

Corporate Governance  
Rating ReportThis Report has been prepared by JCR-ER in compliance to the regulations  
of Capital Market Board of TurkeyRevised Report  
Holding

<b>ihlas Holding</b>		<b>8.09</b> AA(Trk)/bbb (POSITIVE)
Corporate Governance Score & Outlook	Shareholders	8.01 AA(Trk)/bbb (Stable)
	Public Disclosure & Transparency	8.80 AAA(Trk)/a (Stable)
	Stakeholders	6.90 A(Trk)/ccc (Stable)
	Board of Directors	7.92 AA(Trk)/bb (Positive)

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Company Information	
Trade Name	IHLAS HOLDING A.Ş.
Address	Merkez Mah. 29 Ekim Cad. İhlas Plaza No:11 B/21, Yenibosna/Bahçelievler/İstanbul
Chairman	Mr. Enver ÖREN, Ph.D.
CEO	Mr. A.Mücahid ÖREN
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Corporate Governance	Mr. Orhan TANIŞMAN

## Strengths

- Successfully compliant with obligatory standards in the New Code
- Maintenance of its website as an effective transparency platform
- Strong staff commitment preserved
- Existence of functional audit and corporate governance committees
- Disclosure of trading activities by top management on the company shares

## Constraints

- Absence of female member in the Board
- The privilege on the B group shares to determine majority of board members
- Absence of any union organization among the employees
- Inadequate objective performance evaluation methods
- Non-disclosure of the top managers' remunerations per person
- Absence of a separate risk management department

IHLAS HOLDING 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 2<sup>nd</sup> quarter

## Overview

IHLAS HOLDING A.Ş. (Holding or Company) {credit ratings by JCR-ER on September 12, 2012: [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 46 companies (6 of them publicly traded including the Holding itself) 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 67.6% are publicly traded. The largest qualifying shareholders of İhlas Holding are Enver ÖREN, Ph.D. and A.Mücahid 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.

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