


## Corporate Governance Rating Report

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

## Non Financial

		<b>7.12</b> AA(Trk)/b (POSITIVE)
Corporate Governance Score & Outlook	Shareholders	<b>5.77</b> B(Trk)/c (Stable)
	Public Disclosure & Transparency	<b>8.11</b> AA(Trk)/bbb (Positive)
	Stakeholders	<b>6.63</b> A(Trk)/ccc (Positive)
	Board of Directors	<b>7.36</b> AA(Trk)/b (Positive)
Best Practices of Corporate Governance		Beyond 15%    Comparable 75%    Below 10%

İHLAS EV ALETLERİ İMALAT SAN.VE TİC.A.Ş.					
Financial Data	Sept.2010	2009*	2008*	2007*	2006*
Total Assets (000 USD)	199,826	191,994	118,340	98,651	44,331
Total Assets (000 TL)	288,429	289,085	178,965	114,898	62,312
Equity (000 TL)	226,306	232,485	111,928	84,004	33,977
Net Profit (000 TL)	3,433	-702	-23,996	5,702	1,205
Net Profit Margin (%)	4.61	-0.78	-31.11	8.00	1.68
ROAA (%)	1.48	0.84	-17.66	8.65	2.41
ROAE (%)	1.50	-0.41	-24.49	9.67	3.61
Equity/Assets (%)	78.46	80.42	62.54	73.11	54.53
Net Working Capital/T.Asset (%)	184.09	258.69	301.90	229.90	88.09
Leverage Ratio (%)	21.54	19.58	37.46	26.89	45.47
Asset Size Growth Rate (%)	-0.23	61.53	55.76	84.39	3.43

\*End of year

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### General Publicity

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (İhlas Ev Aletleri or Company) was incorporated on 05.12.1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. Şti.; henceforth its trade name was changed on the following dates, 02.05.1990, 30.07.1990, 21.01.1994 and its current trade name was registered on 05.07.1995. The Company manufactures cleaning robots, instant water heaters and reverse osmosis systems as well as manufactures plastic injection moulds belonging to manufactured products, all within a 21,000 square meter enclosed area with two separate buildings in the Beylikdüzü organized industrial zone. İhlas Ev Aletleri offers its products under the brands of Aura, Aura Cleanmax, Aura Roboclean, Aura Cebilon and İhlas via its group Company, İhlas Pazarlama A.Ş. with its wide spread dealership and marketing channels. The Company offers its products primarily to local markets but also exports to over 30 countries, including the European Union and Turkic Republics. The company ranked 222, rising 70 places at the end of 2009, while it has ranked 292 in 2008, on the list of Turkey's Second Biggest 500 Industrial Enterprises. The shares of Company have been publicly traded on the ISE National 100 Index since October 1th, 2007, and were listed on the ISE on 26.09.1996 with a Code of "İHEVA". As of FY2010, 82.15% of its shares (in terms of ultimate shareholding 96.72%) are publicly traded. As of FY2009, the Company's asset size and its sales reached TL 289mln and 90.7mln, respectively and its equity increased from TL 95.7mln to TL 191.4mln through a cash injection on July 14th, 2009.

### 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
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<b>Corporate Governance</b>	AHMET İMİR

### Strengths

- Having two independent members on the Board of Directors
- Having Corporate Governance and Audit Committees chaired by independent members of the Board
- Existence of a management very eager to progress in corporate governance field
- Having effective stakeholders relation unit
- Sufficient equity structure supporting and maintaining corporate governance level
- Strong staff commitment
- Tradition of collaboration by managers
- Tradition of solving any arising conflicts of interest issues through peaceful methods

### Constraints

- Majority of the shares are not equally represented on the Board of Directors and Board of Auditors as only A Group Shares (comprising 0.25% of the total shares) have a right to elect majority of the members of the Board of Directors and Auditors
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation
- Unequal opportunity for employment of women
- Non-disclosure of remuneration provided to senior management
- Low participations in annual general meetings
- Absence of any provision to invite stakeholders and media to general meetings
- Absence of a member in the Board to represent the stakeholders

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