

MIRA INFORM REPORT

Report No. :	535802
Report Date :	25.10.2018

IDENTIFICATION DETAILS

Name :	FRITERM TERMİK CIHAZLAR SANAYİ VE TİCARET A.Ş.
Registered Office :	Istanbul Deri Organize Sanayi Bolgesi Dilek Sok. No:10 X-12 Özel Parsel Tuzla 34956 Istanbul
Country :	Turkey
Date of Incorporation :	11.10.1979
Com. Reg. No.:	167034
Legal Form :	Joint Stock Company
Line of Business :	Manufacture and trade of evaporator, condenser, cooling groups, water cooling tower, exchanger, boiler, air conditioner.
No. of Employees :	300

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 :	Slow but Correct
Litigation :	Clear

NOTES :

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

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

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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	FRITERM TERMİK CIHAZLAR SANAYİ VE TİCARET A.Ş.
HEAD OFFICE ADDRESS	Istanbul Deri Organize Sanayi Bolgesi Dilek Sok. No:10 X-12 Ozel Parsel Tuzla 34956 Istanbul / Turkey
PHONE NUMBER	90-216-394 12 82 (Pbx)
FAX NUMBER	90-216-394 12 87
WEB-ADDRESS	www.friterm.com
E-MAIL	info@friterm.com

LEGAL STATUS AND HISTORY

TAX OFFICE	Yenikapi
TAX NO	3880051651
REGISTRATION NUMBER	167034
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	11.10.1979
ESTABLISHMENT GAZETTE DATE/NO	16.11.1979/272
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 35.500.000
PAID-IN CAPITAL	TL 35.500.000
HISTORY	Previous Name : Friterm Termik Cihazlar Sanayii ve Ticaret A.S. / Changed on : 19.07.2012/(Commercial Gazette Date /Number 25.07.2012 /8119) Previous Registered Capital : TL 500.000 / Changed on : 23.10.2003/(Commercial Gazette Date /Number 28.10.2003 /5916) Previous Registered Capital : TL 3.000.000 / Changed on : 20.08.2009/(Commercial Gazette Date /Number 26.08.2009 /7384) Previous Registered Capital : TL 21.000.000 / Changed on : 08.06.2010/(Commercial Gazette Date

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Previous Registered Capital :	/Number 15.06.2010 /7585 TL 21.300.000 / Changed on : 19.07.2012/(Commercial Gazette Date /Number 25.07.2012 /8119)
Previous Address :	Aydinlikoy Organize Deri Sanayi Bolgesi 10/11 Parsel Tuzla Istanbul / Changed on : 19.07.2012/(Commercial Gazette Date /Number 25.07.2012 /8119)
Previous Address :	Istanbul Deri Organize Sanayi Bolgesi Dilek Sok. No:10 X-11 Ozel Parsel Tuzla Istanbul / Changed on : 12.11.2013/(Commercial Gazette Date /Number 18.11.2013 /8445)
Previous Address :	Istanbul Deri Organize Sanayi Bolgesi Kazlicesme Cad. No:18 X-12 Ozel Parsel Tuzla Istanbul / Changed on : 01.10.2014/(Commercial Gazette Date /Number 09.10.2014 /8669)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Ali Metin Duruk	68,02 %
	Perihan Duruk	30,99 %
	Sirin Duruk	0,99 %

SISTER COMPANIES

- AKSEKI GOKTEPE PETROL URUNLERI SANAYI VE TICARET LTD. STI. (Origin: Turkey, Tax Number: 0340036651 , Registration Number: 289624)
- AKSEKI TEKNİK GIDA SANAYI VE TICARET A.S. (Origin: Turkey, Tax Number: 0340036716, Registration Number: 133556)
- DDG GAYRIMENKUL A.S. (Origin: Turkey, Tax Number: 2710827673, Registration Number: 51470-5)
- DENIZER TURİZM - GIDA SANAYI VE DIS TICARET LTD. STI. (Origin: Turkey, Tax Number: 2920007379, Registration Number: 686-1)
- DURUK PETROL URUNLERI GIDA OTOMOTIV PAZARLAMA SANAYI VE TICARET A.S. (Origin: Turkey, Tax Number: 3190066716 , Registration Number: 427912)
- FRT ISI DEGİSTİRİCİLERİ SANAYI VE TICARET A.S. (Origin: Turkey, Tax Number: 3880679661 , Registration Number: 835925)
- GELİK GIDA TURİZM SANAYI VE TICARET A.S. (Origin: Turkey, Tax Number: 3900506050, Registration Number: 659578)
- HEDEF SIGORTA ARACILIK HİZMETLERİ LTD. STI. (Origin: Turkey, Tax Number: 4610005796 , Registration Number: 322446)
- MASASER TURİZM GIDA SANAYI VE TICARET LTD. STI. (Origin: Turkey, Tax Number: 6130877889 , Registration Number: 29622-5)
- MESRUBAT PAZARLAMA TICARET VE SANAYI LTD. STI. (Origin: Turkey, Tax Number: 6190035754 , Registration Number: 293861)
- OZTEKNİK TARIM VE HAYVANCILIK SANAYI TICARET A.S. (Origin: Turkey, Registration Number: 759792)

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BOARD OF DIRECTORS
Ali Metin Duruk (Chairman)
Sirin Duruk (Vice-Chairman)
Ali Unsal Taskin (Member)
Omer Erdogan (Member)

DIRECTORS
Naci Sahin (General Manager)

OPERATIONS

BUSINESS ACTIVITIES
Manufacture and trade of evaporator, condenser, cooling groups, water cooling tower, exchanger, boiler, air conditioner.

NACE CODE
DK.29.23

SECTOR
Machinery

TRADEMARKS OWNED
Friterm

NUMBER OF EMPLOYEES
300

NET SALES
76.539 TL Thousand (2015)
80.665 TL Thousand (2016)
106.158 TL Thousand (2017)
32.788 TL Thousand (01.01-31.03.2018)

NOTES ON NET SALES
The sales figures are declared by the company. There is no certification for these figures.

IMPORT COUNTRIES
Germany
China
Greece
Italy

MERCHANDISE IMPORTED
Aluminum band
Axial fan
Copper pipe
Machinery

EXPORT COUNTRIES
Sweden
Iraq
Russia
Free Zone
France
Lithuania

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	Germany Lebanon Switzerland Bulgaria Hungary Netherlands Belgium Poland Azerbaijan Italy Denmark Norway
MERCHANDISE EXPORTED	Fans Heat exchange units Heating resistors
HEAD OFFICE ADDRESS	Istanbul Deri Organize Sanayi Bolgesi Dilek Sok. No:10 X-12 Ozel Parsel Tuzla Istanbul / Turkey
BRANCHES	Regional Directorate : Insaatcilar Carsisi No:69 K:3/306 Yenisehir Izmir/Turkey (rented) Factory : Dilovasi Kocaeli/Turkey Processing Plant : Organize Deri Sanayi Bolgesi Tuzla Istanbul/Turkey (owned) Head Office/Factory : Istanbul Deri Organize Sanayi Bolgesi Dilek Sok. No:10 X-12 Ozel Parsel Tuzla Istanbul/Turkey (12.500 sqm)
TREND OF BUSINESS	There was a slowdown at business volume in real terms in 2016. There was an upwards trend in 2017.

FINANCE

MAIN DEALING BANKS	T.C. Ziraat Bankasi Pendik Ticari Branch Turk Ekonomi Bankasi Anadolu Kurumsal Branch ING Bank Gebze Ticari Branch T. Is Bankasi Gebze Branch Akbank Gayrettepe Branch T. Halk Bankasi Pendik Branch T. Vakiflar Bankasi Sultanorhan Branch
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PAYMENT BEHAVIOUR

Slow but Correct

COMMENT ON FINANCIAL POSITION

General Financial Position

General financial position is undetermined the firm declines to give us an authorization to gather its financial data. As the shares of the firm are not open to public, it is not obliged to announce its data.

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

CREDIT OPINION WITHOUT OBLIGATION

	Incr. in producers' price index	Average USD/TL	Average EUR/TL	Average GBP/ TL
(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
(01.01-31.03.2018)	5,29 %	3,8255	4,6833	5,3266
(01.01-30.09.2018)	38,96 %	4,5878	5,4581	6,1749

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
YEN	1	INR 0.65

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)