

Corporate Governance Rating Report

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

Revised Report Holding

ihlas Holding		7.91 AA(Trk)/bb (Stable)						
Corporate Governance Score & Outlook	Shareholders	7.89 AA(Trk)/bb (Stable)						
	Public Disclosure & Transparency	8.75 AAA(Trk)/a (Stable)						
	Stakeholders	6.82 A(Trk)/ccc (Stable)						
	Board of Directors	7.42 AA(Trk)/b (Stable)						
Best Practices of Corporate Governance		<table> <tr> <td>Beyond</td><td>Comparable</td><td>Below</td></tr> <tr> <td>20%</td><td>80%</td><td>-</td></tr> </table>	Beyond	Comparable	Below	20%	80%	-
Beyond	Comparable	Below						
20%	80%	-						

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Company Information	
Trade Name	IHLAS HOLDING A.Ş.
Address	29 Ekim Cad. No: 23, 34197 Yenibosna/Istanbul
Chairman	Mr. Enver ÖREN, Ph.D.
CEO	Mr. A.Mücahit ÖREN
Investor Relations	Phone: +90 (212) 454 24 22 yatirimci@ihlas.com.tr
Web	http://www.ihlas.com.tr/
Corporate Governance	Mr. Orhan TANIŞMAN

IHLAS HOLDING A.Ş.						
Financial Data	3Q2011	2010*	2009*	2008*	2007*	2006*
Total Assets (USD mn)	1,237	923	741	687	744	561
Total Assets (TL mn)	2,290	1,427	1,116	1,038	867	788
Equity (TL mn)	1,151	822	621	445	498	479
Net Profit (TL mn)	-80	37	46	-112	-18	-44
ROAA** (%)	-4.78	3.34	5.88	-12.59	-2.50	-4.15
ROAE** (%)	-9.40	5.89	11.88	-25.45	-4.24	-7.17
Equity/Assets (%)	50.24	57.63	55.65	42.84	57.45	60.72
Net Work.Cap./T.Liab. (%)	81.32	82.84	65.48	72.90	61.75	51.52
Asset Size Growth Rate (%)	60.50	27.86	7.48	19.76	10.01	-14.50

*End of year

**Based on 9 month profit/loss figure

Overview

IHLAS HOLDING A.Ş. (Holding or Company) {credit ratings by JCR-ER on Oct.11, 2011: [FC:BB/B Stable, LC:A(Trk) Stable/(A-1)(Trk) Positive]} with its roots dating back to the Türkiye Newspaper established in 1970, acquired its holding status in 1993. The shares of the Company began traded on IMKB (Istanbul Stock Exchange) through an IPO in 1994. As a managing company of a conglomerate of 50 companies (6 of them publicly traded) operating in many distinct fields, the Holding maintains also the activities in the fields of education, health and construction within its own structure.

Of the paid-in capital of the Company in a nominal value of TL790 mn, shares representing 69.7% are publicly traded. The largest qualifying shareholders of Ihlas Holding are **Enver ÖREN, Ph.D.** and **A.Mücahit ÖREN**, who currently own the Group's privileged shares. Investor Relations Department conducts and coordinates corporate governance activities by its staff of 1 manager and 3 specialists. The general meetings have been organized by this department in compliance with the principles.

4 members of the 11-member Board bear the attributes of independence. 5 members execute managerial functions while the other 6 are non-executives. Audit and Corporate Governance Committees composed of independent members exist within the Board.

Strengths

- Continuance of the Investor Relations Department's functionality
- Maintenance of its website as an effective transparency platform
- Strong staff commitment preserved
- Existence of functional audit and corporate governance committees
- One third of its board composed of independent members
- Disclosure of trading activities by top management on the company shares
- Resolution of conflict of interests with stakeholders through amicable settlements

Constraints

- Absence of members to represent minority groups in the Board
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation
- Low level of participation in the general meetings despite high expansion ratio of capital base
- The privilege on the B group shares to determine majority of board members
- Deficiency in public disclosure of a social responsibility policy
- Inadequate objective performance evaluation methods

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