



**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

| | | |
|---|----------------------------------|--|
| | | 8,15 AA(Trk)/bbb (Positive) |
| Corporate Governance Score & Outlook | Shareholders | 7,80 AA(Trk)/bb (Stable) |
| | Public Disclosure & Transparency | 8,29 AA(Trk)/bbb (Stable) |
| | Stakeholders | 7,84 AA(Trk)/bb (Positive) |
| | Board of Directors | 8,42 AA(Trk)/bbb (Stable) |

| İHLAS HOLDİNG A.Ş | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Financial Data | 2016* | 2015* | 2014* | 2013* | 2012* |
| Total Assets (000 USD) | 706,233 | 965,034 | 1,147,900 | 1,266,554 | 1,402,363 |
| Total Assets (000 TRY) | 2,485,376 | 2,805,934 | 2,661,866 | 2,703,205 | 2,492,840 |
| Equity (000 TRY) | 788,461 | 740,743 | 791,362 | 821,391 | 1,070,140 |
| Net Profit (000 TRY) | 63,088 | -83,539 | -88,381 | -229,839 | -53,811 |
| Sales (000 TRY) | 1,082,076 | 408,910 | 841,497 | 1,015,540 | 651,898 |
| Net Profit Margin (%) | 5.84 | -20.43 | -10.50 | -22.63 | -8.25 |
| ROAA (%) | 3.32 | -3.31 | -2.95 | -7.36 | -1.63 |
| ROAE (%) | 11.47 | -11.81 | -9.81 | -20.21 | -3.56 |
| Equity / Total Assets (%) | 31.72 | 26.40 | 29.73 | 30.39 | 42.93 |
| Net Working Capital / T. Assets (%) | 23.64 | 30.15 | 38.67 | 23.71 | 36.79 |
| Debt Ratio (%) | 68.28 | 73.60 | 70.27 | 69.61 | 57.07 |
| Asset Growth Rate (%) | -11.42 | 5.41 | -1.53 | 8.44 | 9.77 |

Analyst:

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| Company Information | |
|----------------------|--|
| Trade Name | İHLAS HOLDİNG A.Ş. |
| Address | Merkez Mah. 29 Ekim Cad. İhlas Plaza No:11 B/21, Yenibosna/Bahçelievler/İstanbul |
| Chairman | Mr. A. Mücahid ÖREN |
| CEO | Mr. A. Mücahid ÖREN |
| Investor Relations | Phone: +90 (212) 454 24 28 yatirimci@ihlas.com.tr |
| Web | http://www.ihlas.com.tr/ |
| Corporate Governance | Ms. Alev VOLKAN |

*End of year

Overview

İHLAS HOLDİNG 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 trading on BİST (Borsa İstanbul) through an IPO in 1994. As a managing company of a conglomerate of 34 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 milyon, shares representing 86,37% are publicly traded. The largest qualifying shareholders of İhlas Holding are Mr. A. Mücahid 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. 4 members execute managerial functions while the other 7 are non-executives. Audit, Corporate Governance and Risk Committees composed of independent members exist within the Board.

Strengths

- Notable progress in the field of sustainability
- Considerable investments to digitizing the management process
- 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
- No liability insurance for board members and top managers

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