

# 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>8,08</b> AA(Trk)/bbb (Positive)
Corporate Governance Score & Outlook	Shareholders	<b>8,08</b> AA(Trk)/bbb (Stable)
	Public Disclosure & Transparency	<b>8,11</b> AA(Trk)/bbb (Stable)
	Stakeholders	<b>7,56</b> AA(Trk)/bb (Positive)
	Board of Directors	<b>8,29</b> AA(Trk)/bbb (Positive)

**Analyst:**

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Company Information	
Trade Name	İHLAS EV ALETLERİ İMALAT SAN. VE TIC. A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/ İSTANBUL
Chairman	Mr. SEDAT KURUCAN
CEO	Assist. Prof. Dr. ÖMER KAMBER
Investor Relations	Phone: +90.212.875.35.62 yatirimci@iea.com.tr
Web	www.iea.com.tr
Corporate Governance	Mr. UGUR KURT

İhlas Ev Aletleri İmalat San. ve Tic A.Ş.					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	90.831	105.993	125.227	171.142	149.080
Total Assets (000 TRY)	264.100	245.786	267.272	304.223	281.598
Equity (000 TRY)	203.967	191.299	186.435	218.127	203.455
Net Profit (000 TRY)	12.457	11.329	-23.272	20.546	-26.172
Sales (000 TRY)	97.329	98.156	107.859	101.210	99.509
Net Profit Margin (%)	12,80	11,54	-21,58	20,30	-26,30
ROAA (%)	4,28	5,27	-9,98	9,05	-11,52
ROAE (%)	5,52	7,16	-14,09	12,58	-14,85
Equity / Total Assets (%)	77,23	77,83	69,75	71,70	72,25
Net Working Capital / T. Assets (%)	60,10	57,61	36,27	43,03	31,64
Debt Ratio (%)	22,77	22,17	30,25	28,30	27,75
Asset Growth Rate (%)	7,45	-8,04	-12,15	8,03	0,88

\*End of year

**Overview**

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (IHEVA 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 12,900 m2 within the Beylikdüzü organized industrial zone. Products are sold on the domestic market through İhlas Pazarlama A.Ş.'s widespread distribution channels and are exported to over 30 countries, including those of the European Union and Turkic Republics.

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 IHEVA since September 26, 1996 and are included in the BIST 100 Index. 77,97% of shares are publicly traded as of July 2016. The Company's equity stood at TL204 mn, and asset size and sales reached TL264 mn and TL97mn as of December 31, 2015, respectively.

The Board of Directors is composed of 7 members, 3 of which are independent, five members are non-executive. Additionally, Audit, Corporate Governance and Risk Committees have been established within the Board and are chaired by independent board members.

**Strengths**

- Carrying out effective activities by the Investor Relations Department
- A female member existing in the Board
- An effective transparency platform in Turkish through the Company's website
- Continuation of a strong staff commitment
- Increase in the environmental protection activities

**Constraints**

- The vote of privileged shareholders in determining the Board of Directors
- Absence of regulations in the articles of incorporation for the invitation of stakeholders and the media to the General Meeting
- Absence of any union organization among the employees
- No liability insurance for board members and top managers

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