

Corporate Governance Rating Report

Revised Report HOLDING

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

		8,05 AA(Trk)/bbb (Positive)
		7,80 AA(Trk)/bb (Stable)
Corporate Governance Score & Outlook	Shareholders	8,29 AA(Trk)/bbb (Stable)
	Public Disclosure & Transparency	7,54 AA(Trk)/bb (Positive)
	Stakeholders	8,26 AA(Trk)/bbb (Positive)
	Board of Directors	

Ihlas Holding A.Ş.					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	965.034	1.147.900	1.266.554	1.402.363	1.202.221
Total Assets (000 TRY)	2.805.934	2.661.866	2.703.205	2.492.840	2.270.874
Equity (000 TRY)	740.743	791.362	821.391	1.070.140	1.115.982
Net Profit (000 TRY)	-83.539	-88.381	-229.839	-53.811	-85.377
Sales (000 TRY)	408.910	841.497	1.015.540	651.898	656.864
Net Profit Margin (%)	-20,43	-10,50	-22,63	-8,25	-13,00
ROAA (%)	-3,31	-2,95	-7,36	-1,63	-6,58
ROAE (%)	-11,81	-9,81	-20,21	-3,56	-12,55
Equity / Total Assets (%)	26,40	29,73	30,39	42,93	49,14
Net Working Capital / T. Assets (%)	30,15	38,67	23,71	36,79	38,62
Debt Ratio (%)	73,60	70,27	69,61	57,07	50,86
Asset Growth Rate (%)	5,41	-1,53	8,44	9,77	59,15

*End of year

Overview

IHLAS HOLDING A.Ş. (Holding or Company) 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 33 companies (5 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 86,38% are publicly traded. The largest qualifying shareholders of Ihlas Holding are **Mr. A. Mücahit ÖREN** and **Ms. Ayşe Dilvin ÖREN**, who currently owns 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, Corporate Governance and Risk Committees composed of independent members exist within the Board.

Analyst:
Ceyhun KIR/ +90 212 352 56 73
ceyhunk@jcrer.com.tr

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. A.Mücahid ÖREN
CEO	Mr. Cahit PAKSOY
Investor Relations	Phone: +90 (212) 454 24 28 yatirimci@ihlas.com.tr
Web	http://www.ihlas.com.tr/
Corporate Governance	Ms. Alev VOLKAN

Strengths

- Notable progress in the field of sustainability
- Maintenance of its website as an effective transparency platform
- Strong staff commitment preserved
- Disclosure of trading activities by top management on the company shares

Constraints

- Absence of female member in the Board and top management
- The privilege on the B group shares to determine majority of board members
- Absence of any union organization among the employees
- Absence the objective performance evaluation methods
- No liability insurance for board members and top managers

Publication Date: July 27, 2016

"Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İST Tel: +90.212.352.56.73 Fax: +90 (212) 352.56.75
 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. <http://www.jcrer.com.tr>