

**Corporate Governance  
Rating Report**

**Revised Report  
Non-Financial**

*This Report has been prepared by JCR-ER in compliance to the regulations of Capital Market Board of Turkey*

<b>İhlas Ev Aletleri</b>		<b>7.39</b> AA(Trk)/bb (Stable)
<b>Corporate Governance Score &amp; Outlook</b>	<b>Shareholders</b>	<b>6.81</b> A(Trk)/ccc (Stable)
	<b>Public Disclosure &amp; Transparency</b>	<b>8.04</b> AA(Trk)/bbb (Stable)
	<b>Stakeholders</b>	<b>6.83</b> A(Trk)/ccc (Stable)
	<b>Board of Directors</b>	<b>7.40</b> AA(Trk)/b (Stable)
<b>Best Practices of Corporate Governance</b>		Beyond 20%    Comparable 70%    Below 10%

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Company Information	
<b>Trade Name</b>	İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.
<b>Address</b>	29 Ekim Cad. No:23 Orta Blok Kat:2/B Yenibosna/ İSTANBUL
<b>Chairman</b>	ABDULLAH TURALI
<b>CEO</b>	SEDAT KURUCAN
<b>Investor Relations</b>	Phone: +90.212.875.35.62 yatirimci@iea.com.tr
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<b>Corporate Governance</b>	UGUR KURT

**Strengths**

- The maintenance of an effective Investor Relations Unit
- Continuation of a strong staff commitment
- Tradition of the use of peaceful means for solving conflicts of interest
- The presence of two independent members of the Board of Directors
- The existence of Corporate Governance and Audit Committees chaired by independent members of the Board
- The willingness of upper management to comply with Corporate Governance principles
- The openness of Company management to conduct the General Meeting in compliance with Corporate Governance principles

**Constraints**

- The role of privileged shareholders in determining the Board of Directors
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation
- Absence of internal regulations allowing the introduction of specific decisions in the General Meeting
- Insufficient number of women in management positions
- Non-disclosure of the remuneration provided to senior management
- Absence of regulations in the articles of incorporation for the invitation of stakeholders and the media to the General Meeting

İHLAS EV ALETLERİ İMALAT SAN.VE TİC.A.Ş.						
Financial Data	3Q2011	2010	2009*	2008*	2007*	2006*
Total Assets (000 USD)	158,967	187,185	192,650	118,340	98,651	44,331
Total Assets (000 TL)	294,279	289,389	289,085	178,965	114,898	62,312
Equity (000 TL)	211,184	231,488	224,173	106,913	84,004	33,977
Net Profit (000 TL)	-18,259	5,315	-702	-23,996	5,702	1,205
Net Profit Margin (%)	-25.79	5.22	-0.78	-31.11	8	1.68
ROAA** (%)	-7.68	1.85	0.84	-17.66	8.65	2.41
ROAE** (%)	-10.13	2.31	1.14	-26.48	12.99	4.43
Equity/Assets (%)	71.76	79.99	80.42	62.54	73.11	54.53
Net Work.Cap./T.Liab. (%)	118.33	218.19	258.69	139.13	229.90	88.09
Leverage Ratio (%)	28.24	20.01	19.58	37.46	26.89	45.47
Asset Size Growth Rate (%)	1.69	0.1	61.53	55.76	84.39	3.43

\*End of year

\*\*Based on 9 month profit/loss figure

**Overview**

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (İHEVA or the Company) was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. Şti and began operating under its current name on July 5, 1995. The Company produces cleaning robots, water purification systems and water heaters at two facilities covering 21,000 m2 within the Beylikdüzü organized industrial zone. Products are sold on the domestic market through İhlâs Pazarlama A.Ş.'s widespread distribution channels and are exported to over 30 countries, including those of the European Union and Turkish Republics. The Company was listed as number 345 on the list of Turkey's Second Biggest 500 Industrial Enterprises in 2010.

The separate, specialist-managed Shareholder Relations Unit conducts shareholder relations, organizes General Assembly meetings and is responsible for public disclosures.

Company shares have been listed on the ISE under the code of İHEVA since September 26, 1996 and are included in the ISE National 100 Index. 79.01% of shares are publicly traded. The Company's paid-up capital stood at 191.370TL, and asset size and sales reached 294mln and 70.8mlnTL as of September 2011, respectively.

The Board of Directors is composed of 5 members, 2 of which are independent. Three members are non-executive and two hold management positions. Additionally, Audit and Corporate Governance Committees have been established within the Board and are chaired by independent board members.

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