

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

		8,20 AA(Trk)/bbb (Stable)
Corporate Governance Score & Outlook	Shareholders	8,08 AA(Trk)/bbb (Stable)
	Public Disclosure & Transparency	8,11 AA(Trk)/bbb (Stable)
	Stakeholders	8,06 AA(Trk)/bbb (Stable)
	Board of Directors	8,42 AA(Trk)/bbb (Stable)

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	72,959	90,831	105,993	125,227	171,142
Total Assets (000 TRY)	256,756	256,592	245,786	267,272	304,223
Equity (000 TRY)	185,498	203,967	191,299	186,435	218,127
Net Profit (000 TRY)	-720	12,477	11,329	-23,272	20,546
Sales (000 TRY)	108,725	116,627	98,497	108,097	101,540
Net Profit Margin (%)	-0.67	12.80	11.54	-21.58	20.30
ROAA (%)	0.17	4.28	5.27	-9.98	9.05
ROAE (%)	0.22	5.52	7.16	-14.09	12.58
Equity / Total Assets (%)	72.25	77.23	77.83	69.75	71.70
Net Working Capital / T. Assets (%)	55.54	60.10	57.61	36.27	43.03
Debt Ratio (%)	27.75	22.77	22.17	30.25	28.30
Asset Growth Rate (%)	-2.78	7.45	-8.04	-12.15	8.03

Analyst:

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*End of year

Overview

Company Information	
Trade Name	İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/ İSTANBUL
Chairman	Mr. SEDAT KURUCAN
CEO	Mr. 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 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 50 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 BIST 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 2017. The Company's equity stood at TL186 mn, and asset size and sales reached TL257 mn and TL109mn as of December 31, 2016, 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

- Comfortable, safe and healthy working environment
- A female member existing in the Board
- An effective transparency platform in Turkish through the Company's website
- Innovative and technological research and development center
- 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
- No liability insurance for board members and top managers

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