

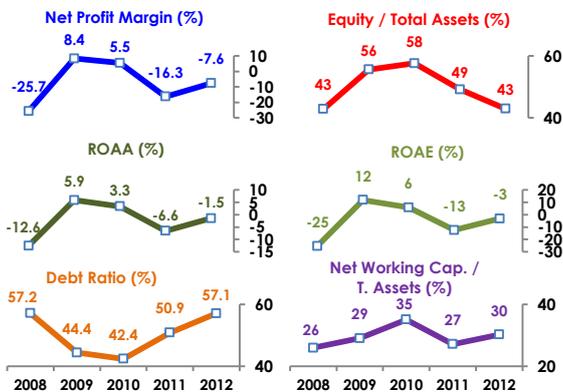
Corporate Credit Rating

Non- Financial Sector
Holding

		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	A(Trk)	A-1 (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 May 23, 2013

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Strengths

- New initiatives in construction sector activities enhancing its already diversified business scope
- Internal synergy achieved through its horizontally and vertically integrated structure marked by marketing network of widespread dealers and effective distribution channels
- Continuation of asset growth trend albeit decelerating
- Implied profitability indicated by expanding customer advances for the periods to come upon delivery of the ongoing construction projects
- Continuation of upward trend in net working capital indicators
- High level of advances received reducing the Group's need for costly funding resources
- Positive outlooks in most of the sectors wherein the Holding has had operations
- Improved compliance level with corporate governance practices
- Improvement of groupwide operational procedures and managerial reporting through initiation of IT projects

Constraints

- Ostensible eclipse of profitability indicators through periodicity attributes of construction income streams
- Low level of financial expenses coverage ability exerting huge pressure on the Group's profit generation
- Increasing needs for financing upon the initiation of newly undertaken projects regarding current indebtedness level already in an upward trend
- Exposure to price volatility in the stock exchange and foreign exchange rates
- High level of doubtful receivables ratios
- Escalating pressure in the markets through persistency risk of the social unrest and political turmoil in the region
- Reversal of flow of funds from emerging markets given the concerns over US quantitative easing, squeezing the national currency

İHLAS HOLDİNG A.Ş. & CONSOLIDATED SUBSIDIARIES							
Financial Data	1H2013**	2012*	1H2012**	2011*	2010*	2009*	2008*
Total Assets (000 USD)	1,395,864	1,402,363	1,382,310	1,202,221	922,941	741,160	686,601
Total Assets (000 TRY)	2,686,759	2,492,840	2,497,143	2,270,874	1,426,867	1,115,965	1,038,347
Equity (000 TRY)	908,590	1,070,140	1,120,383	1,115,982	822,263	620,997	444,777
Net Sales (000 TRY)	385,407	651,898	251,495	656,864	675,133	550,709	433,877
Net Profit (000 TRY)	-138,541	-49,481	6,596	-106,842	37,309	46,097	-111,676
Net Profit Margin (%)	-35.95	-7.59	2.62	-16.27	5.53	8.37	-25.74
ROAA (%)	n.a.	-1.45	n.a.	-6.58	3.34	5.88	-12.59
ROAE (%)	n.a.	-3.16	n.a.	-12.55	5.89	11.88	-25.45
Equity/Assets (%)	33.82	42.93	44.87	49.14	57.63	55.65	42.84
Net Work. Cap./T.Liab. (%)	51.67	52.92	66.88	53.27	82.84	65.48	45.31
Debt Ratio (%)	66.18	57.07	55.13	50.86	42.37	44.35	57.16
Asset Growth Rate (%)	7.78	9.77	9.96	59.15	27.86	7.48	19.76

* End of year
** End of 2nd quarter

Overview

İHLAS HOLDİNG A.Ş. (hereinafter to be referred as **İhlas Holding, Holding** or **Group**), with its roots dating back to the 1970s, acquired its holding status in 1993. The Group is one of the highly effective entrepreneurial groups in the production-distribution-customer lines through its portfolio of 44 companies (6 of them publicly traded including the Holding itself) and a large dealer network. With very high level of internal synergy, the Group is horizontally and vertically integrated in its diverse operating fields of media, construction, education, health, tourism, mining, carbonated beverages, marketing, trade fairs and event organization, two and three-wheeled vehicles production, electrical and electronic small household appliances production, internet and mobile services, warehousing, and financial asset management.

The largest qualifying shareholders of İhlas Holding is **Mr. A.Mücahid ÖREN** and **Ms. Ayşe Dilvin ÖREN** from the **Ören Family**, who currently own a total of 10.55% of the Group's shares, which began to be publicly traded on BIST (Borsa İstanbul) in 1994 and have a free float of 86.02% of its capital as at the end of June, 2013. The group companies İhlas Pazarlama A.S. and İhlas Ev Aletleri İmalat San.ve Tic.A.S. own 15.43% of the Holding's total capital.

The Group maintains its principal operations in Turkey with a staff force of 3,515 and has İHA (İhlas News Agency) offices in the Middle East countries.