

MIRA INFORM REPORT

Report No. :	534097
Report Date :	12.10.2018

IDENTIFICATION DETAILS

Name :	H&M HENNES&MAURITZ TEKSTIL LTD. STI.
Registered Office :	Harbiye Mah. Abdi Ipekci Cad. No:19/1 Kat:5 Nisantasi 34367 Istanbul
Country :	Turkey
Date of Incorporation :	04.12.2007
Com. Reg. No.:	647481
Legal Form :	Limited Company
Line of Business :	Retail trade of ready-wear. The subject has several stores in Turkey.
No. of Employees :	320

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Turkey	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

TURKEY - ECONOMIC OVERVIEW

Turkey's largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25% of employment. The automotive, petrochemical, and electronics industries have risen in importance and surpassed the traditional textiles and clothing sectors within Turkey's export mix. However, the recent period of political stability and economic dynamism has given way to domestic uncertainty and security concerns, which are generating financial market volatility and weighing on Turkey's economic outlook.

Current government policies emphasize populist spending measures and credit breaks, while implementation of structural economic reforms has slowed. The government is playing a more active role in some strategic sectors and has used economic institutions and regulators to target political opponents, undermining private sector confidence in the judicial system. Between July 2016 and March 2017, three credit ratings agencies downgraded Turkey's sovereign credit ratings, citing concerns about the rule of law and the pace of economic reforms.

Turkey remains highly dependent on imported oil and gas but is pursuing energy relationships with a broader set of international partners and taking steps to increase use of domestic energy sources including renewables, nuclear, and coal. The joint Turkish-Azerbaijani Trans-Anatolian Natural Gas Pipeline is moving forward to increase transport of Caspian gas to Turkey and Europe, and when completed will help diversify Turkey's sources of imported gas.

After Turkey experienced a severe financial crisis in 2001, Ankara adopted financial and fiscal reforms as part of an IMF program. The reforms strengthened the country's economic fundamentals and ushered in an era of strong growth, averaging more than 6% annually until 2008. An aggressive privatization program also reduced state involvement in basic industry, banking, transport, power generation, and communication. Global economic conditions and tighter fiscal policy caused GDP to contract in 2009, but Turkey's well-regulated financial markets and banking system helped the country weather the global financial crisis, and GDP growth rebounded to around 9% in 2010 and 2011, as exports and investment recovered following the crisis.

The growth of Turkish GDP since 2016 has revealed the persistent underlying imbalances in the Turkish economy. In particular, Turkey's large current account deficit means it must rely on external investment inflows to finance growth, leaving the economy vulnerable to destabilizing shifts in investor confidence. Other troublesome trends include rising unemployment and inflation, which increased in 2017, given the Turkish lira's continuing depreciation against the dollar. Although government debt remains low at about 30% of GDP, bank and corporate borrowing has almost tripled as a percent of GDP during the past decade, outpacing its emerging-market peers and prompting investor concerns about its long-term sustainability.

Source : CIA

COMPANY IDENTIFICATION

NAME H&M HENNES&MAURITZ TEKSTIL LTD. STI.
HEAD OFFICE ADDRESS Harbiye Mah. Abdi Ipekci Cad. No:19/1 Kat:5 Nisantasi 34367 Istanbul / Turkey
PHONE NUMBER 90-212-315 33 00
90-212-329 04 00
FAX NUMBER 90-212-343 03 00

LEGAL STATUS AND HISTORY

TAX OFFICE Beyoglu
TAX NO 4540511083
REGISTRATION NUMBER 647481
REGISTERED OFFICE Istanbul Chamber of Commerce
COMMERCIAL REGISTRY Istanbul Commercial Registry
DATE ESTABLISHED 04.12.2007
ESTABLISHMENT GAZETTE DATE/NO 10.12.2007/6954
LEGAL FORM Limited Company
TYPE OF COMPANY Private
REGISTERED CAPITAL TL 415.395.000
HISTORY
Previous Registered TL 40.395.000 / Changed on :
Capital : 19.08.2011/(Commercial Gazette Date
/Number 25.08.2011 /7888)
Previous Registered TL 65.395.000 / Changed on :
Capital : 10.03.2014/(Commercial Gazette Date
/Number 14.03.2014 /8528)
Previous Registered TL 115.395.000 / Changed on :
Capital : 26.06.2014/(Commercial Gazette Date
/Number 02.07.2014 /8603)
Previous Registered TL 165.395.000 / Changed on :
Capital : 29.04.2015/(Commercial Gazette Date
/Number 06.05.2015 /8814)
Previous Registered TL 190.395.000 / Changed on :

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Capital :	26.08.2015/(Commercial /Number 01.09.2015 /8896)	Gazette	Date
Previous Registered Capital :	TL 265.395.000 / 23.03.2016/(Commercial /Number 29.03.2016 /9042)	Changed on :	Gazette Date
Previous Registered Capital :	TL 315.395.000 / 24.06.2016/(Commercial /Number 30.06.2016 /9108)	Changed on :	Gazette Date
Previous Registered Capital :	TL 365.395.000 / 13.10.2016/(Commercial /Number 19.10.2016 /9179)	Changed on :	Gazette Date
Previous Address :	Buyukdere Cad. 3. Yol Mevkii Noramin Is Merkezi Kat:2 No:206 Maslak Sisli Istanbul / 08.10.2010/(Commercial /Number 14.10.2010 /7669)	Changed on :	Gazette Date

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	H&M Hennes & Mauritz Holding B.V.	99,50 %
	H&M Hennes & Mauritz International B.V.	0,50 %
- Name Of Shareholder:	H&M Hennes & Mauritz Holding B.V.	
Origin of Shareholder:	Netherlands	
- Name Of Shareholder:	H&M Hennes & Mauritz International B.V.	
Origin of Shareholder:	Netherlands	
DIRECTORS	Jyrki Peter Tervonen H&M Hennes & Mauritz International B.V.(Representative: Karl Johan Erling Goran Persson) H&M Hennes & Mauritz Holding B.V. (Representative: Karl Johan Erling Goran Persson)	

OPERATIONS

BUSINESS ACTIVITIES	Retail trade of ready-wear. The subject has several stores in Turkey.
NACE CODE	G .52.42
SECTOR	Commerce
NUMBER OF EMPLOYEES	320

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CAPACITY	None
PRODUCTION	None
IMPORT COUNTRIES	China India Bangladesh
MERCHANDISE IMPORTED	Ready-wear
EXPORT VALUE	0 TL (2016) 0 TL (2017) 0 TL (01.01-30.09.2018)
HEAD OFFICE ADDRESS	Harbiye Mah. Abdi Ipekci Cad. No:19/1 Kat:5 Nisantasi Istanbul / Turkey
NOTES ON INVESTMENTS	None

FINANCE

MAIN DEALING BANKS T. Garanti Bankasi Istanbul Kurumsal Branch

PAYMENT BEHAVIOUR No Complaints

KEY FINANCIAL ELEMENTS	(2013) TL	(2014) TL	(2015) TL	(2016) TL	(2017) TL
Profit (Loss) Before Tax	20.887.871	39.640.004	59.404.444	49.823.079	46.542.830

COMMENT ON FINANCIAL POSITION

General Financial Position The firm is profitable.

The firm has a high amount of capital. The liability of the shareholders is limited to the capital.

CREDIT OPINION WITHOUT OBLIGATION

	Incr. producers' price index	in	Average USD/TL	Average EUR/TL	Average GBP/ TL
(2013)	6,97 %		1,9179	2,5530	3,0178
(2014)	6,36 %		2,1891	2,8989	3,6060
(2015)	5,71 %		2,7230	3,0254	4,1661
(2016)	9,94 %		3,0292	3,3349	4,1006
(2017)	15,47 %		3,6337	4,1120	4,7059
(01.01-30.09.2018)	38,96 %		4,5878	5,4581	6,1749

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
TL	1	INR 12.48

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)