand, the internal resources created by Derimod are thought to provide a sufficient debt service rate.

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

Russian market has faced major obstacles up until recently due to an escalating tension between Turkey following the downing of a Russian aircraft. While the dispute has been resolved and both countries have more amicable relations currently, the economic sanctions imposed by the Western countries to Russia and the plummeting oil prices disrupted the country's export revenues, hampering the prospects. As for the Middle East, the intensifying security concerns due to terrorist activities and potential spillovers to several countries curtail the economic prospects.

Furthermore, the failed coup attempt in Turkey and the following purges, restructuring and expropriation of several enterprises have generated a fairly negative investment environment.

2. Outlook

Derimod Konfeksiyon is expected to sustain the current revenue growth trend albeit in at a rate due to headwinds in the macro environment. Foreign operations are not expected to be material at this stage but their positive contributions might solidify in the coming years. The Group is expected to follow a moderate and conservative strategy in 2017, focusing on efficiency instead of expansion. 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 rating is an indication of the shareholders' financial capabilities and willingness 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

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş. commenced its activities in 1974 as a leather apparel manufacturing company. The Company's founder, Umit Zaim, identified a business niche in the fashionable leather products and developed its brand to fill this need in the market. Following the initial manufacturing and retailing period, the Group started to focus on design, marketing and brand building and outsourced the manufacturing to third parties. As of date, the Group procures vast majority of its merchandise from external producers located domestically or abroad.

In order to capture the potential in the nearby emerging markets, Derimod expanded into Russia and Middle East. While certain political and economic headwinds prohibitively affected the initial projections, recuperating relations with Russia and solid potential demand support the business prospects in the medium term.



b. Organization & Employees

The Group's management office is located in Zeytinburnu Istanbul and it has warehouses in Ikitelli Organized Industrial Zone. The Company does not have retail distribution per se, as this part of the operation chain is handled by the sister Derimod Pazarlama.

Subsequently, the Company's headcount is less than 80, as of 2Q2016. Derimod Pazarlama in turns employs sales & marketing and distribution staff. 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.

c. Shareholders, Subsidiaries & Affiliates

Derimod is owned by the Zaim Family who own 65.60% of the company, while 34.40% of the shares are publicly traded on BIST stock exchange. The table below exhibits the detailed shareholding structure of Derimod Konfeksiyon. Derimod Pazarlama is owned by the Zaim Family as well.

	3Q201	6	FY2015			
Shareholders	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

As a publicly traded company, Derimod has adopted certain standards and meets minimum requirements set forth by the capital markets law of Turkey. The Board of Directors of the Company has defined policies and framework of the corporate governance structure.

In terms of transparency and public disclosure, the Company complies with the regulations. The financial statements, periodic activity reports and other material information relevant for investors are disseminated via the Public Disclosure Platform on a timely basis. Articles of association and amendments thereof are disseminated via the same channels as well.

The Board of Directors of the Company comprises seven members, two of whom are independent. However, the majority ownership status of the Family typically implies their complete control over the management of the Company.

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

As the Group maintains a strong brand recognition in the domestic market and plans to capitalize on its business network, brand power and marketing expertise in the emerging markets near Turkey. In this regard, Derimod Group stepped into Russia, Iran and Saudi Arabia as an initial step. 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.

5. Sector Overview & Operational Environment

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

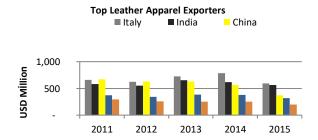
Global leather products trade is confined to include footwear, apparel and bags/purses. The HS codes used in this review are listed at the sources section.

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. Nevertheless, major headwinds in the global economy negatively affected global trade and consumption, reflected in the leather export figures as well.

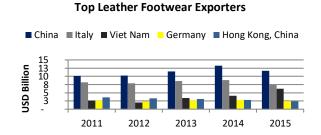
Leather footwear has a commanding position in terms of total export value of total leather wearable and accessories market. Considering a select series of HS categories, total leather footwear exports reached 52.76bn USD as of FYE2015, declining from USD 56.96 in in the previous year-end.

Global leather handbags exports demonstrate a more stable pattern despite of a small decline in 2014-2015. Italy, China and France are listed as top exporters of leather bags.

China ranks highly with respect to both production and consumption of leather products, owing to its growing middle class. As of FYE2015, total Chinese leather products exports reached USD 14.39bn, surpassing Italy, Viet Nam and Hong Kong.

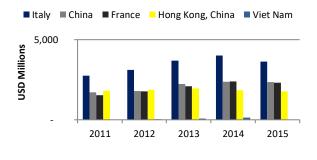


It is noted that the increasing wages and middle class in China is eroding its competitive advantage and raising the manufacturing costs, shifting the production to peripheral countries such as Viet Nam. The Western manufacturers mostly based in France and Italy continue to command a larger premium over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



Italian manufacturers lead the leather handbag markets with export total exceeding USD 3.61bn with a CAGR increase of 7.20%. France and China followed Italy's lead, where the former is boosting exports with a faster pace. However, a notable drop is observed in the handbag market.





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, Germany, France, UK, Iraq and Saudi Arabia. As of FYE2015, total selected categories of footwear, apparel and handbag exports amounted to USD 474.96mn. CIS region is also an important market, along with the rest of Middle East.

Total Leather Products Exports									
(000 USD)	2013	2014	2015						
Russian Federation	123,189	111,078	61,099						
Italy	58,987	65,087	44,286						
Germany	41,923	55,722	42,336						
United Kingdom	52,300	61,610	40,351						
France	32,164	36,487	28,943						

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)	2013	2014	2015						
Footwear									
Russian Federation	94,355	83,478	49,336						
Iraq	25,936	24,664	21,433						
United Kingdom	20,010	29,230	18,217						
Apparel									
Germany	28,517	30,774	21,010						
France	26,914	26,587	17,482						
Russian Federation	27,878	26,793	11,455						
	Handbag	gs							
Italy	35,006	39,375	22,409						
United Kingdom	21,936	18,397	12,802						
Spain	4,329	5,469	5,706						

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 H.S. Codes; Apparel: 420310, Footwear: 640320, 640330, 640340,

H.S. Codes; Apparei: 420310, Footwear: 640320, 640330, 640340, 640351, 640359, 640391, 640399, 640510 Bags: 420221

6. Financial Foundation

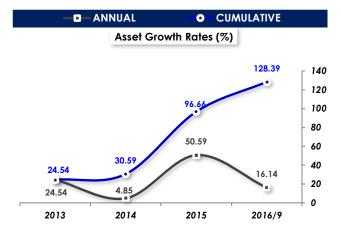
a. Financial Indicators & Performance

i. Indices Relating to Size

The size and scale of operations allow the Company to access more favorable terms with the suppliers, creditors and property owners of the stores, from the perspective of Derimod Pazarlama. The Group as a whole is evaluated with respect to assessment of market power and size.

As of 3Q2016, Derimod's total assets were TRY 231.85mn, marking a 29.55% increase YoY. The Group's domestic store expansion is expected to slow down, reducing the pace of asset growth for the future periods. Investments in the Russian and Middle Eastern markets might further accelerate the asset growth with growing inventory investments, albeit to a small extent.





As of date, Derimod operates 7 stores in Russia, in addition to one more planned for next periods, and has franchise stores in Iran and Saudi Arabia. Derimod also has a presence in the Turkish Republic of Northern Cyprus.

ii. Indices Relating to Profitability

Starting in 2014, the Company decided to apply a discount of 20% to the gross sales to sister Derimod Pazarlama, instead of sharing the marketing and distribution expenses of the latter. Therefore, the net sales revenue trend breaks following the decision and the gross profit margin is narrowed, although the bottomline impact for Derimod is similar. As this discount-sale method is expected to be applied in the future consistently, we do not adjust the financials to reflect the policy decision.

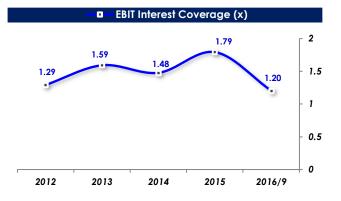
In order to evaluate the actual profitability of the Group and Derimod as a whole, financial statements of Derimod Konfeksiyon and Derimod Pazarlama.

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.

Additional testing requirements of imported leather shoes attributed to an increase in COGS in the previous periods. However, Derimod reverted to domestic suppliers so as to mitigate additional testing expenses and isolate the FX appreciation.



Local currency borrowing of the Company eliminated the foreign currency appreciation impact on the financing expenses, supporting the interest service capacity.



The table below summarizes core financials retrieved from the Company's audited statements and adjusted by JCR-ER.

(000 TRY)	2016/9	2015/6	2015	2014	2013
EBIT	7,508	5,334	10,693	10,369	11,293
EBITDA	8,127	5,770	11,529	11,198	12,036
Interest Expense	6,786	3,408	7,055	7,071	7,383
Interest Paid	6,239	2,453	5,964	7,020	7,094
Net Debt	63,596	51,099	46,686	35,452	41,111
EBIT Int. Coverage	1.20	2.17	1.79	1.48	1.59
Net Debt/EBITDA	n.a	8.86	4.05	3.17	3.42

Sales performance by three main product groups for the past 4 years are displayed below, with JCR-ER projections for FYE2016, based on previous trends.

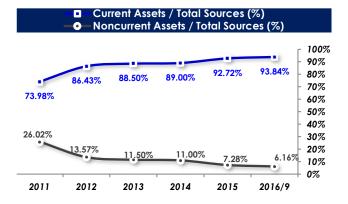
Period	Apparel	Shoes	Acces.
2013/12	193,002	1,308,721	199,169
2014/12	196,623	1,430,646	237,709
2015/12	206,554	1,717,470	332,089
2016/9	102,184	1,636,689	330,828

JCR-ER Global Knowledge Supported by Local Experience

The Group's sales performance in the previous quarters exceeded management and external expectations, and the projections for the next periods have been positively updated in that regard. Total revenues of the Group are expected to reach TRY 350mn as of 2016.

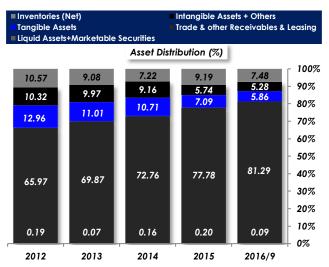
b. Asset Quality

Derimod Konfeksiyon and the Group in general does not face considerable credit risk and asset quality with respect to the quality of the receivable portfolio is deemed strong, owing to cash and POS sales transacted at the stores. The majority of Company's assets are receivables from Derimod Pazarlama, comprising 81.28% of total assets.

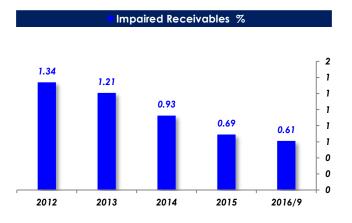


The only impaired accounts are advances given to certain subcontractors. These balances amounted to TRY 1.17mn and were fully provisioned. Considering total turnover and asset size, the impaired receivable balance is deemed manageable.

Non-trade receivables from related parties were TRY 4.20mn, virtually of the balance being due from real person shareholders of the Company.

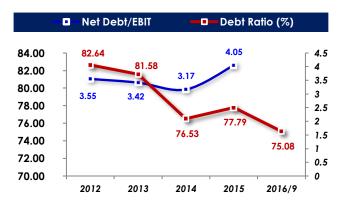


The Group's sales are concentrated on the fall-winter period, typically reflecting more favorable results in Q4 and Q1. On the other hand, inventory is usually build up in advance to maintain sufficient service levels.



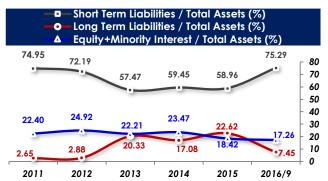
c. Funding & Adequacy of Capital

The Company's financial leverage, average assets to average equity was 5.60 as of 3Q2016, denoting a relatively high level. The net debt of the Company compared to equity have been increasing since 2014.

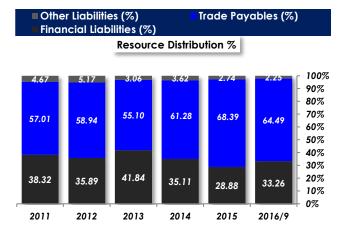




The bond issued by the Company with a nominal of TRY 25mn will expire on February 3, 2017, however the Company plans to renew the issuance so as to maintain the long-term funding.



As of 3Q2016, 53.30% of the liabilities were trade payables, with an average payment period of 150-160 days. Derimod procures most of its inventory from domestic leather apparal, shoe and accessories suppliers so as to minimize the currency exposure. The collections from the sister company takes longer than the payments, necessitating external financing to bridge the gap. Nevertheless, the fact that the collection period could be actively adjusted by the "client" Derimod Pazarlama supports the cash generation cycle of the Group.



7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

Risk management framework of Derimod Group comprises identification, measurement and mitigation of operational and financial risks. In this regard, the Group receives support from Audit Committee and internal control divisions.

The Board of Directors comprises 7 members, two of whom are independent. The independent members chair the aforementioned committees. As a publicly listed

Derimod Konfeksiyon Ayakkabı Deri San. ve Tic. A.Ş.

company, Derimod is subject to the regulations and legal framework defined in the Capital Markets Law.

b. Credit Risk

Derimod Konfeksiyon faces practically null credit risk as it sells vast majority of the merchandise to sister company Derimod Pazarlama, provided that the latter company maintains its revenue generation capacity. In this regard, the financial statements of the sister company prepared in accordance with the Turkish Tax Code, as the company is not subject to independent audit, are analyzed as well.

The credit risk exposed by the sister company is quite limited as Derimod Pazarlama is in the retailing business serving individual customers who typically pay with cash or credit cards, reducing the collection risk considerably.

The Company realizes more than 95% of its sales to Derimod Pazarlama, whom accounts for TRY 130.95mn of trade receivables. The Group's Russia unit comprises TRY 14.48mn of the trade receivables.

Past due receivables are reported as TRY 1.1.7mn, fully provisioned. Most of the impaired receivables were due from the subcontractors who were given advances.

c. Market Risk

Derimod does not have foreign currency borrowing, shielding the Company from volatilities in the FX market to a large extent. Short FX exposure stems from the trade payables, partly denominated in USD. The Group managed to renegotiate the terms of purchase and pays local currency for most the merchandise, anticipating the sharp currency movements.

While the Company commenced reporting its trade receivables from its sister company in USD starting in 2016, and restating the currency structure 2015 figures, we do not account for these receivables as foreign currency assets. Ultimately, Derimod Pazarlama sells the merchandise in local currency and repays the wholesales & supplier Derimod Konfeksiyon.

Derimod Konfeksyion, therefore faces limited FX risk in a direct manner. However, sister company Derimod Pazarlama pays its store leases on FX pegged contracts and faces FX pegged expenses, increasing the overall market sensitivity of the Group.

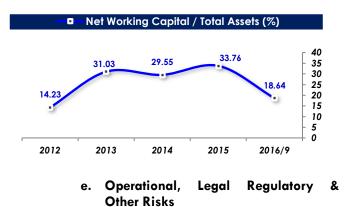
Float rate bond issuance of the Company, with a TRY 25mn nominal is the primary interest risk factor. The size of the coupon payments constitutes approximately 35-

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50% of the interest payments, depending on the level of interest rates. The Group does not have an active hedge mechanism against the interest movements. While we believe the interest risk is a notable factor, Derimod's internal revenue generation capacity and existence of long term, fixed rate borrowing facilities alleviates the pressure to a large extent.

d. Liquidity Risk

The liquidity and cash management cycle is jointly managed with Derimod Pazarlama. The latter company typically finalizes sales with cash payments or credit card transactions. The Company pays its suppliers on average between 150-180 days. Collection from the sister company generally lasts around 210 days, indicating a gap between purchases and intra-group sales. The Group finances this liquidity gap with external resources.



Internal audit and control systems, along with ERP systems are used to effectively monitor and manage the operational and operational aspect of financial risk factors.

The Company follows the legal regulations and requirements closely and complies with the updated external policies. We have not identified penalties and fees associated with incompliance imposed by the regulatory authorities.

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.

8. Budget

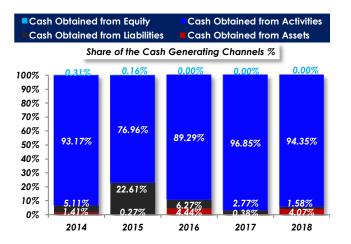
The projections up to 2018, based on information received from the management are provided in the tables below.

Projected Income Statement										
Actual Projections										
(TRY 000)	2015	2016	2017	2018						
Net Sales	204,399	233,100	249,417	264,382						
COGS	-187,026	-213,209	-228,134	-241,822						
Gross Profit	17,374	19,891	21,283	22,560						
Activities Expenses	-8,044	-9,170	-9,812	-10,401						
Net P&L Principal Activities	12,755	10,721	11,471	12,160						
Income & Profit From Other Act.	1,362	18,170	19,442	20,609						
Exp. & Losses From Other Act. (-)	-73	-13,258	-14,186	-15,037						
Financing Income	0	0	0	0						
Financing Expenses (-)	-7,458	-8,126	-8,195	-8,687						
Operating Profit & Loss	6,585	7,507	8,533	9,045						
Taxes (-/+)	-1361	-1,551	-1,660	-1,760						
Net Profit For The Period	5,225	5,956	6,873	7,285						

Projected Balance Sheet										
	Actual Projections									
(TRY 000)	2015	2016	2017	2018						
Current Assets	185,335	162,163	176,846	191,520						
- Trade Receivables & Leasing	155,442	125,196	132,485	140,594						
Fixed Assets	14,549	18,931	20,717	21,783						
- Tangible Assets	14,168	18,397	20,077	21,048						
Total Assets	199,884	181,094	197,563	213,304						
Short Term Liabilities	117,858	146,608	119,371	101,533						
- Financial Liabilities	4,951	48,144	29,015	30,755						
- Trade Payables	111,511	96,943	88,729	69,053						
Long Term Liabilities	45,205	18,534	44,831	47,521						
- Financial Liabilities	42,134	15,033	41,085	43,550						
Total Liabilities	163,063	165,142	164,202	149,054						
Equity	36,821	41,976	45,414	49,639						
Total Liabilities & Equity	199,884	181,094	197,563	213,304						

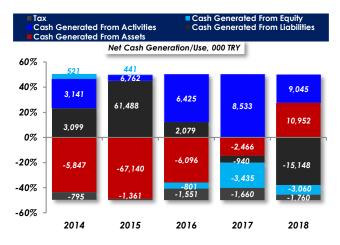
Considerable headwinds have been present throughout 2016 and the uncertainties arising from political and economic issues are likely to persist in 2017. Derimod Konfeksiyon's financials are relatively robust to the changes in the market dynamics as it operates as a wholesale provider to sister company. However, the prospects of the marketing unit, Derimod Pazarlama, are directly tied to the consumer confidence and propensity to consume. In this regard, the Group's performance will closely trail the macroeconomic environment.

Cash Flow & Fund Flow Statements- St	ummary		Budget				
	2015	2016	2017	2018			
Beg. Cash	209	399	455	487			
Cash Generated	271,953	265,359	262,957	286,134			
from Assets	734	11,782	1,009	11,651			
from Liabilities	61,488	16,647	7,274	4,528			
from Activities	209,289	236,930	254,674	269,954			
from Equity	441	-	-	-			
Cash Used in the Period	271,763	265,303	262,925	286,105			
for Assets Acquisition	67,875	17,877	3,476	699			
for Liabilities Repayments	-	14,568	8,214	19,676			
Cash Paid for Activities	202,527	230,505	246,141	260,909			
Cash Paid for Other	-	801	3,435	3,060			
Tax for the Period	1,361	1,551	1,660	1,760			
Net Cash Generated During the Period	190	56	32	29			
Cash at the End of the Period	399	455	487	516			
Valuation Diff. (+)	-	1,082	-	-			
Valuation Diff. (-) Dep.	177	-	-	-			
Net Fund Change	- 177	1,082	-	-			
Net Cash & Fund Change	13	1,138	32	29			



The Company's main liquidity on a sustaining basis is derived from receivables due from Derimod Pazarlama. The financial loans of the Group were concentrated on the long term for the recent years, owing to the bond issuance of 2-year maturity. The outstanding bond issuance is expected to be renewed in 2017, granting the Company long term funds in the next period. We expect the Group to adopt a conservative business plan in 2017 in the light of significant uncertainties, limiting the net working capital requirement and investing cash outflows for new stores. Derimod Konfeksiyon is expected to maintain its solvency due to stable sales growth and profit margin. Derimod Pazarlama on the other hand is more prone to macroeconomic headwinds as it bears the burden of marketing & distribution costs while and store leases. Furthermore, Derimod Konfeksiyon will enjoy stable margins, Derimod Pazarlama might need to face stiff competition and hence relatively unfavorable prices, hurting its margins.

Leather Footwear & Apparel Trade



The outstanding bond issuance of the Company will mature in February 3, 2017 and it is expected to be rolled over so as to preserve an alternative funding line. We expect Derimod to maintain its core debt service metrics in 2017 and 2018, provided that the constraining outlook on the macro conditions do not deteriorate further, in which case the Company might need to revise its business plans. Considering the operational performance and business volume of the Group, we expect Derimod to have flexibility in adapting the market conditions. On the other hand, the impact of the volatile foreign exchange rates and pressurized consumer confidence on the Company will be closely monitored by JCR-ER



Derimod Konfeksiyon Ayakkabı Deri San.Tic.A.Ş.	(Year end) 2016/9	(Year end)	2016/9	(Year end) 2015	2015	(Year end) 2014	2014	(Year end) 2013	As % of 2016	As % of 2015	As % of 2014	2016	2015	2014
BALANCE SHEET - ASSET	2016/9 USD	2016/9 TRY	2016/9 TRY	2015 TRY	TRY	2014 TRY	TRY	2013 TRY	Assets	Assets	2014 Assets	Growth	Growth	2014 Growth
TRY	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate	Rate	Rate
I. CURRENT ASSETS	75,284,050	217,841,927	201,588,544	185,335,161	151,733,811	118,132,461	115,078,689	112.024.917	93.84	92.72	89.00	17.54	56.89	5.45
A. Liguid Assets	71,787	207,722	303,342	398,961	303,949	208,936	149,536	90,136	0.09	0.20	0.16	-47.93	90.95	131.80
B. Marketable Securities	, 1,, 0,	207,722	000,042	0,701	0	200,730	147,530	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		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
2.Share Certificates	0	0	0	0	0	0	0	0		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
4.Provision for Decrease in Value of Marketable	v	v	ő	v	v	v	0	°	1	inc		1	ina	11.0
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	65,204,173	188,674,795	172,058,167	155,441,538	125,998,318	96.555.097	92,487,159	88.419.221	81.28	77.77	72.75	21.38	60.99	9.20
1.Customers & Notes Receivables	65,204,173	188,674,795	172,058,167	155,441,538	125,998,318	96,555,097	92,487,159	88,419,221	81.28	77.77	72.75	21.38	60.99	9.20
2.Other Receivables	0,120 1,17 0		0	100,111,000	0	/0/000/0//	0	,	n.q	n.a	n.a	n.a	n.a	n.a
3.Doubtful Trade Receivables	401,549	1,161,921	1,122,153	1,082,385	994,025	905,665	995,503	1,085,340	0.50	0.54	0.68	7.35	19.51	-16.55
4.Provision for Doubtful Trade Receivables (-)	-401,549	-1,161,921	-1,122,153	-1,082,385	-994,025	-905,665	-995,503	-1,085,340	-0.50	-0.54	-0.68	7.35	19.51	-16.55
5.Rediscount on Notes Receivables (-)	0	0	0	0	0	000,000	0	0,000,040	n.a	n.a	n.a	n.a	n.a	n.a
D. Due From Related Parties (net)	1,455,993	4,213,062	4,205,867	4,198,672	4,190,388	4,182,103	4,211,844	4,241,585		2.10	3.15	0.34	0.40	-1.40
E. Other Receivables	6,950	20,110	20,110	20,110	20,311	20,511	20,661	20,811	0.01	0.01	0.02	0.00	-1.96	-1.44
1.Other Receivables	6,950	20,110	20,110	20,110	20,311	20,511	20,661	20,811	0.01	0.01	0.02	0.00	-1.96	-1.44
2.Other Doubtful Receivables	0,750	20,110	20,110	20,110	20,011	20,011	20,001	20,011	n.a	n.a	n.a	n.a	n.a	n.a
3.Rediscounts on Other Notes Receivables (-)	õ	Ő	ů 0	ů 0	õ	Ő	0	0	n.a	n.a	n.a	n.a	n.a	n.a
4.Provision for Other Doubtful Receivables (-)	õ	ů 0	õ	Ő	Ő	Ő	ů 0	0	n.a	n.a	n.a	n.a	n.a	n.a
F. Live Assets (net)	ŏ	ő	ů	ő	ŏ	ő	Ő	0		n.a	n.a	n.a	n.a	n.a
G. Inventories (net)	6,002,067	17,367,580	17,872,005	18,376,430	13,979,159	9,581,887	10,537,382	11,492,877	7.48	9.19	7.22	-5.49	91.78	-16.63
H. Contract Progress Income (net)	0,002,000	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.q	n.g
I. Deferred Tax	1,629,392	4,714,809	4,897,395	5.079.981	5,047,671	5,015,361	6,367,459	7,719,556		2.54	3.78	-7.19	1.29	-35.03
J. Other Current Assets	913,688	2,643,849	2,231,659	1,819,469	2,194,018	2,568,566	1,304,649	40,731	1.14	0.91	1.94	45.31	-29.16	6,206.17
1.Other Current Assets	913,688	2,643,849	2,231,659	1,819,469	2,194,018	2,568,566	1,304,649	40,731	1.14	0.91	1.94	45.31	-29.16	6,206.17
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	4,839,577	14,003,800	14,276,458	14.549.115	14,573,619	14,598,122	14,579,073	14,560,024	6.16	7.28	11.00	-1.75	-0.34	0.26
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
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
C. Other Receivables	100,375	290,446	290,594	290,741	290,286	289,830	285,092	280,353	0.13	0.15	0.22	-0.10	0.31	3.38
1. Other Receivables	100,375	290,446	290,594	290,741	290,286	289,830	285,092	280,353		0.15	0.22	-0.10	0.31	3.38
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 (-)	Ō	0	0	0	0	0	0	0		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
D. Financial Fixed Assets (net)	24,355	70,474	70,474	70,474	70,474	70,474	70,474	70,474	0.03	0.04	0.05	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)	24,355	70,474	70,474	70,474	70,474	70,474	70,474	70,474	0.03	0.04	0.05	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	4,702,363	13,606,758	13,887,359	14,167,960	14,190,158	14,212,355	14,075,428	13,938,500	5.86	7.09	10.71	-3.96	-0.31	1.96
F. Other Fixed Assets	12,483	36,122	28,031	19,940	22,702	25,463	148,080	270,697	0.02	0.01	0.02	81.15	-21.69	-90.59
TOTAL ASSETS	80,123,627	231,845,727	215,865,002	199,884,276	166,307,430	132,730,583	129,657,762	126,584,941	100.00	100.00	100.00	16.14	50.59	4.85



	(Year end)	(Year end)		(Year end)		(Year end)		(Year end)	As % of	As % of	As % of			
Derimod Konfeksiyon Ayakkabı Deri San.Tic.A.Ş.	2016/9	2016/9	2016/9	2015	2015	2014	2014	2013	2016	2015	2014	2016	2015	2014
BALANCE SHEET-LIABILITIES+EQUITY	USD	TRY	Assets	Assets	Assets	Growth	Growth	Growth						
TRY	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate	Rate	Rate
I. SHORT TERM LIABILITIES	60,328,187	174,565,641	146,211,961	117,858,281	98,382,966	78,907,650	75,827,141	72,746,631	75.20	58.96	59.45	48.11	49.36	8.47
A. Financial Liabilities	17,254,629	49,927,995	27,439,612	4,951,229	10,292,755	15,634,281	16,802,523	17,970,764	21.51	2.48	11.78	908.40	-68.33	-13.00
B. Trade Payables	42,755,712	123,717,928	117,614,563	111,511,197	86,875,957	62,240,717	58,251,009	54,261,301	53.30	55.79	46.89	10.95	79.16	14.71
C. Due to Related Parties	0	0	0	0	0	0	17,407	34,814	n.a	n.a	n.a	n.a	n.a	-100.00
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	52,355	151,494	268,891	386,287	394,123	401,958	202,467	2,976	0.07	0.19	0.30	-60.78	-3.90	13,406.65
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	265,491	768,224	888,896	1,009,568	820,131	630,694	553,735	476,776	0.33	0.51	0.48	-23.91	60.07	32.28
II. LONG TERM LIABILITIES	5,966,733	17,265,338	31,235,172	45,205,006	33,936,246	22,667,486	24,198,380	25,729,273	7.44	22.62	17.08	-61.81	99.43	-11.90
A. Financial Liabilities	4,795,265	13,875,580	28,004,885	42,134,190	31,080,183	20,026,175	21,628,390	23,230,605	5.98	21.08	15.09	-67.07	110.40	-13.79
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	753,427	2,180,115	2,131,848	2,083,581	1,980,130	1,876,679	1,892,345	1,908,011	0.94	1.04	1.41	4.63	11.02	-1.64
H. Provisions for Liabilities	418,041	1,209,643	1,098,439	987,235	875,934	764,632	677,645	590,657	0.52	0.49	0.58	22.53	29.11	29.45
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	66,294,919	191,830,979	177,447,133	163,063,287	132,319,212	101,575,136	100,025,520	98,475,904	82.64	81.58	76.53	17.64	60.53	3.15
F- EQUITY	13,828,707	40,014,748	38,417,869	36,820,989	33,988,218	31,155,447	29,632,242	28,109,037	17.24	18.42	23.47	8.67	18.18	10.84
a) Prior year's equity	12,724,975	36,820,989	33,988,218	31,155,447	29,632,242	28,109,037	26,719,694	25,330,350	15.86	15.59	21.18	18.18	10.84	10.97
b) Equity (Added from Internal & External Resources in the Current Year)	0	0	220,518	441,035	481,087	521,138	623,327	725,515	n.a	0.22	0.39	-100.00	-15.37	-28.17
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	1,103,732	3,193,759	4,209,133	5,224,507	3,874,890	2,525,272	2,289,222	2,053,172	1.38	2.61	1.90	-38.87	106.89	22.99
TOTAL LIABILITIES & EQUITY	80,123,627	231,845,727	215,865,002	199,884,276	166,307,430	132,730,583	129,657,762	126,584,941	99.87	100.00	100.00	15.99	50.59	4.85
USD Rates 1=TRY		2.8936		2.9076		2.3189		2.1343						



Derimod Konfeksiyon Ayakkabı Deri San.Tic.A.Ş.			
INCOME STATEMENT	2016	2015	2014
TRY			
I. Principal Activity Revenues	17,944,576	20,798,585	15,865,488
A. Sales Revenues (Net)	161,339,550	204,399,435	155,787,197
1.Domestic Sales	161,339,550	250,965,956	190,813,881
2.Export Sales	0	12,562,853	9,216,791
3.Sales Deductions (-)	0	-59,129,374	-44,243,475
B. Cost Of Sales (-)	-146,236,349	-187,025,522	-140,474,967
C. Service Revenues (net)	0	74,171	92,375
D. Other Revenues From Principal Activities	2,841,375	3,350,501	460,883
1.Interest	2,841,375	3,350,501	406,869
2.Dividend	0	0	54,014
3.Rent			
4.Other	0	0	0
GROS PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	17,944,576	20,798,585	15,865,488
Activities Expenses (-)	-10,059,766	-8,043,777	-7,030,736
NET PROFIT & LOSS FROM PRINCIPAL ACTIVITIES	7,884,810	12,754,808	8,834,752
Income & Profit From Other Activities	2,829,420	1,361,803	2,947,069
Expenses & Losses From Other Activities (-)	-364,396	-73,414	-977,632
Financing Income	480,803	0	0
Financing Expenses (-)	-6,786,353	-7,457,748	-7,483,809
OPERATING PROFIT & LOSS	4,044,284	6,585,449	3,320,380
Net Monetary Position exc. And Other Profit & Loss (+/-)	0	0	0
PRETAX PROFIT & LOSS	4,044,284	6,585,449	3,320,380
Taxes (-/+)	-850,525	-1,360,942	-795,108
NET PROFIT FOR THE PERIOD	3,193,759	5,224,507	2,525,272



Derimod Konfeksiyon Ayakkabı Deri San.Tic.A.Ş. FINANCIAL RATIOS %	FYE 2016	FYE 2015	FYE 2014
I. PROFITABILITY	2010	2010	2011
ROAE - Pre-tax Profit / Equity (avg.)	10.53	19.38	11.21
ROAA - Pre-tax Profit / Total Assets (avg.)	1.87	3.96	2.56
Total Income / Equity (avg.) Total Income / Total Asset (avg.)	435.97 77.54	789.44 161.34	686.86 156.98
Net Profit & Loss From Principal Activities / Total Assets (avg.)	3.65	7.67	6.81
Financial Expenses / Inventories Ratio (avg.)	37.97	53.35	71.02
Return on Avg. Long Term Sources	4.59	7.69	4.69
Relationship Between Sales and Profit	11.10	10.10	10.10
Gross Profit Margin = Principal Activities Income / Net Sales Income Operating Margin = Net Profit & Loss From Principal Activities / Net Sales Income	11.12 4.89	10.18 6.24	10.18 5.67
Net Profit Margin = Net Profit / Net Sales Income	1.98	2.56	1.62
Cost of Sales / Net sales Income	90.64	91.50	90.17
Activities Expenses / Net Sales Income	6.24	3.94	4.51
Financing Expenses / Net Sales Income	4.21	3.65	4.80
(Pre-Tax Profit + Financing Expenses) / Net Sales Income Relationship Between Financing Liabilities and Profit	6.71	6.87	6.94
Interest Coverage Ratio 1 = Pre Tax Profit + Financing Expenses / Financing Expenses	159.59	188.30	144.37
Interest Coverage Ratio 2 = Net Profit + Financing Expenses / Financing Expenses	147.06	170.05	133.74
Structure of Income and expenditure account			
Financing Expenses / T. Assets (avg.)	3.14	4.48	5.77
Financial Liabilities / T. Assets	27.49	23.56	26.87
	0.09	0.20	0.16
(Liquid Assets + Marketable Securities) / T. Assets (Liquid Assets +Marketable Securities) / T. Liabilities	0.09	0.20	0.18
Net Working Capital / Total Assets	18.64	33.76	29.55
Liquid Assets / Equity	0.52	1.08	0.67
Current Ratio	124.79	157.25	149.71
Acid Test Ratio	113.32	140.10	134.29
Cash Ratio	0.12 7.97	0.34 9.92	0.26 8.11
Inventories / Current Asset Inventories / Total Asset	7.48	9.19	7.22
Short Term Receivables / Total Current Assets	88.55	86.15	85.29
Short Term Receivables / Total Assets	83.10	79.88	75.91
III. CAPITAL and FUNDING			
Equity / Total Assets	17.24	18.42	23.47
Equity / Liabilities Net Working Capital/Total Resources	20.86 18.67	22.58 33.76	30.67 29.55
Equity generation/prior year's equity	0.00	1.42	1.85
Internal equity generation/prior year's equity	8.67	16.77	8.98
Tangible Assets/Total Asset	5.86	7.09	10.71
Financial Fixed Assets/(Equity +Long Term Liabilities) IV. EFFICIENCY	0.13	0.09	0.14
Net Profit Margin Growth	-22.55	57.68	36.10
Net Sales Growth	-21.07	31.20	-9.63
Equity Growth	8.67	18.18	10.84
Asset Growth Inventories Turnover	15.99 818.24	50.59 1,337.89	4.85 1,333.11
Days Inventories Utilization	44.61	27.28	27.38
Receivables Turnover	93.77	162.22	168.44
Days' Accounts Receivable	389.25	225.00	216.69
Efficiency Period	433.86	252.28	244.07
Payables Turnover	124.34	215.28	241.15
Days' Payments In Accounts Payables Cash Turnover Cycle	293.56 140.30	169.55 82.73	151.36 92.72
Current Assets Turnover	80.03	134.71	135.37
Net Working Capital Turnover	291.35	383.12	396.89
Tangible Assets Turnover	1,161.77	1,440.43	1,106.80
Fix Asset Turnover	1,118.73	1,402.53	1,068.57
Equity Turnover	419.96	601.38	525.74
Asset Turnover V. ASSET QUALITY	74.69	122.90	120.15
Non-Performing Receivables / Total Receivables	0.61	0.69	0.93
Non-Performing Asset / Total Assets	13.37	16.32	17.98
Financial Fixed Assets / Non-Current Assets	0.49	0.48	0.48
VI. SENSITIVITY OF FOREIGN CURRENCY			
Total Foreign Currencies Position/Asset	9.51	1.64	-4.39
Total Foreign Currencies Position/Equity VII. INDEBTEDNESS	55.18	8.93	-18.72
Debt Ratio	82.64	81.58	76.53
Short Term Liabilities/Total Asset	75.29	58.96	59.45
Long Term Liabilities/Total Asset	7.45	22.62	17.08
Long Term Liabilities/(Equity+ Long term Liabilities)	30.14	55.11	42.11
Fixed Asset/Liabilities	7.45	8.92	14.37
Fixed Asset/(Long Term Liabilities +Equity)	24.96	17.74	27.12
Short Term Liabilities/ T. Liabilities Short Term Financial Liabilities/Short Term Liabilities	91.00 28.60	72.28 4.20	77.68 19.81
Tangible Assets/Long Term Liabilities	78.81	31.34	62.70
Financial Liabilities/Total Liabilities	33.26	28.88	35.11
Off Balance Liabilities/(Assets +Off Balance Liabilities)	9.81	7.26	13.86
Off Balance Liabilities/(Equity +Off Balance Liabilities)	38.70	29.82	40.68