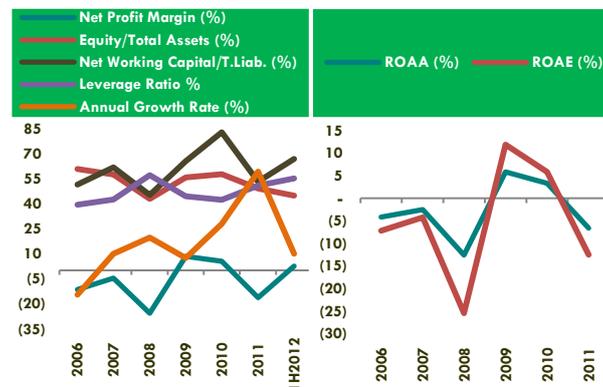


ihlas Holding		Long Term	Short Term	
International	Foreign Currency	BB	B	
	Local Currency	BB	B	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	A(Trk)	A-1 (Trk)	
	Outlook	Stable	Positive	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BB	B	
	Local Currency	BB	B	
	Outlook	FC	Stable	Stable
		LC	Positive	Stable

*Assigned by Japan Credit Rating Agency, JCR on June 28, 2012

Senior Analyst: Zeki Metin ÇOKTAN
+90 212 352 56 73 zekic@jcrer.com.tr



İHLAS HOLDİNG A.Ş. & CONSOLIDATED SUBSIDIARIES							
Financial Data	1H2012**	2011*	2010*	2009*	2008*	2007*	2006*
Total Assets (000 USD)	1,382,310	1,202,221	922,941	741,160	686,601	744,426	560,733
Total Assets (000 TL)	2,497,143	2,270,874	1,426,867	1,115,965	1,038,347	867,033	788,166
Equity (000 TL)	1,120,383	1,115,982	822,263	620,997	444,777	498,091	478,576
Net Sales (000 TL)	251,495	656,864	675,133	550,709	433,877	389,970	383,943
Net Profit (000 TL)	6,596	-106,842	37,309	46,097	-111,676	-17,905	-43,924
Net Profit Margin (%)	2.62	-16.27	5.53	8.37	-25.74	-4.59	-11.44
ROAA (%)	n.a.	-6.58	3.34	5.88	-12.59	-2.50	-4.15
ROAE (%)	n.a.	-12.55	5.89	11.88	-25.45	-4.24	-7.17
Equity/Assets (%)	44.87	49.14	57.63	55.65	42.84	57.45	60.72
Net Work. Cap./T.Liab. (%)	66.88	53.27	82.84	65.48	45.31	61.75	51.52
Leverage Ratio (%)	55.13	50.86	42.37	44.35	57.16	42.55	39.28
Asset Growth Rate (%)	9.96	59.15	27.86	7.48	19.76	10.01	-14.50

* End of year
** End of 2nd quarter

Overview

İHLAS HOLDİNG A.Ş. (hereinafter to be referred as İhlas Holding, Holding or Group), roots of which date back to the 1970s, is one of the highly effective entrepreneurial groups in the production-distribution-customer lines through its portfolio of 46 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 major qualifying shareholders of İhlas Holding is **Enver ÖREN, Ph.D.** and **A.Mücahid ÖREN** from the **Ören Family**, who currently own a total of 11.82% of the Group's shares, which began to be publicly traded on İMKB (ISE-Istanbul Stock Exchange) in 1994 and have a free float of 85.27% of its capital as at the end of June, 2012. The group companies İhlas Pazarlama A.Ş. and İhlas Ev Aletleri İmalat San.ve Tic.A.Ş. own 17.66% of the Holding's total capital.

The Group maintains its principal operations in Turkey with a staff force of 3,413 and has İHA (İhlas News Agency) offices in the Middle East countries.

Strengths

- A broad-based marketing network of widespread dealers and effective distribution gaining the Group with long-standing ability to enjoy the advantages of network externalities
- Remarkable asset growth rate during FY2011
- The capital injection during FY2011 improving funding structure and balancing the periodical losses
- Expected delivery of the finished residential units of some of the ongoing construction projects by the end of FY2012
- Upward trend in net working capital size in absolute terms
- 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
- Expected improvement of groupwide operational procedures and managerial reporting through initiation of IT projects

Constraints

- Deterioration in the financial expenses coverage ability due to the previous year's loss figure
- High level of doubtful receivables ratios
- Exposure to price volatility in the stock exchange and foreign exchange rates
- Absence of systems for corporate and comprehensive financial risk management and customer scoring
- Political turmoils in the neighboring countries
- Continuation of the soft-landing phase of the Turkish economy in the periods to come
- High level of off-balance sheet commitments and contingencies despite following a downward trend

Publication Date: September 12, 2012

"Global Knowledge supported by Local Experience"